

The Impact of COVID-19 On Mental Health and Family Finances



Australia has combated the ongoing [coronavirus disease 2019](#) (COVID-19) pandemic by implementing state-level and national lockdowns. A new study evaluates how such lockdowns affected families with children financially and emotionally, outside the impact of disease and death due to COVID-19.

A preprint version of the study is available on the medRxiv* server while the article undergoes peer review.

Background

The [severe acute respiratory syndrome coronavirus 2](#) (SARS-CoV-2) was first identified in Australia towards the end of January 2020. The Australian government responded with multiple non-pharmaceutical interventions, including shelter-in-place orders – also called lockdowns. Even by international standards, this was the highest possible level of restriction on social freedoms, justified by the raging levels of infection witnessed in many other developed countries such as the USA and European nations.

The measures worked to contain the spread of the virus, with the incidence of infection being reduced to 111/100,000 population, along with 3.5 deaths/100,000 people, by December 2020. This contrasts to numbers approximating 6,000 and 4,000 per 100,000 people in the US and the UK, respectively.

Studies from previous pandemics have shown that such success comes at a financial and mental health cost, especially when families have children forced to stay at home and out of school. Therefore, the current study examines this aspect, with the researchers selecting Australia as their focus because of the low levels of COVID-19-related sickness and death, which removes a major confounding factor.

Financial support was rolled out by the federal government, such as doubling of social welfare benefits for the unemployed, help for businesses to prevent layoffs, and free childcare for families of workers. In response, Australia's poverty and housing stress levels were lower during the [pandemic](#) than just before it.

Earlier Research

Earlier studies showed that financial support did not alleviate depression and anxiety, which peaked during the first weeks of the pandemic, especially among young adults and women. A small weekly survey found that adults reported financial stress and inability to afford essential goods, as well as a three-times increase in parental distress. Children kept at home for many months may conceivably be affected mentally, while some may lose educational opportunities via school closures.

The current study looks at both aspects to fill the gap in this area. The data came from the Royal Children's Hospital (RCH) National Child Health Poll, which is unique in including caregivers with children (less than 17 years), enrolled in June 2020 (no lockdown) and September 2020 (strict lockdown in metropolitan Victoria). This was compared with New South Wales (NSW) data, a neighbouring state without the second strict lockdown but similar population size and geographical attributes.

What were the Findings?

In the June and September samples, approximately 1,200 and 900 caregivers provided responses that could be analyzed, respectively. In each phase, half of the caregivers came from each state. In the first and second phases, the number of children was approximately 2,00 and 1,600, respectively, again split equally between the states.

The study showed that 40% of caregivers were responsible for children with additional needs, 20% probably had a low income, and a quarter was solely responsible for the children's care. Again, a quarter was born outside Australia, and the same number did not speak English at home.

A little less than a third of caregivers in NSW said they had lost their jobs or experienced a loss of income because of the pandemic, compared to a quarter in Victoria. In both states, one in seven families reported low income; a third said they could not pay for one of eight essentials, including home utilities, food, and medicines.

One in two said their mental health had suffered because of the pandemic, with a fifth saying they were in a poor mental state. A third reported that the pandemic had affected their child's mental health. The majority of caregivers and children, at approximately 90%, respectively, were coping well with the situation.

With the ongoing lockdown from June to September 2020, there was no additional impact on household income or material deprivation – inability to buy essentials. [Mental health](#) declined by 6%. The adverse impact of the pandemic on mental health was heightened by ongoing lockdown, as reported by 14% and 12% more of caregivers and children in Victoria compared to NSW.

Negative impacts of an ongoing lockdown were greatest among female caregivers, those caring for children aged 5-12 years, and those in metropolitan areas. The differences between the first and the ongoing lockdown were accentuated by the gap in outcomes for those in Victoria compared to NSW, as mental health and income or employment loss were greater in the former state but lessened for the latter.

What are the Implications?

The picture that emerges fits that of other studies from the UK and USA, where parents reported significant levels of depression and anxiety. In the Australian 'Pulse of the Nation' survey, female caregivers were at higher risk of poor mental health, especially with elementary school-age children, attributed to the need for greater supervision of schoolwork and other activities.

The COVID-19 Unmasked Study, which surveyed Australian families with children under five years of age, also showed that Victorian caregivers and children had greater mental ill-health, which persisted in the latter group alone even after the lockdown was relaxed.

Three Essential Steps

The authors suggest three steps to be included in the pandemic response and recovery strategy:

1. Robust income supplements will prevent material deprivation during a pandemic and alleviate poverty.
2. Children's social and educational needs must be prioritized to prevent persistent negative lockdown effects on their mental needs.
3. The adverse results of the lockdown on families with young children may sometimes be greater than the negative impact of the disease in a low-incidence country like Australia because social and economic restrictions affect the poor first, in a situation with pre-existing inequalities in these fields.

With continued follow-up, the extent to which recovery occurs can be documented. Such data can help provide more balanced responses to [future outbreaks](#), with financial and mental health support.

Source:

Price, A. M. H. et al. (2021). The Impact of Ongoing COVID-19 Lockdown on Family Finances and Mental Health. medRxiv.