

THE LONDON INTELLIGENCE

June 2020

Snapshot of Londoners:
Your quarterly review of the state of the city



Project partners

**CENTRE
FOR
LONDON**

Savanta:

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Snapshot of Londoners

How are Londoners affected by the pandemic and the lockdown? How do their experiences differ? And what do Londoners expect from the year ahead?

As Centre for London and Savanta launch the first wave of quarterly polling of Londoners, this snapshot offers key insights on how Londoners are experiencing an unprecedented public health and economic crisis.

This publication draws on interviews with 1,562 London residents conducted by Savanta between 11 and 24 May 2020. Results were weighted to be representative of London's population.

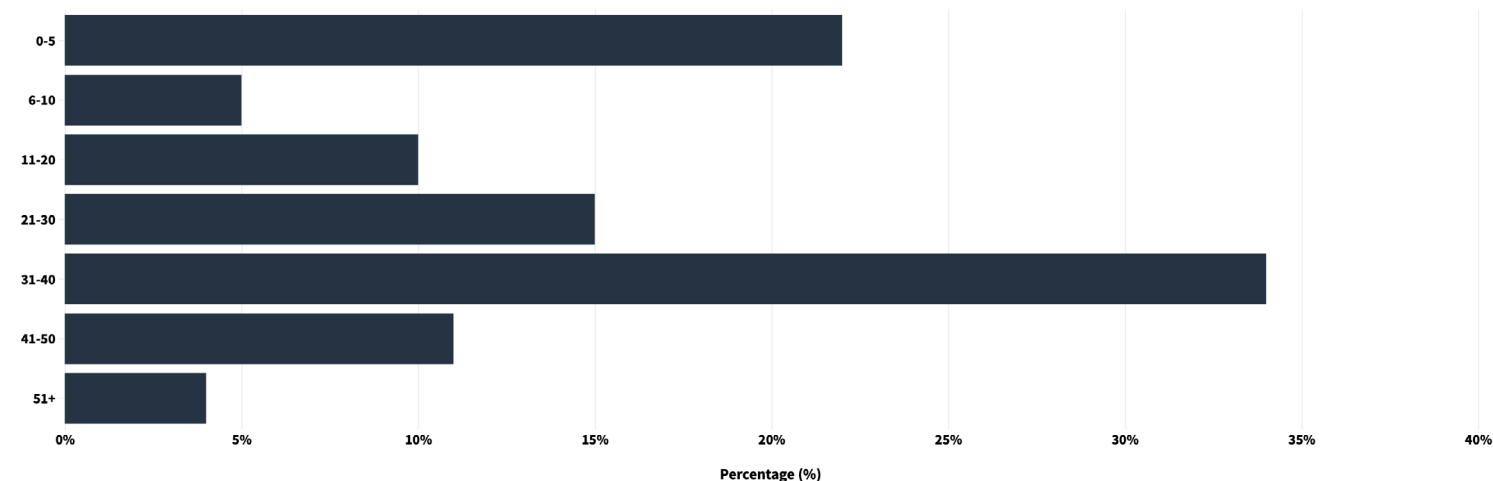
Economic blow

We know that different Londoners have varying chances of getting ill with coronavirus – and our polling shows that their economic experiences are very different too.

Londoners who usually work are seeing huge drops in their hours: 27 per cent of employed Londoners say they have worked less than 10 hours in the past week – compared to three per cent of workers normally.¹ This shows the widespread impact of lockdown and school closures on economic activity, and the very large take up of the government's Job Retention Scheme – as many as 29 per cent of London employees have been on furlough at some point since the introduction of the scheme in March.²

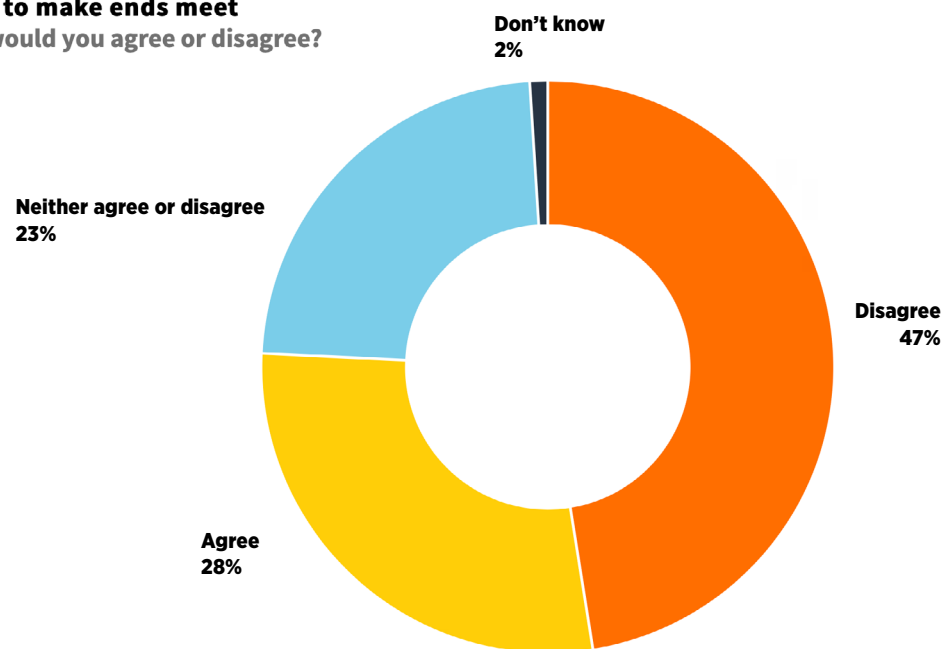
The proportion of people doing overtime has also plummeted – 15 per cent have worked over 40 hours, when before the crisis over 30 per cent worked long hours (defined as 45 hours a week or more). Of course, many have been doing overtime of a different kind – home schooling or caring for elderly or vulnerable relatives.

