

# WHO NEEDED **PAYDAY LOANS** DURING THE CORONAVIRUS PANDEMIC?

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A REPORT BY [CASHFLOAT.CO.UK](https://www.cashfloat.co.uk)  
USING ORIGINAL DATA

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# A Report Looking at Who Needed Payday Loans During the Coronavirus Pandemic

RARE INSIGHTS INTO WHO WAS AFFECTED MOST BY THE CORONAVIRUS PANDEMIC FINANCIALLY

The world is still reeling from the shock of the coronavirus pandemic as people start to settle into the new reality we now live in. There is hardly a person alive that was not affected by the pandemic somehow, and although the pandemic is not over, enough time has passed for us to start examining its effects.

## Why did we write this report?

As a leading UK payday lender and being that payday loans are designed for financial emergencies, we found ourselves in a unique position where we had a vast amount of information at our fingertips that could provide insight into who needed emergency money during the pandemic.

We set out to answer the questions:

- **Who** applied for payday loans during the pandemic?
- **How** did the demand for payday loans change during the pandemic?
- **Which** demographic was affected most by the coronavirus crisis?
- **What** job titles did these people hold, and what industries did they work in?

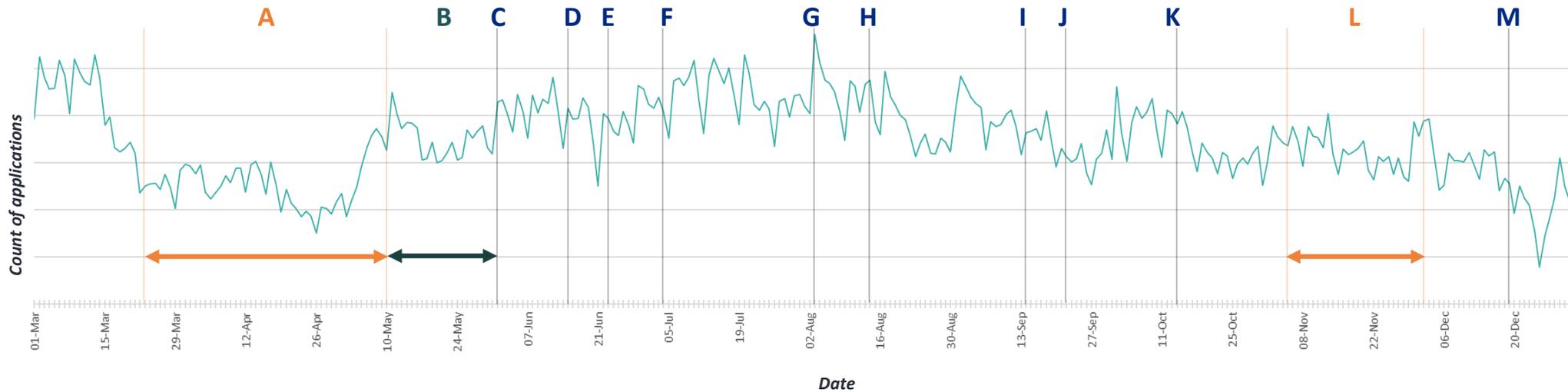
## The data

We analysed application data from the first year of the pandemic. This amounted to just under a quarter of a million loan applications received between the **1<sup>st</sup> March 2020** and the **28<sup>th</sup> February 2021**. Most of the applications were submitted through Cashfloat's website, and the rest were submitted via broker or affiliate websites.

***Want to collaborate on a story? We're happy to share more data or retrieve exclusive statistics. Reach out to us at [newsroom@cashfloat.co.uk](mailto:newsroom@cashfloat.co.uk).***

# How did the demand for payday loans change?

We analysed the number of applications submitted daily from March 2020 to December 2020 and plotted the data on the graph below. We've also marked some key dates on the graph (for example, lockdowns are marked in orange).



