

Women and Recession

How will this recession affect women at work?

Key points

- In the UK around 12,658,000 working age women are in paid formal employment¹ - around 40 per cent of whom work part-time (compared to around 11 per cent of working men).
- Over the last 30 years women's employment has significantly increased, while men's has experienced an overall reduction. Unemployment rates also show significant variation by gender. In the last recession the rate of female unemployment was much lower than the male rate.
- But while women are now more likely to be in paid work, they remain far more likely than men to be in low-paid jobs – around 16.1 percent of men in work are low paid, compared with 29 percent of women workers – with those women who work part-time the most likely to be in low-paid employment.
- Compared to the last recession women are making a greater financial contribution than ever before to family incomes², and lone parents - 90 per cent of whom are women - now make up a quarter of all families.³ More women than ever are therefore supporting families on their wages.
- So far it looks as though women's jobs will be affected more than in previous recessions, recent unemployment data have shown consistent increases in the unemployment rate for women as well as men.
- Since the start of the 2008 the female redundancy rate has increased by 2.3 percentage points, almost double the rate of male increase (1.2 percentage points).
- Women are more likely to be employed in occupations where workplaces are smaller (for example, retail, care and personal services). This means that media headlines do not always focus on female redundancies – but does not mean that they are not taking place.
- In some regions there have been stronger effects for women – for example in the North West the rate of women's unemployment has increased at almost double the rate of male unemployment since the start of the downturn.
- Although it is too early to know if recent trends will be sustained, they could show that while early job losses were in sectors with a greater concentration of male workers (for example construction and manufacturing) areas with a higher concentration of female workers (for example business services and retail) are now also making more redundancies - women's jobs could be at much more risk than in the last recession.

¹ Office for National Statistics (2008) *Labour Market Statistics December 2008* Newport: National Statistics.

² Harkness S, Machin S and Waldfogel J (1994) *Women's Pay and Family Income Inequality* York: JRF.

³ One Parent Families|Gingerbread *Lone Parent Facts, October 2007*,
<http://www.oneparentfamilies.org.uk/1/1x3x10px20x1oix1591x1/0/0/160109/0/0/lone-parent-facts.htm>.

- There are signs that women's jobs will continue to be hit: so far this recession is hitting sectors across the economy,⁴ and much growth over the last decade has been in the service sector, where women's jobs predominate. In addition, women's and men's employment rates have remained relatively constant over the last ten years – meaning that the ongoing upward trend in women's employment prior to previous recent downturns may not protect women's employment rates in the same way this time.
- Women are likely to be affected by reductions in part-time hours during the downturn.
- If there were a major drive to cut public spending even more women would find their jobs were at risk, as there are more women than men employed in the public sector.
- Women may have different experiences of unemployment to men. As women are more likely than men to be in low-paid work, they are less likely than men to have savings and therefore face a greater risk of immediate poverty as they become unemployed. Unemployed women are also less likely than men to qualify for Jobseekers Allowance – which may exacerbate their financial difficulties. In part, this relates to the structure of the benefit system itself.
- Women may also face particular barriers to finding new jobs. Women with childcare responsibilities may have chosen particular part-time or flexible employment opportunities as a means to balance paid and unpaid work. This places restrictions upon their job search as only certain employment opportunities will be suitable, and may be contingent upon the accessibility of affordable childcare. It is more important than ever that employers increase access to flexible working.
- Discrimination will continue to affect women seeking to move back into work – particularly women who are pregnant or who already have caring responsibilities.
- Evidence shows us that it is important that action is taken to support unemployed women. These responses are also necessary to challenge the ongoing labour market discrimination that women experience.
- The TUC believe that these responses should focus on: acting to protect women's jobs; fair treatment for women facing redundancy; enforcing employment rights; support for unemployed women to access and understand benefits; and creating new opportunities for women.

⁴ Office for National Statistics (2008) *ibid.*

Changes since the last recession

In the UK around 12,658,000 working age women are in paid formal employment⁵ - 40 per cent of whom work part-time (compared to around 11 per cent of working men). Over the last 30 years women's employment has significantly increased, while men's has experienced an overall reduction. Unemployment rates also show significant variation by gender. In the last recession the rate of female unemployment was much lower than the male rate.

