



Labour Market Gender Inequality a Year into the Covid-19 Pandemic: Evidence from the UK Cohort Studies

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Structure of the talk:

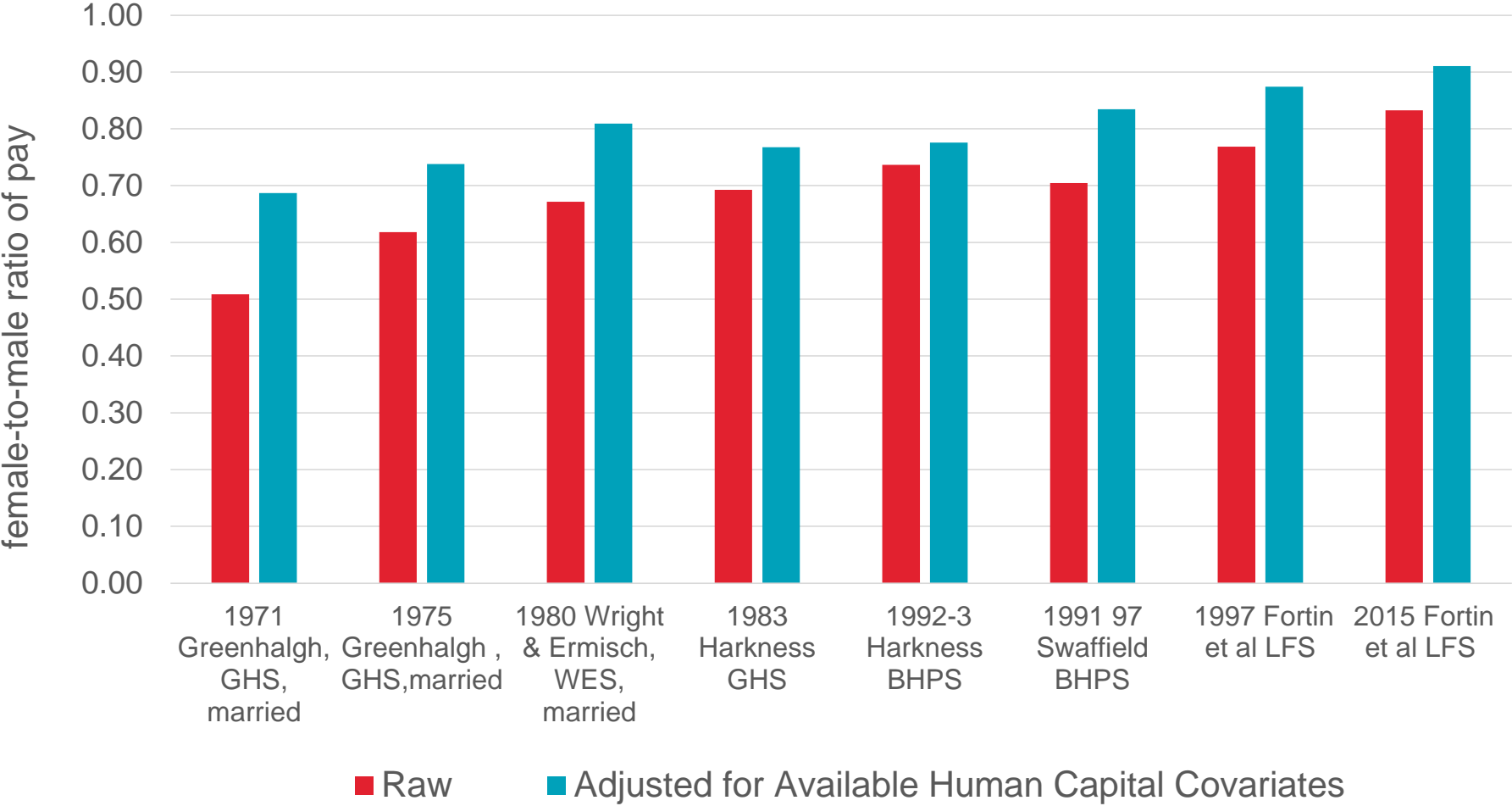
Paper 1:

- Gender (in)equality in **employment participation** a year into the pandemic
- Working paper available at <http://repec.ioe.ac.uk/REPEc/pdf/qsswp2123.pdf>

Paper 2:

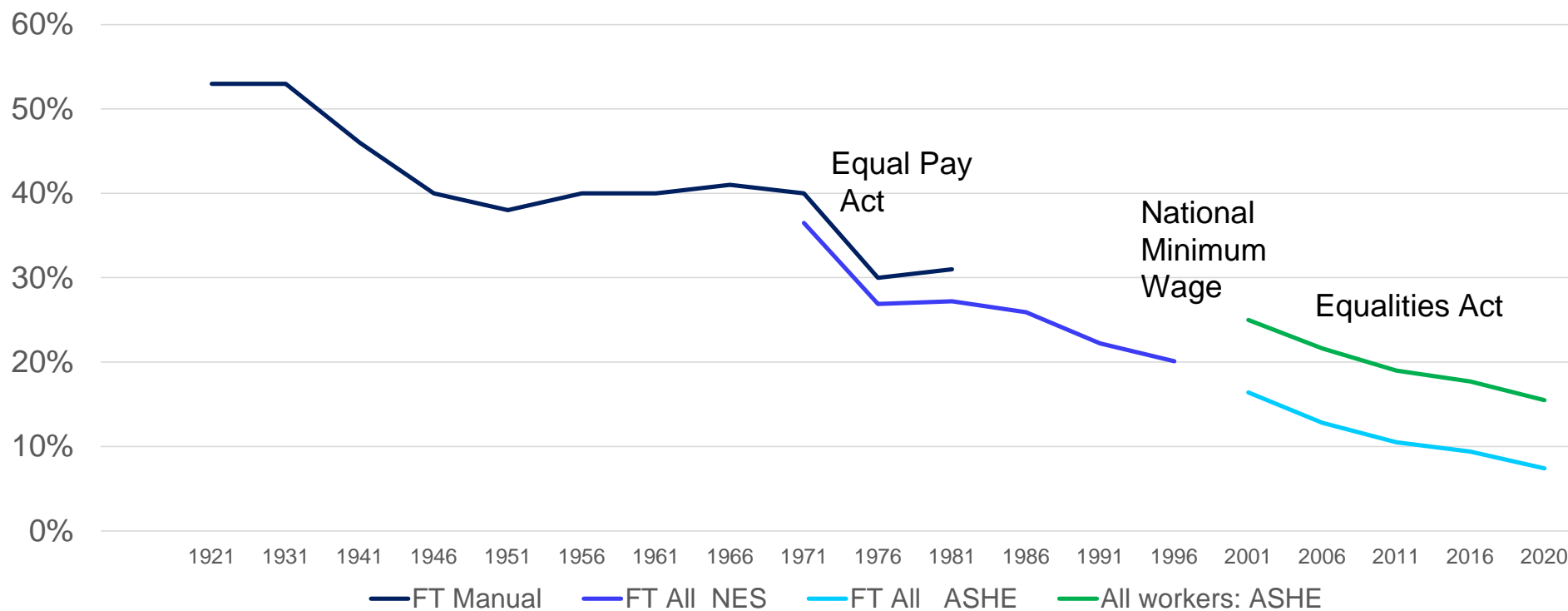
- Gender (in)equality in **pay** amongst those who remained persistently employed
- Preliminary, exploratory findings

Background: convergence of gender pay gap



Secular trend in gender pay gap: various series and some policy landmarks:

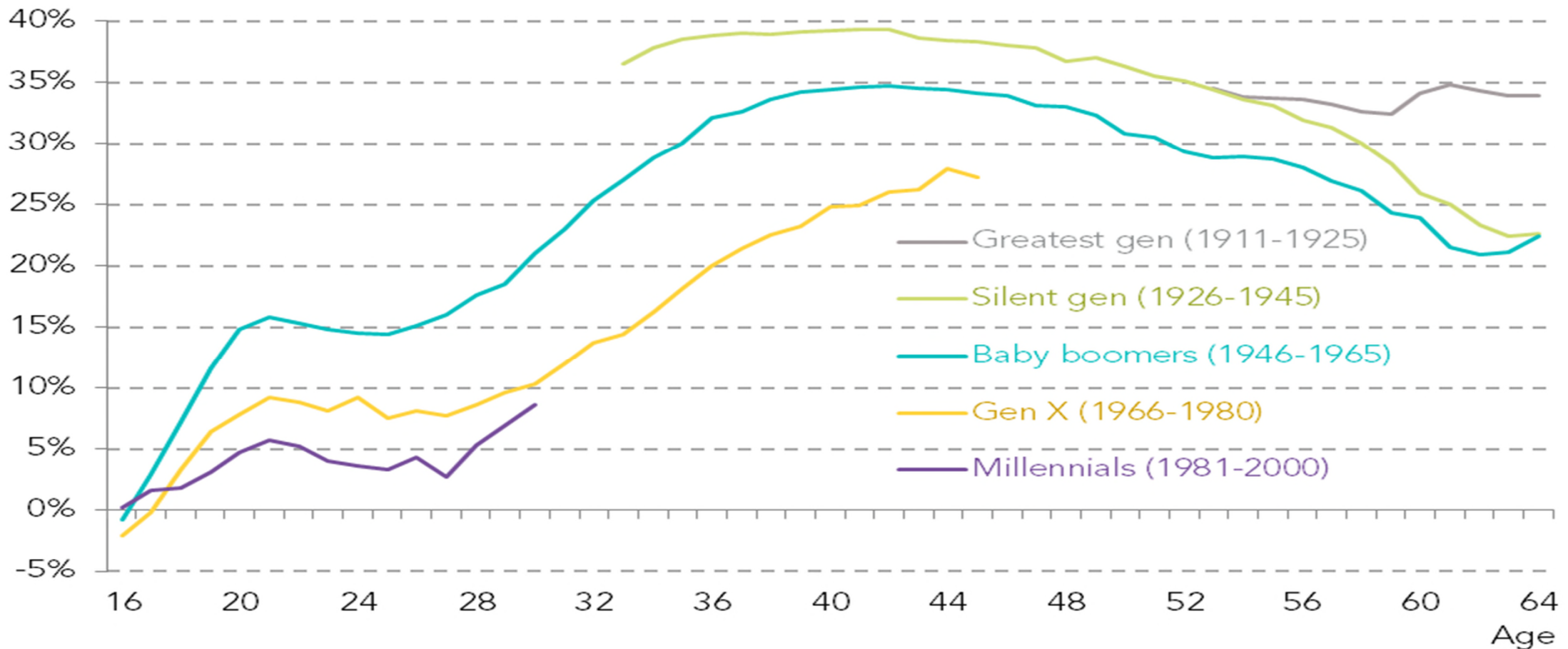
Gender Gap in hourly pay, 1921-2020, per cent of men's average



Falling trend since 1970s: age pattern within quasi cohorts (Gardiner 2017)

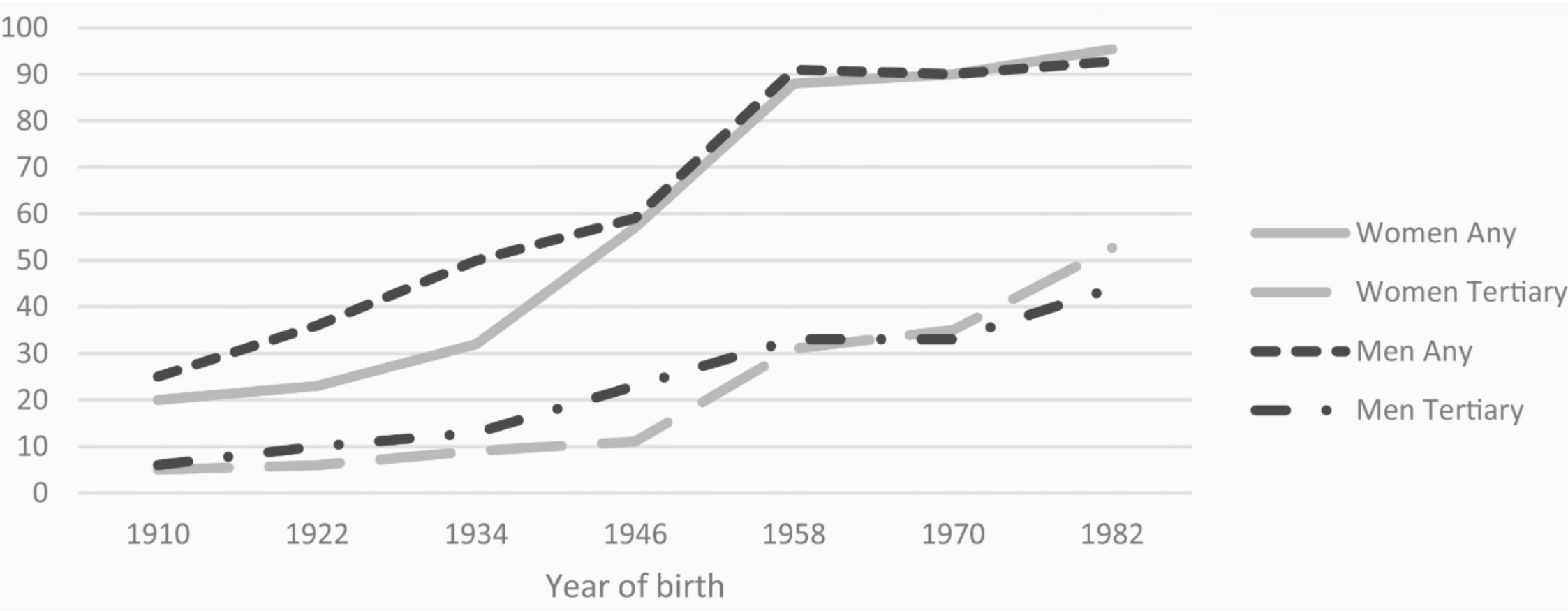
Gender pay gap for median gross hourly earnings, by generation: UK, 1975-2016

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Notes: The gender pay gap is the difference between the median hourly earnings of men and women as a proportion of men's median hourly earnings; figures for each generation are derived from a weighted average of estimates by single year of age for each single-year birth cohort within that generation; generations are included if at least five birth years are present in the data; for the years in which it is available, published Annual Survey of Hours and Earnings pay estimates

Background: qualifications by early 30s



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The new COVID-19 variant is spreading fast.

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Paper 1: Employment participation

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Background and Motivation:

- The Covid-19 pandemic has caused unexpected disruptions to Western countries;
- Shecession vs. Mancession –some studies suggest that, unlike in previous economic downturns, women were more adversely affected than men by the pandemic;
- Governments responded with radical labour market intervention allowing to retain workers in post; Coronavirus Job Retention Scheme (80% of pay up to a cap of £2,500 per month)

Hypotheses:

H1: Occupational segregation

- Women are over-represented in jobs disproportionately affected by covid-19 pandemic (hospitality, tourism etc.) that have been less sensitive to previous declines
- However, women are also more likely to work in sectors that faced increased demand (health, care etc.)

H2: In couples, efficient household allocation

- Decisions within the household on how to organise paid and domestic work
- Allocation reflects comparative advantage of partners (i.e. earnings/development potential)

H3: In couples with children, childcare responsibilities

- Increased childcare needs resulting from the social distancing restrictions
- Women, especially mothers, taking a bigger share of housework and childcare responsibilities, given their lower earnings potential

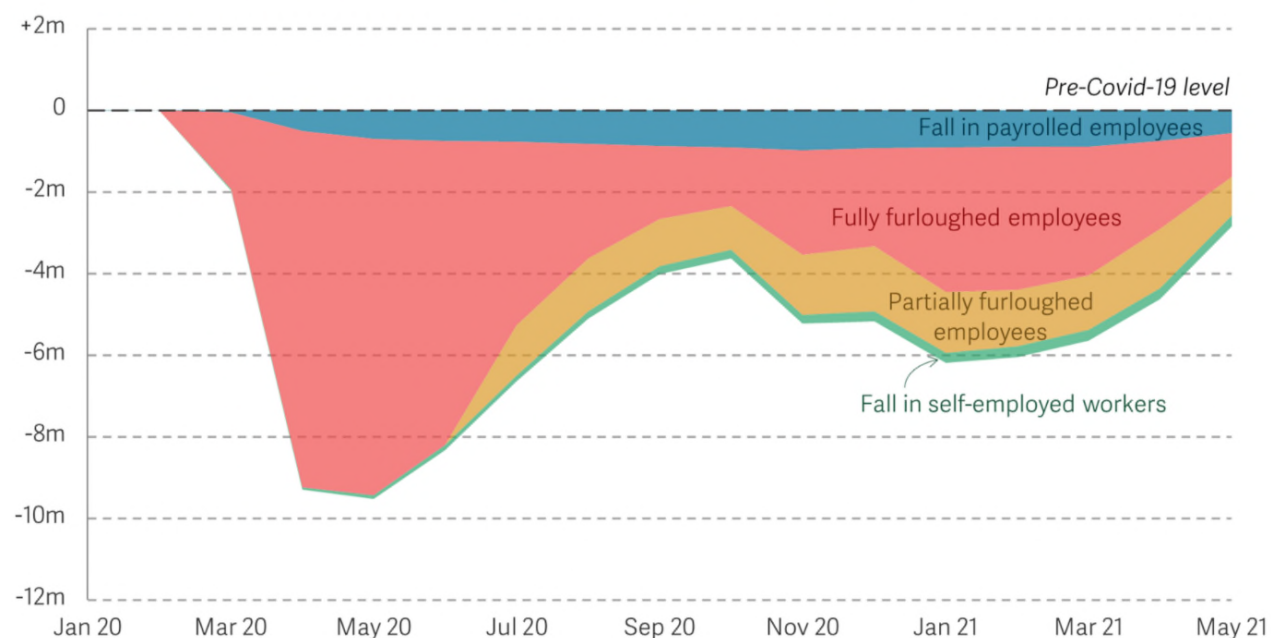


Contribution:

- Focus on a year after the pandemic (February/March 2021);
- Include other “family types” than couples with children;

Change in employment since the start of the Covid-19 pandemic: UK

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Foundation



Notes: The May data points for fully and partially furloughed workers estimate the mid-May total based on data from the Business Impacts of Coronavirus Survey. May self-employment fall projected forward using the average change over the most recent two data points. Estimated net fall in self-employment adjusted for the average share of self-employment outflows who moved into the 'employee' category between April 2020 and March 2021.
Source: RF analysis of HMRC, Coronavirus Job Retention Scheme Statistics; ONS, Business Impacts of Coronavirus Survey; ONS, Labour Market Statistics; ONS/HMRC, Earnings and employment from Pay As You Earn Real Time Information; ONS, Labour Market Flows.

