

Peabody Index Special Edition

Tracking ethnic minority experiences through pandemic lockdowns and the cost-of-living crisis



Research report

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December 2022



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Peabody

Established in 1862, Peabody is one of the oldest and largest not-for-profit housing associations in the UK. Following a merger with Catalyst in April 2022, the Peabody Group is responsible for over 104,000 homes and 220,000 customers across London and the Home Counties. We have 20,000 care and support customers.

Our purpose is helping people flourish. We do this by providing great homes and services, by making a positive difference to the communities we serve and by providing an inclusive and inspiring place to work.

The aim of our research programme is to deliver robust research that uses our insight and experience to develop evidence-based arguments on a range of areas impacting our residents, the housing sector and London and the South East as a whole. Our focus is on proposing solutions, not just identifying problems. We use our research both to influence others and stimulate wider debate as well as to challenge ourselves and inform our decisions, services and approach. Our research was led by our in-house team who provide analytical and research expertise. We also collaborate with a wide range of partners such as universities, think-tanks and other research agencies.

Foreword

The pandemic has negatively and disproportionately affected our residents on low incomes as previous Peabody Indexes have shown. This most recent Index continues to bear that out and also clearly highlights that Peabody's ethnic minority residents have fared worse through and after the pandemic than their white counterparts. There are significant differences between residents based on their ethnicity across a number of measures including: employment rates, rates of new Universal Credit claims, food bank usage and employment stability. The Index goes further in highlighting disparities in terms of those living in desperate financial situations and in households' ability to pay for necessities.

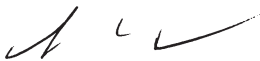
I want to say three things about this important report:

First, it isn't a contest to see who fares the worst on a range of measurable indicators. Your ethnicity or any other characteristic doesn't improve or worsen your experience of hardship. That isn't the point of this study. The aim of this Index is to allow us to be better informed of some of the challenges our residents face at a more detailed level so that our support can be better tailored to individuals, groups and communities.

Second, although the information paints a stark picture of the challenges faced by many individuals and families in our communities in general and ethnic minorities in particular, depressingly, it isn't surprising. Indeed, our ethnic minority residents entered the pandemic with a significantly worse employment rate and the crisis has simply exacerbated those dire circumstances. It is a matter of social justice and an article of faith at Peabody that all communities should have equal access to opportunities – employment, well-being and otherwise. That is why we have invested a significant amount of our own resources into our community work and continue to do so.

Third, although this Index does not make for comfortable reading (and nor should it), I know that many of our residents are hard-working, resilient, ambitious for their families and believe in strong communities. These attributes alongside the commitment of Peabody and our partners in local authorities, business and civil society give me hope and encouragement that together we can create a better future for our residents and wider communities.

I hope this report spurs readers to think about how they can support greater access to opportunities for the communities they serve and that those thoughts are translated into actions.



Stephen Burns,
Executive Director for Care
and Supported Housing and
Inclusion, Peabody



Executive Summary

The Covid-19 pandemic, ongoing lockdowns and resultant economic fallout caused major changes across society. Since the economy reopened, and the support put in place via furlough and the Universal Credit uplift ended, we have been interested in how low-income Londoners have bounced back.

We focused this analysis on disparities between ethnic groups.

Government figures show the employment rate gap between ethnic groups has narrowed over the past 20 years. However, the white employment rate was still 12 percentage points above that of other ethnic minority groups just before the pandemic.

We analysed 4,484 survey responses of working-age Peabody social housing residents in London taken over the past two years. For the first time, we were able to analyse ethnic disparities between two periods: the lockdown period (March 2020 to July 2021) and the pandemic recovery period (since July 2021).

What did we find?

We found consistent and statistically significant differences between residents on key measures. Our analysis compares white ethnic groups, black ethnic minority groups and Asian and other ethnic minority groups.

- **Employment stability** – Working white residents were less likely to be in unstable employment contracts (7%) compared with other ethnic minority groups (12%) in the pandemic recovery period.
- **Living in a desperate financial situation** – During the lockdown period, black residents were much more likely to report being in desperate finances compared to white residents (About one in three compared with one in five).
- **Food bank use** – Black residents were nearly twice as likely to have used a food bank during the lockdown period compared to white residents (5% compared with 3%).

We also explored whether the differences between ethnic groups could be explained by other demographic characteristics. Our ethnic minority residents are more likely to be young and to be single parents. Young people and single parents are more likely to have struggled financially throughout the last two years, so this will explain at least some of the difference. However, even among single parents, black residents appeared to be struggling more – for instance, they had higher numbers of unstable working contracts and Universal Credit claims. In addition, during the lockdown period, black single parents were more likely than white single parents to visit a food bank.