Compared to the last recession women are making a greater financial contribution than ever before to family incomes.⁶ Recent analysis shows that 67 per cent of the total family income of couple households comes from the total individual income of men, while 32 per cent comes from the individual income of women. However, for 21 per cent of all couples, women's individual incomes contribute to over 50 per cent of family incomes.⁷ In addition lone parents now make up a quarter of all families – and 90 per cent of lone parents are women⁸. More women than ever are therefore supporting families on their wages.

But there are many areas where there has been less change for women at work. Women are still paid less than men – last year the full-time gender pay gap increased to 17.1 per cent and the part-time gender pay gap to 36.6 per cent.⁹ While women are now more likely to be in paid work, they remain far more likely than men to be in low-paid jobs – around 16.1 per cent of men in work are low paid, compared with 29 per cent of women workers – with those women who work part-time the most likely to be in low-paid employment.¹⁰

Paid work also remains highly segregated by gender. For example 19.5 per cent of women in employment do administrative or secretarial work compared with 4 per cent of men.¹¹ Women are also more likely than men to be employed in the personal services (15 per cent of women compared to 2 per cent of men) and in sales and customer services (11 per cent of women compared to 4.8 per cent of

⁵ Office for National Statistics (2008) *ibid.*

⁶ Harkness S, Machin S and Waldfogel J (1994) *Women's Pay and Family Income Inequality* York: JRF.

⁷ Women and Equality Unit (2006) *Individual Incomes of Men and Women 1996/97 - 2004/05* London: WEU.

⁸ One Parent Families|Gingerbread *Lone Parent Facts, October 2007*, <http://www.oneparentfamilies.org.uk/1/lx3x1opx20x1oix1591x1/0/0/160109/0/0/lone-parent-facts.htm>.

⁹ Office for National Statistics (2008) *Annual Survey of Hours and Earnings* Newport: National Statistics.

¹⁰ Cooke G and Lawton K (2008) *Working Out Of Poverty* London: IPPR. Cooke and Lawton define low pay as 60% of full-time median hourly pay, excluding overtime.

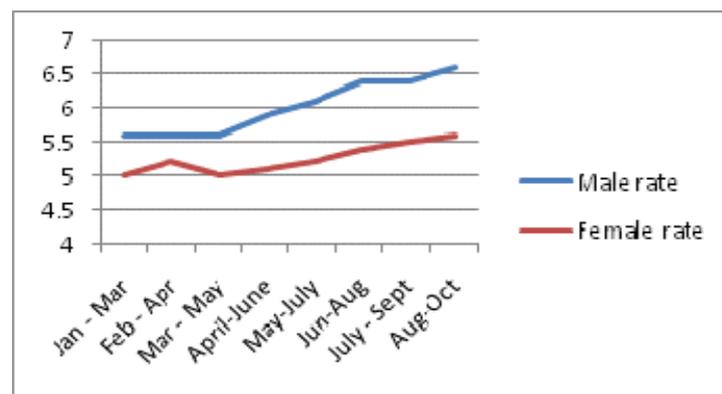
¹¹ Office for National Statistics (2009) *Economic and Labour Market Review: 2009 version*, http://www.statistics.gov.uk/elmr/01_09/6.asp

men). Much of the growth of women’s employment in recent decades has been in these sectors. There is also segregation within occupational sectors – for example in retail while just under two thirds of the workforce are women, there are more full-time men than full-time women, and women are concentrated in part-time low-paid jobs, while men are concentrated in managerial positions.¹²

How are women at work being affected by the recession?

So far it looks as though women’s jobs will be affected more than in previous recessions. During 2008 male unemployment began to rise sharply before female unemployment rates were significantly affected. But more recent statistics show that female unemployment is also now showing consistent increases. This can be seen in Chart 1 below:

Chart 1: Female and male unemployment rates (ILO measure) January – October 2008.



