



# MAKING ENDS MEET



RED  
SHIELD  
APPEAL

May 2021



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## Our Vision

Wherever there is hardship or injustice, Salvos will live, love and fight, alongside others, to transform Australia one life at a time with the love of Jesus.

## Our Mission

The Salvation Army Australia is a Christian movement dedicated to sharing the love of Jesus.

We share the love of Jesus by:

- » **Caring for people**
- » **Creating faith pathways**
- » **Building healthy communities**
- » **Working for justice**

## Our Values

Recognising that God is already at work in the world, we value:

- » **Integrity**
- » **Compassion**
- » **Respect**
- » **Diversity**
- » **Collaboration**

We commit ourselves in prayer and practice to this land of Australia and its people, seeking reconciliation, unity, and equity.

## Acknowledgement of Country

The Salvation Army acknowledges Aboriginal and Torres Strait Islander peoples as the traditional custodians of all the lands throughout Australia and recognises their continuing connection to their culture, lands, and waters. We pay our respects to their Elders past, present and emerging.

## Recognition

Thank you to everyone who completed surveys, participated in interviews and shared your views and experiences with us. Thank you for your time, honesty and insights.

Thank you to all the dedicated staff, volunteers, officers and members of our Salvation Army Corps and social centres. Your commitment and compassion towards others are extraordinary.

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# Overview

In 2020,  
The Salvation Army's  
Doorways Emergency  
Relief services:



assisted more than  
**126,000**  
people



provided more than  
**270,000**  
sessions of care to  
those in need

**COVID-19** has had catastrophic effects on the economic, social, and emotional wellbeing of many Australians.<sup>1</sup> The past year has been extremely challenging for thousands in this country who have grappled with job insecurity, increased unemployment, battling debt and financial hardship.<sup>2</sup> Wage subsidies and income support measures such as JobKeeper and the Coronavirus Supplement have provided a financial safety net and offered a short-term reprieve for some. However, the circumstances for many people are likely to deteriorate significantly since these financial initiatives have been abolished.

For those already struggling, the pandemic has further exacerbated experiences of poverty, hardship and housing stress, particularly for low-income earners and recipients of government benefits. As a result, many have turned to community support services for help. The Salvation Army has observed new and emerging groups of people who normally would have managed through hard times. Since April 2020, there has been an influx of international students, temporary visa holders, younger cohorts aged between 18-24 years, and those renting and residing in unstable accommodation.<sup>3</sup> There has also been a substantial increase in the number of working people and those with no income seeking support through The Salvation Army's Doorways Emergency Relief centres from November 2020 to January 2021. In fact, the number of people employed seeking assistance has increased sixfold, while people with no income has tripled, compared to the same period the year before. The situation for many is bleak.

This research project explored the impact and challenges of the COVID-19 pandemic on the financial situation and mental wellbeing of community members and their families. The information collated provides valuable insights and understanding of the effects of COVID-19 for our clients, and the financial implications of living on restricted incomes. This report highlights how most respondents struggled to manage on limited incomes and battled to find work. It emphasises the financial stress and difficulties people experienced to afford their rent and basic essentials, such as household bills and enough food to eat for themselves and their families. Some faced the prospect of homelessness or were forced to rely on others for a temporary place to stay. There were many examples and experiences of deprivation, bouts of poverty and difficulties maintaining a basic standard of living. Notably, respondents reported a deterioration in their financial situations and mental health during lockdown periods.

More than ever, The Salvation Army has continued to reach out and deliver essential services to thousands of vulnerable Australians in dire circumstances. Our programs have assisted people in financial need, who have gone without food, impacted by unemployment, and those who have been isolated and alone. This continues to be a tumultuous and uncertain time, with many concerned about what the future may hold. This remains the harsh reality for many people who access The Salvation Army's Emergency Relief services.

# Method

An online questionnaire was conducted to examine the impact of the COVID-19 pandemic on the financial situation, housing stress, mental health and wellbeing, and challenges for community members' families and children.

## **QUESTIONNAIRE DESIGN**

The questionnaire was based on a combination of existing survey tools<sup>4</sup> to capture information about the impact of the pandemic, financial situation and stress, cost of living expenses, housing and levels of deprivation.

## **QUESTIONNAIRE DISTRIBUTION**

Qualtrics online survey platform hosted the questionnaire. A sample of people who had attended The Salvation Army's Emergency Relief centre in the past were invited to participate in the survey via text message. The data collection period was open between October 2020 to February 2021. Participation was voluntary and responses were anonymous. A total of 955 respondents completed the online questionnaire (27% response rate).

## **DATA ANALYSIS**

Data cleaning and analysis were conducted using SPSS. Non-responses for quantitative analysis were excluded from the calculations. Open-ended responses were subjected to thematic analysis where they were coded and categorised according to recurring themes. Responses have been edited slightly for spelling, grammar and clarity.

# Themes

The past twelve months have been turbulent and created great uncertainty for many Australians, including considerable financial hardships and insecurity for thousands of people who accessed The Salvation Army's support services. Key themes that arose from this research project included:

- A Unemployment and lack of adequate income were the main reasons people sought assistance**
- B The prevalence of housing stress and risk of homelessness was very high among respondents**
- C Occurrences of financial hardship and experiences of deprivation were common among respondents**
- D Inadequate income and increased expenses hindered people's ability to afford essential items such as rent, bills and food**
- E Family households with children experienced significant financial hardship and negative socio-emotional impacts due to COVID-19**
- F Lockdown had significantly detrimental and lasting effects on respondent's financial situations, mental health and wellbeing**
- G Finding employment, managing financial stress, experiences of mental health, feelings of social isolation and loneliness were the main challenges respondents grappled with in the past twelve months**



# Key Findings



## DEMOGRAPHIC PROFILE

Since COVID-19 there has been a change in client profile presenting for assistance, with a substantial increase in the number of people seeking assistance who were employed and received no income.

From November 2020 to January 2021, the number of people seeking Emergency Relief assistance who were employed increased **sixfold**, while people with no income **tripled**, compared to the same period the year before.



## INCOME AND EMPLOYMENT

Overall, respondents received an income of **\$334 per week<sup>^</sup>**, leaving them **\$7.50\* per day\*** to live on after paying housing costs; **six times lower** compared to average Australian households.

Respondents on government benefits received an income of **\$344 per week<sup>^</sup>**, leaving them **\$11 per day\*** to live on after paying housing costs.

The situation was worst for those on casual wages, with **\$25 per week\*** or **\$3.50 per day\*** left over for all other bills and expenses after paying for housing costs.

**One-quarter** of respondents reported they received no individual income.



## HARDSHIP

**Nearly half** of all respondents reported they were financially in need and did not have enough money for basics, such as housing, food and electricity.



**More than half** of respondents could not afford to pay their gas, electricity or phone bills on time and spent more money than they received.



**Nearly three in five** sought financial assistance from family and friends and were unable to afford a hobby or leisure activity.



**Three-quarters** did not have \$500 in case of emergency, and **more than one-third** pawned or sold items for money.



**More than half** of respondents reported they regularly skipped meals and were unable to afford enough food to feed their families.



**Nearly two-thirds** of respondents on income support benefits revealed being able to afford enough food to eat was one their greatest challenges in the past year.



## HOUSING

Overall, respondents spent **\$250 per week\*** on housing costs; this figure was **\$70 higher** for those on parenting payment, spending a total of **\$320 per week\*** on housing.

**More than nine in ten** respondents experienced housing stress, paying between **30 to more than 50%** of their income on housing.

**Nine in ten** Parenting Payment recipients and **seven in ten** JobSeeker recipients experienced extreme housing stress, paying **more than 50%** of their income on accommodation costs.

Overall, **43%** of respondents reported their housing costs **exceeded their income.**



## FAMILIES AND CHILDREN

Respondents on Parenting Payment spent the most on accommodation expenses and experienced one of the highest rates of housing stress among respondents.