Addressing the root causes of poverty could help alleviate some of these differences, but there is a need too to better understand the reasons behind them and what more we can do to support ethnic minority groups who are struggling with the cost of living.

Background

Our Peabody Index reports have tracked the experiences of low-income Londoners since 2018, including through the pandemic lockdowns and the subsequent cost-of-living crisis. We have reported on low-income Londoners facing challenges such as being hit particularly hard by the rise in inflation rates, even as the overall economy recovers to pre-pandemic levels. The Peabody Index has also investigated the experience of ethnic minority groups.

Our London social housing residents of working age are made up of 42% white residents, 19% black residents, and 39% Asian and other minority group residents. In a September 2020 report, we found that those of Black African and Black Caribbean descent were less likely to be furloughed but were 56% more likely to have lost their job compared with white residents.

Our residents may not be unusual here - the ethnicity employment gap has been persistent across wider society. Government figures show the gap has narrowed over the past 20 years, but the ethnic minority employment rate was still 12 percentage points below the white employment rate just before the pandemic. The Government has taken steps recently to address ethnic employment disparities through the Inclusive Britain Strategy following the Sewell Report in spring 2021. However, it remains unclear whether this strategy will be enough to address ethnic gaps in employment and living standards.

Inside Housing recently explored challenges faced by social housing renters, highlighting disparities in cost-of-living and poverty among ethnic minorities. A year has passed since the major lockdown-easing in July 2021. We are now able to examine how ethnic minorities have fared over the lockdown period and subsequent pandemic recovery period.



Research approach

The Peabody Index survey is undertaken by a mixture of telephone and online surveying and goes to a random sample of Peabody social housing (general needs) residents of working age living in London.

Data in this report was taken from five surveys conducted during the UK pandemic lockdowns and two larger surveys undertaken in September 2021 and January 2022. Since the easing of pandemic restrictions in July 2021, sharp rises in inflation have led to widespread reports of a “cost-of-living” crisis. In order to examine the impact of the cost-of-living crisis following the pandemic lockdowns, we separated the surveys conducted between March 2020 and July 2021 from the surveys conducted since July 2021. We refer to these periods as the “lockdown period” and the “pandemic recovery period.”

	Total number of respondents ¹
Lockdown period: March 2020 to July 2021 (5 surveys)	2,520
Pandemic recovery period: Since July 2021 (2 surveys)	1,964



¹ It is possible that some residents could have taken part in more than one of these surveys, but given the number of residents in total, the number is likely to be very small.

Defining ethnic groups

As the Office for National Statistics points out, ethnicity is a “multifaceted and changing phenomenon” that may be informed by country of birth, nationality, language spoken at home and skin colour among other factors. Ultimately, ethnicity is a self-defined and subjective measure, which we ask as an optional item on the Peabody Index survey, using categories aligned with the 2021 census categories. Our analysis then compared three simplified categories: ‘black’, ‘white’ and ‘Asian and other’ minority ethnic groups as described here.

Ethnicity categories used for the present report

Category (as used in 2021 English census)	Broad ethnic category used in this report	
White English/Welsh/Scottish/Northern Irish/British White Irish White Gypsy or Irish Traveller Any other White background	White	
Black African Black Caribbean Mixed White and Black Caribbean Mixed White and Black African Any other Black/African/Caribbean background	Black	All other ethnic minority groups
Asian Indian Asian Pakistani Asian Bangladeshi Asian Chinese Arab Mixed White and Asian Any other Asian background Any other Mixed/Multiple ethnic background Any other ethnic group	Asian and other ethnic minority group	

These different ethnicities were grouped together because many of them had small numbers within them so were too small for robust analysis. Future Peabody Index surveys will continue to collect this information and more detailed analysis will be undertaken if robust sample sizes are reached.

Other measures

We also looked at other differences between respondents, where data was available focusing on:

- Gender - Peabody Index gender data was simplified to two categories: ‘female’ and ‘male’. While some survey respondents identified as ‘nonbinary’ or another label, there were too few responses to include in this analysis.
- Single-parent households – households containing one adult and one or more people under 18 years
- Inner/outer London - comparing the 12 inner London boroughs and 20 outer London boroughs.

