

date: March 2010



Women and recession: one year on

How has the downturn affected women at work?

a TUC publication

Contents

Introduction	2
Employment	3
The public sector	8
Economic activity and inactivity	11
Unemployment	14
Conclusion	22

Introduction

1.1 In January 2009 the TUC considered the emerging evidence on the impact that the downturn could have for women in work. In this report, which has been produced for the TUC Women's Conference 2010, we have revisited the data to consider how women are currently faring in the labour market and to analyse wider trends in women's economic activity.

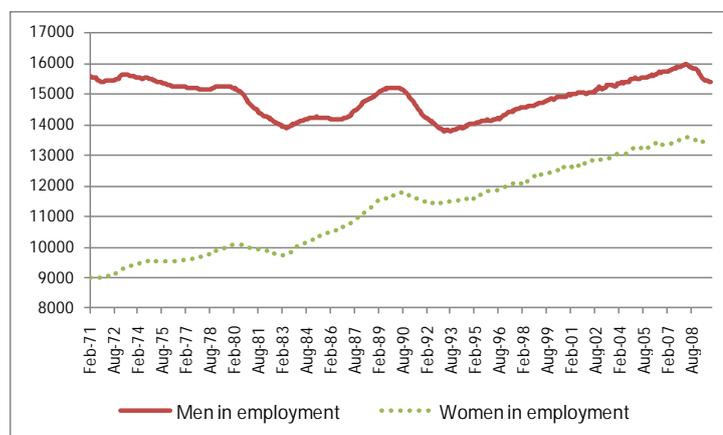
1.2 The TUC's analysis shows that the downturn has had a variety of impacts for working women. There are now close to 600,000 women facing involuntary part-time work, and over 250,000 in involuntary temporary work. More men than women have lost their jobs during the recession, and the rate of male unemployment has increased faster than the female rate. However, in many sectors (including finance and business services and hotels, restaurants and distribution and manufacturing) men and women have experienced similar proportional falls in jobs.

1.3 The key reason that fewer women have so far been made unemployed is therefore not that their jobs are intrinsically safer, but that more women (around 40 per cent of female employees nationally) work in public sector occupations where large scale redundancies have not taken place. Should large scale public sector cuts occur in the future significant numbers of working families could face extreme financial hardship (particularly in regions that already have high unemployment).

Employment

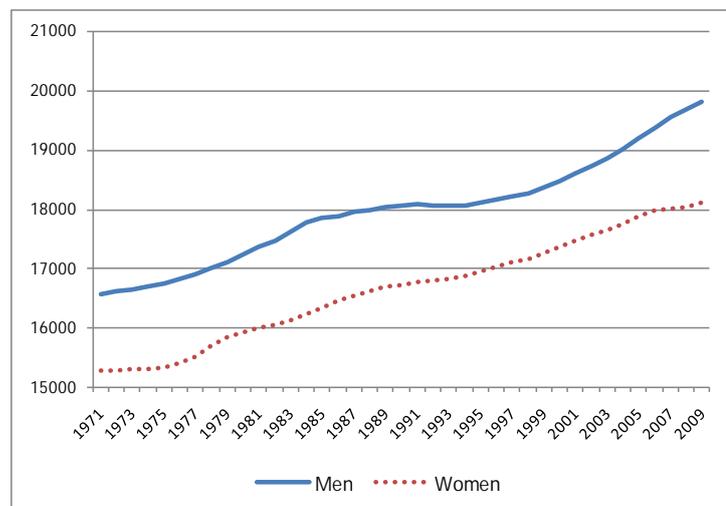
1.4 Over the last forty years there has been enormous change in women’s labour market participation. In the early 1970s just over nine million women were in paid employment – a number that has increased by around 50 per cent to over 13.5 million women today. In contrast the number of men in work is almost the same today (around 15.3 million) as it was in the early 1970s (15.5 million). This change can be seen in the following chart:

Employment levels (by gender) (000s) Feb 1971 – Nov 2009



1.5 However, over the same period the overall size of the working age population has increased – there are far more women and men of working age today than there were in the 70s:

Size of the working age population (16-64 (men) and 16-59 (women)) (by gender) (000s) 1971 - 2009



Women and recession: one year on

1.6 The proportions of men and women of working age who are in work have therefore undergone significant change: the male working age employment rate has fallen from over 90 per cent in the early 1970s to just over 75 per cent now, while the female working age employment rate has risen from around 56 per cent to just under 70 per cent.

Working age (16-64 (men) and 16-59 (women)) employment rates (by gender) Feb 1971 – Nov 2009



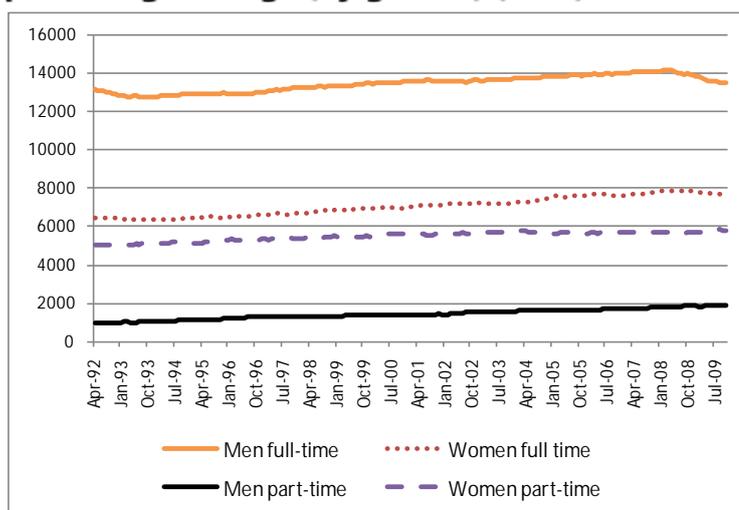
1.7 During the current recession, employment rates for both women and men have fallen, but the fall in male employment has been far greater: since the second quarter of 2008 male employment has fallen by 3.6 percentage points, compared to a 1.2 point fall for women. This trend is comparable to other recent downturns, where employment rates for both genders have been impacted but women's employment has fallen by less. But the key difference, for both women and men, is that reductions in employment this time are far lower than during comparable periods in previous downturns – a particularly remarkable fact given that output has fallen by around 5.8 points during this recession, compared to 4.8 points in the 1980s and 2.6 in the 1990s. This can be seen below.

