

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

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

The latest labour market overview from the [ONS](#) shows there are **signs of improvement in the labour market this month, with employment levels rising and a fall in unemployment** for two consecutive months (Jan 21-Feb 21.) It is important to remember **how much work the furlough scheme is doing in terms of keeping employment figures up**. There is still a big employment gap made up of an estimated 6.2m people who are not working because they are on furlough but remain employed. We know that **more women have been placed on furlough than men**, so the true impact of the pandemic may not yet be reflected on the headline employment figures.

Another encouraging thing to see is that **vacancies continue to rise in 2021**, up 16% in March. However, this is still 22.7% fewer than the vacancies a year earlier, immediately prior to the start of the Covid-19 social distancing measures. What is positive, is that other measures of vacancies e.g., online, seem to have recovered to their pre-crisis level.

Redundancies have also fallen, although they are still around twice the pre-covid rate.

The Covid-19 lockdown restrictions were eased from April 12 across the UK, with hospitality and retail businesses able to open their doors once again. The impact on employment headlines of this easing of restrictions is yet to be seen.

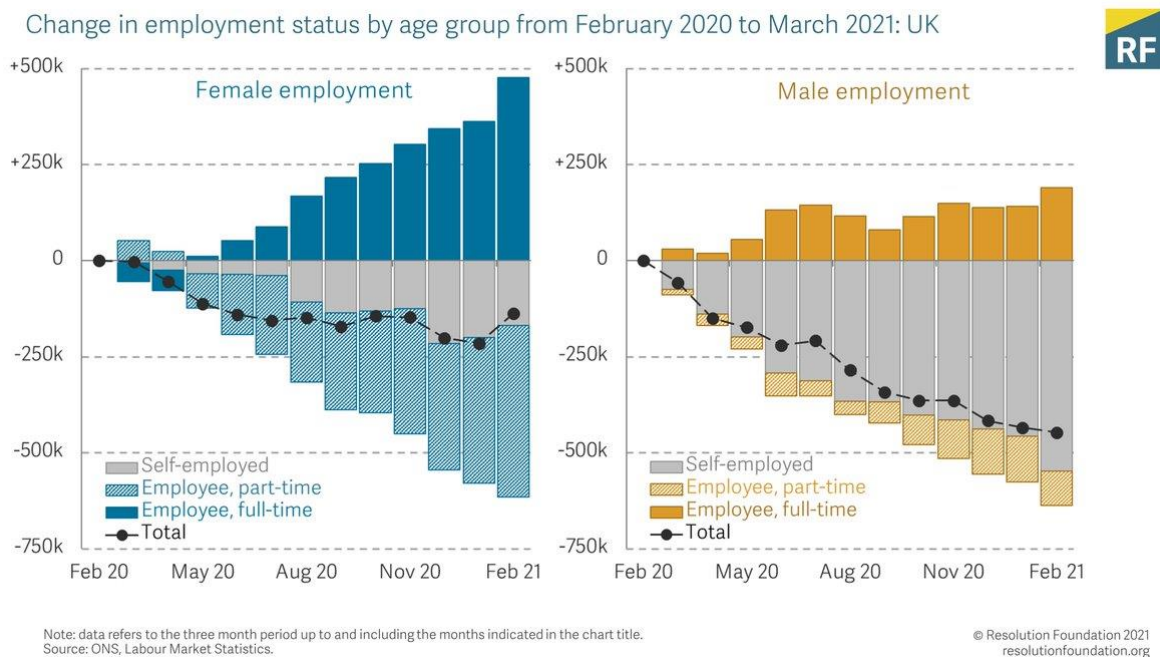
UN/EMPLOYMENT AND ECONOMIC INACTIVITY

56,000 less people were in payrolled employment in March 2021, when compared with February 2021. This is the first decrease in the number of payrolled employees in 2021.

According to real-time PAYE data published by HMRC, 813,000 fewer people were in payrolled employment in March 2021, when compared with March 2020. Moreover, there has been a decrease of 2.8% compared to February 2021.

Of the 813,000 decrease in payrolled employees since March 2020, 43.7% (355,000) can be attributed to those working in the accommodation and food services industries, and 27.4% (223,000) to employees living in London. Analysis by age band also shows that under 25s contributed to 53.7% of the fall in payrolled employees since March 2020. We know that women and young people are more likely to be working in these industries, which explains why young women have been disproportionately affected by unemployment over the past year.

The ONS labour market data shows that up until February 2021, **women's employment rate has held steadier than men's, reducing just 0.6 ppts compared to men's rate reducing 2.3 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. Health and social care saw an increase of 110,000 employees. Interestingly, women's part-time employment is falling, whilst full-time employment is rising.



Graph source: [Resolution Foundation](https://www.resolutionfoundation.org/)

Whilst tracking changes in the employment data is important, it is also crucial to remember that it does not give the full picture as workers on furlough still count as employed. The [Resolution Foundation](https://www.resolutionfoundation.org/) have calculated that there is an estimated employment gap of 6.2m workers who are on furlough. We also know that the number of women on furlough is slightly higher than the number of men on furlough. The hardest impact on employment might come once the government's support measures are lifted in the autumn.

The rate of economic inactivity is also showing interesting differences for women and men: **economic inactivity for men is up at a record high of 1.6 ppts on the year at 17.5% which is the highest it has been since May-July 2011, while for women the rate is at a record low of 24.3%, down by 0.2 ppts on the year.** 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

The redundancy rate is still around twice what it was before the pandemic.

The redundancy rate is dropping, decreasing by a record 6.8 per thousand on the quarter, to 7.3 per thousand. This is significantly lower than the record high level of 14.2 per thousand in the previous quarter (Sep-Nov 2020). However, it should be noted that this big drop comes from a high baseline.

PAY GROWTH

In December 2020 to February 2021, the rate of annual pay growth was 4.4% 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 3.8% 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.