

Rt Hon Mel Stride MP
Chair, Treasury Committee
House of Commons
London
SW1A 0AA

18 October 2021

Dear Mr Stride,

Thank you for inviting me to give evidence to your Committee on 15 September for the inquiry '*An Equal Recovery*'. During that evidence session, I promised to follow up on several points, and to answer some questions that members did not have time to ask.

Impact of the pandemic on lower-paid workers

In May 2021 we published analysis that found that those in the lowest income bracket (up to £10,000 per annum) continued to be more likely to report negative impacts to personal well-being in comparison with those in higher income brackets. These negative impacts included the pandemic making their mental health worse (18%) and feeling stressed or anxious (32%)¹.

We have also explored the likelihood of experiencing some form of depression. In our coronavirus and depression in adults in Great Britain publication, we found that around 3 in 10 (29%) adults who reported being unable to afford an unexpected but necessary expense of £850 experienced some form of depression, compared with 11% of adults who reported being able to afford this expense². In addition, for working age adults aged 16 to 64 years, rates of moderate to severe depressive symptoms generally decreased as income increased. Around 3 in 10 (29%) working adults with a personal income of less than £10,000 a year experienced some form of depression; this was four times greater than working adults with a personal income of £50,000 or more (7%).

¹<https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/bulletins/personalandeconomicwellbeingintheuk/may2021>

²<https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/articles/coronavirusanddepressioninadultsgreatbritain/julytoaugust2021>

In our analysis of COVID-19 deaths by occupation³ we found that men who worked in elementary occupations (699 deaths) or caring, leisure and other service occupations (258 deaths) had the highest rates of death involving COVID-19, with 66.3 and 64.1 deaths per 100,000 males respectively. For women, process, plant and machine operatives (57 deaths) and caring, leisure and other service occupations (460 deaths) had the highest rates of death involving COVID-19 when looking at broad occupational groups, with 33.7 and 27.3 deaths per 100,000 females, respectively. Please note that this analysis does not prove conclusively that the observed rates of death involving COVID-19 are necessarily caused by differences in occupational exposure; we adjusted for age, but not other factors such as ethnic group and place of residence.

Impact of the pandemic on people with disabilities

During the evidence session, I was asked if the ONS could support TUC written evidence that said six out of 10 people who died from COVID-19 were disabled. This figure was taken from our release looking at COVID-19 related deaths by disability status in England, published in February 2021⁴, which found that disabled people made up six in 10 (59.5%) of all deaths involving the coronavirus (COVID-19) for the period to 20 November 2020 (30,296 of 50,888 deaths). For comparison, disabled people made up 17.2% of the study population, suggesting that disabled people have been disproportionately impacted by the COVID-19 pandemic.

We have also looked at outcomes for disabled people in the UK across all areas: education, employment, social participation, housing, crime and wellbeing⁵. Within this we found disabled people's (aged 16 to 64 years) average well-being ratings in the UK were poorer than those for non-disabled people for happiness, worthwhile and life satisfaction measures; average anxiety levels were higher for disabled people at 4.47 out of 10, compared with 2.91 out of 10 for non-disabled people (year ending June 2020).

Impact of the pandemic by ethnicity

In terms of the differences in mortality by ethnicity⁶, during the first wave of the coronavirus (COVID-19) pandemic (24 January 2020 to 11 September 2020), people

³<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/causesofdeath/bulletins/coronaviruscovid19relateddeathsbyoccupationenglandandwales/deathsregisteredbetween9marchand28december2020>

⁴<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/articles/coronaviruscovid19relateddeathsbydisabilitystatusenglandandwales/24januaryto20november2020>

⁵<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/disability/articles/outcomesfordisabledpeopleintheuk/2020#data-sources-and-quality>

⁶<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/articles/updatingethniccontrastsindeathsinvolvingthecoronaviruscovid19englandandwales/24january2020to31march2021>

from all ethnic minority groups (except for women in the Chinese or "White Other" ethnic groups) had higher rates of death involving the coronavirus compared with the White British population. Differences were less pronounced in the second wave, but higher rates were notable in Bangladeshi and Pakistani ethnicities. Adjusting for location, measures of disadvantage, occupation, living arrangements and pre-existing health conditions accounted for a large proportion of the excess COVID-19 mortality risk in most ethnic minority groups; however, most Black and South Asian groups remained at higher risk than White British people in the second wave even after adjustments.

In December 2020, we published an overview of the social impacts of COVID-19 pandemic on different ethnic groups in the UK⁷. This highlighted that in April 2020 in the UK, over a quarter (27%) of those from Black, African, Caribbean or Black British ethnic groups reported finding it very or quite difficult to get by financially, significantly more than those from White Irish (6%), Other White (7%), Indian (8%) and Pakistani or Bangladeshi (13%) ethnic groups. In addition, this publication explored mental health and found that it deteriorated across most ethnic groups during the first lockdown period, but also outlined that those in the Indian ethnic group may have been particularly affected.