Change in working age (16-64 (men) and 16-59 (women)) employment rates (by gender) from first quarter of each recent recession until six quarters later

	Men	Women
1980s Q1 - 1981 Q3	-5.2	-1.5
Q3 1990 - Q1 1992	-5.2	-1.7
2008 Q2 -2009 Q4	-3.6	-1.2

1.8 The fall in employment during this recession, for both women and men, can be accounted for by a fall in full-time jobs – which has been partly offset by an increase in part-time employment. This is shown below:

Changes in employment levels Jan 2008 – Nov 2009 and percentage change (by gender) (000s)



Levels of full-time and part-time employment (by gender) (000s) April 1992 – Nov 2009

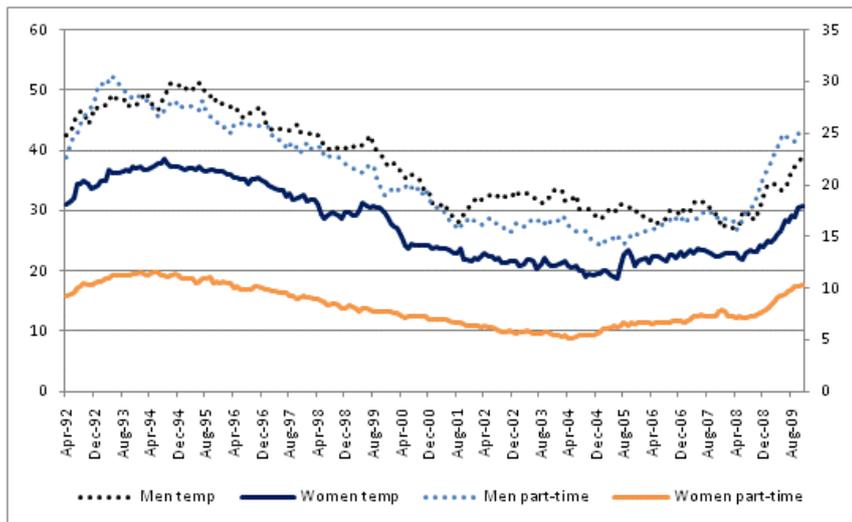
	Men full-time	Women full-time	Men part-time	Women part-time
Change in employment levels Jan 2008 - Nov 2009	-618	-142	80	101
Percentage change	-4%	-2%	4%	2%

1.9 Consequently, the proportions of both women and men who are facing under-employment have risen. 24.9 per cent of men and 10.3 per cent of women in part-time work would prefer a full-time job. For men this is the highest proportion since Feb 1997, while for women the proportion was last above this rate in March 1996.

1.10 Involuntary temporary work is also on the increase, with 38.9 per cent of men in temporary work and 30.7 per cent of women in temporary work stating that they would prefer a permanent job. The proportions were last above this rate for men in October 1999, and for women in May 1999. These trends are shown below:

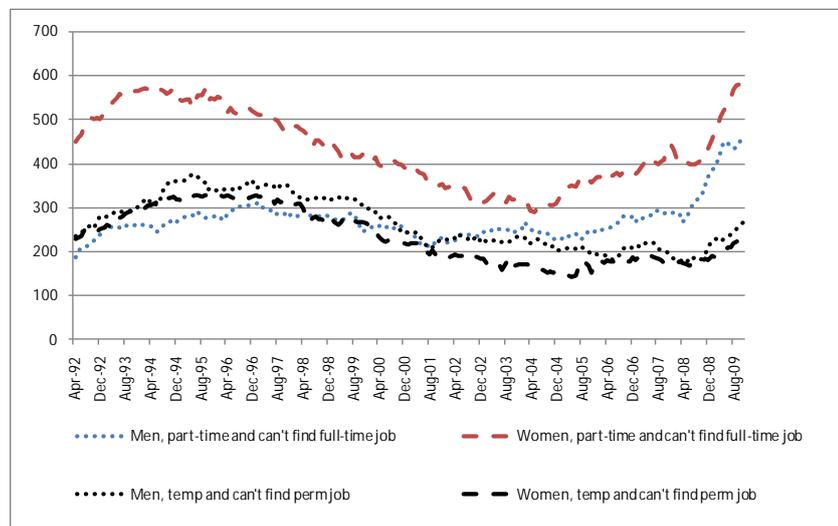
Women and recession: one year on

Proportions of temporary workers (by gender) who can't find a permanent job (LHS) and proportions of part-time workers (by gender) who would rather have a full-time job (RHS) April 1992 – Nov 2009



1.11 Overall, however, there are far more women than men in part-time work (5.81 million compared to 1.87 million), meaning that significantly more women than men are facing involuntary part-time work (591,000 women compared to 450,000 men). While there are slightly more women than men in temporary jobs (743,000 compared to 691,000) there are more men than women in involuntary temporary work (269,000 men compared to 228,000 women). These trends can be seen below:

Number of temporary workers (by gender) who can't find a permanent and job part-time workers (by gender) who would rather have a full-time job (000s) April 1992 – Nov 2009



1.12 During the recession the proportions of workforce jobs lost in different sectors have shown some variation by gender. However, in many sectors women and men have experienced relatively similar impacts. Since the start of 2008 the proportions of male and female jobs lost have been the same in distribution, hotels and restaurants (3 per cent of jobs), finance and business services (4 per cent of jobs) and manufacturing (10 per cent of jobs). In addition, both women and men have experienced a 3 per cent increase in jobs in the education, health and public admin sector. This is shown in more detail below:

Change in number of workforce jobs and percentage change (by gender and industry) (000s) Q1 2008 - Q4 2009

	Total		Agriculture & fishing	
	Men	Women	Men	Women
Change in number of workforce jobs, Q1 2008 - Q4 2009	-582	-201	40	-37
Percentage change	-3%	-1%	11%	-27%
	Mining, electricity, gas & water	Distribution, hotels & restaurants		
	Men	Women	Men	Women
Change in number of workforce jobs, Q1 2008 - Q4 2009	-2	0	-112	-110
Percentage change	-1%	0%	-3%	-3%
	Transport & communication	Education, health and public admin		
	Men	Women	Men	Women
Change in number of workforce jobs, Q1 2008 - Q4 2009	-26	-5	82	177
Percentage change	-2%	-1%	3%	3%
	Finance and Business Services	Manufacturing		
	Men	Women	Men	Women
Change in number of workforce jobs, Q1 2008 - Q4 2009	-164	-130	-235	-79
Percentage change	-4%	-4%	-10%	-10%
	Construction			
Change in number of workforce jobs, Q1 2008 - Q4 2009	-149	-6		
Percentage change	-7%	-2%		

The public sector

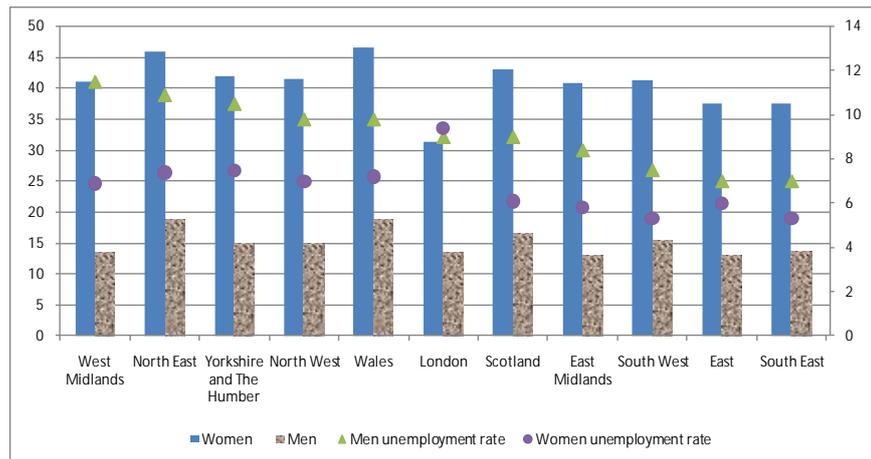
1.13 A key reason that women's employment rates overall have so far been affected less than men's is that far more women work in the public sector. For example, in September 2009 there were 5,748,000 women working in the areas of education, health and public admin compared to 2,488,000 men. Data from the Annual Business Inquiry¹ suggests that just under 40 per cent of women's jobs nationally are in the public sector, compared to around 15 per cent of positions held by men.

1.14 The extent of public sector employment, undertaken by both men and women, also varies by region. The following chart shows the proportions of male and female employees working in areas of work covered by the public sector (health, education, defence, public administration and social work),² as well as male and female regional unemployment rates. The five regions with the highest male unemployment rates are also areas where over 40 per cent of female employees work in public sector occupations. This suggests that these regions may be particularly vulnerable to the impacts of any deep public spending cuts.

¹ The Annual Business Inquiry (ABI) is an employer survey conducted in December of each year. These data are from 2008 (the most recent available). The ABI records the total number of jobs held by employees (a measure which excludes self-employed, government-supported trainees and HM Forces). As the ABI only provides estimates of jobs by industry rather than whether individuals are employed in the public or private sectors some private sector workers who are contracted to provide service to the public sector are included in the analysis (this includes GPs, university and further education staff, and agency and contracted workers, as well as privately provided education, health and welfare services). We do not consider this a problem for this analysis, as the jobs of both directly employed and contracted workers would be at risk from job cuts. ONS do produce data on public sector employment which includes directly employed public sector employees, but it is not disaggregated by gender. The ONS public sector employment figures also include employees of UK Financial Investments Ltd (UKFI). ONS also note that the ABI gives a more reliable industry breakdown than the Labour Force Survey (LFS) and that the ABI has a bigger sample and so is more reliable than LFS.

² Northern Ireland is not included in this analysis as it is not included in the Annual Business Inquiry survey. The following sectors have been included in the analysis: Public Administration and Defence; Compulsory Social Security; Education; and Human Health and Social Work Activities. Other sectors listed in the ABI will include public sector workers (e.g. Arts, Entertainment and Recreation) but have not been included as large proportions of private sector workers will also be incorporated.

Proportions of employees working in public sector occupations (by gender) (by region) (Annual Business Inquiry 2008) (LHS) and male and female unemployment rates (ILO) (by region) (RHS)



1.15 The large proportions of women working in the public sector improve women’s overall levels of pension provision - which would be far worse if it was not for the superior record of the public sector has of providing decent pensions for women and lower-paid staff. Because more women than men work in the public sector, they have nearly two-thirds (64.5 per cent) of public sector defined benefit schemes (not all of which are final salary).

1.16 However, despite this women’s earnings disadvantage in the labour market (as we’ve previously shown, the gender pay gap currently stands at 16.4 per cent)³ is still exacerbated in retirement, with women’s average income just 62 per cent the level of men’s income.⁴ There are two key reasons for this trend. Women save less – due to lower incomes and a focus on more short-term financial needs – and they are less likely to save at all, often due to interrupted career patterns. Women are twice as likely as men to stop saving at all when they have children. The 2009 Scottish Widows Women and Pensions Report⁵ found that just 47 per cent of women are saving enough for an adequate income in retirement, compared to 59 per cent of men. For those not in defined benefit schemes, women save just eight per cent of their income compared to ten per cent for men.

