

Does furlough work for women? Gendered experiences of the Coronavirus Job Retention Scheme in the UK

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Executive summary

This briefing paper examines outcomes for workers who have been placed on furlough and explores whether these vary by gender, using nationally representative data collected between April and July 2020.¹

In this analysis, we investigate gender differences in 1) the working hours of furloughed workers; 2) their perceived job security; and 3) their financial security. We find:

- **Women who are furloughed are more likely to be furloughed for longer periods.** In July 2020, 31% of women who had been furloughed at any point during the pandemic (“ever-furloughed” women) had worked zero hours since March, compared with 20% of their male peers.
- **Furloughed women have worse perceptions of their job security than do furloughed men.** Ever-furloughed women are 8 percentage points more likely than their male counterparts to put their chance of losing their jobs at greater than one in five. For comparison, in the full sample of workers, the situation is reversed, with men (51%) less likely than women (62%) to say they have no chance of losing their job in the next three months.
- **Furloughed women have worse projected financial security than do furloughed men.** Among workers in general, men and women are equally likely to say they will have no trouble paying their usual bills in the next three months. Among ever-furloughed workers, however, women are 12 percentage points more likely to believe they have a greater than one in five chance of experiencing difficulty paying their usual bills.

Introduction

Due to the sectors and types of jobs they typically work in, as well as their disproportionate responsibility for unpaid care work, female workers are especially vulnerable to job disruption and economic disadvantage during the Covid-19 pandemic.² Research is also increasingly suggesting that the government's policy response has had unequal on men and women – ranging from gaps in access to support schemes, to a lack of support for childcare services – which have compounded the gendered impacts of the crisis itself.³ Our analysis focuses on one aspect of these complex gendered impacts: the experiences of men and women who have accessed the Coronavirus Job Retention Scheme (CJRS).

The CJRS was introduced in the UK in March 2020 to support workers' incomes if they were unable to work, or if demand for their work was reduced, due to the crisis (i.e. they would be “furloughed”). While the scheme has prevented mass job losses, including among vulnerable women in work, there are reasons to believe that the scheme may not function optimally for female workers.⁴

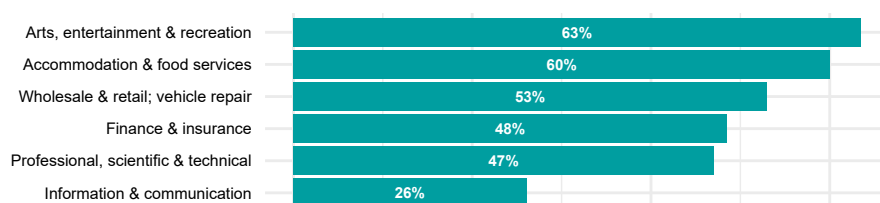
Key among these is the universal nature of the scheme, which, overlaid onto a highly unequal and segregated labour market and unevenly distributed unpaid care work, is likely to produce divergent outcomes for male and female workers. Though every industry has been affected, the economic hit from the coronavirus pandemic has been deeper and longer-term in customer-facing industries, which are female-dominated. These sectors are also characterised by high proportions of low-paid workers and workers on insecure contracts. Yet unlike in some countries, the CJRS does not provide additional support to harder-hit industries⁵ or to more vulnerable workers, for example by guaranteeing that workers will receive at least the minimum wage.

In section 1, we provide a brief overview of industry differences in rates of use of the CJRS and the gender balance of these industries, before analysing outcomes for furloughed workers. We then examine working hours (section 2), job security (section 3) and financial security (section 4) for male and female workers who report having been furloughed in the period April to July 2020.

1. Women are more likely to work in hard-hit sectors and in low-paid, insecure jobs

Despite years of progress in gaining qualifications and entering the labour market, women remain concentrated in specific occupational areas and industry sectors. As well as being over-represented among key workers in education and healthcare, women make up the majority of those working in the arts and entertainment sector, in accommodation and food services, and in retail, while making up a minority of those working in information and communication, for example.

