



BRIEFING PAPER

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Coronavirus: Impact on the labour market

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Summary

This briefing was last updated on 3 February 2021. This is a fast-moving situation, so please be aware that information may have changed since the date of publication. The Library intends to update this briefing.

This paper tracks the evolving impact of the coronavirus outbreak on the labour market.

On 26 January, the labour market statistics for September-November 2020 were published.

These statistics showed a further increase unemployment, with the unemployment rate exceeding 5% for the first time since 2016, while there was another quarterly high in the number of redundancies. However, there were other signs that the pandemic's impact on the labour market may be beginning to plateau, with a small quarterly increase in employment and continued increases in the level of vacancies and working hours. A big increase in unemployment continues to be forecast for when the Coronavirus Job Retention scheme comes to a close later this year.

To date, the pandemic has had more of an impact on the labour market status of particular age groups.

Since the start of the pandemic, employment levels for those aged 16-24 and 65+ have fallen by 303,000, or 6%. In comparison, employment levels for those aged 25-64 have also fallen, but by less at 199,000, or 0.7%.

The number of people claiming unemployment related benefits increased by 1.4 million between March 2020 and December 2020.

9.9 million employee jobs had been furloughed through the Government's Coronavirus Job Retention Scheme (CJRS) by midnight on the 13 December.

Throughout April and May, over 8 million jobs were on furlough, with a peak of 8.9 million jobs furloughed on the 8 May. This fell to **2.4 million** on the 31 October. The tightening of restrictions for the November national lockdown meant the number of jobs furloughed increased from 2.4 million the 31 October to **3.9 million** on 1 November. The number remained steady during December, with **3.8 million** jobs on furlough on the 31 December.

The third tranche of the Government's Self-Employment Income Support Scheme (SEISS) opened for applicants on the 30 November 2020. By midnight on the 13 December, 1.7 million claims had been made.

Some workers are disproportionately economically impacted by the coronavirus outbreak. Workers who are from an ethnic minority group, women, young workers, low paid workers and disabled workers, have been most negatively economically impacted by the coronavirus outbreak.

For example, 15% of workers in sector which have shut down because of the coronavirus are from a minority ethnic background, compared to 12% of all workers, 57% are women, compared to a workforce average of 48%, and nearly 50% are under 35 years old. Low paid workers are more likely to work in shut down sectors and less likely to be able to work from home.

1. November Labour Market Statistics

On the 26 January the latest labour market statistics were published by the Office for National Statistics (ONS). This section provides an overview of the data that was published.

These statistics showed a further increase unemployment, with the unemployment rate exceeding 5% for the first time since 2016, while there was another quarterly high in the number of redundancies. However, there were other signs that the pandemic's impact on the labour market may be beginning to plateau, with a small quarterly increase in employment and continued increases in the level of vacancies and working hours. A big increase in unemployment continues to be forecast for when the Coronavirus Job Retention scheme comes to a close later this year.

1.1 Payrolled employees

Since the start of the pandemic the ONS has been publishing experimental monthly estimates of payrolled employees using HMRC PAYE data. As the official employment statistics have a time lag (as detailed in section 1.2, the latest data is for September-November 2020), this data provides a more timely indicator of the impact of the pandemic on employment. The ONS have reported that this data is currently the best source for the overall number of employees.¹

The number of payrolled employees increased month-on-month in December 2020 by 52,000, but was 816,000 less than levels in March 2020, a fall in employees of 3%. Most of this fall occurred between March and May when the number of payrolled employees fell by 635,000.²

The industries that saw the largest percentage falls in the number of payrolled employees were the Accommodation and food services and the Arts, entertainment and recreation sectors. Both sectors saw a 15% fall in employees between March and December.

1.2 Employment and unemployment

The latest published employment and unemployment statistics are for September-November 2020, and by comparing this quarter with the pre-pandemic quarter of January-March 2020, we get an indication of the impact that the pandemic has had on the labour market.³

Between these two quarters:

- Employment levels for people aged 16+ have fallen by 502,000, a fall of 2%.
- Unemployment levels have risen by 359,000, an increase of 26%.
- The number of people who are economically inactive who are aged 16-64 has risen by 135,000, an increase of 2%.
- The unemployment rate (the proportion of economically active people aged 16+ who are unemployed) has risen from 4.0% to 5.0%, while the employment rate (the proportion of 16-64 year olds in work) has fallen from 76.3% to 75.2%).

A much larger rise in unemployment is expected when this scheme ends (see forecasts below). The Coronavirus Job Retention scheme (see section 2) will have partly restricted

¹ ONS, [Measuring the labour market during the pandemic](#), 12 October 2020

² ONS, [Earnings and employment from Pay As You Earn Real Time Information, UK: January 2021](#), 26 January 2021

³ ONS, [Labour market overview, UK: January 2021](#), 26 January 2020

increases in unemployment as furloughed workers are classed as employed. More information on labour market statistics can be found in the Library briefing, [People claiming unemployment benefits by constituency](#).

The latest lockdown

Official figures do not yet reflect the impact of the December 2020-January 2021 lockdown, but some early data is available.

According to the ONS:

- In the week ending 24 January 2021, 47% of working adults in Great Britain travelled to work.⁴
- In the two weeks to 10 January, 16.9% of the employees of business which had not permanently stopped trading were on partial or full furlough.⁵
- In the latest week ending 22 January, the volume of UK online job adverts was 74% of the level in the same week last year. In the latest week, online job adverts increased in all UK regions and nations, except for the East of England.⁶

1.3 Impact by age

To date, the pandemic has had more of an impact on the labour market status of particular age groups.

For **young people aged 16-24** there has been a shift from employment to unemployment and inactivity since the start of the pandemic.⁷

Between January-March 2020 and September-November 2020 there has been:

- A fall in employment levels for young people of 231,000.
- An increase in unemployment of 68,000.
- An increase in the number of young people who are economically inactive of 137,000.
- An increase in the youth unemployment rate from 12.1% to 14.2%.

More information on the labour market statistics can be found in the Library briefing [Youth unemployment statistics](#).

Since the start of the pandemic, employment levels have fallen for young people by 6%.

Employment levels have also fallen for **older workers aged 65+** with a decrease in employment of 72,000 for this group, a fall of 5%.⁸

In comparison, employment levels for those aged 25-64 have also fallen, but by less at 199,000, or 0.7%.

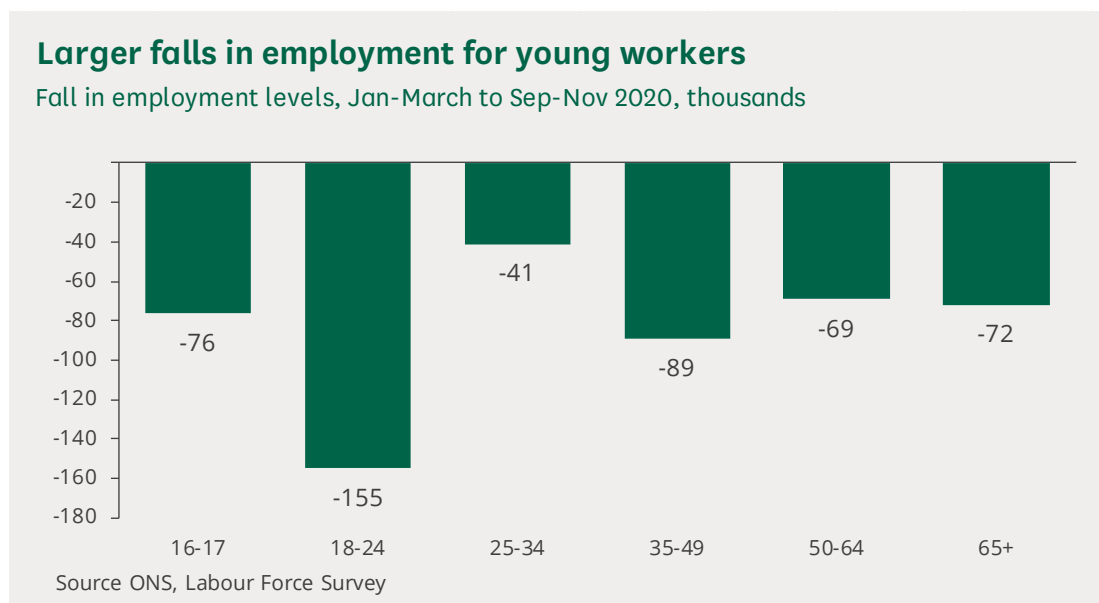
⁴ ONS, [Coronavirus and the latest indicators for the UK economy and society: 28 January 2021](#). Figures from ONS' Opinions and Lifestyle Survey.