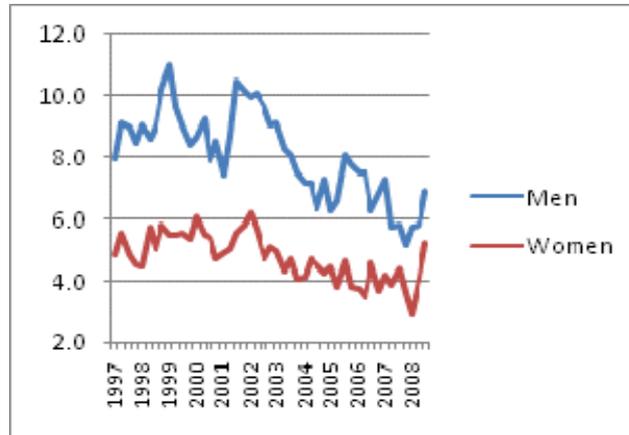
Since the start of the 2008 the male working age unemployment rate has risen from 5.6 to 6.6 per cent, while female unemployment has shown a smaller increase from 5 per cent to 5.6 per cent. But in more recent months the rate of increase between men and women has become comparable – from June to October there was a .2 per cent increase in the national unemployment rate for both men and women.¹³

Redundancy data also show that women in paid work are feeling the effects of the recession. Over the last ten years female and male redundancy rates have not been following similar patterns, but recently rates for both women and men have increased sharply, with the redundancy rate for women so far showing a sharper continual increase than the male rate. The redundancy rate for women at the end of Q3 2008 was within a percentage point of its highest rate for the decade, and from January - September 2008 the female redundancy rate increased by 2.3 percentage points, almost double the rate of male increase over the same period (1.2 percentage points). This can be seen in the chart below:

¹² Internal analysis undertaken by USDAW, unpublished.

¹³ Office for National Statistics (2008) *ibid*.

Chart 2: Female and male redundancy rates Q1 1997 – Q3 2008.



In some regions there have been stronger effects for women – for example in the North West the rate of women’s unemployment has increased at almost double the rate of male unemployment since the start of the downturn. However, in other regions women have so far been affected less than men. For example in the Midlands women’s unemployment remains relatively low, although it has recently been rising.

Although it is too early to know if recent trends will be sustained, they could therefore show us that while early job losses were in sectors with a greater concentration of male workers (for example construction and manufacturing) areas with a higher concentration of female workers (for example business services and retail) are now also making more redundancies - women’s jobs could be much more at risk than in the last recession.

There are many signs that women’s employment will continue to be hit. In contrast to the 1990s, where retail distribution and hotels and catering held up relatively well compared to manufacturing and construction,¹⁴ so far this recession is hitting sectors across the economy¹⁵ - and much economic growth over the last decade has been in the service sector, where women’s jobs predominate. Within sectors where women’s jobs are concentrated, women are also more likely to be in the lower-paid and shop floor jobs, which can make them more vulnerable than men to redundancy. Another difference with previous recessions is that women’s and men’s employment rates have remained relatively constant over the last ten years – meaning that the ongoing upward trend in women’s employment during previous recent downturns may not protect women’s employment rates in the same way this time. Although the sectors in which women predominate are not particularly more likely than those dominated by men to contain small businesses, women are more likely to be employed in occupations where workplaces are smaller (for example, retail, care and personal services). This means that media headlines do not always focus on female redundancies – but does not mean that

¹⁴ IDS (2006) *ibid.*

¹⁵ Office for National Statistics (2008) *ibid.*

they are not taking place. Finally, although occupational segregation remains strong, it is the case that there are far more women working in a wider range of sectors than in previous recessions – meaning that wherever the downturn hits more women will be affected.