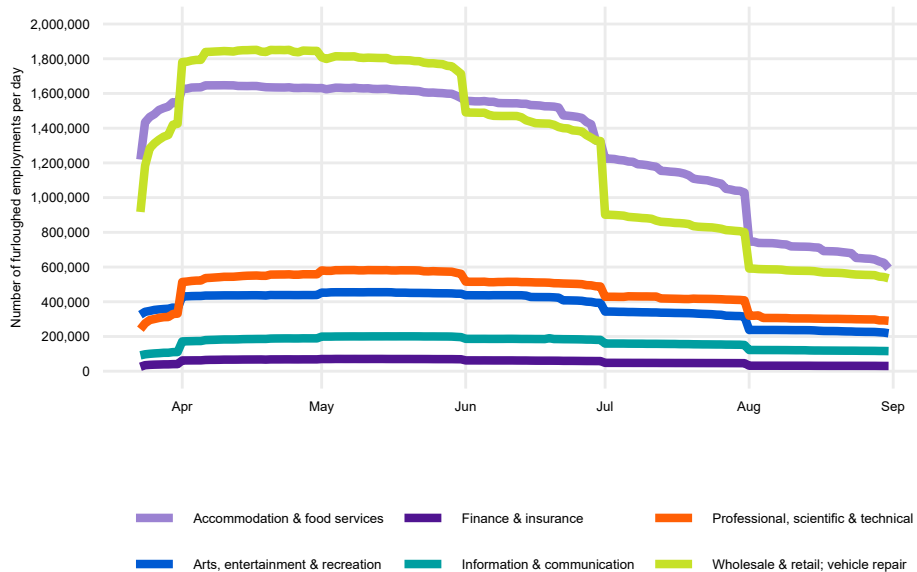
Figure 1: Percentage of workers who are female in selected industries



Source: Authors' analysis of UKLHS coronavirus survey

In the immediate aftermath of the 2008 financial crisis, this gender segregation initially acted as a protective factor for women – men were hardest hit by job losses due to their concentration in manufacturing and the construction industry.⁶ This time, the reverse is true. Analysis identifying the jobs most at risk due to the crisis – that is, at risk of furlough, job loss, reduced pay or reduced hours – finds that female-dominated sectors, such as customer service, sales, and food services, contain the most jobs at risk.⁷ Official statistics presented in Figure 2 show heavy use of the CJRS within female-dominated customer-facing sectors, remaining high even after the end of initial lockdown, and into July, the period we focus on in this briefing paper.

Figure 2: Furlough was most heavily used in female-dominated industries



Source: HMRC CJRS and PAYE Real Time Information (selected industries). Chart shows the number of furloughed employments per day over the period 23 March–31 August 2020.

As well as working in harder hit sectors, women accounted for almost seven in 10 low-wage workers before the crisis, and a majority of those workers paid less than the national minimum wage.⁸ Women are also over-represented among more vulnerable temporary workers within these sectors, including casual workers, those on fixed-term contracts or employed through an agency, decreasing their job security and increasing their susceptibility to poor treatment by employers. All of these factors suggest that women will be more vulnerable to poor outcomes from being furloughed. We now turn to analysing whether this is the case.

The “ever-furloughed” – our data and measures

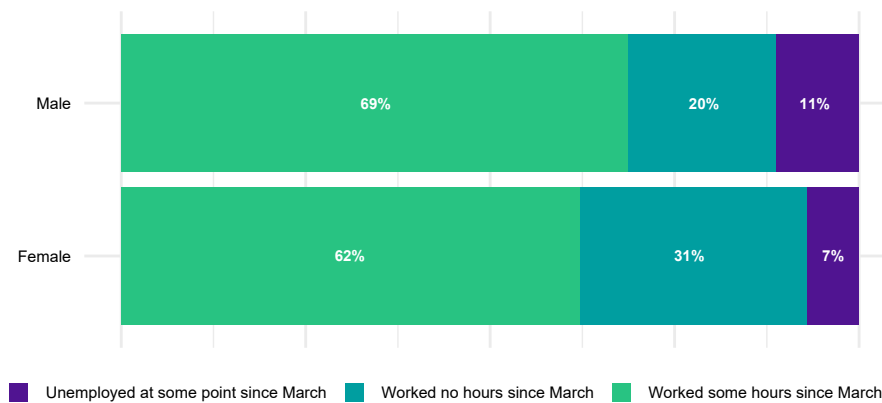
In the rest of this briefing paper we look at outcomes for furloughed workers using data drawn from the Understanding Society UK Household Longitudinal Covid-19 survey (UKHLS). This study is unique in that it surveyed a nationally representative snapshot of British households every month since April and combines information on furloughing with data on working hours before and after the beginning of the pandemic, as well as self-reported financial and job security.