Parenting Payment recipients had an income of **\$6 per day^** to live on after accommodation expenses.

**Nearly half** of family households reported they struggled to make ends meet and were very worried about their future finances.

Family households reported their greatest challenge in the past twelve months was:

- » **Managing mental health (64%)**
- » **Managing financial stress and difficulties (61%)**
- » **Being able to afford enough food (57%)**
- » **Taking care of their family and children (48%)**

^Equivalised median income  
\*Equivalised median weekly housing cost  
#Mainly casual staff/employees

Parent households reported that the pandemic negatively affected their children's:

- » **Social activities (73%)**
- » **Education (68%)**
- » **Mental health (64%)**
- » **Physical activities (62%)**
- » **Emotional wellbeing (60%)**

The impact of the pandemic across each domain was significantly worse for children from sole-parent families.

**31% of households** with children could not afford the internet connected at home; rates were higher in sole parent households (**36%**).

## WELLBEING

Overall, **nearly half** of respondents reported they were very worried about their future financial situation.

**Nearly two-thirds** reported poor mental health during the pandemic, rates **more than doubled** compared to prior to COVID-19; and was worse still for sole-parent households (**64%**) and government income support recipients were worst impacted (**70%**).

**Seven in ten** respondents on government income support benefits reported their greatest challenge in the past twelve months was managing their mental health, feeling socially isolated and lonely (**61%**), and their physical health (**56%**).

**One in six** respondents on government income support benefits and **14%** of households with children reported family and domestic violence was the greatest challenge they experienced in the past year.



# Main Findings

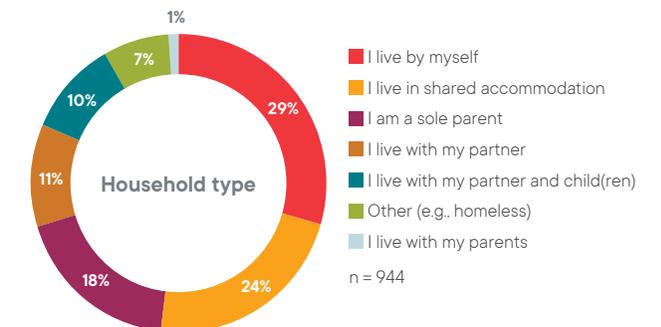
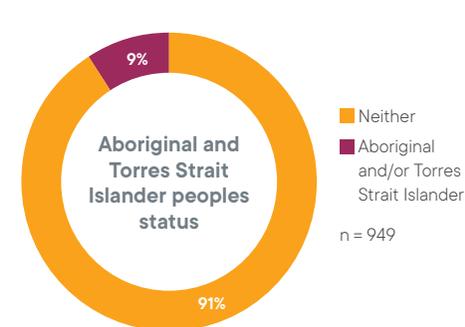
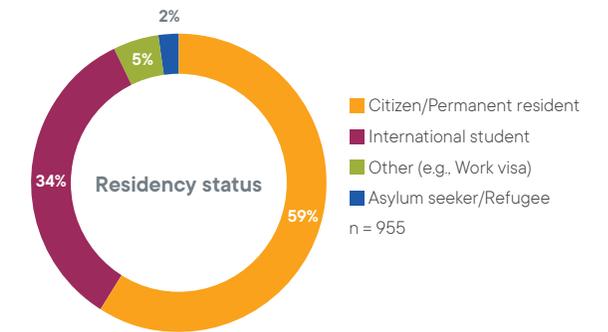
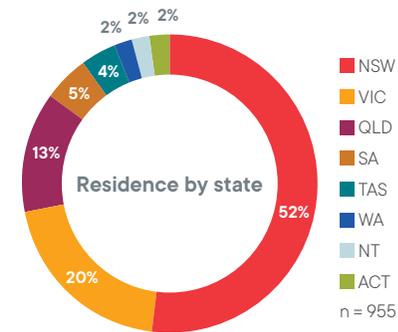
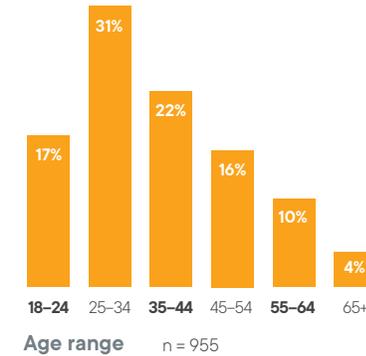
## DEMOGRAPHIC PROFILE

A total of **955** respondents completed the survey.<sup>a</sup> The majority of respondents were female (**69%**), and **three in ten** were male. **Nearly three in ten** respondents lived alone, **28%** were families with children, and **one in five** lived in shared accommodation. **Four in five** respondents were in the optimum age range for work participation (25-64 years). NSW was overly represented in the sample, comprising **more than half** of all respondents, **20%** were from Victoria, and **14%** were from Queensland. **Nearly three in five** respondents were Australian citizens or permanent residents, **more than**

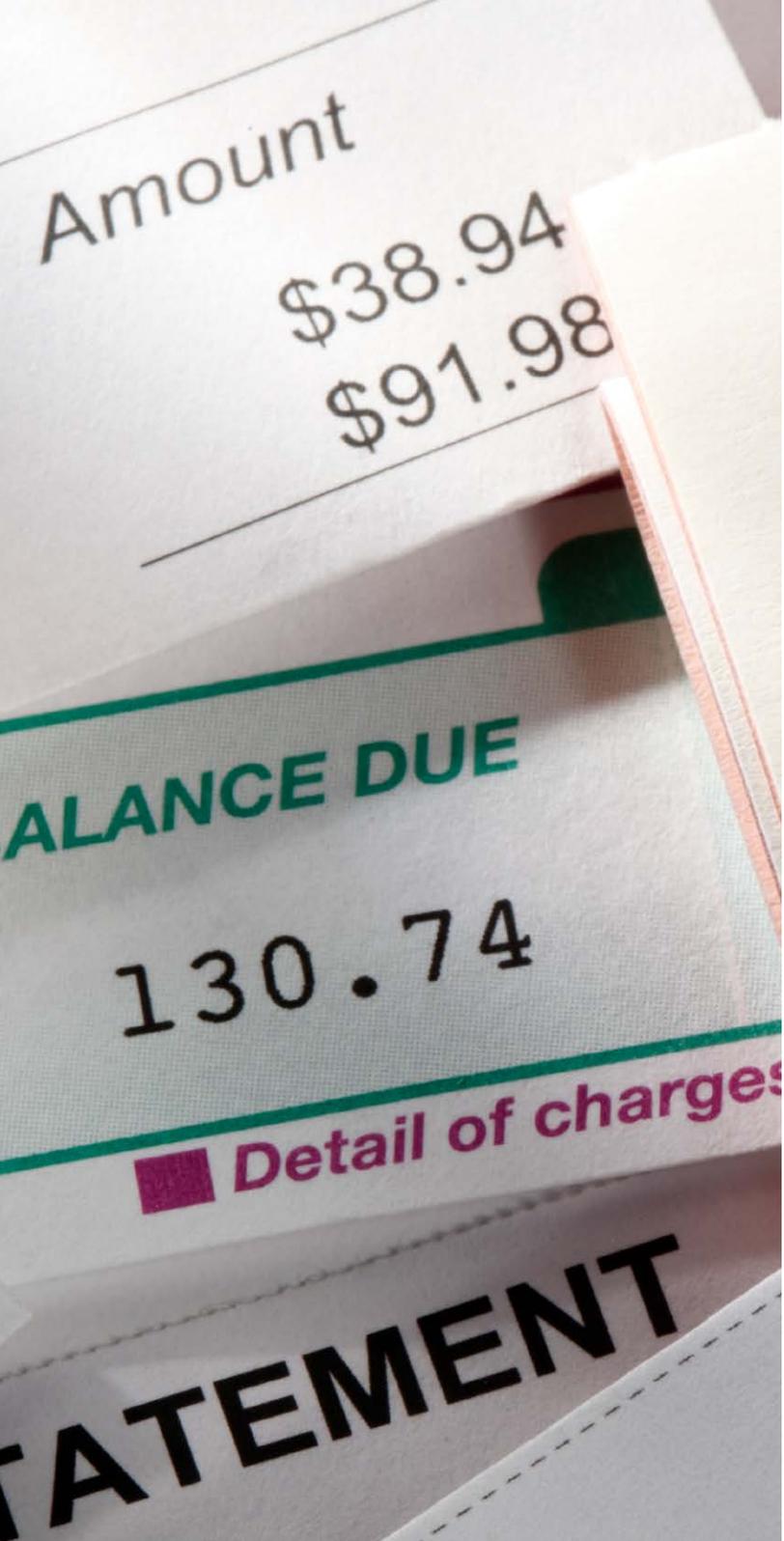
**one-third** were international students, while **2%** were refugees and/or people seeking asylum. **Nine per cent** of respondents were First Nations peoples, **nearly three times** higher than the proportion of Aboriginal and Torres Strait Islander peoples' population in Australia (3.3%).<sup>5</sup>