Women are likely to be affected by reductions in part-time hours during the downturn. In the previous recession there was evidence of employers moving to part-time working as a means to reduce labour costs and hours.¹⁶ While part-time workers now have equal treatment rights with full-time staff these rights can be hard to enforce, and women in this position still face a greater risk of employers moving to the use of casual ‘worker’ contracts for services, or of their hours being reduced. Even before the recession started analysis shows that around 15 per cent of women working part-time wanted more hours than they had.¹⁷

But there are some areas where women’s jobs do seem to be safer than men’s. More women are employed in the public sector, where redundancy rates have not been showing the same upward trends as in many private sector industries and vacancy rates are still showing small increases. As public sector jobs are safer, so are some women’s jobs – although if there was a major drive to cut public spending these jobs could soon be at risk. It also seems unlikely that sectors dominated by women will be wiped out by the recession – retail may take a considerable hit, but in the longer term prospects for growth remain better than those of manufacturing industries during the last recession.

So the exact pattern that unemployment rates for women will take is unclear – but our analysis does suggest that this recession will impact on women in paid work more than any previous downturn.

How are women affected by unemployment?

The impact of unemployment can be devastating for anyone who loses their job. But there are particular effects for women losing paid work. As women are more likely than men to be in low-paid work, they are less likely than men to have savings, therefore facing a greater risk of immediate poverty as they become unemployed. This will have particularly severe effects for single women – even more so if they have children. Women’s increased financial responsibilities for family income may also mean that they are more likely to undertake informal and exploitative vulnerable work as a means to support children.

Unemployed women are less likely than men to qualify for Jobseekers Allowance – which may exacerbate their financial difficulties. In part, this relates to the structure of the benefit system itself. Women who have been in employment and have paid national insurance contributions can claim and receive contribution-based JSA based on their own contributions. There are however historical problems with National Insurance, which has tended to discriminate against women as they are more likely to work part-time and therefore be below the

¹⁶ IDS (1993) *Pay Report June 1993* London: IDS cited in IDS *ibid.* p15.

¹⁷ Labour Force Survey, Summer 2007, TUC analysis.

earnings limit for contributions and less likely to be entitled to contributory JSA (although this is much less of a problem than 20 years ago). In addition, Income Based JSA, which workers move to after six months on JSA, is calculated on a household basis, so if women are living in a couple and their partner is working (which is more likely to be the case for unemployed women than for unemployed men), women are unlikely to receive any payment from JSA.

Women also face particular barriers to finding new jobs. Women with childcare responsibilities may have chosen particular part-time or flexible employment opportunities as a means to balance paid and unpaid work, placing restrictions upon their job search as only certain employment opportunities will be suitable, and may be contingent upon the accessibility of affordable childcare. For example, research shows that in local areas where there are few jobs, women with unpaid work responsibilities are much less likely to be able to travel further distances to work.¹⁸ Evidence also shows that women with dependent children are more likely than other women to be unemployed (around 5 per cent compared to 4.3 per cent), and that around 63 per cent of unemployed women with dependent children are seeking part-time work¹⁹ - which is likely to be a consequence of the additional restrictions on their job search. And discrimination will continue to affect women seeking to move back into work – particularly women who are pregnant or who already have caring responsibilities.

It is also important to remember that many women were already unemployed before the recession began. Data show that in general unemployed women are much less likely than men to have a recent history of employment (and much more likely to have been looking after a family or home). This means that long-term unemployed women are more likely than long-term unemployed men to find that a limited work history is a barrier to work, and that as newly unemployed women join the competition for jobs it may be harder for long-term unemployed women to find work than it would have been before the recession started.²⁰

Policy to support women facing unemployment

Evidence shows us that it is important that action is taken to support unemployed women. While overall macro-economic policy, including the recent fiscal stimulus and measures to improve the flows of credit, may affect growth and improve employment prospects across the economy, specific measures are also needed to ensure that unemployed women receive support and that general packages to assist unemployed people take account of women's particular needs. It is also vital that responses to recession recognise the importance of continuing to challenge the labour market disadvantage that women already face. Women are already

¹⁸ Grant L and Buckner L (2006) *Connecting Women with the Local Labour Market* Sheffield: Sheffield Hallam University.

¹⁹ Office for National Statistics (2002) *Women in the Labour Market: results from the Spring 2001 LFS* Newport: National Statistics.