In each wave of the survey, respondents who said they were employed and who had not previously reported being furloughed were asked whether they had now been furloughed under the CJRS. People who said they had been furloughed were not then subsequently asked whether they *remained on* furlough. We thus use the term “ever-furloughed” to describe respondents who reported being on furlough at any point between April and July 2020. For more information on the data and sample, please see the methodology endnote.

2. Women who are furloughed are more likely to be furloughed for longer periods

Since female workers have a greater likelihood of working in the hardest-hit sectors of the economy, we expect that they are more likely than their male peers to be placed on long-term furlough. To assess whether this is the case, we combine reported working hours from April to July. Results presented in Figure 3 show that being on furlough long-term is more common among women than men. By July, 31% of ever-furloughed women had worked zero hours since the initial lockdown in March, compared with 20% of their male peers. Women were also 7 percentage points less likely than men to have worked at least some hours over that period (62% vs 69%).

Figure 3: In July ever-furloughed women were more likely to have worked zero hours since March than their male peers



Source: Authors' analysis of UKHLS Covid-19 data, April–July waves

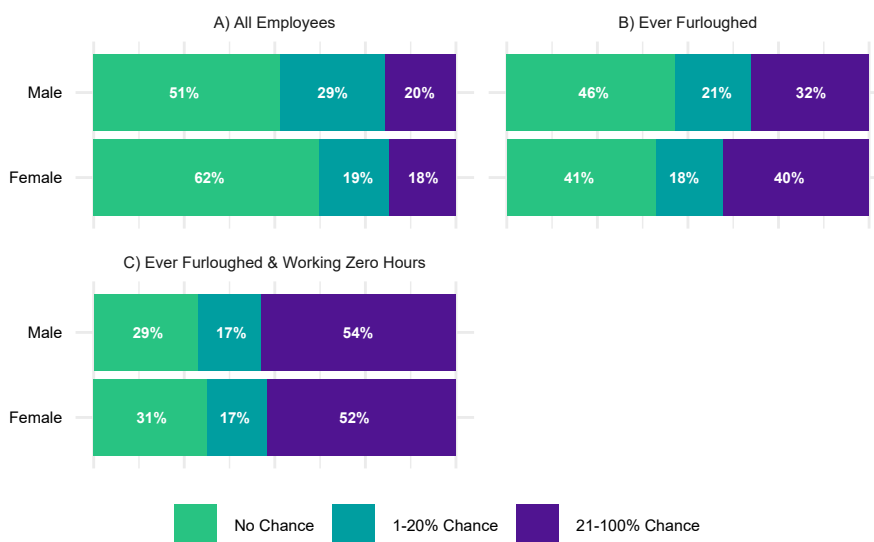
3. Furloughed women have worse perceptions of their job security than do furloughed men

The fact that ever-furloughed women were more likely than ever-furloughed men to be still away from work by July, when many of the harsher restrictions of the first lockdown had eased, raises questions about whether the CJRS is really helping people to retain their jobs if they are furloughed long-term. One way of assessing this is through workers' perceived job security.

To explore this, we analyse responses to the following question: "On a scale of 1-100 how likely is it that you will lose your job in the next three months?". Figure 4 breaks down the results by gender – first for all employees (panel A), then for those who report ever having been furloughed (panel B), and finally for those ever-furloughed employees who report working zero hours in July (panel C).

Figure 4: Ever-furloughed women report worse perceived job security than ever-furloughed men

On a scale of 1-100 how likely is it that you will lose your job in the next three months?