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Methods:

- **Data:** Pooled sample from NCDS, BCS70, Next Steps, MCS
- **Estimation Sample:** employed in March 2020; living in England, Scotland and Wales; excluding lone fathers
- **Model:** linear probability, weighted back to population
- **Missing Data Strategy:** if covariates are missing we add item missing dummy to retain sample size

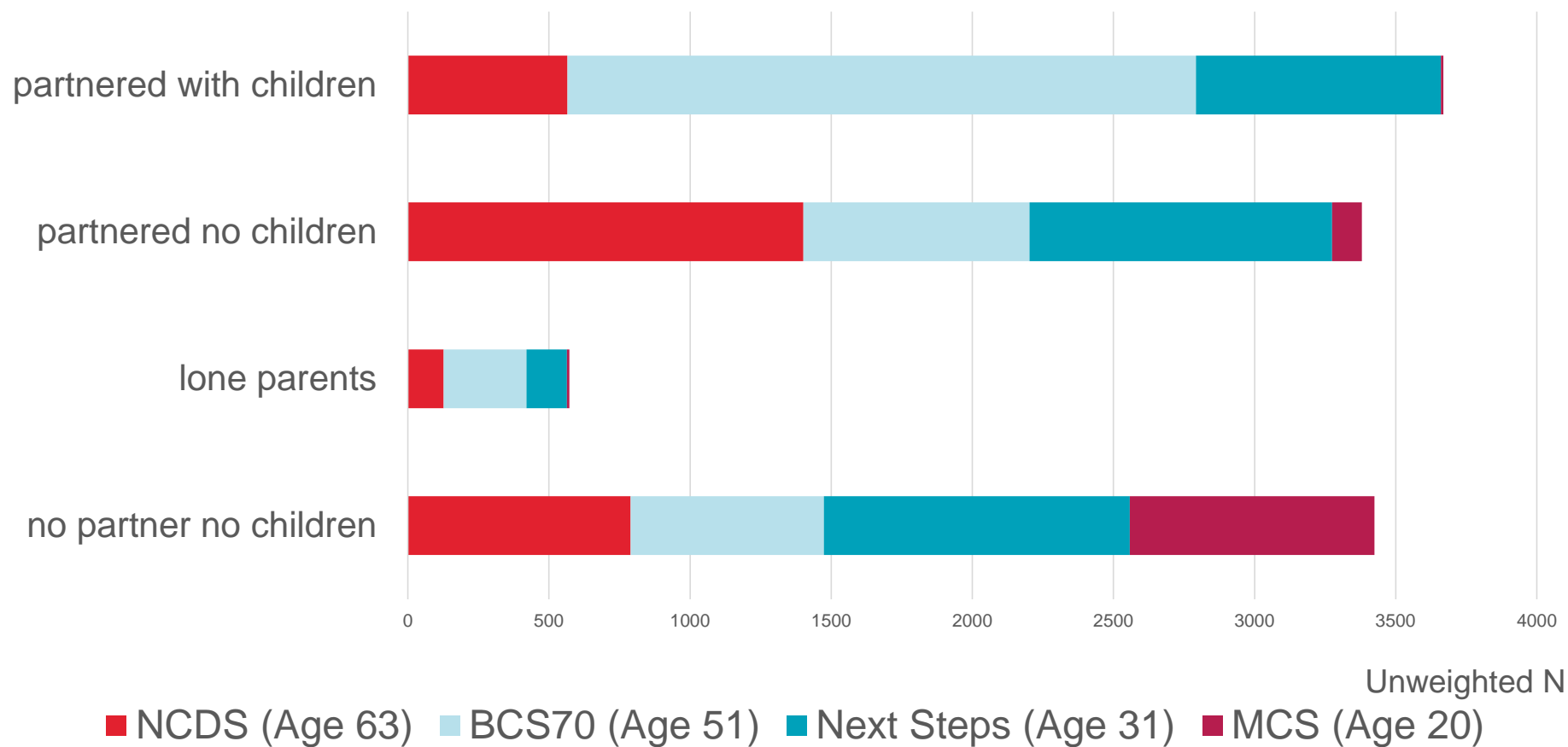
Outcomes:

- **Remains in employment:** employed, furloughed, apprenticeship, voluntary work, self-employed not unemployed, sick, disabled, looking after family, retired, education
- **Actively working:** employed, self-employed, apprenticeship **and currently working**
- **The same job:** employed and currently working **in the same job** as in March 2020
- **Furlough:** employed but on paid leave including furlough

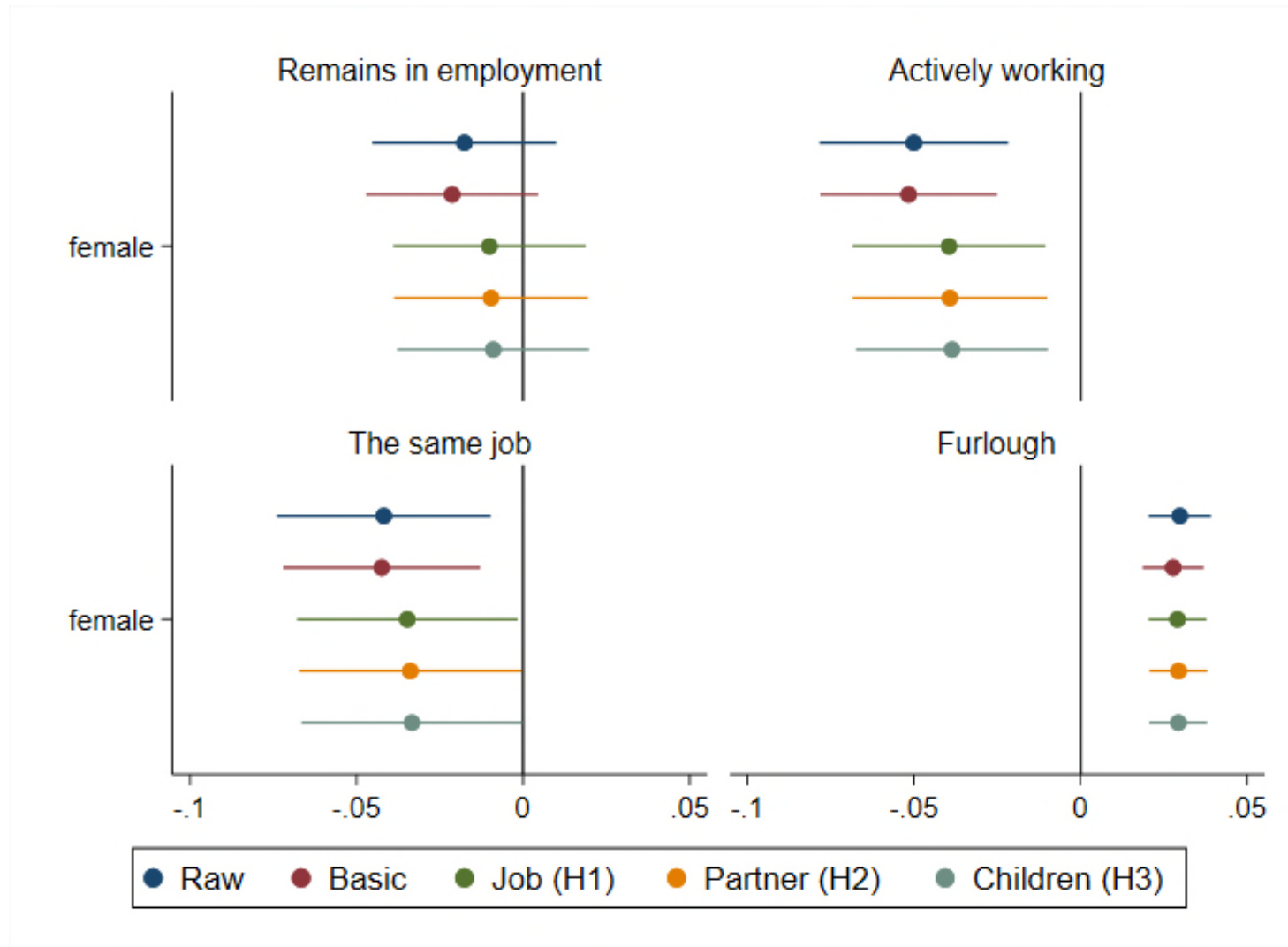
Stages of adjustment:

1. Raw gaps
2. + **Basic controls**: Age (NCDS, BCS, Next Steps, MCS), Country (England, Scotland, Wales), London, Education (none, NVQ1-5), parental social class (manual, non-manual), mode of survey (CAWI, CATI)
3. + **Job characteristics (H1)**: SOC in March 2020 (1 digit) , part-time (worked less than 30 hours), key worker (based on 4 digit SOC in March 2020)
4. + **Partner/Partner's job characteristics (H2; couples only)**: SOC in March 2020, part-time (worked less than 30 hours), key worker (based on 4 digit SOC in March 2020)
5. + **Children/Children's characteristics (H3; couples with children only)**: number of children in the household; age of the youngest child (5 or less; 6 to 11; 12 to 18; 19 or more)

Distribution of family types across cohorts



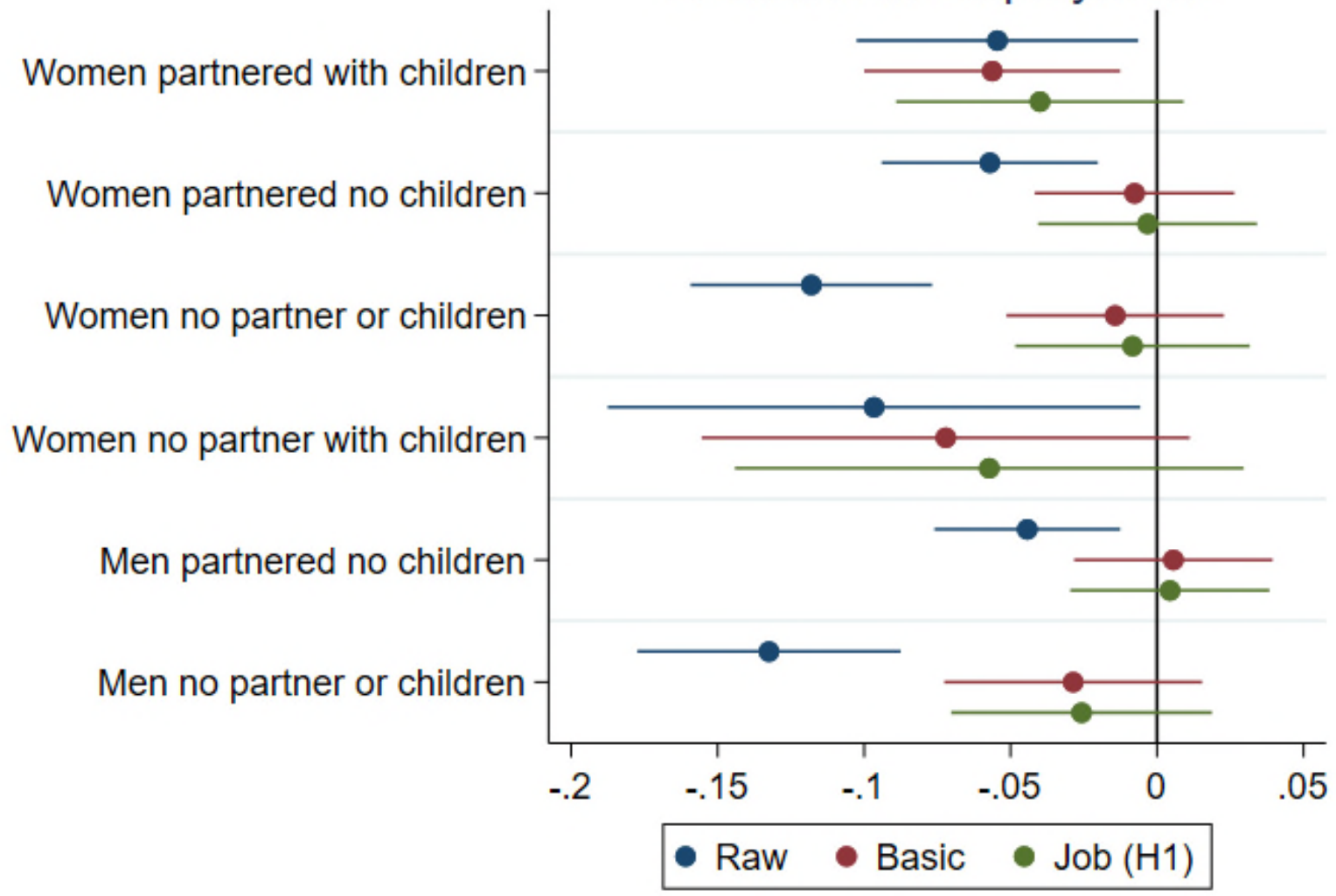
Overall gender differences (ref: men)

