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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August 2020

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 London wages increasing relatively slowly.

Other measures of economic activity show larger falls than headline indicators…

…and the claimant count continues to rise, especially in London…

...although the majority of new claimants still have a job.

This all suggests government policies have supported the labour market, with nearly 1 in 3 taking up furlough.

And, there are some recent signs of stabilization.

Latest forecasts suggest employment will continue to fall and unemployment rise.

Low vacancy numbers also support a weaker employment outlook…
… particularly for some occupations…
… in certain parts of London …
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With continued evidence on the impact on certain groups:

Furlough rates highlight the disproportionate impact across the capital.

Whilst headline indicators show the rise in unemployment has been driven by women.

Research continues to highlight the disproportionately high impact on low income earners…

…who are exposed to greater risk of furlough, layoffs, or reductions in pay.

Research from the financial crisis shows challenges for people entering the labour market during a recession…

…with recent analysis expecting a similar outcome for those joining the labour market now.

There is more evidence on the disproportionate impact on ethnic minorities …

…and the disproportionate impact on parents, particularly mothers…

…and on sole parents, who have seen large falls in household income.

And workers with disabilities may also face a disproportionate risk of job losses.

The Chancellor's Summer Statement set out a three-point plan for jobs:

1 - Supporting jobs (a)... ...Supporting jobs (b)... ...2 - Protecting jobs & 3 - Creating jobs (a)... ...Creating jobs (b).

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Others have suggested additional policies to support the recovery phase and stay safe at work, create jobs through public investment…

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GLAECONOMICS

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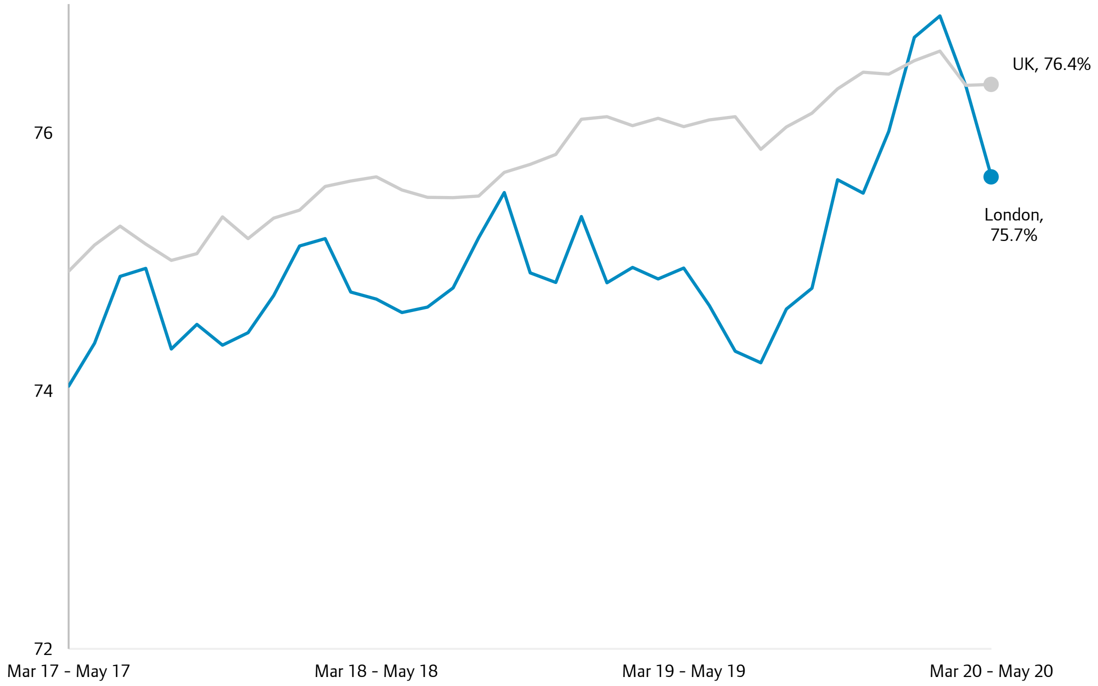
Employment rate (% of working age population)
London and UK



Source: ONS - Labour Force Survey

(London Sampling variability ± 1.2% UK Sampling variability ± 0.5%)

<u>Headline figures</u> from the Labour Force Survey (largest ONS household survey and the main source of employment data) covering the three months to May 2020 have started to show the impact of Covid-19. **London's** employment is down, although there has been little change for the **UK** as a whole. Note – this three month period still includes one month before lockdown.

<u>Employment</u>

- **London's** 16-64 employment rate was estimated at 75.7%, which represented:
    - a quarterly fall of 1.1 pp, the largest quarterly fall since the May-July 2009 quarter
    - a fall of 0.7pp relative to the same three months last year, the second biggest fall of any region – only Scotland fell by more
- For the **UK**, the employment rate rose by 0.3 pp on the previous year, reaching 76.4%.
    - The region with the largest increase in the employment rate was the North East, at 2.3 pp, taking it to a record high of 74.8%.

<u>Unemployment</u>

- The unemployment rate in the **capital** was 5.1%, 0.6 pp up on the previous quarter and 0.8 pp up on the year. This was the largest quarterly increase since the May-July 2011 quarter.
- The **UK** unemployment rate was estimated at 3.9%, virtually unchanged compared against the previous quarter.

The rate of economic inactivity is the proportion of 16 to 64 year olds not in work and not looking for or not able to work. Since a person has to be looking and able to work to count as unemployed, some people can transition from employment to being 'economically inactive' rather than unemployed.

- In **London**, the rate of economic inactivity was 20.2%, up 0.5 pp on the previous quarter but 1.4 pp down on the year.
- In the UK, the rate was 20.4%, up 0.2 pp on the previous quarter but down 0.4 pp on the year.