## Key dates

<b>A</b>	<b>23 March</b>	First national lockdown begins.	<b>F</b>	<b>4 July</b>	Pubs, restaurants, hairdressers reopen.	<b>K</b>	<b>14 October</b>	Tier system comes into place.
<b>B</b>	<b>10 May</b>	Second phase of lockdown. Those who can't work from home go back to work.	<b>G</b>	<b>3 August</b>	The Eat-Out scheme starts.	<b>L</b>	<b>5 November</b>	The second lockdown begins.
<b>C</b>	<b>1 June</b>	Schools reopen.	<b>H</b>	<b>14 August</b>	Theatres, bowling, soft play open.		<b>2 December</b>	Second Lockdown ends.
<b>D</b>	<b>15 June</b>	Non-essential shops reopen.	<b>I</b>	<b>14 September</b>	Gatherings of 6+ people were banned.	<b>M</b>	<b>19 December</b>	Stay at home directive issued.
<b>E</b>	<b>23 June</b>	Restrictions relaxed, but the 2m rule stays.	<b>J</b>	<b>22 September</b>	Work from home and 10 pm curfew for hospitality sector reinforced.			

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## Analysing application volume fluctuations

We can spot some interesting trends from the graph above:

1. The first thing we can immediately see is that applications dropped drastically during the first UK lockdown. We did the math and calculated that **payday loan applications dropped 52% during the first UK lockdown.**

Interestingly enough, during the second lockdown, we did not see a dramatic dip in applications as we saw during the first lockdown.

 Could this be proof that government support helped during the first lockdown? Should there have been more help available during the second lockdown?

2. The second interesting thing we see is that applications also spiked on the first day that the 'Eat Out to Help Out' government scheme came into effect. We calculated the exact percentage increase and found that **applications for payday loans increased 41.9% compared to the day before!**
3. You can easily spot Christmas Day – where applications dropped sharply. We just wanted to point out that this is not pandemic-related but something that happens every year.

*It's important to remember that external factors affect the volume of applications we receive. For example, Cashfloat.co.uk's primary source of applications is organic traffic directly from Google. So, if our Google rankings fluctuate, the volume of applications may fluctuate with them.*

Overall, the three busiest months for payday loan applications during the first year of the pandemic were **June, July** and **August**.

In the rest of this report, we will look at different demographics of those who applied for loans. We'll finish by looking at how much money and what types of loans were most popular during the first year of the pandemic.

***Are you looking for exclusive payday loan statistics? Maybe we can help! Contact us at [newsroom@cashfloat.co.uk](mailto:newsroom@cashfloat.co.uk).***

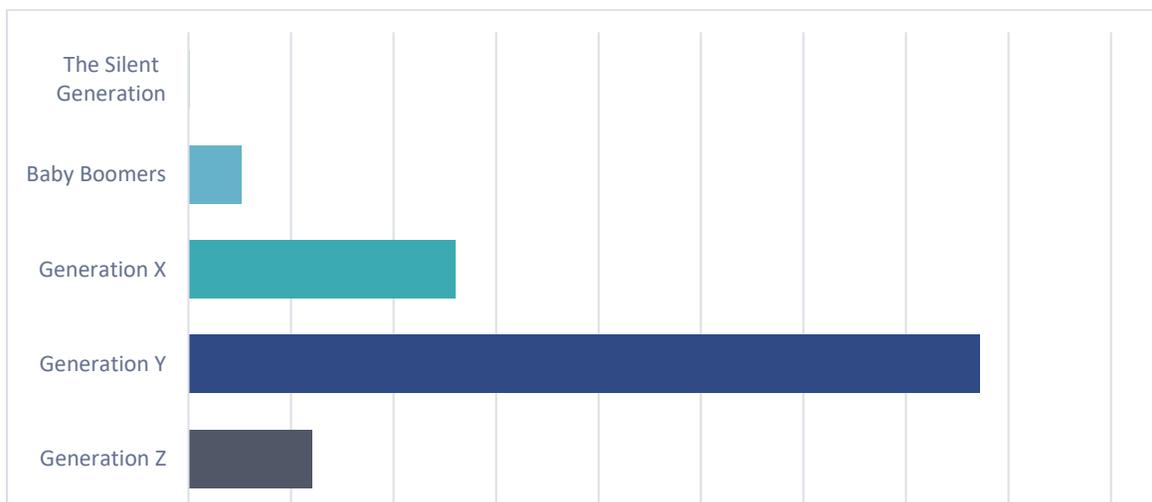
# Age

The first demographic we'll analyse is age. We decided to group our data into generations rather than just age groups at regular intervals (e.g. 20-30 and 30-40). This is because we felt that generational factors also affect the number of applications. For example, the use of technology within younger age groups usually is much higher).

