

THE TURN2US COVID-19 IMPACT REPORT

(April 2020 - March 2021)



TURN2US
FIGHTING UK POVERTY

WELCOME TO OUR COVID-19 IMPACT REPORT

The last year has been different for all of us and most of us will have found it challenging. But, while some of us have contributed to accumulative excess savings of around £192 billion*, many of us have faced financial hardship, debt or not enough income to put food on the table.

Sally O'Sullivan,
Chair of Trustees



Thomas Lawson,
Chief Executive

Most of us in the UK have never before experienced an event of such magnitude and the unrivalled economic implications and uncertainties that came with it.

People's lives have been turned upside down. Of course, on some level it affects us all, but we know only too well that although we may be weathering the same storm, we are not all in the same boat. Some of us have been fortunate enough to keep our jobs and livelihoods, and have stayed afloat. While for one in three of us, the financial consequences will have been so great, sending us spiraling into debt, that it may take years to recover to a place of financial security and confidence.

Early last year we launched our new strategy and purpose. It was the strength of the team, our history of expertise and this purpose that meant we could act swiftly when the events of March started to crash over us. When the country went into national lockdown, and thousands of people lost their incomes overnight, we knew we had to mobilise a crisis response and get money into people's pockets; fast. We recognised a need to capture enough relevant and specific data and insight in order to give us a thorough understanding of the issues people are facing and how we can improve our work and impact to support them.



“When the country went into national lockdown, and thousands of people lost their incomes overnight, we knew we had to mobilise a crisis response and get money into people's pockets; fast.”

This impact report will walk you through our journey and, just as importantly, the journey many people had to travel to navigate their way through uncharted territory. It will amplify the voices of those of us who were plunged into poverty and put a spotlight on the most adversely affected among us; hearing from Blair, Ryan and Yasmin about how Covid destroyed their livelihoods. It will show you how we allocated our resources during the course of the first six months of the pandemic and what this has meant for so many throughout the country.

Our numbers – in terms of people helped, grants awarded, and support given – we hope will speak for themselves. But we would add a measure of caution when looking at this as an indicator of how we have helped people to stay afloat because numbers are not in themselves enough to truly measure the impact on people's lives. To this end, we have worked closely with our service users and lived expert partners to do just that. In their own words, they will give you first hand accounts of the events that led them to us. The very real and often devastating effect of the coronavirus pandemic and other life-changing events has had on them and their loved ones.

We've also included an analysis and overview of our data and how this translates into insight to inform our future work moving forward.

We want to make sure we learn as much as possible about the causes and consequences of life-changing events that lead to financial shocks.

By doing this, we can continue to work with people to design services to support their needs so they can not just keep their heads above water, but also have a life in which they can thrive without the worry about whether or not they can afford to put food on their tables.

I hope you find this report thought-provoking and can see the tangible difference that you, our partners, have enabled us to make to people's lives.

While we hope you agree that it is reassuring to know our work is helping so many, we also know that now is no time for complacency. There is much more evidence gathering and campaigning to be done to ensure an adequate response to ever growing needs and to make sure we can redesign an economy that is fit for purpose for all of our communities. One that offers people the help they need, when they need it, eventually removing the need for charities like ours. Ultimately, that's the impact we all want to see.

**Yours sincerely,
Sally O'Sullivan, Chair of Trustees and
Thomas Lawson, Chief Executive**

OUR RESPONSE TO COVID-19

The 2020 Covid-19 pandemic has had profound effects on the UK economy and caused many people to experience severe disruption to their employment and personal finances. Since March 2020, 11.4 million people have been placed on furlough, 2.2 million more people are now claiming Universal Credit due to the pandemic and 693,000 people have been made redundant.

While certain groups have seen their income and livelihoods particularly affected - including women, single parents, younger people and people from minoritised backgrounds - the effects of the pandemic have been felt throughout UK society. This report tries to highlight this inequality, while demonstrating the impact we've had on people's lives.

WHAT WE DID BETWEEN APRIL 2020 AND MARCH 2021:



¹In the same period, 3.7 million people have made a claim for Universal Credit (DWP)

Justine Sserwadda



GRANT RECIPIENT

Earlier this year all film industry production stopped and so I have no work. I own a small limited company and so paid myself a low wage and the rest in dividends. Only recently was I able to negotiate with HM Revenue and Customs (HMRC) to go on furlough at £570 a month. That amount of money is not enough for me and my husband to live on, so I had to apply for a bounce-back loan to keep the business afloat.

My husband is seriously ill with an autoimmune disease, so he has to take lots of expensive medication. Our creditors were all very understanding - except our landlord who forced us out of our accommodation under Section 21. Thankfully I had a small private workspace so we've moved into this temporarily.