This analysis focuses on the following measures of financial situations:

- Unemployment
- Unstable working contracts (gig work, zero hours contracts)
- Universal Credit claims
- Residents reporting a “fairly desperate” or “very desperate” financial situation
- Residents who report being unable to afford necessities
- Recent food bank use

Analysis

We used Pearson's Chi-squared test to test for statistical significance between the differences observed between the different groups. We marked in bold with an asterisk throughout where the difference between rates for one ethnic group and the white ethnic group is statistically significant with a 95% confidence interval.

Research findings – ethnicity

Our analysis explores disparities between white, black and Asian and other ethnic minority social housing residents of working age living in London.

Employment

During the lockdown period (March 2020 to July 2021), we found no statistically significant difference in unemployment rate between white and all other ethnic minority residents, as shown in Table 1. Unemployment rates fell overall as we came out of lockdowns (from 22% to 14%), but white residents' unemployment fell substantially further – down to 13%, compared with 16% for black residents.

Table 1. Unemployment rates (not working but looking for work)

	Lockdown period	Pandemic recovery period
White	17% (n=408)	13% (n=580)
Black	20% (n=387)	16%* (n=444)
Asian and other ethnic minority groups	22% (n=175)	14% (n=211)

Bold and asterisk indicates a statistically significant difference compared with the white ethnic group during the same period.

We also looked at whether the employment that people had was unstable with a question on contract type looking at short-term or gig work (zero hours) contracts. As shown in Table 2, rates of unstable employment rose among both white and all other ethnic minority in the pandemic recovery period, which may be the result of having had no work at all during the pandemic. A gap has risen between all other ethnic minority and white residents, driven by the rise in Asian and other ethnic minority workers in unstable employment (3% to 16%).

Table 2. Unstable employment rates: Percentage on short-term fixed or zero-hours contracts

	Lockdown period	Pandemic recovery period
White	1% (n=276)	7% (n=392)
Black	4% (n=258)	11% (n=293)
Asian and other ethnic minority groups	3% (n=103)	16%* (n=135)

Bold and asterisk indicates a statistically significant difference compared with the white ethnic group during the same period.

Universal Credit and household finances

During the lockdown period, black residents were statistically significantly more likely to have recently begun claiming Universal Credit (23%) compared to white residents (19%), as shown in Table 3.

During the pandemic recovery period, our overall resident population experienced a substantial rise in Universal Credit claims. The ethnicity gap has remained: black residents were significantly more likely to have recently begun claiming Universal Credit (34%) compared to white residents (28%) during the pandemic recovery period.

Table 3. Percentage who have begun a Universal Credit claim in the past 12 months

	Lockdown period	Pandemic recovery period
White	19% (n=833)	28% (n=790)
Black	23%* (n=615)	34%* (n=507)
Asian and other ethnic minority groups	22% (n=321)	33% (n=261)

Bold and asterisk indicates a statistically significant difference compared with the white ethnic group during the same period.

Despite the economic recovery and rising employment, our residents' perceptions about their financial situation also worsened, as shown in Table 4. During the lockdown period, black residents were significantly more likely to report being in desperate finances compared to white residents. Rates of all residents reporting desperate finances have risen considerably in the pandemic recovery period. The largest rise was among Asian and other ethnic minority groups, more than doubling from 21% to 48%.

Table 4. Percentage saying their current financial situation is "fairly desperate" or "very desperate"s

	Lockdown period	Pandemic recovery period
White	19% (n=825)	33% (n=777)
Black	29%* (n=601)	40%* (n=494)
Asian and other ethnic minority groups	21% (n=320)	48%* (n=256)

Bold and asterisk indicates a statistically significant difference compared with the white ethnic group during the same period.

Hardship

The cost-of-living crisis has meant that many people have struggled with the increase in energy costs and food prices.

During the lockdown period, the all other ethnic minority group were statistically significantly more likely to report that they were unable to pay for necessities (15%) compared with white residents (9%). During the pandemic recovery period, these rates have grown for both white ethnic groups (to 19%) and the all other ethnic minority group (to 23%).

Table 5. Percentage of respondents who have had trouble paying for necessities in the past year

	Lockdown period	Pandemic recovery period
White	9% (n=819)	19% (n=817)
Black	18%* (n=599)	22% (n=537)
Asian and other ethnic minority groups	9% (n=320)	26%* (n=281)
All other ethnic minority groups	15%* (n=919)	23%* (n=818)

Bold and asterisk indicates a statistically significant difference compared with the white ethnic group during the same period.

The cost-of-living crisis has had a knock-on effect on food consumption, with increasing numbers of people turning to food banks as they struggle to pay for both food and their energy bills.

