COVID-19:
Labour Market Round-Up

A round up of the key developments in the labour market and overview of emerging trends and timely evidence on the impact of COVID-19 on London's Labour market. Please note that whilst this is a general overview of key findings, it may not capture every aspect.

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This analysis has been prepared to support stakeholders in developing a view of some key issues arising from the COVID-19 crisis, as they relate to London. Our objectives are to contribute to the emerging body of evidence around COVID-19 impacts and help to avoid local duplication of effort. The analysis had been prepared under challenging circumstances and to short timescales. When using outputs from this analysis you should be aware of the following caveats:

- *The analysis is not intended to be comprehensive or exhaustive. It is a snapshot analysis of key data as it pertains to London.*
- *The analysis does not represent the full body of evidence on which Mayoral Policies are or will be based.*

Given these limitations, we would advise that our outputs are triangulated with other sources of information and analysis to develop a rounded statistical picture of any specific policy issues.

GLAECONOMICS

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…and the number of payroll employees continues to fall…

…with a record quarterly rise in the London unemployment rate in the three months to October…

…but flows indicate large disruption began in Q2 (April to June).

Claims remain particularly high in London…

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New data on wages shows:

Wages have been recovering since May…

…but the crisis has had a larger impact on low-paid...

…with risks of growing wage inequality.

Minimum wage increase will help those still employed…

…but more is needed to close gender pay gap in London

Outlook indicates worst to come:

Macro economic forecasters expect worse to come.

Vacancies fell heavily but have been rising over past few months

The fall in vacancies was widespread…

…and although we are seeing recovery in some areas…

…many occupations are still in low demand…

…and vacancies still down on the year in 14 local authorities.

Self-employment during the crisis:

Self-employment had been rising before the crisis…

…but there are signs of greater disruption for self-employed...

…with young, disabled and Black self-employed most impacted.

Self-employment in health and education still growing…

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LFS demographic analysis reveals:

The unemployment rate is up for both men and women…

…as younger workers are seeing the biggest impact

One in eight Londoners from a black background are now unemployed as employment of Asian Londoners is on the rise

Whilst there is no clear evidence of significant differences for parents, non-UK nationals, or people with disabilities

However, there is some evidence that underemployment has been growing for some groups

60% of London boroughs saw a decline in employment rate as GLAE provide sub regional statistics for London:

- North sub-region
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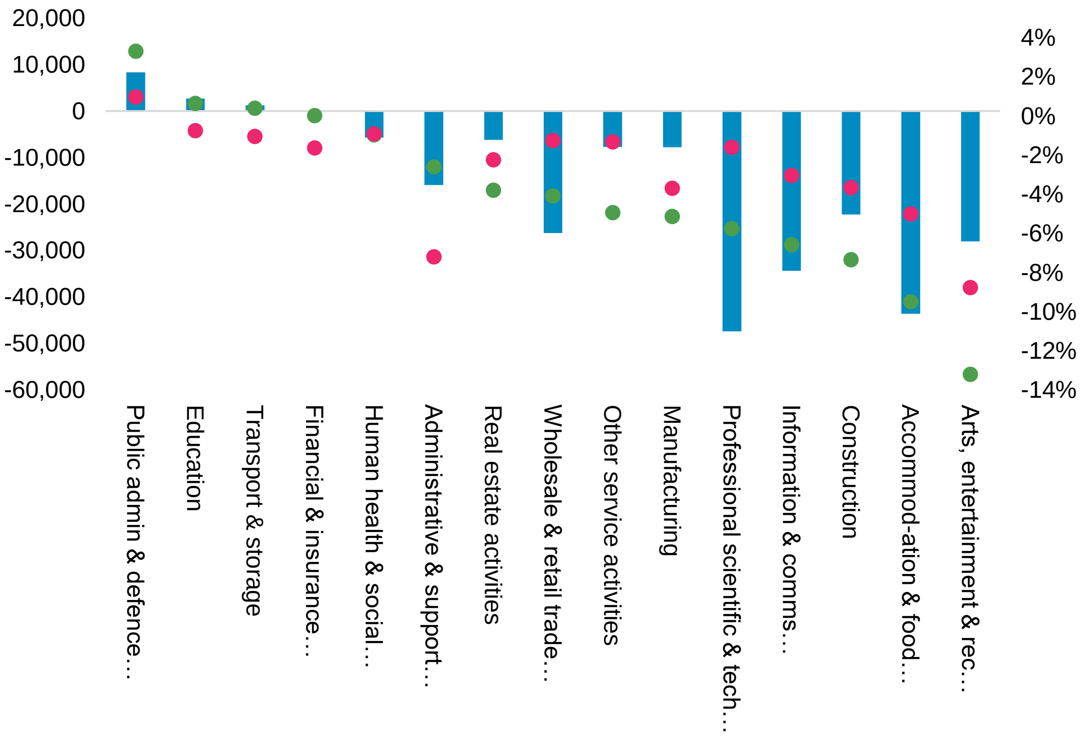
Workforce jobs down 229,000 in London since March…

Change in workforce jobs by industry between September and March quarters 2020 (absolute difference London % difference London, % difference rest of UK RHS)



Source: ONS Labour Force Survey

Workforce jobs fell again in the September quarter, showing a large impact since the beginning of coronavirus and lockdown restrictions:

- The number of workforce jobs in London fell by 1.6% (98,000) in the September quarter to 5,900 in London.
- Compared to the March quarter before lockdown restrictions began, workforce jobs were down 3.8% (229,000) in London – a far greater fall than the 1.8% for the UK as a whole.

There has been significant variation in the changes in jobs by industry between March and September:

- Falls were widespread, with increases in only four industries in London – Public administration & defence (up most, 8,400), Education, Transport & storage, and Financial and insurance activities. The rest of the UK had either weaker growth or falls in these four industries.
- Professional, scientific, and technological occupations had the largest absolute fall in jobs, down 47,300.
- Arts, entertainment & recreation fell most in relative terms in London, down 13.2% (28,000). Accommodation & food service activities saw the second largest fall, down 9.5% (43,500). These falls were far larger in London relative to the rest of the UK (see chart).
- *Note – the above comparisons (and chart) exclude industries with fewer than 20,000 jobs in London in September*

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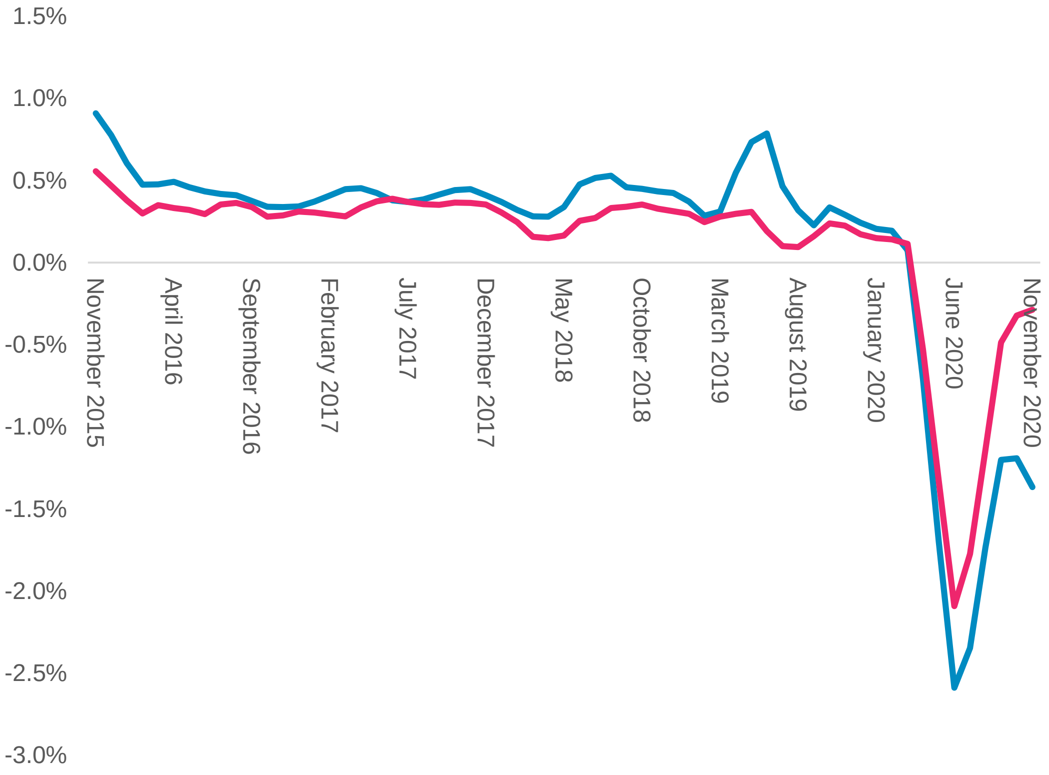
…and the number of payroll employees continues to fall…

Payroll employees for London and UK (quarterly percentage change)



Source: HRMC PAYE employees

HMRC PAYE data uses data from tax records to provide a more timely estimate of employees the ONS LFS:

- The number of PAYE employees fell sharply after lockdown restrictions began, falling 2.7% in London in the three months to June relative to the previous quarter (see chart).
- PAYE employees have continued to trend down since April to be 5.2% lower in the November month relative to February.
- London's fall has been steeper than the UK as a whole, where the number of employees was 2.8% lower in the November month relative to February.

The employment rate fell 1.4pp in the three months to October to 75.2, just below the UK rate of 75.3%. The Employment rate had been holding up relatively high and is still up 0.4pp from last year.

Comparing the three months to October against the three months to February, PAYE employees fell 175,000 and LFS employment fell 110,000 (which includes the self-employed). In relation to the UK as a whole, **the Low Pay Commission (LPC)** explored why the fall in PAYE employees was lower than LFS employment.

- Part of the explanation is that LFS employment includes those whose employment was 'on hold' - still employed but not on furlough and not receiving any pay from their employer. This group covers those loosely attached to the labour market, disproportionately in low paying occupations. There were 680 in this group in April for the UK as a whole, down to between 200,000 and 300,000 in June to August.

Note, HMRC PAYE and LFS employment do not measure exactly the same thing and have a different collection methodology. LFS surveys a representative sample of people while HMRC PAYE data is based on payroll data of all employees paid in a given period. The other key difference is that HMRC PAYE data excludes the self-employed.

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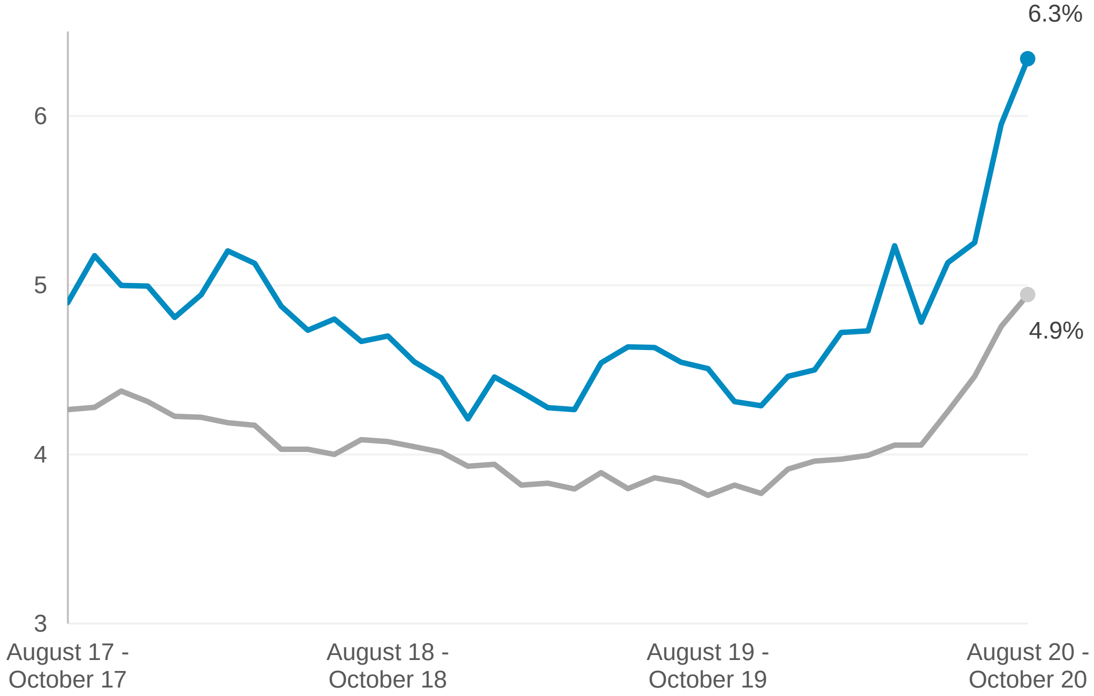
…with a record quarterly rise in the London unemployment rate in the three months to October…

Unemployment rate for London and UK (% of economically active)



Source: ONS Labour Force Survey

In **previous roundups** we noted the relatively modest changes in headline labour market statistics relative to the large falls in activity. We are now seeing large movements in London's unemployment rate:

- In the three months to October, **the unemployment rate** rose a record 1.2 percentage points to 6.3% in London – the largest quarterly rise since the series began in 1992.
- Only the North East has a higher unemployment rate than London, at 6.6%
- The UK unemployment rate rose 0.7pp to 4.9% in the three months to October compared to the previous quarter.

Redundancies rose steeply in the three month to October to 48,000, with a redundancy rate of 12.1 (the number of redundancies per 1,000 LFS employees in the previous quarter). Redundancies are a highly and uncertain and volatile series, but this represented the highest redundancy rate in London since 2009. London's redundancy rate in October was slightly below the UK as a whole, at 13.3%.

The IHS Markit Employment Index for London, measuring underlying demand from employers, fell to 40.1 in November after three successive increases. Since March, the index has stayed below 50, indicating successively lower labour demand relative to the previous month, presenting the risk of an increase in unemployment.