The age groups of the generations have been defined as follows (taken from [Wikipedia.com](https://en.wikipedia.org/wiki/Generations_in_the_United_States)):

Generation name	Birth dates	Current ages
Gen Z	1997 - 2012	9 - 24
Gen Y / Millennials	1981-1996	25 - 40
Generation X	1965-1980	41 - 56
Baby Boomers	1946-1964	57 - 75
The Silent Generation	1928-1945	76 - 93

As you can see, the most common generation that borrowed payday loans was Gen Y.



Overall, the most common age that applied for payday loans during the coronavirus pandemic was **31**, while the average age was **35**.



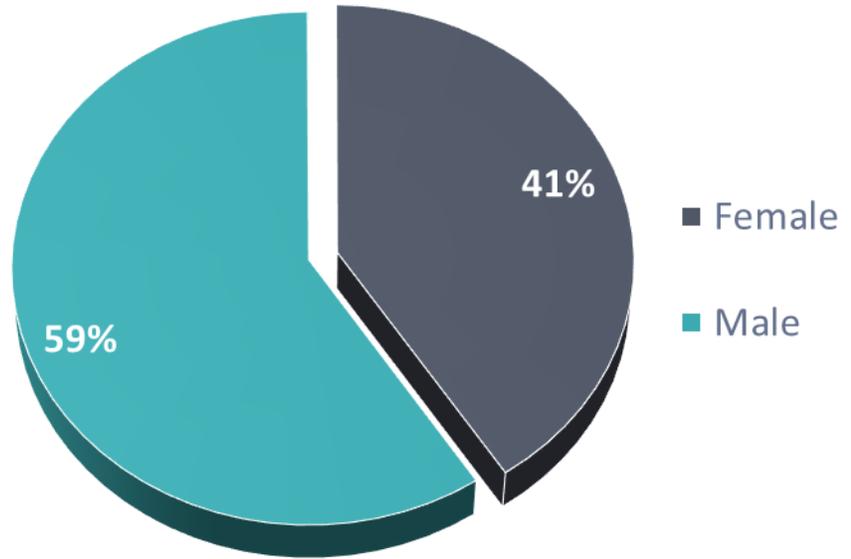
Could this be due to people aged 25-40 having the least job stability, or is there something else at play here?

# Gender

We looked at the genders given on the loan application forms to see which gender applied more during the pandemic.