Black residents were statistically significantly more likely to have used a food bank during the lockdown period (5%) compared to white residents (3%). Notably, both groups have experienced a substantial rise in food bank use since the cost-of-living crisis began, with 10% of black residents and 8% of white residents reporting recent food bank use.



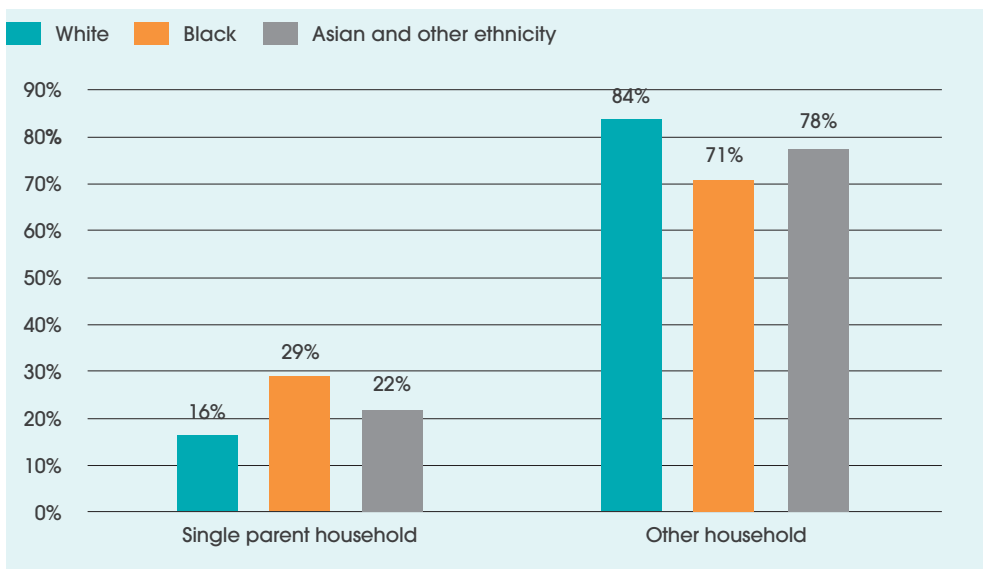
Interactions among characteristics

The findings above highlight a consistent gap between white and other ethnic minority group social housing residents. However, there are potential confounding differences between ethnicities such as age profile, gender balance and employment sector. We have therefore examined differences between ethnic groups which may help explain their differences in financial situations and employment.

Black residents are more likely to be in single parent households

Black residents are more likely to be single parents compared with white and Asian and other minority residents. As shown in Figure 1, 29% of black residents are single parents, compared with 22% of Asian and other ethnic minority resident households and just 16% of white households.

Figure 1. Rate of single parent households and other households by ethnicity



Single parents are more likely to be struggling financially on a range of measures, as shown in Table 6.

Table 6. Comparison between single-parent households and other households.

		Lockdown period	Pandemic recovery period
Recent Universal Credit claims: percentage who have begun a Universal Credit claim in the past 12 months	Single parents	25%* (n=498)	44%* (n=391)
	Not single parents	19% (n=1,910)	26% (n=1,453)
Desperate finances: percentage saying their current financial situation is "fairly desperate" or "very desperate"	Single parents	28%* (n=462)	46%* (n=378)
	Not single parents	23% (n=1,699)	34% (n=1,413)
Necessities: percentage of those who have had trouble paying for necessities in the past year	Single parents	17%* (n=503)	26%* (n=414)
	Not single parents	11% (n=1,901)	18% (n=1,542)

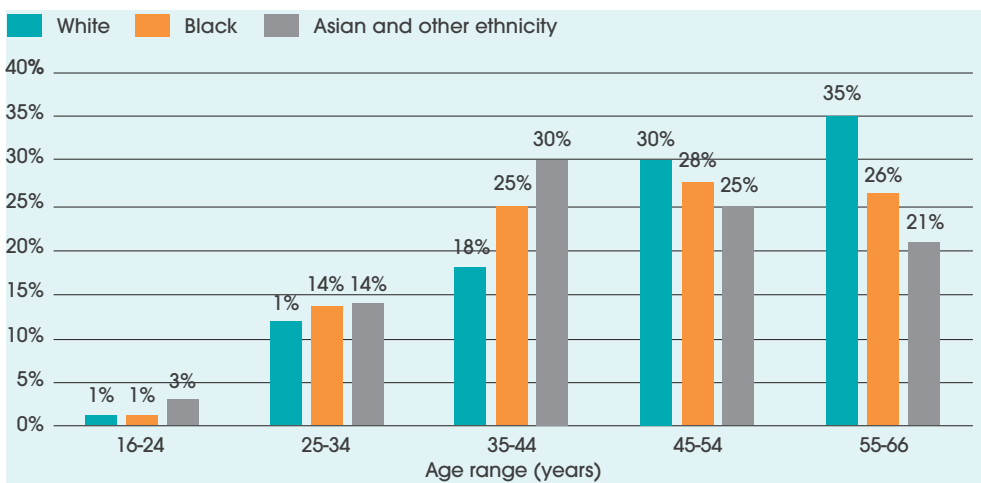
Bold and asterisk indicates a statistically significant difference compared with the white ethnic group during the same period.