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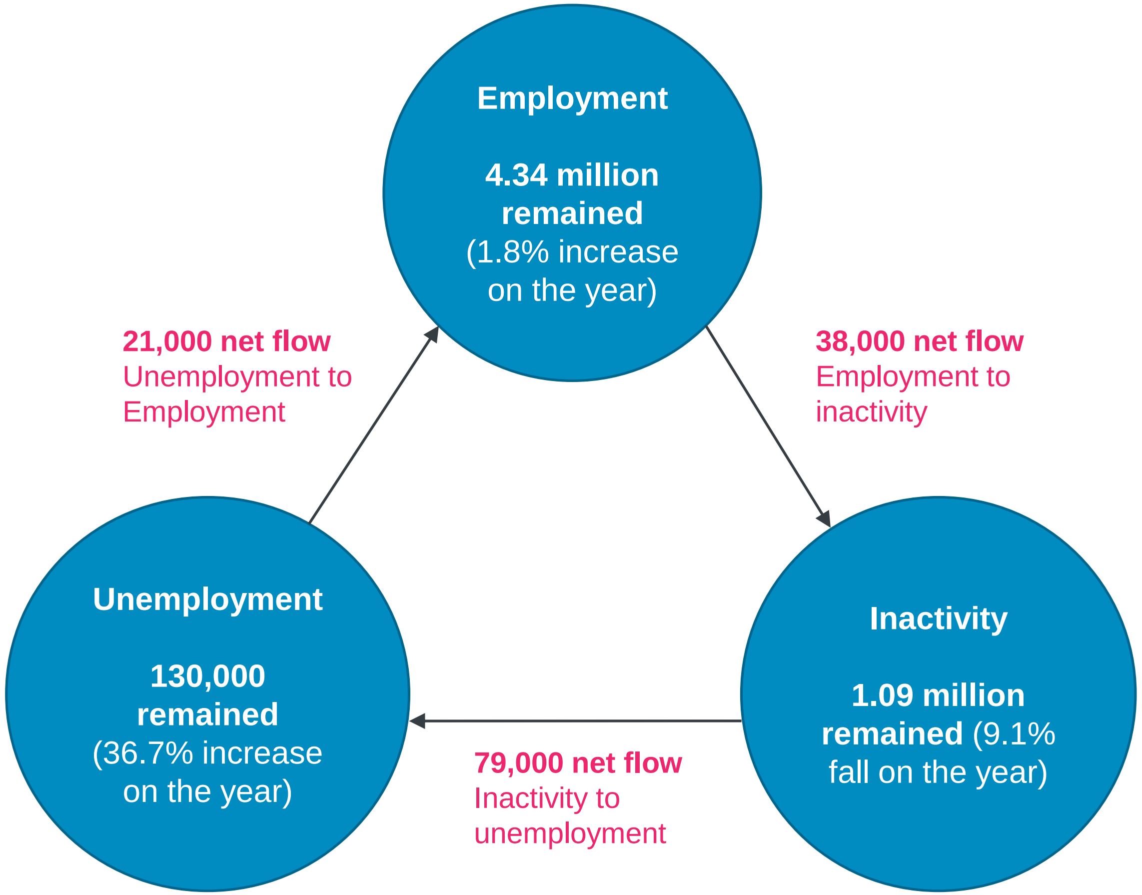
Summary of flows, Q3 (July to September) 2020



Source: ONS Longitudinal Labour Force Survey

In Q2, the unemployment rate was still low and the employment rate had only fallen slightly (**Labour market update**). In Q3 there were significant changes in headline rates relative to Q2, including a record quarterly rise in the unemployment rate in London:

- The unemployment rate rose 1.2pp to 6.0%
- The employment rate fell 1.0pp to 75.2%
- The rate of economic inactivity rose 0.2pp to 20.2%

Despite headline rates indicating that disruption to London's labour market began in Q3, flows analysis suggests it began in Q2 (the quarter immediately following initial restrictions):

- In Q2, although there was a large net flow from employment to unemployment, there was also a large net flow from unemployment to inactivity, which kept the unemployment and employment rates low.
- In Q3, this flow reversed, with a net 79,000 moving from inactivity to unemployment, the largest net flow in that direction in available data (starting 2012).
- Part of the large net flow from inactivity to unemployment in Q3 could reflect the delayed effect of flows into inactivity in Q2, or **challenges measuring** or classifying people during the pandemic.
- Because flows between inactivity and unemployment can obscure underlying changes in employment, an alternative way to interpret what occurred in Q2 and Q3 is to focus on flows between employment and workless (inactive and unemployment combined). In Q2, we see a net 88,000 moved from employment to workless (largest quarterly flow in available data), followed by a net 16,000 in Q3. This indicates much of the underlying disruption to the labour market occurred in Q2.

In Q3, 130,000 people remained in unemployment (rather than flowing between the other two states). While this was a 36.7% increase compared to Q3 the previous year, most of this increase is the result of there being more people in unemployment in the previous quarter. 130,000 people remaining unemployed in Q3 2020 is 60% of Q2 unemployment. In Q3 2019, 57% of those unemployed were also unemployed in Q2.

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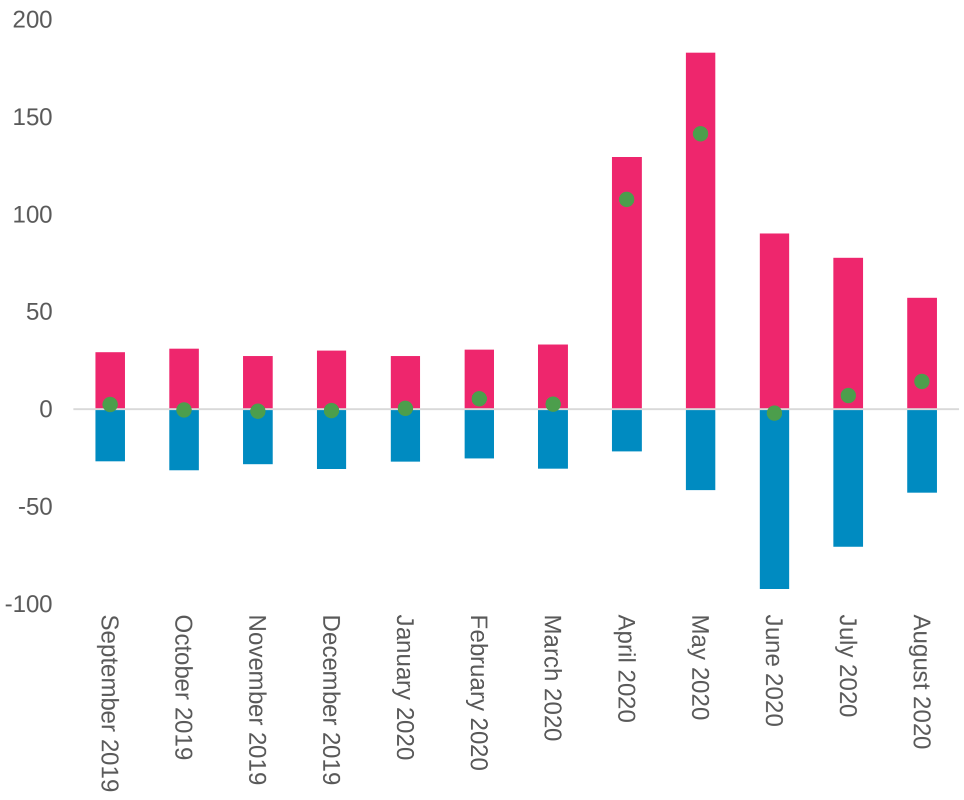
Claims remain particularly high in London…

Flows of unemployment-related claims (thousands, on flows, off flows, net flow)



Source: DWP Alternative claimant count

Unemployment-related claims data shows a large increase in flows onto the alternative claimant count in April and May – the first two full months of UK-wide lockdown. From June there has been minimal change in the net flows. This is a different pattern to headline labour market statistics, which started showing significant movement only in the September quarter. This is partly explained by the fact that people can remain in employment (including on furlough) and make claims, depending on their income. People may also go through a transition from employed (on claim) to unemployed (still on claim), changing status in headline statistics but not in claimant count statistics.

Looking at the timelier ONS claimant count for *total* claims (available monthly) to November (**similar results** to alternative claimant count in recent years):

- The number of claims by residents aged 16+ rose 147% between March and May in London, and increased slightly since May to be up 167% in November relative to March. Comparing November to March, London had the largest increase of any region, with the UK up 119%.
- There were 494,000 people making claims in November in London, 172,000 more than the total number of unemployed in the three months to October. This 172,000 people could include those on furlough and represents a large group at a relatively higher risk of becoming unemployed (because they will receive little paid income in order to be eligible to claim).
- Increases in claims in London were driven by large increases for younger people; the 25-29 group saw the larges proportional increase, up 237% in November relative to March. The pattern by age has been relatively more even for the UK as a whole compared to London.

Despite steady falls in the number on furlough in London since May, there has been minimal net change in total claims:

- Monthly flows off the alternative claimant count have declined since June in London despite increases in activity and an estimated 645,000 fewer people on furlough at the end of August compared to the peak in May (next slide).

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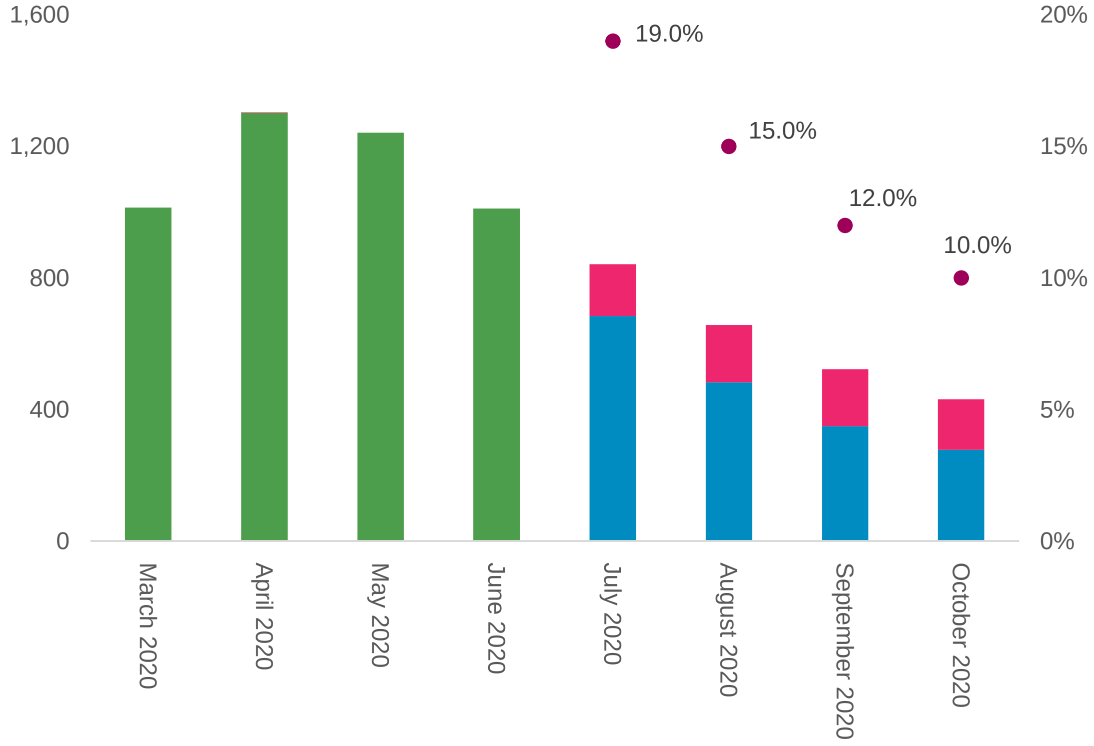
…while the furlough scheme still supports 431,000.

Numbers of furloughed employments in London (thousands, Imputed based on UK, fully furloughed, partially furloughed, take-up rate RHS)



Source: ONS Labour Force Survey and HMRC CJRS statistics

The Coronavirus Job Retention Scheme (furlough) was very effective at its peak, with over a million estimated to be on furlough in London in May and flat unemployment in the June quarter.

The number on furlough in London as at 31 October was 431,000, translating to a take-up rate of 10%, with 64% of those (278,00) on full furlough. London still has the highest take-up rate of any region (share of those on furlough relative to those eligible).

The UK re-entered a nationwide lockdown in November and the Chancellor extended full furlough till the end of March (now the end of April). **EO estimated GDP could drop** by as much as 12% in second lockdown. The **Business Impacts of Coronavirus (BICS)** Wave 18 covered the second half of November, providing an indication of its impact on the UK labour market.

- Estimates for those on furlough increased from a low of 7.7% in October to 15.1% in November – still far below peaks of 30% during the first lockdown.
- The BICs activity index fell from 100 to 95, still well above the low in May of 76.

Those on furlough are likely to be at a relatively higher risk of losing their job. So far, the large numbers coming off furlough has coincided with a relatively small fall in employment (and increase in unemployment). However, we cannot assume the same likelihood of returning to work for those still on furlough.

- The **Low Pay Commission** (LPC) showed that in August for the UK as a whole, of the 4.3 million who had left furlough, 90% were still on payroll from same employer. The remaining 10% could have entered employment elsewhere, become unemployed, or inactive.
- In London, there were approximately 871,000 fewer people on furlough in October relative to the peak in April. This compares to fall in the number employed of 59,000 comparing the three months to October to the three months to April. Although as discussed on slide 4, falls in PAYE employees were larger and occurred earlier (alongside large increases in numbers on furlough).

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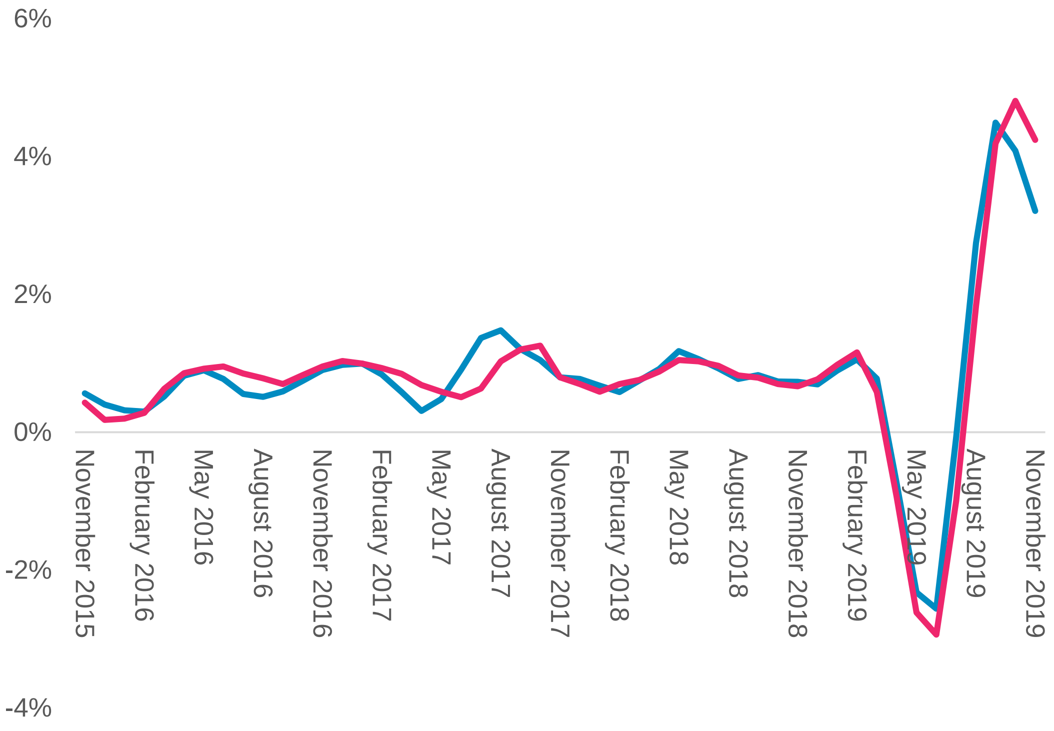
Wages have been recovering since May…

Payroll median wages London and UK (quarterly percentage change)



Source: HRMC PAYE wages

PAYE real time data shows pay has recovered since its dip in April and May – largely a result of large numbers moving off furlough, which had reduced many wages to 80% of normal:

- In the three months to November, median pay in London rose 3.2% to be up 3.4% relative to the three months to February, slightly lower than the UK – up 3.6% since February.
- Comparing November 2020 to the year before, pay was up 3.5% in London and 3.4% in the UK

The Annual Survey of Hours and Earnings data was released in in November covering the year to April:

- London is still the best paid region, with median full-time gross weekly (MFTGW) earnings increasing 2.4% in the year to 716 per week – 85 more than the next highest, the South East.
- MFTGW earnings rose 0.1% for the UK to 586

Public sector MFTGW earnings grew 2.4% in the UK in the past year **(ASHE),** offsetting a fall of 0.6% in private sector earnings.