⁵ ONS, [Business insights and impact on the UK economy](#), 28 January 2021.

⁶ ONS, [Coronavirus and the latest indicators for the UK economy and society: 28 January 2021](#). Figures from [Adunza](#), an online job search engine.

⁷ ONS, [A06 SA: Educational status and labour market status for people aged from 16 to 24 \(seasonally adjusted\)](#), 26 January 2021

⁸ ONS, [A05 SA: Employment, unemployment and economic inactivity by age group](#), 26 January 2021



Further analysis of the impact of the pandemic on young and older workers is provided in section 3.3 of this paper.

Unemployment forecasts

In its November 2020 [Economic and fiscal outlook](#), the OBR projected the peak unemployment rate for three difference scenarios:

- In the “upside” scenario, it would peak at 5.1% in Q2 2021.
- In the “central” scenario, it would peak at 7.5% in Q2 2021.
- In the “downside” scenario, it would peak at 11.0% in Q1 2022.

In their central economy forecast they project that the unemployment rate will be 6.8% in 2021 and 6.5% in 2022, up from 4.4% in 2020. Unemployment is projected to rise by only 100,000 between Q3 2020 and Q1 2021, but then by a further 800,000 in Q2 2021 (following the end of the job retention scheme), peaking at a total of 2.6 million.

The Treasury’s January 2021 [survey of independent forecasts](#) for the unemployment rate showed an average forecast of 5.3% for Quarter 4 2020 and 6.4% for Quarter 4 2021.⁹

1.4 Redundancies

The level of redundancies in September-November 2020 was the highest in any quarter since records began in 1995, with the largest recorded annual increase.

Redundancies increased by 168,000 from the previous quarter and 280,000 from the previous year, to 395,000.¹⁰

The largest number of redundancies in this quarter was in the Wholesale, retail & repair of motor vehicles sector with 69,000 redundancies, followed by the Manufacturing sector with 59,000 redundancies.¹¹

The redundancy estimates measure the number of people who were made redundant or who took voluntary redundancy in the previous three months. Therefore, these estimates

⁹ HM Treasury, [Forecasts for the UK economy publication](#), 20 January 2021

¹⁰ ONS, [Labour market overview, UK: January 2021](#), 26 January 2021

¹¹ ONS, [RED02: Redundancies by age, industry and region](#), 26 January 2021

may relate to redundancies over the period from the beginning of July to the end of November 2020.

1.5 Vacancies

One of the earliest indicators of the impact that the pandemic was having on the labour market was a record fall in the number of job vacancies in April-June 2020. The number of vacancies in that 3-month period was at a record low of 343,000.

Since then the number of vacancies has been steadily recovering. In October-December 2020, there were 578,000 job vacancies, 81,000 higher than the previous quarter. Despite this the number of vacancies remains well below levels seen pre-pandemic, with 218,000 fewer vacancies than in January-March 2020.¹²

In September-November 2020 there were 3.1 unemployed people per every job vacancy, up from 1.7 unemployed people per vacancy in January-March.

1.6 Working hours

Another early indicator of labour market impact was a fall in working hours as millions of people were furloughed after the introduction of the job retention scheme in April 2020. The total number of hours worked fell to 842 million hours in April-June, its lowest level since 1994.¹³

The total number of weekly hours worked in the three months to October 2020 increased by 89 million hours compared to the previous quarter. Despite this, 49,000 fewer hours were worked in September-November than were worked in the pre-pandemic quarter of January-March.

The average weekly hours worked in September-November 2020 was 30.1 hours, down from 31.2 hours in January-March 2020, but up from 27.3 hours in the previous quarter.

1.7 People claiming unemployment benefits

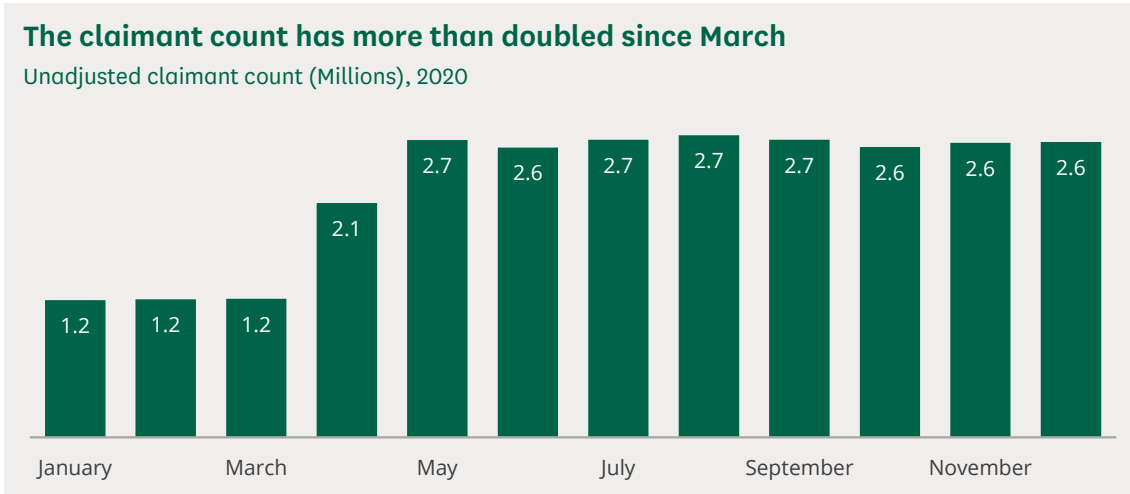
In January, the ONS published December 2020 figures for the number of people claiming unemployment related benefits (**the unadjusted claimant count**). This is a useful data source for tracking changes in the labour market, although many of those who have started to claim will not be unemployed (see box below).¹⁴

In December 2020, 2.64 million people claimed unemployment related benefits, which was a small increase from November. Since March 2020, when the lockdown began, the claimant count has increased by 1.4 million. However, as shown in the chart below there was a large increase between March and May, and since then the claimant count has remained relatively stable.

¹² ONS, [Vacancies and jobs in the UK: January 2021](#), 26 January 2021

¹³ ONS, [HOUR01 SA: Actual weekly hours worked \(seasonally adjusted\)](#), 26 January 2021

¹⁴ ONS, [CLA01: Claimant Count](#), 26 January 2020



Constituency level claimant count figures are published in the library briefing [People claiming unemployment benefits by constituency](#).

The unadjusted count includes those people who were claiming Jobseeker's Allowance (JSA) or were claiming Universal Credit and are required to seek work. Unlike the alternative count (see below), the unadjusted count is not adjusted to take into account the roll-out of Universal Credit. The Department for Work and Pensions [alternative claimant count](#) series adjusts for this, but figures for this series are not as up to date: they have only been published up to November 2020.

Why is the claimant count so different from the unemployment rate?

Usually, trends in the number of people claiming unemployment benefits in the UK closely follow trends in unemployment. But since the coronavirus pandemic began, we have seen sharp increases in the claimant count while the unemployment rate has hardly moved at all.

This suggests that people who do not classify themselves as unemployed may be claiming unemployment related benefits. This may be because:

- They have a job but are temporarily away from work due to the pandemic. The [ONS](#) pointed out that almost half a million people were employed but not earning in May.
- They are in employment but are also able to claim unemployment benefits. People in employment can claim unemployment related benefits if their income is below a set threshold, and the job retention scheme and a reduction in working hours means this group has grown.
- They are temporarily inactive, and so are not actively looking for work.

In their report [The truth will out](#) (July 2020) the Resolution Foundation have estimated that **only around half** of the Claimant Count rise relates to those newly out of work. The report provides detailed analysis of why these figures are different and concludes that neither are accurate representations of current unemployment levels.

2. Job support schemes

For more statistics on the support provided for businesses during the coronavirus pandemic, please see the Library briefing, [Coronavirus business support schemes: statistics](#).

2.1 Self-employed Income Support Scheme (SEISS)

Tranche 1

On 13 May 2020, the first tranche of the [Self-Employment Income Support Scheme](#) (SEISS) opened to applications, and closed on 13 July. By midnight on 19 July 2020, 2.7 million claims had been made under the scheme.¹⁵

Self-Employment Income Support Scheme (SEISS)

Tranche 1 of the scheme opened on the 13 May 2020

By midnight on 19 July

Total number of claims	2.7 million
Total amount claimed (£)	£7.8 billion

Tranche 1 paid taxable grants worth 80% of average monthly trading profit for a 3 month period, worth up to £7,500 in total.

