

Young workers are most at risk from job losses due to the coronavirus crisis

Which industries are at risk?

The coronavirus pandemic has already significantly impacted the UK economy. Following the government's lockdown. Many businesses have temporarily pausing trading, have seen a decrease in turnover, and/or have furloughed their staff.

The ONS Business Impact of COVID-19 Survey¹ shows that some industries have been affected by the pandemic more than others.

The chart below² shows an industry breakdown of the percentage of:

- Businesses that have temporarily paused or cancelled trading
- The workforce that has been furloughed
- Businesses that have seen their normal turnover decrease by more than 50 per cent

It's clear that two industries have been hit significantly more than others: the accommodation and food industry, and the arts, entertainment and recreation industry. These are the only two where the majority of businesses have been temporarily paused, a majority have seen turnover decrease by over 50 per cent, and the majority of the workforce has been furloughed.

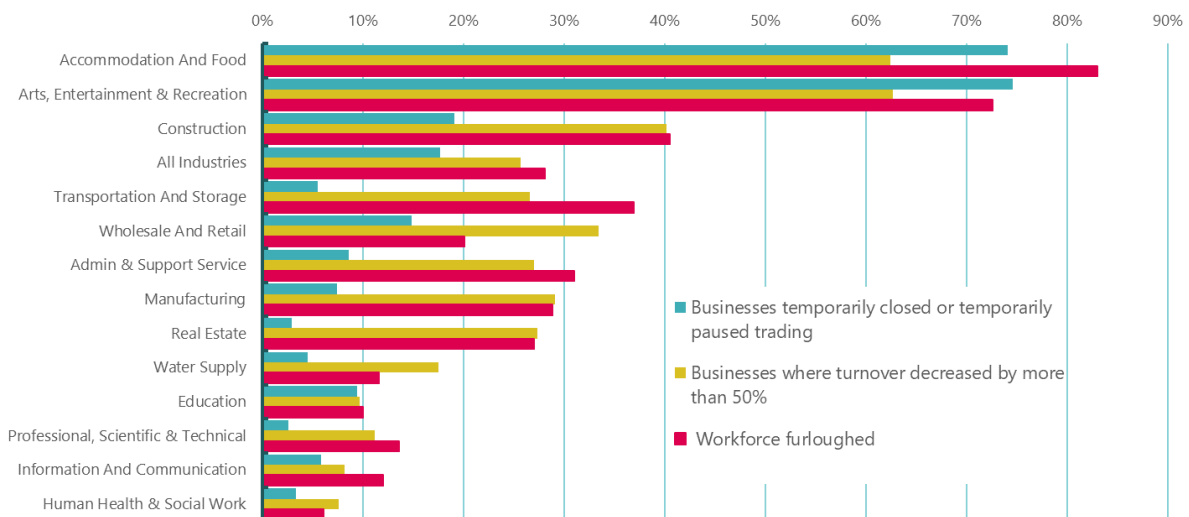
While these figures do not predict which industries will experience job losses, they do suggest that these industries are at particularly high risk. But they are not the only industries vulnerable or affected by coronavirus. There are temporary closures, falls in turnover, and furloughed employees in every industry. All industries are facing an uncertain economic future. We have focused on these two industries due to the risk of job losses being significantly higher than in other sectors according to our measures.

¹ The statistics were taken from the most recent wave (Wave 5, 4 May to 17 May 2020) of the survey. Available at:

<https://www.ons.gov.uk/economy/economicoutputandproductivity/output/datasets/businessimpactofcovid19surveybicsresults>

² Also available as a table in the appendix

Industries affected by the pandemic: closures, turnover and furlough rates



Young workers

Young workers are overrepresented in industries that are at particular risk of job losses due to the coronavirus crisis.