“ I am an international student and I was in a difficult situation with finances and rent. Salvos helped me so much and my life has been changed. I can't thank you enough!

37-year-old man from Tasmania



a. Not necessarily a representative sample of TSA ER population. For example, the number of people on government benefits is slightly under-represented. The number of responses to each question may also differ slightly. Missing responses to each question was approximately 5% of the total sample. Missing responses was higher for income and housing cost questions (approximately 27%).



### INCOME AND EMPLOYMENT

**One-quarter** of respondents reported they had no income. **Sixteen per cent** worked either full-time, part-time or casually. These figures are substantially higher compared to Doorways Emergency Relief demographic data from previous years. Since November 2020, the number of people seeking assistance who were employed increased **sixfold**; and people with no income tripled compared to the same period the year before. These figures highlight increased financial pressure and hardships people are facing across our communities. **Fifty-four per cent** of respondents were recipients of government income

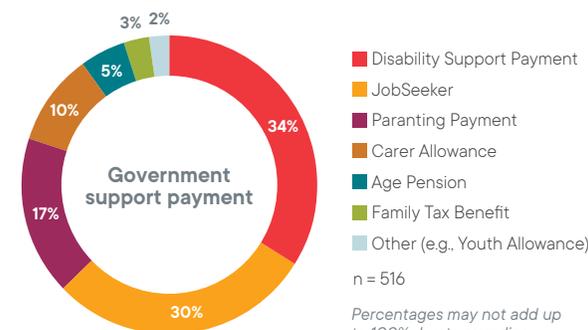
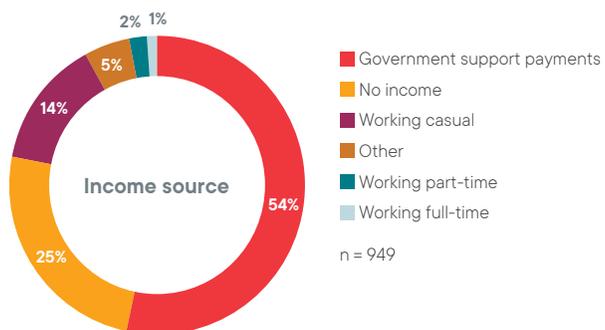
support. Of these, **more than one-third** received Disability Support Pension, **30%** received JobSeeker and **17%** received Parenting Payment. These figures are considerably lower in comparison to the demographic and income support profile of Doorways Emergency Relief clients in previous years.

For many respondents, living on a limited income posed many challenges and struggles. Overall, respondents received **\$334 per week<sup>^</sup>**, and after paying for accommodation costs were left with **\$53 per week<sup>\*</sup>** or **\$7.50 per day<sup>\*</sup>** to live on. This situation was worse for those on wages, predominantly casual staff, who were left with **\$25 per week<sup>\*</sup>** or **\$3.50 per day<sup>\*</sup>** for all other bills and expenses, and nothing left for those receiving no income.

“ Didn’t fit within any of their criteria for help. Destitute with no income but over pension age so I don’t receive any entitlement.”

71-year-old woman from Victoria

	Median weekly household income <sup>^</sup>	Median weekly housing cost	Median WEEKLY income <sup>*</sup> after housing	Median DAILY income <sup>*</sup> after housing
<b>OVERALL</b>	\$334	\$250	\$53	<b>\$7.50</b>
<b>NO INDIVIDUAL INCOME</b>	\$278	\$250	\$0	<b>\$0</b>
<b>GOVERNMENT BENEFITS</b>	\$344	\$265	\$80	<b>\$11</b>
<b>WAGES#</b>	\$273	\$250	\$25	<b>\$3.50</b>



<sup>^</sup>Equivalised median income  
<sup>\*</sup>Equivalised median weekly housing cost  
<sup>#</sup>Mainly casual staff/employees



In comparison, respondent's income was approximately **one-sixth** of the average Australian household income and less than half compared to the **lowest 20%** income percentile.<sup>6</sup> These figures are indicative of the level of financial hardship endured by TSA respondents.

“ I have received food assistance as my car repairs left me with no money to feed me and my son. I received a voucher and a food delivery from Woolworths which saved us both from starving for the fortnight to come.

39-year-old woman from New South Wales

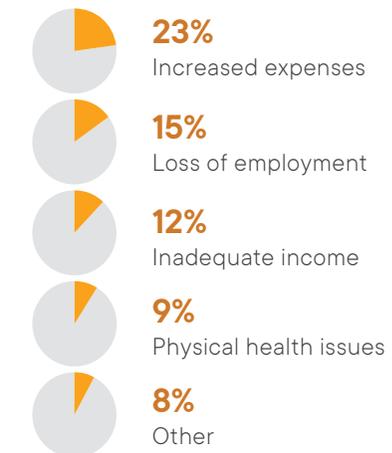
Group	Total ANNUAL median disposable household income	Total WEEKLY median disposable household income	% of Total median disposable household income
AUSTRALIAN POPULATION	\$95,732	\$1,841	100%
AUSTRALIANS 20% INCOME QUARTILE	\$32,084	\$617	33%
TSA RESPONDENTS	\$17,368	\$334	18%

Respondent's income was approximately **one-sixth of the average Australian household income** and **less than half** compared to the lowest income earning Australians



The past year has produced a myriad of financial and life challenges for many community members who accessed The Salvation Army's Doorways Emergency relief services. Underemployment and unemployment rates were at their peak during COVID-19, with millions of Australians out of work.<sup>7</sup> It was not unsurprising that **55%** of respondents reported finding employment was their main challenge in the past twelve months; worse still for those on wages and no income. The reasons for seeking assistance from Doorways Emergency Relief services varied significantly by income source. This was evident in our research findings, which showed that overall **15%** of respondents sought assistance because they lost their job, **23%** struggled to afford increased expenses and **12%** did not have enough income to live on.

Overall, the five main reasons for seeking assistance were:





### Increased expenses

**Forty per cent** of respondents receiving income support benefits reported increased expenses was the main reason for seeking assistance; **nearly double** the rate compared to all respondents. There was some variation between the different income support payment types, however most still struggled to afford and meet increased costs and expenses. Respondents on government benefits reported their greatest challenges in the past year were managing financial stress and difficulties (**59%**), being able to afford enough to eat (**63%**) their physical (**56%**) and mental health (**70%**). Compared to those on wages, **half** sought assistance because of inadequate income, and **more than one-third** of those with no income sought assistance because of job loss.

“ Prices have gone up since COVID and it is hard because all the bills have gone up. Groceries, fuel...everything is higher, but the disability pension hasn't gone up to compensate for the rise.