Because I'm ineligible for support, in order to get by, I have had to max out two credit cards and I have months of deferred rent payments mounting up.



BLAIR BARNETTE



I now owe a debt of over **£24,000** despite starting 2020 with no debt at all.

HOW HAVE WE DONE THIS?

Aneita Lewis and
her daughter

As the country went into lockdown, we launched an emergency crisis appeal, in association with The Telegraph, to help people facing financial devastation due to the coronavirus pandemic. With this, and the overwhelming support we received from corporate supporters, major donors and individuals, we raised over £2.3 million.

We decided early on that we needed to distribute as many crisis grants as possible to those feeling the immediate impact of the pandemic; as well as ensuring services like our helpline and online tools could cope with the increasing demand. Around £1.7 million of the money raised has already been spent, with the remainder allocated to future work. This is because we recognise that the effects of this pandemic will be felt long after the health crisis is over and so we have made a commitment to invest in our Grants Search tool to get people access to more funds; and to develop our grant making for those who are disproportionately affected.

An immediate response to Covid-19:

So far, money raised through the appeal enabled us to provide £1.3 million in crisis grants over a ten-week period, from April to July. This fund gave immediate support to people who were unable to work and who need money to pay bills or make essential purchases; as well as helping us expand our online and helpline services for the increasing number of people who needed them.

Coping with a surge in demand:

We also invested a further £360,000 into our online services and grant making. This was done to ensure that they could cope with the huge spike in demand for information on benefits and charitable grants in the immediate aftermath of the first lockdown.

Demand for our Benefits Calculator increased by 230% in March and April 2020, compared to the same period in the previous year, which required investment in our website capacity. In line with this, we expanded the operating hours of our helpline so more people, especially those with limited or no digital capability or resources, could get access to the information they needed.

New Contact Centre and Benefits Calculator relaunch:

We redeveloped the Benefits Calculator to ensure it covered new benefit updates as a result of the government's schemes and launched a new Contact Centre to support people who are digitally excluded. Both services were redesigned with co-production partners so they are easier to use and more effective at helping people get the financial support they need, when they need it.



“We couldn't qualify for a mortgage repayment holiday. With our savings gone, I was petrified about the situation escalating and us possibly losing our home. When I saw the Turn2us grant I was sceptical but applied and received the £500 award within a week to 10 days. It was a lifesaver”.

Turn2us grant recipient

Partnership working:

We have continued to build partnerships and strengthen existing relationships with a wide range of other charities and organisations. This approach is integral to our commitment to work with others, so together we can better support people financially impacted by Covid and bring about the systemic change they need. This includes:

- The FIND project: We are working with Buttle, New Philanthropy Capital (NPC) and a growing list of organisations to collect and share data and insights on financial hardship. A collective approach to data, insight and evidence is helping us to prioritise the needs of people and communities who are most in need. We are also collaborating with others on these insights and learning to inform policy and programmes. Our collective databank is publicly available and early analysis from the partnership has also been published.
- Policy driving research: During the summer of 2020, we formed a partnership with the Bennett Institute of Public Policy at the University of Cambridge so we could understand better the impact of the pandemic, looking at both recovery and the longer term challenges. The project involves analysis of anonymised data from our Benefits Calculator tool. It will explore drivers of inequality in incomes, access to assets and well-being and will analyse policy implications. This will cover both post-pandemic recovery and longer-term challenges.

Co-production at our core:

The role of co-production within Turn2us has been at the forefront of our response to the pandemic, ensuring people with experience of financial hardship are the ones designing the solutions they need. We have worked closely with lived expert partners on a number of critical projects. This includes the co-production of our latest research on the impact of Covid on financial resilience. In addition to this, a team of five External Affairs lived expert partners now work with us on designing our media and campaigns, meeting regularly as a team and taking part in workshops and key projects.

THE IMPACT WE HAVE HAD



78%

of grant recipients felt the grant prevented a financial crisis.

86%

of grant recipients felt that the grant provided them with short-term financial stability.



224K

people successfully claimed a new benefit after using Turn2us services between April 2020 and March 2021. That's 610 people per day.

WHAT HAVE WE LEARNED ABOUT THE FINANCIAL IMPACT OF COVID?

