

Spring Budget 2021 Pre-Budget Briefings

Women and employment during Covid-19

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A pre-budget briefing from the UK Women's Budget Group

Key points

- **Women are the majority of employees in industries with some of the highest Covid-19 job losses, including retail, accommodation and food services.**
- **Overall, more women than men have been furloughed across the UK, and young women have been particularly impacted. Estimates for the end of January 2021 see a significant rise in furloughing as a result of the third national lockdown, reaching 2.32 million for women, and 2.18 million for men.**
- **Black, Asian and Minority Ethnic (BAME) women began the pandemic with one of the lowest rates of employment. In 2020 this was still the case, with BAME women's employment at 62.5% and the highest rate of unemployment at 8.8% (compared with 4.5% for White people and 8.5% for BAME people overall). Between Q3 2019 and Q3 2020, the number of BAME women workers had fallen by 17%, compared to 1% for White women.**
- **46% of mothers that have been made redundant during the pandemic cite lack of adequate childcare provision as the cause. 70% of women with caring responsibilities who requested furlough following school closures in 2021 had their request denied. This has led to almost half (48%) worried about negative treatment from an employer because of childcare responsibilities.**
- **Employment for disabled people has fallen more rapidly during the crisis than for non-disabled people (1.9% compared with 1.1%) and disabled people are currently 2.5 times more likely to be out of work than non-disabled people.**
- **During the first national lockdown, those in low-paid work were twice as likely to be on furlough, or have their hours reduced than those in higher income jobs, hitting women in particular as there are twice as many women as men in the bottom 10% of earners.**
- **By the end of 2020, 546,000 women had made SEISS claims (totalling £1.2 billion), compared with 1,376,000 men (totalling £4.2 billion). There was a clear gendered difference in actual take up rate, with only 51% of eligible women claiming, compared to 60% of eligible men.**

Women and employment

The Covid-19 pandemic has caused an economic recession that has severely changed the employment landscape for all. However, it has led to an exacerbation of pre-existing inequalities which disproportionately impact women, young people, Black, Asian and Minority Ethnic communities, disabled people and those on low incomes. This briefing lays out what we know about the impact of the pandemic on women's employment and earnings. Where possible, data

from across the devolved nations is referenced, as well as across different groups of women.

Employment, unemployment and economic inactivity

Prior to Covid-19

Prior to the Covid-19 pandemic, there were more women in paid employment than at any time, with economic activity levels having recovered significantly for both men and women since the peak of the last economic crisis in late 2011. In

2019, 71.8% of women (80.3% of men) were in employment.¹

The employment rate for mothers was 75.1% in April to June 2019, which has increased from 66.2% in 2000.² For the last decade, the employment rate for women with children had been higher than the employment rate for women with no dependents (the reverse was true prior to 2010). This may partially be attributed to women having children later in life, having spent more years in work with greater labour market attachment. However, there is still a significant pay penalty for mothers.³ According to IFS research from 2018, the pay gap between mothers and fathers increases by approximately 21% between the birth of the first child, and the child's twentieth birthday.⁴

Prior to the pandemic, women were the vast majority of those employed part-time (74% of all part-time workers). They were also more likely than men to be involuntarily part-time⁵ (57% of involuntarily part-time workers), in part-time self-employment (59% of part-time self-employed) or in temporary employment (54% of temporary workers).⁶

The sectors where women tend to work still tend to be the lowest paid, with women still predominating in the so-called 'five Cs' of caring, cashiering, catering, cleaning and clerical work.