- **The Chancellor announced** in the November Spending Review a pay freeze for the public sector in 2021-22, excluding frontline NHS staff and those earning below 24,000 (median full-time salary).
- **The Resolution Foundation** and **IFS** have criticised this because it will lead to a real pay cut for many workers and continuing wage increases provides a welcome fiscal stimulus during an economic downturn. The IFS also criticised the 24,000 figure on the basis that there has been no real growth since 2008.

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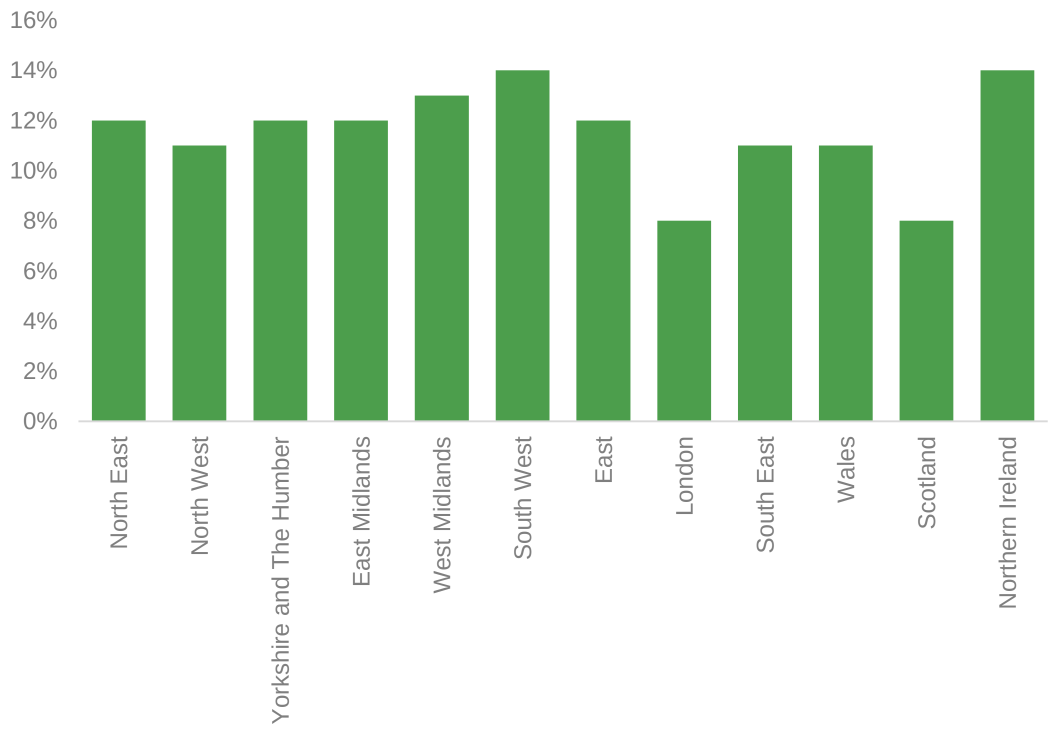
…but the crisis has had a larger impact on low-paid...

Percentage of jobs furloughed with reduced pay in April 2020



Source: ASHE

There has been a falling proportion of low paid jobs in the UK – defined as those earning 2/3 of median hourly pay or less. Since 2013, **the share of low paid jobs** has fallen from 21.6% to 15.1% in 2020. Much of this change is a result of stronger increases in the minimum wage than median wages (discussed more on slide 13).

The crisis has had a greater impact on the lowest paid:

- Although furlough has protected jobs and incomes, because it only provides 80% of usual income, there has been an increase in the share of workers earning below the national minimum wage (NMW). In London, in April 2020, 4.6% of all jobs (190,000) earned below the NMW, including those on furlough (**ASHE**). This lowers to 1.6% (67,000) if excluding furloughed employees at reduced rates of pay.
- **Those on lower pay were more likely to be furloughed with reduced pay.** In April, for those on less than 8.72, over 50% were furloughed with reduced pay in the UK. All other pay brackets has a share of less than 10% - generally decreasing in share as pay increased. Those on higher pay who were furloughed were more likely to be topped up to full pay by their employer **(LPC analysis).**
- In April, London had the lowest share of workers on furlough with reduced pay, only 8% relative to 11% for the UK.
- Going on furlough with reduced pay put a larger share of workers below the minimum wage. In London, 4.6% (or 190,000) workers earned below the minimum wage in April, but this falls to 1.6% (67,000) if excluding those on furlough – still up from 1.0% in 2019. This was the lowest share of any region **(ASHE).**
- In the UK real weekly pay growth was negative compared to last year but real hourly pay growth was positive, indicating that many employers choses to cut hours rather than pay. This occurred despite those on furlough considered to be working their usual hours **(RF analysis).**

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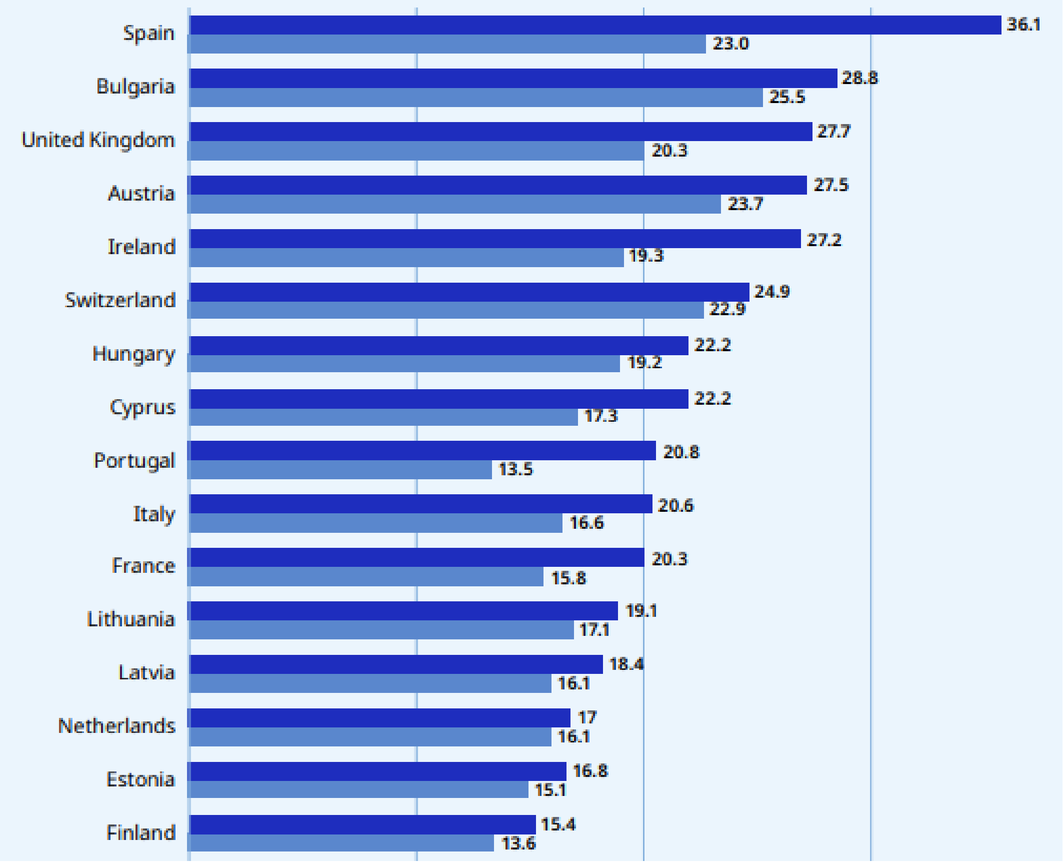
…with risks of growing wage inequality.

Ratio of 90th percentile of the wage distribution to 10th percentile, selected European countries, first and second quarters of 2020



Source: ILO analysis of national statistics offices

The wage distribution for full time workers has narrowed slightly in the UK over the past decade but remained the same in London (**ASHE**) and there is emerging evidence of increasing wage inequality globally since the crisis began (**ILO**).

The ratio of 10th percentile of the wage distribution to the 90th percentile is one measure of wage inequality. By this measure **(ASHE):**

- Wage inequality has narrowed slightly in the UK since 2011 – from 27.7% to 29.6% in 2020
- Wage inequality in London is worse than the UK remaining steady at around 25% since 2002.
- **The ILO shows** the US as the third least country among selected European countries, with only Spain and Bulgaria raking less equal.

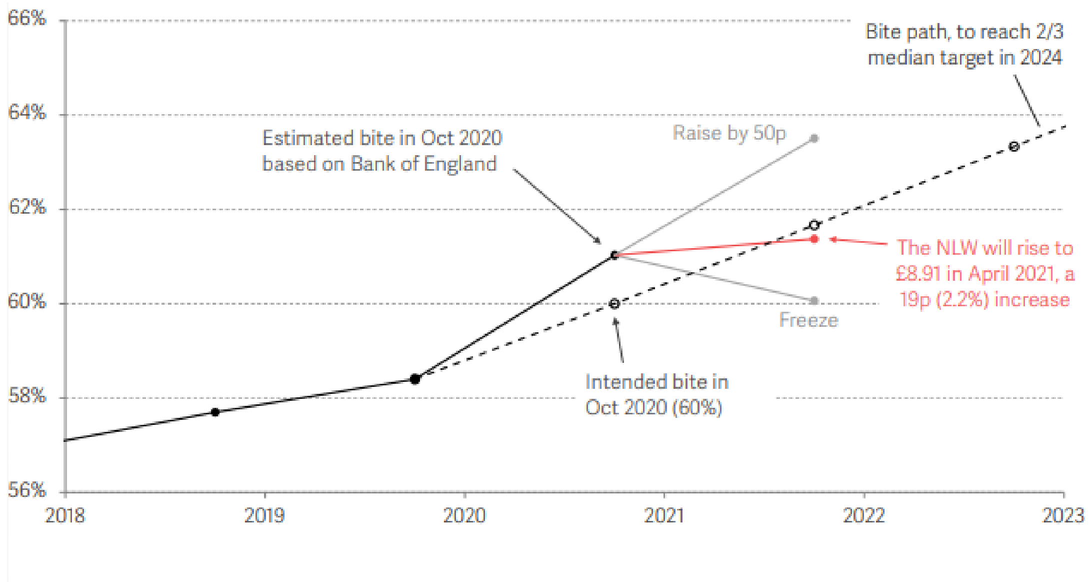
However, the distribution for part-time workers widened significantly over the year to April (based on hourly wages excluding overtime, **ASHE**):

- In the UK, at the 10th percentile, hourly wages fell over the past year, while at the 90th they grew 7.3%k, causing the ratio to fall from 35.7% to 32.8%.
- In London, the ratio widened by less because wages at the 10th percentile stayed flat. The ratio fell from 29.7% to 28.1% - still less than the UK as a whole.

Note: AHSE (Annual Survey of Hours and Earnings) estimates relate to the pay period that includes 22 April 2020, at which time a substantial number of employee where on the CJRS (furlough scheme). There have been significant developments in the labour market since April that will impact wages.

Minimum wage increase will help those still employed…

The ‘bite’ of the National Living Wage relative to median hourly pay for workers aged 15+



Source: RF analysis of the Low Pay Commission and Bank of England

Minimum wage

At the November spending review, the chancellor announced that the National Living Wage rate (minimum wage rate for adults 25 and above) will increase by 19p (2.2%) in April 2021 to 8.91. In April 2021, the rate will apply to 23 year-olds, and by 2024 to 21 year-olds.

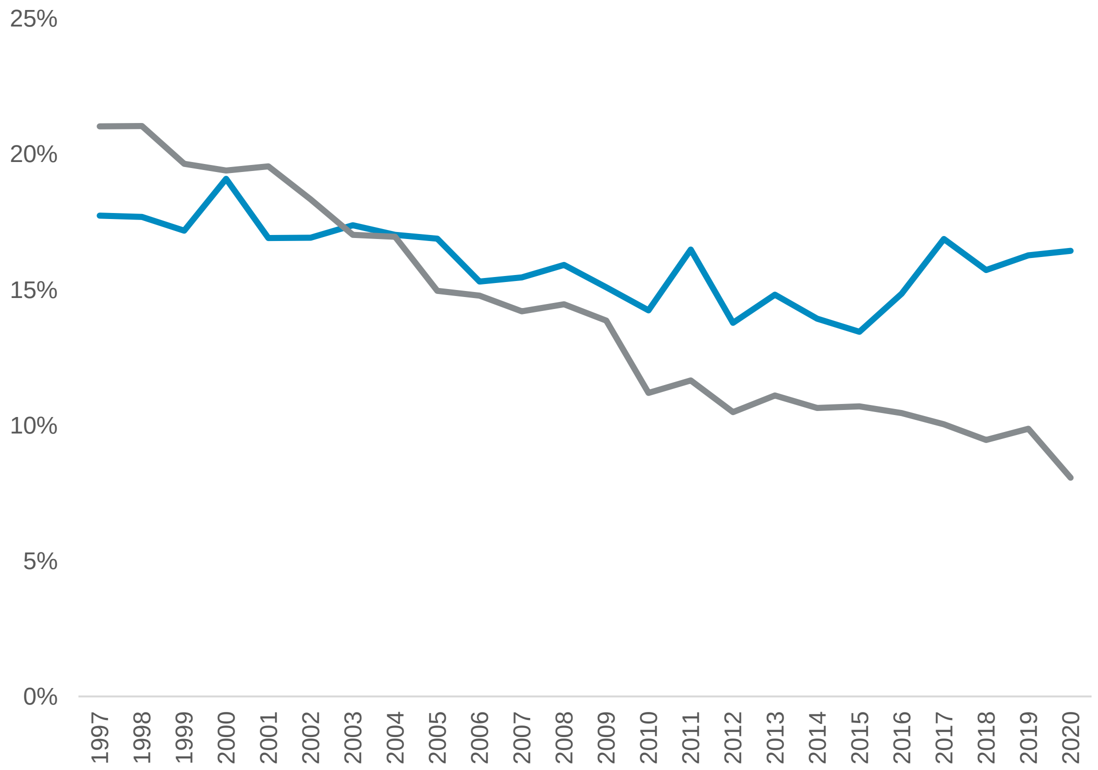
- **There are risks** that minimum wage increases can reduce employment, either through lost jobs or reduced hours, particularly during recessions. **The ILO** notes that most developed countries have continued with increases this year despite recessions, even if many have been slightly lower than previous years in nominal terms.
- The increase is smaller than initially planned because of the economic context. The rise still amounts to a real wage increase and keeps the government on track to meet its target ‘bite path’ of 2/3 of the median wage by 2024 (see chart). The rise is in line with the **Low Pay Commission** recommendation and supported by the **RF**.