Throughout the course of the pandemic, we have conducted **our own research** in order to understand the financial impact. This insight provides invaluable learnings as we continue to respond to changing needs and plan and target our services better. Amongst the learnings, we now know:

- When comparing people's financial resilience in September 2020 to that of March 2020, there has been a sharp and unprecedented rise in the number of people who are frequently running out of money before they are paid again.
- More than one in five of us (11 million people) are now running out of money 'always' or 'most of the time' before the end of the week or month. This means **an additional 4.2 million are now frequently running out of money**, compared to the start of March.
- The financial resilience of people who are working has seen the most dramatic deterioration, since March, **with employees now twice as likely to frequently run out of money** as they were pre-Covid.
- Self-employed workers are now **2.5 times more likely to frequently run out of money** as they were before Covid.
- A quarter of people who are working are currently running out of money 'always' or 'most of the time'. That means that more than **8 million people in employment are now frequently running out of money** each week or month.²
- More than **8 million workers are also currently only able to cope financially for less than a month** if they lost their main source of income. This means they could not last for the duration of the five-week wait for a first payment of Universal Credit if they needed to apply.
- In addition, **almost 18 million people (34%) have had to use some form of debt to get by since March 2020**, with 6.4 million (12%) people using multiple forms of debt. Additionally, 6.4 million people (12%) have resorted to missing a bill or debt repayment since March. Half of all people furloughed since March have had to use forms of debt, compared to just 23% of people who have seen no change to the employment.



YASMIN, GRANT RECIPIENT

We were on the verge of losing everything. The coronavirus pandemic had taken a huge toll on our family's financial, emotional and physical health.

I am a carer for my disabled child. Having a child with special needs adds more stress and worry into the equation, even during normal times. When the pandemic first hit, my husband was told he couldn't be furloughed, so we were immediately left in a dire situation.

The grant covered the mortgage that month which was a huge weight lifted and tided us over until the Universal Credit started and my partner eventually was furloughed from work.

²Estimates for June to August 2020 show 32.59 million people aged 16 years and over in employment, 102,000 fewer than a year earlier and 153,000 fewer than the previous quarter.

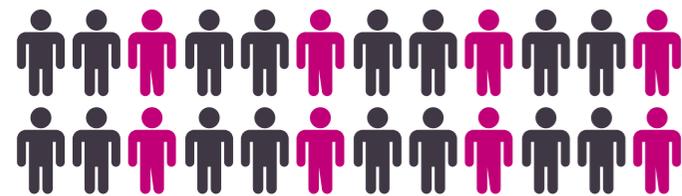
WHO HAS BEEN WORST AFFECTED?

The impact of this pandemic has been far reaching across all aspects of our society. However, we also know that the impact of the lockdown does indeed discriminate and it does so based on gender, race, age, and disability. For those of us who were already among the most marginalised within our communities, these problems have only been exacerbated. Here's what our research told us about this inequality gap:



ETHNICITY

Black, Asian and minoritised ethnic groups have also been disproportionately affected by Covid-19; often because they make up a large number of the country's casual and/or key worker workforce.



34%

Over a third of people from Asian and Black ethnic backgrounds frequently run out of money (34%, 36%), compared to a fifth of people from white ethnic backgrounds (21%).

42%

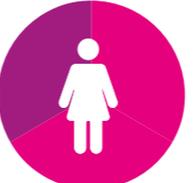
42% of people from Black ethnic backgrounds, and 36% of people from Asian ethnic backgrounds could cope for more than three months if they lost their main source of income. This is compared to 51% of people from white ethnic backgrounds.

THE GENDER GAP

Women are one of the key groups of people for whom this pandemic discriminates:

 **24%**

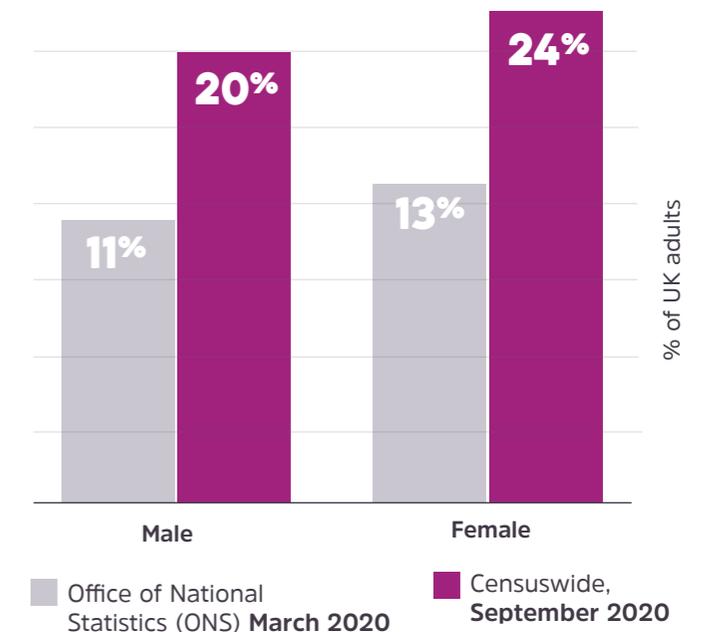
Almost a quarter of women frequently run out of money, compared to a fifth of men (20%) and this gap has widened since March.