Since the pandemic began

The ONS has released official data on employment, unemployment and those that are economically inactive each month throughout the Covid-19 pandemic. However, the accuracy of headline figures in recording the volatility of the

pandemic on the labour market has been called into question by a number of experts, including the ONS itself.⁷

According to the Alliance for Full Employment, the ONS data has omitted an additional 350,000 job losses. Looking at Pay As You Earn (PAYE) data, they found that there were 785,000 fewer employees on payroll between March-November 2020. This suggests that the employment rate could be significantly higher than the ONS is reporting, at 7.2%, rather than 4.9%. Currently, PAYE data is not disaggregated by sex, presenting further challenges to finding an accurate assessment of current labour market activity for women.⁸

Migration experts also estimate that up to 1.3 million people have left the UK (700,000 in London) since March 2020, which would go some way to explain why job losses may not be fully captured by headline unemployment figures.⁹

From October-December 2020 (most recent data as of February 2021) the estimated employment rate for women was 71.8% (78.2% for men), the estimated unemployment rate for women was 4.8% (5.4% for men).¹⁰ Economic inactivity for women was 24.5% (17.3% for men).¹¹

As mentioned, official ONS data estimates must be interpreted with caution due to their current potential inaccuracy. They record women's employment as down 0.6% and economic inactivity down by 0.4% on the same period in 2019. This can partially be explained by increases in public sector employment, including health and social care, during the pandemic which employs more women than men and has seen a

¹ ONS (Oct 2019) A05 NSA: Employment, unemployment and economic inactivity by age group (not seasonally adjusted) (<http://bit.ly/2JqVurZ>)

² ONS Families and the Labour Market 2019 (<http://bit.ly/34ekWbU>)

³ TUC/IPPR The Motherhood Pay Penalty 2016

⁴ IFS (2018) Wage progression and the gender wage gap: the causal impact of hours of work (<http://bit.ly/36fc7kb>)

⁵ The ONS defines involuntary part-time employment as 'workers who fail to find full-time jobs. Involuntary part-time employment ensures that people remain attached to the labour market and do not become unemployed or economically inactive'.

⁶ ONS (Oct 2019) EMP01 SA: Full-time, part-time and temporary workers (seasonally adjusted) (<http://bit.ly/2pZwHnW>)

⁷ WBG (January 2021) ONS Labour Market Statistics

(<https://bit.ly/2P6QWwq>)

⁸ Alliance for Full Employment (January 2021) The Ongoing Wave: The Failure of the UK Government to Measure Unemployment, and the Urgent Need for New Measures to Create Jobs (<https://bit.ly/3kptdmZ>)

⁹ Economic Statistics Centre of Excellence (January 2021) Estimating the UK population during the pandemic (<https://bit.ly/2ZW6zJe>)

¹⁰ ONS (February 2021) Labour market overview, UK: February 2021 (<https://bit.ly/3pXGog7>)

¹¹ Ibid.

2.6% increase in September 2020 from the same month in 2019.¹² Such employment gains have not offset redundancies in other sectors, reflected in an increased unemployment rate for women. However, the increase in the unemployment rate appears counterintuitively low compared to what we know is happening in many sectors where women are disproportionately employed. The Coronavirus Job Retention Scheme (CJRS) is credited as currently propping up millions of jobs for both women and men.¹³

The TUC finds that job losses have been most acute in three industries; accommodation and food (297,000), wholesale and retail (160,000) and manufacturing (115,000), overall accounting for 70% of job losses.¹⁴ Women are the majority of employees in accommodation and food,¹⁵ as well as in retail (58%).¹⁶

Employment for disabled people has fallen more rapidly during the crisis than for non-disabled people (1.9% compared with 1.1%) and disabled people are currently 2.5 times more likely to be out of work than non-disabled people.¹⁷

Gender inequalities are exacerbated by race. Black, Asian and Minority Ethnic (BAME) women began the pandemic from a place of disadvantage with one of the lowest rates of employment. In 2020 this was still the case, with BAME women's employment at 62.5%¹⁸ and the highest rate of unemployment at 8.8% (compared with 4.5% for White people and 8.5% for BAME people overall).¹⁹ The TUC finds that between Q3 2019 and Q3 2020, the number of BAME women workers had fallen by 17%, compared to 1% for White women.²⁰ BAME women in certain

industries have been particularly hit, for example, in the 'arts and entertainment' sector their employment fell by 44% in the year from autumn 2019 to 2020.²¹ This disproportional impact is likely to lead to a longer-term increase in race and gender inequalities.