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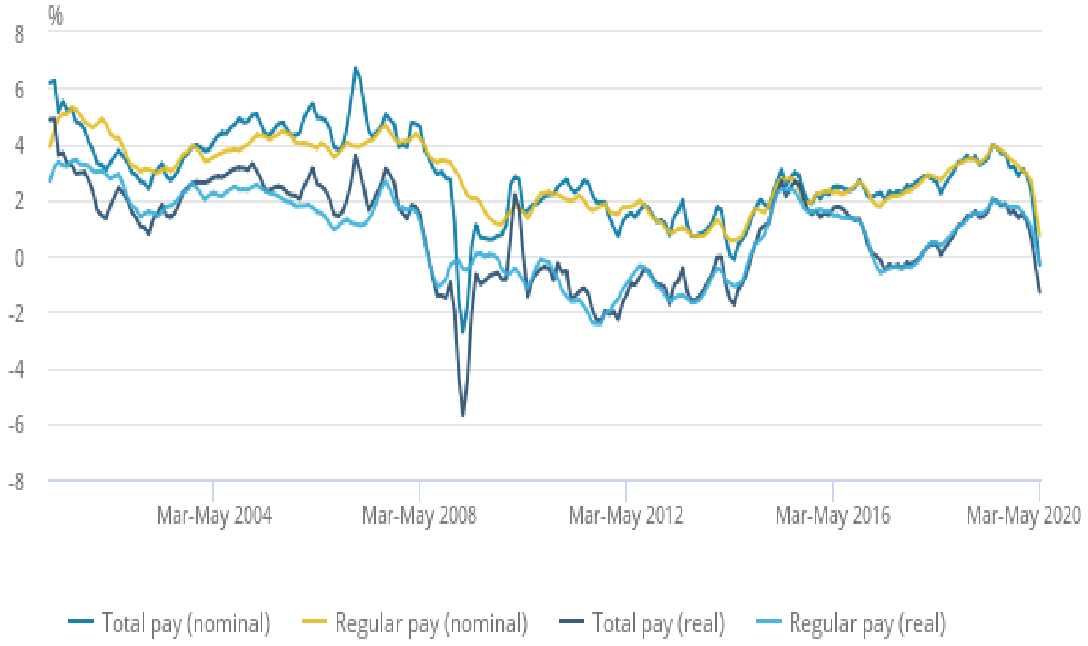
…and London wages increasing relatively slowly.

Annual growth in employee total pay (UK)



Source: ONS – Monthly Wages and Salaries Survey

The **monthly Wages and Salaries Survey**, showed declines in pay for Great Britain in the three months to May.

- Growth in average total pay (including bonuses) among employees become negative for the first time since April to June 2014 (down 0.3% compared with a year earlier).
- Pay tended to decline more in industries where furloughing was used the most with many of these already being among the lowest paying sectors. For example, Accommodation and Food Service Activities has experienced the largest annual decline (-12.6%).

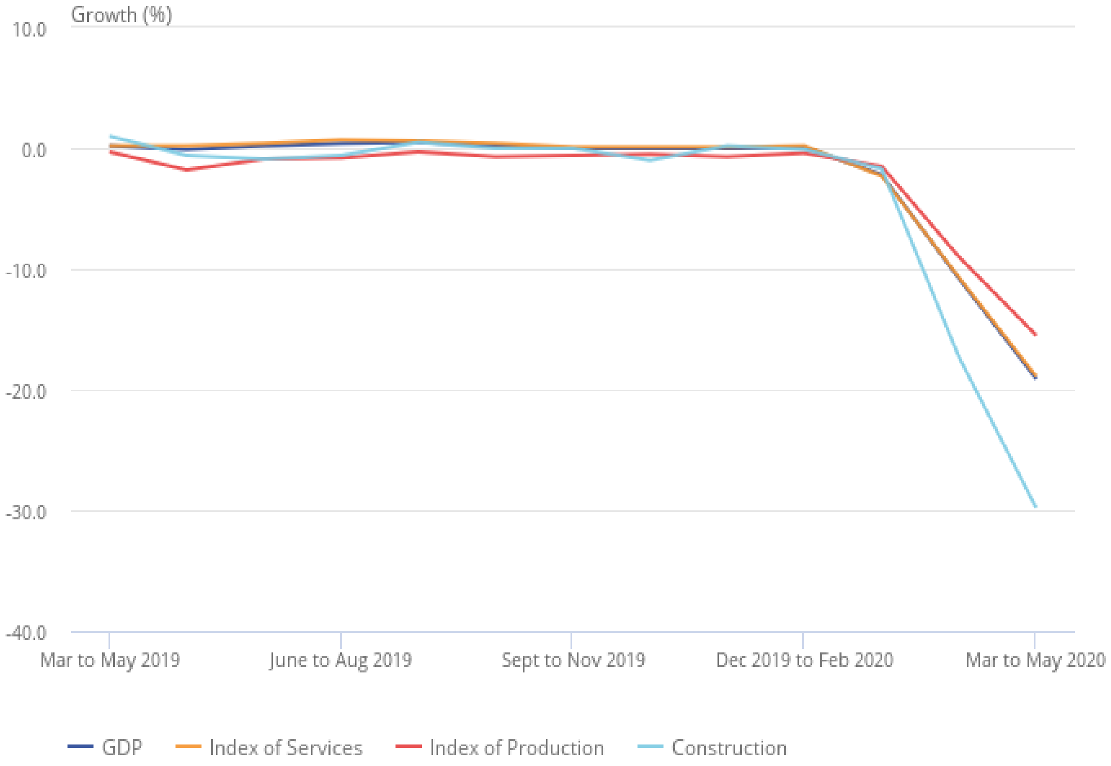
Experimental data produced using HM Revenue and Customs Pay As You Earn Real Time Information shows median wages for the **UK** and **London** to May with early estimates for June.

- In the three months to May compared to the same time last year, **London** experienced the third slowest median pay growth in the UK (+0.1%). The UK median growth over the same period was 0.3%.
- In the **UK**:
    - Median monthly pay fell by 0.9% in May 2020, compared with May 2019.
    - Early estimates for June 2020 indicate that median monthly pay increased by 1.0% on the previous year. This positive pay growth is attributed to reduced inflows, which have tended to have mean pay around 40% lower than outflows.