³ ONS 2009 Annual Survey of Hours and Earnings (ASHE)
<http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=15313>

⁴ Press Release, Prudential, *Pension Gap Between Men and Women Continues to Grow*, 16th February 2010, http://www.pru.co.uk/pdf/presscenter/pension_gap_grows.pdf

⁵ Scottish Widows (2009) *Women and Pensions Report: Pensions for Today and Tomorrow* Edinburgh: Scottish Widows
www.scottishwidows.co.uk/documents/generic/2009_Women_and_Pensions_Report.pdf

Women and recession: one year on

1.17 Large-scale redundancies, as well as attempts to level down public sector pensions down to those in the private sector, would therefore further exacerbate rates of female pensioner poverty.

1.18 Public sector job cuts would also affect the amount of work undertaken by women who manage to keep their jobs. 1,200,000 female employees in the public sector regularly work unpaid overtime (average 7.1 hours per week per person).⁶ This indicates a total of 443,716,000 free hours per year. Based on median hourly public sector female pay excluding overtime (£11.85 per hour)⁷ this means that female public sector unpaid overtime is worth at least £5,257,000,000 per year – five and a quarter billion pounds worth of free work.

1.19 It is very likely that large scale redundancies would add further to levels of unpaid overtime undertaken by those who remain in post, leading to greater work intensification and inevitable negative consequences for working women's personal and family lives.

1.20 Across the economy working women spend more time caring for their children than working men (which is true for women working both part- and full-time). For example, in 2000-01 women living in a couple and working full time spent on average nearly four and a half hours on childcare and other activities with their children on a weekday. For men in the same circumstances the comparable figure was just over three and a half hours.⁸ Carers UK have also found that women are 25 per cent likely than men to be carers, and that women have a fifty-fifty chance of having substantial caring responsibilities at least once before they are aged 59.⁹

1.21 Given that working women are still responsible for more domestic care work than men, it is inevitable that any cuts in public services will further add to women's responsibilities, exacerbating the double burden faced by women who work.

⁶ Analysis undertaken by the TUC.

⁷ This figure is from the Annual Survey of Hours and Earnings 2009.

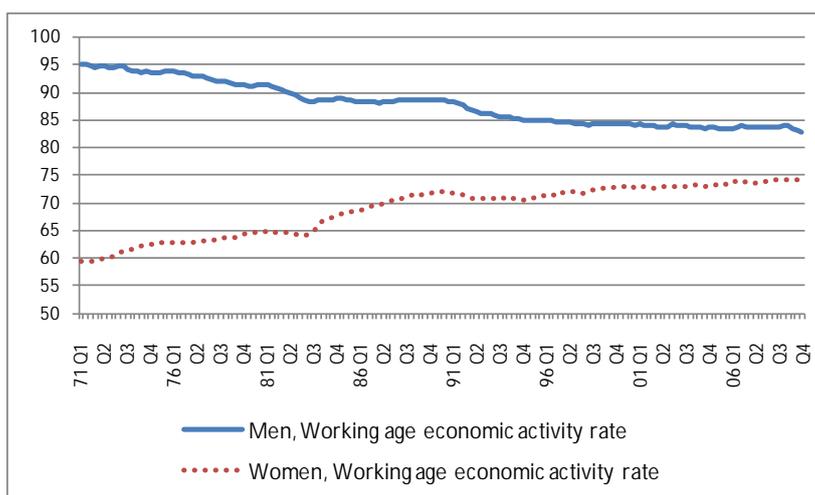
⁸ ONS Work and Family *1 in 2 mums of under 5s are in Labour Force* <http://www.statistics.gov.uk/CCI/nugget.asp?ID=436>.

⁹ Carers UK (2001) *It could be you: a report on the chances of becoming a carer (summary)* London: Carers UK.

Economic activity and inactivity

1.22 The proportion of women who are economically active has continued to rise during the recession, with 74.4 per cent of working age women now in this position. This trend differs from previous recessions, when female economic activity dropped more noticeably than during the current downturn, albeit recovering relatively quickly. The female economic activity rate is now the highest on record since 1971. In contrast, the proportion of men who are economically active has fallen during the recession, a continuation of a downward trend since the 1970s. The gap between female and male economic inactivity rates is now the smallest on record, having fallen from 35.7 points in 1971, to 8.3 points by the end of last year.

Working age (16-64 (men) and 16-59 (women)) economic activity rates (by gender) Q1 1971– Q4 2009



1.23 Male working age economic inactivity rates have therefore risen during the recession (17.3 per cent of working age men and 25.6 per cent of working age women are currently in this position). Since the start of 2008 male economic inactivity has increased by 1 percentage point, while female economic inactivity has fallen slightly by 0.4 points. This can be seen in the following chart:

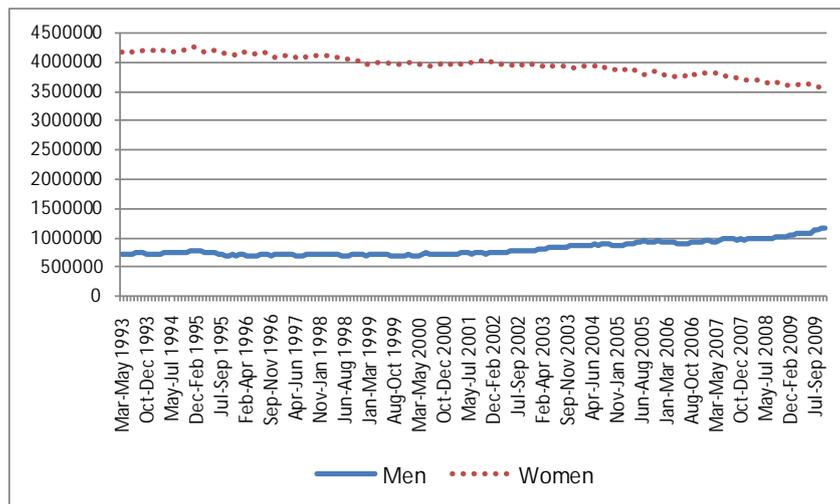
Women and recession: one year on

Working age (16-64 (men) and 16-59 (women)) economic inactivity rates (by gender) Q1 1971– Q4 2009



1.24 When you exclude people who are economically inactive because they are students the picture remains the same, with women experiencing a fall in levels of economic inactivity since the start of the recession (in contrast to previous downturns) and men experiencing an increase.