Source: Authors' analysis of UKHLS Covid-19 data, July wave

In the full sample of all workers, men have a worse perception of their job security than women, with 62% of women estimating they have zero chance of losing their job in the next three months, as against 51% of men. But these gender differences are reversed in the ever-furloughed sample. Ever-furloughed women are 5 percentage points less likely than ever furloughed men to say

that they have no chance of losing their job in the next three months (41% women vs 46% men) and are 8 percentage points more likely to say they have a greater than one in five chance of losing their jobs. Looking at the further sub-sample of those who are ever-furloughed and working zero hours in July, we see smaller gender differences in perceived job security, suggesting that the differences observed in panel B are partly down to the greater proportion of ever-furloughed women who are working zero-hours.

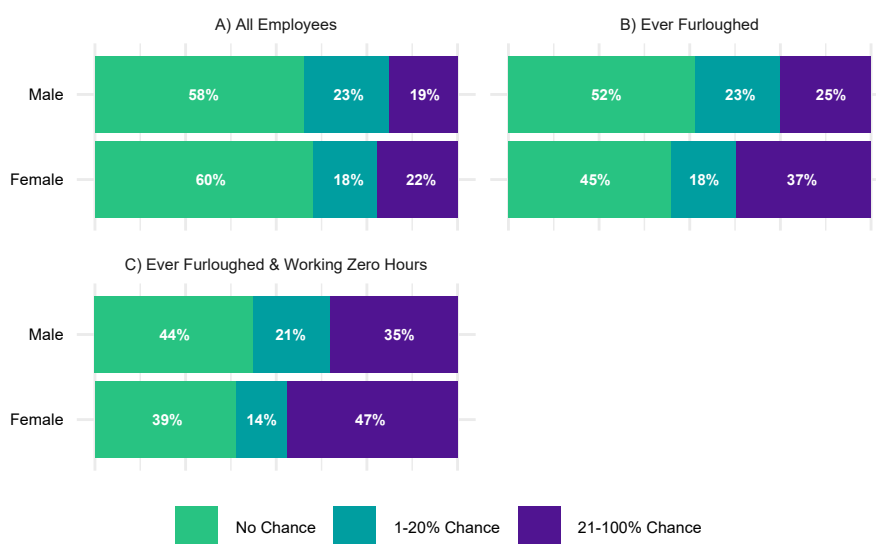
4. Furloughed women have worse perceptions of their financial security than do furloughed men

As well as raising fears about job security, the long-term use of furlough may be linked with financial insecurity if compensation levels (set at 80% of pay with an optional top-up) are inadequate to maintain living standards. This may especially be the case for those on low pay, since the scheme does not guarantee that recipients will receive the minimum wage. As they are over-represented among the low paid, women may be especially vulnerable to this sort of financial insecurity.

To investigate whether the CJRS seems to have been successful in helping workers maintain an adequate level of income, and to look at any gender differences, we analyse a question asked to all workers in the July survey: “On a scale of 1-100 how likely is it that you will have difficulty paying your usual bills in the next three months?”

Figure 5: Ever-furloughed women report worse prospective financial security than ever-furloughed men

On a scale of 1-100 how likely is it that you will have difficulty paying your usual bills in the next three months?



Source: Authors' analysis of UKHLS Covid-19 data, July wave

In panel A of Figure 5 we display the results for the full sample of UK workers. Women (60%) are slightly more likely than men (58%) to say they will have no trouble paying their bills over the next three months, and to believe they have a greater than one in five chance of struggling to pay them during this period

(22% vs 19%). Larger gender differences emerge among the ever-furloughed employees. In this group, men are 7 percentage points more likely than women to say they will have no trouble paying their usual bills (52% vs 45%), while women are 12 percentage points more likely to put their chance of struggling to pay at greater than one in five (37% vs 25%). The gender gap in the most pessimistic category remains at 12 percentage points even when further restricting the sample to those ever-furloughed employees who remain working zero hours in July (47% vs 35%).

