

Gender analysis of the ONS Labour Market Statistics (March 2021)

Estimates of employment, unemployment, economic inactivity and other employment-related statistics for the UK

In our [last gender analysis](#) of the ONS Labour Market Statistics we mentioned concerns about the reliability of the data published as identified by academics ([Jonathan Porters and Michael O'Connor](#)) and one think tank ([Alliance for Full Employment](#)). They pointed out the Labour Force Survey (LFS) had not accounted for changes in the population due to mass migration out of the UK from non-UK nationals - thus potentially negatively skewing un/employment data.

Since then, the ONS has released special analysis of new data showing RTI (Real Time Information) payroll employment by nationality using HMRC's Migrant Worker Scan.

Integrating this new data into this month's Labour Market overview, it shows that the figure is much lower than anticipated by critics. It shows that employment of non-UK nationals fell by only 4%, as opposed to initial LFS data suggesting the fall had been 15%.

The ONS is planning to continue to better integrate data on the labour market and international migration. We urge the ONS and HMRC to work together to release this data disaggregated by sex.

UN/EMPLOYMENT AND ECONOMIC INACTIVITY

- **68,000 more people were in payrolled employment in February 2021, when compared with January 2021; this is the third consecutive monthly increase.**

The ONS headline figures show that unemployment, employment and economic inactivity rates have all seen small improvements in the latest three months to February 2021. Although data from LFS shows that unemployment rates continued to increase, it has been at a slower rate than in recent periods.

However, the unemployment picture is still bleak compared to the pre-pandemic period. According to real-time PAYE data published by HMRC, 693,000 fewer people were in payrolled employment in February 2021, when compared with February 2020.

Of the 693,000 decrease in payrolled employees since February 2020, over 50% (368,000) can be attributed to employees working in the accommodation and food service activities sector. Analysis by age band also shows **that under 25s contributed over 60% of the fall in payrolled employees seen since February 2020**. Considering women are more likely to be working in

accommodation and food service industries, this points to young women being disproportionately affected by unemployment rates this past year.

The estimated unemployment rate for women was 4.7% (1.1 percentage points higher than a year earlier), while for men the estimated employment rate was 5.2% (1.1 percentage points higher than a year earlier).

Women's employment rate has held steadier than men's, reducing just 0.7 ppts compared to men's rate reducing 2.4 ppts in the past year. This can be explained by the surge of employment in industries such as healthcare and public administration, where women make up the majority of the workforce. Public administration saw an increase of 43,000 employees and health and social care saw an increase of 132,000 employees.

It is also important to note the role of the furlough scheme in saving millions of people from unemployment, despite the pay cut, and that more women have been put on furlough which is also contributing to the relatively low losses in women's aggregate employment.

The rate of economic inactivity is also showing interesting differences for women and men: **economic inactivity for men is up 1.4 ppts on the year at 17.4% which is the highest it has been since Aug-Oct 2011, while for women the rate is roughly unchanged at 24.6%.** Again, this contrast might be explained by a larger number of women entering the workforce through the health and social care industries during the pandemic.

REDUNDANCIES

Numbers have gradually decreased since the peak in September, but in January 2021 are still at a higher level than before the start of the coronavirus (COVID-19) pandemic.

PAY GROWTH

In November 2020 to January 2021, the rate of annual pay growth was 4.2% for regular pay.

Pay growth is partly to do with the changing composition of the workforce, with a significant loss of lower-paid jobs in the last year. [Resolution Foundation's](#) analysis of pay growth finds a growth of just 2.0% after accounting for this compositional effect.

[The Chartered Institute of Personnel and Development's \(CIPD's\) winter 2020 to 2021 Labour Market Outlook](#) showed pay expectations improved in the private sector. In contrast, they deteriorated in the public sector, a female-dominated sector.