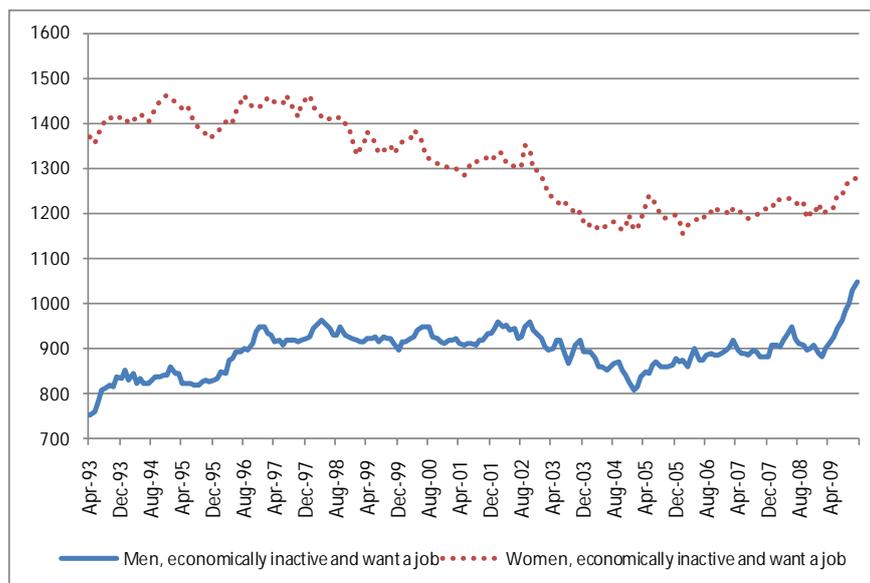
Levels of economic inactivity (by gender) excluding people who are economically inactive because they are students (000s) Mar-May 1993 – Oct-Dec 2009



1.25 More economically inactive women than men want to work. However, from the late 1990s until late 2004 the proportions of economically inactive women and men who would like to have a job were falling. But since then levels have been slowly increasing (faster for men than for women), and have escalated since the start of the recession. The gap between the levels is now the

smallest since records started in April 1993, with 229,000 more economically inactive women than men now stating that they would like to work.

Numbers of people economically inactive (by gender) who want a job (000s) April 1993 – Nov 2009



1.26 A key factor preventing economically inactive women from moving into the labour market is the lack of available opportunities that allow them to balance their working and family lives – 41 per cent of women who are economically inactive and want a job are looking after a home or family. In a recent survey of lone parent advisers the availability of part-time and flexible work was seen as the most significant constraint on enabling clients to move into work, scoring higher than childcare and financial concerns.¹⁰ The EHRC have also found that close to a quarter (24 per cent) of unemployed mothers say that the lack of flexible and part-time work is an important reason for not working.¹¹

1.27 The cost of childcare can form another significant barrier, and recent research from the Daycare Trust confirms that the scale of the challenge has been increased as a result of the recession. Their analysis shows that during 2009 there was a rise in costs above the rate of inflation for all types of childcare. In England the cost of a nursery place for children aged 2 and over has risen by 5.1 per cent - almost double the rate of inflation.¹²

¹⁰ Ross J, Parents and Employers: bridging the flexibility gap, *Working Brief*, Issue 210, Dec/Jan 2010, London: Inclusion.

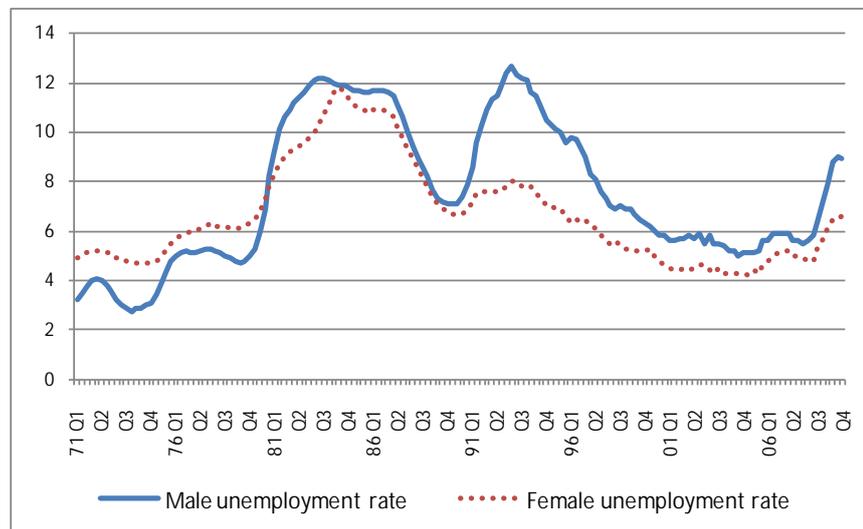
¹¹ Ibid.

¹² Daycare Trust (2010) *Childcare Costs Survey 2010* London: Daycare Trust.