Modest falls in employment & wages are in part a result of a high proportion of people being able to work from home, as recent **ONS analysis** showed in April 2020, in the middle of lockdown, nearly half (47%) of people in employment did at least some of their work from home. More recently *(8-12 July),* just over a quarter of adults surveyed (27%) worked exclusively at home.

Other measures of economic activity show larger falls than headline indicators…

UK GDP growth (three months on previous three months)



Source: ONS – GDP monthly estimate

Measures of economic activity in the UK for three months to May show very large falls, making the drop in employment in London appear relatively modest.

- **GDP** in **London** fell by 19.1% in the three months to May, following falls in the three months to March and April.
- **The Business Impact of Coronavirus Survey (BICS)** reported that between late March and late May between 15% and 24% of businesses reported that they had temporarily closed or ceased trading – although this figure has been trending down through May.

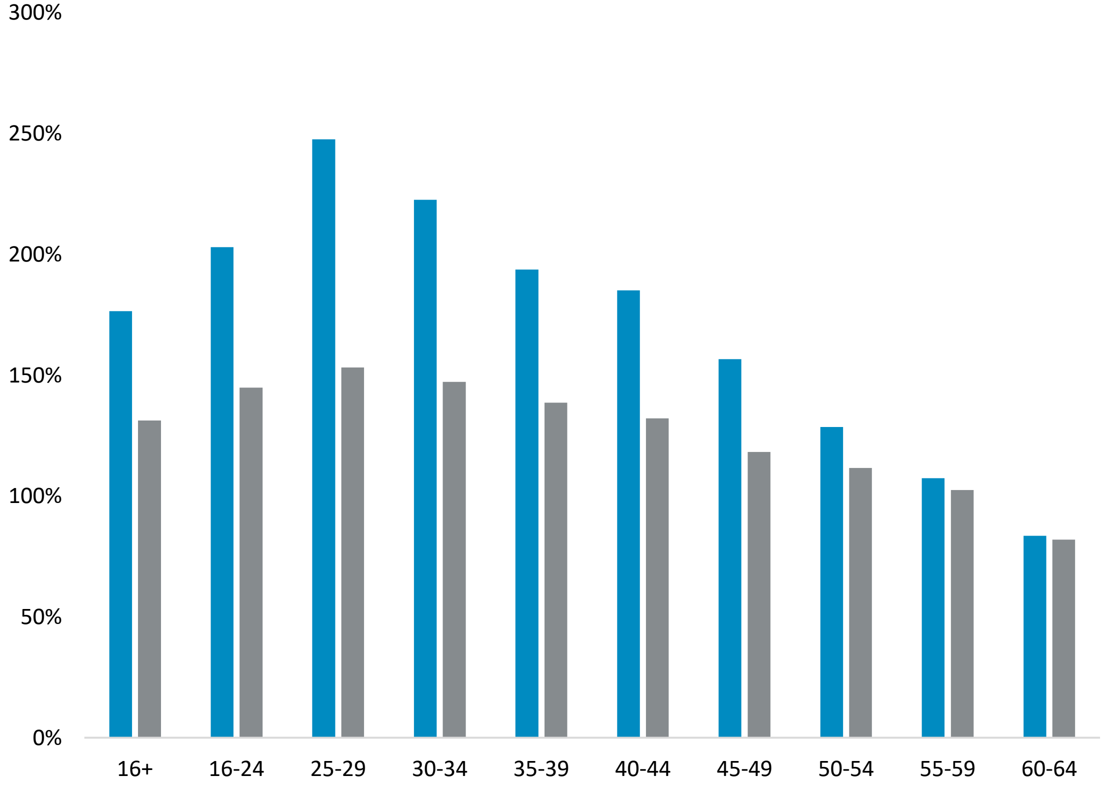
Between March to May 2019 and March to May 2020**, total actual weekly hours worked** in the **UK** decreased by 175.3 million (16.7%) to 877.1 million. This indicates that while many people have remained in employment, they are working far fewer hours. This was the largest fall on record since the beginning of the series in 1971 and the lowest level since May to July 1997.

- The Accommodation & Food Services sector saw the biggest fall in average actual weekly hours, down 12.0 hours to a record low of 16.0.

GLAECONOMICS

…and the claimant count continues to rise, especially in London…

Claimant count change by age groups, June 2019 June 2020 , UK and London



Source: ONS – Claimant Count

Claimant count data for London shows record increases since the outbreak of Covid-19. However, an **increasing number of people became eligible for unemployment-related benefit support** while remaining employed, many of which are on furlough. Consequently, changes in the Claimant Count will not be due wholly to changes in the number of people becoming unemployed (see next slide).

- Since March 2020, the number of claims by residents aged 16+ in the capital has gone up by 148% (274,790), reaching a total of 459,840 claims. This was the third highest regional proportional increase.
- In the **UK**, the claimant count has increased by 112% (1,391,260) since March. The capital accounted for a fifth of this increase.