How many hours in total did you work last week?



Source: Savanta • Polling of 1562 London residents conducted by Savanta between 11 and 24 May. Asked of Londoners in employment, base = 1067 respondents

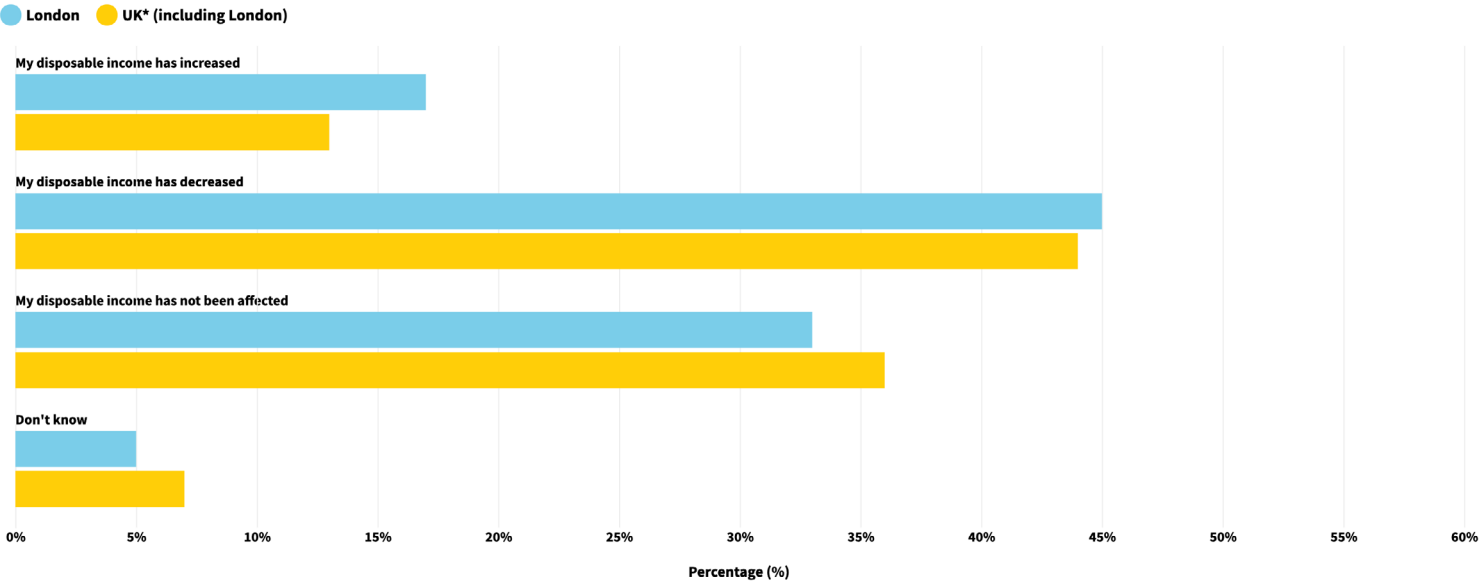
I am struggling to make ends meet To what extent would you agree or disagree?



Source: Savanta • Polling of 1562 London residents conducted by Savanta between 11 and 24 May.

The recession has already hit some – but not all – Londoners in the wallet. While some Londoners remain financially stable, as they save on childcare and transport costs, others have been shouldering the burden of temporary closures, job loss and reduced pay. These two groups are almost equal in size: nearly half of Londoners report a decline in their disposable income since the beginning of the crisis, while a third say that their disposable income hasn't been affected, and 17 per cent say that it has increased. More people have seen their income increase in London than in the rest of the country, probably because more are able to work remotely.

Has the COVID-19 virus impacted your disposable income (the amount of money you have left from your income after taking away money spent on ongoing bills)?



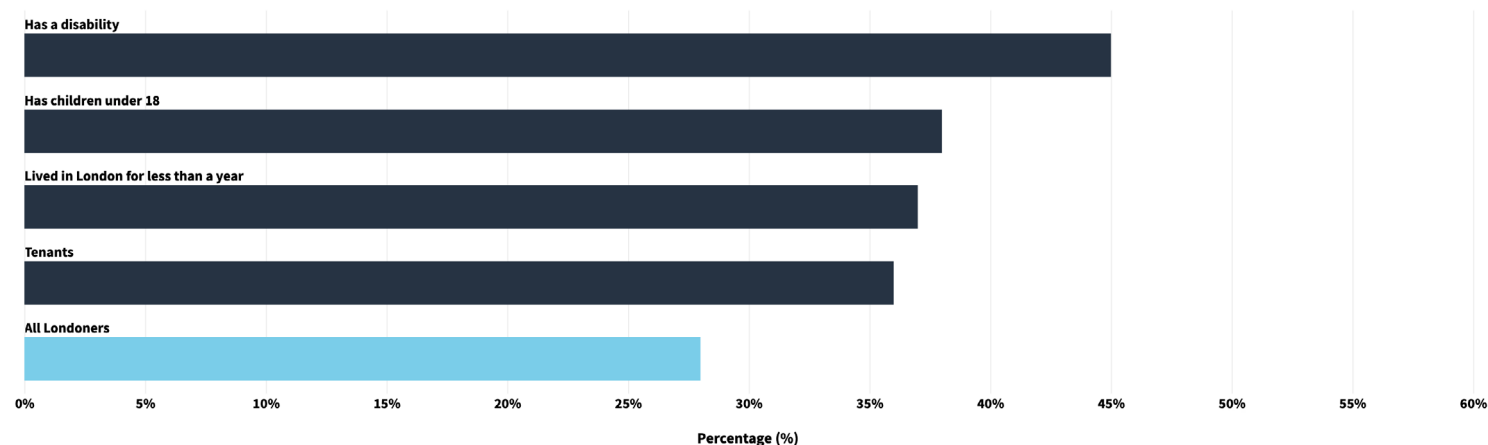
Source: Savanta, *11/05/2020 to 25/05/20 average, external Savanta poll • Polling of 1562 London residents conducted by Savanta between 11 and 24 May.