Living wage

- **The Living Wage Commission has set** the rates for the UK and London for the voluntary living wage, determined by calculating what a person needs to earn to meet a ‘minimum acceptable living standard, as defined by the public’.
- From 9 November 2020, the London Living Wage (LLW) will increase from 10.75 to 10.85 an hour, and the UK Living Wage will increase from 9.30 to 9.50.
- **ASHE 2018 data** shows that 24.1% of all employee jobs in London earned below the LLW, slightly above the 22.8% for the UK as a whole. However, some regions had far larger shares than London, with the South East at 44.1%. Looking at full time employment causes shares to fall significantly - to 15.8% for London and 14.7% for the UK as a whole.

…but more is needed to close gender pay gap in London

% difference for male pay compared to female in London and the UK (median full-time hourly pay excluding overtime)



Source: ASHE

ASHE produces data on the gender pay gap in the UK – comparing the different in median hourly pay excluding overtime for full time workers (see chart).

- The gap has narrowed steadily in the UK, with mean earning over 20% more in 1997 down to 8.1% in 2020. The gap for London has made less progress, reaching a low of 13.5% in in 2015 but then rising to 16.4% in 2020.
- The **ILO** shows women suffered larger wage losses between quarter 1 and 2 of 2020. In the UK total wage bill losses for women fell 12.9% compared to 6.8% for men, one of the largest gaps among selected European countries.
- **RF shows** that the public sector pay freeze will disproportionately affect women, 15% of the total UK workforce, relative to 13% for men.
- In addition to worse pay outcomes, **earlier GLA economic analysis** showed women hold 55% of jobs at higher risk of exposure to COVID-19.

Globally, higher increases in the minimum wage relative to the median have been a large driver behind a closing gender pay gap **(ILO).**

- More woman earned low wages when the minimum wage was introduced. In 1998, when the minimum was 3.60, 8.4% of women earned below that rate compared to 2.6% for men (**ASHE** full-time hourly excluding overtime for all following analysis)
- The minimum wage has risen on average faster than the median hourly wage. As the minimum wage approaches the median, it compresses the bottom half of the wage distribution and a narrower distribution means increases in the minimum are likely to impact more people. The minimum rose from 38.4% of the median to 54.3%
- In the UK in 1999, the minimum as a share of full time hourly was 47.5% for women and 39.7% for men. Now it is 57.1% for women and 52.9% for men. The share is higher for women, indicating a narrowing distribution for the bottom 50% of earners.
- Part of why London hasn't seen same closing of gender pay gap is that women's wages started higher compared to rest of UK, and there is a wider distribution, with the minimum lower as a share of the median. In 1999, the minimum was 35.2% of the median for women, and only 30.0% for men. This has risen to 44.1% for women and 37.9% for men. These ratios are still not as high as for the UK in 1999, meaning minimum wage increases do not impact as many people.

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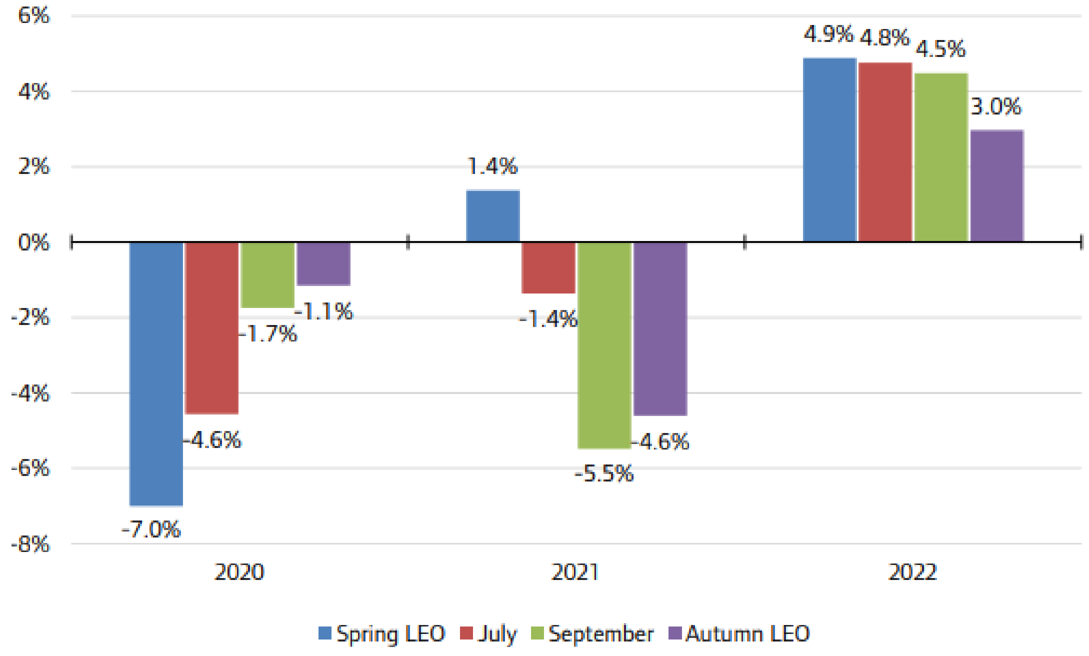
Development of reference scenarios for London annual employment growth rates 2020-22



Source: GLAE Autumn LEO

GLA Economics published London's Autumn Economic Outlook in December (Autumn LEO). The report explains the key drivers of London's economic outlook and presents economic forecasts until 2022. GLAE has produced three rounds of forecasts since the Spring LEO.

- In each round of forecasts, the profile of the economic impact has shifted out, with a smaller fall in GVA in 2020, and a more gradual recovery.
- GLAE now expects the main fall in employment to occur in 2021 - down a further 4.6% after an expected fall of 1.1% in 2020. GLAE expects the level of jobs to remain below pre-crisis levels past the end of the forecast period (2022) – slightly below independent consensus forecasts.

Bank of England November Monetary Policy Report:

- BoE revised down its latest forecast for peak UK unemployment from 7.5% to 6.75 in 2021.
- The BoE assumes that the UK will have a free trade agreement with the EU in its central scenario but cites significant uncertainty. BoE did not explicitly account for recent vaccine success in its forecasts.
- **BoE expects** less scarring than the 80s recession because of less sectoral re-allocation, anticipating that demand for the most affected industries, such as hospitality and tourism, resumes to near pre-lockdown levels.
- The **BoE said** recent vaccines have the potential to mitigate risks but that the bank may not necessarily upgrade economic forecast.

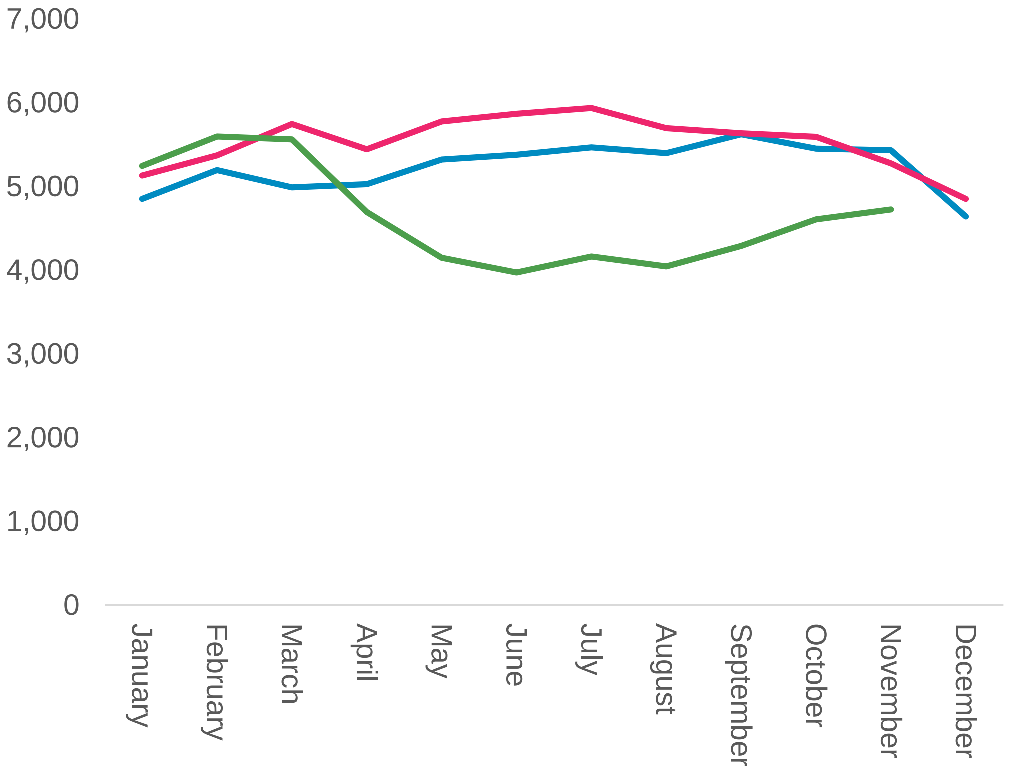
The **Office of Budget Responsibility** November Economic and Fiscal Outlook:

- Similar to the BOE, the OBR also revised down its forecast, now putting the peak in unemployment at 6.8% in 2021. The current vaccine rollout timeframe is close to the OBR's upside scenario, which could translate to lower unemployment.
- The OBR estimates that structural unemployment reached 5.5% in 2020 Q2 and will fall gradually to 4.4% by the end of the forecast period. This will dampen wage growth and lower output, reflecting the time taken to reallocate and retrain appropriately to meet new demand.

GLAECONOMICS

Vacancies fell heavily but have been rising over past few months

London Monthly Job Postings 2020, 2019, 2018 (thousands)



Source: EMSI jobs postings data

EMSI Jobs posting data showed a large fall in advertised job vacancies from April. The fall reached a low point at different times depending on occupation, but most occupations reached a low point in either May or June, and there was a sustained low period between May and August. There was an average of 408,368 vacancies per month between May and August, 176,669 (29.9%) lower than the previous year. **Economics Observatory** compares vacancies as a share of the UK population (vacancy rate) over the long-run, demonstrating an even more pronounced decline over this period.

But there has been some recovery in vacancies, including an increase of 11,645 between October and November to reach 472,599. This is a positive sign given that the UK re-entered lockdown in November and the usual seasonal pattern sees a slight decline in vacancies in November and December

The **composition** of vacancies by occupation has changed more than in previous years:

- Between November 2019 and November 2020 there was a 19.4% change in the composition of vacancies by occupation (4 digit). This means that if the occupational shares from 2019 were applied in 2020, 19% of those vacancies would be in different occupations.
- This is a far bigger difference than in the years between 2016 and 2019, where the average change in composition was between 12 and 13%.
- This is a useful measure to consider the pace of change in demand. As this share increases, there are greater risks to workers in occupations with a declining share and a growing need to train or retrain people in areas of demand growth.
- Despite the large change in the composition of demand across occupations in 2020, because the overall number of vacancies fell 10.4% between November 2020 and 2019, there is relatively less pressure to meet new demand. Only 5.3% of November 2020 vacancies are in areas with greater demand than the previous year – a comparable share to previous years. See slide 19 for a breakdown of occupations with increased demand.

The fall in vacancies was widespread…

Most in-demand occupations during low-point of crisis
Average monthly vacancies at the lowest point in the crisis were at least fifty higher than the monthly average over the same period in 2019 (average for May-Aug 2020 compared to average for May-Aug 2019)

Occupation (SOC 4)	Difference
Care workers and home carers	1,373
Social workers	675
Residential, day and domiciliary care managers and proprietors	536
Secondary education teaching professionals	331
Childminders and related occupations	262
Cleaners and domestics	242
Housing officers	237
Senior care workers	173
Speech and language therapists	164
Caretakers	118
Veterinarians	117
Pharmacists	96
Telecommunications engineers	96
Cooks	90
Educational support assistants	85
Special needs education teaching professionals	61
Bus and coach drivers	57

Source: EMSI jobs postings data

- The fall in vacancies was widespread. Comparing the average across May-August 2020 against the previous year, 275 of the 344 occupations at SOC 4 level had fewer vacancies.
- At SOC 4, there were 17 occupations that increased by more than 50 vacancies over the May August period compared to previous year, which can be considered the most resilient or in demand during the crisis. Care workers and home carers were top of this list, with 1,373 advertised vacancies (see table to the left for full list)
- At the SOC 2 level, 24 out of 25 occupations had fewer vacancies during the May-August period relative to 2019. Only Skilled Agricultural and Related Trades had more vacancies than the previous year, a group that made up only 0.1% of total London vacancies in 2020.
- Although the fall was widespread, some occupations fared particularly poorly. At the SOC 2 level, six occupations had a fall of 40% or more relative to the previous year, with sales occupations falling by 52.0% (see table below). These six groups made up 15.3% of vacancies in 2020 but only 11.6% in 2019.