48-year-old woman from Queensland

Increased expenses for government support types:  
**Disability Support Pension (43%)**  
**JobSeeker (35%)**  
**Parenting Payment (50%)**

	No individual income	Government benefits	Wages
1	Loss of employment (35%)	Increased expenses (40%)	Inadequate income (50%)
2	Unemployment (13%)	Physical health issues (9%)	Loss of employment (21%)
3	Physical health issues (12%)	Other (9%)	Other (11%)
4	No income (11%)	Budgeting issues (8%)	Debts (6%)
5	Loss of income (9%)	Inadequate income (5%)	Physical health costs (4%)

### HOUSING

#### Housing stress and rental affordability

Despite the pandemic, Australian property prices continue to surge. The national median house price across Australia's capital cities is nearly \$900,000, forcing prospective homeowners into mortgage debt or pricing people out of the housing market altogether.<sup>8,9</sup> This has a flow-on effect on the private rental market, with many forced to contend with rental increases, increased competition for properties and greater demand for low-cost housing.

Rental stress affects **more than two in five** low-income Australian households, spending **more than 30%** of their income on accommodation costs.<sup>10</sup> Our research indicated that the situation for our respondents was more dire. **More than nine in ten** respondents experienced housing stress, paying **30%** to **more than 50%** of their income on accommodation expenses; of these, **43%** declared their housing costs exceeded their income. Overall, respondents spent **\$250 per week** on housing costs. This figure was **\$70 higher** for those on parenting payment, who were most economically disadvantaged, spending a total of **\$320 per week** on housing. **More than seven in ten** income support recipients experienced extreme housing stress, paying **more than 50%** of their income on housing; those on Parenting payments were worst affected (**90%**). There were some variations of housing stress between groups. **Half** of the respondents with no income reported their housing costs exceeded their income, followed by **44%** of those employed and **more than one-third** of government income support recipients.



### Housing stress and rental affordability – continued

Many respondents reported there are limited affordable housing options available. Some reported they relocated to more regional and remote areas to search for cheaper housing. Median housing costs for JobSeeker recipients were **\$250 per week**, which left **\$100 per week\*** or **\$14 per day\*** for other bills and expenses. For those individuals earning no income, respondents reported their housing costs were still **\$200 per week**. It was not surprising that **three-quarters** of respondents with no income revealed they were worried about their future financial situation. This information reinforces the fragile and tenuous situation people experience under financial stress, with a limited buffer between living at home and becoming homeless. This situation affects the capacity to sustain housing long-term and places many vulnerable groups of people, low or no-income earners at risk of becoming homeless.

	Median weekly household income <sup>^</sup>	Median weekly housing cost	Median WEEKLY income* after housing	Median DAILY income* after housing
DISABILITY SUPPORT PAYMENT	\$385	\$230	\$120	\$17
JOBSEEKER	\$327	\$250	\$100	\$14
PARENTING PAYMENT	\$344	\$320	\$42	\$6



**93% of respondents** experienced housing stress paying between **30% to more than 50%** of their income on housing

Overall, respondents spent **\$250 per week** on housing costs; this figure was **\$70 higher** for those on Parenting Payment, who spent a total of **\$320 per week** on housing

Overall, **43% of respondents** reported their housing costs **exceeded their income**

<sup>^</sup>Equivalised median income  
\*Equivalised median weekly housing cost

**\$6**  
DAILY

Parenting Payment recipients had a median **daily income of \$6** to live on after accommodation expenses

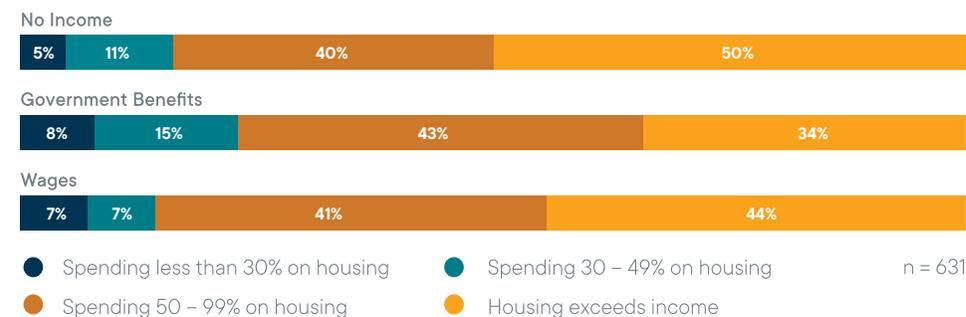
**9/10**

**Nine in ten** Parenting Payment recipients experienced extreme housing stress, paying **more than 50%** of their income on accommodation costs

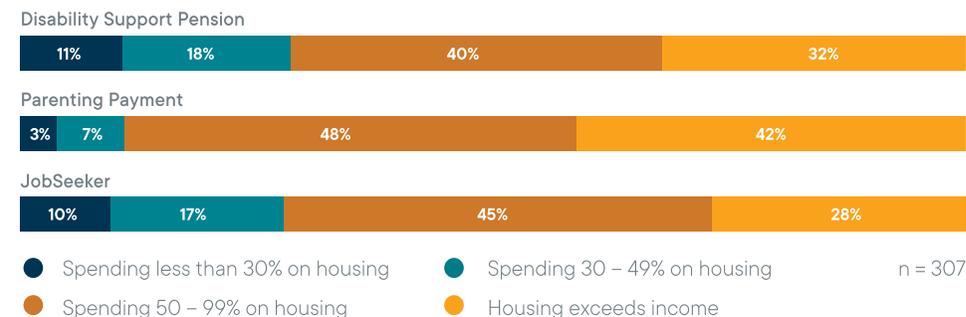
OVER  
**50%**

**Seven in ten** JobSeeker recipients experienced extreme housing stress paying **more than 50%** of their income on accommodation costs

### Housing stress by income source



### Housing stress by government support payment



Percentages may not add up to 100% due to rounding.



## FINANCIAL HARDSHIP AND DEPRIVATION

Financial hardship and cost of living expenses forced many respondents to go without essential items. **More than half** of respondents could not afford to pay their gas, electricity or phone bills on time, and spent more money than they received. **Nearly three in five** sought financial assistance from family and friends and were unable to afford a hobby or leisure activity. **Three-quarters** did not have **\$500** in case of emergency, and **more than one-third** pawned or sold items for money. Limited financial resources meant having to make difficult choices, and usually resulted in experiencing some form of deprivation. **Forty-five per cent** reported they went without meals, and **nearly two in five** respondents could only afford to buy secondhand clothes.

“ I feel like an outcast.