Shutdown sectors and furlough

The Coronavirus Job Retention Scheme (CJRS) was put in place by the government on 20 March 2020. It enabled employers to 'furlough' staff at 80% of their usual wage (up to £2,500 per month) and has seen several alterations since its inception.²² Updates on extensions and alterations have often been delivered at the last-minute, causing employers uncertain of future support to make unnecessary and premature redundancies.

The number of employees on furlough has fluctuated during the pandemic, in response to changes in restrictions limiting or shutting down many sectors. Although it had fallen from a peak of 8.9 million in early May 2020, tightening restrictions in late autumn, and another national lockdown in January have seen an estimated rise to 4.7 million by the end of January 2021.²³

Overall, more women than men have been furloughed across the UK, and young women have been particularly impacted. Provisional estimates for the end of January 2021 see a significant rise in furloughing as a result of the third national lockdown, reaching 2.32 million for women, and 2.18 million for men.²⁴ Women between 19-24 years old have been the highest claiming band at an estimated 409,000 overall by the end of January 2021 (333,000 for men in this

¹² ONS (December 2020) Public sector employment, UK: September 2020 (<https://bit.ly/3pXVp1o>)

¹³ Institute for Government (2020) The Coronavirus Job Retention Scheme: How has it been used and what will happen when it ends? (<http://bit.ly/3q4D1UB>)

¹⁴ TUC (January 2021) Jobs and recovery monitor (<https://bit.ly/3dM7JPP>)

¹⁵ ONS (February 2021) EMP13: Employment by industry (<https://bit.ly/3utwG8u>)

¹⁶ Work Foundation (2020) No Returns: a new direction to tackle insecurity in retail following Covid-19 (<https://bit.ly/37TnwbE>)

¹⁷ Institute for Employment Studies (November 2020) Labour Market Statistics, November 2020 (<https://bit.ly/3fhYlCk>)

¹⁸ TUC (January 2021) Jobs and recovery monitor (<https://bit.ly/3dM7JPP>)

¹⁹ Ibid.

²⁰ Ibid.

²¹ Ibid.

²² Unison (2020) Furlough, Job Retention Scheme (JRS) and redundancy (<https://bit.ly/3kr2Ug5>)

²³ HMRC (February 2021) Coronavirus Job Retention Scheme statistics: February 2021 (<https://bit.ly/2NLpK62>)

²⁴ Ibid.

age group).²⁵ Young women under the age of 18 have had the highest take-up rate at 33% (24% for young men).²⁶

Women are also less likely than men to have their wages topped up by their employers beyond the 80% granted through the furlough scheme, putting them at an even greater economic disadvantage.²⁷

The higher number of women furloughed is not surprising as most of the shutdown and worst affected sectors have a concentrated number of women employees. Women are the majority of employees in accommodation and food,²⁸ the industry with the highest furlough take-up rate at an estimated 1.15 million by January 2021.²⁹ Women also make up 58% of retail employees³⁰ and by the end of January 2021, it is estimated that 938,500 employees in retail and wholesale had been furloughed.³¹ Sectors such as these where women predominate have high numbers of part-time and zero-hours workers, suggesting they are insufficiently protected should they become ill, have hours decreased or be made redundant. For example, the retail sector is characterised by low-paid and insecure work, with median hourly pay of £8.75, and 48% of workers on part-time contracts (compared with 27% on average).³²

There is a clear link between a fall in a mother's employment and inadequate protections in the CJRS for those with caring responsibilities: 46% of mothers that have been made redundant during the pandemic cite lack of adequate childcare provision as the cause.³³ By the end of January

2021, there were 1.33 million workers on partial furlough, 28% of the total.³⁴ Through the scheme, employers are expected to grant part-time or flexible furlough for a range of reasons, including caring responsibilities. However, the TUC reported that in practice, 70% of furlough claims made by women with caring responsibilities who requested to furlough following school closures in January 2021, had their request denied.³⁵ This has led to almost half (48%) worried about negative treatment from an employer because of childcare responsibilities.³⁶ In February 2021, the Women & Equalities Committee published a report detailing concern regarding evidence of discriminatory practices towards women on maternity leave during the pandemic, urging the government to extend redundancy protections to pregnant women and new mothers.³⁷