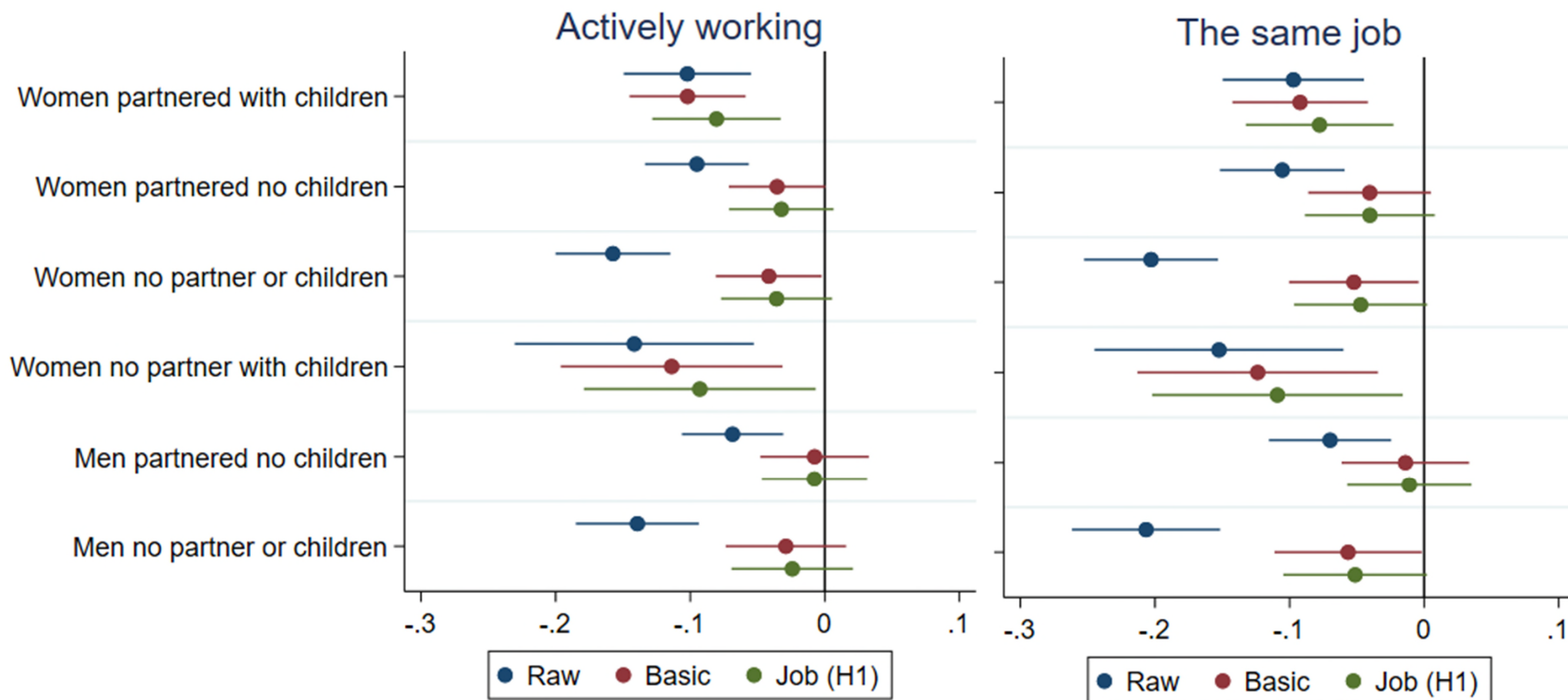


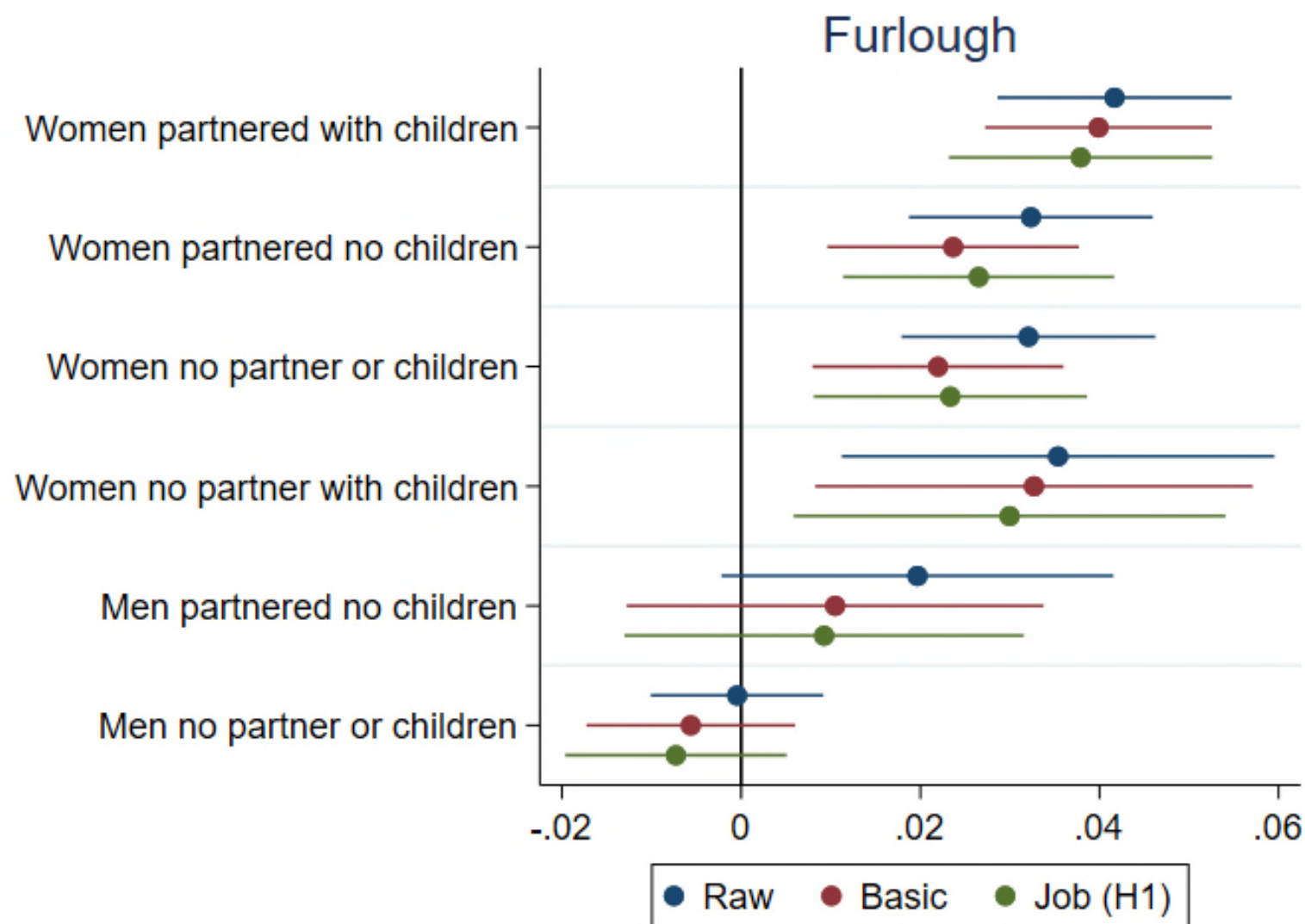


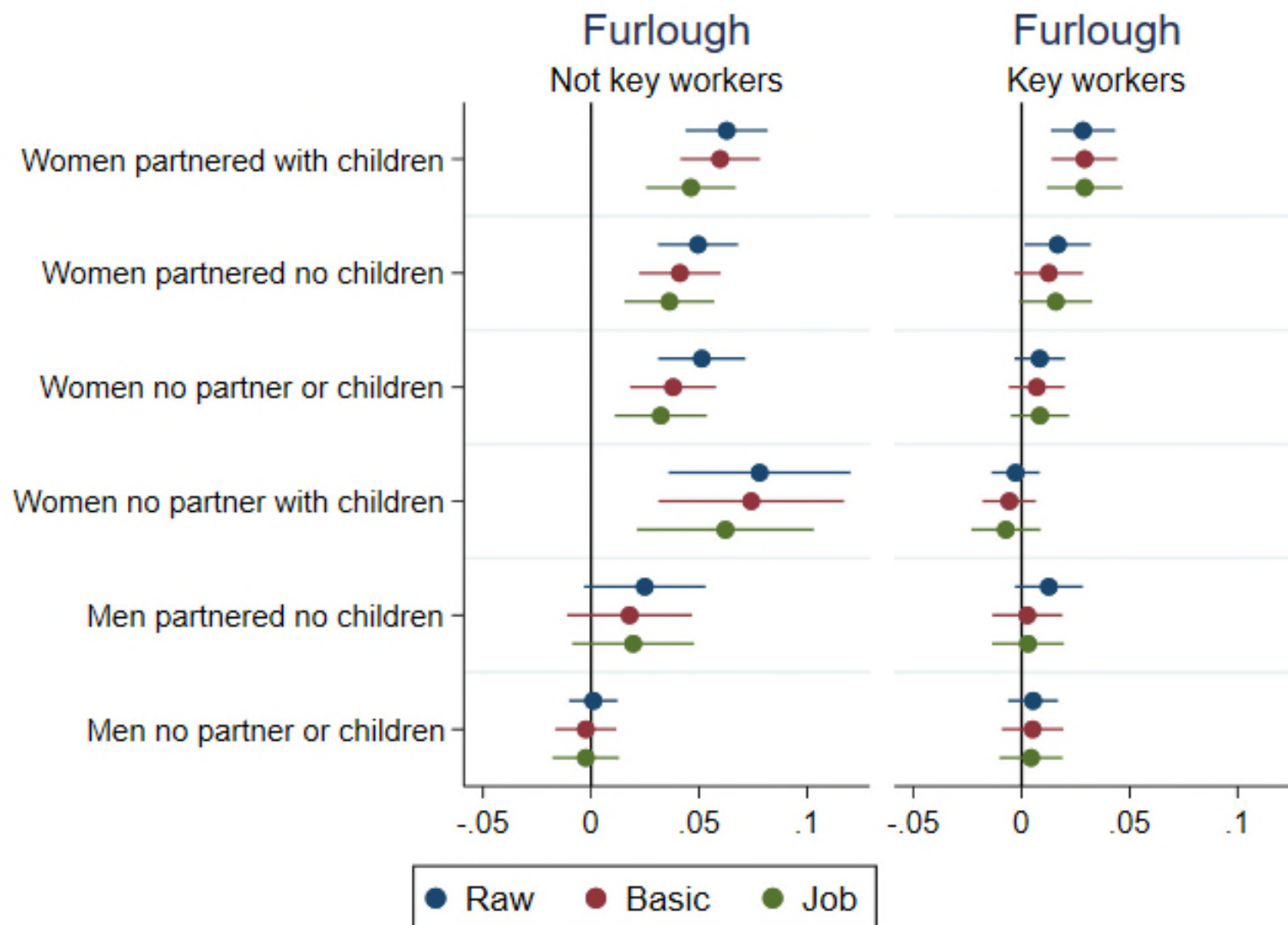
Ref: partnered
men with
children

Remains in employment

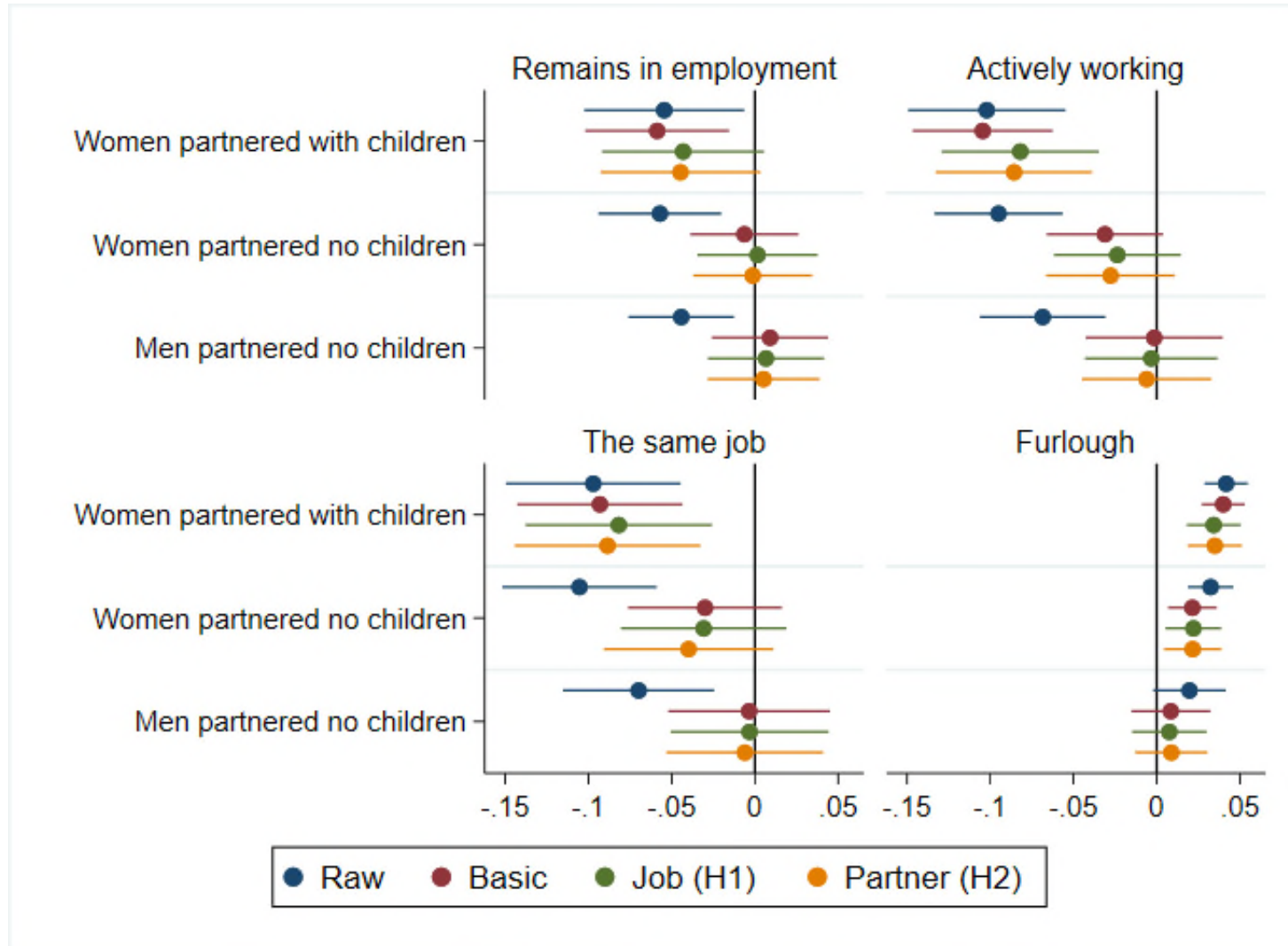




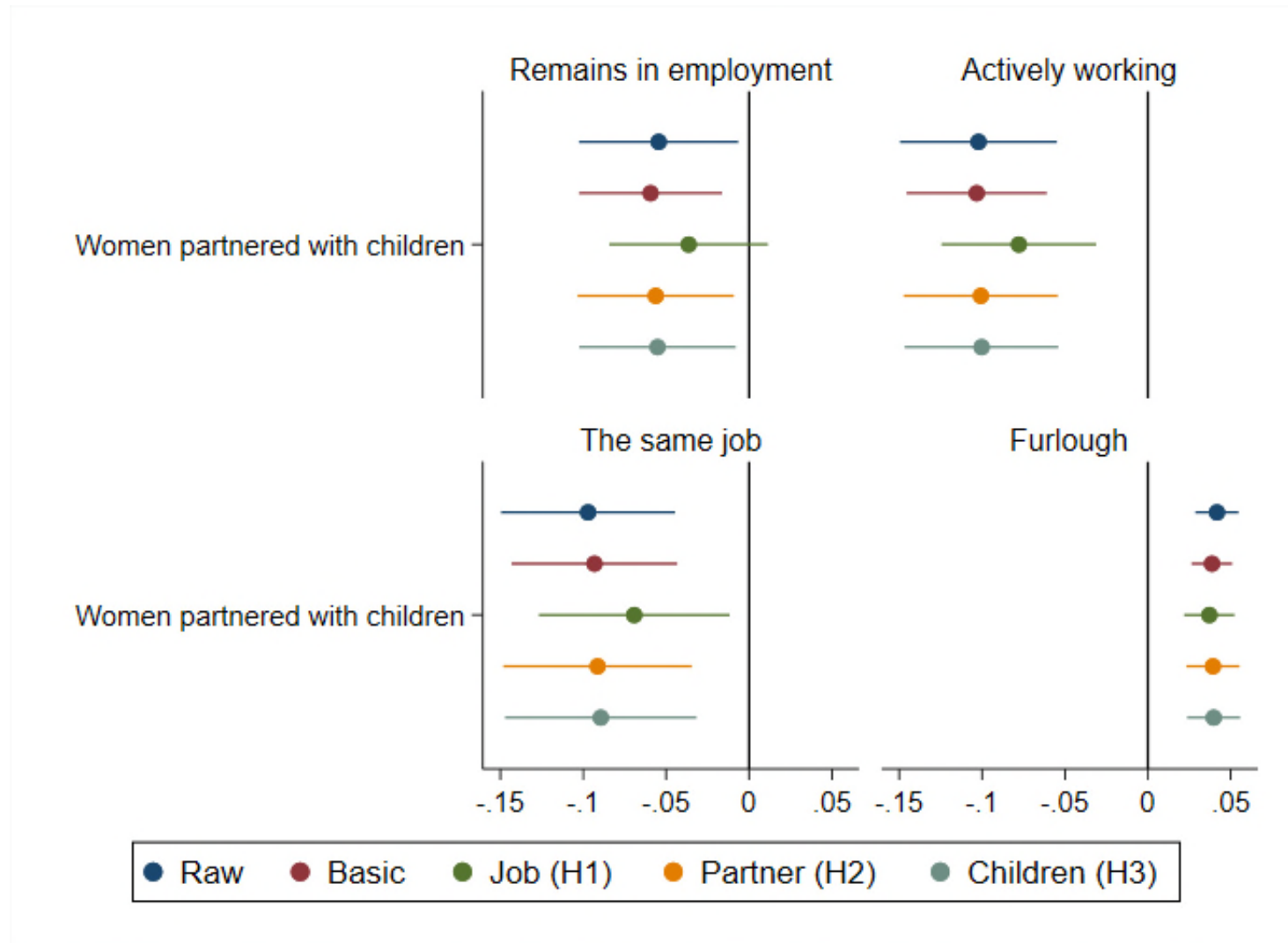




Partner adjustment (those in couples only)



Children adjustment (couples with children only)



Summary:

- The adverse effects are still experienced by women a year into the covid pandemic, especially if they live with partners and children, even if they were key workers.

H1: Occupational segregation:

- Gender differences in the probability of employment are attenuated when we account for the job characteristics (occupation, part-time and key worker status pre-covid)
- We observe these effects irrespective of household type

H2: Efficient household allocation:

- Adjusting for the presence of a partner in the household makes little differences to the gender gaps
- In couples, accounting for the partners' job characteristics makes little difference to the previous estimates.

H3: Childcare responsibilities:

- Adjusting for presence of children of their characteristics makes little difference to the previous estimates.

Alternative explanations for residual gaps:

Social norms:

- Expectation that looking after children and housework is women's responsibility and that they are better suited to it than men.