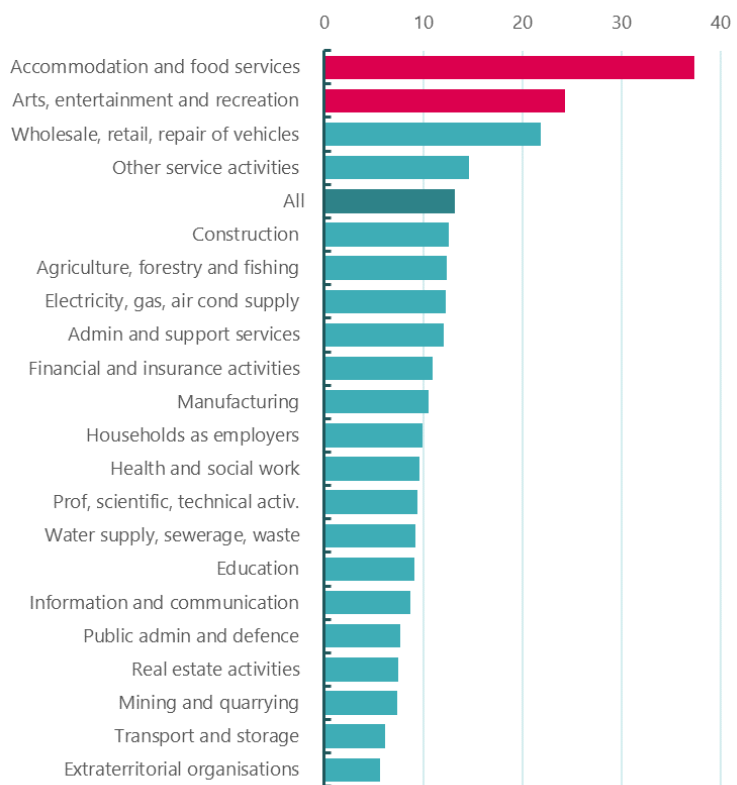
Workers aged 25 and under make up 13 per cent of those in employment across all industries³.

However, 37 per cent of those working in the accommodation and food industry, and a quarter of those working in the arts, entertainment, and recreation industry are aged 25 or under.

The two industries with the highest proportion of young workers are the two industries that have so far been hit hardest by the coronavirus crisis.

In total, there are around 886,000 young workers employed in these industries. That is one-third of the total 2.7 million workers employed in these industries.

25 and under as % of industry workforce



Source: TUC analysis of Labour Force Survey (Jan-March 2020)

³ All data in this section is based on a TUC analysis of the Labour Force Survey (Jan-March 2020)

Looking at the percentage of young workers that work in these industries shows us that they are much more likely than workers over 25 to work in these industries. The table below provides this data for the accommodation and food industry, the arts, entertainment and recreation industry, and the combined total for the two, referred to as 'at risk' industries. It shows:

- Young workers (those aged 25 and under) are three times more likely than workers over 25 to be employed in an industry at higher risk of unemployment (20 per cent, compared to 6 per cent). As there are around 4.4 million young workers, this equates to around 900,000 young workers employed in at risk industries.
- Young workers are four times more likely than workers over 25 to be working in the accommodation and food industry (15 per cent, compared to 4 per cent).
- Young workers are over twice as likely than workers over 25 to be working in the arts, entertainment and recreation industry (5 per cent, compared to 2 per cent).
- Almost one quarter of young women (23 per cent) who are in employment work in an at-risk industry. Women aged 25 and under are six times more likely than men over 25 to be working in the accommodation and food industry (18 per cent, compared to 3 per cent).

Table 1. Percentage of workers employed in at-risk industry, by age group and gender

	Accommodation and food	Arts, entertainment and recreation	At risk industries
All in employment	5	3	8
All over 25	4	2	6
All 25 and under	15	5	20
Men over 25	3	2	6
Men 25 and under	12	5	17
Women over 25	5	2	7
Women 25 and under	18	5	23

The percentage of young workers employed in an at-risk industry varies by region, with the highest percentages seen in the North East and the West Midlands (26 per cent and 25 per cent respectively). A full regional and gender breakdown on this data can be found in table 2 of the appendix.

Percentage of workers employed in an industry at risk of unemployment



The percentage of young workers in ‘at-risk’ industries are different across regions, as well as between women and men. In each region, young women are more likely than young men to be employed in an at-risk industry. In both the North East and the West Midlands, three-in-ten young women in employment are working in an at-risk industry.

Percentage of workers employed in an industry at risk of unemployment, by gender



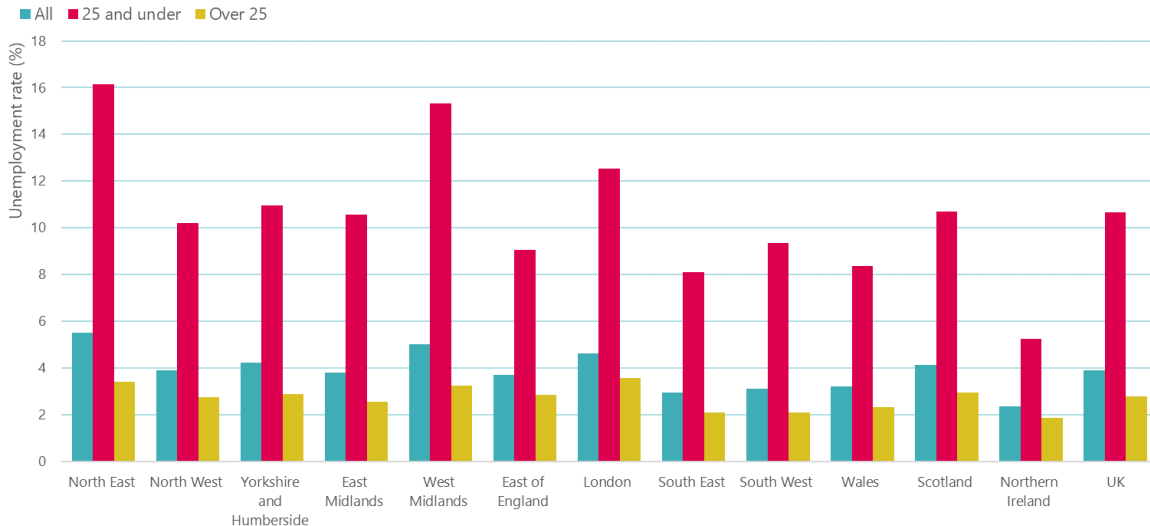
We also know that black and minority ethnic (BME) workers are slightly more likely to be working in an at-risk industry than white workers (9 per cent, compared to 8 per cent). This is due to BME workers being more likely to be employed in the accommodation and food industry (7 per cent, compared to 5 per cent).