Impact on groups of Londoners

London has always been a city of great poverty as well as great wealth – 37 per cent of London children live in poverty.³ So it's no surprise that 28 per cent of Londoners report that they are struggling to make ends meet. This is highest for people who are new to the city, who have children aged under 18 and people who work part time, and who rent their homes. It's highest of all for people with a disability – almost half of this group are struggling to make ends meet.

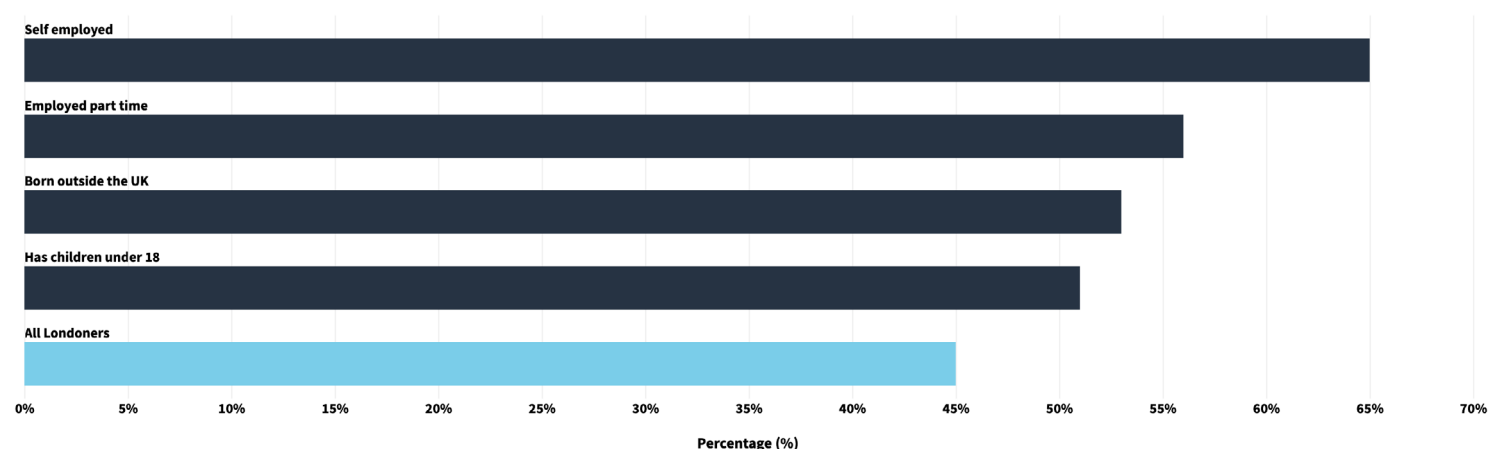
The group of people who have seen their disposable incomes fall as a result of coronavirus is a bit different – with self-employed people the most likely to report a fall. This polling was conducted in May, so some of them will have seen an improvement as self-employment support payments came through in early June. Parents and part-time workers were already struggling and are now struggling more. Of course, not everyone who has seen their disposable income fall will be suffering – they may have had more than enough to start with, many people's travel and childcare costs have fallen, and a lot of discretionary spending is now impossible.

I am struggling to make ends meet Agree or strongly agree



Source: Savanta • Polling of 1562 London residents conducted by Savanta between 11 and 24 May.