As shown in Table 6, single parents experience statistically significantly higher rates of recent Universal Credit claims, desperate finances and trouble paying for necessities. These gaps have widened during the pandemic recovery period, with 44% of single parents recently claiming Universal Credit compared with 26% of other households. Additionally, 46% of single parents said they were in a desperate financial situation, compared with 34% of other households. Finally, 26% of single parents have had trouble affording necessities recently, compared with 18% of other households.

Our ethnic minority residents are younger

White residents tend to be older. As shown in Figure 2, 35% of working-age white residents are aged 55-66, while just 21% of working-age Asian and other ethnic minority group residents are in that age group. Meanwhile, just 18% of white residents are aged 35-44, compared to 30% of Asian and other ethnic minority group residents.

Figure 2. Age profile by ethnicity



We found that young people were more likely to be in desperate finances (25% for those aged 16-34 compared with 16% for those aged 55-66). It is possible that older adults have more developed careers or more stable income streams and savings compared with younger residents. The older age profile of the white residents may partially explain the ethnic differences in employment, pay and living standards.

Black residents struggle more regardless of age group or single parent status

The analysis above has shown that ethnic minority group disparities may be explained in part by being more likely to be young and/or to be single parents. We can test whether this is the sole factor by comparing different ethnic minority groups of single parents.

What we see is that even among single parents, there is an ethnicity gap. Black single-parent households experienced a significant rise in unstable employment and Universal Credit claims during the pandemic recovery period, as shown in Table 7. Among employed single-parent households, they were much more likely to be in unstable employment compared with white single parents in the pandemic recovery period.

Table 7. Comparison between white and black single-parent households.

		Lockdown period	Pandemic recovery period
Unstable employment: among those in work, percentage on fixed term or zero-hours contracts	Black single parents	6% (n=69)	11%* (n=79)
	White single parents	2% (n=41)	2% (n=55)
Recent Universal Credit claims: percentage who have begun a Universal Credit claim in the past 12 months	Black single parents	26% (n=214)	48%* (n=139)
	White single parents	20% (n=192)	27% (n=209)
Desperate finances: percentage saying their current financial situation is "fairly desperate" or "very desperate"	Black single parents	31%* (n=208)	46% (n=136)
	White single parents	20% (n=195)	49% (n=119)
Necessities: percentage of those who have had trouble paying for necessities in the past year	Black single parents	23%* (n=207)	26% (n=147)
	White single parents	11% (n=193)	31% (n=121)
Food bank: percentage who have used a food bank in recent months	Black single parents	5.6% (n=214)	11.6% (n=147)
	White single parents	3.0% (n=197)	13.0% (n=123)

Bold and asterisk indicates a statistically significant difference compared with the white ethnic group during the same period.

Single-parent households were more likely to have made a recent claim for Universal Credit (32%) compared with survey respondents on average (22%). Even among single-parent households, black residents were more likely to claim Universal Credit in the pandemic recovery period (48%) after rising over 20 percentage points from 26%. This compares with just 27% of white single parents claiming Universal Credit during the same period, as shown in Table 7.

White single parents have experienced a substantial rise in hardship, despite being less likely to be in unstable employment compared with black single parents. Rates of desperate finances for both groups have risen considerably in the pandemic recovery period, and there is now no significant difference between black single parents (46%) and white single parents (49%). Table 7 also shows that the rates of food bank use rose for single-parent households.

In order to see whether the different age profiles could explain the differences we see between ethnic groups we also compared different ethnic groups within the group of older residents without dependent children. This analysis in Table 8 shows that among people aged 45-65 without children, black resident unemployment went up from 15% in the lockdown period to 20% during the pandemic recovery period. This compares to a 5-point decline among white residents from 17% to 12%. Black residents aged 45-65 living without children were also more likely to be in a desperate financial situation and unable to afford necessities in the pandemic recovery period compared with white residents without children in the same age group.

