

# **CHILDREN OF THE PANDEMIC**

## **POLICIES NEEDED TO SUPPORT CHILDREN DURING THE COVID-19 CRISIS**

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<http://www.ippr.org/research/publications/children-of-the-pandemic>

### **SUMMARY**

The Covid-19 crisis is asking a great deal of the nation's children, as well as their parents, carers and wider families. Schools and childcare facilities have closed, exams are on hold, and normal social activities are confined to online interactions. In short, for a generation of children, a normal childhood is out of reach for the foreseeable future.

As our economy is grinding to a near halt, this crisis has exposed schools and childcare as the vital social infrastructure that they are. Without them, large parts of our economy cannot function, and parents cannot go to work.

This childcare crisis will affect men and women differently. The vast majority of lone parents in the UK are women, and women in two-parent families are more likely to be the second earner. Without further action from government to protect parents in work, this crisis could see women lose significant portions of their income or be pushed out of the labour market altogether as families are faced with impossible choices in trying to balance work with full-time caring responsibilities. This could result in lasting damage to hard-won progress towards gender parity in the world of work.

Children are adapting to this situation and are doing so for the health and safety of their grandparents, relatives and the wider community. However, the role of government is to ensure that they and their families are not at greater financial risk for doing so, and that existing inequalities in children's physical and mental health, educational attainment or living conditions do not grow as a result of the crisis.

No child should struggle to eat or live healthily and learn to their full potential because of the Covid-19 crisis. With the number of children living in poverty

already set to increase to five million in 2020,<sup>1</sup> this could be a time of increased fear, hardship and disruption for many. To prevent this, steps need to be taken quickly and urgently to **strengthen our social safety net** and **allow access to essentials like outdoor space and digital access**. We argue that while the government has taken strong actions to support firms and some workers, further measures are needed in support of children and their families:

- Access to the government's **Coronavirus Job Retention Scheme needs to widen to parents** (and others with full-time caring responsibilities) who need to look after children because schools and childcare settings have closed. Forms of paid leave for parents are available to parents in other countries facing restrictions, including **France, Italy and the US**.
- The government should take action now to prevent increases in child poverty and further reduce economic insecurity. It should **increase the child element of universal credit** and child tax credit by £10 a week, which should be done alongside **removing the two-child limit and the benefit cap**. We estimate that the average low-income family would benefit £1,400 per annum from these changes.
- All families face additional costs as a result of caring for, educating and entertaining children at home. Many urgently require financial support in the coming days and weeks. We therefore recommend that the government introduces an **emergency one-off payment of £30 through child benefit and an ongoing increase of £5 per week for the duration of crisis**.
- Children living in mobile-only households or those without internet connection are at **a clear educational disadvantage**. To resolve this, the Department for Education (DfE) should work with schools and telecommunications technology providers to get **broadband installed and devices loaned or donated** to those children without them.
- Local authorities should consider **encouraging owners of private green spaces** to offer **open access** for the duration of the crisis and maintaining access to public parks **for children living in a home or flat without a garden** in the event of further restrictions, to allow outdoor exercise and support wellbeing.

## INTRODUCTION

A number of rapid social and economic shifts have taken place since the beginning of the Covid-19 crisis which all have important implications for children. While many aspects of this crisis will have an impact on children, we argue that government must pay greater attention to the shifts below.

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<sup>1</sup> <https://www.ifs.org.uk/publications/10029>

## **Growing economic insecurity and risk of a rise in child poverty**

All families are affected in some way by the crisis. Even for those whose jobs or livelihoods are not at risk, the pressures created by the closure of schools and childcare settings are significant. An estimated 3.9 million parents may have to stop or reduce work to care for children who are no longer at school.<sup>23</sup> While children on free school meals will continue to receive support in-kind, all parents face extra costs including for helping to educate and entertain their children at home.