Occupations with a fall of over 40% (average May-Aug 2019 - average May-Aug 2020)

Occupation (SOC2)	Difference	% difference
Leisure, Travel and Related Personal Service Occupations	-2,541	-40.6%
Elementary Trades and Related Occupations	-716	-40.9%
Secretarial and Related Occupations	-5,822	-46.3%
Administrative Occupations	-24,540	-47.8%
Textiles, Printing and Other Skilled Trades	-4,915	-50.4%
Sales Occupations	-4,385	-52.0%

…and although we are seeing recovery in some areas…

20 occupations (SOC 4) with largest increase in job postings (November 2020 compared with November 2019)

Source: EMSI jobs postings data

We have started seeing a recovery, with total vacancies up 15.7% in November relative to the average between May and August. However, vacancies in November 2020 are still 10.4% lower than they were in 2019.

Recovery since the low point has been focussed in particular occupations. Vacancies in 12 occupations at SOC 2 are now higher than they were relative to November last year, but these make up only 29.7% of all November vacancies.

Growth has primarily centred on construction, teaching, and health and caring occupations (see Table below). At the SOC 4 level, Teaching assistants (up 1,720) and Nurses (up 1,459) top the list of occupations with more vacancies in November 2020 than the year before.

Occupations at SOC 2 with an increase in job postings (November 2020 compared to November 2019)

Occupation SOC 2	Change	% change
Skilled Construction and Building Trades	2045	35.8%
Skilled Agricultural and Related Trades	79	23.0%
Protective Service Occupations	87	20.0%
Process, Plant and Machine Operatives	529	17.3%
Health and Social Care Associate Professionals	911	16.5%
Health Professionals	3991	15.0%
Teaching and Educational Professionals	2813	12.1%
Transport and Mobile Machine Drivers and Operatives	775	12.0%
Caring Personal Service Occupations	2919	9.9%
Skilled Metal, Electrical and Electronic Trades	992	6.8%
Elementary Trades and Related Occupations	78	6.0%
Other Managers and Proprietors	399	4.9%

…many occupations are still in low demand…

20 occupations (SOC 4) with largest decline in job postings (November 2020 compared with November 2019)

Source: EMSI jobs postings data

Vacancies in the other 13 SOC industries were lower in November 2020 compared to the previous year, and these occupations comprise 70.3% of all vacancies.

Vacancies in Elementary Administration and service and Leisure and Travel occupations (SOC 2) recovered least since the low point (average May-August), increasing by only around 10%.

At the SOC 4 level, vacancies for chefs have fallen most compared to 2019 (down 5,011), over four times the fall for waiters and waitresses (down 1,212).

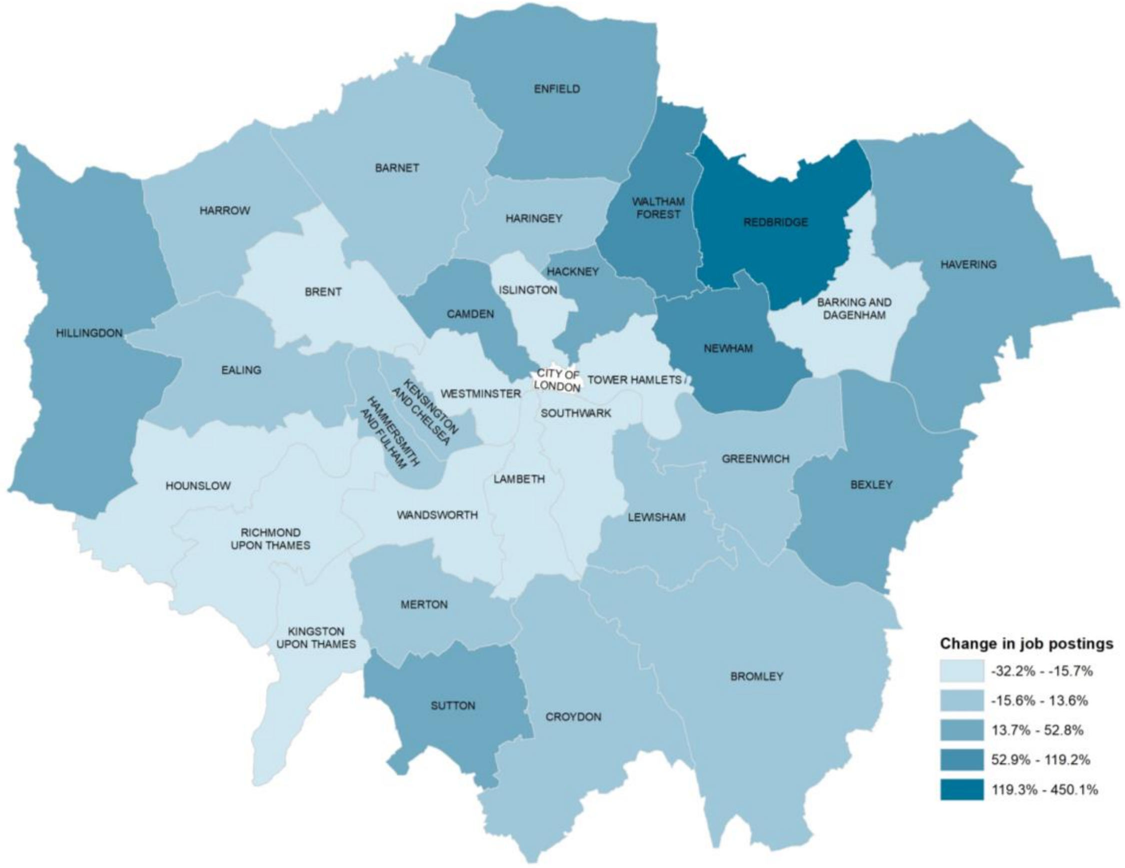
Occupations at SOC 2 with a decrease in job postings (November 2020 compared to November 2019)

Occupation (SOC 2)	Change	% change
Textiles, Printing and Other Skilled Trades	-5667	-54.4%
Sales Occupations	-3014	-39.0%
Secretarial and Related Occupations	-4420	-38.8%
Leisure, Travel and Related Personal Service Occupations	-1870	-32.1%
Elementary Administration and Service Occupations	-6058	-30.6%
Administrative Occupations	-11858	-28.0%
Culture, Media and Sports Occupations	-2170	-21.6%
Business and Public Service Associate Professionals	-23152	-19.6%
Customer Service Occupations	-829	-16.6%
Science, Engineering and Technology Associate Professionals	-1773	-10.9%
Business, Media and Public Service Professionals	-5752	-9.2%
Corporate Managers and Directors	-2311	-7.0%
Science, Research, Engineering and Technology Professionals	-1829	-3.0%

GLAECONOMICS

…and vacancies still down on the year in 14 local authorities.

Percentage change in job postings by local authority (November 2020 compared with November 2019)

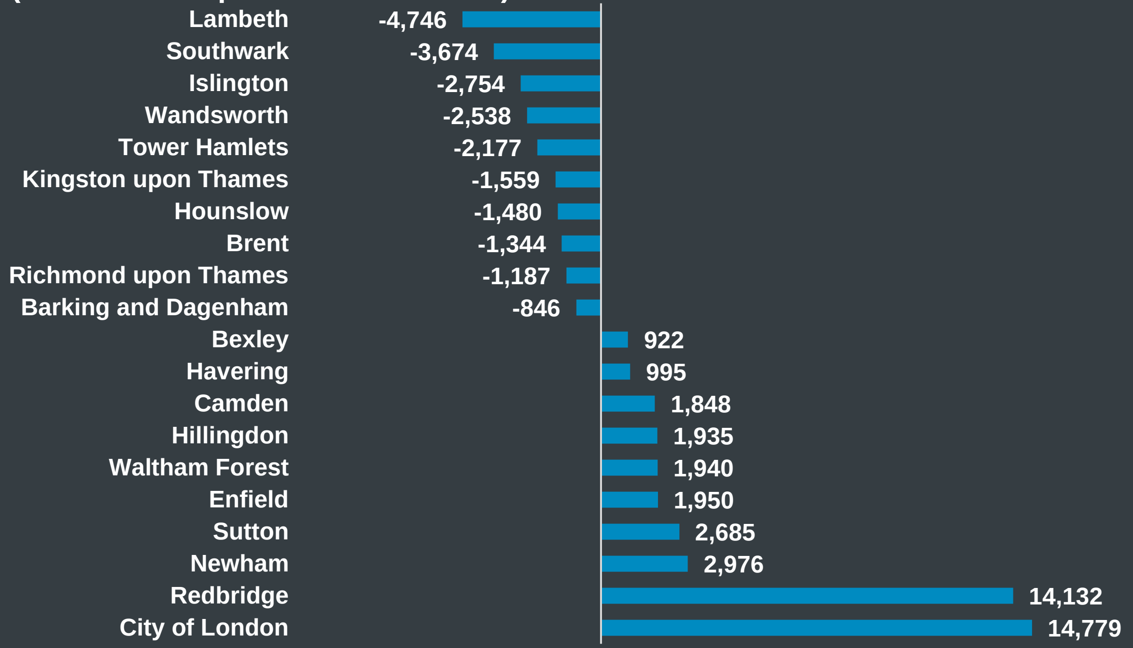


Source: EMSI jobs postings data

EMSI jobs postings data reveals that 14 local authorities across London still have a vacancy level below that seen in November 2019 when compared with November 2020:

- Lambeth saw the biggest reduction in online job postings (32%), followed by Southwark (31%) and Islington (28%).
- On the other hand, Redbridge (450%), Newham (119%) and Waltham Forest (116%) have seen a considerable rise in number of job vacancies (excluding City of London). I
- Westminster had by far the biggest absolute change in job postings across London with a decline of 78,854 job postings. The chart below shows the top and bottom areas in terms of absolute change excluding Westminster.

Top and bottom 10 absolute change in job postings by local authority (Nov 2020 compared with Nov 2019)



Note we exclude Westminster from the chart as its absolute change is far greater (-78.9k) than other London areas.

GLAECONOMICS

The crisis is now having a greater impact on London's labour market:

Workforce jobs down 229,000 in London since March…

…and the number of payroll employees continues to fall…

…with a record quarterly rise in the London unemployment rate in the three months to October…

…but flows indicate large disruption began in Q2 (April to June).

Claims remain particularly high in London…

…while the furlough scheme still supports 431,000.

New data on wages shows:

Wages have been recovering since May…

…but the crisis has had a larger impact on low-paid...

…with risks of growing wage inequality.

Minimum wage increase will help those still employed…

…but more is needed to close gender pay gap in London

Outlook indicates worst to come:

Macro economic forecasters expect worse to come.

Vacancies fell heavily but have been rising over past few months

The fall in vacancies was widespread…

…and although we are seeing recovery in some areas…

…many occupations are still in low demand…

…and vacancies still down on the year in 14 local authorities.

Self-employment during the crisis:

Self-employment had been rising before the crisis…

…but there are signs of greater disruption for self-employed...

…with young, disabled and Black self-employed most impacted.

Self-employment in health and education still growing…

…but artistic, literary & media occupations saw large falls.

LFS demographic analysis reveals:

The unemployment rate is up for both men and women…

…as younger workers are seeing the biggest impact

One in eight Londoners from a black background are now unemployed as employment of Asian Londoners is on the rise

Whilst there is no clear evidence of significant differences for parents, non-UK nationals, or people with disabilities

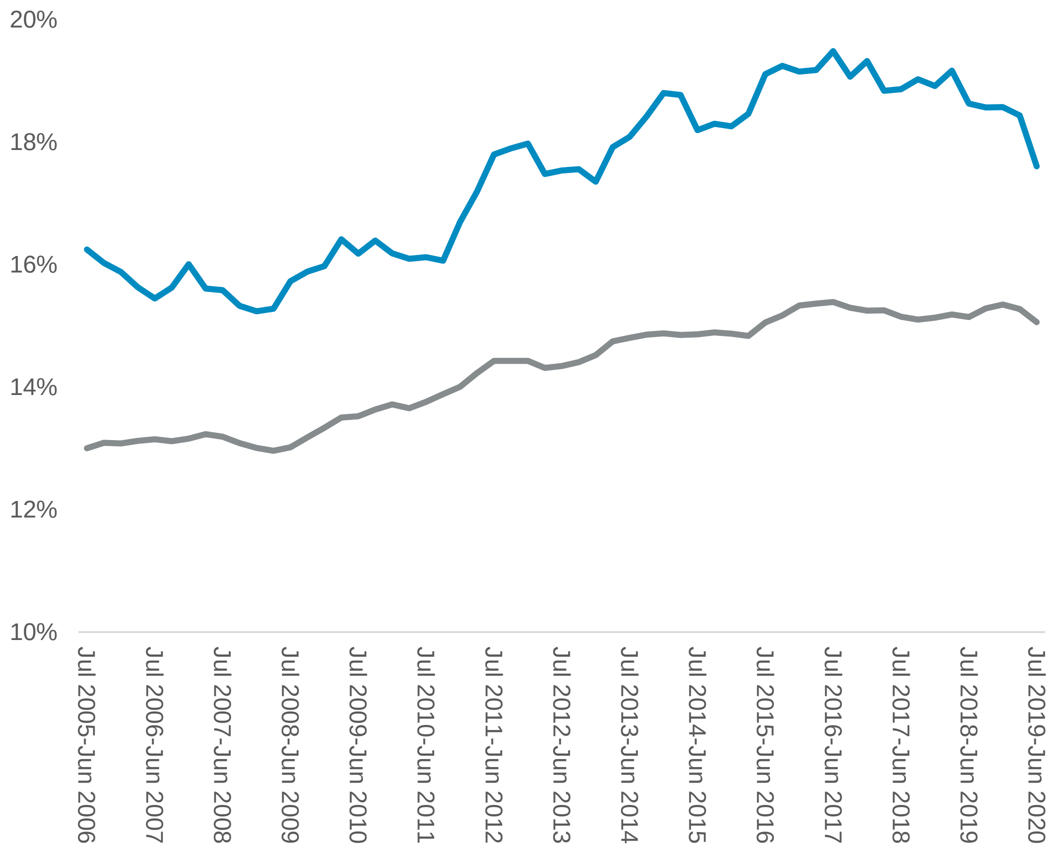
However, there is some evidence that underemployment has been growing for some groups

60% of London boroughs saw a decline in employment rate as GLAE provide sub regional statistics for London:

- North sub-region
- Central sub-region
- East sub-region
- South sub-region
- West sub-region

Self-employment had been rising before the crisis…

Self-employed as share of total employment, London and the UK



Source: ONS LFS

The share of self-employed workers had been trending upwards since 2008 before steadying since 2016:

- The share of self-employed workers in London grew from around 15% in 2008 to a peak of over 19% in 2016.
- The UK self-employed share of employment is lower than London, and has grown less since 2008, from just under 13% to just over 15% in 2016.
- The share of part time self-employment has grown steadily in both London and the UK overall, from around 20% to close to 29% in London and just over 30% in the UK.