Much government support put in place during the pandemic to protect businesses and workers in the labour market (such as CJRS and SEISS) are set to end in April. It is expected that the removal of these supports will lead to unemployment increasing by 900,000 in the year 2021-22.³⁸ With women predominating in some of the economically hardest hit sectors, and being furloughed at higher rates, they are particularly vulnerable to redundancy once employment protections are removed.

Post-Covid employment trends

The impact of Covid-19 has compounded previous shifting employment trends such as an increase in automation and changes in demand and consumption behaviours.³⁹ In retail for

²⁵ Ibid.

²⁶ Ibid.

²⁷ Parliament.uk (February 2021) House of Commons Women and Equalities Select Committee: Unequal impacts: Coronavirus and the gendered economic impact (<https://bit.ly/37Pnjgb>)

²⁸ ONS (February 2021) EMP13: Employment by industry (<https://bit.ly/3utwG8u>)

²⁹ Gov.uk (February 2021) Coronavirus Job Retention Scheme statistics: February 2021 (<https://bit.ly/2NLpK62>)

³⁰ Work Foundation (2020) No Returns: a new direction to tackle insecurity in retail following Covid-19 (<https://bit.ly/37TnwbE>)

³¹ HMRC (February 2021) Coronavirus Job Retention Scheme statistics: February 2021 (<https://bit.ly/2NLpK62>)

³² Work Foundation (2020) No Returns: a new direction to tackle insecurity in retail following Covid-19 (<https://bit.ly/37TnwbE>)

³³ Pregnant then Screwed (2020) The True Scale of the Crisis Facing Working Mums (<https://bit.ly/37OBNX2>)

³⁴ HMRC (February 2021) Coronavirus Job Retention Scheme statistics: February 2021 (<https://bit.ly/2NLpK62>)

³⁵ TUC (January 2021) TUC poll: 7 in 10 requests for furlough turned down for working mums (<https://bit.ly/3uAfZrY>)

³⁶ Ibid.

³⁷ WBG (February 2021) Redundancy protection: joint letter to Secretary of State for Business, Energy & Industrial Strategy (BEIS) (<https://bit.ly/3kpmQA2>)

³⁸ Resolution Foundation (January 2021) The Living Standards Outlook (<https://bit.ly/3pYRAZy>)

³⁹ Work Foundation (2020) No Returns: a new direction to tackle insecurity in retail following Covid-19 (<https://bit.ly/37TnwbE>)

example, the largest source of private sector employment in the UK (2.8 million workers in 2020)⁴⁰ the sector was already contracting prior to Covid-19, with 57,000 retail jobs disappearing in 2019 alone. Additionally, the changing shape of the retail industry which is moving towards fewer shop-front jobs, and more warehouse and distribution centre roles means the majority of job losses over the past decade were more likely to be occupied by women than men, with newer roles showing the reverse.⁴¹

Self-Employment

In 2019, there were almost 5 million people registered as self-employed,⁴² rising from close to 13% in 2008 to 15.1% in 2019.⁴³ Before the pandemic, women were the majority of the newly self-employed. The increase in the number of women in the UK becoming self-employed was unprecedented. Historically, women have made up just over a quarter of the self-employed, but since the 2008 downturn 61% of the newly self-employed have been women, raising the total of self-employed women to 33% of the total.⁴⁴