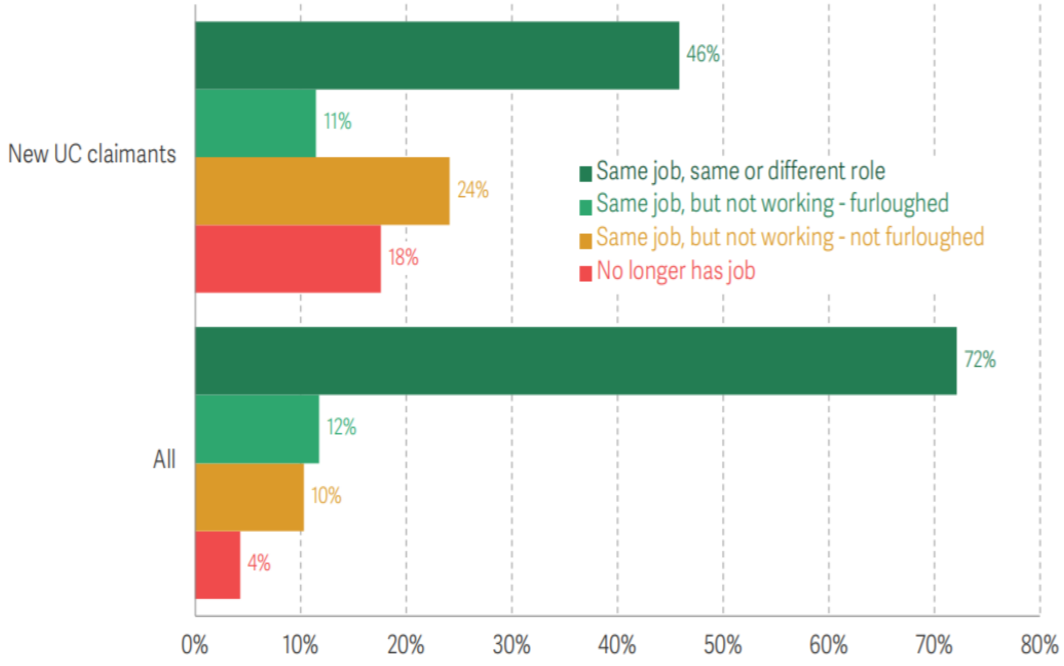
Looking at the change between May and June suggests some signs of stabilisation

- The number of claims in London increased by 4,860 – 149,634 fewer than the rise seen between April and May (154,490).
- However, London, Scotland and Northern Ireland were the only UK regions in to see an increase in the number of claims between May and June.

In our **latest labour market update** we showed how the number of claims varies across the capital by area. By local authority, Newham had the largest year on year change (+16,925) and Richmond had the smallest (+3,540) (excluding the City of London).

...although the majority of new claimants still have a job.

Current working and furlough status of those in work before coronavirus, by whether claimed UC or not: UK, 6-11 May 2020



NOTES: Base = all UK adults aged 18-65 who were in work before the coronavirus and responded to question on current employment situation.
SOURCE: RF analysis of YouGov, Adults aged 18 to 65 and the coronavirus (COVID-19).

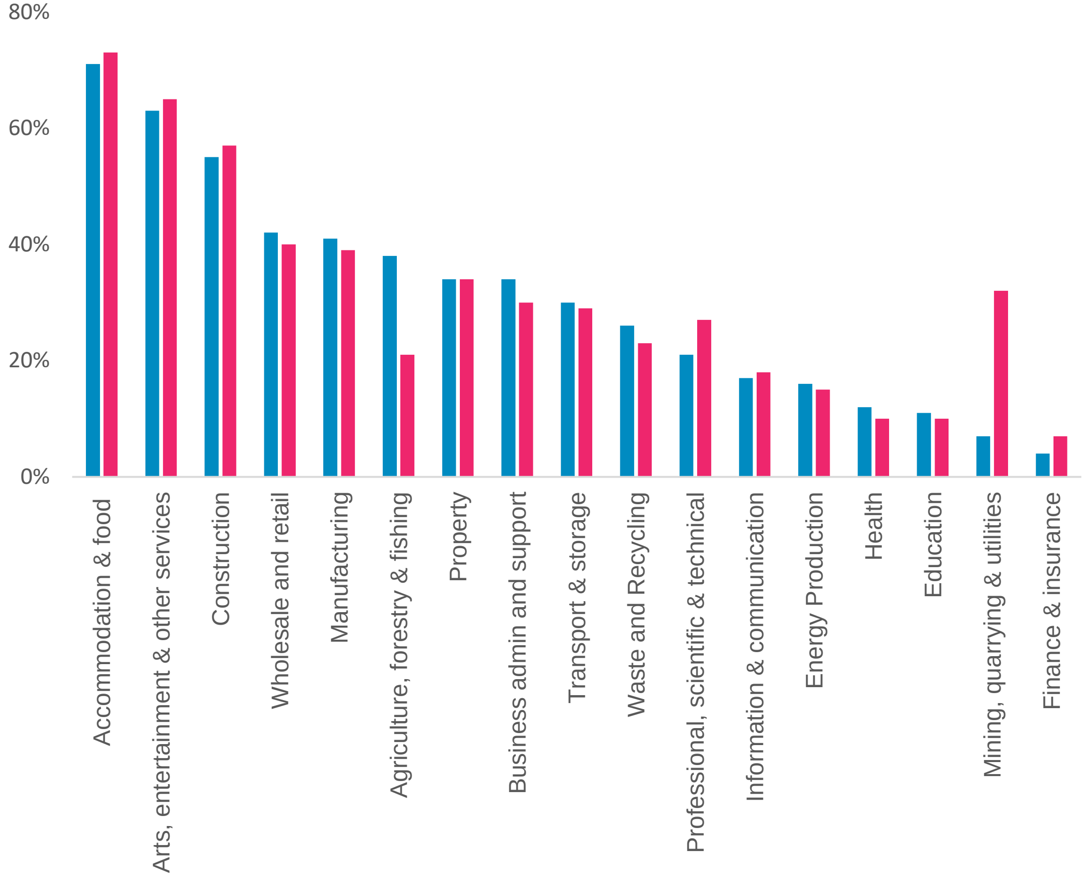
A recent **Resolution Foundation survey** gives an initial picture of these new claimants and it shows that in the **UK** *(6,005 working-age adults, 250 of whom had recently claimed UC, 6-11 May)*:

- Among the new UC claimants who were in work before the crisis hit, 58% were still working or on furlough in May;
- 24% of the respondents that had newly claimed UC still had the same job but not furloughed. This may relate to employees on zero-hours contracts or self-employed individuals that make up over one in four of the new UC claims in the survey;
- Single adults without children made up the highest group of Universal Credit claimants;
- New UC claimants tended to have lower earnings prior to the crisis, with 58% in the bottom two quintiles of weekly earnings. However, these new UC claimants had considerably higher pre-crisis earnings than existing benefit claimants, where 71% of those in work reported earnings in the bottom 40% of the distribution.