Table 8. Percentage unemployed (not working but looking for work):
Comparison between white and black residents, aged 45-65 without children in the household:

	Lockdown period	Pandemic recovery period
Black residents aged 45-65 without children in household	15% (n=116)	20%* (n=138)
White residents aged 45-65 without children in household	17% (n=178)	12% (n=314)

Bold and asterisk indicates a statistically significant difference compared with the white ethnic group during the same period.

Employment sector

Employment sector may be a factor behind the different financial situations of people in different ethnic groups. We found that 28% of working black residents were employed in the health and social care sector compared with just 16% of working white residents. We currently do not have enough data to investigate the impact of this disparity. However, there is a [documented landscape](#) of insecure and low pay among health and social care workers. The concentration of black residents working in the health and social care sector may partly explain their experience of greater financial difficulties.

Things that don't explain the differences between ethnic groups

We looked into other possible drivers of differences between ethnic groups, but we found them to differ little amongst our resident population. The gender balance was broadly similar across ethnic groups, suggesting that it does not contribute to gaps in employment, pay and living standards seen between ethnic groups. Other ethnic minority group residents were equally represented at about 53% of those surveyed in both inner and outer London, suggesting that any differences between living in inner or outer London do not explain the ethnic disparities seen.

Conclusion

Despite London's economy recovering in the year following the pandemic lockdowns, low-income Londoners continue to face major challenges finding stable work that pays. This special edition of the Peabody Index has highlighted three key trends:

- Black and other ethnic minority Londoners in social housing have struggled more financially during the lockdown and in the pandemic recovery period. They were in more insecure work so less well protected by furlough.
- Despite employment rates rising during the pandemic recovery period, ethnic minority residents continue to struggle financially just as much afterwards as the cost-of-living crisis started to bite.
- Black single parent households struggled more than white single parents during the pandemic, but the cost-of-living crisis is impacting all ethnicities – including white groups.

This report highlights the ongoing and rising pressures faced by low-income Londoners. Young people are more likely to be struggling, even compared with other working-age residents. While the post-lockdown economy has provided jobs for many, there remains a large group who are looking for work or are stuck in low-paid and insecure jobs who need to resort to food bank use or who are going without fuel in the winter.

Addressing the root causes of poverty could help alleviate some of the differences we see between ethnic groups, but there is a need to better understand the reasons behind them and what more we can do to support ethnic minority groups who are struggling with the cost of living.

How will the findings of this research be used?

The issues shown in this report are not unique to Peabody, but we will use the findings of this report to inform future action. We are concerned that ethnic minority residents, especially those from black ethnic groups, appear to be struggling more and will look further into why this might be and how we can tailor our support to help them. We will also continue to build on the initiatives we have already undertaken to address some of the challenges experienced by ethnic minority and other residents.

Supporting customers through the cost-of-living crisis

Our social purpose is at the heart of everything that we do at Peabody. We provide accommodation to those in greater need through social rented homes significantly below market levels. In the last year we've also invested £6m in community activities across Peabody. This meant that we could support 884 people into jobs and apprenticeships across a range of industries as well as help 579 people to achieve qualifications. Our team of expert employment caseworkers will continue to support customers across our community centres and online to get into employment or find better paid jobs.

The cost-of living crisis has continued to impact our customers. We've grown our Financial Inclusion team to support even more customers and are investing an extra £250,000 into our Emergency Hardship Fund to support customers in emergency situations with small grants. We've also secured £2.4m in grant funding to improve our existing homes and to make them more energy efficient. In addition, 726 Households supported with fuel assistance vouchers.

We have continued to work locally with our partners as of part our place-based approach in Islington, Lambeth, Southwark, Hackney, Waltham Forest and Thamesmead. Our focused partnership working in these areas has meant that we have worked closely with local authorities and other strategic partners to develop and provide the services which are truly needed in those areas.

With rising energy bills and the cost-of living crisis, we have been focused on ways to support residents experiencing fuel poverty and to reduce the cost of their energy use. Our Sustainability Strategy 2021-24 sets out our plan to tackle climate change with an ambition to be net zero carbon in our new and existing homes by 2050. We have secured funding from the Social Housing Decarbonisation Fund and the Greater London Authority to improve insulation and sustainable energy in homes across London.



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