By the end of 2020, there had been significant decreases in the number of full-time self-employed people (down 71,000 to 3.12 million).⁴⁵ This has been driven mostly by a fall in the number of full-time self-employed men.⁴⁶ The Resolution Foundation finds that approximately 700,000 self-employed people have stopped working in the current lockdown (starting on 4 January 2021).⁴⁷ This is 50% more than the number out of work during the first lockdown (460,000).⁴⁸ They also find that 41% of self-employed workers have experienced a fall in

earnings of 25% or more during the current lockdown.⁴⁹

In May 2020, following the start of the Covid-19 pandemic, HMRC opened applications to the Self-Employment Income Support Scheme (SEISS), which from May-July 2020 offered taxable grants worth 80% of average monthly trading profit for three months, worth up to £7,500 in total. It has had several rounds since it opened, dipping between 70-80% of average trading profit.⁵⁰

By the end of 2020, 546,000 women had made SEISS claims (totalling £1.2 billion), compared with 1,376,000 men (totalling £4.2 billion). The high number of male claims can be explained by the fact that men make up around two-thirds (65%) of those potentially eligible for the scheme. However, there was a clear gendered difference in actual take-up rate, with only 51% of eligible women claiming, compared to 60% of eligible men.⁵¹

Aside from the gendered take-up differences, there have also been recurring problems with the eligibility criteria itself. A recent Resolution Foundation survey finds that 29% of self-employed workers that had lost profits during the pandemic were not eligible for a grant under the scheme.⁵²

A considerable problem with SEISS has been for women who have taken maternity leave within the past three years. SEISS payments are calculated based on average income over the past three-year period. Where women were taking maternity leave, this is counted, bringing down the average payment for mothers. It has been estimated that this has affected an

⁴⁰ Ibid.

⁴¹ Ibid.

⁴² ONS (2019) EMP14 Employees and Self Employed by industry (<http://bit.ly/2PvsC5E>)

⁴³ WBG calculations using total number of people in employment (Labour Force Survey, Apr-Jun 2019) and ONS EMP14 Employees and Self employed by industry (Apr-Jun 2019)

⁴⁴ ONS (Oct 2019) EMP01 SA: Full-time, part-time and temporary workers (seasonally adjusted) (<http://bit.ly/2pZwHnW>)

⁴⁵ ONS (January 2021) Employment in the UK: January 2021 (<https://bit.ly/3q2BjTr>)

⁴⁶ WBG (Aug 2020) Latest ONS data on employment (Apr-Jun) (<http://bit.ly/3kxaxSl>)

⁴⁷ Resolution Foundation (February 2021) 700,00 self-employed workers have stopped working entirely during the current lockdown (<https://bit.ly/2ZZT37z>)

⁴⁸ Ibid.

⁴⁹ Ibid.

⁵⁰ House of Commons Library (February 2021) Coronavirus: Self-Employed Income Support Scheme (<https://bit.ly/3qXxm40>)

⁵¹ HMRC (January 2021) Self-Employment Income Support Statistics: January 2021 (<https://bit.ly/3pVhQUUN>)

⁵² Resolution Foundation (February 2021) 700,00 self-employed workers have stopped working entirely during the current lockdown (<https://bit.ly/2ZZT37z>)

estimated 75,000 women.⁵³ The campaigning group Pregnant Then Screwed recently took the government to court under the Equality Act, to argue that the ways in which SEISS are calculated indirectly discriminates against women who have had a baby in the past three years.⁵⁴

Job Security

In April to June 2019 896,000 people were estimated to be on a zero-hours contract, representing 2.7% of those in employment.⁵⁵ The majority (54%) of those on zero-hours contracts are women; 3.1% of women in employment in April to June 2019 were on zero-hours contracts.⁵⁶ Nearly a fifth of people working in caring, leisure and other service occupations, where women predominate, are on zero-hours contracts.⁵⁷

During the pandemic, the number of people on zero-hours contracts has increased. Health and social care accounted for 35% of the increase in the number of workers on zero-hours contracts since the pandemic started.⁵⁸ We know that in 2020, women made up 83% of the 840,000 care workers and home carers,⁵⁹ 77% of nonmedical healthcare staff,⁶⁰ 85% of NHS General Practice workers,⁶¹ and 77% of NHS Hospital and Community Service workers, so this likely means there will be a significant increase in the number of women on zero-hours contracts.

