

## IIMHL & IIDL Leadership Briefing XXXIV

### Poverty & COVID-19

Janet Peters

6 October 2020

*“Not everyone has the same opportunity to live a healthy life, and one key driver for these health inequalities are the inequalities in society itself. The story is not new. But COVID-19 has thrown it into sharper focus”<sup>1</sup>.*

#### Introduction

A report from the UK looks at the link between health and income. It explores the nature of the economic shocks experienced in recent years, including those stemming from COVID-19, and the consequences these might have on people's health. It then considers how we might use the current crisis to build a fairer and healthier society.

Also from the UK, the British Psychological Society has enacted a campaign called "From Poverty to Flourishing." This Campaign aims to put psychological evidence at the heart of action to tackle poverty and improve outcomes for children, families and communities. Five briefing papers are outlined.

This Briefing also looks at Canada; and it outlines the Governments Economic Response Plan for Canada, and includes more specifically, the new economic response for Indigenous communities outlined in August 2020. This Briefing also includes information from the Tamarack Institute which publishes a bi-monthly 'dashboard' describing a snapshot of economic statistics from Canada.

#### UK

##### **The Health Foundation: Living in poverty was bad for your health before COVID-19**

25 July 2020

COVID-19 is a novel disease that has required unprecedented measures to protect public health. But the inequalities it has highlighted are far from unprecedented.

In February 2020, the Marmot Review 10 Years On charted the growth in the life expectancy gap over the last decade between the most and least deprived amid the backdrop of recovery from the great recession and subsequent austerity measures.

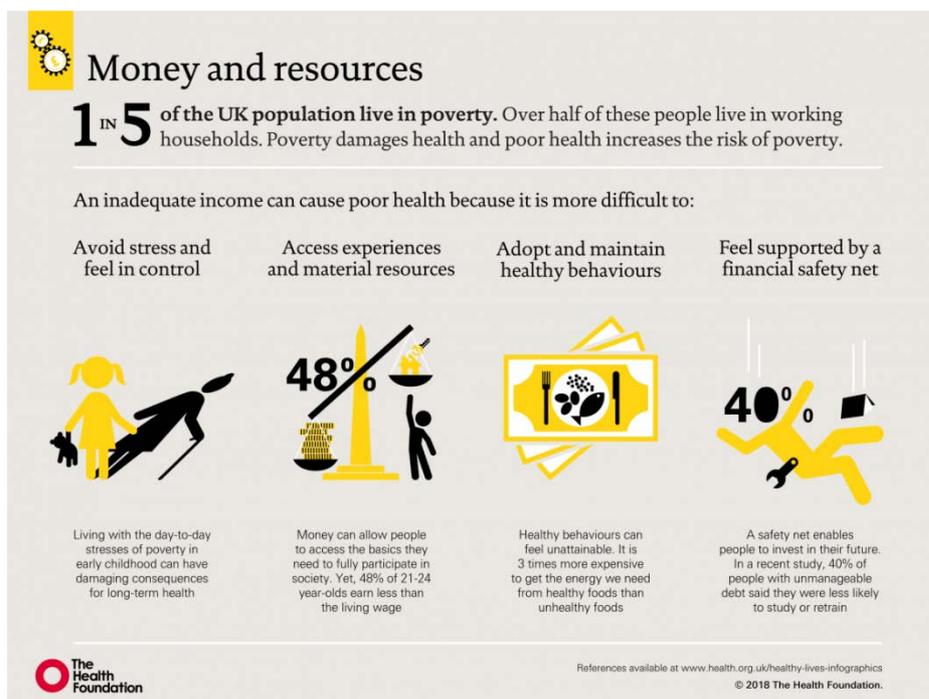
---

<sup>1</sup> <https://www.health.org.uk/sites/default/files/2020-07/Living%20in%20poverty%20was%20bad%20for%20your%20health%20before%20COVID-19.pdf>. P. 4.

- Income is associated with health: people in the bottom 40% of the income distribution are almost twice as likely to report poor health than those in the top 20%. Poverty in particular is associated with worse health outcomes. This is especially the case for persistent poverty.
- Income and health can both affect each other – lower income is associated with more ‘stressors’ which can harm health and allow fewer opportunities for good health. Poor health can limit the opportunity for good and stable employment and so affect income.
- The UK entered the coronavirus (COVID-19) pandemic and related economic shock from a starting position of stagnant income growth and low levels of financial resilience. 65% of families in the bottom income quintile had either no savings or savings below £1,500.
- The pattern of employment loss and furloughing by income suggests that the future economic consequences of COVID-19 may be borne by those on lower incomes. This in turn risks an additional long-run burden on health.
- Providing support to bolster people’s incomes for as long as necessary should remain a priority. But there are gaps in the government’s current package of support that risk undermining public health, including the need for more reassurance for renters, retraining support for people who have lost their jobs, and more comprehensive statutory sick pay.
- The government’s ‘levelling up’ agenda must include investment to improve the health of the whole population and level up health outcomes.