More **recent RF analysis** reports that according to the Understanding Society data, 61% of new UC claimants are either working, receiving furlough pay, or receiving (or expecting to receive) an SEISS grant (with many in this category likely to also be bringing in earned income, given the grant is available to self-employed people who have suffered any income hit, however small).

This all suggests government policies have supported the labour market, with nearly 1 in 3 taking up furlough.

CJRS take up rates by sector for London and rest of UK



Source: HMRC CJRS Statistics

Statistics capturing the number of Coronavirus Job Retention Scheme (CJRS) claims up to 30 June show:

- There have been 1.29 million furloughed employments in **London**, and 9.37 million across the UK.
- London has a 30% take up rate; UK has a take-up rate of 31%.
- For London, accommodation and food has the highest take up rate (71%), followed by Arts and entertainment (63%) and Construction (55%).

The number of CJRS claims in London rose by 216,700 in June. This represents a 20% rise in the no. of claims in the capital (see chart).

For further detail and data relating to the Self-Employed Income Support Scheme, see the **16 July GLA Economics update**

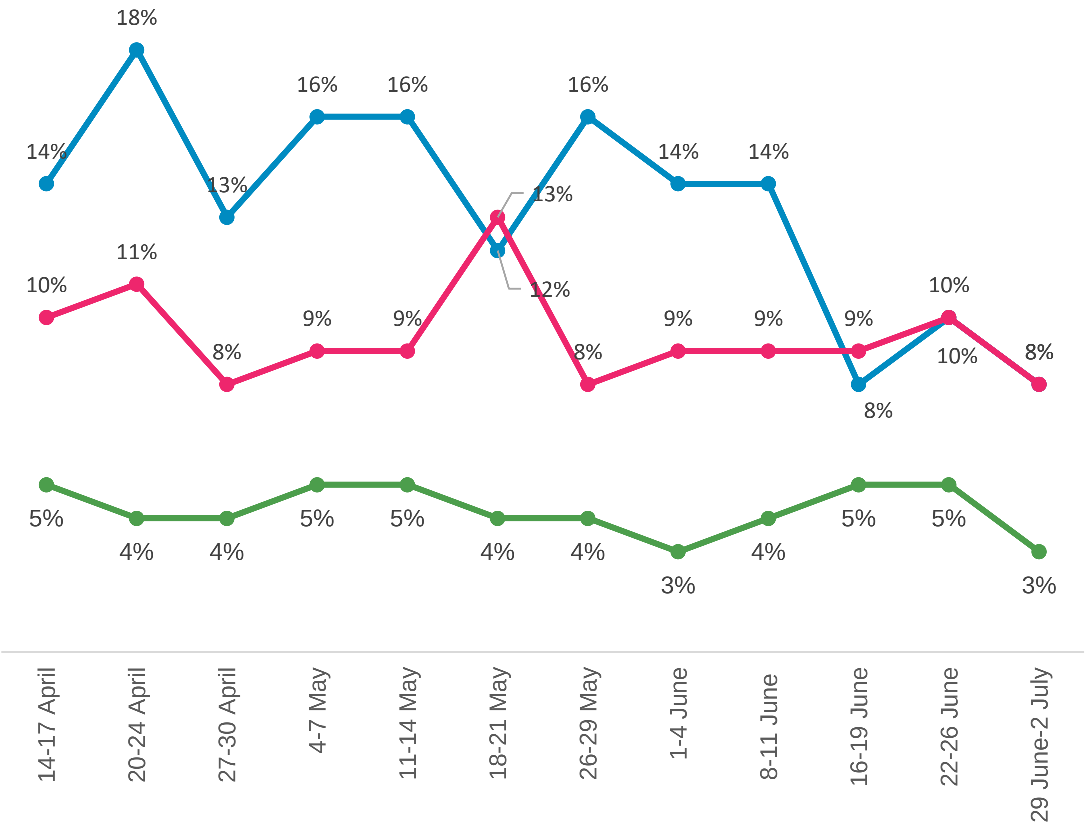
Those on furlough are still at risk of becoming unemployed when the support tapers:

- An **IoD survey** shows that around 1/4 of the UK employers using the CJRS could not afford to contribute to the scheme (*697 respondents; 20-27 May*).
- Similarly, ***a* YouGov survey** showed that 10% of businesses expected to make at least ½ of their furloughed workers redundant (*500 businesses, 22 May-7* June).

RF research, included in the previous round-up, shows that workers on low-pay are the most likely to lose their jobs. Arguably, this has started as many businesses in Retail – a predominantly low pay sector – **announcing their plans for redundancies**. This is likely to feed into the unemployment figures over the next few months.

And, there are some recent signs of stabilization.

Employment changes for London, Furloughed (% of workers), Reduced pay/hours (% share of workers) and Redundant (share of all Londoners)



Sources: YouGov/GLA Survey of Londoners

The **GLA Coronavirus Weekly Tracker** for **Londoners** shows that in the three weeks to 2 July there has been stabilisation in changes to employment – consistent with the smaller increase in claims for June (discussed on slide 6).

- The proportion reporting that they have been furloughed decreased sharply (from 14% to 8%). This aligns with **ONS BICS** data for June showing a falling share of workers on furlough, and in the latest **GLA Economics update**).
- The proportion reporting that they have been made redundant or had reduced hours or pay was the lowest it had been since the survey began in mid-April (3% redundant, 8% reduced hours or pay)

The PMI Employment Index for June showed continued falls in employment but at a slower pace relative to April and May (to 36, with 50 or below indicating a fall). **London** saw one of the fastest drops across the UK, second only to the North East.

Experimental data produced using HM Revenue and Customs Pay As You Earn Real Time Information examines the flows of people entering and leaving employment for the UK as a whole. For April, there was net outflow of 450,000, but this has shrunk over the past two months to a net outflow of 74,000 in June. The net outflow has been driven by fewer people entering new employment than averages before Covid-19, rather than increases in the numbers leaving employment, signifying less churn. This picture is consistent with fewer vacancies (discussed in more detail on slide 11.)

ONS BICS data on trading activity for June covering the UK as a whole is consistent with the above employment indicators, showing steady improvement in trading activity.