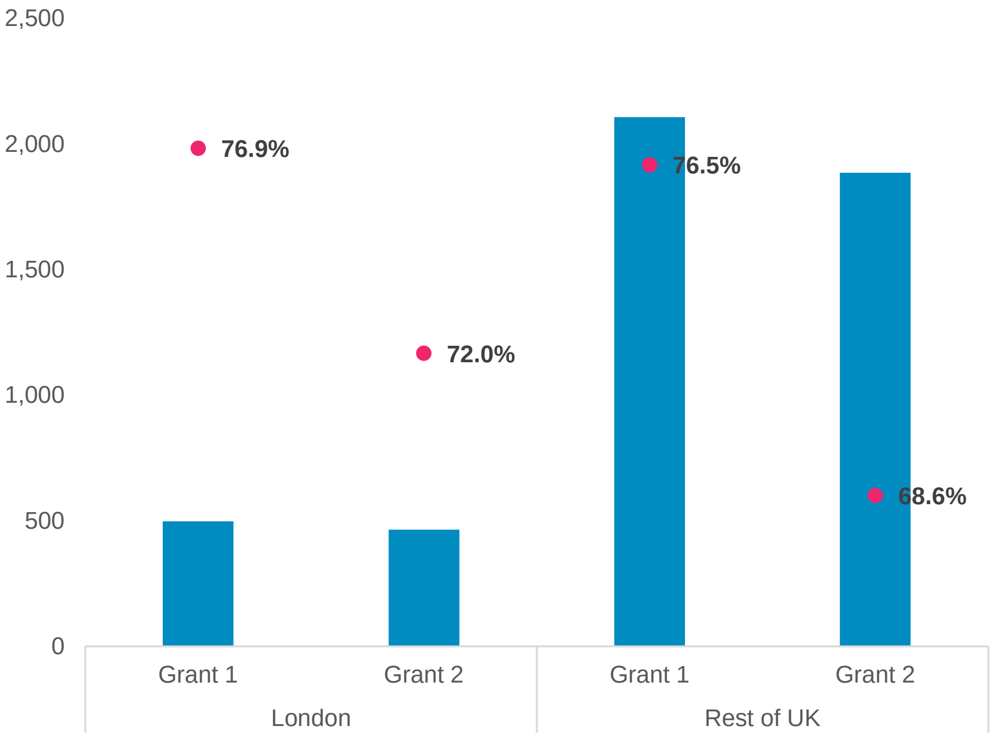
IFS investigated patterns for UK self-employed workers over the past decade in the UK as a whole:

- The self-employed earn less than employees and the gap has widened since 2000. In 2018-19 median pre-tax earnings among solo self-employed were 30% lower than for employees and the earnings distribution is more polarised, with half of all self-employed workers earning less than 300 compared to a third for employees.
- The share of solo self-employed (those without employees) in the UK wanting more hours has been higher than the share for employees since the series began in 1996, and widened from the early 2000s. At the end of 2019, solo self-employed were 28% more likely to be underemployed than employees.
- Wellbeing is higher on average for the self-employed, before coronavirus a larger share reported greater job satisfaction and lower anxiety compared to employees. The IFS interpreted that non-pecuniary benefits compensated for lower earnings.

GLAECONOMICS

…but there are signs of greater disruption for self-employed...

Self-employed income support scheme number (thousands) and take-up rates for Grant 1 and Grant 2, London and the Rest of the UK



Source: HMRC Self-Employment Income Support Scheme Statistics

There are signs of greater labour market disruption for self-employed since the crisis began in March:

- The share of self-employed in London fell to 16.9% in the June quarter. In the September quarter, there were 809,000 self-employed people in London, a fall of 57,000 relative to the 866,000 self-employed in the year to March before lockdown began (**LFS** and GLA analysis of LFS microdata).
- In London, the take up rate for the Self-Employment Income Support Scheme (SEISS) for Grant 2 (current period) was 72% (see chart), down only 5pp compared to Grant 1, indicating sustained demand for this support even as demand for CJRS has fallen. The fall in take-up rate for the rest of the UK was slightly, higher, down 7pp to 69% in Grant 2 (**HMRC SEISS data**). **IFS** and **RF** have criticised the SEISS for being poorly targeted, not reaching many self-employed in need while providing generous support for others.
- The **Institute for employment studies** shows in the UK in the June and September quarters there were large flows from self-employment into employee status and small flows in the other direction. This demonstrates a different pattern to the previous decade. Between 2009 and 2019, 44% of people entering self-employment had been unemployed or inactive previously, seeing it as 'a way to maintain their incomes in the face of employment shocks.' (**IFS**).

The **Centre for Economic Performance** (CEP)surveyed 1,500 self-employed workers in the UK on the impact of the crisis (in April and August):

- 58% reported less work than usual in August (from 73% in April), and the share of workers with fewer than 10 hours fell from 40% in April to 32% in August.
- One fifth were likely to leave self-employment, and this share increases for younger workers and those less risk-averse.
- Respondents expect a slower recovery relative to results from April, with around a third now expecting work to go back to normal after February and a tenth saying never.

GLAECONOMICS

…with young, disabled and Black self-employed most impacted.

London self-employed numbers and shares by demographic (September quarter 2020 and comparisons against September 2019)

Group	Number	Share	Share difference (annual, pp)	Annual % change
Gender				
Male	542,600	67.4%	-0.7	-6.3%
Female	262,600	32.6%	0.7	-3.1%
Age				
16-34	167,700	20.8%	-2.5	-15.4%
35-64	561,700	69.8%	0.3	-4.9%
65+	75,800	9.4%	2.2	23.3%
Ethnicity				
White	563,500	70.0%	-1.0	-6.3%
Asian	133,100	16.5%	4.5	30.2%
Black	42,100	5.2%	-3.1	-40.0%
Mixed	19,700	2.4%	-0.1	-9.2%
Other	46,800	5.8%	-0.2	-8.8%
Disabilities				
Disabled	82,700	10.3%	-3.5	-29.0%
Non-disabled	721,300	89.7%	3.5	-1.1%
Parents				
Parents	287,500	35.8%	-3.7	-13.9%
Non-Parents	517,700	64.4%	3.3	0.3%

Source: GLAE analysis of ONS Labour Force Survey data

The following analysis (and table) compares self-employed numbers in September 2020 against September 2019 by characteristic using Labour Force Survey microdata. Six months of this period occurred since the crisis and economic disruption.

Gender

- **CEP** shows that women have been more affected than men during the crisis, with 8pp more reporting having less work than usual in August.
- The shares of male and female self-employed have changed little (0.8pp less for men), with a larger proportion of men leaving self-employment (although men retain the largest share, 67.4%).

Age

- All age groups have seen a decline in number of self-employed, except the 65+ group - up 23.3% to 75,800.
- The largest decline occurred for the in the 16—34 groups – down 15.4%, to 167,700. **RF** shows younger self-employed seeing less recovery in earnings since March, which could be driving younger people out of self-employment - 25% of 18-34 year olds reported zero pay in September compared to 15% of 35-65 year olds. **CEP** hypothesizes that more younger people may leave self-employment because they have greater flexibility, having 'made fewer occupation-specific investments'.

Ethnicity

- The share of Black self-employed fell 3.1pp to 5.2%. White self-employed still make up the largest share, at 70.0% but saw the second largest fall, down 1.0pp.
- The share rose for Asian people, up 4.5pp to 16.5%

Disabilities *(Equality act definition)*

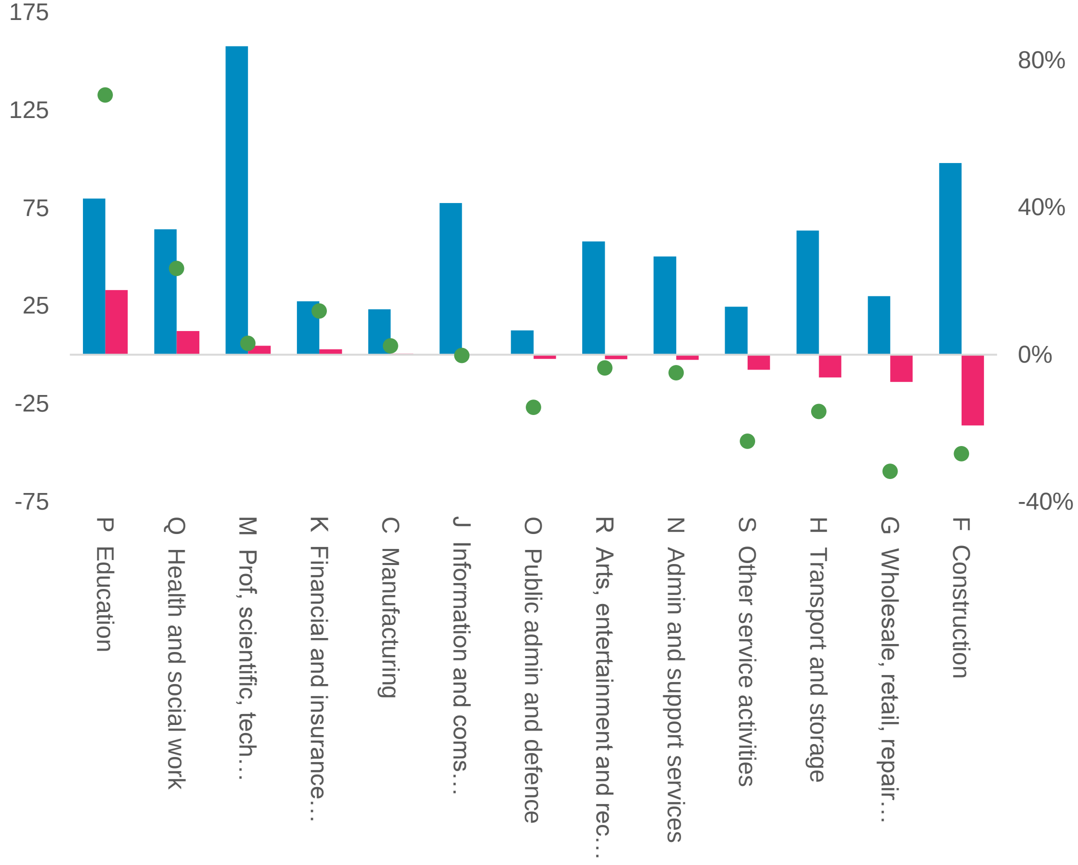
- The share of people with disabilities fell by 3.5pp to 10.3%

Note: childcare responsibilities (table) defined based on whether there are children under the age of 16 within the household. This is not a complete measure because not all people living with dependent children will be parents.

GLAECONOMICS

Self-employment in health and education still growing…

London self-employed by industry in September 2020 (number and annual difference in thousands, annual % change RHS)



Source: ONS LFS

The industries with the strongest growth in the September quarter relative to last year self-employment both in absolute terms and relative increase were Education, up 33,100 (70.7%), and Health and social work, up 12,200 (23.5%). Growth in self-employment in these industries aligns with the strong rebound they saw in vacancies since the dip in May and June (slide 19).

Industries with the large falls in self-employment the September quarter compared to the previous year:

- Construction had the largest absolute fall, down 36,100. This is consistent with construction related occupations seeing large falls (next slide) and with construction being the industry with the second highest take-up rate of the SEISS (currently 78% for Grant 2)
- Accommodation and food services did not have a large enough sample in the September quarter to reliably estimate, but comparing the June quarter to September last year showed a fall of 55.9% (18,100) – indicating large disruption since coronavirus.

The **share of self-employed in the creative economy reached** 31.8% in London in the June quarter 2020 (255,000 out of 800,000). This represents an increase from the share of 26.8% (and number) in the **2019 year** (231,000 out of 861,000). However, there have also been signs of less resilience in the creative economy, with large falls in Artistic, literary and media occupations (next slide)

…but artistic, literary & media occupations saw large falls.

Top 14 Self-employed occupations (SOC 3) in London (September 2020 number and comparison against September 2019).

Rank	Rank change	Occupation group (SOC 3)	Number	Annual difference	Annual % change
1	0	341 'Artistic, Literary and Media Occupations'	88,900	-12,400	-12%
2	0	821 'Road Transport Drivers'	60,100	-9,200	-13%
3	0	531 'Construction and Building Trades'	49,900	-10,800	-18%
4	0	113 'Functional Managers and Directors'	45,500	-1,800	-4%
5	1	241 'Legal Professionals'	37,500	400	1%
6	4	242 'Business, Research and Administrative Professionals'	36,800	12,200	50%
7	2	231 'Teaching and Educational Professionals'	33,200	7,700	30%
8	9	125 'Managers and Proprietors in Other Services'	32,000	17,700	124%
9	-2	213 'IT and Telecommunications Professionals'	31,700	-2,800	-8%
10	10	247 'Media Professionals'	27,300	14,000	105%
11	2	221 'Health Professionals'	27,200	9,100	50%
12	3	342 'Design Occupations'	26,400	10,200	63%
13	-2	353 'Business, Finance and Related Associate Professionals'	22,400	3,200	17%
14	2	532 'Building Finishing Trades'	16,800	1,600	11%

Source: GLAE analysis of ONS Labour Force Survey data

There has been no change in the rank of self-employment by occupation among the top four, but large shifts for the next ten:

- Artistic, literary and media occupations remains the largest group but fell by 12% to 88,900 in September 2020 – reversing the general trend across the UK of an increasing share since 2000 (**IFS**)
- Some groups saw large increases relative to last year, including health professionals – up 50% - consistent with higher demand in this area in job postings (slide 19).

The following changes in self-employment by occupation do not align with general trends from vacancy data (slide 19):

- Business, Research and Administrative Professionals have increased by 50% to 36,800, despite large falls in administrative related vacancies, and
- Construction and building trades fell 18% to 49,000 despite a strong rebound in vacancies in construction related occupations.

CEP reported App based workers, including parcel delivery, food delivery, and private hire, making up 8% of respondents to the survey:

- A larger share perceive their health to be at risk while at work - 78% relative to 23% for other self-employed
- 28% report an increase in work since the crisis, relative to 8% for other self-employed
- Just under 60% of respondents reported pay to be their motivation to work despite the health risks.
- Over half of parcel delivery and private hire workers report fear losing their job as an additional motivation to work. CEP interprets this to mean that flexibility is 'distinctly one-sided' and that it should motivate discussions over whether gig economy workers are actually self-employed.