Within the overall population, a number of groups of children will be particularly hard hit by the crisis. Firstly, those living in families where parents' employment is directly affected. The government has provided economic security for PAYE employees by introducing the Coronavirus Job Retention scheme to guarantee up to 80 per cent of employees' wages if they are furloughed by their employer.

Approximately 2 million children living in a family where at least one parent is self-employed. The chancellor has announced a package of measures for the self-employed, providing them with 80 per cent of their past income, up to £2,500 per month. Both schemes will inevitably take time to establish, even if support is backdated to the beginning of the crisis.

But even once these schemes are up and running, they may yet prove insufficient for low-income families. There are 3 million children living in poverty despite their parents being in work. The 20 per cent pay cut implied by the Job Retention Scheme could still make it very difficult to make ends meet for these families.

Many children will be living in families where parents are newly unemployed, implying that they will be reliant on universal credit (UC). There were over half a million new claims for UC in mid-March this year, and more are at risk of losing their jobs, despite the government's efforts. Whilst the government has increased the UC standard allowance, working age benefits are still at their lowest level relative to average wages in several decades.<sup>4</sup> Many families among the new UC claimants are likely to experience a significant drop in income. Rising unemployment more generally risks a higher incidence of indebtedness, destitution and child poverty.

### **Closure of schools and childcare settings**

The education of children and young people has been curtailed, with widespread disruption to exams and learning. For parents and carers across the UK, this pandemic has sparked a care crisis. Parents with school and pre-school-age children are facing the closure of formal care services in schools and childcare

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<sup>2</sup> <https://www.resolutionfoundation.org/publications/next-steps-to-support-family-incomes-in-the-face-of-the-coronavirus-crisis/>

<sup>3</sup> <https://www.resolutionfoundation.org/press-releases/government-sets-out-unprecedented-but-essential-pledges-to-underwrite-wages-and-strengthen-the-safety-net/>

<sup>4</sup> <https://www.ippr.org/research/publications/social-insecurity>

providers, while access to informal care networks of grandparents, wider family and friends has been abruptly cut off.

This means that millions of parents are now juggling work and care. Parents can legally ask time off work to care for children, but this leave is unpaid, and therefore unlikely to be feasible or sustainable for the majority of working parents. For lone parents relying on one income and without a second adult to balance caring responsibilities with, there is even greater pressure.

For the 78,000 looked-after children and young people in the UK,<sup>5</sup> this period brings fresh uncertainty, for example if foster or 'kinship' carers or staff at children's homes become ill. This context will also bring significant new challenges for the 1.3 million children who have special educational needs or a disability (SEND),<sup>6</sup> as well as for their families and carers, as the respite care and facilities they depend on are unavailable.

The closure of schools and childcare settings also risks widening existing inequalities in educational outcomes. The shift to online schooling across many schools will have significant implications for all school-age children, but particularly for those in low-income households.

An estimated 1 million children and their families do not have adequate access to a device or connectivity at home. And while figures are unavailable for those under-16, more than a third (36 per cent) of 16-24 year olds live in mobile-only households.<sup>7</sup> Many children rely on internet access at school, in libraries or restaurants and cafes which are all closed for the duration of the crisis. A recent survey from Teach First has shown that only 2 per cent of teachers working in the most disadvantaged schools believe their pupils have adequate access to online learning.<sup>8</sup>

A number of studies show that those children and young people without home internet access are at an educational disadvantage.<sup>9</sup> With many schools shifting to online learning, those children without online access are therefore at risk of falling behind. Digital access is important for wellbeing and mental health also, as the need for physical isolation pushes social activities online.