Source Gov.uk, [HMRC coronavirus \(COVID-19\) statistics](#)

Tranche 2

The second tranche of the SEISS opened for applicants on the 17 August 2020. By midnight on the 15 November, **2.4 million** claims had been made.

Self-Employment Income Support Scheme (SEISS)

Tranche 2 of the scheme opened on the 17 August 2020

By midnight on 15 November 2020

Total number of claims	2.4 million
Total amount claimed (£)	£5.9 billion

Tranche 2 of the **SEISS** will pay cash grants worth 70% of average monthly profit, over a three-month period, capped at £6,570 in total.

Source Gov.uk, [HMRC coronavirus \(COVID-19\) statistics](#)

Tranche 3

The Government [announced an extension to the SEISS](#) on the 24 September, to cover the six months up to the end of April 2021. The Extension would be made in two taxable grants – first to cover November to January, second to cover February to April.

Claims opened on the 30 November 2020. By midnight on the 13 December, 1.7 million claims had been made.

¹⁵ Gov.uk, [HMRC coronavirus \(COVID-19\) statistics](#), 25 November 2020

Self-Employment Income Support Scheme (SEISS)

Tranche 3 of the scheme opened on the 30 November 2020

By midnight on 13 December 2020

Total number of claims	1.7 million
Total amount claimed (£)	£4.8 billion

Source Gov.uk, [HMRC coronavirus \(COVID-19\) statistics](#)

More information on the SEISS can be found in the Library briefing, [Coronavirus: Self-Employment Income Support Scheme](#).

Constituency level statistics for the SEISS can be found in the look-up attachment of the Library briefing, [Coronavirus business support schemes: statistics](#).

2.2 Coronavirus Job Retention Scheme (CJRS) National statistics

By midnight on 13 December, 9.9 million jobs had been furloughed through the Government's job retention scheme.¹⁶

Coronavirus Job Retention Scheme (CJRS)

The scheme opened on the 20 April 2020

By midnight on 13 December 2020

Number of jobs furloughed	9.9 million
Number of employers furloughing	1.2 million
Total claimed (£)	£46.4 billion

Notes

Jobs furloughed' is calculated as the sum of the maximum number of employees furloughed by any PAYE scheme across all claims by that scheme

Employers furloughing is calculated by counting the number of CJRS claims from distinct PAYE schemes on employer reference (where the PAYE scheme reference is a proxy for a single employer)

On 31 October 2020, the furlough scheme was extended, due to the new national lockdown for England

Source Gov.uk, [HMRC coronavirus \(COVID-19\) statistics](#)

On 31 October 2020, [the Prime Minister announced](#) the furlough scheme would be extended, due to the new national lockdown for England. At time of publishing the furlough scheme has been extended until April 2021. Under the extension, employees will receive 80% of their current salary for hours not worked up to a maximum of £2,500. Employers will only have to contribute national insurance and pension costs. More information on this can be found in the Library insight, [Extending furlough via the Coronavirus Job Retention Scheme](#).

More information on the Job Retention Scheme can be found in the Library briefing, [FAQs: Coronavirus Job Retention Scheme](#).

¹⁶ Gov.uk, [HMRC coronavirus \(COVID-19\) statistics](#), 26 January 2020

[Statistics](#) for the job retention scheme are published every month by HMRC. These statistics show the following:

- The number of jobs that have been furloughed from March to December 2020.
- The number of jobs that were still on furlough as at 31 December.
- The number of jobs that were furloughed on each day between the start of the scheme and the end of December.

The rest of section 3 presents statistics on the number of jobs which were still on furlough on 31 December, or daily time series of jobs on furlough.

2.3 Furloughed workers by day

The chart below shows the total number of jobs that were on furlough on each day from the 1 March to 31 December 2020.

Throughout April and May, over 8 million jobs were on furlough, with a peak of 8.9 million jobs on furlough on the 8 May.

The number of jobs on furlough fell by 13% by the start of June to 7.7 million. This may have reflected the gradual loosening of the lockdown restrictions during May, and sectors opening up in June. The CJRS was originally going to end at the end of May.

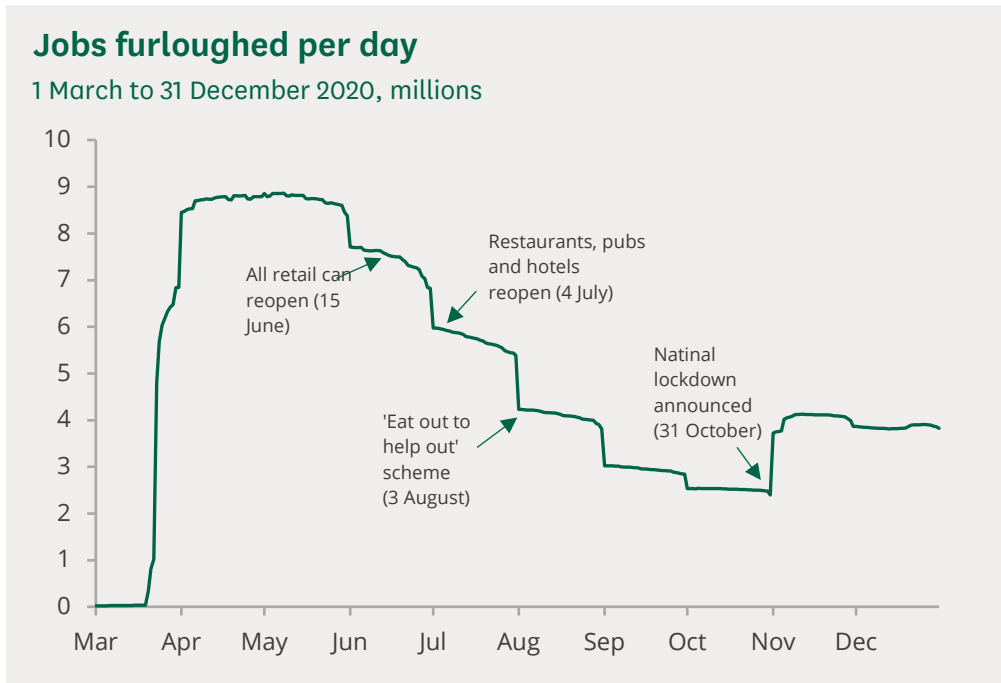
Throughout June and July there was a steady decline in the number of furloughed jobs, with another drop at the end of June. This is likely to have been partly the result of sectors continuing to open up, and changes to the scheme that meant employers were only able to furlough an employee for whom they had already successfully claimed a grant.

6.8 million jobs were on furlough at the end of June, **5.4 million** were on furlough at the end of July, and **3.8 million** were still on furlough on 31 August. At the end of October, **2.4 million** jobs were still furloughed on the scheme, a decline of 73% from the peak in May.

The significant fall in jobs furloughed between 31 July and 1 August was driven by the Accommodation and food services sector, which saw a fall of 237,600 employee jobs on furlough that day, 20% of the total decrease. This coincided with the start of the Government's [Eat Out to Help Out Scheme](#), which ran throughout August. This can be seen in the chart in the section '*Furlough by day by sector*' below.

The slight fall in September can be at least partly attributed to a reduction in the level of [government contribution](#) to employee wages at the end of August, while the slight fall in October can partly be attributed to the CJRS approaching its original end date in October. This will have meant that some employees would either have returned to work or left their jobs.

The tightening of restrictions for the November national lockdown meant the number of jobs furloughed increased **by 1.3 million**, from 2.4 million the 31 October to **3.9 million** on 1 November. This was the largest daily increase since the 1 April. The number remained steady during December, with **3.8 million** jobs on furlough on the 31 December.



Source: HMRC, [Coronavirus Job Retention Scheme statistics: January 2021- data tables](#), 28 January 2021

2.4 Furloughed workers by sector

Some sectors have been disproportionately affected by the coronavirus pandemic, and this is reflected in the proportion of eligible jobs furloughed in each sector.