- In late march and early April, over 20% of business reported that they had temporarily closed or ceased trading.
- This picture has improved steadily in recent BIC surveys, down to 10.6% for the period 15 to 28 June – and of those, 4.3% intend to restart in the next two weeks.

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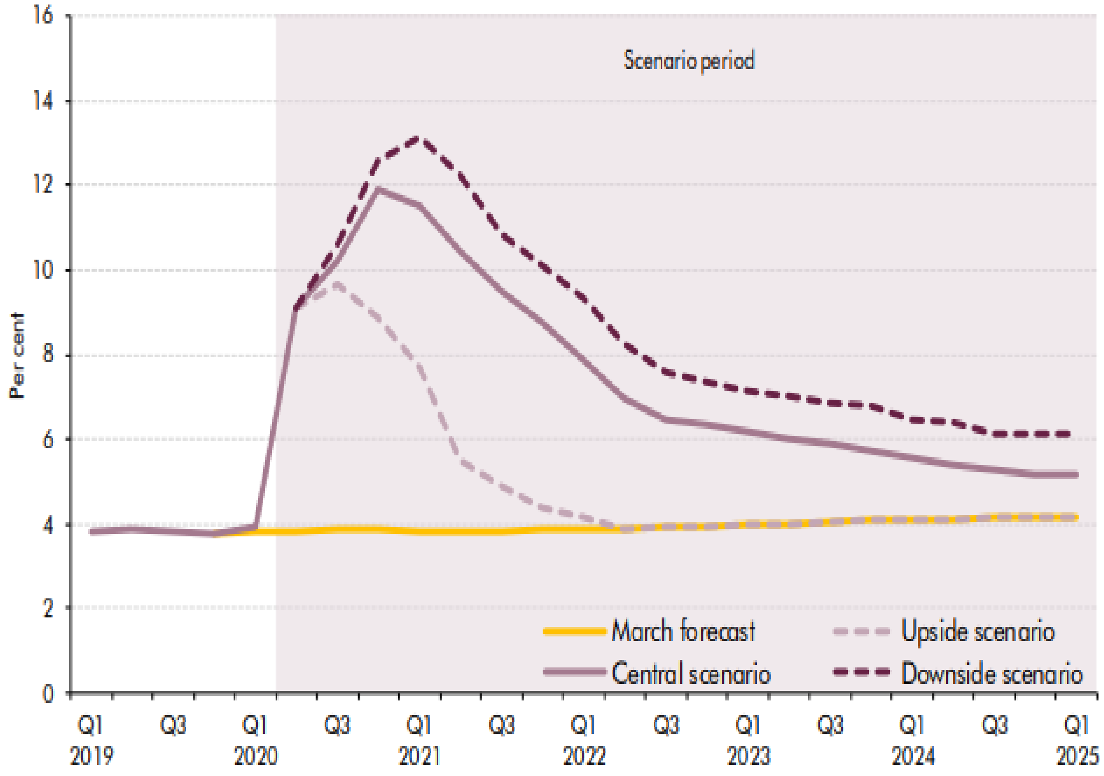
Latest forecasts suggest employment will continue to fall and unemployment rise.

Unemployment rate: scenarios versus March forecast



Source: OBR forecast using ONS data

The **GLA's medium-term Economic outlook** forecasts a 7% fall in jobs in 2020, with the total number of jobs still below their current level in 2022. A 7% fall would eclipse the 2.3% fall seen in 2009 after the Financial Crisis.

The **OBR released the Fiscal sustainability report in July** containing its view on the UK economic outlook. The OBR produced three scenarios (see chart)for the medium-term, updating its March forecasts, which did not fully incorporate the likely impact of Covid-19 on the economy and the labour market.

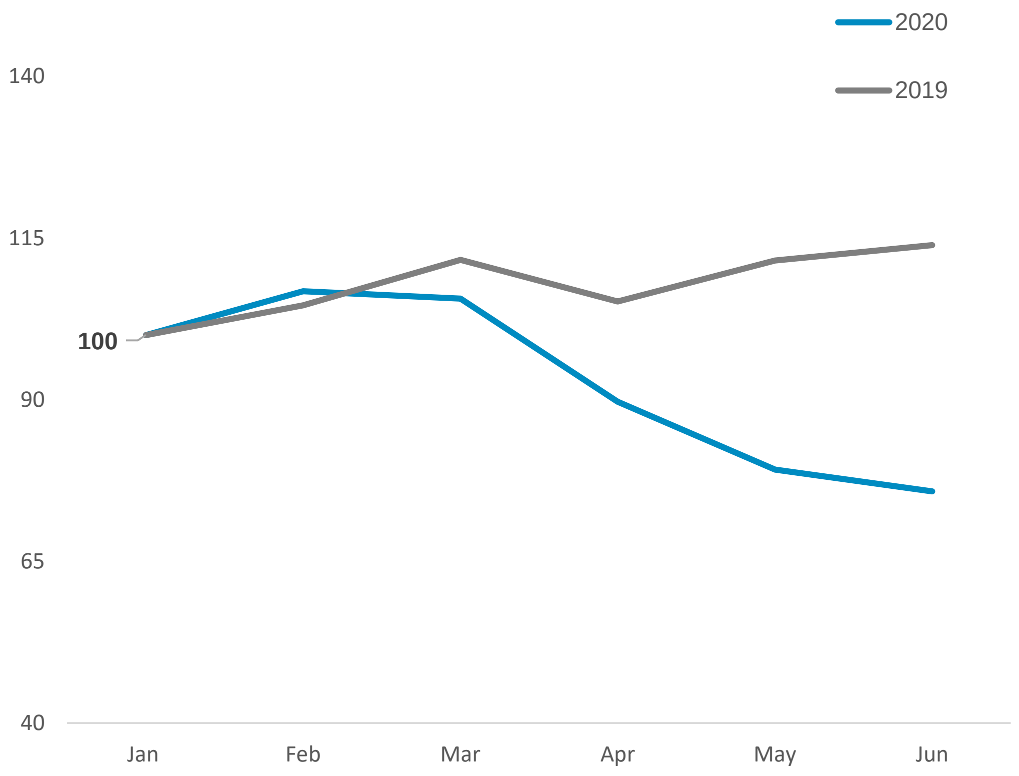
- Central – output recovers at a moderate rate. Could be consistent with a vaccine or treatment taking around a year to deliver. The unemployment rate peaks around 12% in 2021.
- Upside – activity rebounds relatively quickly, recovering to its pre-virus peak by Q1 2021, with no scaring. The unemployment rate reaches a peak of nearly 10% in 2020.
- Downside – output recovers slowly, consistent with indefinite maintenance of strong social distancing, resulting in a significant loss of business investment and firm failures. The unemployment rate peaks at around 13% in 2021.