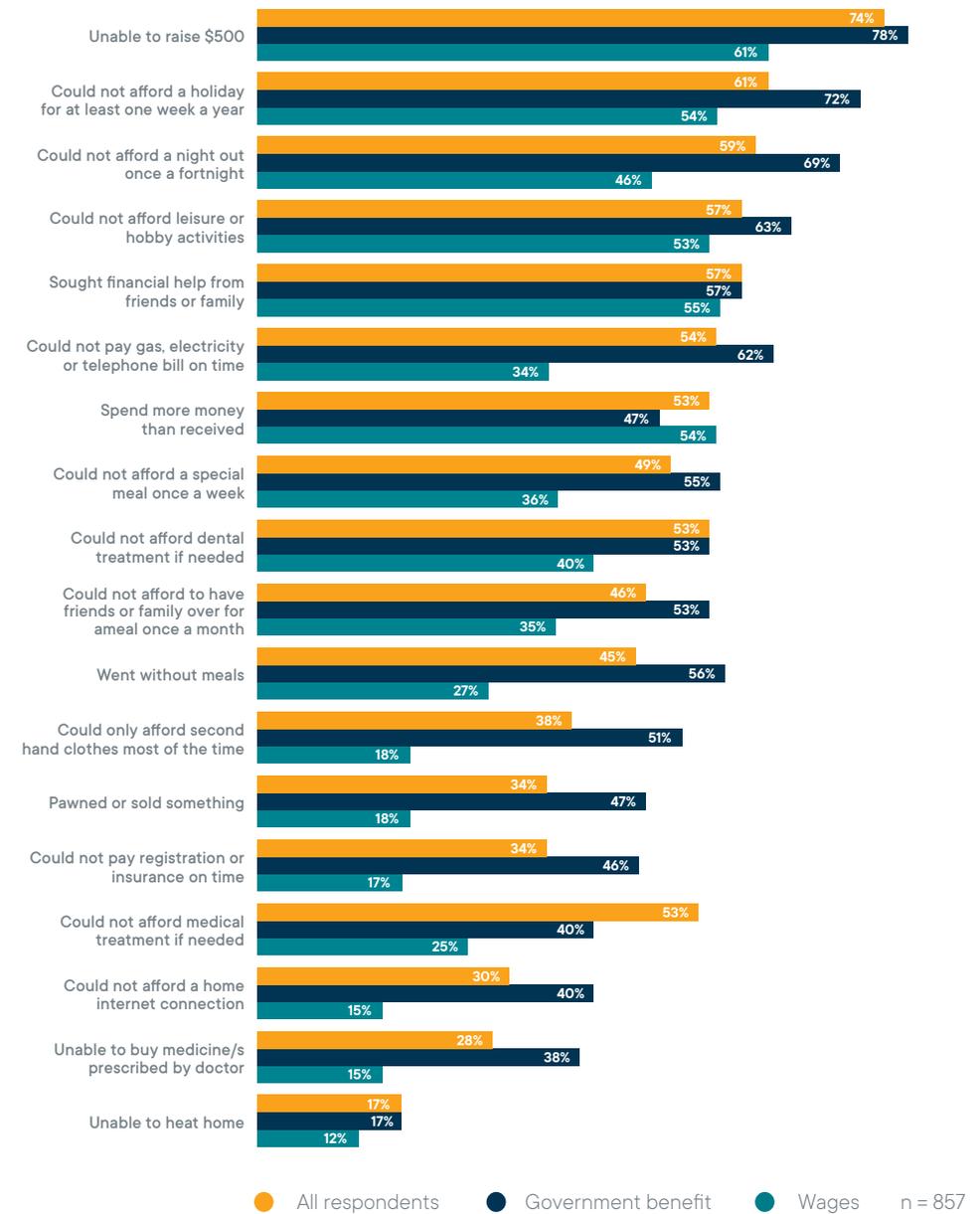
42-year-old man from South Australia

Health was the other concerning issue, where **nearly half** could not afford dental treatment, **one-third** could not afford medical care, and **28%** were unable to buy medication prescribed by a doctor. The situation was worse for those on government income support benefits. These findings highlight that respondents did not have the financial resources available to respond to unexpected bills, were unable to tend to their health and medical care, could not enjoy social activities, and struggled to maintain a basic standard of living.

“ I had to pay a doctor’s bill plus \$175 for a chemist bill, that’s why I couldn’t afford food.

56-year-old man from Victoria

Hardship in the past year by income source





Financial stress was a significant issue for most respondents. **Forty-three per cent** described themselves as in financial need and did not have enough money for basics such as housing, bills and food; those with no income and government benefit recipients were most affected. A further **47%** reported they had just enough money for the basics, but nothing extra. Only **2%** of respondents described themselves as comfortable or well off. Overall, **nearly half** of respondents reported they were very worried about their future financial situation; those with no income and on government benefits were the most concerned.

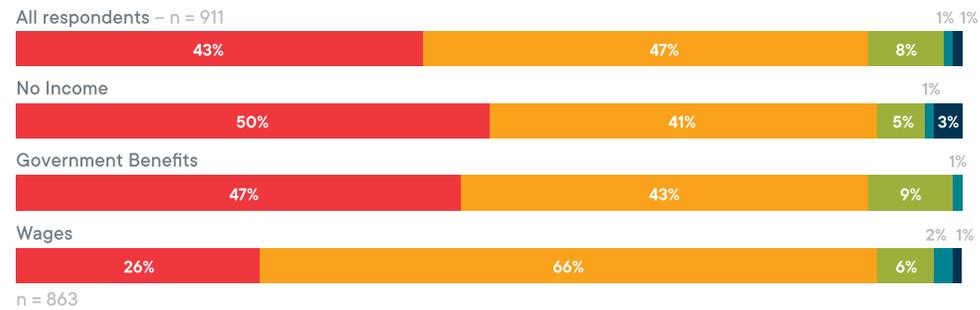
“ I have been supported with leaving a domestically violent home and I have been given financial support with food, clothing, furniture and Christmas toys for my children. I would not have been able to survive without the Salvo’s support.

47-year-old woman from Victoria

### Effects of COVID-19 lockdown – experiences of hardship

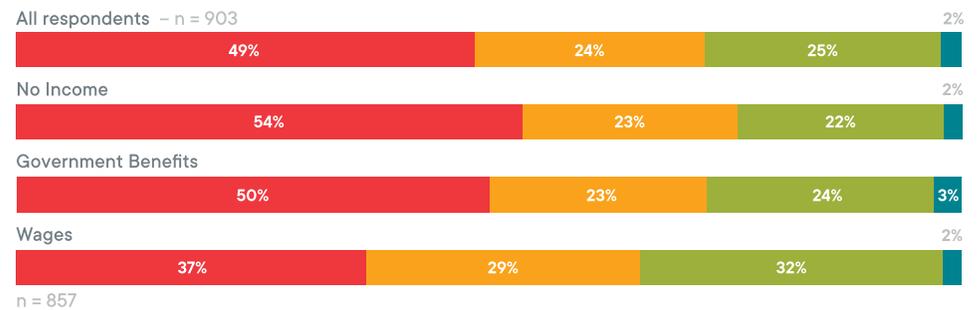
The effects of lockdown have had negative and lasting effects on people’s ability to meet their basic living expenses, such as housing, electricity and health. Before lockdown, **nearly three in five** respondents found it difficult to afford basic living expenses. These figures increased by **more than 50%** during the lockdown, whereby **nearly nine in ten** reported difficulties making ends meet. These figures reduced post lockdown, although not to the same degree, with **three-quarters** still having trouble affording basic living expenses. This indicated that most respondents continued to struggle financially after lockdown ended.

### Current financial situation



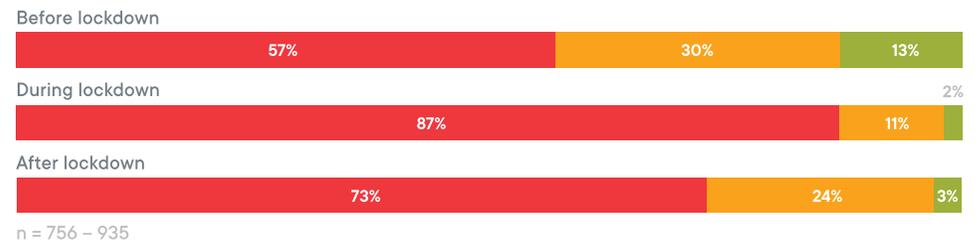
- In need – don’t have enough money for basics like housing, food and electricity
- Just enough – have enough money for basics, but nothing extra
- Moderate – have enough money for basics, can afford the odd luxury like going out to dinner
- Comfortable – have enough money for basic items, can afford regular recreational or social activities
- Well off – able to save, can afford things like travel

### Worry about future financial situation



- Very worried
- Moderately worried
- A little worried
- Not worried at all

### Impact of lockdown on financial situation



- Very difficult or difficult
- Neither difficult nor easy
- Very easy or easy

Percentages may not add up to 100% due to rounding.