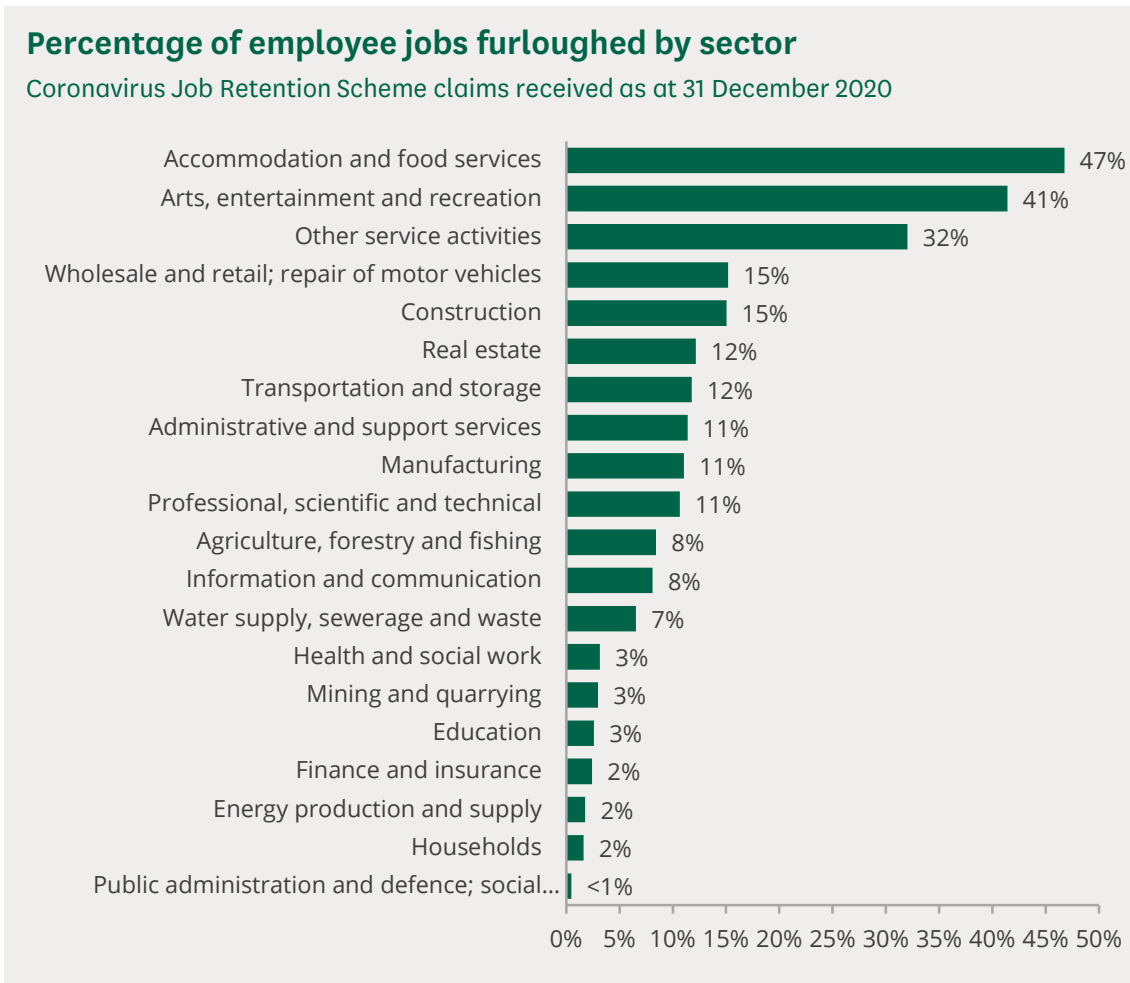
Jobs still furloughed as at 31 December

As at 31 December 2020, the sector that had the highest proportion of **employee** jobs furloughed was the Accommodation and food services sector, where 47% (1.04 million) of eligible jobs were furloughed. This has increased from 27% of eligible jobs furloughed as at 31 October, when the November lockdown was announced. In the same sector on 31 December, 86,000 **employers** were furloughing their staff, which was 66% of eligible employers, compared to 45% on 31 October.

41% (273,800) of eligible jobs in the Arts, entertainment and recreation sector, and 32% (182,900) of eligible jobs in the Other service activities sector were also furloughed as at the December.¹⁷ The Arts, entertainment and recreation sector had 24% of eligible employments furloughed at the end of October, whilst Other service activities had 18%.

Note that the sector is unknown for over 35,000 furloughed employee jobs.

¹⁷ HMRC, [Coronavirus Job Retention Scheme statistics: November 2020](#), 25 November 2020



Source: HMRC, [Coronavirus Job Retention Scheme statistics: January 2021- data tables](#), 28 January 2021

The Library Insight, [Coronavirus: The importance of different sectors to the economy](#) provides data on the number of jobs in each sector.¹⁸

Furlough by day and sector

The number of furloughed jobs has followed a similar pattern over time in each sector, with all sectors experiencing drops when changes in schemes or lockdown rules were eased and increases when the November lockdown was announced.

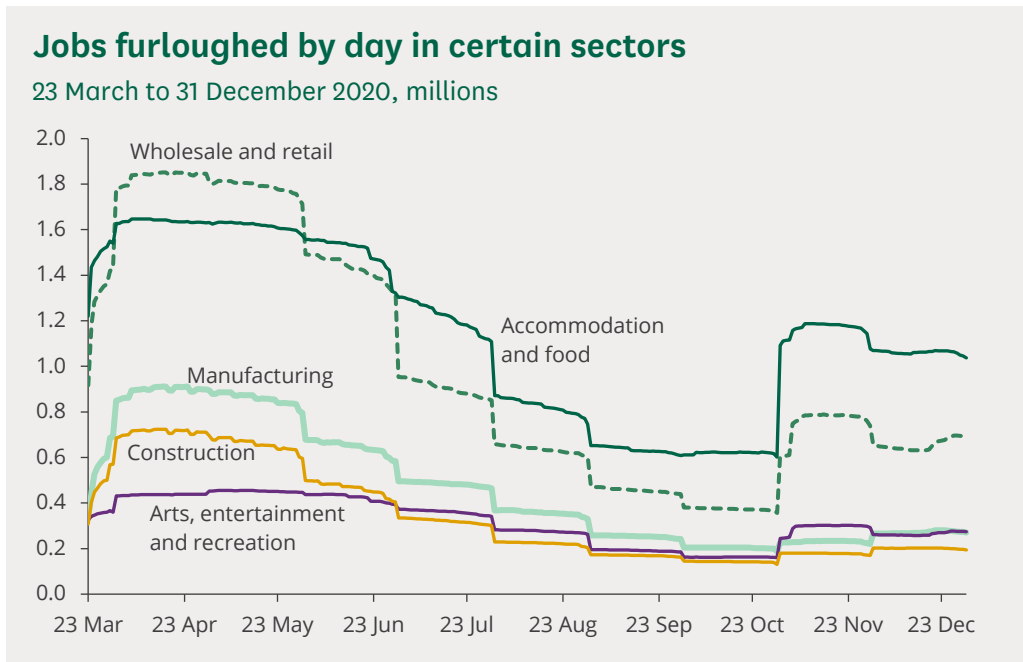
Some sectors have seen a larger decrease in the number of jobs furloughed than others. The Wholesale and retail sector had the most furloughed jobs in March and April, but these numbers fell quickly as shops re-opened, as shown in the chart below.

In comparison, the number of furloughed jobs in the Arts, entertainment and recreation sector has remained more static, with only small declines, as much of the sector has remained under restrictions.

The Accommodation and food, and Wholesale and retail sectors saw the largest proportional increases in jobs furloughed from the 31 October to 1 November. The Accommodation and food service sector saw an increase of **81%** (490,100) whilst Wholesale and retail saw an increase of 53% (84,300).

¹⁸ House of Commons Library, [Coronavirus: The importance of different sectors to the economy](#), 1 April 2020.

Whilst most other sectors saw numbers of jobs furloughed fall at the end of November, the Manufacturing and Construction sectors saw an increase from the 30 November to 1 December of 21% (46,500) and 19% (32,200) respectively.



Source: HMRC, [Coronavirus Job Retention Scheme statistics: January 2021- data tables](#), 28 January 2021

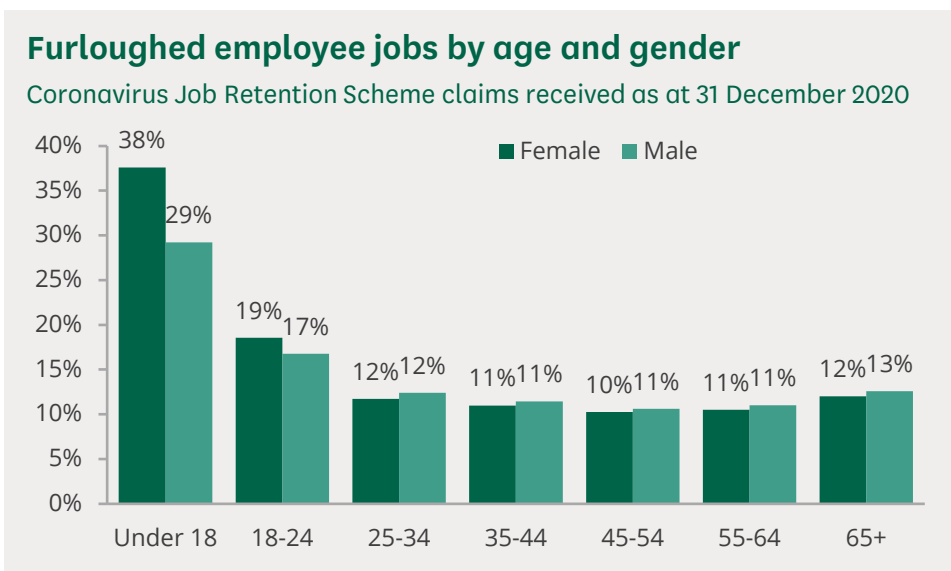
2.5 Furloughed workers by age and gender

Jobs still furloughed as at 31 December

On the 31 December, 12% of jobs held by women and 12% of jobs by men were still on furlough.