⁵³ Pregnant Then Screwed (January 2021) Judicial review against the government for indirect sex discrimination this Thursday (<https://bit.ly/3bK7S3x>)

⁵⁴ Pregnant Then Screwed (2021) Taking the government to court for indirect sex discrimination (<http://bit.ly/3dUNGP5>)

⁵⁵ ONS (2019) People in employment on zero-hours contracts (<http://bit.ly/336L3SI>)

⁵⁶ ONS (2019) EMP17: People in employment on zero hours contracts, Table 3 (<http://bit.ly/336L3SI>)

⁵⁷ ONS (2019) EMP17: People in employment on zero hours contracts, Table 7 (<http://bit.ly/336L3SI>)

⁵⁸ TUC (September 2020) Key workers report (<https://bit.ly/3oJ4Xxf>)

⁵⁹ Skills For Care (2019) The state of the adult social care sector and workforce in England (<https://bit.ly/3oJXVbK>)

⁶⁰ The King's Fund (2017) Overview of the health and social care workforce (<http://bit.ly/2zMw9V8>)

Statutory Sick Pay

During the pandemic there has been increased scrutiny on what happens in practice when workers have to take time off due to sickness. The current rate for Statutory Sick Pay (SSP) is £95.85 per week. Key workers,⁶² including those within the NHS, have experienced high levels of exposure Covid-19. Women in employment are twice as likely to be key workers than employed men.⁶³

WBG calculations find that 15.5% of women and 10.6% of men do not earn enough to qualify for SSP.⁶⁴ For those that do qualify, over 4 in 10 workers told the TUC that they would be pushed into debt or not be able to pay bills if their income dropped down to £96 per week for just two weeks.⁶⁵ It is concerning that during a pandemic, many of those in sectors with high exposure to Covid-19 would also be unable to afford to self-isolate were they to contract the virus or show symptoms. For example, adult social care workers only entitled to SSP could see their weekly income reduced by two-thirds if they have to self-isolate.⁶⁶

Earnings: What is happening to pay?

Gender Pay Gap

In April 2017 new gender pay gap reporting regulations came into force, placing a duty on all companies with 250 or more employees to report on their mean and median gender pay gaps. The

⁶¹ Calculated (not including staff where gender was unspecified) from NHS Digital, General Practice Workforce data interactive dashboard data (<https://bit.ly/34VT4Ny>)

⁶² In mid-March, the Department for Education published a list of occupations that were deemed 'critical workers'; those in health and social care, education and childcare, key public services, local and national government, food and essential goods production and distribution, public safety and security, transport, utilities, postal and bank services. See: Gov.uk (2020) Critical workers who can access schools or educational settings (<https://bit.ly/2BnTK1m>)

⁶³ Resolution Foundation (April 2020) Risky Business (<https://bit.ly/3krZucQ>)

⁶⁴ Women's Budget Group (May 2020) WBG responds to the recovery roadmap (<https://bit.ly/3eObaCj>)

⁶⁵ TUC (September 2020) Sick pay and debt (<https://bit.ly/3ssGVJp>)

⁶⁶ Institute for Employment Studies (September 2020) Potential impact of Covid-19 government policy on the adult social care workforce (<https://bit.ly/2XER7QK>)

regulations require employers to report on an annual basis and to publish data on their own company website as well as a government website.

At the start of the pandemic in March 2020, it was announced that companies would not be required to report gender pay gap data for 2020, justified by response to the uncertainty posed by Covid-19.⁶⁷ As labour market volatility during the pandemic has impacted sectors in which women are the majority of employed workers, and there are an increasing number of women having to reduce hours or leave employment due to caring responsibilities, it is likely this has caused an increase in the gender pay gap. Concerningly, gender pay gap reporting may continue to be paused for 2021, leading to further uncertainty regarding the impact of the pandemic on women's earnings.