### **The restrictions on outdoor activities**

The government has advised that people can go for a walk or exercise outdoors once a day if they practice 'social distancing' - staying more than two metres apart from others. This guidance will be challenging for us all to follow, but for

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<sup>5</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/850306/Children\\_looked\\_after\\_in\\_England\\_2019\\_Text.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/850306/Children_looked_after_in_England_2019_Text.pdf)

<sup>6</sup> <https://www.gov.uk/government/statistics/special-educational-needs-in-england-january-2019>

<sup>7</sup> [https://www.ofcom.org.uk/data/assets/pdf\\_file/0018/132912/Access-and-Inclusion-report-2018.pdf](https://www.ofcom.org.uk/data/assets/pdf_file/0018/132912/Access-and-Inclusion-report-2018.pdf)

<sup>8</sup> <https://www.teachfirst.org.uk/press-release/only-2-teachers-working-most-disadvantaged-communities-believe-all-their-pupils-have>

<sup>9</sup> [https://dera.ioe.ac.uk/10491/3/A9RF934\\_Redacted.pdf](https://dera.ioe.ac.uk/10491/3/A9RF934_Redacted.pdf)

those children and young people without direct access to a garden, or local green spaces, it will be particularly hard.

There are important physical and mental health reasons why access to outdoor spaces is important for children. An estimated 28 per cent of children aged two to 15 are overweight or obese.<sup>10</sup> Children aged five and from the poorest income groups are twice as likely to be obese compared to their most well-off counterparts, and by age 11 they are three times as likely.<sup>11</sup> While children can exercise indoors, evidence shows that exercise outside brings additional benefits to mental wellbeing that are not seen with similar levels of indoor physical activity.<sup>12</sup> Local parks account for 90 per cent of all green spaces used by people and the majority can visit on foot.<sup>13</sup> As such these will be particularly important for those children without a garden.

While many impacts of the coronavirus crisis are outside of the government's control, there are steps it can take to address the challenges for children and their families addressed above. We identify three priorities for this: increasing financial security to reduce economic insecurity and prevent a rise in child poverty; improving digital access and ensuring access to outdoor space.

## KEY PROPOSALS

### Priority 1: Financial security

#### **Introduce paid leave for parents**

Caring for children should be recognised for what it is: a full-time occupation. For many parents therefore it may not be possible or desirable to combine this with paid employment. In many cases, a satisfactory flexible working arrangement will be able to be agreed with an employer, but other options are needed if this is not possible or an employer fails to agree. Forms of paid leave for parents are available to parents in other countries facing restrictions, including France, Italy and in the US.

The government's Coronavirus Job Retention Scheme guarantees employees who have been 'furloughed' by their employer 80 per cent of their wages up to a ceiling of £2500 a month. While initial indications were that this would include the offer of paid leave for parents, recent guidance from HM Treasury suggests parents are not one of the groups that can access the scheme.<sup>14</sup>

This means that up to 3.5 million parent employees affected by school closures will not be covered by the scheme if they have to take time out of work or reduce their working hours. Even if parents looking to take paid leave were eligible for the scheme, the onus is currently on the employer to furlough their

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<sup>10</sup> <https://files.digital.nhs.uk/pdf/s/q/hse2016-summary.pdf#page=8>

<sup>11</sup> <https://publications.parliament.uk/pa/cm201719/cmselect/cmhealth/882/882.pdf>

<sup>12</sup> <https://www.ncbi.nlm.nih.gov/pubmed/21291246>

<sup>13</sup> <https://www.designcouncil.org.uk/sites/default/files/asset/document/community-green-full-report.pdf>

<sup>14</sup> <https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme>

employee. As such it is unclear what rights the employee would have in relation to requesting this option.

**Recommendation: The government should ensure those with full-time caring responsibilities, including parents, can access paid leave through the Coronavirus Job Retention Scheme. It should also introduce a statutory 'right to request' for the 80 per cent wage subsidy up to £2500 a month. This should be accompanied by a clear 'right to return', ensuring they can return to their job without the risk of employer discrimination.**

The drawback with this option, however, is that the incentive will be for the primary carer or partner who earns less to take up the option, which could exacerbate the gender caring divide. Even if this is for no longer than six months, there are risks to an employee who is furloughed of growing detachment from the workplace and a higher chance of employer discrimination pending their return to work. It would therefore be preferable for the option to be available for an employee to reduce their hours or to share paid leave with a partner.