Those aged 24 and under had the highest proportion of furloughed jobs. 34% of eligible jobs held by people under the age of 18 were furloughed, whilst 18% of eligible jobs held by people aged 18-24 were furloughed.

For those aged 24 and under, women were more likely to be furloughed whilst men were slightly more likely to be furloughed in jobs held by people aged 25 and over.



Source: HMRC, [Coronavirus Job Retention Scheme statistics: January 2021- data tables](#), 28 January 2021

2.6 Furloughed workers by area

Country and region

The number and proportion of eligible jobs that were still on furlough as at 31 December varies slightly between the different countries and regions of the UK.

The region where the highest proportion of eligible jobs were furloughed was in London where 15% (431,000) eligible jobs were furloughed as at 31 December 2020. This is up from 10% on the 31 October.

Scotland, the East Midlands, the North East and Yorkshire and the Humber had the lowest proportion, with 11% of eligible employee jobs furloughed on the 31 December. All other regions and countries had 12% of eligible jobs furloughed.

The table below shows the number of jobs furloughed as at 31 December 2020 as a percentage of eligible employee jobs by region and gender.

Note that for 164,000 furloughed jobs, the region was unknown.

Furloughed employee jobs by country and region

Jobs furloughed through the Coronavirus Job Retention Scheme as at 31 December 2020

	Female		Male		Total	
	Jobs furloughed (thousands)	% of eligible jobs	Jobs furloughed (thousands)	% of eligible jobs	Jobs furloughed (thousands)	% of eligible jobs
London	309	14%	332	16%	641	15%
South East	276	13%	252	12%	528	12%
East	182	12%	165	12%	347	12%
Northern Ireland	48	12%	47	12%	95	12%
Wales	79	12%	77	12%	156	12%
South West	152	12%	141	11%	293	12%
North West	188	11%	194	12%	382	12%
West Midlands	148	11%	151	12%	299	12%
Scotland	147	12%	136	11%	283	11%
East Midlands	128	12%	121	11%	249	11%
North East	64	11%	60	11%	124	11%
Yorkshire & The Humber	130	11%	134	11%	264	11%
Unknown	33	-	38	-	164	-
<i>England</i>	<i>1,577</i>	<i>12%</i>	<i>1,550</i>	<i>12%</i>	<i>3,127</i>	<i>12%</i>
Total	1,884	12%	1,848	12%	3,824	13%

Notes

Gender has been taken from HMRC administrative data.

Geographic breakdowns of CJRS claims are based on an employee's last known address to HMRC.

Geographic breakdowns do not directly translate to the employee's usual place of work, or where their employer has a base of operations
Counts have been rounded to the nearest 100.

Components may not sum to the total because of rounding.

Where a CJRS claim has not been able to match to other HMRC data, it has been reported as 'Unknown'. The unknown figures for eligible employments and employments furloughed are not comparable. Thus, a take-up rate cannot be calculated. This is because they are unknown for different reasons. See methodology section of report for more information about the unknown category.

Source: HMRC, [Coronavirus Job Retention Scheme statistics: January 2021- data tables](#), 28 January 2021

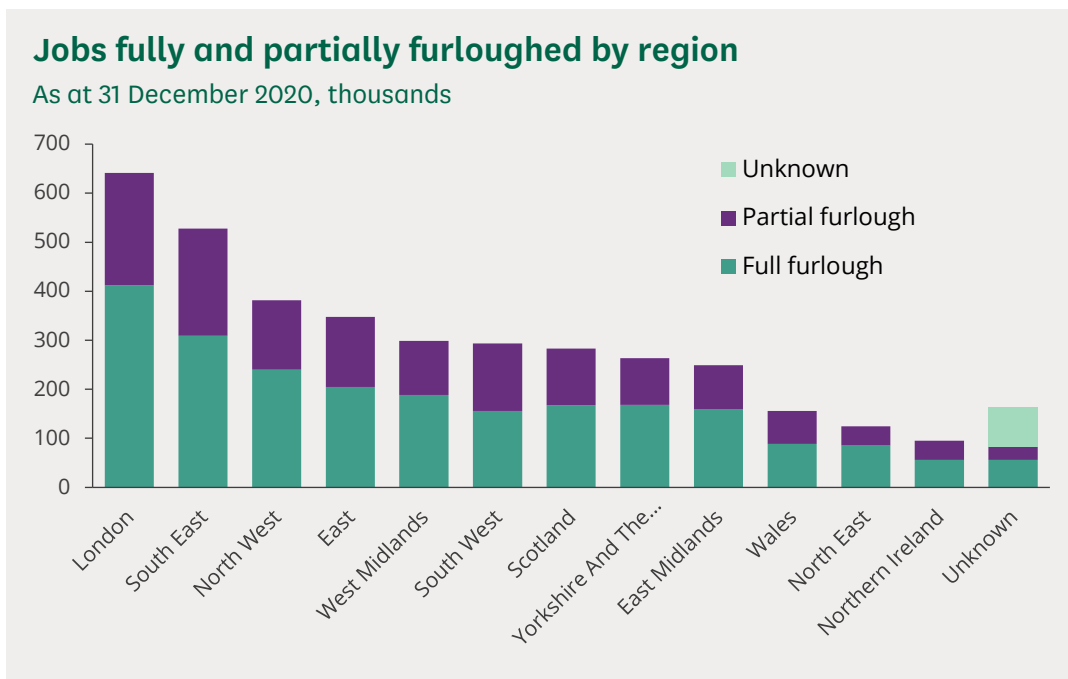
Data on the number of jobs furloughed by parliamentary constituency can be found in the excel sheet attached to this briefing.

Type of furlough

From 1 July, the furlough scheme was made more flexible so that furloughed employees could be brought back part-time.¹⁹ Businesses can now decide the hours and shift patterns of their employees – with the government continuing to pay 80% of salaries for the hours they do not work.²⁰

On the 31 December 2020, the South West had the largest proportion (47%) of total employments furloughed under partial furlough, whilst the North East had the lowest proportion (32%).

Note that for 164,200 employments the **region** was unknown, and for 80,600 employments the **type of furlough** was unknown.



Source: HMRC, [Coronavirus Job Retention Scheme statistics: January 2021- data tables](#), 28 January 2021