One potential explanation is that there may be differences in the terms under which men and women are furloughed. Previous research has found that women are less likely than men to receive discretionary employer top-ups to the 80% of wages paid by the CJRS.⁹ Women are also more likely to be on low incomes and have fewer financial reserves to draw on.¹⁰

Conclusion

Since the start of the Covid-19 crisis in March 2020, research has been emerging suggesting multiple gendered impacts of the government's policy response – ranging from gaps in access to support schemes, to a lack of support for childcare services – which have been overlaid onto the gendered impact of the crisis itself.¹¹ Our analysis focuses on one aspect of these complex gendered impacts: the experiences of men and women who have accessed the CJRS. Our results suggest that in 2020, once furloughed, women were disproportionately furloughed for longer periods, and that furloughed women had worse perceived job and financial security than their male peers.

While we cannot conclude as to the longer term impact of CJRS, and the situation compares favourably to what would have occurred in the absence of the scheme, as well as to what was provided to those without employment in this period, this analysis adds weight to the argument that in its initial months, the scheme did not effectively tackle the disproportionate economic risks to women in this crisis. It remains to be seen how the CJRS is experienced by male and female workers going forward. The imposition of a new national lockdown in January 2021, with many more workers returning to or remaining on furlough, especially in the hardest-hit sectors, raises the question (unanswerable as yet) of whether the gender differences observed in earlier months will reappear.

More research is currently underway to understand the source of the gender disparities described in this briefing, but it seems likely to be down to the long-term use of the scheme in hardest hit sectors that are dominated by female workers. Childcare and home-schooling demands may have played a role too: these new demands are primarily falling to women and leading to their increasing disengagement from the labour force¹² – furlough may have been one mechanism for this.¹³ Yet in providing a blanket scheme for all industries and workers, the CJRS does not take into account the highly sectoral impacts of the pandemic which are overlaid onto gendered labour market segregation, and has thus failed to consider the likely implications of the policy for equality in the UK.¹⁴

The CJRS appears more suited to workers in industries that experience short-term economic impacts or who may have alternative resources and options – long-term furlough does not seem to be viable from an economic or employment perspective. More support is needed for workers in the hardest-hit economic sectors, particularly vulnerable female workers, in terms of improving financial security and longer-term job prospects, including retraining. Otherwise, the scheme – the principal social policy intervention implemented by the UK government in response to Covid-19 – will not be doing all it can to mitigate the disproportionate economic impacts of the crisis on women, and may even be contributing to the problem.

Methodology

The data used in the main analysis for this report are drawn from the Understanding Society UK Household Longitudinal survey (UKHLS), a nationally representative longitudinal panel survey of British households which usually takes place annually. Beginning in April 2020 the UKHLS administered a special Covid-19 version of the survey to panel members using a monthly online self-completion questionnaire. The survey has a rotating design, with a module on employment fielded at each wave and a module on job and financial security fielded in May and July. During the main period of writing, data were available for April, May, June and July. All analyses use weights provided by UKHLS to account for complex survey design, differential non-response and unequal selection probabilities.

To construct the analytical sample, we limited the analysis to respondents aged 20-60 who reported working as an employee, or being both employed and self-employed in February 2020, and who had non-missing information on gender, employment status, hours of work in February, current working hours (if not unemployed) and furlough status, where applicable. This left us with a sample of 8,031 in April, 6,807 in May, 6,385 in June and 6,160 in July (“the monthly samples”). Within these monthly samples we ran further analyses on a subset who reported ever being furloughed, 1,432 in April, 1,386 in May, 1,398 in June and 1,350 in July. A longitudinal sample of respondents to each wave was constructed by joining together the April to July samples and removing respondents with missing data to create a balanced panel (“the longitudinal sample” N=5,572).

References

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4. For example, in Germany, for workers in the hotel and restaurant sector, union activity led to the short-time working allowance being raised to 90% of the monthly wage with workers protected from dismissals until two months after the end of the short-time working period.
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13. Under the CJRS there is no automatic right to furlough for childcare purposes. Recent evidence suggests that employers have been reluctant to grant furlough to working mothers during the third national lockdown (see: <https://www.tuc.org.uk/news/tuc-poll-7-10-requests-furlough-turned-down-working-mums>); however, employees who were initially furloughed in March 2020 may have found themselves unable to return to work due to childcare demands and negotiating to remain on furlough may have been one available option.
14. Women and Equalities Committee (2021) *Unequal impact? Coronavirus and the Gendered Economic Impact*. <https://committees.parliament.uk/publications/4597/documents/46478/default/>

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