



**END**  
CHILDHOOD  
**CRISIS**

Executive summary

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**Childhood during coronavirus:**  
protecting children from the effects of poverty

# Executive summary

Action for Children protects and supports children and young people, providing practical and emotional care and support, ensuring their voices are heard, and campaigning to bring lasting improvements to their lives.

## Our Coronavirus Emergency Fund

In March 2020, we launched our Coronavirus Emergency Fund (the Emergency Fund), in response to the UK's coronavirus pandemic, and emerging signs of urgent financial needs among the children, young people and families that we support through our services.

The Emergency Fund forms part of our wider organisational response to the crisis. It's operated throughout lockdown and now in this post-lockdown 'recovery' phase, alongside our enhanced coronavirus service offer. We have adapted and expanded our services in line with social distancing measures, and to meet rising demand for support, for example by developing a new online parenting information and advice service, Parent Talk.

The Emergency Fund is open to all children, young people and families currently using our services, who need emergency financial aid to meet the cost of daily essentials such as food, utility bills, baby items, clothing, cleaning products, and home learning resources. It's been a vital lifeline for many families during the pandemic.

Our frontline service staff submit applications for one-off grants of up to £250, detailing the individual or family's needs.

Anonymised data from the grant applications provides highly valuable insight into the financial precariousness of many low-income families with children at this time, including their key characteristics, and the range and severity of their needs.

This report presents findings from an analysis of applications submitted to the Emergency Fund and a survey of our frontline staff. In it, we make recommendations to the UK and devolved governments, on the steps needed to support families to recover from the financial effects of the pandemic, and to reduce child poverty rates.

While the Emergency Fund continues to operate, we felt that now was a key moment, with lockdown measures mostly lifted, and the government soon expected to deliver its Budget and Spending Review, to reflect on the socio-economic consequences of the pandemic for children and families. In doing so, the report also considers the recovery measures needed to ensure that children are supported to thrive – both now, and in the months and years ahead.



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## Our findings

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Many families were already facing significant financial pressures before the crisis, and now, their situations are deteriorating. Others, meanwhile, who were coping or just about managing before the pandemic, are now experiencing financial hardship for the first time.

As a result of those pressures, many families have struggled to afford the resources necessary to feed their children, educate them at home, and keep them entertained. Some have also had to cope with adult and child mental health concerns arising from the pandemic.

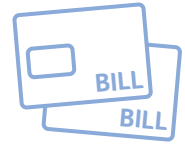
### Key findings from our analysis of families' characteristics include:

- 37% of households were single parents.
- 19% of households had one or more children with special educational needs and disabilities (SEND), while 10% of households had one or more young carer.

### Key findings from our analysis of families' needs include:

- 37% said that the pandemic had led to financial pressures due to the increased household costs associated with having all the family at home full-time.
- 29% reported that household finances were an issue before the crisis, and they were already in receipt of welfare benefits.
- 21% had seen at least one adult lose their job or have their pay cut.
- 30% were struggling to access enough welfare benefits to meet their daily living costs.
- 40% were struggling to feed their children.
- 31% were lacking access to the resources necessary to educate their children at home.
- 37% had one or more adults experiencing a mental health concern as a result of the pandemic, while 23% had one or more children struggling with their mental health.

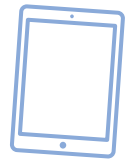
# 37%



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# 31%



of families were lacking access to the resources necessary to educate their children at home.

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# 40%



of families were struggling to feed their children.

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**Key findings from our survey of frontline key workers include:**

- 86% of staff felt that the crisis had left the family finances of the children they work with worse off (43% said 'significantly worse off').
- 66% of staff predicted that, over the next six months, family incomes would worsen (36% said that they would 'get significantly worse'; and 18% thought that they would 'stay the same').
- When asked what additional support they had provided to families during the pandemic, beyond Emergency Fund grants, 83% of staff said that they had provided extra emotional support to parents; 67% had provided learning support or activities to families; and 66% had provided extra emotional support to children.
- 78% reported that the pandemic was having a negative impact on the mental health and wellbeing of the children they support.

**86%**



**of staff felt that the crisis had left the family finances of children they work with worse off.**

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**66%**



**of staff had provided extra emotional support to children.**

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## The policy context

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Child poverty rates have risen steadily in the UK over the last decade. Now, as a consequence of the coronavirus crisis, the number of children living in financial hardship is set to rise even higher.

Relative child poverty is likely to increase in the long-term, after a temporary drop-off due to the cushioning effect of the government's coronavirus measures (particularly welfare benefit increases) on the household finances of many low-income families with children.

Despite those measures, the crisis has put families under unprecedented financial pressures, and job losses, together with the imminent phasing out or withdrawal of the government's support package, may result in income shocks for many.

During lockdown, falling incomes (arising from job losses and pay cuts), were compounded by rising household costs, due to the partial closure of education and childcare settings, and workplaces. Parents and carers saw their food and utility bills rise with the whole family at home full-time. Many also incurred the costs associated with home schooling their children.

In response to the crisis, the government acted quickly to protect employment incomes. It also took some steps to increase incomes from welfare benefits and improve the support available locally to low-income households.

### Measures included:

- The establishment of the **Coronavirus Job Retention Scheme** and the **Self-Employment Income Support Scheme**.
- The enhancement of **Statutory Sick Pay**.
- Increases to the **standard rate of Universal Credit and Working Tax Credit**.
- Increases to **local housing allowance rates**.
- The establishment of the **Hardship Fund** (England-only).

- Increases to **local welfare assistance schemes** (England-only).
- The establishment of a **Free School Meal voucher scheme** (England-only) and a **technology scheme** (England-only).

**However, to date, the government has not announced any dedicated financial support for low-income families with children, beyond the Free School Meal voucher and technology schemes, which have only reached a minority of children.**

**Furthermore, the planned phasing out or withdrawal of these measures – in particular, the Job Retention Scheme (in November 2020) and the Universal Credit uplift (in April 2021) – may have a significant, detrimental effect on many families, due to the income shocks they would cause.**

## Our recommendations to the UK government

**To help low-income families with children to recover from the short and medium-term financial effects of the pandemic, we urge the government to:**



Retain increases in the Universal Credit standard allowance; local housing allowance rates; and (England-only) Council Tax Support.



Increase Child Benefit by £10 per week.



Increase the child element of Universal Credit, and Child Tax Credit, by £20 per week.



End the benefit cap and two-child limit.



Increase funding to local welfare assistance (LWA) schemes (England-only).

**To support low-income families with children to deal with the longer-term, lasting financial effects of the pandemic, we urge the government to:**



Develop and implement a UK child poverty strategy that sets ambitious targets for its reduction and eradication.



Establish an independent body to provide advice on the adequacy of welfare benefit levels.

Action is needed to ensure that children can recover from the pandemic and lead safe and happy childhoods.  
**Together we can End Childhood Crisis.**





## **Safe and happy childhood**

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for safe and happy childhoods

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