The most recent official ONS estimates on the gender pay gap covered the first month of the Covid-19 pandemic (to 22 April 2020) at which time there were approximately 8.8 million furloughed employees across the UK. They found that the gender pay gap for full-time employees was 7.4%, down from 9.0% in 2019, and among all employees was at 15.5%, down from 17.4% in 2019.⁶⁸ However, the significant employment changes and increased volatility suggest this figure may be inaccurate. Given women's greater concentration in shutdown sectors, and low-paid work, which have seen higher redundancy rates, it is likely that the contracting of the gender pay gap could be attributed to fewer low-paid women employees driving up the earnings mean and median, rather than a genuine closing of the gap.

As well as a distinct gender pay gap, there is also a gap between Black, Asian and minority ethnic (BAME) and White British workers. Across all

industries, BAME workers are paid an average of 5.7% less than White British workers (£0.90 less per hour).⁶⁹

Public Sector Pay

Women are more likely than men to be working in the public sector. Prior to the pandemic, women made up just over two-thirds of all public sector employees and 9 out of 10 part-time public sector employees. This made them particularly vulnerable to public sector pay freezes, as well as spending cuts on public services, which saw public sector employment fall from 21.8% to 16.5% since June 2010.⁷⁰

In the November 2020 Spending Review, chancellor Rishi Sunak announced that there would be a public sector pay rise for some key workers, such as NHS workers, and those earning less than £24,000 per year. However, aside from these limited groups, the public sector pay freeze continues for 2.6 million workers.⁷¹ The Resolution Foundation finds that those subject to the pay freeze in sectors such as local government and education, which include a disproportionate number of women employees, already face a 7.9% pay penalty compared to equivalent private-sector workers.⁷²

Low Pay

Low pay is defined by the ONS to be below two-thirds (66%) of hourly median wages. For 2020, the median hourly earnings rate is £13.68, two-thirds of which is £9.12⁷³ meaning all workers earning just above, on or below National Living Wage (currently £8.72 for over 25s) are low-pay employees. Prior to the pandemic, in 2019, an estimated 272,000 women and 158,000 men

⁶⁷ Gov.uk (March 2020) Employers do not have to report gender pay gap (<https://bit.ly/3q4aw9j>)

⁶⁸ ONS (November 2020) Gender pay gap in the UK: 2020 (<https://bit.ly/2ZWS0oQ>)

⁶⁹ Resolution Foundation (December 2020) Ethnic minorities in the hospitality sector (<https://bit.ly/2MtFREL>)

⁷⁰ ONS (2019) Labour Market Statistics - Oct 2019, Table 4 (<http://bit.ly/31UiqGh>)

⁷¹ Resolution Foundation (December 2020) The Resolution Foundation Earnings Outlook (<https://bit.ly/3uFqL07>)

⁷² Ibid.

⁷³ ONS (November 2020) Low and high pay in the UK: 2020 (<https://bit.ly/3uKZh9J>)

were in jobs paying less than the National Living Wage.⁷⁴

Low-paid workers have been particularly impacted by the pandemic, hitting women disproportionately as there are twice as many women as men in the bottom 10% of earners.⁷⁵ In January 2021, an Institute for Employment Studies report found that during the first national lockdown, those in low-paid work were twice as likely to be on furlough, or have their hours reduced than those in higher income jobs, with nearly 4 million people being impacted in one of these ways.⁷⁶ They concluded that this will have led to greater disadvantage during the pandemic for those over-represented in low-income work, including women, disabled and BAME workers.⁷⁷

By November 2020, those with household incomes under £10,000 were approximately 60% more likely to be furloughed than the general population.⁷⁸ CJRS allowed employers to 'top-up' the earnings of furloughed employees. However, data from the Annual Survey of Hours and Earnings (ASHE) in the first month of the crisis finds that over half of employees earning less than £8.72 per hour were furloughed with reduced pay, compared with less than 10% of other hourly pay deciles.⁷⁹

Hourly pay in the bottom 5th and 10th percentile of part-time jobs fell by 16.1% and 8.1% respectively compared with 2019. No other percentiles experienced a decline in pay rates.⁸⁰ Low-paid jobs are concentrated in particular sectors which have also been the worst impacted by the pandemic, which also disproportionately employ women, particularly young and BAME women. For example, 42% of workers in the accommodation and food industries and 25% of

workers in elementary occupations (waiting and bar staff, labourers) are in the bottom 10% of earners.⁸¹ The drop in hourly earnings for low-paid workers was largely attributed to being furloughed at 80% of normal pay.