Unemployment

1.28 During the downturn unemployment rates have increased faster for men than for women. Between April 2008 (the point at which unemployment first started to rise) and November 2009 (the latest period for which data are currently available), male unemployment increased by 3.4 percentage points, compared to a 1.9 percentage point increase for women. Between Sept 2009 – Nov 2009 male unemployment fell by 32,000 while female unemployment increased by 8,000. However, given the volatility in recent labour market figures, it seems unlikely that this will indicate a significant ongoing trend. The following chart illustrates unemployment change:

Male and female unemployment rates (ILO) Jan 1971 – Nov 2009



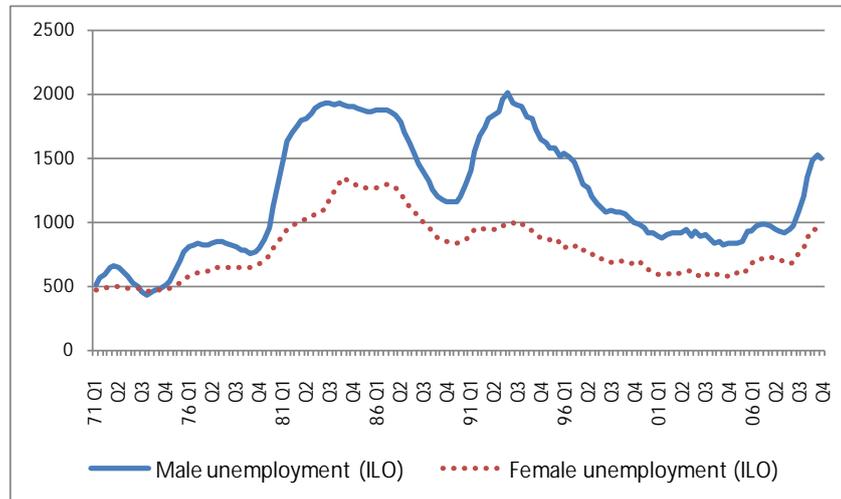
Female and male unemployment rates (ILO) from the point at which unemployment first started to rise until 20 months after

	Female unemployment rate	Male unemployment rate	Ratio Female increase: Male increase
Jan 1980	6.4	5.2	
Aug 1981	9.0	10.6	
Increase	2.6	5.4	1:2.1
June 1990	6.7	7.1	
Jan 1992	7.6	11.2	
Increase	0.9	4.1	1:4.6
April 2008	4.7	5.5	
Nov 2009	6.6	8.9	
Increase	1.9	3.4	1:1.8

1.30 While female unemployment rates are lower than in previous recessions, the number of women unemployed is far closer to the levels of the 1990s recession than is the case for the number of unemployed men. At the end of 2009 there were 959,000 women unemployed, just 55,000 less than the peak of the 1990s recession and 390,000 less than the peak of the 1980s. While more men are unemployed than women as a result of the current downturn, the total number of unemployed men is 513,000 less than the 1990s peak and 441,000 below the levels seen in the height of the 1980s. The gap between levels of female and male unemployment is also far less than in previous recessions – for example in Q4 2009 there were 540,000 more unemployed men than women, whereas in Q1 1993 there were over 1 million more unemployed men. Although the gap may yet expand, this analysis does suggest that the differences between women and men’s experiences of recession are starting to reduce.

Women and recession: one year on

Levels of ILO unemployment (by gender) (000s) Q1 1971 – Q4 2009

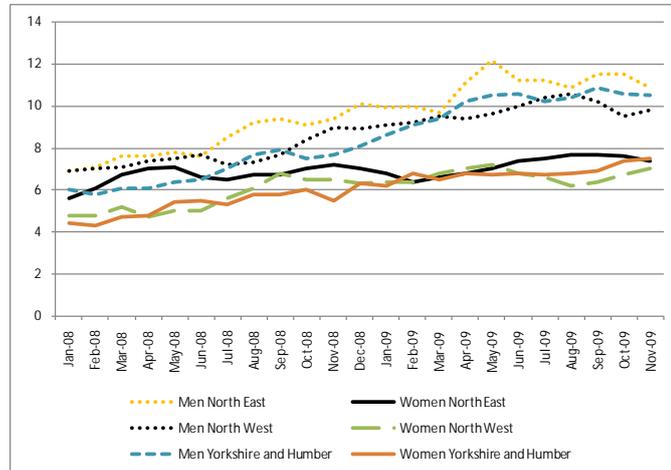


1.31 Regionally, there has been significant variation in women's and men's experiences of unemployment. In all regions except London women's unemployment has remained lower than men's. However, the rate of increase has varied significantly across the country. For example, in Yorkshire and the Humber women have seen a 3.1 percentage point increase in their unemployment rate (greater than the increase seen by men in the North West, East Midlands, East, London and Northern Ireland) compared to virtually no increase (0.1) in the East Midlands. This can be seen below:

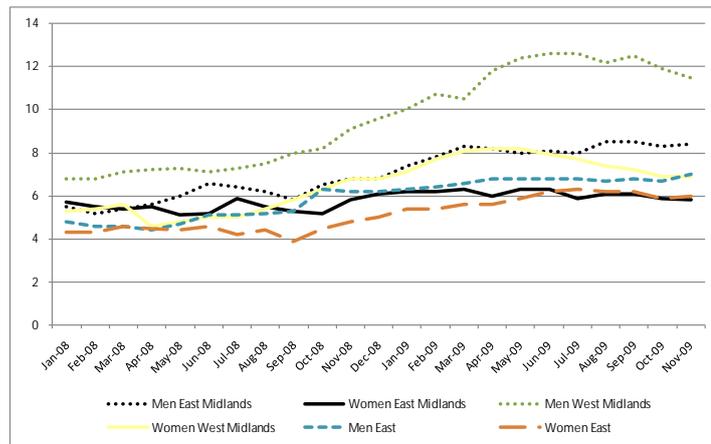
Increase in unemployment rate (ILO) (by region) (by gender) Jan 2008 – Nov 2009

	Men	Women
North East	4	1.8
North West	2.9	2.2
Yorkshire and Humber	4.5	3.1
East Midlands	2.9	0.1
West Midlands	4.7	1.6
East	2.2	1.7
London	2.2	2.8
South East	2.9	1.1
South West	3.5	2
Wales	5	2.2
Scotland	3.6	1.8
Northern Ireland	2.6	1.1

Unemployment rate (ILO) (by gender) North East, North West and Yorkshire and the Humber Jan 2008 – Nov 2009