A jobs guarantee scheme would benefit young workers

Due to the industries that are currently being impacted most by the coronavirus crisis, it is likely that job losses will hit young workers, especially young women workers, the hardest.

Young workers are also more likely to benefit from a job guarantee scheme as they are already more likely to be unemployed than those over 25. The unemployment rate among those 25 and under is 10.7 per cent, compared to 2.9 per cent for those over 25. This varies by region, with the North East and West Midlands seeing the highest rate of youth unemployment (16 and 15 per cent respectively). These are also the two regions with the highest percentage of young workers employed in industries at higher risk of job losses.

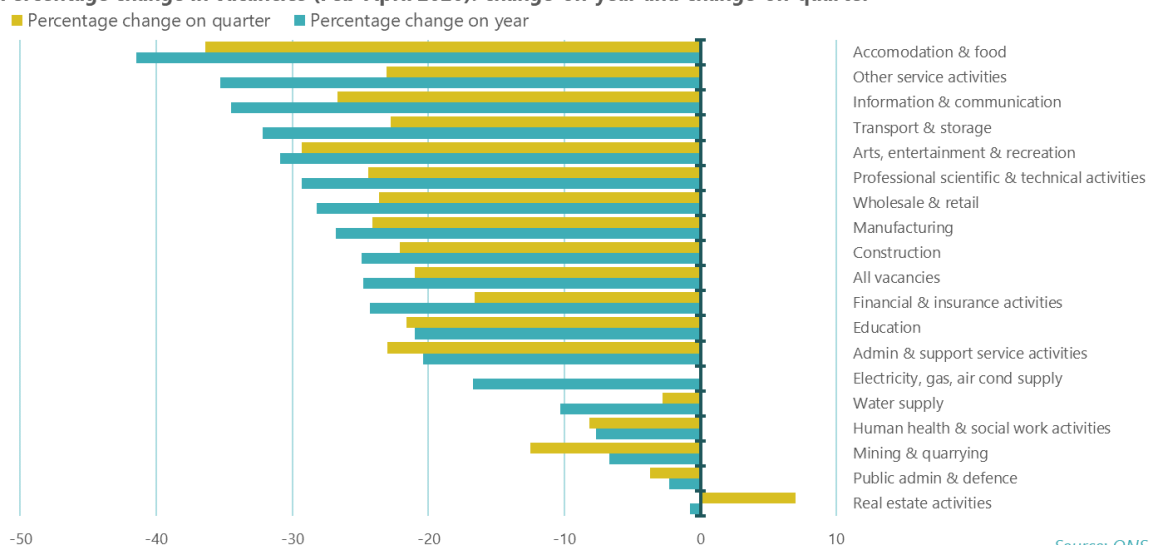
Unemployment rate by age group



Source: Labour Force Survey Jan-March 2020

Job losses are not the only cause of unemployment. During economic downturns businesses are less likely to recruit, which will have an impact on the availability of jobs on new entrants to the labour market. Labour market data for February-April 2020 already shows coronavirus impacting on the number of vacancies. The number of vacancies has fallen by 25 per cent compared to the same period last year, and 21 per cent compared to the previous quarter. An industry breakdown shows that accommodation and food industry has seen the biggest fall in vacancies, with a decrease of 42 per cent compared to the same period in 2019.

Percentage change in vacancies (Feb-April 2020): change-on-year and change-on-quarter



Source: ONS

It's clear that an unemployment crisis is looming unless we take action now. As the government's job retention schemes are wound down over the coming months, we need the

government to introduce a jobs guarantee to avoid an unemployment crisis. This scheme should guarantee decent, secure and sustainable jobs with a clear social benefit.