Nearly  
**3 in 10**  
respondents had  
children

**226**  
families

Average  
**2.2**  
children per  
household

**627**  
children  
represented in  
sample

### FAMILIES AND CHILDREN

Overall, **nearly three in ten** respondents had children aged 0-17 years, equaling **266** families and represented **627** children across these households. Of these, **63%** were sole-parent families and **37%** were couple-parent households. Sole-parent households were considerably overrepresented among respondents, as compared to the Australian population.<sup>11</sup>



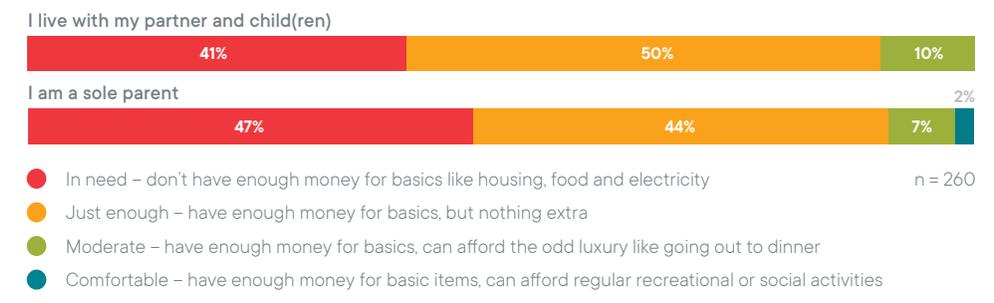
Among respondents with children, **three in five** households were **sole-parent families**. The percentage of sole-parent households seeking ER assistance was **nearly double** compared to the proportion of sole-parent families in Australia

Household composition	Doorways ER client population <sup>12</sup>	Australian population (ABS) <sup>13</sup>
<b>SOLE PARENT HOUSEHOLDS WITH CHILDREN</b>	23%	14%
<b>COUPLE PARENT HOUSEHOLDS WITH CHILDREN</b>	8%	44%

### Families experiencing hardship

**Forty-five per cent** of families indicated they struggled to make ends meet and did not have enough money for essentials like housing, bills and food. A further **46%** of families reported they just had enough money for basic items, but nothing extra. These figures were comparative between two-parent and sole-parent households. This highlighted the reality that covering household necessities was a struggle for most families. Furthermore, **45%** of families indicated that they were very worried about their financial future; rates were significantly higher for sole parents.

### Current financial hardship by family type



Percentages may not add up to 100% due to rounding.



Families with children reported significant hardships and negative effects as a result of the pandemic. These families were more likely to experience disadvantages compared to other groups. **Nearly three-quarters** of family households were unable to raise **\$500** in case of emergency and **44%** went without meals regularly; higher for sole-parent households (**48%**). **Nearly two-thirds** of parents could not afford to pay their gas, electricity or telephone bills on time, or afford a hobby or leisure activities. **Forty-three per cent** could not afford to pay their registration or insurance on time and **41%** had pawned or sold something in the past twelve months. This demonstrated that parents struggled to afford basic necessities.

“ I am struggling and feel inadequate in front of my children...I have fallen through the cracks.

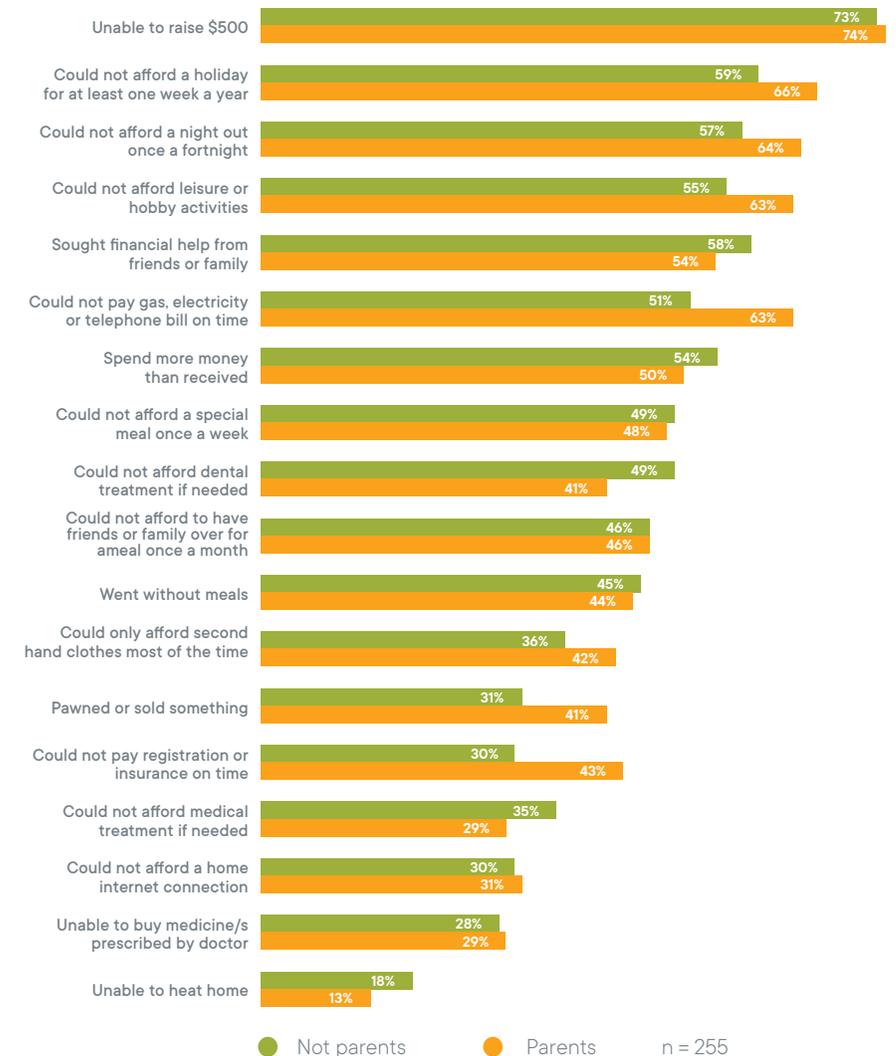
43-year-old woman from Queensland

“ It’s hard not having anyone to help me with anything.

49-year-old woman from Queensland

Over the past year, **nearly half** of family households reported they struggled to take care of their family and children, and **more than one in five** struggled to find and keep a suitable place to live. Food insecurity was a significant issue for families. **Fifty-seven per cent** of families reported food affordability was one of their biggest challenges in the past year; this situation was worse for single parents (**67%**). **Fifty-six per cent** of families reported feeling socially isolated and lonely, and **nearly two-thirds** struggled with their mental health. Furthermore, **45%** of families indicated they were very worried about their financial future; rates were significantly higher for sole parents. The insecurity and uncertainty of the past twelve months have been widespread. People will need time to recover and rebuild.

Hardship in the past year by parental status





### Three in five families

reported they struggled with managing financial stress over the past twelve months



### 57% of families

reported being able to afford enough food to eat was one of their main challenges in the past twelve months



### 45% of families

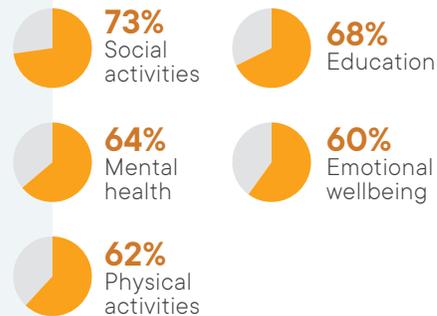
indicated they struggled to make ends meet and did not have enough money for basic essentials like housing, bills and food

### Children impacted during the pandemic

Overall, families indicated that the pandemic had a detrimental impact on their children, where they missed out on opportunities to participate in recreational and leisure activities such as team sports, hobbies and having fun with friends. **Nearly three-quarters** reported the pandemic negatively affected their children's social activities, **two-thirds** negatively impacted their children's education and mental health, and **three in five** impacted their physical health and emotional wellbeing. The impact of the pandemic across each domain was significantly worse for children from single-parent families.