OECD forecasts are somewhat more optimistic – in its 'double-hit' (equivalent to a downside) scenario, the unemployment rate in the UK is set to more than double to 10% and remain elevated throughout 2021.

The **Learning & Work Institute** analysis suggests that unemployment in the UK could rise above 10% in the second half of 2020.

Low vacancy numbers also support a weaker employment outlook…

London Monthly Job Postings 6 month trend for 2019 and 2020 *(100=Jan)*



Source: GLAE analysis of EMSI Jobs postings data

GLAE analysis of EMSI data reveals online jobs vacancies in the **capital** have been following a downward trend in 2020. The chart illustrates the contrast in job positing trends for 2020 against 2019.

- In June 2020, job postings in **London** were 24% lower than at the start of the year and 31% lower than June last year.
- The overall level of jobs postings in London remains relatively low. The average monthly number of job postings in London across 2019 was 540,800, compared to 487,000 for 2020 to date.
- Full time and permanent postings in **London** were down 34% and 31% respectively in June 2020, compared with the previous year. There has been a 65% rise in the number of posting with remote working during the same period.
- When we analyse the most recent 30 days *(21 June – 20 July)* compared with a year ago, job postings in **London** have steadily declined. The rate of decline increased in the last 2 weeks to 26.5%, the highest decline across the 30 day period.

GLA Economics will be tracking EMSI job postings data for London in the coming months to help understand how the labour market is recovering.

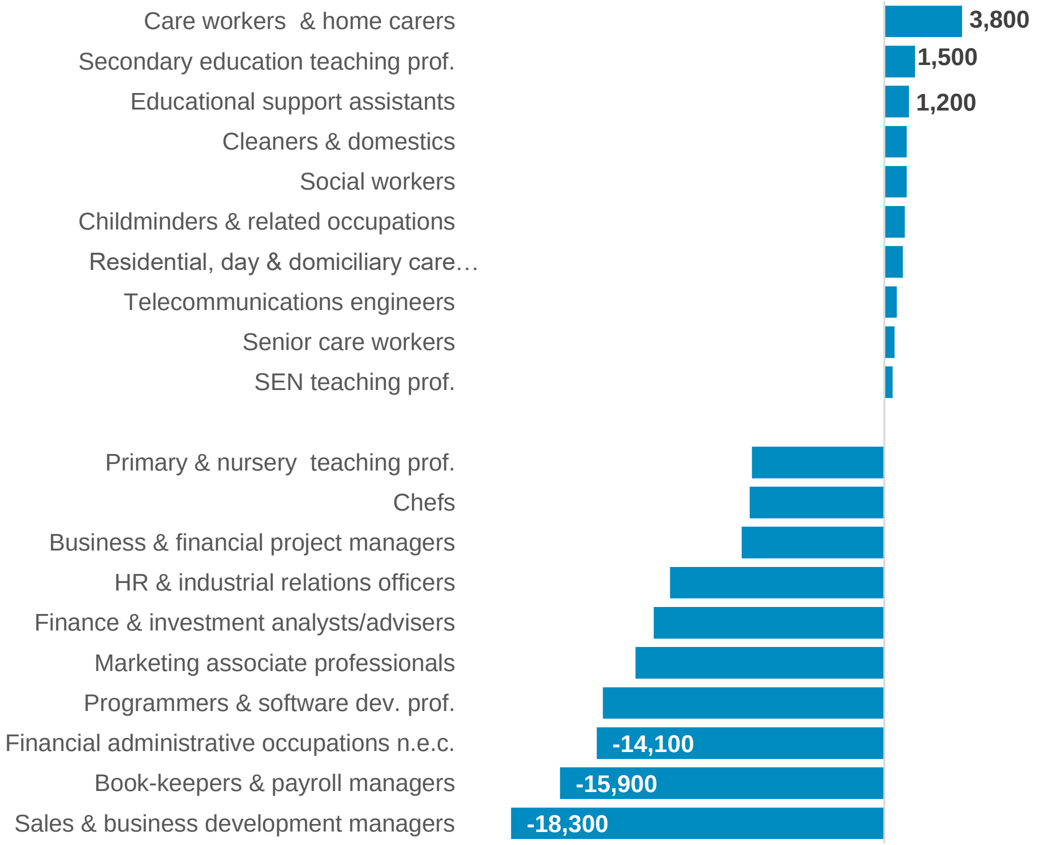
Other vacancies sources show similar trends:

- **Indeed** reported that job vacancies have been slow to recover, with data up to July 10 showing minimal increase from May.
- In addition**, ONS** analysis of Adzuna data found that:
  - For March to May 2020, there were an estimated 333,000 vacancies in the **UK,** the lowest level since the series began in 2001. This is 463,000 fewer than in the previous quarter and 497,000 fewer than the previous year The Wholesale & Retail and Accommodation & Food Services sectors saw the largest falls.
  - However, the ONS noted that experimental vacancy data overall for the month of June had recovered slightly from May.