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- South sub-region
- West sub-region

GLAECONOMICS

The unemployment rate is up for both men and women…

Headline labour market rates for London by sex (not seasonally adjusted), July to Sept 2020

Employment rate (%)			
	Latest estimate	Change on quarter (percentage points)	Change on year (percentage points)
London	75.1	-0.9	0.4
Sex			
Male	79.5	-2.0	-1.5
Female	70.7	0.3	2.2
Unemployment rate (%)			
	Latest estimate	Change on quarter (percentage points)	Change on year (percentage points)
London	6.2	1.5	1.4
Sex			
Male	6.3	1.8	1.3
Female	6.0	1.1	1.6
Inactivity rate (%)			
	Latest estimate	Change on quarter (percentage points)	Change on year (percentage points)
London	19.9	-0.3	-1.6
Sex			
Male	15.2	0.7	0.5
Female	24.7	-1.2	-3.7

Source: GLAE analysis of ONS Labour Force Survey data

Note that changes with arrows which are symbolled as unchanged/neutral are not considered statistically significant using London Level sampling variability as a rough proxy

GLA Economics (GLAE) revisits the Labour Force Survey microdata to analyse certain groups of workers within the labour market. Following our analysis of the **June quarter**, we present here the latest estimates for the September quarter (July to September) by various characteristics along with the quarterly and annual trends.

The LFS data for July to Sept reveals:

- The unemployment rates for men and women are relatively similar, 6.0% and 6.3 respectively, with both groups seeing declines in their unemployment rates on the year and on the quarter.
- Employment for men dropped 2pp on the quarter and but the change on the year is not statistically significant, while female employment is virtually unchanged on the quarter but still up by 2.2pp on the year.
- Inactivity has not changed by a statistically significant margin for men either on the year or quarter. Women saw a 3.7 pp drop on the year.

There are three important caveats & limitations to consider regarding this analysis:

1. The data is not seasonally adjusted, so quarterly changes may be a result of seasonal patterns rather than the crisis (or any other feature of the current economic context). For this reason, annual comparisons are more reliable.

*2. Small samples increase uncertainty around these estimates. We categorise changes below the **LFS sample variability** at a London level as 'statistically insignificant' and would advise that there is not enough reliability to make a conclusive observation due to data limitations.*

3. This is not the latest available LFS period as the August to October data now supersedes this period, however this this the latest available calendar quarter and we use this because of the availability only of calendar quarter microdata in previous years.

GLAECONOMICS

…as younger workers are seeing the biggest impact

Headline labour market rates for London by age (not seasonally adjusted), July to Sept 2020

	Latest estimate	Change on quarter (percentage points)	Change on year (percentage points)
Employment rate (%)			
London	75.1	-0.9	0.4
Age			
16-24	37.0	-5.7	-7.0
25-34	88.6	0.8	3.8
35-49	82.6	-0.6	-0.9
50-64	73.4	-0.1	2.7
Unemployment rate (%)			
London	6.2	1.5	1.4
Age			
16-24	25.1	10.0	5.7
25-34	5.4	0.8	2.4
35-49	3.5	0.4	0.7
50-64	4.0	0.6	0.2
Inactivity rate (%)			
London	19.9	-0.3	-1.6
Age			
16-24	50.6	0.9	5.2
25-34	6.4	-1.6	-6.3
35-49	14.4	0.3	0.2
50-64	23.5	-0.3	-3.0

Source: GLAE analysis of ONS Labour Force Survey data

Note that changes with arrows which are symbolled as unchanged/neutral are not considered statistically significant at the London Level due to sample variability

By age, the latest data for July to Sept 2020 by age indicates:

- The youngest age group (16-24) continues to be the hardest hit across employment, unemployment, and inactivity rates.
- The employment rate for 16-24 dropped by 5.7pp on the quarter and 7pp on the year.
- The 16-24 unemployment rate declined by 10 pp on the quarter and 5.7 pp on the year.
- The inactivity rate for 16-24 year olds quarterly difference is not statistically significant, but it rose 5.2 percentage points on the year.
- As for other age groups, 25-34 both unemployment and inactivity rates. and 50-64 employment rates are still up on the year, while the 25-34 age group saw rises in
- The remaining groups do not have statistically significant changes

Recent analysis by the **Economic observatory** at the UK level emphasized the negative impact on young people:

- Although employment has remained fairly constant for those 25 and above, there have been significant falls in employment for those aged 16 to 24. Overall, there has been a 6.4% fall in employment for those aged 18-24 and a 22.2% fall in employment for those aged 16-17.

Further analysis by the **Economic observatory** also highlighted ‘youth scarring’ and the need for local policy interventions to mitigate this:

- Youth unemployment has increased in every UK local authority between September 2019 and September 2020, with the increases ranging from 1.8pp to 7.6pp.
- They point out that even with more limited resources, local areas could still play an important role in at least two ways; (1) sharing information and encouraging take up of employment and training schemes, (2) Coordinating support and planning for the longer term.

Note that the 65+ age group has been excluded from this analysis due to reliability and confidentiality issues.

GLAECONOMICS

One in eight Londoners from a black background are now unemployed as employment of Asian Londoners is on the rise

Headline labour market rates for London by ethnicity (not seasonally adjusted), July to Sept 2020

Employment rate (%)			
Ethnicity	Latest estimate	Change on quarter (percentage points)	Change on year (percentage points)
White	78.3	-1.2	-1.3
Asian	73.2	1.3	5.5
Black	65.7	-0.8	-1.7
Mixed	66.2	-1.7	-3.0
Other	68.5	-3.4	1.4

Unemployment rate (%)			
Ethnicity	Latest estimate	Change on quarter (percentage points)	Change on year (percentage points)
White	5.4	1.5	1.8
Asian	5.6	0.0	-0.2
Black	12.2	3.8	4.9

Inactivity rate (%)			
Ethnicity	Latest estimate	Change on quarter (percentage points)	Change on year (percentage points)
White	17.3	0.1	-0.1
Asian	22.3	-1.5	-5.7
Black	25.1	-2.2	-2.1
Mixed	27.3	0.7	3.1
Other	27.4	1.4	-1.0

Source: GLAE analysis of ONS Labour Force Survey data

Note that changes with arrows which are symbolled as unchanged/neutral are not considered statistically significant at the London Level due to sample variability

By ethnicity, the latest data for July to Sept 2020 by age indicates:

- Only the Asian group saw a statistically significant rise in employment with an increase in their employment rate of 5.5 percentage points (pp) on the year.
- The employment rate for those from white, black and mixed ethnic backgrounds all declined on the year (1.3 pp, 1.7 pp and 3 pp) respectively.
- The data also shows that the white unemployment rate increased by 1.8 pp on the year whilst the black unemployment rate rose 4.9 pp to 12.2%.
- The black unemployment rate in London is almost double that of their White and Asian counterparts with over one in ten black people unemployed.
- The Asian unemployment rate was effectively unchanged on the year.
- In terms of inactivity, both Asian and Black ethnic groups saw a drop in their inactivity rates 5.7 pp and 2.1 pp respectively.

Results from a recent **YouGov Poll** align with the increasing unemployment rate for Black people::

- BAME people were more likely to be worried about their job security (54% against 47%) and prospects for career progression (56% against 45%)

Note: the Mixed and Other unemployment rates has been excluded from this analysis due to reliability and confidentiality issues.

GLAECONOMICS

Whilst there is no clear evidence of significant differences for parents, non-UK nationals, or people with disabilities

Headline labour market rates for London by characteristics (not seasonally adjusted) , July to Sept 2020

Other characteristics	Employment rate (%) Latest estimate	Change on quarter (percentage points)	Change on year (percentage points)
UK nationals	74.0	-0.9	0.1
Non-UK nationals	79.3	0.0	1.8
Disabled	49.9	-2.5	3.6
Non-disabled	79.6	1.8	1.2
Parents	72.4	-1.2	-0.8
Non-parents	76.6	-0.2	0.8
Other characteristics	**Unemployment rate (%) Latest estimate**	**Change on quarter (percentage points)**	**Change on year (percentage points)**
UK nationals	6.3	1.5	1.3
Non-UK nationals	6.0	1.4	1.8
Disabled	9.3	3.6	-1.6
Non-disabled	5.8	1.2	0.3
Parents	5.2	0.2	1.0
Non-parents	6.6	2.1	1.6
Other characteristics	**Inactivity rate (%) Latest estimate**	**Change on quarter (percentage points)**	**Change on year (percentage points)**
UK nationals	21.0	-0.2	-1.1
Non-UK nationals	15.8	-1.2	-3.4
Disabled	45.1	0.7	1.5
Non-disabled	15.4	-0.4	-1.7
Parents	23.6	-0.1	0.0
Non-parents	17.9	-0.3	-2.2

Source: GLAE analysis of ONS Labour Force Survey data

Note that changes with arrows which are symbolled as unchanged/neutral are not considered statistically significant at the London Level due to sample variability

Here we also look at the headline stats of other characteristics such as nationality, parents and whether someone has a disability. Comparing against its non characterised group, the LFS calendar Q3 data indicates:

- Disabled people have a relatively low employment rate, but the employment rate was up on the year by 3.2 pp. However, there was a 1.5pp rise in the inactivity rate.
- Both UK nationals and non-UK nationals unemployment rates rose on the year, 1.3 pp and 1.8 pp respectively. Similarly, both parents and non parents saw a rise in their unemployment rates 1.0 pp and 1.6 pp respectively.

Analysis by the **IES** highlighted the CV-19 impact on single parents:

- nearly half (46%) of single parents worked in routine occupations compared to coupled parents (26%). Routine jobs in retail, hotels and restaurants have been particularly impacted by cuts to hours and job losses as a result of the Crisis;
- Single parents are more likely to have been furloughed (30%) compared to couple parents (21%) reflecting both single parents caring responsibilities but also they are more likely to work in lockdown sectors that will experience further job losses.

The **HR Review** also pointed out recent research by Accenture on outcomes for parents and people with disabilities:

- Working mothers have always been held back in their work, experiencing a 7% pay penalty compared to their colleagues without children by the age of 42.
- Over one in four (27%) people with disabilities are facing redundancy. This figure rises to almost 40 per cent (37 per cent) for employees who are have a disability which significantly affects their ability to carry out daily activities.

However, there is some evidence that underemployment has been growing for some groups

Underemployment in London by characteristics (not seasonally adjusted), July to Sept 2020

	Latest estimate	% change on year	Rate (%)	Rate change on year (percentage points)
London	453,000	7.6 ▲	9.5	0.5 ⬍
Sex				
Male	249,000	18.0 ▲	9.7	1.5 ⬍
Female	203,000	-3.8 ▼	9.2	-0.7 ⬍
Age				
16-24	59,000	34.1 ▲	17.3	6.4 ▲
25-34	124,000	2.5 ▲	8.6	-0.1 ⬍
35-49	143,000	-5.9 ▼	8.2	-0.7 ⬍
50-64	112,000	15.5 ▲	10.5	1.1 ⬍
Ethnicity				
White	283,000	25.2 ▲	8.8	1.3 ⬍
Asian	75,000	-18.5 ▼	9.6	-3.4 ▼
Black	66,000	17.9 ▲	15.9	5.4 ▲
Other	19,000	-45.7 ▼	8.9	-4.2 ▼
Other characteristics				
Disabled	50,000	-12.3 ▼	1.0	-9.9 ▼
Non-disabled	395,000	9.4 ▲	8.3	-0.4 ⬍
Parents	179,000	-2.7 ▼	3.8	-6.9 ▼
Non Parents	273,000	15.2 ▲	5.7	-2.3 ▼
Geography				
Inner London	170,000	-11.0 ▼	3.6	-5.9 ▼
Outer London	282,000	22.6 ▲	5.9	-2.7 ▼

Source: GLAE analysis of ONS Labour Force Survey data

Note that changes with arrows which are symbolled as unchanged/neutral are not considered statistically significant at the London Level due to sample variability

Those who are in employment may still want and be able to work more. The term underemployed is defined as workers would like more hours at the same rate of pay.

Underemployment in the capital has risen by 7.6% on the year. The latest LFS data shows that:

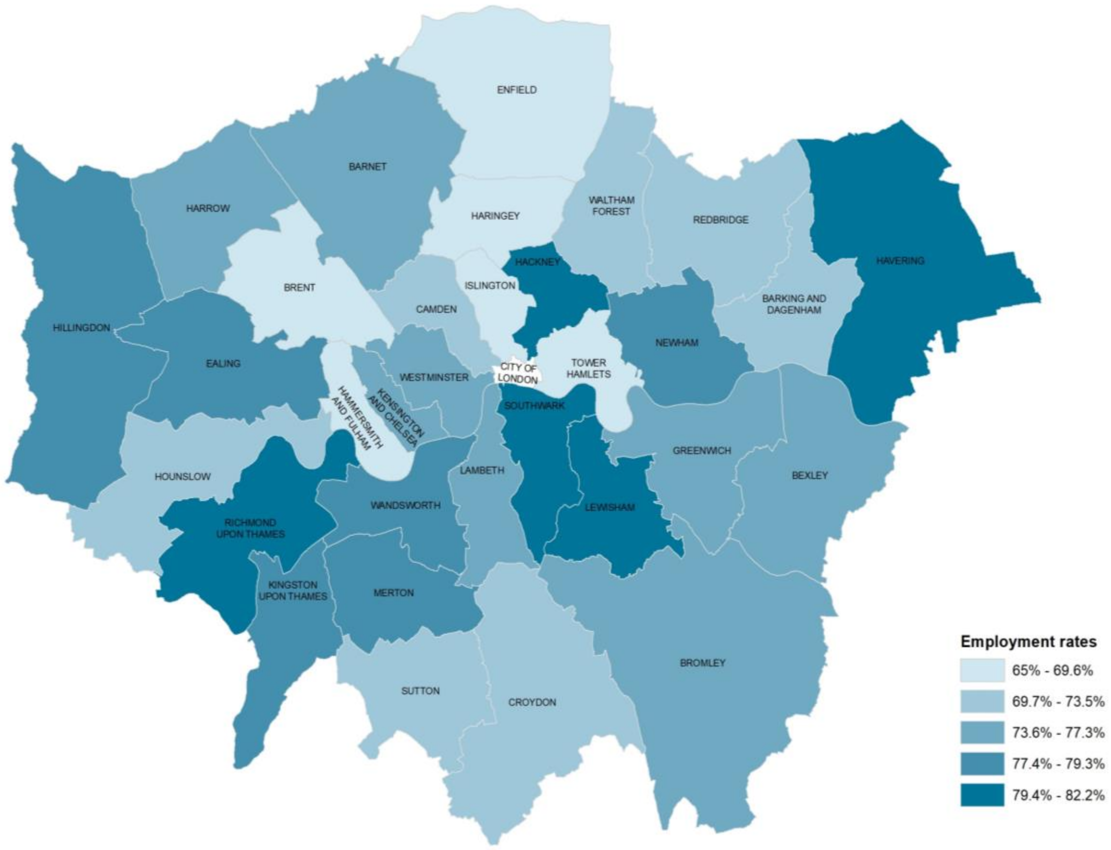
- Men have seen a considerable rise in underemployment (18%), while women saw a 3.8% drop
- Those above working age (65+) saw the largest increase in numbers underemployed, with an 88% rise, followed by younger workers (16-24)
- Workers from White and Black ethnic backgrounds have also seen rises in the number of underemployed, 25% and 18% respectively.
- Outer London saw a 23% rise in underemployment while inner London saw an 11% fall

It is worth noting that underemployment patterns and trends may be affected by unusual labour market conditions i.e. health risks. furlough, reduced demand and closures may affect workers willingness and ability to work more hours at the same rate of pay..