Increased financial stress meant that families could not afford educational opportunities and activities at school for their children. **Thirty-one per cent** could not afford the internet at home; **36%** for sole parent households. The gap continued to widen between the experiences of children represented in this survey compared to average Australian children. Despite their parents' best efforts, many children continue to live in hardship and experience disadvantage.

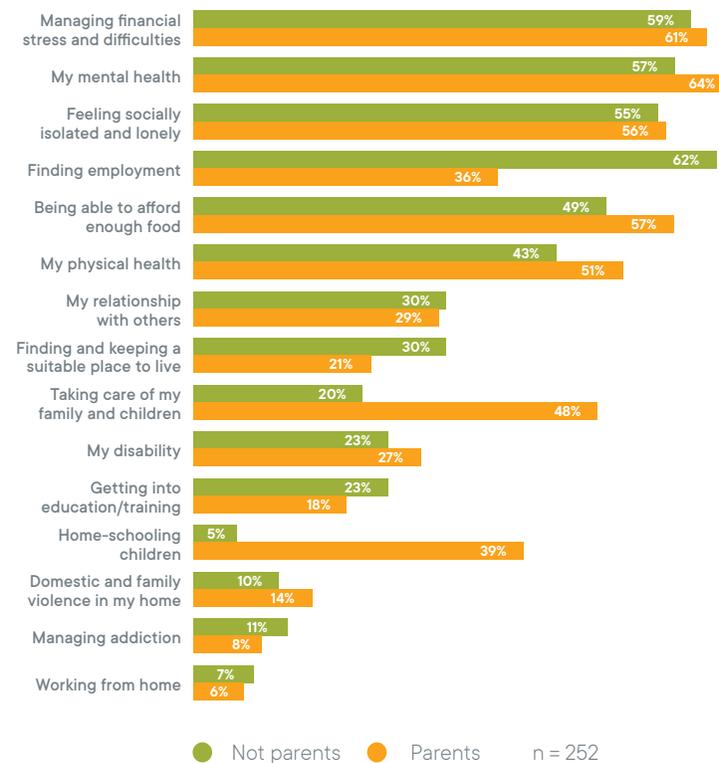
### Respondents with children reported that the pandemic negatively affected their children's:



The impact of the pandemic across each domain was **significantly worse** for children from **sole-parent families**

**31% of families** could not afford the internet connected at home; **36% for sole parent households**

### Challenges in the past year by parental status



### Education



### Mental health



### Emotional wellbeing



### Social activities



### Physical activities



● Very negative or negative impact ● No impact ● Very positive or positive impact

Percentages may not add up to 100% due to rounding.

n = 212 – 221



## WELLBEING

### Effects of lockdown – experiences of mental ill-health and emotional wellbeing

The effects of lockdown also had a detrimental and continued impact on respondent’s mental health and emotional wellbeing. Before lockdown, **nearly one-quarter** reported poor mental health. These figures **more than doubled** during the lockdown, with most respondents (**59%**) reporting poor mental health. After lockdown ceased, **40%** of respondents still reported experiencing poor mental health; higher rates even compared to before lockdown. This suggested residual effects of mental ill-health post lockdown.

“ The pandemic certainly is upsetting and placed a lot of fear into our lives.

76-year-old woman from Tasmania

People experiencing mental ill-health often experience a sense of isolation, discrimination and stigma.<sup>14</sup>

**More than half** of respondents experienced social isolation and loneliness over the past year; sole parents and those on income support benefits were worst affected (**70%**). A further **30%** struggled with relationships with others. Lockdown prevented many respondents from staying connected with family, friends and their communities. It is concerning that already vulnerable people remain disconnected; their prospects grim.

“ Been alone for 30 years. It’s still mentally hard as I have limited family.

67-year-old woman from Queensland

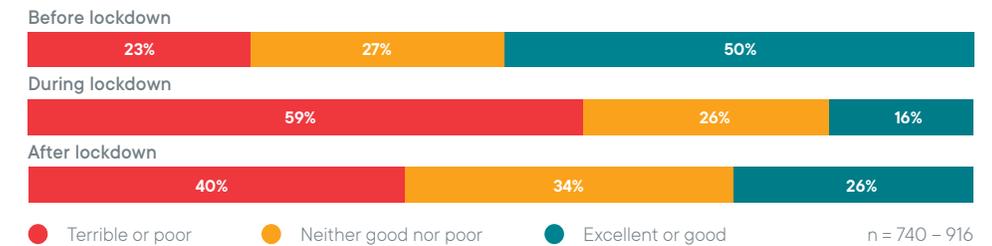


**More than half** of respondents experienced feelings of **social isolation** and **loneliness** over the past year

**Seven in ten** respondents on government income support benefits reported managing their mental health, feelings of **social isolation and loneliness (61%)**, and **physical health (56%)** were their greatest challenges in the past twelve months

### Impact of lockdown on mental health

How would you describe your mental health and emotional well-being?



Percentages may not add up to 100% due to rounding.



# Conclusion

The past year has been an incredibly difficult and challenging time for many Australians. Millions of people have lost their jobs, experienced hardships and struggled to make ends meet. The pandemic has caused financial and emotional upheaval and forced many, who typically would not have sought assistance from community support and charity organisations, to reach out for help. The Salvation Army has seen increased numbers of people seeking assistance who are working, recently lost their job and those with no income at all. The situation for many community members is bleak.

This research project captures the experiences of hardship and main challenges for people who accessed The Salvation Army's Doorways Emergency Relief programs. The findings are concerning and

demonstrated examples of deprivation, housing stress and declining mental health.

Most respondents reported experiences of financial difficulties and stress over the past year and were forced to manage on limited income. Overall, respondents were left with **\$7.50 per day**<sup>^</sup> to live on, after accommodation expenses. This figure halved for those

working, left with as little as **\$3.50 per day**<sup>^</sup> to live on. Those most affected were typically families, sole parent households and low-income wage earners. Employment did not protect people from financial strain, particularly for those who were underemployed, in temporary, insecure or casualised work.

Since the abolishment of the Coronavirus Supplement, the financial situation for many low-income earners and income support recipients has become dire. With less income, respondents on government benefits reported difficulties meeting increased expenses, such as housing and utility bills. Health and medical costs were difficult for respondents to cover. Many were unable to afford prescription medication, dental treatment or medical care. Food insecurity and affordability were also pressure points, with **more than half** of respondents reporting they regularly skipped meals and were unable to afford enough food to feed their families. **Nearly two-thirds** of respondents on income support revealed being able to afford enough food to eat was one of their greatest challenges in the past year. This is no way to live. The financial safety net designed to support Australians is just not adequate enough. Returning to minimal government income support payments will only further disadvantage people in hardship and trap them in poverty.

Respondents reported that housing costs were a significant financial burden, with many struggling to afford the rent each week. Family households were worst affected, as they needed larger dwellings that were more expensive. Increased financial pressures have resulted in housing stress, where most respondents were paying **more than 50%** of their income on housing; this is unsustainable. People are being forced to make difficult choices and have moved to regional areas hoping to find

cheaper accommodation. However, many are faced with increased competition and demand for regional housing since the pandemic. Access to safe and affordable housing continues to be a critical social issue impacting low-income earners and those on government benefits, placing many households in financial ruin and at risk of homelessness.

The pandemic has also had detrimental impacts on the mental health and emotional wellbeing of respondents. **Nearly two-thirds** reported poor mental health during the pandemic. These rates were **more than double** compared to pre-COVID-19. Financial pressures and stress, social isolation and loneliness have exacerbated the incidence of mental ill-health for respondents. Households with children also reported experiences of hardship and negative social and emotional impacts on their families due to COVID-19. Without adequate income and opportunities for people to thrive, the situation for thousands of families remains grim.