This scheme should be built on best practice from the Future Jobs Fund and similar schemes across Europe, and offer a guaranteed job, paid at least at the real living wage or the union negotiated rate for the job.

We believe that the government should aim to offer the job guarantee scheme to as many people as possible who face long-term unemployment. But in seeking to prioritise, it should guarantee jobs to:

- People aged 25 and under who have been unemployed for three months; and
- People aged over 25 who have been unemployed for six months

Jobs should be provided for six months, with a guarantee of accredited training. The scheme should be delivered at regional or devolved nation level, in partnership with unions, local leaders, employers, local Jobcentre Plus and community partners, mirroring a National Council for Reconstruction and Recovery

This is an opportunity to help create good, secure jobs across the country, ensuring more people have access to decent pay and secure livelihoods in a job that provides meaning both for them and for the wider community. It is an opportunity to create sustainable jobs in all parts of the country, and address the threats of unemployment, labour market inequalities and the climate crisis together.

The TUC believes the scheme should deliver jobs that:

- are paid at least the real living wage rate, or the union negotiated rate for the job;
- ensure the worker gets the skills they need to move into permanent work;
- are additional. This means the money should only be used to create jobs that would not have been created in the absence of a scheme, ensuring that job guarantee participants are not replacing existing workers;
- provide a community, public benefit and/or help to decarbonise the economy. The inclusion of a "community benefit" criteria was one of the clear successes attributed to the Future Jobs Fund and so any similar scheme should adopt and widen this principle to explicitly include a contribution to public good, and/or decarbonising the economy;
- meet local labour market needs. This means the ability for the money to be used to create jobs in sectors which correspond with regional or local economic plans.
- promote equality. Jobs must be designed in a way that promotes equality. ensure access to trade unions.

Appendix

Table 1: Industries affected by the pandemic: closures, turnover and furlough rates

Industry	Businesses temporarily closed or temporarily paused trading	Businesses where turnover decreased by more than 50%	Workforce furloughed
Accommodation & Food	74%	62%	83%
Arts, Entertainment & Recreation	75%	63%	73%
Construction	19%	40%	41%
<i>All Industries</i>	<i>18%</i>	<i>26%</i>	<i>28%</i>
Transportation & Storage	6%	27%	37%
Wholesale & Retail	15%	33%	20%
Admin & Support Service	9%	27%	31%
Manufacturing	7%	29%	29%
Real Estate	3%	27%	27%
Water Supply	5%	18%	12%
Education	9%	10%	10%
Professional, Scientific & Technical	3%	11%	14%
Information & Communication	6%	8%	12%
Human Health & Social Work	3%	8%	6%

Table 2. Percentage of workforce that is employed in industry, by age group, gender and region

Percentage of workforce that is employed in industry, by age group, gender and region

		North East	North West	Yorkshire and Humberside	East Midlands	West Midlands	East of England	London	South East	South West	Wales	Scotland	Northern Ireland	UK
Accommodation & Food	Men over 25	4	3	2	3	3	3	5	3	3	4	5	2	3
	Women over 25	4	4	4	5	5	4	5	3	6	4	5	5	5
	Men 25 and under	14	13	9	13	17	10	8	12	17	17	10	10	12
	Women 25 and under	24	20	19	19	24	17	15	14	20	19	20	14	18
	All over 25	4	3	3	4	4	4	5	3	4	4	5	3	4
	All 25 and under	19	16	13	16	21	14	12	13	19	19	15	12	15
	All	6	5	5	6	6	5	6	5	6	6	6	5	5
Arts, entertainment & rec	Men over 25	3	2	2	2	2	2	3	3	2	2	3	2	2
	Women over 25	2	2	2	1	2	2	4	2	2	2	3	2	2
	Men 25 and under	7	7	5	5	3	4	7	7	4	4	6	0	5
	Women 25 and under	7	3	5	2	5	3	5	9	4	1	3	2	5
	All over 25	2	2	2	2	2	2	4	3	2	2	3	2	2
	All 25 and under	7	5	5	4	4	4	6	8	4	2	4	1	5
	All	3	2	2	2	2	2	4	3	2	2	3	2	3
At risk	Men over 25	6	5	5	5	5	5	8	6	5	6	8	4	6
	Women over 25	6	5	6	6	7	7	9	6	7	6	8	6	7
	Men 25 and under	21	19	14	19	20	14	15	19	22	20	15	10	17
	Women 25 and under	31	23	23	21	29	21	20	23	23	20	23	16	23
	All over 25	6	5	5	5	6	6	9	6	6	6	8	5	6
	All 25 and under	26	21	18	20	25	18	18	21	23	21	19	13	20
	All	9	8	7	7	9	7	10	8	8	8	9	6	8