 **32%**

Nearly a third of women could also only last a month or less, if they lost their main source of income, compared to a quarter of men (25%). This means that women are particularly likely to find it difficult to cope during the five-week wait for Universal Credit.



People who frequently run out of money, by gender





DISABILITY

People with a disability are significantly more likely to say they run out of money before the end of the week or month.

33%

Our research revealed how a third of people with a disability (33%) run out of money frequently ('Always' or 'Most of the time'), compared to only 18% of people without a disability.

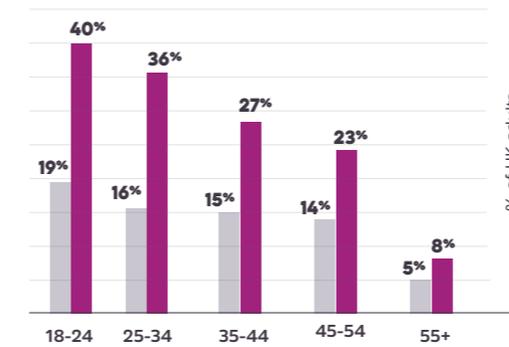
49%

Nearly half of people who do not have a disability (49%) say they have never run out of money over the last 12 months. Only 35% of people with a disability said the same.



People who frequently run out of money, by age

Office for National Statistics (ONS), March 2020
Censuswide, September 2020



AGE

When compared to previous data from pre-Covid, we can see the disproportionate impact of the virus on the financial resilience of younger people. The differences in financial resilience by age have been starkly increased by the pandemic: 2.3 million young people, aged 18-24, are now frequently running out of money each week or month.

40%

40% of 18-24 year-olds have frequently run out of money in the past year, compared to only 8% of people over the age of 55.

21%

An additional 21% of people aged 18-24 now frequently run out of money, compared to an additional 3% of people aged 55 and over.

WHAT ABOUT OUR WORK?

Understanding the impact of our work is crucial. We know that if we don't learn, then we cannot improve the support we offer to people. Everything we understand from our data and insight has and will continue to inform our programmatic response.



23%

told us they would like support with money and debt management.

20%

would like support with their mental health.

MEDIUM-TERM IMPACT OF A GRANT:

During the past six months, we have learned that, although our grants help to prevent financial crisis and give short-term stability, one in five (20%) recipients are unable to afford food after 10 weeks.

This compares to 40% of applicants who did not receive a grant. While our grant has halved the proportion of people unable to afford food, there is a significant proportion of recipients who are living in extreme hardship. We will be exploring this further, with a particular focus on how and why recipients were unable to afford food after this sustained period of time. This will enable greater understanding of how we can support people better after the initial grant has been awarded.

REFERRALS AND ADDITIONAL SUPPORT:

We found many people want additional support in life, especially with their finances, after they have used our services. Almost a quarter of grant applicants (23%) told us they would like support with money and debt management and one in five (20%) would like support with their mental health.

EQUITY:

Our in-house teams have started a journey of analysis on how equitable our services are. While we are still at the beginning of this journey, we have found some of our work is not as equitable as we want it to be. In our grant giving since April, application success rates varied considerably by ethnicity; from 50% success rates for Bangladeshi applicants, up to 76% success rate for White Irish applicants. We are uncertain on the equity of other services, such as the Benefits Calculator, and plan to undertake further analysis.



RYAN FISHER, GRANT RECIPIENT AND BENEFIT CALCULATOR USER

For a few years I have been self-employed as a chef. When the pandemic started and lockdown came into effect, all my work was cancelled and I had absolutely no idea what to do. With no other income coming in, I have no way of paying my ex-partner child support to best care for our daughter. Even the new income from Universal Credit doesn't cover my outgoings.

The £500 Coronavirus Grant from Turn2us helped me manage for several more weeks, but the pandemic restrictions on my sector mean I've racked up debt and I've had no choice but to also borrow money from family.

I still don't have any work to see me through the Christmas period and I have no idea how I can clear the debt from the several payment holidays I've been able to negotiate.



£500 Coronavirus Grant from Turn2us helped me manage for several more weeks

WHAT'S NEXT?

Moving forward through 2021 and beyond, we will continue to develop and understand our data and insight so we can.



We will conduct deeper, co-produced research to understand our programme work further, using an equity lens.