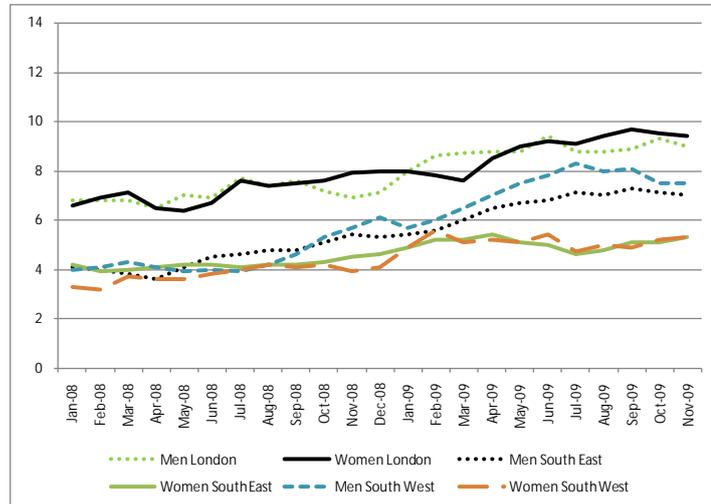


Unemployment rate (ILO) (by gender) East Midlands, West Midlands and the East Jan 2008 – Nov 2009

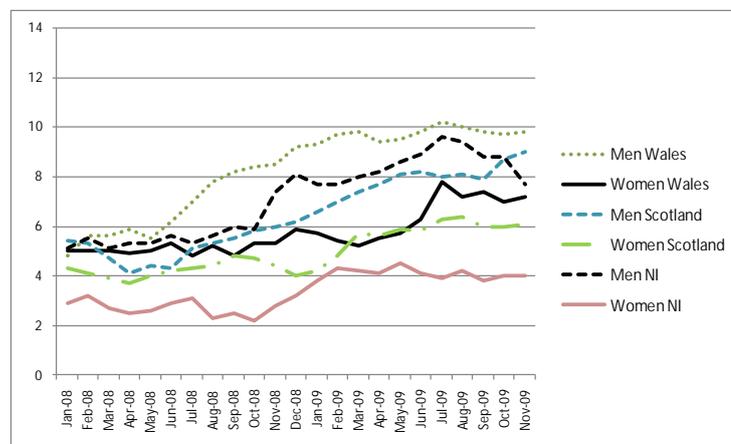


Women and recession: one year on

Unemployment rate (ILO) (by gender) London, South West and South East Jan 2008 – Nov 2009



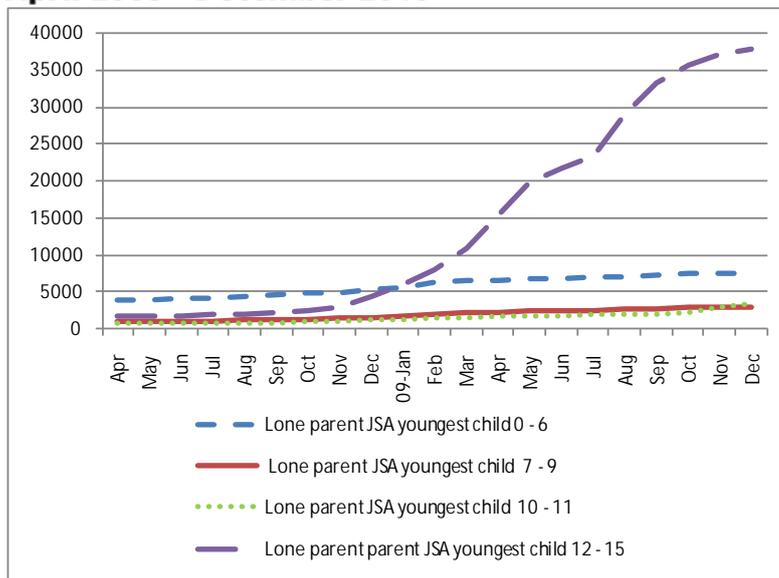
Unemployment rate (ILO) (by gender) Wales, Scotland and Northern Ireland Jan 2008 – Nov 2009



1.32 Increases in the levels of female unemployment may result in part from the increasing numbers of lone parents now being classified as unemployed. As the following chart shows, the Government's welfare reform programme has continued throughout the recession, with lone parents with children aged over 12 moving from Income Support onto JSA throughout the downturn. Since unemployment started to rise in April 2008, over 36,000 lone parents (90 per cent of whom are likely to be mothers¹³) have moved onto JSA.

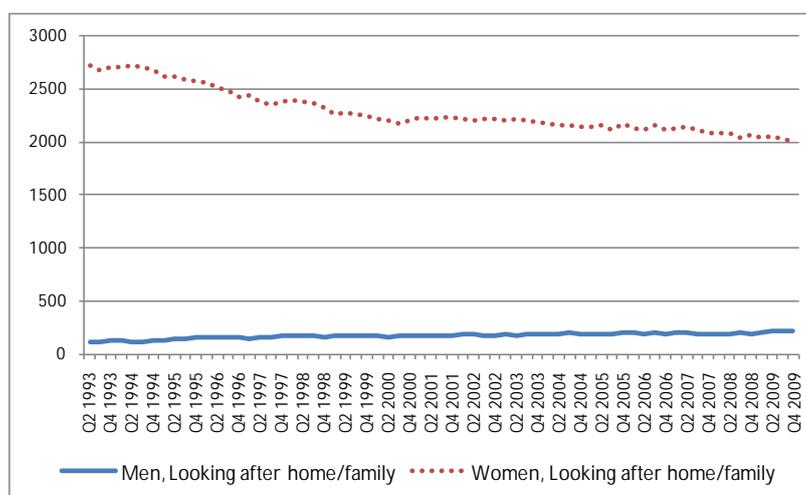
¹³ Bell K, 'Mini-jobs' for lone parents?' *Poverty*, Issue 128, Autumn 2007, London: CPAG.