Has the COVID-19 virus impacted your personal income? My income has decreased

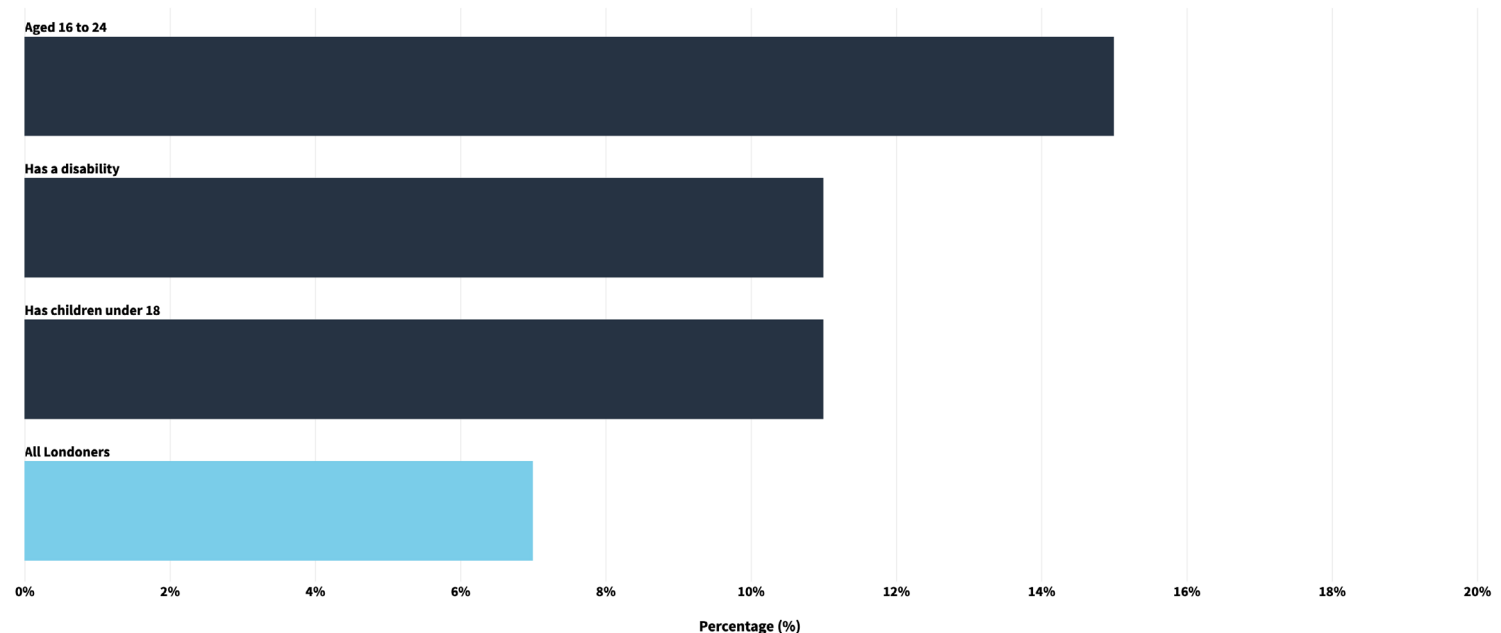


Source: Savanna • Polling of 1562 London residents conducted by Savanta between 11 and 24 May.

But evidence from Understanding Society is already showing rising levels of debt among the most vulnerable groups – a real worry as we move into a sharp recession.⁴ Indeed, low-income Londoners are more likely to have experienced job loss or a reduction of hours compared to higher earners, adversely affecting an already economically vulnerable group.⁵

When people simply do not have enough money for essentials, they are forced to go to **food banks**. Use of food banks has been rising for the last few years as the benefits system has become harsher and The Trussell Trust, the largest operator of British food banks, reports that demand has doubled since lockdown.⁶ In our poll, about one in 14 Londoners reported using a food bank in the last month, rising to one in nine Londoners with disabilities and one in nine for parents. The highest proportion is for 16 to 24 year olds, at one in seven – and it seems likely that this will rise further as opportunities for young people tend to be the hardest hit when unemployment starts to rise.

Proportion of Londoners who have used a food bank in the past month



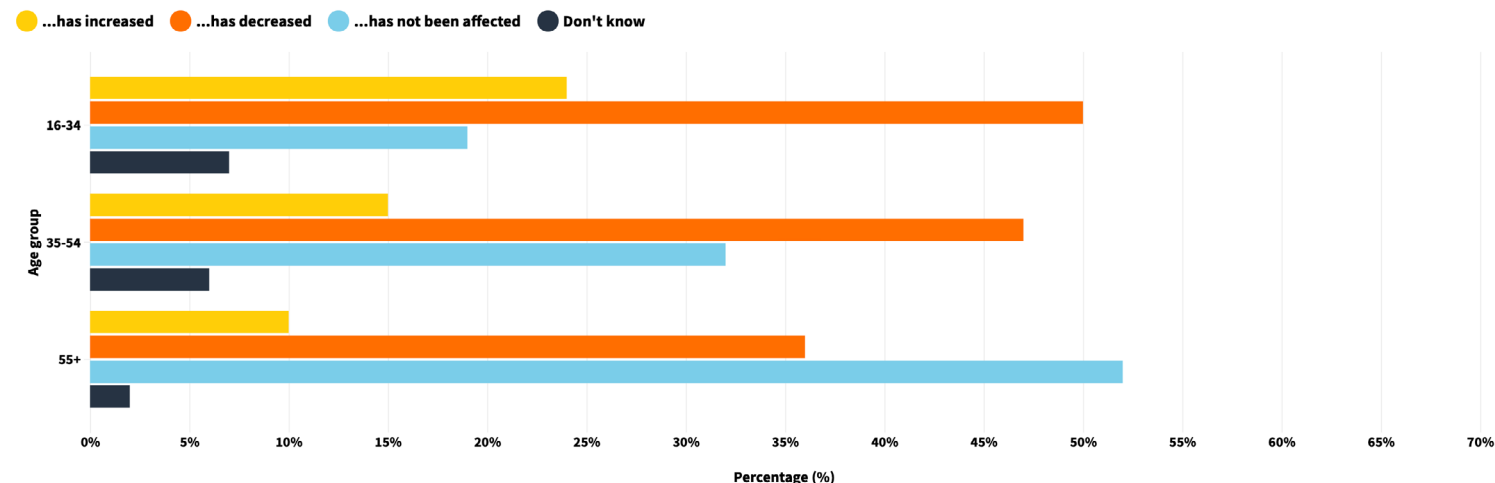
Source: Savanta • Polling of 1562 London residents conducted by Savanta between 11 and 24 May.

Generational impacts

Economic downturns often affect generations in different ways: older people may be more likely to be sheltered by their pension income but can suffer badly from reductions to public services, while young people are particularly vulnerable to unemployment. Our polling shows that younger Londoners (aged 16-35) are reporting the most polarised experience of the pandemic: half have seen their disposable income decrease, but a quarter have seen it increase. Again, this highlights the widely diverging situations that younger Londoners are facing – between those who benefit from security in their job and their tenure, and those who do not.