Sebastian Sandys



EQUITY

Continue to target our grant making:

We will increase the targeting of our grant-making so more people who have been worst affected by the pandemic can benefit.

Improving accessibility to sector-wide services:

We will invest in a dedicated staff member to build referral partnerships. This will mean people can continue to receive the support they need, after they have come to us through third party referrals and signposting, ensuring a streamlined approach that exists with our partners across the sectors.

Ensure equity for all:

We are building a three year plan to hold ourselves to account, and to be more accountable to minoritised communities on our approach to equity, diversity and inclusion. As part of this, we will conduct deeper, co-produced research to understand our programme work further, using an equity lens. We will commit to publicly sharing the results. We will also share our own gender and race pay gap analysis by end of March 2021, including staff turnover and promotion rates, in order to ensure openness and transparency.

Produce targeted information and support:

We will create targeted information and content that better meets the needs of minoritised groups of people.

INNOVATION

Explore innovation in grant-making:

We will offer high quality and accessible services that reach people when they need them most. As part of this, we will explore potential for open banking and technological innovation to increase the speed and efficiency at which we can award grants to people in financial hardship.

Reinvent our relationship with volunteers:

We will refresh our volunteering approach, rooting it in local communities. This will make sure our volunteers can support and increase the impact of local community groups, through the use of Turn2us resources.

Gain insight from our data:

We will continue to collaborate in the sector-wide approach to data sharing that can help the national response to supporting people who have been affected by the pandemic.

COLLABORATION & CAMPAIGNS

Develop impactful partnerships:

We will explore further opportunities for strategic partnerships where we can improve our support for people affected by Covid. This will enable more effective targeting of our services, as well as work towards a concerted sector-led effort to understand and influence the systemic issues at force.

Increase income for impact:

We plan to support more people through Covid-19 by continuing our Coronavirus appeal and will generate more income through our fundraising to help us.

Campaign for improvements to the social security system:

We will continue working in partnership with the wider sector to push for the redesign of an economy and social security system that doesn't meet the needs of its people. As an immediate priority in the next six months, seek to influence the systemic issues affecting people's ability to thrive and continue to lobby the Government to:

- **keep the £20 uplift to Universal Credit**
- **remove the five-week wait for Universal Credit**
- **remove the two-child limit**

ABOUT US AND OUR WORK

Our purpose: So everyone has the opportunity to build financial sustainability and thrive, Turn2us offers the information and support people need in the face of life-changing events and collaborates to tackle the causes and symptoms of poverty.

OUR AIMS

AIM 1

Deliver high-quality, practical programmes that include information and financial support so that people can build their own financial sustainability and thrive.

AIM 2

Deliver even better impact for people facing financial hardship through the co-production of our work with experts who have lived experience, in collaboration with other organisations and through a dedication to insight, evaluation, learning and improvement.

AIM 3

Build the profile of Turn2us and its work to reach people facing life-changing events and experiencing poverty, and secure support for the work.

AIM 4

Develop our influence on policy, practice and public opinion, tackling the prejudice towards people experiencing poverty and insisting on their fundamental rights to access social security.

AIM 5

Invest in our culture, systems, knowledge and skills.

AIM 6

Maximise our assets and secure income ethically to achieve impact.

The Anderson family



WHAT WE DO

We provide practical information and support to people facing financial shocks across the UK. We work alongside those who have experienced not having enough money to live on to develop practical information and support that helps people cope with life-changing events such as job loss, illness or bereavement.

- Our website includes a Benefits Calculator to find out what welfare benefits and tax credits you could be entitled to, a Grants Search to find out if you might be eligible for support from over 1,500 charitable funds, and a range of information and resources to help people struggling to get by.
- We also provide direct financial assistance through a range of specific funds that are managed directly by the charity. This includes the Elizabeth Finn Fund, which supports people from over 120 different professions, and the Turn2us Response Fund, which supports people when they have had a life-changing event in the last 12 months that has left them in financial hardship.

For more information or to get involved with our work, visit our website: www.turn2us.org.uk or email: partnerships@turn2us.org.uk

THANK YOU

Turn2us's impact since April has only been possible because of the exceptional hard work and support of many people and organisations. Thank you to our staff, trustees, volunteers, lived expert and sector partners, major donors and corporate partners; and everyone who has given their time or money, including The Telegraph and its readers. We could not have done this without you.

We are truly grateful for all of your support.

PARTNER WITH US:

If you would like to find out more about our work and how you or your organisation can get involved or lend support, please contact our partnership or fundraising teams:

Partnerships@turn2us.org.uk

Fundraising@turn2us.org.uk