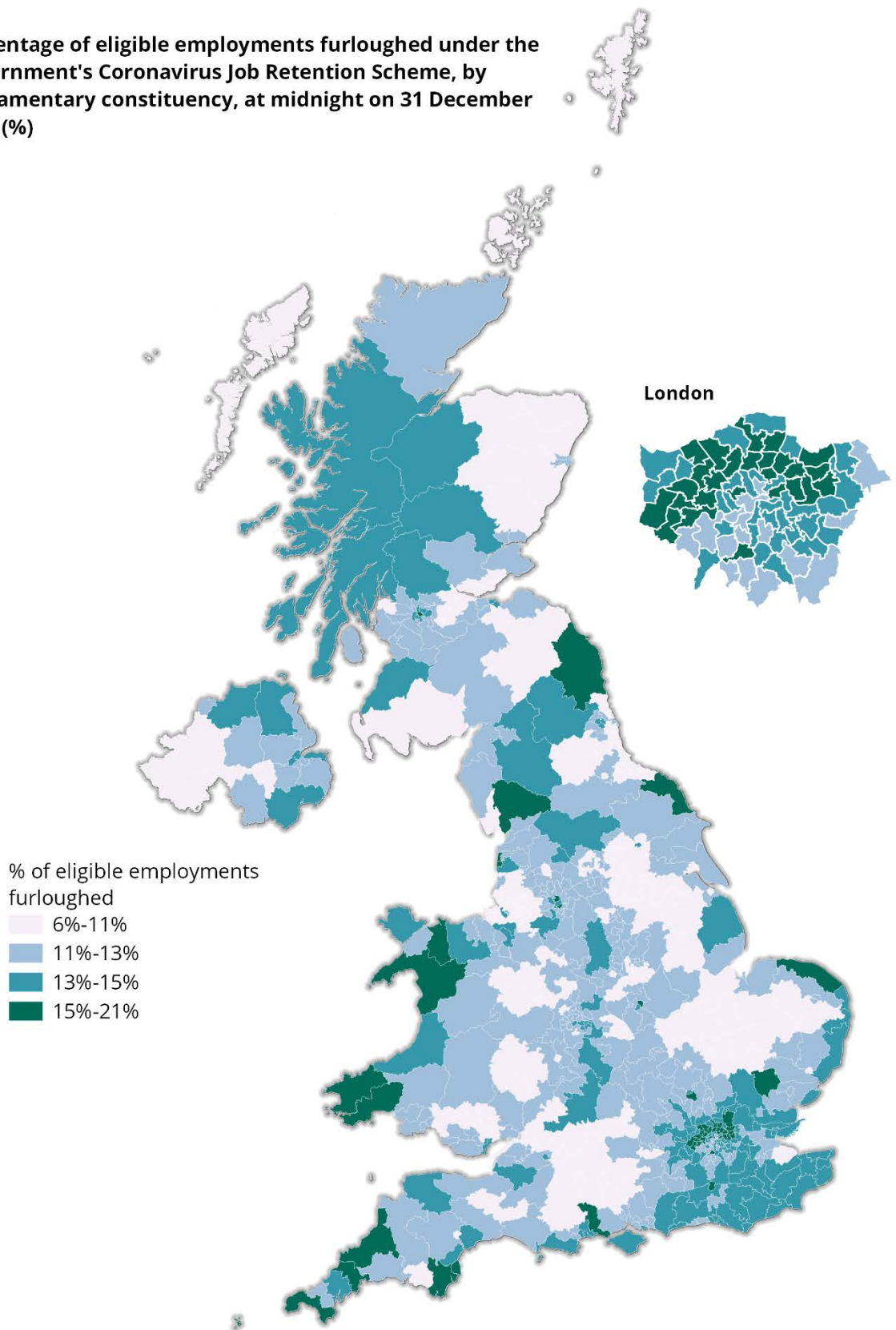
Constituency

The map overleaf shows the variation between constituencies of the percentage of working age residents in each constituency that were still on furlough on 31 December 2020. Note that for around 164,000 furloughed jobs, the constituency was unknown.

¹⁹ HM Treasury, [Chancellor extends furlough scheme until October](#), 12 May 2020

²⁰ HM Treasury, [Flexible furlough scheme starts today](#), 1 July 2020

Percentage of eligible employments furloughed under the Government's Coronavirus Job Retention Scheme, by parliamentary constituency, at midnight on 31 December 2020 (%)



2.7 Cost of the CJRS

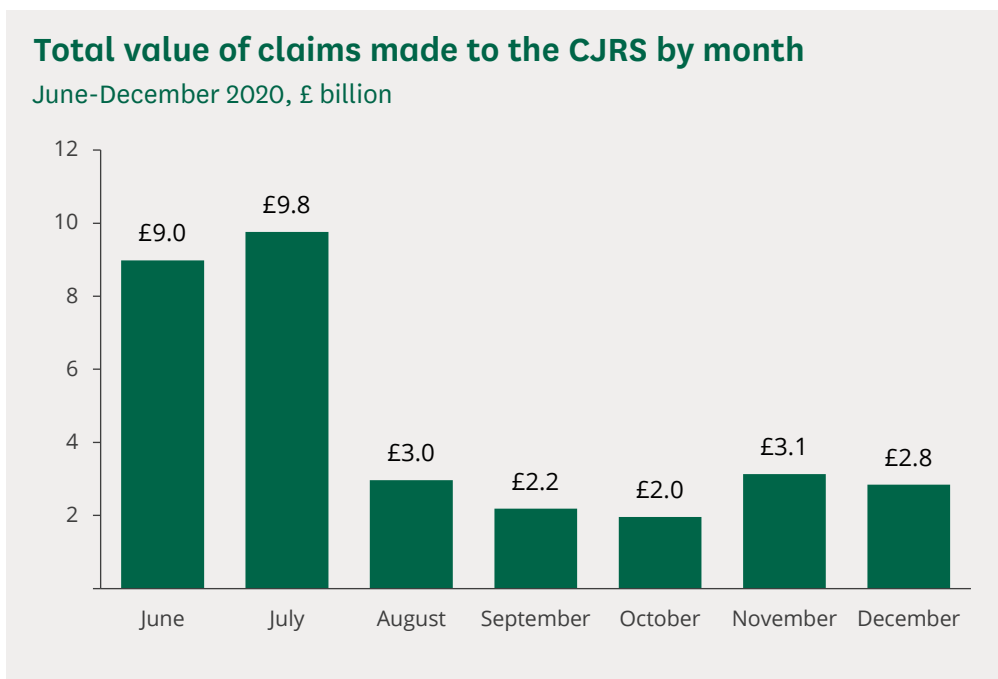
The chart below shows the total value of claims made to the Coronavirus Job Retention scheme in each month from June to December 2020. From the start of the CJRS to the 31 May, the total value of the claims made was **£17.5 billion**.

The value of claims peaked at £9.8 billion in July. The value of claims then fell in successive months to £3.0 billion in August, and to £2.0 billion in October. This fall in the value of claims is reflected in the fall in the number of jobs furloughed in these months (see **section 2.2**).

The fall in value from August to October can be at least partly attributed to a reduction in the level of [government contribution](#) to employee wages at the end of August, while the slight fall in October can partly be attributed to the CJRS approaching its original end date in October. This means that some employees would either have returned to work or left their jobs.

The value of claims increased to £3.1 billion in November, during tighter national restrictions, and fell to £2.8 billion in December.

Up to the 31 December 2020, the total value of claims made to the CJRS reached **£49.3 billion**.



Notes, Data represents value of claims made to the CJRS in the relevant month

Source: HMRC, [Coronavirus Job Retention Scheme statistics: January 2021- data tables](#), 28 January 2021, House of Commons Library calculations

Sector

The value of claims made to the Job Retention Scheme (CJRS) varies across sectors. The table below shows the breakdown of the total value of the claims made to the CJRS by sector.

The value of the claims made to the scheme overall was the highest in the Wholesale and retail sector, totalling £9.0 billion. However, in November and December, the Accommodation and food service sector had the highest value of claims, £1.5 billion.

The sector with the lowest total value of claims was the Households sector, at £48 million, The Mining and quarrying sector had the lowest value of claims in November and December, £3 billion.

Value of claims made on the CJRS by sector

up to 31 December 2020

	1 November to 31 December (£ million)	Total (£ million)
Accommodation and food services	1,531	8,421
Wholesale and retail; repair of motor vehicles	1,024	8,986
Administrative and support services	534	4,656
Manufacturing	425	5,648
Professional, scientific and technical	417	3,772
Arts, entertainment and recreation	389	2,363
Construction	349	4,159
Transportation and storage	325	2,864
Other service activities	258	1,533
Information and communication	186	1,502
Health and social work	160	1,747
Education	111	1,436
Real estate	95	848
Finance and insurance	48	447
Agriculture, forestry and fishing	22	152
Water supply, sewerage and waste	21	250
Public administration and defence; social security	7	61
Energy production and supply	5	102
Households	4	48
Mining and quarrying	3	102
Unknown and other	57	187
Total	5,970	49,284

Source: HMRC, [Coronavirus Job Retention Scheme statistics: January 2021- data tables](#), 28 January 2021

3. Most affected workers

Analysis produced to date suggests that workers who are from an ethnic minority group, women, young and older workers, low paid workers, and disabled workers have been most negatively impacted economically by the coronavirus outbreak. For more information on workers disproportionately affected by coronavirus, please see the Library insight, [Coronavirus: Which workers are economically impacted?](#)