Number of lone parents (by age of youngest child) claiming JSA April 2008 – December 2010



1.33 Changes in women’s chances of facing unemployment also reflect wider trends. For example the number of women who are economically inactive as they are looking after their home or family has been falling since records starting in the early 1990s, a trend that has continued during this recession. With more women than ever before considering moving into work greater numbers of women are facing unemployment.

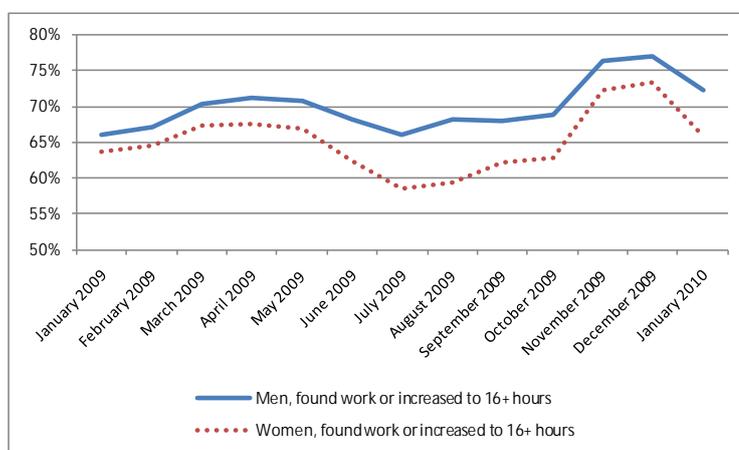
Number of people (by gender) economically inactive as they are looking after their home or family, Q2 1993 – Q4 2009



Women and recession: one year on

1.34 As we have previously discussed,¹⁴ unemployed women are less likely than men to qualify for Jobseekers Allowance,¹⁵ which means that the claimant count measure significantly underestimates women's unemployment. However, considering data on off-flows from JSA gives a helpful indication of the different outcomes that unemployed men and women may face. The following chart considers the proportions of men and women who leave JSA to enter work or to increase their hours over the benefit threshold.¹⁶ It shows that higher proportions of male leavers enter work than female leavers.

Proportions of JSA leavers who enter work (by gender) Jan 2009 – Jan 2010



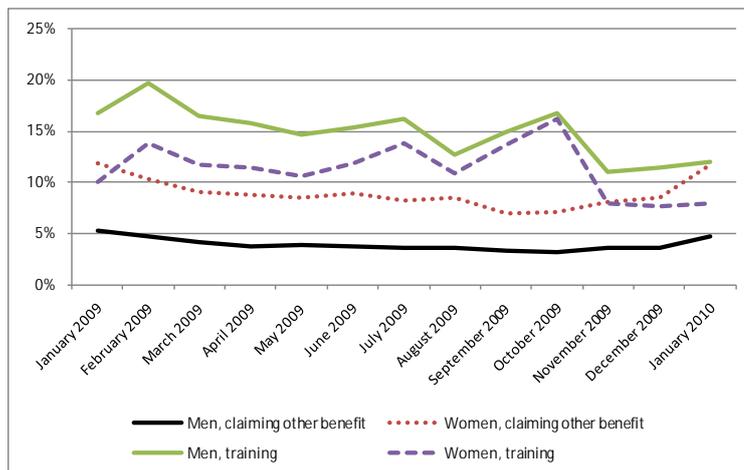
1.35 Other possible outcomes after claiming JSA include leaving to training or to claim another benefit. The following chart shows that men are significantly more likely than women to leave to enter training, but that women are more likely than men to leave to claim another benefit (for example incapacity benefits or Income Support).

¹⁴ TUC (2009) *Women and Recession* London: TUC.

¹⁵ 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 earnings limit for contributions and less likely to be entitled to contributory JSA (however this is much less than 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.

¹⁶ Those who leave to 'unknown' destinations have been excluded from this analysis, on the basis that those included in the 'unknown' category are likely to be distributed equally across the other categories.

Proportions of JSA leavers who enter training (includes Government supported training or other education programmes) or leave to claim another benefit (by gender) Jan 2009 – Jan 2010



Conclusion

1.36 Recent decades have seen enormous change for women at work. Larger proportions of women than ever before are in employment and the number of women describing themselves as economically inactive as a result of looking after a home or family has been consistently declining – a trend that, in contrast to previous downturns, has continued during the recession. Over 1.2 million women who are economically inactive say they would like a job – a figure that is likely to reflect factors including unmet demand for more flexible working opportunities and for quality affordable childcare.

1.37 The downturn has had a variety of impacts for working women. There are now close to 600,000 women facing involuntary part-time work, and over 250,000 in involuntary temporary work. More men than women have lost their jobs during the recession, and the rate of male unemployment has increased faster than the female rate. However, in many sectors (including finance and business services and hotels, restaurants and distribution and manufacturing) men and women have experienced similar proportional falls in jobs. The key reason that fewer women have so far been made unemployed is therefore not that their jobs are intrinsically safer, but that more (around 40 per cent of female employees nationally) work in public sector occupations where large scale redundancies have not taken place. Should large scale public sector cuts take place large numbers of working families therefore could face significant financial hardship (particularly in regions that already have high unemployment).

1.38 The TUC believe that premature spending cuts risk sending the UK spiralling into a double dip recession, with mass job losses, lower tax revenues and an even greater deficit. We know that prioritising economic growth is the best way to get people working, businesses flourishing and boost investor confidence and that making immediate and sweeping spending cuts will serve only to stifle the economic recovery. As this report shows, such deep reductions in public spending would also have severe impacts for working women, leading to soaring rates of female unemployment, higher rates of female pensioner poverty and inevitable work intensification (both at work and at home) for large numbers of public sector employees.

1.39 To protect public services, support working women and ensure the economic recovery is sustained the TUC is clear that sweeping spending cuts must be prevented.

