

Latest ONS data on employment (April-June 2020)

Record fall in part-time women employees (-3.6%) and in full-time self-employed men (-4%):¹

- 76.4% of working-age people were in employment (including temporarily away from job), down 0.2 percentage points compared to last quarter (but 0.3 pp higher than last year).
- Record high decrease in those working part-time (-4%), and those self-employed (-4.8%).
- Women's employment decreased 0.1 percentage points to 72.8% compared to previous quarter. This was driven by a record fall of 3.6% in part-time women employees.
- Employment for men decreased 0.3 percentage points on the quarter, to 80.2%. This was driven by a record fall of 6% in full-time self-employed men.

Decrease in women's employment is being driven by fall in part-time women employees, while decrease in men's employment is being driven by full-time self-employed men. Both part-time and self-employment are very segregated modes of work when it comes to gender: women made up 74% of those working part-time prior to the crisis while men made up 67% of those in self-employment.

But record increase in full-time employees (2%) and in zero-hour contracts (17.4%):

- Record increase of 2% on the year in full-time employees, hitting a high of 21.1 million.
- Zero-hour contracts hit the million mark, after a record increase of 17.4% compared to last year. This was driven by men, who make up 95% of new zero-hour contract workers.²

Falls in self-employment and part-time payroll are being somewhat offset by a record increase in full-time employees and zero-hour contract workers. Women continue to be the majority (54%) of those on zero-hour contracts but men are 95% of the new zero-hour contract workers (Apr-Jun 2020).

5.5 million people temporarily away from work, half a million not being paid:³

- In June there were 7.5 million people temporarily away from work, 5.5 million more than prior to the pandemic.
- In May, the ONS reported half a million people who were temporarily away from work but not being paid.
- Experimental statistics based on PAYE real-time information from HMRC show 198,000 fewer employees on payroll during April-June (fewer 730,000 since March).

The half a million people away from work not being paid seem to be an anomaly of self-reporting in the Labour Force Survey, used for labour market data by ONS. These people are not on the CJRS as they're not being paid, not working but seem to expect their job to still be there. This might explain the mismatch between the PAYE information on hundreds of thousands of employees taken off payroll and the unchanged official unemployment rate.

Younger and older workers driving decreases in employment:

- Decreases in employment were concentrated among the 16-24 and 65+ age groups.

Young workers were hardest hit as they are concentrated in the sectors heavily affected by lockdown and social distancing like hospitality, accommodation and leisure. Older people also seem to be leaving employment in statistically significant numbers, possibly due to shielding.

Employment scenario very different across industries and public-private sectors:

¹ <https://bit.ly/3fMtGLP>

² <http://bit.ly/336L3SI>

³ <https://bit.ly/2XVp3ZV>

- The number of employees in public administration and financial activities increased, offsetting loss of employees in accommodation and food services.
- Public sector workers increased 3.7% on the quarter to a record high of 7.51 million, while employment in the private sector has decreased 2% on the quarter.

Women are two-thirds of public sector employees so this uptick in public sector employment might partly explain why women's overall employment figures seem to have been relatively insulated until now.

'Economically inactive' increase driven by those who want work in future but not looking now:

- Economic inactivity rate for all people was 20.4% (down by 0.4 pp on the year but up by 0.2 pp on the quarter).
- The % of men who are economically inactive is up 0.3 pp since last quarter at 16.4%.
- The % of women economically inactive is up 0.1 pp on the quarter but down 0.7 pp compared to last year.
- Those who are economically inactive and who want a job increased by 235,000 on the year and 218,000 on the quarter, while those who do not want a job decreased by 362,000 on the year and 135,000 on the quarter.

The increase in economic inactivity rates is being driven mostly by men. In turn, the rates of inactivity are being driven by those who want a job but are not currently looking for one. This increase of people who are around the fringes of unemployment – those not currently looking for a job but who want a job in the future (officially 'economically inactive'), and those currently temporarily away from employment but not being paid (officially 'in employment') – may explain why unemployment under the official definition has not increased.

Largest decrease ever in weekly hours worked (similar impact on women and men):⁴

- Millions of people are still temporarily away from work (including furloughed workers).
- Average weekly hours worked dropped by a record 17.8% compared to last quarter, from 31.4 to 25.8 hours worked.
- The average weekly hours worked by men decreased by a record 6.3 hours to a record low of 29.1 hours, while women's hours decreased by record 4.8 hours to record low 22.2 hours.

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. Women's hours had been steadily increasing since 1971 when records began, reflecting increases in women's employment rate, while men's hours had remained stable, reflecting decreases in men's employment rates and more men working part-time.

Pay growth is now negative but recovered in June according to early estimates:⁵

- Pay is growing at a slower pace than inflation, at a negative 2% for total pay (with bonuses) and negative 1% for regular pay.
- Pay growth is varying across sectors, with public sector seeing the highest growth (4.1%) while negative growth was seen in construction (negative 8.7%), wholesale, retail, hotels and restaurants sector (negative 3.9%), and the manufacturing sector (negative 2.5%).
- Pay has recovered in June, including for sectors above, but it remains negative for those.

Pay is now negative in real terms, particularly for sectors affected by lockdown. Early indications pay recovered in June.

⁴ <https://bit.ly/31MfvBr>

⁵ <https://bit.ly/3iwsWMP>