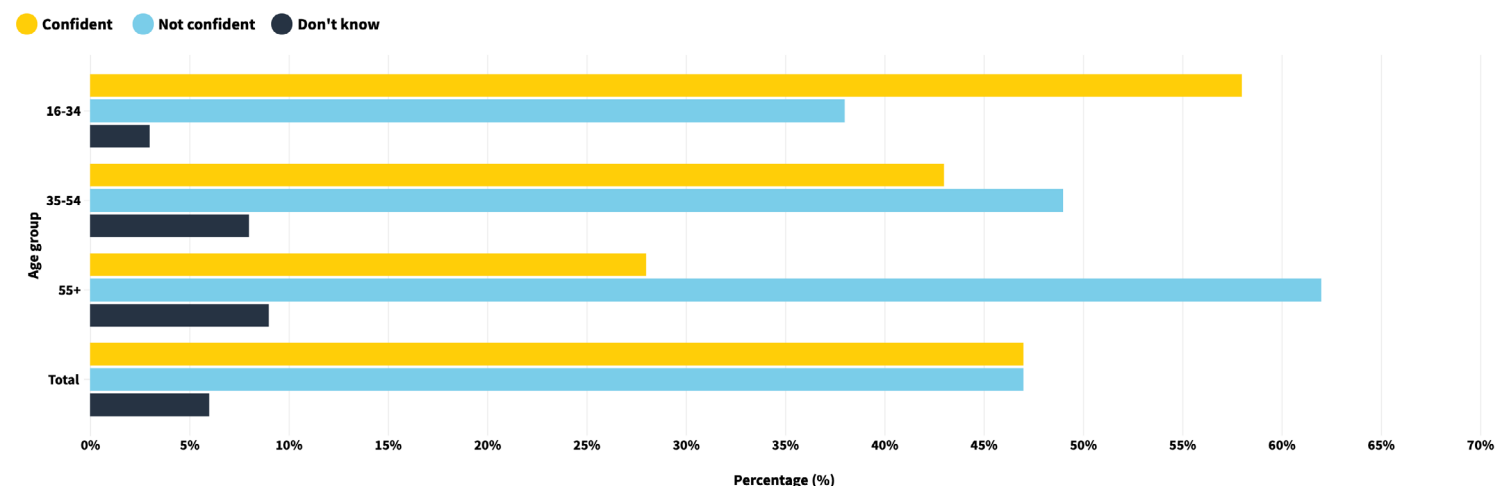
At the same time, younger Londoners are less worried about their ability to find a new job in the coming months than older Londoners – perhaps because they think London's job market will bounce back. People approaching retirement are much more concerned about their ability to find work quickly – and there is good evidence that people over 50 who lose their job find it harder to get another one. This was particularly the case after the 2008 recession, when almost half of UK workers unemployed for more than 12 months were aged 50 and over.

Has the COVID-19 virus impacted your disposable income (the amount of money you have left from your income after taking away money spent on ongoing bills)?



Source: Savanta • Polling of 1562 London residents conducted by Savanta between 11 and 24 May.

If you left your current job, how confident are you, if at all, that you would be able to find another suitable one in the next three months?



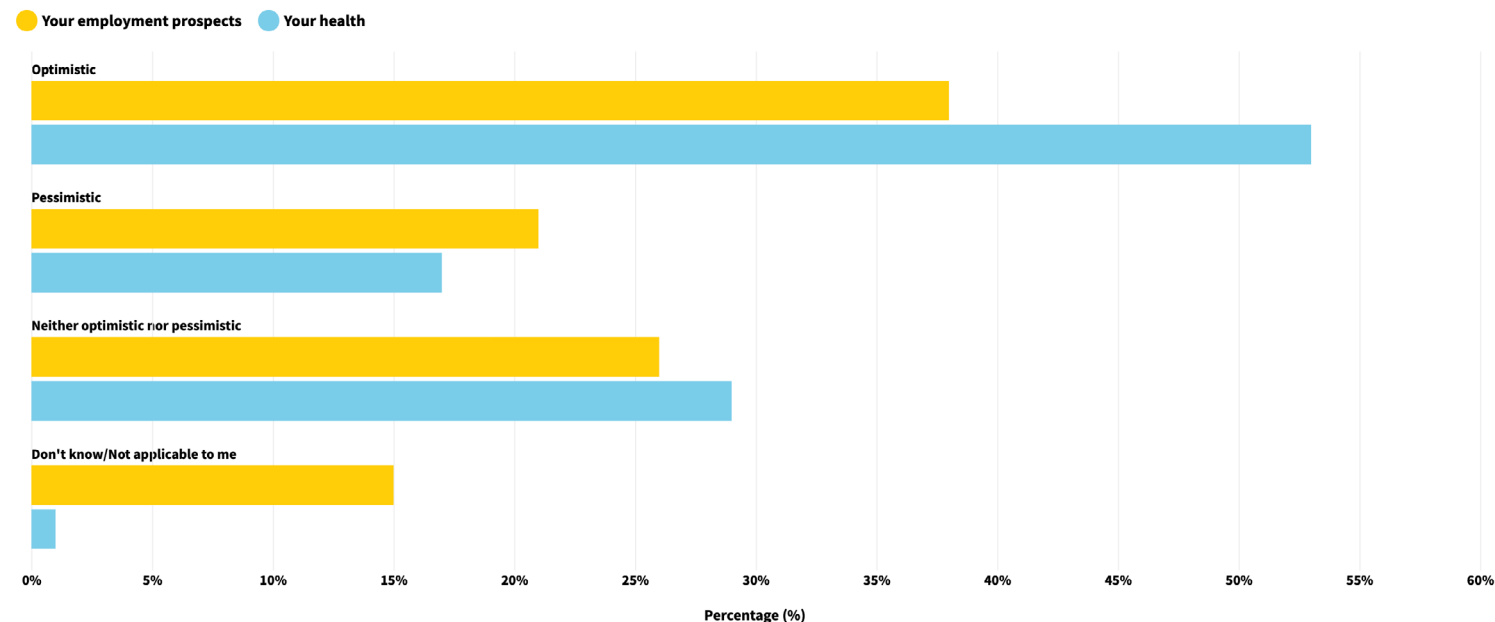
Source: Savanta • Polling of 1562 London residents conducted by Savanta between 11 and 24 May. Asked of Londoners in employment, base = 1067 respondents