**59%** of loan applicants were male, which means they gave the title of 'Mr' in their application form.

**41%** of loan applicants were female, which means they gave a title of 'Mrs', 'Miss' or 'Ms' on their application form

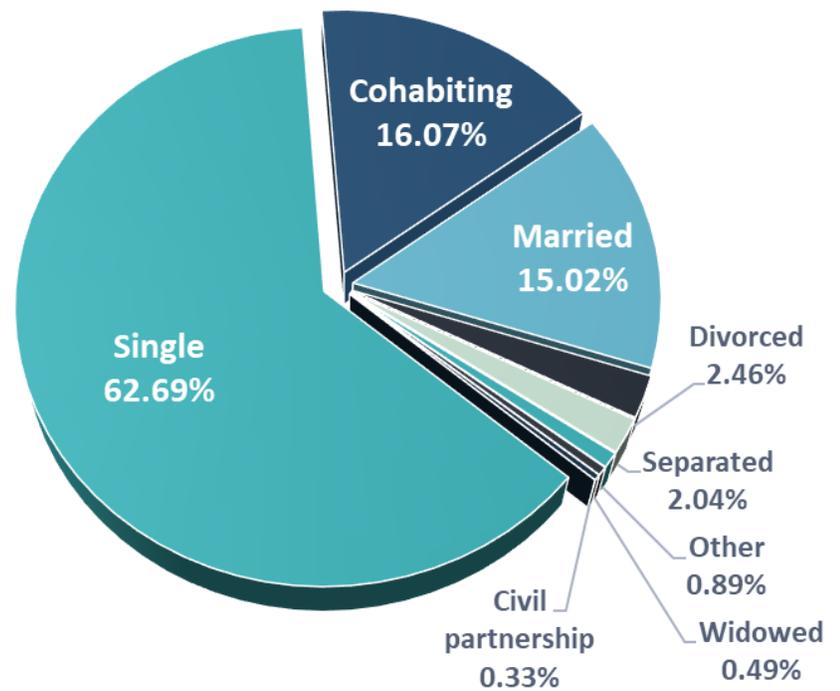


# Relationship Status

We also analysed the relationship status of payday loan applicants.

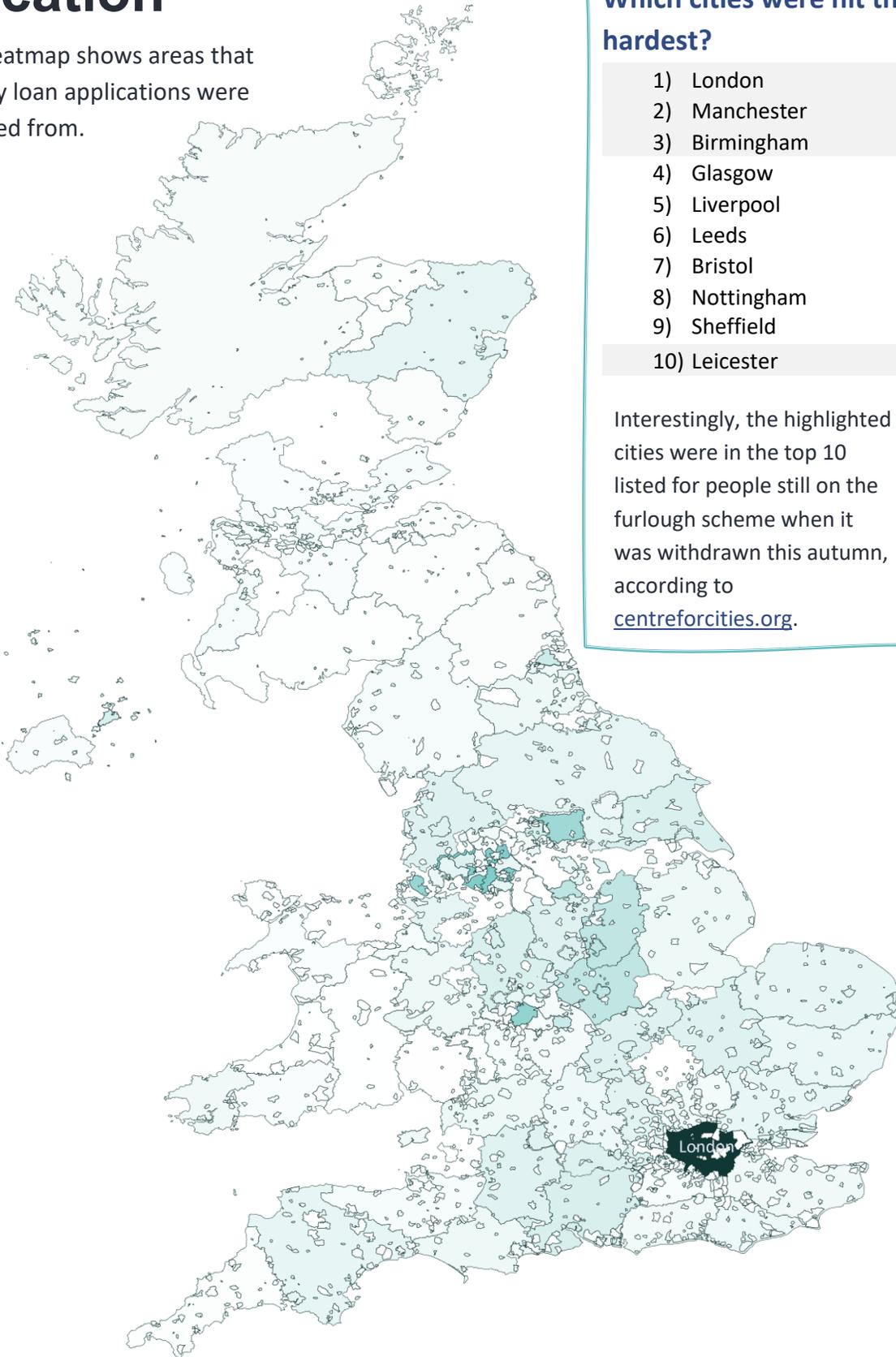
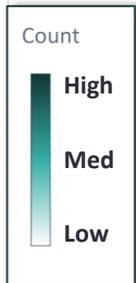
We found that most payday loan applicants were:

- Single **62.67%**
- Cohabiting **16.07%**
- Married **15.02%**



# Location

The heatmap shows areas that payday loan applications were received from.



## Which cities were hit the hardest?

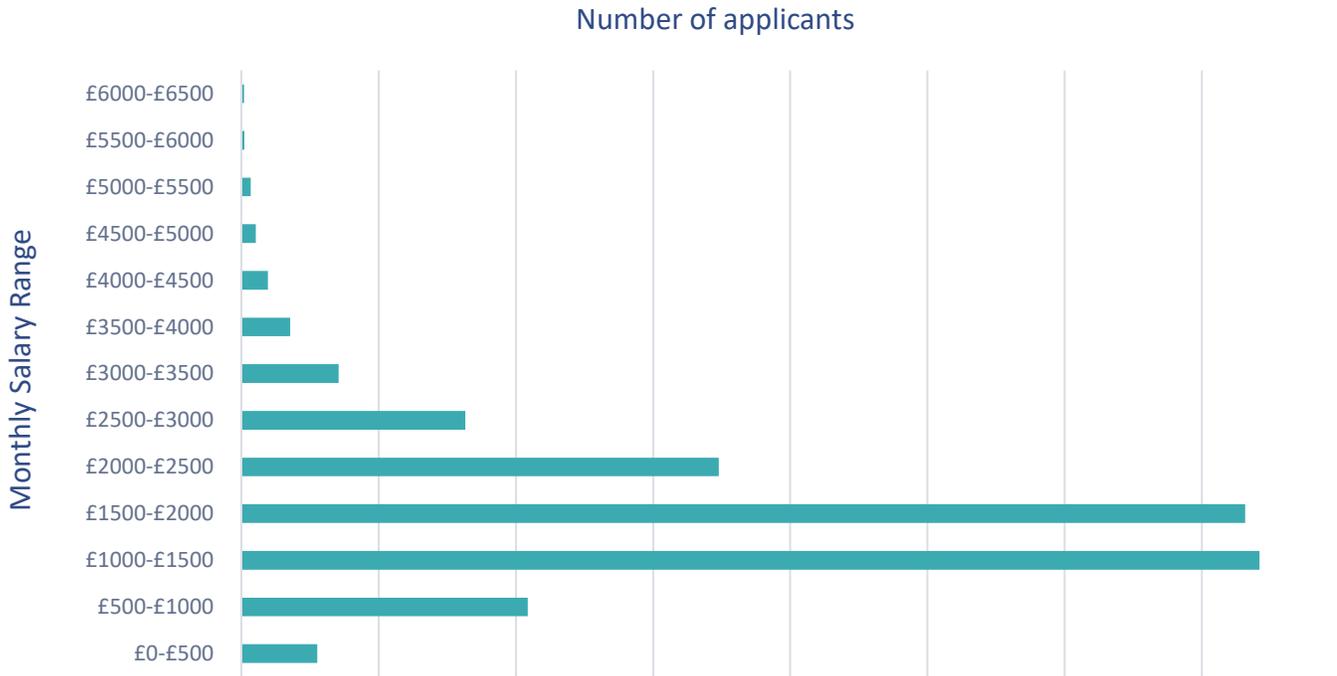
- 1) London
- 2) Manchester
- 3) Birmingham
- 4) Glasgow
- 5) Liverpool
- 6) Leeds
- 7) Bristol
- 8) Nottingham
- 9) Sheffield
- 10) Leicester

Interestingly, the highlighted cities were in the top 10 listed for people still on the furlough scheme when it was withdrawn this autumn, according to [centreforcities.org](http://centreforcities.org).

