



# The economic burden of Long Covid in the UK: Report Summary

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# Summary

## Long Covid is prevalent in the UK population.

- While Long Covid remains inadequately understood, the evidence is clear on the adverse effects on people's lives. The most recent ONS estimates from early March 2023 suggested that there were almost 2m people living with Long Covid in the UK, representing some 3% of the UK population. While diverse in its symptoms, around 80% of people reported Long Covid as affecting their ability to carry out day-to-day activities in at least some way. For those more severely affected, people have reported being unable to live alone without assistance and either a reduced ability to work or having to leave work altogether. The financial implications for individuals and families may be substantial.
- Early hopes that Long Covid might prove to be short-lived have not been realised and at this point, Long Covid should be considered a long-term condition that requires investment in long-term solutions. UK government commitments to addressing Long Covid remain uncertain, with current funding in England of clinics for assessment and rehabilitation only recently extended to March 2025, with no commitment to longer-term support.

## Long Covid has long-term economy-wide implications.

- With Long Covid now established in the population and clearly affecting health and livelihoods, there are questions about what Long Covid means in the longer term for the UK economy. This report takes the available evidence to examine future scenarios of Long Covid to 2030, considering trends such as future prevalence, effects on the ability to work and the costs of Long Covid treatment.
- Using our E3ME macroeconomic model to simulate a Long Covid future, the results suggest that Long Covid may have macroeconomic costs of some £1.5bn of GDP each year, with the impacts increasing if future prevalence were to rise. The main driver of this result is the way in which Long Covid reduces people's ability to work, leading to lower household incomes and lower economic growth overall. Lower employment of around 138,000 by 2030 follows as a consequence. The pattern of these impacts across the economy reflects a mix of sectors in which more people have Long Covid, leading to reductions in and exits from work; and lower economic activity, which tends to affect market services in an economy such as the UK.
- While GDP and employment are lower as a result of Long Covid, these impacts are likely greater than the numbers would first suggest, because the composition (quality) of that GDP has also changed. In the analysis, the assumption is that total government spending remains the same in the Long Covid scenario, such that any expenditure on Long Covid-related healthcare involves a reduction in some other item(s) of public spending, whether in health or more widely. In the current fiscal environment, this represents a trade-off. As seen early in the pandemic, COVID-19 placed acute pressure on a health system already struggling with mounting waiting lists and deteriorating performance. Our analysis suggests that Long Covid, if it proceeds according to current knowledge and trends, may represent a further source of chronic (i.e. systemic) pressure and a drag on economic growth.

## Macroeconomic impacts of Long Covid in 2030

	Impact in 2030	Comment
GDP (£2023bn)	-£1.5bn	Impact if Long Covid cases remain at 1.9m people pa. GDP impact increases to -£2.7bn if cases rose to 4m people by 2030.
Household income (£2023bn)	-£1.3bn	Impact if Long Covid cases remain at 1.9m people pa. Impacts increase to -£2.1bn if cases rose to 4m people by 2030.
Long Covid health expenditure (£2023bn)	£4.2bn	Impact if Long Covid cases remain at 1.9m people pa. Expenditure could increase to £9.3bn if cases rose to 4m people by 2030.
Employment	-138,000	Impact if Long Covid cases remain at 1.9m people pa. Employment impact increases to -311,000 if cases rose to 4.0m people by 2030.

Note(s): £2023bn refers to monetary values reported in real terms. Impacts are reported relative to a baseline without Long Covid. Impacts are for 2030 only (i.e. not cumulative).

- There are two ways of thinking about the health system implications of Long Covid, both of which represent new pressures on or demands of the system. Management and treatment costs need staff and funding. Based on UK employment trends, the analysis suggests a need for some 46,000 public healthcare workers to support Long Covid treatment. If government expenditures do not increase to accommodate this, then one possible outcome is that spending and staffing for other public services may have to fall. The UK health system is, however, already under strain. Another possibility is that health expenditures relating to Long Covid lead to further reductions in elective care, in the form of longer waiting lists and reduced service. Either situation would be exacerbated by higher future prevalence and there are policy choices to be made in this regard. The analysis also does not consider the possibility of resorting to private care, which would further raise the monetary cost on people and their families.
- There is some evidence of overlap between Long Covid and deprivation, with a higher prevalence of Long Covid among people who are more likely to be on benefits or to live in social housing. Our macroeconomic modelling results suggest employment effects also impact lower-income households *without* direct experience of Long Covid, with the pattern of wider employment losses including retail and hospitality, which are typically lower paid. Workers in other services sectors are relatively more affected. These sectors are also those with higher proportions of women.
- Two further reasons to think that the societal impacts of Long Covid might be larger than the macroeconomic impacts set out above concern the following, both of which lie outside of the scope of the current assessment:
  - the (monetary) value of the disease burden, i.e. in terms of quality-adjusted life years, which is likely substantial but lies outside of the boundary of a macroeconomic assessment
  - the impact of Long Covid on informal carers, whose time is not captured in GDP and whose (potential) income losses are not explicitly captured in the analysis

By the above, the overall impacts on welfare, health and wellbeing may well be larger than is implied by the reductions in GDP and employment alone.

- This analysis draws on a range of published sources to inform the modelling. However, with the situation continuing to evolve and new research emerging, some of the assumptions, such as the impact of Long Covid on income, are based on data from earlier stages of Long Covid. Research into Long Covid continues and outputs from ongoing studies tend to suggest that longer-term impacts could be higher than has been assumed in this report. If this is the case, the results reported here may prove to be a lower estimate of the macroeconomic consequences.

## Funding to support Long Covid is possible, and future treatments could also help.

- Our analysis sheds light on the macroeconomic consequences of Long Covid, which go beyond and magnify the effect of Long Covid on people's ability to work and earn income. Wider economic activity and employment suffers as a consequence.
- The final part of our analysis considers alternative tax options for government funding of healthcare, rather than reallocating existing government expenditure. This analysis shows that Long Covid treatment can be funded on top of existing government expenditures, although the choice of tax instrument does itself have macroeconomic impacts. Income taxes tend to have a slightly more negative impact than, for example, higher national insurance contributions on the part of employers.
- Moreover, the government health expenditures considered in this analysis focus on how Long Covid is currently treated (i.e. patterns of healthcare utilisation by people with Long Covid). Research into Long Covid continues to explore options for more effective treatment and management. Should these prove effective, healthcare costs might increase initially, before potentially decreasing in the long run.

## Inaction on Long Covid is as much a policy choice as concerted action.

- Focusing on the UK macroeconomy to 2030 we estimate that Long Covid is likely to reduce GDP by £1.5bn and around 140,000 jobs each year. Were the number of cases to rise from current estimates of around 2m people per year to 4m people per year, these negative impacts would be larger, as more people become ill and less able to work. For example, were cases to double by 2030, the negative impacts would also increase, to £2.7bn of GDP and 311,000 jobs.
- Expressed specific NHS England funding for Long Covid is confined to Long Covid clinics and this support is due to end in March 2025. Nevertheless, the health needs of those with Long Covid must still be met. As seen in the early, acute phases of the pandemic, this stands to put more pressure on a healthcare system that is already under strain. Healthcare resources are needed regardless and, if total government spending remains unchanged, spending on other public services may need to fall. A continuation of the current situation is as much a policy choice as concerted action.

**Read the full report here - [The economic burden of Long Covid in the UK \(camecon.com\)](https://camecon.com)**