How Londoners see the year ahead

What are Londoners anticipating for the coming year? On the whole, Londoners are more concerned about their finances (29 per cent are pessimistic) and employment (23 per cent among those of working age are pessimistic) than their health (17 per cent are pessimistic).

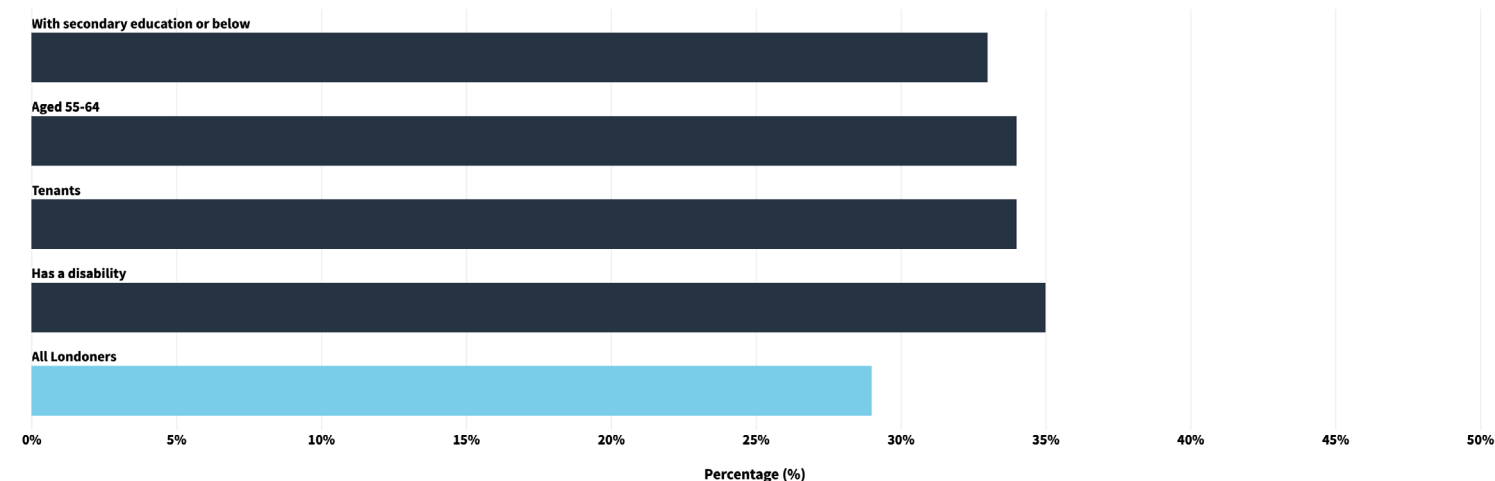
Still, despite [recruitment plummeting](#) and uncertainty around reopening, more Londoners are optimistic than pessimistic about their employment and financial prospects over the coming year. There could be several reasons behind this optimism. Perhaps Londoners believe that the pandemic and the recession will be sharp but short-lived – or some may think that their personal situation can only improve. [Economic predictions](#) do suggest a bounce back – but with much higher levels of unemployment.

Looking forward to the next 12 months, would you say you are optimistic, neutral or pessimistic about...



Source: Savanta • Polling of 1562 London residents conducted by Savanta between 11 and 24 May.