The relationship between economic growth and inequality

The ONS produces a range of statistics on both economic growth and inequality, and others such as the OECD and the IMF have produced analysis of the link between the two. Our data allows for an examination of broad trends in the two concepts across several years. UK National Accounts data⁸ show that real GDP grew by 19% over the ten years to 2019/20, while median household income⁹ also rose (by around 6.9%). However, over a similar period measures of income inequality stayed broadly stable¹⁰, and the level of wealth inequality rose slightly¹¹.

The Committee might also be interested to note that the ONS is developing wider measures that go beyond GDP, such as looking at natural capital and how much work people do for free in their own homes¹².

⁷<https://www.ons.gov.uk/peoplepopulationandcommunity/culturalidentity/ethnicity/articles/coronavirusandthesocialimpactsondifferentethnicgroupsintheuk/2020>

⁸<https://www.ons.gov.uk/economy/nationalaccounts/uksectoraccounts/datasets/unitedkingdomeconomicaccountsmainaggregates>

⁹<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/householddisposableincomeandinequality/financialyear2020>

¹⁰<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/householdincomeinequalityfinancial/financialyearending2020>

¹¹Wealth data are currently only available biennially up to April 2018
<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/totalwealthingreatbritain/april2016tomarch2018>

¹² <https://blog.ons.gov.uk/2021/07/06/getting-the-right-tools-how-we-are-creating-wider-estimates-of-gdp/>

Relationship between home ownership and wealth inequalities, including the role of inheritance

The latest data we have for total wealth in Great Britain, including net property wealth, is for April 2016 to March 2018¹³. Increases in net property wealth were largely associated with rising house prices, as well as an increasing share of homeowners who own their property outright rather than with a mortgage.

We can use Wealth and Assets Survey data to consider the relationship between home ownership and wealth. For April 2016 to March 2018¹⁴, these tables show that those households where the main home is rented have median household total wealth of £33,000; those buying with a mortgage have more than 10 times this value, £353,000, and those that own outright have median wealth more than 20 times bigger than renters at £685,000.

In February 2020 we published analysis on housing tenure¹⁵ which showed that almost three quarters of people aged 65 and over own their home outright, where younger people are less likely to own their own home than in the past. Half of people in their mid-30s to mid-40s had a mortgage in 2017, compared with two-thirds 20 years earlier.

We also previously looked at inheritances and intergenerational transfers¹⁶, which found that between July 2014 and June 2016 the median inheritance received by those in the top personal wealth quintile was £35,000, compared with £3,000 for those in the lowest wealth quintile. However, while those in the lower wealth and income quintiles were likely to receive less than those in the higher quintiles, the inheritances they received made up a far higher proportion of their total wealth. Inheritances for those in the top wealth quintile were equivalent to 5% of their net wealth on average, while in the bottom wealth quintile this proportion was 44%.

We will publish the latest (April 2018-March 2020) Wealth and Assets Survey data and analysis toward the end of this year, including modelling the impact a range of demographics such as age, sex, disability, region, ethnicity, and education level have on wealth, and analysis of living standards across generations. We will of course make the Committee aware when these are published.

¹³<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/totalwealthingreatbritain/april2016tomarch2018>

¹⁴<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/adhocs/12779medianhouseholdwealthandmortgagedebtbytenureandbuytoletpropertyownershipgreatbritainapril2016tomarch2018>

¹⁵<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/ageing/articles/livinglonger/changesinhousingtenurevertime>

¹⁶<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/articles/intergenerationaltransfersthedistributionofinheritancesgiftsandloans/2018-10-30>

Inclusive Data Taskforce recommendations

The Committee may be interested to note that in October 2020, the National Statistician established an independent Inclusive Data Taskforce¹⁷ of senior academics and civil society leaders with expertise in a range of equalities areas. Their task was to develop recommendations on how to improve UK data and evidence to better reflect the diversity of UK society, in particular focusing on those in protected characteristics groups and others at greater risk of disadvantage.

The Taskforce have now published their recommendations¹⁸, which were developed in the context of the pandemic and acknowledge the essential role of better data in monitoring its impacts. The National Statistician has provided an initial response, including details of early work that is underway to address some of their recommendations¹⁹.

Over the coming months, the ONS will be working with a range of stakeholders to develop a detailed action plan to take forward these recommendations, to ensure that we have the data that we all need, including the data and evidence we need to effectively monitor the impacts of the pandemic. This action plan will be published in January 2022.

Please do let me know if I can be of any further assistance to the Committee.

Yours sincerely,



Liz McKeown, Director of Public Policy Analysis
Office for National Statistics

¹⁷ <https://uksa.statisticsauthority.gov.uk/the-authority-board/committees/inclusive-data-taskforce/>

¹⁸ <https://uksa.statisticsauthority.gov.uk/publication/inclusive-data-taskforce-recommendations-report-leaving-no-one-behind-how-can-we-be-more-inclusive-in-our-data/>

¹⁹ <https://uksa.statisticsauthority.gov.uk/publication/response-by-the-national-statistician-to-the-inclusive-data-taskforce-idtf-report-and-recommendations/>