Accordingly, there are growing calls for the Coronavirus Job Retention Scheme to be extended to those working reduced hours as a result of the crisis, including because they have caring responsibilities.<sup>15</sup> This would give parents the option of reducing their hours, rather than stopping work completely and potentially of sharing paid leave with a partner. Without this, a disproportionately high number of women could be 'fully furloughed' to care, with men working full-time.

### **Reduce economic insecurity and limit increases in child poverty**

The government has acknowledged that its new schemes for employees and the self-employed will not cover everyone affected by job loss or a loss of income as a result of the crisis. And with 500,000 new claims in recent weeks already, shoring up UC to help avoid increases in child poverty and economic insecurity must now be an urgent priority for government.

The government has boosted UC with an increase to the standard allowance (the basic payment for all who receive the benefit) of £1,000 a year for the next 12 months. However, even with this change, the average UC award will be far behind the minimum income standard (MIS), the level of income needed to buy things that members of the public think that everyone in the UK should be able to afford.

Of the numerous reforms made to UC as part of the austerity drive in 2015, the two-child limit is perhaps the most damaging for children and families in restricting financial support for families with children to the first two children. Along with this is the benefit cap also introduced in 2015, which can leave poorer families with mounting debt.

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<sup>15</sup> <https://www.resolutionfoundation.org/app/uploads/2020/03/Coronavirus-next-steps-for-low-income-families-spotlight-FINAL2.pdf>

**Recommendation: the government should invest further in universal credit by increasing the child element of UC and child tax credit by £520 annually per child, alongside removing the two-child limit and the benefit cap. We estimate that the average household with children, claiming UC or child tax credit, would benefit by £1,400 per annum from these changes alone.**

**The UC advance should be turned into a grant and debt deductions suspended for the duration of the crisis, as previously recommended by IPPR. The government should also further raise the standard allowance to £472 per month, taking it to just under one third of the minimum income standard (MIS).**

Means-testing within UC means that it will still exclude a significant number of families whose incomes are immediately affected by this crisis. One option for this is to remove the capital test on savings, which would also bring UC further line with the tax credits system. However, this and other changes are unlikely to happen as urgently or efficiently as needed; whilst all families all families face additional costs associated with caring for and educating children at home.

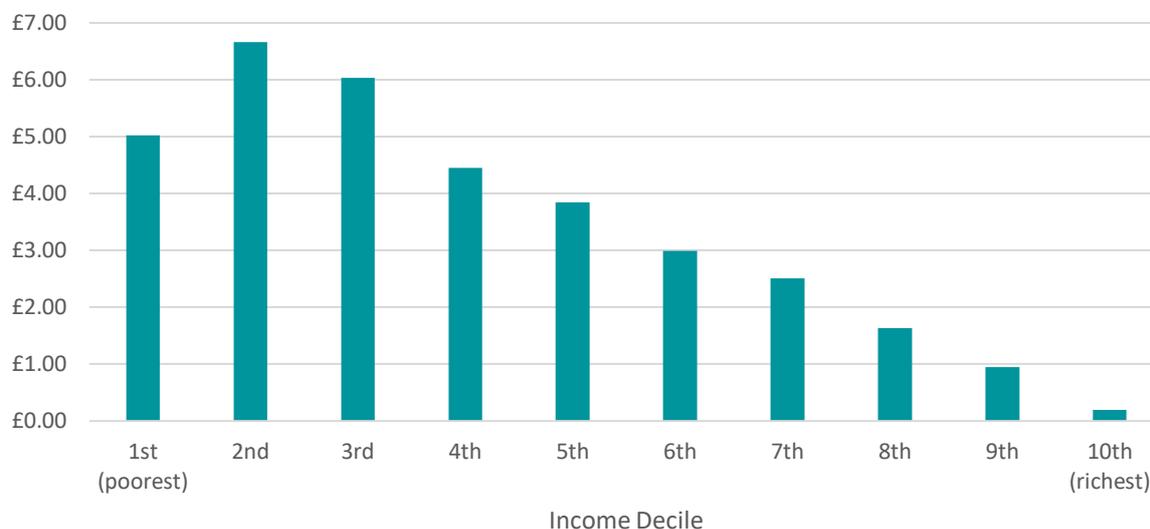
Child benefit is a universal benefit (though taxed for families with one or more higher earners) which provides a reliable source of income for families up and down the country. The payment reaches 12.7 million children. Increasing child benefit would help meet urgent need among those parents not covered by the announced schemes, or working reduced hours. It could use an existing system to put cash directly in the pockets of any family losing income and would help meet additional costs faced by all parents as a result of the crisis.