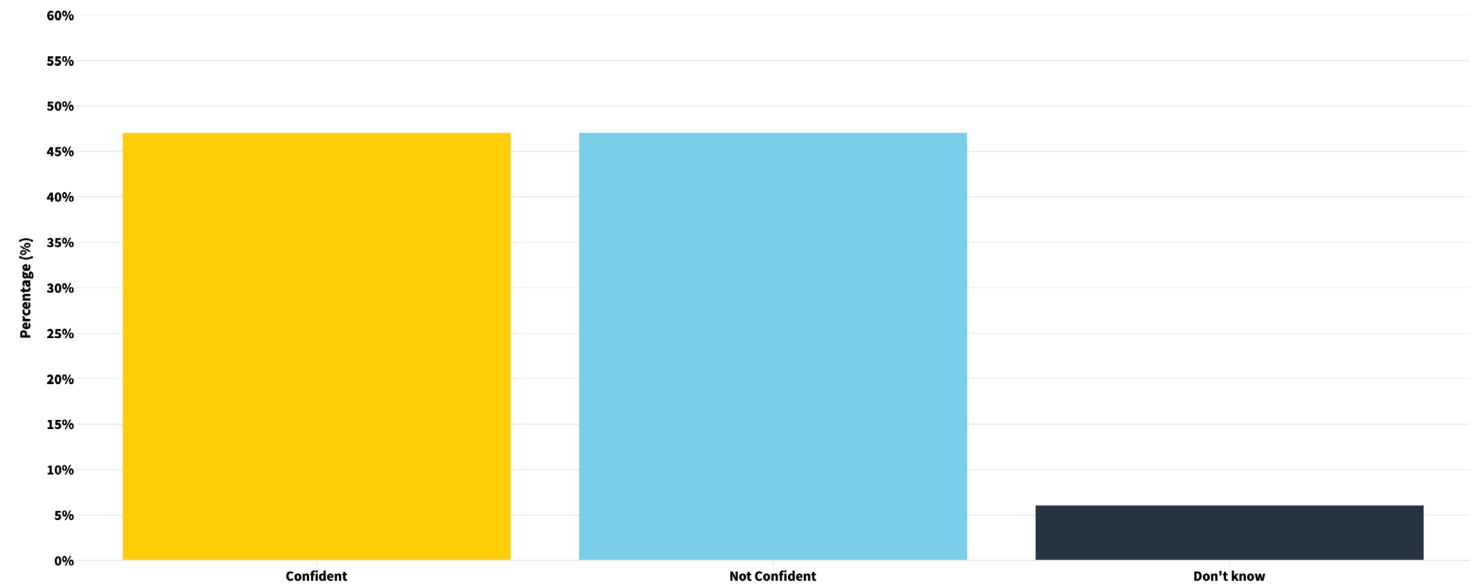
Pessimistic about personal finances over the next year



Source: Savanna • Polling of 1562 London residents conducted by Savanta between 11 and 24 May.

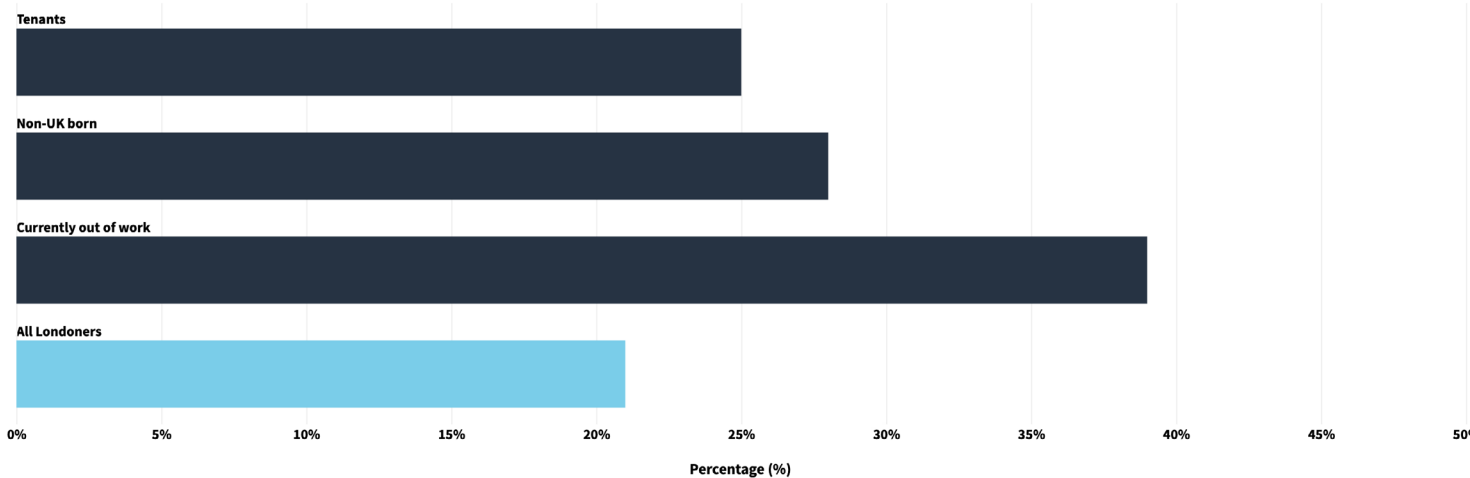
Young people tend to be more optimistic about their future income – which is more likely to progress as they age – but groups with less security in their job or tenure are particularly concerned about what the coming year will bring for them. Non-UK born Londoners, renters, and unemployed Londoners already looking for work are the most likely to be pessimistic about their employment prospects.

If you left your current job, how confident are you, if at all, that you would be able to find another suitable one in the next three months?



Source: Savanta • Polling of 1562 London residents conducted by Savanta between 11 and 24 May.

Pessimistic about employment prospects over the next year



Source: Savanna • Polling of 1562 London residents conducted by Savanta between 11 and 24 May.