²⁰ Office for National Statistics (2000) *Routes to Unemployment: by Gender, Spring 2000: Social Trends 31* Newport: National Statistics.

low-paid relative to men and cutting women's rates of pay must not be seen as an acceptable response to the downturn. As well as exacerbating women's poverty, it would only deepen the recession by further reducing demand. But efforts must be made to find creative means to protect women's jobs, and to increase women's opportunities to take up new vacancies when growth returns.

Acting to protect women's jobs

It may be the time for employers to consider making greater use of flexible working policies as a means of reorganising work for the benefit of workers and business needs. Introducing flexible working options in female dominated industries, as well as in workplaces where there is a history of reducing hours or changing patterns of work in response to demand, could prove a valuable means to retain jobs in the short-term, as well as providing greater flexibility for workers now and as the economy recovers. The TUC has long called for flexible working options to be available from day one (not only after 26 weeks of service) and for employers to advertise more jobs on a flexible basis.

It is also important that any future measure to protect jobs, for example subsidising employers to provide training to staff, or to part cover wages in firms at risk, pay equal attention to retaining employment and skills among female as well as male workforces.

Protecting public sector jobs will protect women's jobs – so it needs to be recognised that making public sector cuts will mean cutting jobs for women. In such difficult economic times it is also more important than ever to prevent jobs being contracted out of the public sector – past evidence has shown that women have disproportionately suffered from contracting out as their pay and conditions have been cut.²¹

Fair treatment for women facing redundancy

Part-time workers now have the right to equal treatment with full-time staff. This means that being part-time can't be used as a reason for selection for transfer or redundancy, or refusing a promotion, unless it can be justified objectively. Women on maternity leave are also entitled to redundancy pay, and it is unlawful to select pregnant women or women on maternity leave for redundancy on the basis of pregnancy or maternity. Women in this position must also be offered other suitable employment if it's available. Unions and Government therefore have to ensure that women know their rights, and are able to challenge any attempt to discriminate against them. Now more than ever is the time for unions to introduce equality considerations to the collective bargaining agenda. Employers have a responsibility to treat women fairly – which it is as important to recognise now as it was during times of economic growth.

Enforcing employment rights

²¹ For example see IPPR (2003) *The two-tier workforce: an IPPR briefing* London: IPPR.

Bad employers may use the downturn as an excuse to treat workers illegally, and in turn staff may be more likely to put up with bad treatment as they are scared of losing their jobs. Women are already more likely than men to be in vulnerable employment,²² and may face an increased risk during the recession as they are more likely than men to face immediate financial difficulty as a result of redundancy. It is now essential for Government to ensure that employment rights enforcement receives increased resources, and for unions to continue to organise among women.

Support for unemployed women to access and understand benefits

Depending upon their personal circumstances women experiencing unemployment can face a wider range of more complex benefit entitlements than men. For example, women who are pregnant when they become unemployed will need urgent information about the out of work allowances they are entitled to, and women considering moving from unemployment into positions that are lower paid than previous jobs will need support to understand their tax credit entitlements and, if hours of work or the location of a job change, on how to identify and access affordable and accessible childcare. Ensuring that this information is available in a clear and timely manner will require increased investment in front line advice staff.

Creating new opportunities for women

Recent Government announcements on enabling earlier access to Train to Gain and on new jobs subsidy measures are welcome, as are commitments to create 100,000 new jobs and 35,000 new apprenticeships. But specific thought needs to be given to how women can be enabled to access these opportunities. This could mean increasing efforts to enable women to access training in occupational sectors in which they are currently underrepresented, as well as ensuring that job creation focuses upon sectors in which women are employed as well as those in which men predominate. Efforts to challenge segregation in apprenticeships also need to be stepped up. As new subsidised jobs are created Government should encourage employers to offer positions on flexible hours, to ensure that posts are accessible to women. Requiring employers to take equality into account when contracting with Government and other public bodies could also provide another means to ensure that new jobs are accessible to women.

²² Commission on Vulnerable Employment (2008) *Hard Work Hidden Lives: the final report of the Commission on Vulnerable Employment* London: TUC.