Preferences:

- Women prefer the conditions offered under furlough scheme (i.e., not working while still receiving 80% of their pay)
- Gender norms have been fully internalized and directly shape one's preferences; for example, via reputational damage

Employer discrimination:

- Women may have been forced to be furloughed at higher rates than men
- Although illegal in the UK, covid-19 pandemic presented unprecedented setting, which may have reinforced existing prejudices and fixed ideas about gender roles

Paper 2: Pay

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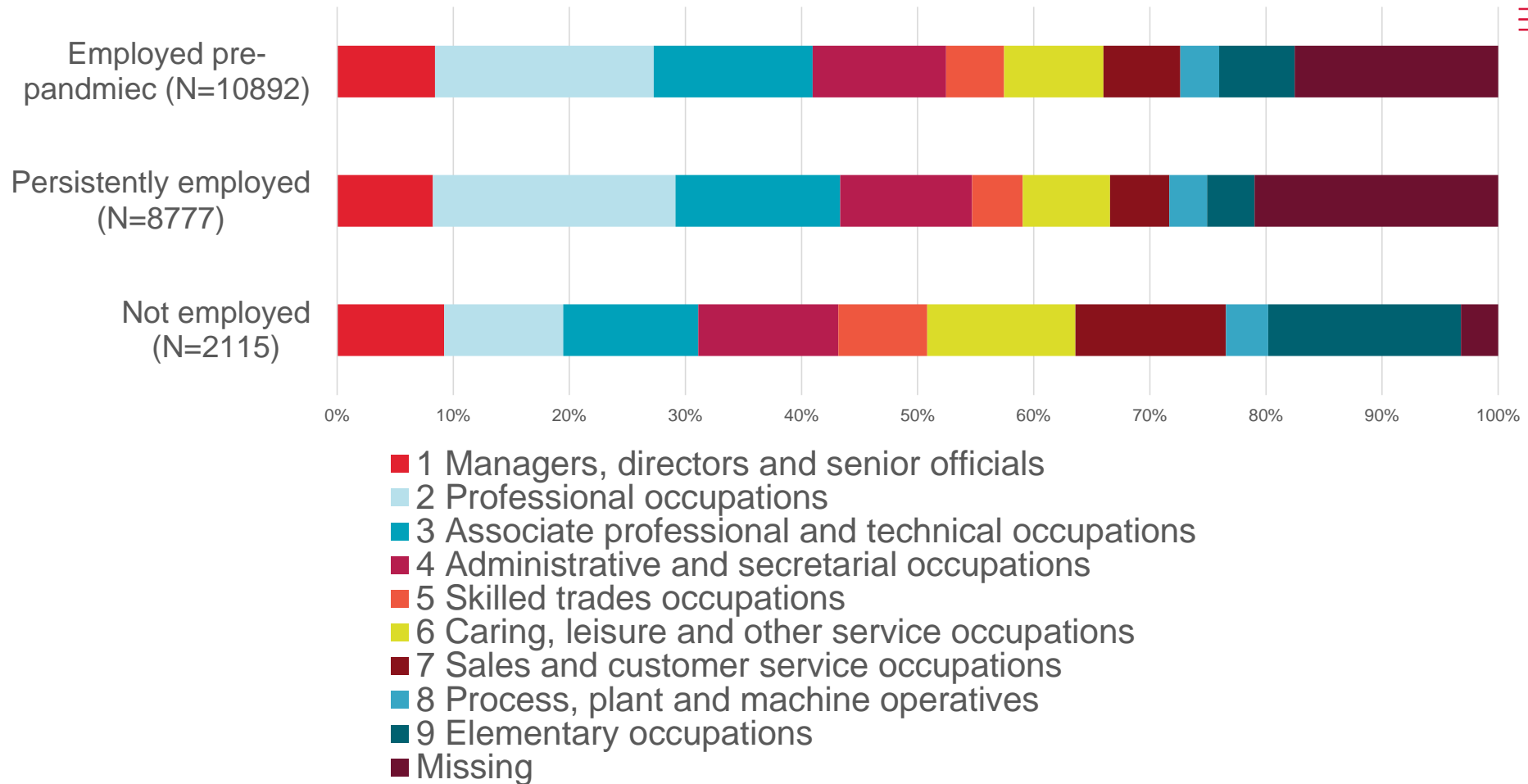
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Motivation:

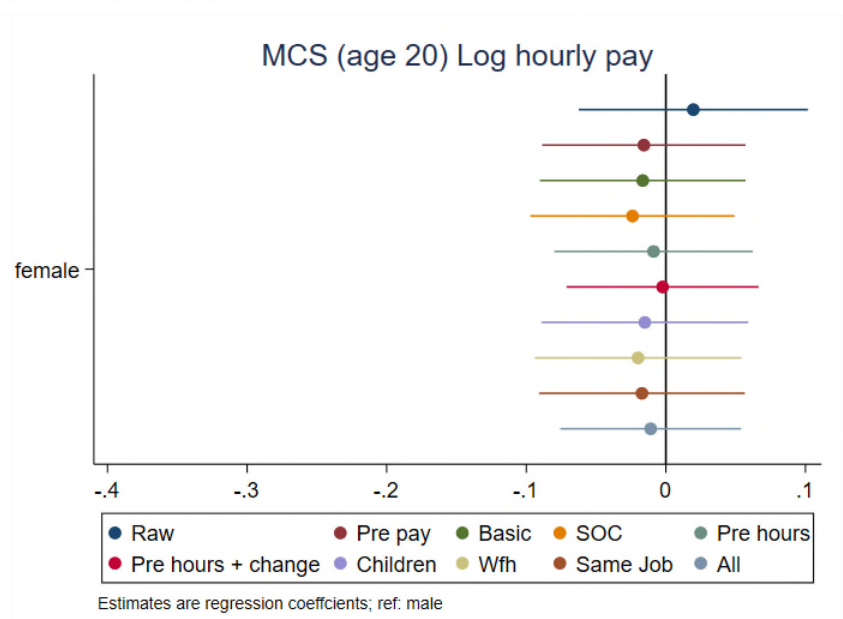
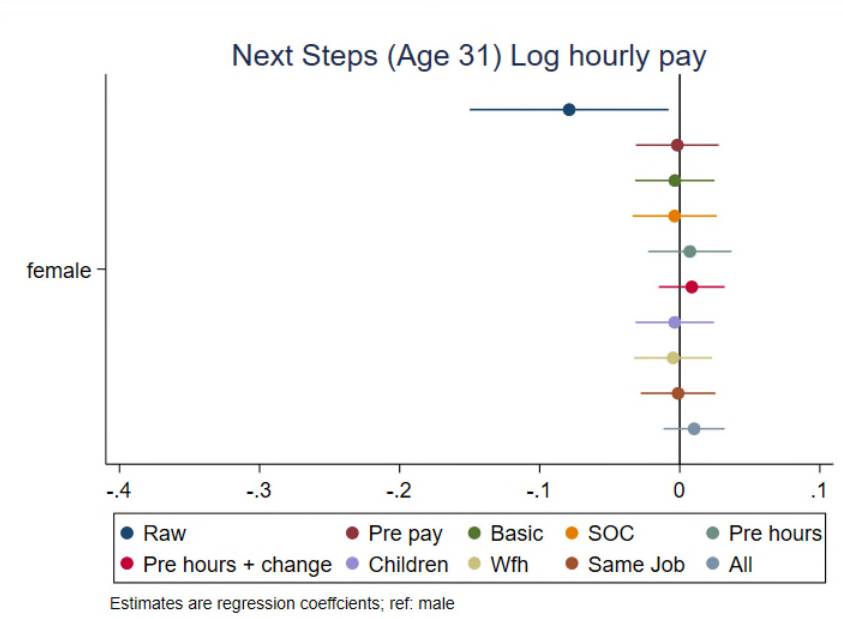
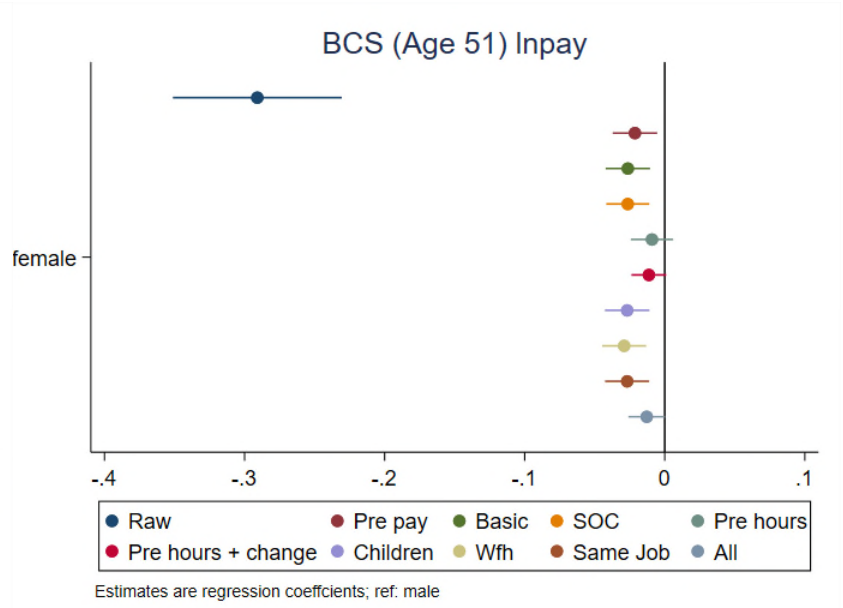
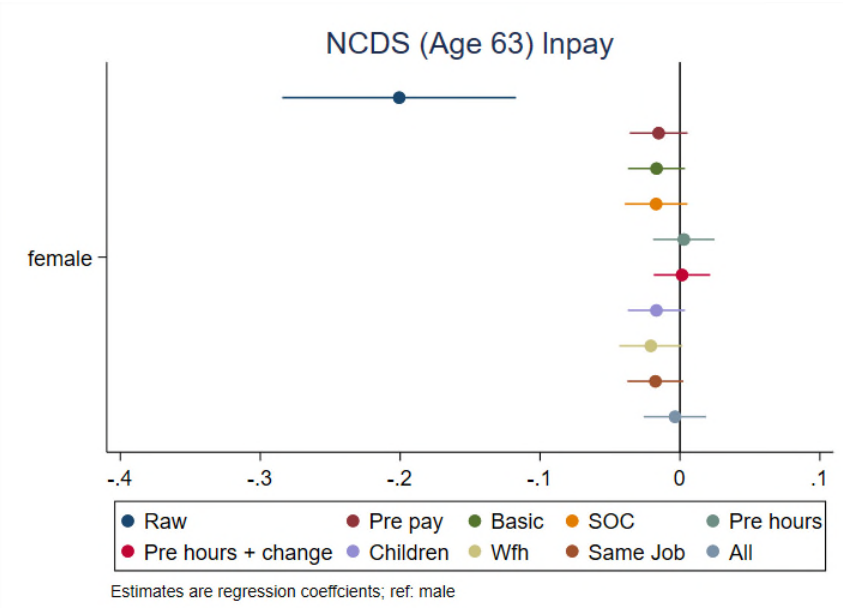
- [Wielgoszewska et al \(forthcoming\)](#) find that in terms of employment adverse effects are still experienced by women a year into the covid pandemic, especially if they live with partners and children
- ...but what about those who remained in employment?
- **Research questions:**
 - Has the pay gap between men and women changed during COVID?
 - If so did this differ across different generations?
 - How does pay relate to working from home?

