

## Latest ONS data on employment (March-May 2020)

### Unemployment still largely unchanged – but fewer 650,000 employees in June:<sup>1</sup>

- 76.4% of all people were in employment (including temporarily away from job) (0.3 percentage points higher on year but 0.2 pp points down on quarter)
- 80.1% of men are in employment (0.1 pp points down on the year and 0.4 on the quarter)
- 72.7% of women are in employment (unchanged compared to previous quarter, 0.7 percentage points higher than year earlier)
- Early indicators for June find number of employees is down around 650,000 compared to March. Largest falls were at the start of the pandemic and the decline is slowing. Falls in May and June are mostly due to fewer people moving into payrolled employment.
- Large numbers of people still temporarily away from work (including furloughed workers) but this is falling through May.
- Half a million people were away from work because of the pandemic and receiving no pay.

*Redundancies announced in the news recently are not captured by the data yet. People not in employment are moving into 'economically inactive' category, meaning they're currently not looking for a job. This explains why unemployment rates remain flat, despite decreases in employment.*

### 'Economically inactive' increased – record high increase for men:<sup>2</sup>

- % of people economically inactive increased (20.4% in May, 0.2 pp points higher on quarter).
- 16.5% of men are economically inactive: up a record high of 0.5 pp points on the quarter.
- 24.3% of women are economically inactive, down 0.9 pp points on the year and 0.1 down on the quarter.

*Men are moving out of the labour force due to the crisis. Women's employment rate, unemployment rate and economic activity remain largely unchanged.*

### Largest decrease ever in weekly hours worked (similar impact on women and men):<sup>3</sup>

- Decrease of 16.7% of total weekly hours worked in UK compared to same period last year (fewer 175.3 million hours worked).
- Average weekly hours worked dropped 17% from 32.1 to 26.6 (last year).<sup>4</sup>
- Women's weekly hours dropped 16% from 27.5 to 23 (last year). 15% drop for FT and 23% drop in hours for PT workers.<sup>5</sup>
- Men's weekly hours dropped 17% from 36.2 to 29.9 (last year). 17% drop for FT and 27% drop for PT workers.

*This is widely seen as the indicator best reflecting the severe impact of coronavirus crisis on the labour market. Furloughed staff are classified as employed so the decrease is mostly down to millions of furloughed workers working zero hours now, plus others who kept working but saw their hours reduced, and half a million workers temporarily away from work with no pay.*

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<sup>1</sup> <https://bit.ly/3fADj10>

<sup>2</sup> <https://bit.ly/3fADj10>

<sup>3</sup> <https://bit.ly/3fyfmr2>

<sup>4</sup> ONS (Jul 2020) HOUR01 SA: Actual weekly hours worked (seasonally adjusted) Mar-May 2020 (<https://bit.ly/2YaMoY5>) based on Labour Force Survey

<sup>5</sup> Updated version corrected % decrease of women's FT hours to 15% (previous version 21%)

### **Pay fell in May but recovered in June according to early estimates:**

- Total weekly pay fell by 0.3% on the year, a fall of 1.3% when taking into account inflation.
- Regular weekly pay (without bonuses) also fell 0.2% in real terms.
- Those with the lowest pay have seen a fall in pay, particularly in accommodation and food services, and retail.
- Median monthly pay has recovered in June (early data from PAYE Real-Time Information, subject to revisions).<sup>6</sup>

*Pay is falling in real terms, particularly driven by big falls in bonuses. Early indications pay recovered in June.*

### **Record fall in number of job vacancies:<sup>7</sup>**

- April-June saw the lowest level of vacancies since data collection started in 2001.
- Sectors worst affected were 'wholesale, retail trade and repair of motor vehicles' (down 70%) and 'accommodation and food service activities' (down 91.1% on quarter.).

*This reflects uncertainty businesses and employers are facing about the economy's future.*

### **CJRS (furlough scheme) – finally sex-disaggregated data:<sup>8</sup>**

- 9.4 million people were furloughed as of 30 June, and nearly £26.5bn had been paid by government on CJRS salaries.
- By age, employees aged 16-18 were most likely to be furloughed: over half of all employees were furloughed (61% of female employees aged 17 and 58% of male were furloughed).
- Men are more likely to be furloughed than women, except in the 17-21 age group.
- Sectors more likely to have furloughed employees are accommodation and food services (73% of total employees furloughed).

*Preliminary studies at beginning of lockdown were reporting that women were more likely to be put on furlough than men. This does not seem to be the case, except for very young employees.*

### **SEISS - fewer eligible self-employed women claiming and for less:<sup>9</sup>**

- By 30 June 75% of potentially eligible population had claimed a SEISS grant.
- A lower proportion of potentially eligible women have claimed a SEISS grant (70% compared to men (78%).
- The average claim for women is also lower at £2,300 compared to the average claim for men of £3,200.
- The sector with the highest number of eligible individuals and highest proportion of claims is the construction industry (867,000 claims for SEISS totalling £3.1bn, nearly half of total amounts value claimed).

*Fewer eligible self-employed women are claiming SEISS grants compared to men. Their claims are also lower, although to be expected as FT self-employed women earn 32% less than self-employed men. Also issue of self-employed women who took maternity leave in last two years and had a reduction of income (formula to calculate SEISS grant is average earnings for two previous years).*

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<sup>6</sup> <https://bit.ly/3hhzGxB>

<sup>7</sup> <https://bit.ly/2UTXcrt>

<sup>8</sup> <https://bit.ly/2WpQKJM>

<sup>9</sup> HMRC (Jun 2020) Self-Employment Income Support Scheme (SEISS) Official Statistics (<https://bit.ly/2USbTel>)