GLAECONOMICS

60% of London boroughs saw a decline in employment rate

Map of employment rate by local authority for July to Sept 2020



Source: GLAE analysis of ONS Labour Force Survey data

If we look at the geographical breakdown of employment rates by local authority, the Q3 LFS data shows:

- Lewisham (82%), Richmond upon Thames (82%) and Hackney (81%) had the highest employment rates across London.
- Whereas Brent (65%), Islington (67%) and Tower Hamlets (67%) had the lowest employment rates.
- Looking at boroughs with the largest increase in employment rate, Newham was at the top (up by 11.2 pp), then Ealing (9.8 pp rise) and Hackney (9.4 pp rise).
- In terms of annual decline, Islington (9.5 pp), Tower Hamlets (9.3%) and Brent (7.5%) saw the biggest fall in employment rate on the year across London. 60% of London boroughs saw a decline

Headline labour market rates for inner and outer London (not seasonally adjusted) , July to Sept 2020

	Employment rate (%)		
Geography	Latest estimate	Change on quarter (percentage points)	Change on year (percentage points)
Inner London	75.6	0.1	-0.1
Outer London	74.8	-1.6	0.7
	Unemployment rate (%)		
Geography	Latest estimate	Change on quarter (percentage points)	Change on year (percentage points)
Inner London	5.9	0.9	1.6
Outer London	6.4	1.9	1.3
	Inactivity rate (%)		
Geography	Latest estimate	Change on quarter (percentage points)	Change on year (percentage points)
Inner London	19.7	-0.8	-1.3
Outer London	20.1	0.1	-1.8

North sub-region

Labour market statistics by local authority (not seasonally adjusted), July to September 2020

NORTH	Employed (16+)						Employment rate (16-64)			
	Number	(London rank)	Change on quarter level	Change on quarter %	Change on year level	Change on year %	% aged 16-64	(London rank)	Change on qtr (percentage points)	Change on year (percentage points)
London	**4,765,000**		**-33,000**	**-0.7**	**-131,000**	**1.8**	**75.1**		**-0.9**	**0.4**
Barnet	200,000	3	10,000	5.3	-7,000	-3.4	75.1	18	0.1	4.2
Enfield	153,000	15	-8,000	-5.0	19,000	14.2	69.6	28	-4.2	8.2
Haringey	143,000	20	-3,000	-2.1	1,000	0.7	69.6	27	-0.4	-3.5

	Workless (Unemployed & Inactive), (16-64)						Workless rate (16-64)			
	Number	(London rank)	Change on quarter level	Change on quarter %	Change on year level	Change on year %	% aged 16-64	(London rank)	Change on qtr (percentage points)	Change on year (percentage points)
London	**1,520,900**		**54,800**	**3.7**	**82,000**	**-0.8**	**24.9**		**0.9**	**-0.4**
Barnet	64,000	27	4,300	7.2	-15,600	-19.6	24.9	18	-0.1	-4.2
Enfield	65,700	28	11,600	21.4	-12,500	-16.0	30.4	27	4.2	-8.2
Haringey	62,600	26	500	0.8	12,200	24.2	30.4	26	0.4	3.5

Source: GLAE analysis of ONS Labour Force Survey data

Note that changes with arrows which are symbolled as unchanged/neutral are not considered statistically significant at the London Level although sub-regional estimates are likely to have a greater degree of uncertainty.

GLAECONOMICS

Central sub-region

Labour market statistics by local authority (not seasonally adjusted) , July to September 2020

CENTRAL	Employed (16+)								Employment rate (16-64)					
	Number	(London rank)	Change on quarter			Change on year			% aged 16-64	(London rank)	Change on qtr (percentage points)		Change on year (percentage points)	
			level	%		level	%							
London	**4,765,000**		**-33,000**	**-0.7**		**-131,000**	**1.8**		**75.1**		**-0.9**		**0.4**	
City of London	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Camden	144,000	18	9,000	6.7		3,000	2.1		71.2	25	3.5		-2.8	
Islington	102,000	29	-24,000	-19.0		-46,000	-31.1		67.0	31	-6.1		-9.5	
Kensington and Chelsea	89,000	32	-4,000	-4.3		18,000	25.4		74.8	19	-4.3		5.0	
Lambeth	197,000	4	-10,000	-4.8		-3,000	-1.5		77.1	13	-1.9		-0.9	
Southwark	193,000	6	6,000	3.2		-3,000	-1.5		81.1	4	4.9		-1.1	
Westminster	157,000	13	28,000	21.7		24,000	18.0		77.0	14	11.2		8.5	

	Workless (Unemployed & Inactive), (16-64)								Workless rate (16-64)					
	Number	(London rank)	Change on quarter			Change on year			% aged 16-64	(London rank)	Change on qtr (percentage points)		Change on year (percentage points)	
			level	%		level	%							
London	**1,520,900**		**54,800**	**3.7**		**82,000**	**-0.8**		**24.9**		**0.9**		**-0.4**	
City of London	..	..	..	..	..	..	..		..	..	..	..	..	
Camden	54,200	23	-8,100	-13.0		5,600	11.5		28.8	24	-3.5		2.8	
Islington	48,200	16	2,000	4.3		5,400	12.6		33.0	30	6.1		9.5	
Kensington and Chelsea	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Lambeth	58,300	25	3,800	7.0		2,600	4.7		22.9	13	1.9		0.9	
Southwark	44,000	14	-13,000	-22.8		2,200	5.3		18.9	4	-4.9		1.1	
Westminster	42,700	13	-21,400	-33.4		-17,100	-28.6		23.0	14	-11.2		-8.5	

Source: GLAE analysis of ONS Labour Force Survey data

Note that changes with arrows which are symbolled as unchanged/neutral are not considered statistically significant at the London Level although sub-regional estimates are likely to have a greater degree of uncertainty.

GLAECONOMICS

East sub-region

Labour market statistics by local authority (not seasonally adjusted) , July to September 2020

EAST	Employed (16+)						Employment rate (16-64)			
	Number	(London rank)	Change on quarter level	Change on quarter %	Change on year level	Change on year %	% aged 16-64	(London rank)	Change on qtr (percentage points)	Change on year (percentage points)
London	**4,765,000**		**-33,000**	**-0.7**	**-131,000**	**1.8**	**75.1**		**-0.9**	**0.4**
Barking and Dagenham	97,000	30	-7,000	-6.7	-22,000	-18.5	70.7	26	-2.6	-7.0
Bexley	127,000	23	-7,000	-5.2	13,000	11.4	77.3	12	-0.9	2.8
Greenwich	163,000	9	-3,000	-1.8	3,000	1.9	76.0	17	-1.9	-1.6
Hackney	159,000	12	9,000	6.0	14,000	9.7	81.2	3	6.8	9.4
Havering	141,000	22	11,000	8.5	0	0.0	81.0	5	-1.6	-0.1
Lewisham	192,000	7	6,000	3.2	7,000	3.8	82.2	1	-1.9	-1.2
Newham	209,000	1	31,000	17.4	36,000	20.8	79.3	6	6.0	11.2
Redbridge	156,000	14	-3,000	-1.9	12,000	8.3	72.3	23	-0.2	6.1
Tower Hamlets	162,000	10	-6,000	-3.6	-35,000	-17.8	67.1	30	-7.8	-9.3
Waltham Forest	148,000	16	4,000	2.8	-12,000	-7.5	73.2	22	-2.1	-3.3

	Workless (Unemployed & Inactive), (16-64)						Workless rate (16-64)			
	Number	(London rank)	Change on quarter level	Change on quarter %	Change on year level	Change on year %	% aged 16-64	(London rank)	Change on qtr (percentage points)	Change on year (percentage points)
London	**1,520,900**		**54,800**	**3.7**	**82,000**	**-0.8**	**24.9**		**0.9**	**-0.4**
Barking and Dagenham	39,100	10	1,700	4.5	5,000	14.7	29.3	25	2.6	7.0
Bexley	36,400	6	-500	-1.4	-2,000	-5.2	22.7	12	0.9	-2.8
Greenwich	51,200	19	6,500	14.5	5,500	12.0	24.0	17	1.9	1.6
Hackney	36,500	7	-15,100	-29.3	-20,700	-36.2	18.8	3	-6.8	-9.4
Havering	32,700	4	5,600	20.7	1,000	3.2	19.0	5	1.6	0.1
Lewisham	39,200	11	4,400	12.6	3,100	8.6	17.8	1	1.9	1.2
Newham	52,600	20	-10,500	-16.6	-25,600	-32.7	20.7	6	-6.0	-11.2
Redbridge	56,700	24	-2,200	-3.7	-15,000	-20.9	27.7	22	0.2	-6.1
Tower Hamlets	78,800	31	23,400	42.2	18,600	30.9	32.9	29	7.8	9.3
Waltham Forest	53,500	22	7,200	15.6	5,100	10.5	26.8	21	2.1	3.3

Source: GLAE analysis of ONS Labour Force Survey data

Note that changes with arrows which are symbolled as unchanged/neutral are not considered statistically significant at the London Level although sub-regional estimates are likely to have a greater degree of uncertainty.

GLAECONOMICS

South sub-region

Labour market statistics by local authority (not seasonally adjusted) , July to September 2020

SOUTH	Employed (16+)						Employment rate (16-64)			
	Number	(London rank)	Change on quarter level	Change on quarter %	Change on year level	Change on year %	% aged 16-64	(London rank)	Change on qtr (percentage points)	Change on year (percentage points)
London	**4,765,000**		**-33,000**	**-0.7**	**-131,000**	**1.8**	**75.1**		**-0.9**	**0.4**
Bromley	160,000	11	-14,000	-8.0	-3,000	-1.8	76.2	16	2.5	-4.5
Croydon	194,000	5	-10,000	-4.9	-5,000	-2.5	71.8	24	-3.6	-3.2
Kingston upon Thames	108,000	27	-6,000	-5.3	11,000	11.3	78.5	10	-6.1	1.2
Merton	123,000	25	2,000	1.7	6,000	5.1	79.1	8	-2.1	-1.4
Sutton	103,000	28	1,000	1.0	-9,000	-8.0	73.3	21	-3.4	-4.2
Wandsworth	203,000	2	-16,000	-7.3	10,000	5.2	79.3	7	-4.8	-1.8

	Workless (Unemployed & Inactive), (16-64)						Workless rate (16-64)			
	Number	(London rank)	Change on quarter level	Change on quarter %	Change on year level	Change on year %	% aged 16-64	(London rank)	Change on qtr (percentage points)	Change on year (percentage points)
London	**1,520,900**		**54,800**	**3.7**	**82,000**	**-0.8**	**24.9**		**0.9**	**-0.4**
Bromley	48,400	17	-10,800	-18.2	11,000	29.4	23.8	16	-2.5	4.5
Croydon	72,800	30	8,500	13.2	8,400	13.0	28.2	23	3.6	3.2
Kingston upon Thames	28,200	2	8,300	41.7	600	2.2	21.5	10	6.1	-1.2
Merton	31,500	3	4,600	17.1	4,600	17.1	20.9	8	2.1	1.4
Sutton	37,000	8	6,000	19.4	5,000	15.6	26.7	20	3.4	4.2
Wandsworth	52,800	21	12,200	30.0	10,200	23.9	20.7	7	4.8	1.8

Source: GLAE analysis of ONS Labour Force Survey data

Note that changes with arrows which are symbolled as unchanged/neutral are not considered statistically significant at the London Level although sub-regional estimates are likely to have a greater degree of uncertainty.

GLAECONOMICS

West sub-region

Labour market statistics by local authority (not seasonally adjusted) , July to September 2020

WEST	Employed (16+)						Employment rate (16-64)			
	Number	(London rank)	Change on quarter level	Change on quarter %	Change on year level	Change on year %	% aged 16-64	(London rank)	Change on qtr (percentage points)	Change on year (percentage points)
London	**4,765,000**		**-33,000**	**-0.7**	**-131,000**	**1.8**	**75.1**		**-0.9**	**0.4**
Brent	144,000	17	-32,000	-18.2	-4,000	-2.7	65.0	32	-7.6	-7.5
Ealing	183,000	8	25,000	15.8	33,000	22.0	79.1	9	5.9	9.8
Hammersmith and Fulham	90,000	31	-11,000	-10.9	2,000	2.3	67.5	29	-9.6	-7.4
Harrow	124,000	24	-9,000	-6.8	8,000	6.9	76.2	15	-3.9	2.7
Hillingdon	142,000	21	4,000	2.9	-3,000	-2.1	77.7	11	-0.9	5.8
Hounslow	144,000	19	-6,000	-4.0	6,000	4.3	73.5	20	-2.7	-1.5
Richmond upon Thames	113,000	26	-1,000	-0.9	6,000	5.6	82.0	2	2.6	2.2

	Workless (Unemployed & Inactive), (16-64)						Workless rate (16-64)			
	Number	(London rank)	Change on quarter level	Change on quarter %	Change on year level	Change on year %	% aged 16-64	(London rank)	Change on qtr (percentage points)	Change on year (percentage points)
London	**1,520,900**		**54,800**	**3.7**	**82,000**	**-0.8**	**24.9**		**0.9**	**-0.4**
Brent	71,800	29	8,800	14.0	16,900	30.8	35.0	31	7.6	7.5
Ealing	47,200	15	-8,900	-15.9	-18,600	-28.3	20.9	9	-5.9	-9.8
Hammersmith and Fulham	40,600	12	11,100	37.6	11,200	38.1	32.5	28	9.6	7.4
Harrow	34,400	5	1,700	5.2	-5,200	-13.1	23.8	15	3.9	-2.7
Hillingdon	37,400	9	1,600	4.5	-17,000	-31.3	22.3	11	0.9	-5.8
Hounslow	49,900	18	6,000	13.7	5,800	13.2	26.5	19	2.7	1.5
Richmond upon Thames	24,200	1	-4,200	-14.8	-800	-3.2	18.0	2	-2.6	-2.2

Source: GLAE analysis of ONS Labour Force Survey data

Note that changes with arrows which are symbolled as unchanged/neutral are not considered statistically significant at the London Level although sub-regional estimates are likely to have a greater degree of uncertainty.

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