Permanent workers:

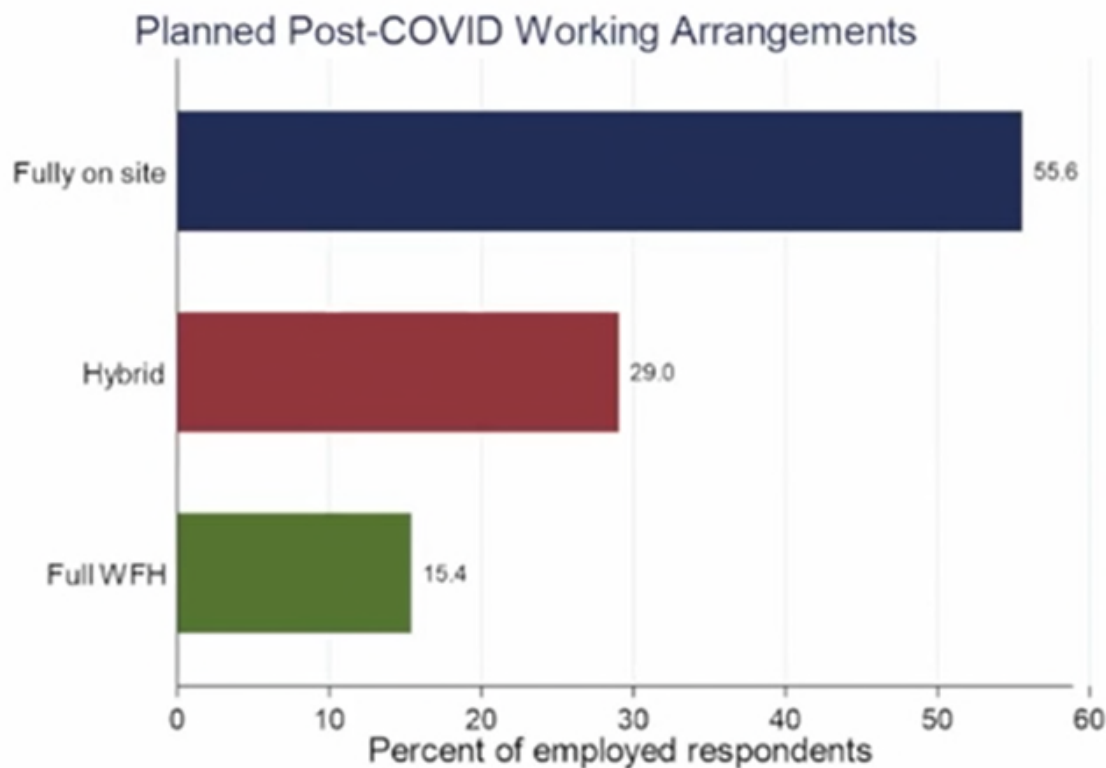
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Persistent workers are also more likely to live in London and work full time



Division by working from home



Front-line employees, mostly non-graduates, lower paid,

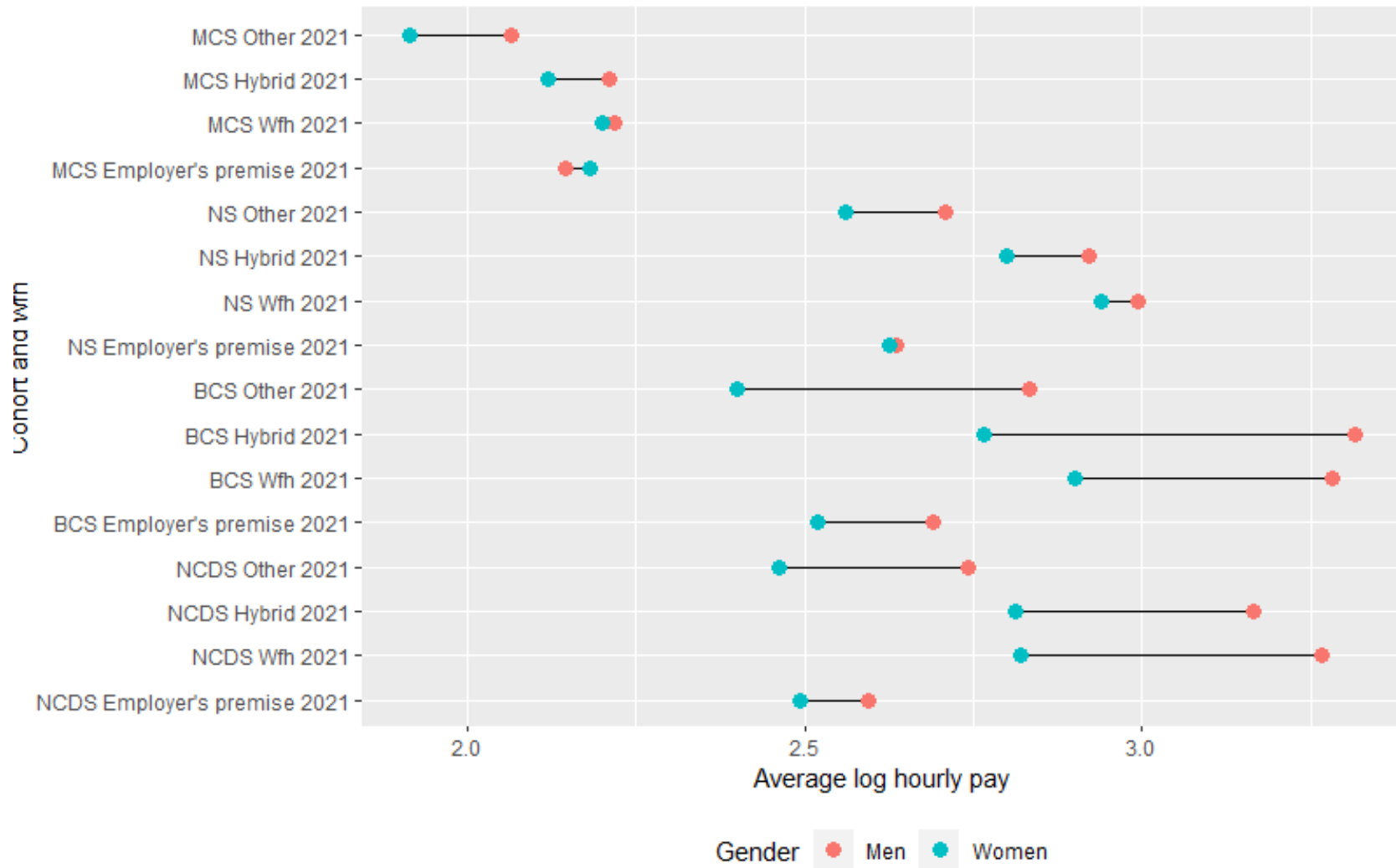
Professionals and managers, mostly graduates, higher paid

Specialized roles - IT support, payroll etc, often contractors

Source: Data from 16,575 US responses in August through December 2021, reweighted to match the US population. Details on <https://wfhresearch.com/>

Gender pay gap by cohort and work location

Data collected from covid survey wave 3 (in Feb/March 2021)





Thank you! Questions? Comments?

Project website: <https://www.ucl.ac.uk/ioe/departments-and-centres/centres/quantitative-social-science/gender-wage-gap-evidence-cohort-studies>

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