

National Institute of Economic and Social Research

Covid-19 lockdown reveals true worth of free services

FOR IMMEDIATE RELEASE

The lockdown imposed in the UK to tackle the coronavirus pandemic has led to a fivefold increase in the value that semi-skilled and manual workers now put on online learning, according to new research.

The startling finding is one of many to emerge from analyses of surveys of 10,500 people carried out in February and May, which showed significant changes in the values that different sections of the population put on a large number of free-to access services as well as paid-for substitutes.

The research by the National Institute of Economic and Social Research (NIESR), carried out as part of the research programme of the Economic Statistics Centre of Excellence (ESCoE) and supported by the ONS, may provide an insight into which services are most valuable to different people in a post-pandemic world where more activity takes place online compared with the recent past.

While the valuations for some services increased overall, such as for online shopping that has become a lifeline for many during the lockdown, the research found stark differences in values between genders and between different age and socio-economic groups. The research was carried out by Diane Coyle, Bennett Professor of Public Policy at the University of Cambridge and Chair of NIESR's Council of Management, and Dr David Nguyen, NIESR Senior Economist.

The values were calculated by asking people to select how much money they would be willing to exchange for giving up each of a range of services such as Google Maps, Skype and WhatsApp. They were asked the question in February before the first UK death from Covid-19 and in May when the economy was in full lockdown.

Services that saw an overall increase in value over the 10-week period three months included online grocery shopping (+47 per cent), WhatsApp (+12 per cent), Netflix (+8 per cent) as well as public parks (+6 per cent). Services that were seen as generally less valuable included Twitter (-27 per cent), printed newspapers (-24 per cent), Google Maps (-21 per cent) and cinemas (-18 per cent). The results confirm that services such as online shopping have been seen as much more important during lockdown while the values of services that were shut or hard to access fell.

The analysis of the results by social groups found that the value of online learning rose by 400 per cent among people in social group D or semi-skilled and manual workers who also put higher values on LinkedIn and Wikipedia. In contrast people in grade A (high managerial or professional workers) put a lower value on most goods and mobility apps such as Citymapper and Google Maps.

Other results according to age and gender showed:

- Online shopping increased in value by 127 per cent for those aged over 65 compared with 37 per cent for those aged 25-64
- The value of Wikipedia fell by 13-15% for those aged 18-49 but rose by 12 per cent according to those over 50
- Those aged 18-24 put a higher value (+25 per cent) on public parks while those over 65 marked them by 13 per cent, perhaps because of concern of being exposed to the virus
- There were striking differences between men and women. For men value of Skype increased 14% but decreased for women, whilst value of online news, LinkedIn and gaming apps increased for women but decreased for men.

“The lockdown has acted as a natural experiment that allows us to draw conclusions about which digital products will be most valuable in a post-pandemic world where more economic and social activity takes place online,” said Dr Nguyen of NIESR.

“It also provides policymakers with valuable insights as we can show which age or socio-economic groups value certain goods and services more than others, and which groups may benefit less from the digital transformation.”

“The Coronavirus health shock and the economic effects of the lockdown are having quite distinct effects on different communities and age groups. Our research motivates more carefully targeted policies to support young and old, skilled and low skilled”, said NIESR Deputy Director for Social and Political Economy, Professor Adrian Pabst.

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Notes for editors:

The full paper by Prof Coyle and Dr Nguyen, Published via CEPR Covid Economics, Issue 33 and as ESCoE Discussion Paper 2020-10, can be found [here](#) and [here](#).

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