# Salary and Jobs

The average monthly [salary of people applying for a payday loan](#) during the pandemic was **£1,800**. The most common wage was **£1,500**, followed by **£1,200** and then **£1,600**.

Here's a breakdown of the most common monthly salaries payday loan applicants had:



We then looked at which jobs the loan applicants had and which industries they worked in.

## TOP 10 JOB TITLES

1. Manager
2. Carer
3. Support worker
4. Supervisor
5. [Benefits](#)
6. Chef
7. Cleaner
8. Warehouse operative
9. Care assistant
10. Driver

## TOP 10 JOB CATEGORIES

1. Healthcare
2. Management
3. Hospitality
4. [Benefits](#)
5. Warehouse worker
6. Transport
7. Sales
8. Cleaning and Maintenance
9. Customer service
10. Construction

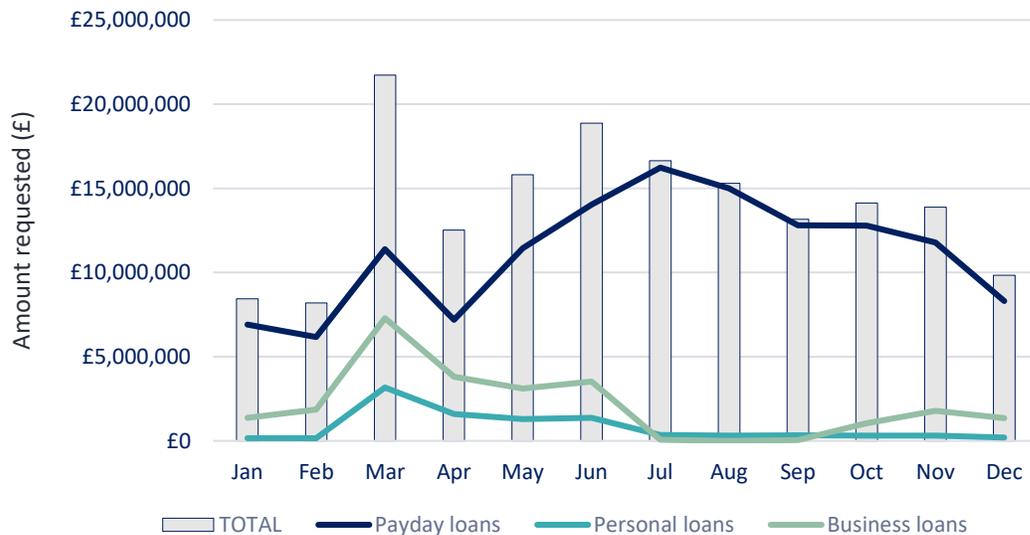
This list is quite revealing about which industries were affected the most during the coronavirus pandemic.

# Loan Amounts and Loan Types

Our main website accepts applications for three types of loans:

- [Payday loans](#)
- [Personal loans](#)
- [Small business loans](#)

We set out to see how much money was requested through each type of loan during the pandemic. The X-axis shows the months ranging from January 2020 to December 2020, while the Y-axis shows the total amount requested in pounds. The three loan types are plotted concurrently on the graph:



- The average amount requested for **payday loans** was **£600**.
- **Personal loans** and **Business loans** were most requested in March – at the start of the pandemic, but **payday loans** were most requested in July – in the midst of the pandemic.

## ***Are you interested in the data contained in this report?***

*Let us know if we should make more reports like this, for example, comparing applications before and during the pandemic.*

**You can contact us at [newsroom@cashfloat.co.uk](mailto:newsroom@cashfloat.co.uk).**