3.1 Workers from minority ethnic groups

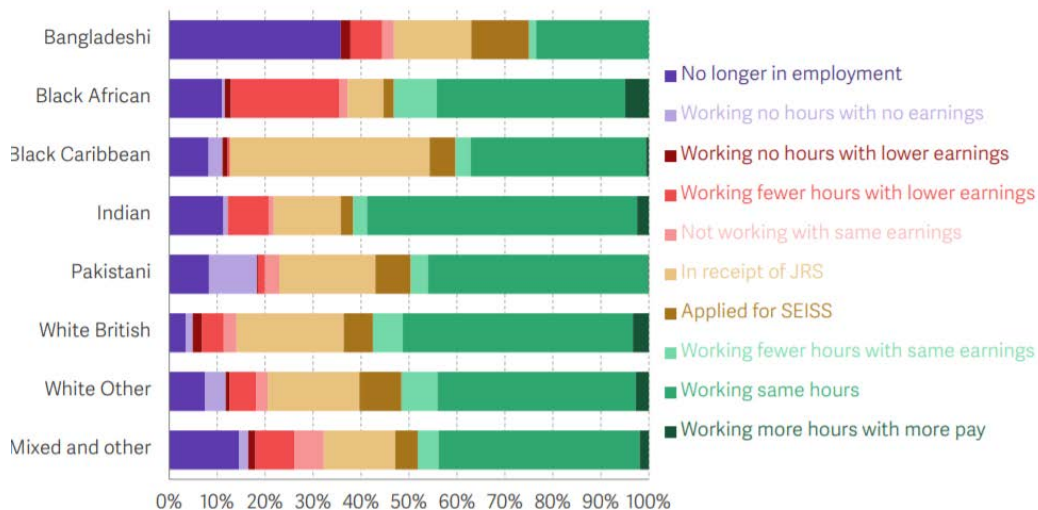
The sectors most affected by the coronavirus pandemic, or ‘shut down sectors’ have a higher than average proportion of workers from a minority ethnic group.²¹ 15% of workers in the shut-down sectors the IFS outlines are from a minority ethnic group, compared to 12% of all workers. Workers from a minority ethnic group make up 28% of the vulnerable jobs in the transport sector and 16% of the vulnerable jobs in the accommodation and food service sector.²²

The Resolution Foundation finds that as of May 2020, Bangladeshi adults in work before the crisis were much more likely to have left employment altogether, while Black African adults were most likely to be working fewer hours and earnings less in May 2020, and least likely to have been furloughed.²³

Note that these figures come from a small sample and should be treated as estimates.

FIGURE 16: Bangladeshis are disproportionately more likely to have stopped working or experienced an income fall during the crisis

Employment status among those who were in work before the crisis, by ethnicity: May 2020



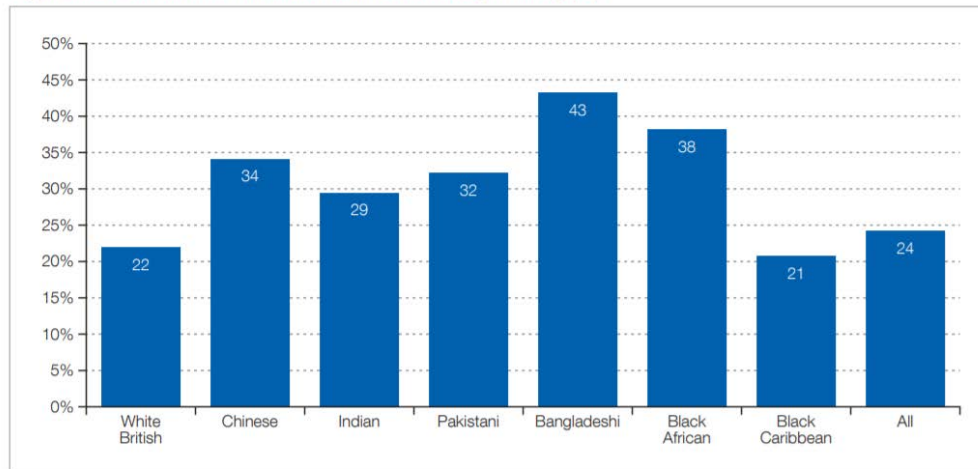
NOTES: Categories defined exclusively, Receipt of JRS/SEISS takes priority. Based on separate questions on employment status, earnings, and hours worked in previous week and before the crisis. Sample base size greater than 50 for all ethnicity categories. SOURCE: ISER, Understanding Society coronavirus survey.

A survey by the Runnymede Trust found that only 35% of people from an ethnic minority said they had not been affected financially by the coronavirus pandemic, compared to 54% of people from a White ethnic group. They find that 43% of people from a

²¹ Reliable data for more specific ethnic groups is not available because of small survey samples.
²² Library analysis of the [Labour Force Survey, 2019 Q4](#), using IFS definition of vulnerable sectors.
²³ Resolution Foundation, [The Living Standards Audit 2020](#), 21 July 2020

Bangladeshi ethnic group and 38% of a Black African group the loss of some income, as shown in the chart below.²⁴

Figure 8: Loss of income since coronavirus outbreak by ethnicity (%)



In July-September 2020, unemployment levels for people from a BAME background increased by 49,000, and by 281,000 for people from a White background from the same period in 2019.²⁵ For analysis on official statistics on unemployment by ethnicity, please see the Library briefing, [Unemployment by ethnic background](#).

3.2 Women

In 2019, 57% of workers in sectors now shut down by the coronavirus were women, compared to a workforce average of 48%.²⁶

Women were about one third more likely to work in a sector that was shut down by coronavirus than men: one in six (17%) female employees were in such sectors, compared to one in seven (13%) male employees.²⁷

According to the IFS, mothers are 1.5 times more likely than fathers to have lost their job or quit since the start of the lockdown and are also more likely to have been furloughed. Mothers who were in paid work in February are 9 percentage points less likely to be currently working for pay than fathers.²⁸

The Women’s Budget group found that women are more likely to be in the categories disproportionately affected by the pandemic – women make up 69% of low earners, 54% of temporary employees, 54% of workers on zero-hours contracts, and 59% of part-time self-employment.²⁹

²⁴ Runnymede Trust, [Over-Exposed and Under-Protected, The Devastating Impact of COVID-19 on Black and Minority Ethnic Communities in Great Britain](#), August 2020

²⁵ ONS, [A09: Labour market status by ethnic group](#), November 2020

²⁶ Library analysis of the [Labour Force Survey, 2019 Q4](#), using IFS definition of vulnerable sectors.

²⁷ Institute for Fiscal Studies, [Sector shutdowns during the coronavirus crisis: which workers are most exposed?](#), 6 April 2020.

²⁸ Institute for Fiscal Studies, [How are mothers and fathers balancing work and family under lockdown?](#), 27 May 2020.

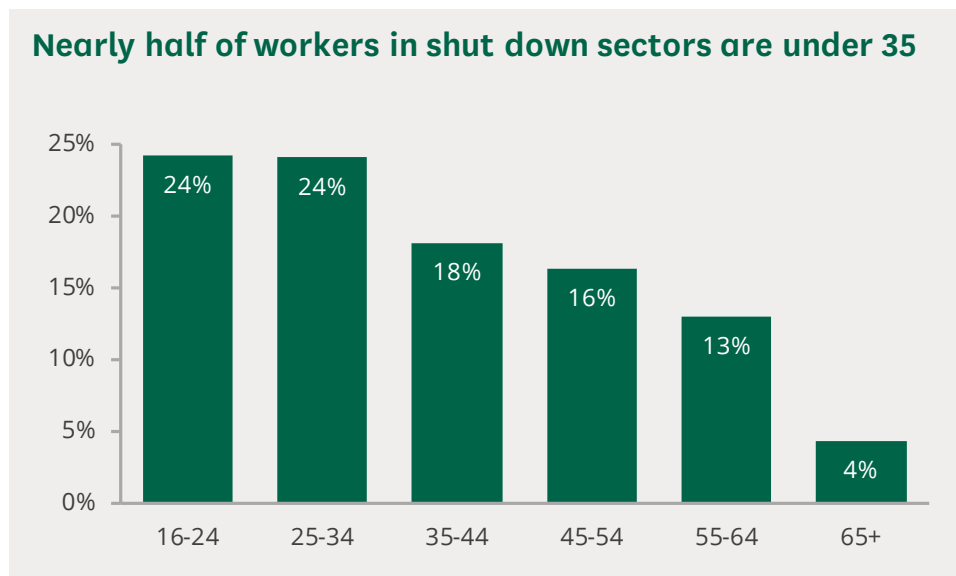
²⁹ Women’s Budget Group, [Crises Collide, Women and Covid-19](#), 9 April 2020.

A poll commissioned by the Fawcett Society and other women's equality groups found that in November and December 2020, 15% of mothers report they would have to take unpaid leave due to school closures or a sick child, compared to 8% of fathers.³⁰

3.3 Young and older workers

The youngest and oldest workers are most likely to have been furloughed and more likely to be out of work.