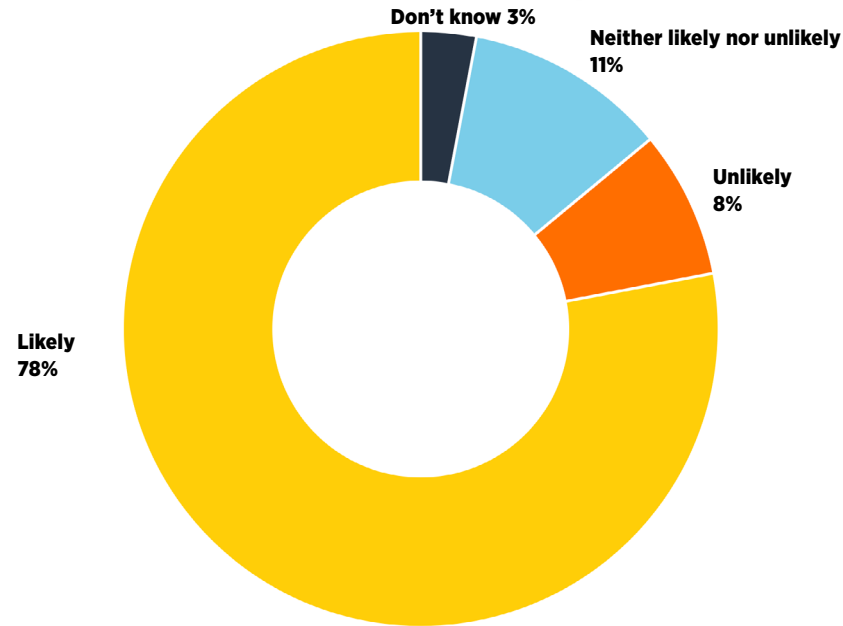
London quitters

With Londoners **almost twice as likely to live in flats** than the national average, the sudden shift to remote working could allow some Londoners, now free from the daily commute, to leave the capital for more affordable areas.

Before the pandemic, the net outflow of Londoners to the rest of the country was running at about **100,000 people** every year, and a surprisingly large proportion of Londoners had considered moving out.

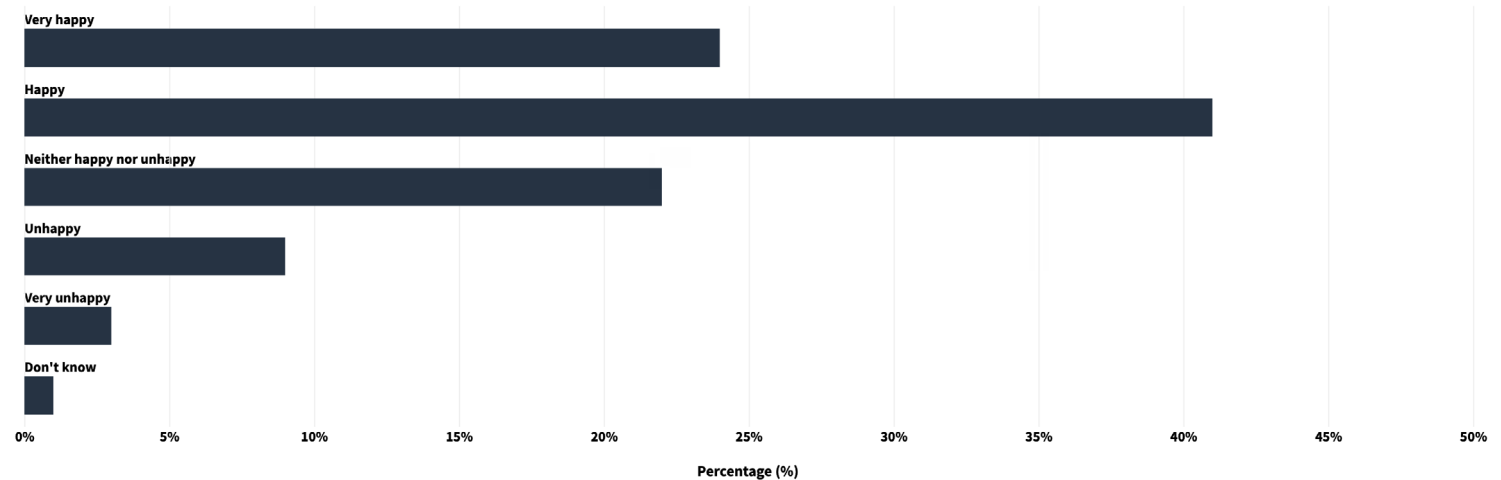
But most **Londoners are planning to stay put** over the coming year – 65 per cent are happy living in London, and only eight per cent saying they are likely to leave London in the coming year. The last recession **stemmed the flow** of Londoners towards the rest of the country, kept from moving by uncertainty, constrained mortgage availability, and better job prospects in the capital. It could be that London leavers delay their move, or they decide that despite the challenges London still offers them the opportunities and connections that they want.

In 12 months' time, how likely or unlikely is it that you will still be living in London?



Source: Savanta • Polling of 1562 London residents conducted by Savanta between 11 and 24 May.

How happy or unhappy would you say you are living in London?



Source: Savanta • Polling of 1562 London residents conducted by Savanta between 11 and 24 May.

Looking ahead

As Londoners see their lives and their city transformed by the public health crisis, most people report very different experiences of it. Londoners are worried about the impact of the virus on their wallet more so than on their health – not a surprise in a city with a high proportion of low earners and renters who are much more susceptible to income losses in this crisis. But other groups of Londoners, probably a larger proportion than in the rest of the country, have been relatively sheltered from the economic fallout so far – by their ability to work remotely in fairly high paid jobs, or by mortgage holidays if they are home owners. While it is reassuring that the level of optimism is holding up, many Londoners will be facing real hardship once temporary measures protecting from income loss and eviction are phased out.

Endnotes

1. <https://data.london.gov.uk/dataset/hours-worked>
2. [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/891249/Coronavirus Job Retention Scheme Statistics June 2020.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/891249/Coronavirus_Job_Retention_Scheme_Statistics_June_2020.pdf)
3. <https://cpag.org.uk/child-poverty-london-facts>
4. <https://www.understandingsociety.ac.uk/sites/default/files/downloads/working-papers/2020-09.pdf>
5. <https://www.resolutionfoundation.org/app/uploads/2020/06/Return-to-spender.pdf>
6. <https://www.trusselltrust.org/news-and-blog/blog/>

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