Many Australians are still trying to rebuild after the pandemic, although still experiencing the ramifications of job losses, hardship and economic insecurity. It will take time for people to get back on their feet financially and emotionally. The Salvation Army will continue to support those most disadvantaged through these challenging times. All Australians can help create a level of certainty and stability in our communities and help contribute to building a brighter future, especially for those in need.

“ The emergency assistance from The Salvation Army has been wonderful. It helped with clothing, personal items for my daughter who lost all her belongings in the fire. My family and I are so grateful to this organisation and cannot thank them enough for the help and support through this trying time. Many thanks to all who have donated to assist in families in need.

55-year-old man from SA

<sup>^</sup> Median income per week after paying housing/accommodation expenses



## Case study A

# Jake's story



**Jake\* is a 54-year-old male** who has been on Jobseeker (an income support payment previously known as Newstart), since before the onset of COVID-19. He was first interviewed in June 2020, back when he was living in temporary accommodation in regional NSW. A follow-up interview conducted in January 2021 revealed that he has since moved further west, nearly four hours from his nearest capital city. Previously, Jake had indicated that relocating to a regional town was his only choice, given the exorbitant costs of living in the city.

“ I'm basically from the city and I had to move...because it was just too expensive to live there...[living on income support] impacts on people in terms of where they want to live, and how they would like to live.

In early 2020, Jake entered a new job in hospitality, however he was let go as a result of the COVID-19 lockdown. In October 2020, Jake began working as a casual at a retail store, where he worked up to **16 hours per week**. In early January 2021, coinciding with the second supplement reduction, Jake's shifts **decreased to 8 hours per week**. Given the concurrence of the two events, Jake's concern for his livelihood increased.

“ ...it [the second supplement reduction] also coincided with a cutback in hours after Christmas at work, so [I] definitely [experienced] more anxiety, worrying about how I was going to make ends meet, and get on top of things.

At the onset of the Coronavirus Supplement payment, Jake was receiving around **\$1200 in income support** per fortnight. After the two supplement reductions in September and December 2020, Jake's total income reduced to **\$870**.

Jake currently pays **\$255 per week** in rent which leaves him with approximately **\$25 per day** for all other expenses, including food and bills. After the supplement reductions, Jake explained that his ability to afford supermarket items reduced substantially, describing how he had to revert to buying essential items and 'no-name' brands only.

“ [After the Coronavirus Supplement reductions] ...there wasn't the ease which it was before, no luxuries in terms of shopping and things like that. It was back to basics, ...and in the supermarket, back to no-name brands and being very careful with what I spent... [I had] less money for petrol [and] also with bills etc.

When he was receiving the full Coronavirus Supplement, Jake was able to pay his bills more easily. Jake made the comparison that six months ago he was paying **two weeks ahead** in his rent, whereas now after the supplement reductions, he is **two weeks in arrears**, and finding it increasingly difficult to get ahead.

“ Beforehand [on the full supplement] it was reasonably, well not easy, but a lot easier to meet bills and [now] that's become harder with the first reduction and then the second reduction... covering bills is a big one. I was able to cover them a lot easier before it [the Coronavirus Supplement] got slashed. Now, I'm...really struggling behind with an electricity bill, and WIFI and things like that...It's become even harder now and since the 1st of January, I'm actually two weeks behind in rent, whereas for the 6 months prior to that, I was two weeks ahead in rent, so I'm chasing my tail in that respect.

When asked how he will fair once the Coronavirus Supplement ends, Jake acknowledged that he would require employment that provides at least **20 hours** of work per week. However, he anticipates the job search to be challenging, particularly due to the scarcity of low-skilled jobs in his region for someone his age. Jake also describes being genuinely fearful of the future if JobSeeker payments were to return to the original base rate.

“ [It'll be] ...incredibly hard. I'll have to get at least a 20 hour a week job, and where I live, there's very little around for someone my age too.... it's very hard to find employment. It will be incredibly tough... I keep looking on Seek, [and] there's very little available for someone that's unskilled like me...It will be dire. There's no other way of putting it. I pay \$255 per week rent...so it's things like bills and...I honestly don't know how I'm going to survive.

After the Coronavirus Supplement ends and the base rate is increased by **\$50**, it is estimated that Jake's total income will reduce to **\$820** per fortnight. The amount Jake will be left with after paying his rent will be **\$22 per day**.

\* Interviews were conducted with people who accessed The Salvation Army's Moneycare financial services. Case studies were compiled and included in this report. The names and some details have been changed to respect the individual's privacy. The image is a stock photo—the model is not associated with this case study.

## Case study B

# Janet's story



**Janet\*** is a 23-year-old woman living in NSW. She currently pays **\$50 per week** for shared accommodation and is receiving the Youth Allowance payment. When Janet was receiving the full Coronavirus Supplement, she used it to get ahead on her debts.

“...when I first got the COVID supplement, I used that to pay off my debt ...I had a loan I was paying off...an interest loan... I knew that it wasn't going to [be] permanent...so I [thought I] might as well use it for something that was worthwhile.

While receiving the full supplement Janet was able to afford more nutritious food. However, after the reductions came into effect, she had to cut back on groceries and could no longer afford to eat **three meals** per day.

“ The reductions just made it a bit hard to budget, because I also started eating a bit more than I usually do...I used that time [on the full Coronavirus Supplement] to try and get back on my eating healthy and so I had to cut back on groceries and stuff like that... Before the COVID supplement I was skipping meals...so I just went back to skipping meals again.

Notably, skipping meals had a negative impact on Janet's ability to seek employment. Inadequate food intake left Janet feeling lethargic at a recent job interview. She suggests this put her at a disadvantage compared to the fifty other healthy candidates vying for the same position.

“ ...when I went for an interview I was competing against 50 other people and like, half way through the interview ...this has happened a couple of times in my interview, I just felt completely drained, because I hadn't eaten much food, so how can I compete with other people who are healthier and have more energy. So, it just makes it harder.

Janet is currently receiving **\$426 per fortnight** in income support. After the supplement ends and the base rate is increased by **\$50**, Janet's total income will reduce to **\$326**. After she pays **\$50 per week** in rent Janet will be left with **\$16 per day** for all other expenses.

\* Interviews were conducted with people who accessed The Salvation Army's Moneycare financial services. Case studies were compiled and included in this report. The names and some details have been changed to respect the individual's privacy. The image is a stock photo—the model is not associated with this case study.

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## Limitations

This project represents an empirical attempt to examine the circumstances of people receiving Emergency Relief during the pandemic era. All findings reported here should be interpreted considering the limitations of the research. Data examining the impact of lockdown on respondents' financial situation and psychological wellbeing was collected retrospectively. That is, respondents were asked to reflect on their situation before, during and after lockdown. This type of data collection method is prone to recall biases.

Noteworthy is the sample of respondents in this report are not representative of the wider population who receive Emergency Relief support<sup>b</sup>. The sample size is likely to over-represent those who were significantly affected by the pandemic, such as those with employment issues. Therefore, while not representative, findings are highly relevant and insightful in providing support to advocacy work for those most affected by the pandemic. Taking into consideration the limitations of representativeness of the sample, the research team has also taken care to provide in-depth analysis for subgroups that are overrepresented or underrepresented in the sample for better insights.

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*b. There are a few factors that could have contributed to this. There were inconsistencies in recording contact information across the states. Many community members from VIC, SA, WA, TAS, and NT were unable to be invited to complete a survey, despite giving their consent, because their contact information was recorded incorrectly. The sample is also not representative as it may reflect those who have high digital literacy skills (for an online survey). The pandemic period may also contribute to the representativeness of the sample. The data collection period covers the first and second reduction in the Coronavirus supplement on 31 September and 31 December 2020 respectively and might have contributed to changes in the demographic of ER recipients.*