<https://www.health.org.uk/publications/long-reads/living-in-poverty-was-bad-for-your-health-long-before-COVID-19>

## How poverty can influence health: Infographic



<https://www.health.org.uk/infographic/poverty-and-health>

## Recommendations for the medium to long term

- In many ways, what we do now in the face of the economic fallout of the pandemic could lay the basis for a more equitable future. Short-term losses in income should be prevented from becoming long-term in order to minimise the future health risks. One relevant policy here would be to extend the temporary increases in social security as part of a programme of strengthening the benefits system. Policies that incentivise job creation (such as the 'Kickstart' jobs scheme) should be coupled with support to retrain and find new high-quality work.
- Whatever fiscal retrenchment takes place after the current crisis, this should not exacerbate income inequalities.
- Policies to support household incomes should provide a framework that reduces the burden of poverty, and therefore the future burden on the nation's health. Poverty reduction would need a wide-ranging strategy including: increasing genuinely affordable housing options to reduce pressures on family incomes from housing costs; further investment in early years services and child care to support children from the youngest ages; creation of better quality, higher paid work, and fixing the gaps in local welfare provision to protect the most vulnerable.
- The government's policy agenda focusing on 'levelling-up' opportunity across the country is welcome. To ensure this agenda delivers tangible improvements in people's lives and to bolster the economy longer term, there should be a focus not just on enterprise and productivity-increasing infrastructure, but also on social protection and addressing inequalities in health outcomes between different groups. Sustained action across the wider determinants of health, including action to boost incomes, could be driven forward through a cross-government health inequalities strategy.

<https://www.health.org.uk/publications/long-reads/living-in-poverty-was-bad-for-your-health-long-before-COVID-19#f-section-89221-anchor>

### The British Psychological Society

August 2020

As noted earlier in the "From Poverty to Flourishing" Campaign, the BPS is seeking to provide insight into the psychological impact of poverty and the ways in which psychological research can help to effectively reduce it.

Poverty is a systemic crisis in the UK, where an estimated 14.3 million people are living in poverty, and the coronavirus crisis will undoubtedly exacerbate this situation. The current pandemic crisis means this has never been more important and our members are calling for governments across the UK to introduce a comprehensive cross-departmental anti-poverty strategy that aims to move people from being in poverty to flourishing.

Effective solutions exist, so the interventions we recommend are unlikely to be unique. But by helping to deepen policy-makers' understanding of the psychological

underpinnings of why they work, we hope to strengthen the case for implementing these interventions.

The briefing paper(s) presented here (from Northern Ireland, Scotland, UK and Wales) set out our intended approach to our campaign and the way in which psychology can help inform a more effective approach to developing policy that will tackle poverty.

<https://www.bps.org.uk/poverty-flourishing>

## Canada

### Government of Canada: Canada's COVID-19 Economic Response Plan - Overview

11<sup>th</sup> August 2020

These measures are part of the Government of Canada's [COVID-19 Economic Response Plan](#) – a comprehensive plan to help ensure that Canadians can pay for essentials like mortgages, rent and groceries, and to help businesses continue to pay their employees and their bills during this time of uncertainty.

This page covers:

- Protecting Health and safety
- Direct Support Measures
- For individuals
- Businesses, sector specific supports including indigenous communities
- Tax liquidity support
- Other liquidity support and capital relief

<https://www.canada.ca/en/department-finance/economic-response-plan/fiscal-summary.html>

### Indigenous Community Support Fund

12<sup>th</sup> August 2020

This fund helps Indigenous communities prevent, prepare and respond to coronavirus disease 2019 (COVID-19).

The health, safety and well-being of all people in Canada, including First Nations, Inuit and Métis is and will remain a top priority for all.

Canada recognizes that First Nations, Inuit and Métis are among the most vulnerable and that during this crisis, in particular, those in remote and fly-in only parts of the country are uniquely vulnerable. Communities are incredibly resilient and full of solutions and innovative ideas. This is why we must support distinctions-based measures to improve public health response for Indigenous communities and provide them with the flexibility they need to address the specific needs identified by communities and their members.

On August 12, the Government of Canada announced an additional \$305 million for the Indigenous Community Support Fund. It will be distributed through a combination of allocations directly to First Nations, Inuit and Métis leadership, and needs-based funding, which will be application driven. This funding will be available to First Nations, Inuit, and Métis communities, as well as Indigenous communities and organizations serving Indigenous peoples, including First Nations living off-reserve as well as Inuit and Metis living in urban centres. Information will be available soon on this webpage. These investments bring the Indigenous Community Support Fund to \$685 million in total.

This fund provides Indigenous leadership with the flexibility needed to design and implement community-based solutions to prepare for and react to the spread of COVID-19 within their communities. These funds could be used for measures including, but not limited to:

- support for Elders and vulnerable community members
- measures to address food insecurity
- educational and other support for children
- mental health assistance and emergency response services
- preparedness measures to prevent the spread of COVID-19

<https://www.sac-isc.gc.ca/eng/1585189335380/1585189357198>

### **Statistics Canada**

16<sup>th</sup> July 2020

This Government agency showed the economic impact of COVID-19 among indigenous groups:

<https://www150.statcan.gc.ca/n1/pub/45-28-0001/2020001/article/00052-eng.htm>

### **The Tamarack Institute: Cities Reducing Poverty Policy Digest**

July/August 2020

*The July/August 2020 Edition of the Cities Reducing Poverty Policy Digest* aims to provide you with timely poverty-related policy updates and resources from across Canada.

This website has a host of poverty-related links from both the Government of Canada through to each province and territory.

It covers:

- National statistics regarding poverty
- National policy updates and related articles
- Policy proposals and campaigns
- And then Updates by Province and Territory

<https://www.tamarackcommunity.ca/latest/crp-policy-digest-july/august-2020>