Polling from Women's Budget group and partners (Fawcett Society, Northern Ireland Women's Budget Group, Women's Equality Network Wales, Close the Gap and Engender) released in February 2021 finds that 31% of low income families with children (annual household income of under £20,000) were affected by loss of paid working hours compared with 23% of those with a household income above £40,000.⁸² For those with incomes at the 10th percentile (the lowest income quintile), the Resolution Foundation reports that incomes will fall by around 10% by next year.⁸³

Conclusion

The Covid-19 pandemic has created unprecedented volatility in the labour market, which has impacted women in very particular ways. Self-employed women have received less support than their male counterparts. The dual pressures of caring responsibilities, particularly home-schooling, and working have taken a toll on mothers' paid work.

Women, BAME workers, disabled workers and young people are concentrated within low-paid roles in the sectors that have been some of the worst impacted (food services, retail, arts and recreation).

Once support schemes such as CJRS and SEISS come to an end in April, there will likely be a significant increase in redundancies for those in the most disrupted sectors. Whilst official labour

⁷⁴ ONS (2019) Jobs paid below minimum wage by category (<http://bit.ly/2PE3wBR>)

⁷⁵ ONS (November 2020) Low and high pay in the UK: 2020 (<https://bit.ly/3uKZh9J>)

⁷⁶ Institute for Employment Studies (January 2021) Laid low: The impacts of the Covid-19 crisis on low-paid and insecure workers (<https://bit.ly/3q8kiaR>)

⁷⁷ Ibid.

⁷⁸ ONS (January 2021) Personal and economic well-being in Great Britain: January 2021 (<https://bit.ly/3q3MgUW>)

⁷⁹ ONS (November 2020) Low and high pay in the UK: 2020 (<https://bit.ly/3uKZh9J>)

⁸⁰ Ibid.

⁸¹ Ibid.

⁸² WBG (February 2021) 3 in 10 low-income families have lost hours at work because of the pandemic (<https://bit.ly/3sKuKXN>)

⁸³ Resolution Foundation (January 2021) The Living Standards Outlook 2021 (<https://bit.ly/3syqJFz>)

market data cannot accurately reflect the fast-moving employment landscape, it is clear that gender, age, race, disability and class are some of the intersecting characteristics of those most likely to be worst impacted by increased redundancies through 2021.

Recommendations

- **Statutory Sick Pay must be increased to the Real Living Wage and be extended to all workers with no income floor** to ensure that those who have symptoms of Covid-19 or are awaiting test results are not forced to go to work.
- The majority of public sector workers are women. **The public sector pay freeze announced in the one-year 2020 Spending Review should be lifted to support public sector workers through the Covid-19 recovery** and to appropriately value their contribution during the pandemic.
- **The government should immediately reinstate gender pay gap reporting** to get a better picture of what is happening to women's economic equality to aid Covid-19 recovery planning.
- The government must ensure that employment support programmes such as the **Kickstart Scheme avoid segregating women into lower-paid professions** and are sensitive to diverse caring responsibilities.
- **Use the upcoming Employment Bill to reduce insecurity for low-paid workers** by extending employment rights and investing in strong and effective enforcement.
- **Larger companies should be mandated to report the number of people they make redundant by protected characteristics** including sex and race, to ensure accountability against bias or

discrimination while gender pay gap reporting is suspended.

Written by: Anna Johnston, Research Assistant, UK Women's Budget Group (updated from [March 2020 briefing](#))

UK Women's Budget Group, 1 March 2021

Contact: sara.reis@wbg.org.uk