Figure 1 shows that bottom 30 per cent of households – those under particular financial stress in the current crisis – would be the ones to benefit the most from this increase.

**Recommendation: The government should introduce a one-off child benefit emergency payment of £30 and increase child benefit by £20 a month (£5 per week per child) for the duration of the crisis. Our modelling shows that this would focus financial assistance on lower income groups, with a one-off cost for the emergency payment of an estimated £300 million and ongoing costs per quarter of an estimated £600 million.**

## Figure 1: Low-income households would benefit the most from an increase in child benefit

Changes in weekly average equivalised household income due to an approximate £20 monthly increase in child benefit



**Source: IPPR analysis using IPPR tax-benefit model and Family Resources Survey 2017/18.**

A final option the government could consider to ease the pressure on those living in in-work poverty who make use of the government's Coronavirus Job Retention Scheme is to cover up to 100 per cent of salary costs for low-income families, rather than 80 per cent. When HMRC calculates the level of payment due through this scheme, it could incorporate a minimum floor value for parents with children, for example ensuring full-time workers' income is always at least equivalent to 35 hours at the national minimum wage.

## Priority 2: Digital access

Access to learning during this unprecedented period of school closures should be available to every child, no matter the resources of the family. The current crisis risks existing gaps in educational attainment widening. Access to digital devices will also be important for connecting with wider online activities, including exercise, hobbies and communication with friends and relatives which will help provide meaning and social contact for children at this difficult time.

**Recommendations: The government has recently secured a deal with telecommunications providers to scrap data allowances so that people can stay connected during the crisis. Government should go a step further and work with these providers and schools to identify children in mobile-only homes or without any current internet access, to ensure**

**that they can have broadband installed to take advantage of low or zero rates.<sup>16</sup>**

**For children (including children in care) who do not have adequate devices at home for online schooling, government should work with schools and technology companies to see if devices can be donated by these companies or whether they can be loaned by their school. Where neither of these options is possible funding should be made available for this through a new Digital Education Access fund.**

### **Priority 3: Access to outdoor space**

While it is possible for children to exercise indoors for the duration of the crisis, there are clear mental health benefits associated with outdoor exercise and access to green spaces. Under the current restrictions, children are currently permitted to visit these spaces once a day with members of their household, providing social distancing measures are properly respected.

While some children will have access to these spaces, current and further restrictions will be particularly strongly felt by children without access to a park or a garden to play in. This is a particular risk in densely populated and deprived areas where children are three times more likely to be obese.

**Recommendation: Local authorities should encourage owners of private green spaces to offer open access for the duration of the crisis, particularly in urban or densely populated areas, to help reduce numbers using public parks and green spaces.**

**If further restrictions on time for exercise or to parks and outdoor spaces are introduced, local authorities should consider maintaining access to parks for those children who are living in a home or flat without a garden or in densely populated areas. This could be done by relying on an honesty system, rather than by enforcement, as is currently the case with instructions to exercise once a day.**

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<sup>16</sup> <https://www.theguardian.com/world/2020/mar/29/broadband-providers-to-lift-data-caps-during-covid-19-lockdown>

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