Employees aged under 30 and 65+ were more likely to have been furloughed in the March-June period, or to be out of work in June. Average hours worked fell between 2019 Q4 and 2020 Q2 by around a third for the very youngest (aged under 22) and oldest (aged 65+), compared to 15-20% for those in their 30s and 40s.³¹



Source: [Labour Force Survey](#), Q1 2020

Young workers

Library analysis of the Labour Force Survey shows that of the workers in the shut-down sectors outlined by the IFS, nearly half are under 35. According to the IFS, employees aged under 25 were about two and a half times as likely to work in a sector that is now shut down as other employees.³²

The IFS find that those under 25 are more exposed to jobs that cannot be worked from home, these difference across age groups are larger for those with GCSE qualifications or less.³³

The IFS find that coronavirus is also likely to disrupt career progression for those early in their career. Early career wage growth is driven by workers moving into higher-paying occupations and because of reductions in vacancy postings and increases in layoffs, this has become much more difficult.³⁴ The Resolution Foundation suggests that many graduates will delay their entry into the labour market by staying in education.³⁵

³⁰ Fawcett Society, [Mothers on the lowest incomes are eight times more at risk of losing their job due to school closures in the UK](#), 8 January 2021

³¹ Resolution Foundation, [An intergenerational audit for the UK 2020](#), 7 October 2020.

³² Institute for Fiscal Studies, [Sector shutdowns during the coronavirus crisis: which workers are most exposed?](#), 6 April 2020.

³³ Institute for Fiscal Studies, [Covid-19: the impacts of the pandemic on inequality](#), 11 June 2020.

³⁴ Institute for Fiscal Studies, [COVID-19 and the career prospects of young people](#), 03 July 2020.

³⁵ Resolution Foundation, [An intergenerational audit for the UK 2020](#), 7 October 2020.

Older workers

6% of those aged 66-70 and 11% of those aged 71+ who were working immediately before the crisis are now retired, half of whom were not planning to do so anyway.³⁶

Another IFS report found that nearly a quarter of employees aged 54 and over were on furlough in June-July, and among those working, a fifth were working fewer hours. Among the self-employed in the same age group, a third were not working.³⁷

The Centre for Ageing Better's analysis of ONS data finds that only around 35% of workers aged 50+ are reemployed after a redundancy in the UK in 2019, compared to an overall average of 49%.³⁸

3.4 Low paid workers

Median weekly wages in the most vulnerable sectors are among the lowest in the economy.³⁹ The Low Pay Commission find that minimum wage workers are more likely to work in affected sectors, particularly hospitality and non-essential retail. In 2019, more than 800,000 workers paid at or below the minimum wage worked in the most affected sectors, and 18% of these sectors were paid the minimum wage.⁴⁰

The Resolution Foundation estimates that the median weekly pay for a worker in a shut-down sector is £348, compared to £707 a week for workers they calculate can work from home.⁴¹ The IFS found that one third of employees in the bottom 10% of earners work in shut down sectors, compared to 5% in the top 10%.⁴²

The IFS estimate that excluding key workers, 80% of people in the bottom tenth of the earnings distribution are either in a shutdown sector or are unlikely to be able to do their job from home, compared to 25% of the highest earning tenth.⁴³

ONS figures show that less than 10% of the bottom half of earners say they can work from home.⁴⁴

3.5 Disabled workers

Before the coronavirus outbreak, disabled people had an employment rate 28.6 percentage points lower than that of people without disabilities. This difference is often referred to as the disability employment gap.⁴⁵

15% of workers in shut down sectors are disabled (as defined by the Equality Act 2010), about the same as the total workforce average of 14%. Disabled workers make up 17% of vulnerable jobs in the retail sector.⁴⁶

People Management reports that 71% of disabled people in employment in March this year were affected by the pandemic, through a loss of income, being furloughed, or being

³⁶ Institute for Fiscal Studies, [The coronavirus pandemic and older workers](#), 30 September 2020.

³⁷ Institute for Fiscal Studies, [The coronavirus pandemic and older workers](#), 20 September 2020.

³⁸ Centre for Ageing Better, [State of Ageing in 2020](#), 2020.

³⁹ ONS, [Annual Survey of Hours and Earnings](#), 2019.

⁴⁰ [Low Pay Commission 2020 Report](#), 9 December 2020.

⁴¹ Resolution Foundation, [Risky business. Economic impacts of the coronavirus crisis on different groups of workers](#), 28 April 2020.

⁴² Institute for Fiscal Studies, [Sector shutdowns during the coronavirus crisis: which workers are most exposed?](#), 6 April 2020.

⁴³ Institute for Fiscal Studies, [Covid-19: the impacts of the pandemic on inequality](#), 11 Jun 2020.

⁴⁴ Resolution Foundation, [The economic effects of coronavirus in the UK](#), 10 April 2020.

⁴⁵ ONS, Labour market bulletin, July-September 2019. See also Library paper [People with disabilities in employment](#), January 2020.

⁴⁶ Library analysis of the [Labour Force Survey, 2019 Q4](#), using IFS definition of vulnerable sectors.

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made redundant. This increased to 84% among 18-24 year olds. 48% of those surveyed said the coronavirus pandemic had affected their future earnings.⁴⁷

Disability groups have raised concerns about the impact the outbreak will have on disabled people in work. In a submission to the Work and Pensions Committee for the [DWP's response to the coronavirus outbreak inquiry](#), Disabled People Against Cuts noted that disabled workers have reported difficulties getting access to workplace adjustments and equipment to enable them to work from home. This places disabled workers at a considerable disadvantage.⁴⁸

⁴⁷ People Management, [Disabled workers facing coronavirus 'jobs crisis', survey shows](#), 27 October 2020

⁴⁸ [Disabled people Against Cuts' \(DPAG\) submission](#) to Work and Pensions Committee inquiry into the DWP's response to the coronavirus outbreak, 23 April 2020.

4. Further Reading

4.1 House of Commons Library

This is a fast-moving issue and briefings should be read as correct at the time of publication

[Coronavirus](#)

This page provides links to reports from the Commons Library, the Parliamentary Office of Science and Technology (POST) and the Lords Library.

[People claiming unemployment benefits by constituency](#)

[Youth unemployment statistics](#)

[Coronavirus business support schemes: statistics](#)

[Coronavirus: Support for businesses](#)

[Extending furlough via the Coronavirus Job Retention Scheme](#)

[Coronavirus: Getting people back into work](#)

[Coronavirus: Self-Employment Income Support Scheme](#)

[Coronavirus: Which workers are economically impacted?](#)

[Which ethnic groups are most affected by income inequality?](#)

[FAQs: Coronavirus Job Retention Scheme.](#)

[Coronavirus: Employment rights and sick pay \(update\)](#)

[Coronavirus: Latest economic data](#)

[Coronavirus: Effect on the economy and public finances](#)

[The UK economy: a dashboard](#)

4.2 Other sources

Resources from the Office for National Statistics

[Coronavirus and the latest indicators for the UK economy and society](#)

28 January 2021 | *ONS*

[Coronavirus \(COVID-19\) latest insights](#)

3 February 2021 | *ONS*

[Measuring the labour market during Coronavirus](#)

20 April 2020 | *ONS*

[Ensuring the best possible information during COVID-19 through safe data collection](#)

27 March 2020 | *ONS*

Dataset: [Business Impact of COVID-19 Survey \(BICS\)](#)

19 November 2020 | *ONS*

Analysis of the impact of coronavirus on the labour market

[The Living Standards Outlook 2021](#)

18 January 2021 | *Resolution Foundation*

[What does the rise of self-employment tell us about the UK labour market?](#)

19 November 2020 | *Institute for Fiscal Studies*

[Wake me up when November ends](#): The economic outlook amid Lockdown II

3 November 2020 | *Resolution Foundation*

[Jobs, jobs, jobs](#): Evaluating the effects of the current economic crisis on the UK labour market

27 October 2020 | *Resolution Foundation*

Resources on disproportionately affected workers

[Over-Exposed and Under-Protected](#), The Devastating Impact of COVID-19 on Black and Minority Ethnic Communities in Great Britain,

August 2020 | Zubaida Haque et al. *Runnymede Trust*

[Laid low](#), The impacts of the Covid-19 crisis on low-paid and insecure workers

22 January 2021 | *Institute for Employment Studies*

[Shut Out](#), How employers and recruiters are overlooking the talents of over 50s workers

January 2021 | *Institute for Employment Studies*

[Coronavirus Crossroads](#): Equal Pay Day 2020 Report

20 November 2020 | *Fawcett Society*

[Jobs and recovery monitor](#) – BME workers

20 January 2021 | *TUC*

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