GLAECONOMICS

… particularly for some occupations…

Top 10 occupation for jobs postings absolute growth and decline in London, *(between April to June 2019 and April to June 2020)*



Source: GLAE analysis of EMSI Jobs postings data

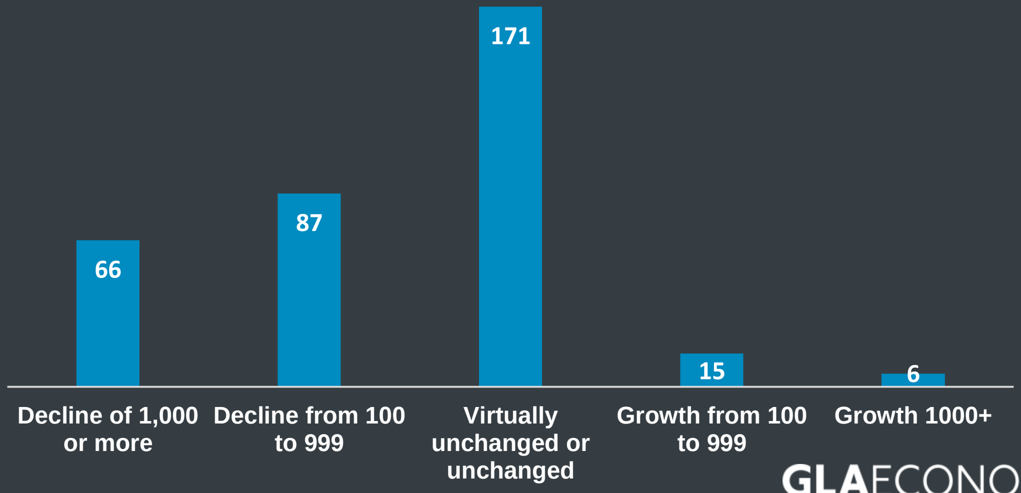
The chart on the left shows the occupations with the largest falls in the number of vacancies over April to June 2020 compared to the previous year. There were also some occupations which saw some growth in online job postings (see chart).

Note that some occupation are likely to be under-represented in online job postings data. This is due to fact that the nature of recruitment will vary by occupation as some occupations are much more likely to be recruited via online job postings than others. Online job postings are more likely to be underrepresented in low skilled occupations.

The chart below provides a summary of changes in vacancies for the 345 4-digit occupations:

- 44% of all occupations saw a decline of 100+ job postings
- Nearly half of all occupations saw little change (less than 100 growth or decline)
- 6% of all occupations saw a growth of 100+ job postings

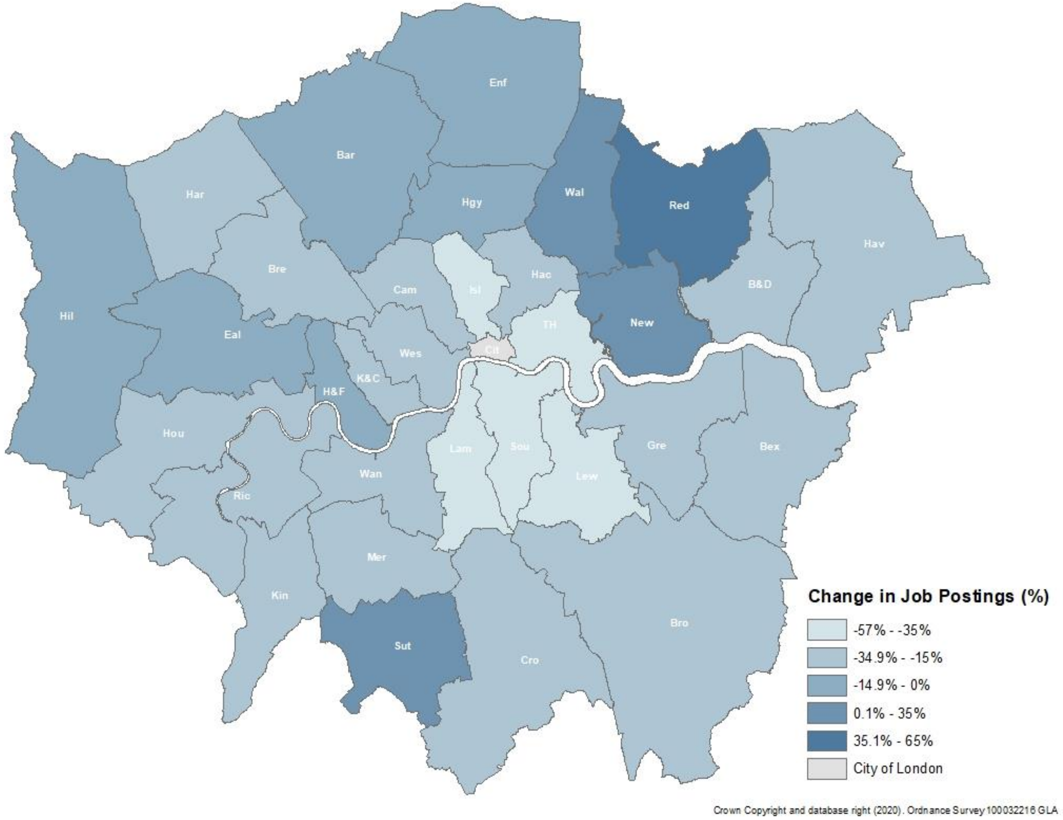
Number of occupations by changes in job postings for London April to June 2019 and April to June 2020)



GLAECONOMICS

… in certain parts of **London** …

Change in job postings, *(April to June 2019 to April to June 2020)*



Source: GLAE analysis of EMSI Jobs postings data

- GLAE analysis of jobs postings data at a local authority level shows that the majority of local authorities across the **capital** saw declines in job postings comparing April to June 2020 to the previous year.

- The local authorities in **London** with the largest falls were Islington (57%), Tower Hamlets (55%) and Lambeth (53%).

- Outside the top 3 declining local authorities, Barking and Dagenham, Brent, Richmond, Wandsworth, Southwark and Lewisham all saw a decline in jobs postings by more than a third.

- Only 4 of **London's** borough's did not see decline – Redbridge (65%), Sutton (31%) ,Waltham Forest (26%) and Newham (20%).

Note – analysis excludes City of London.

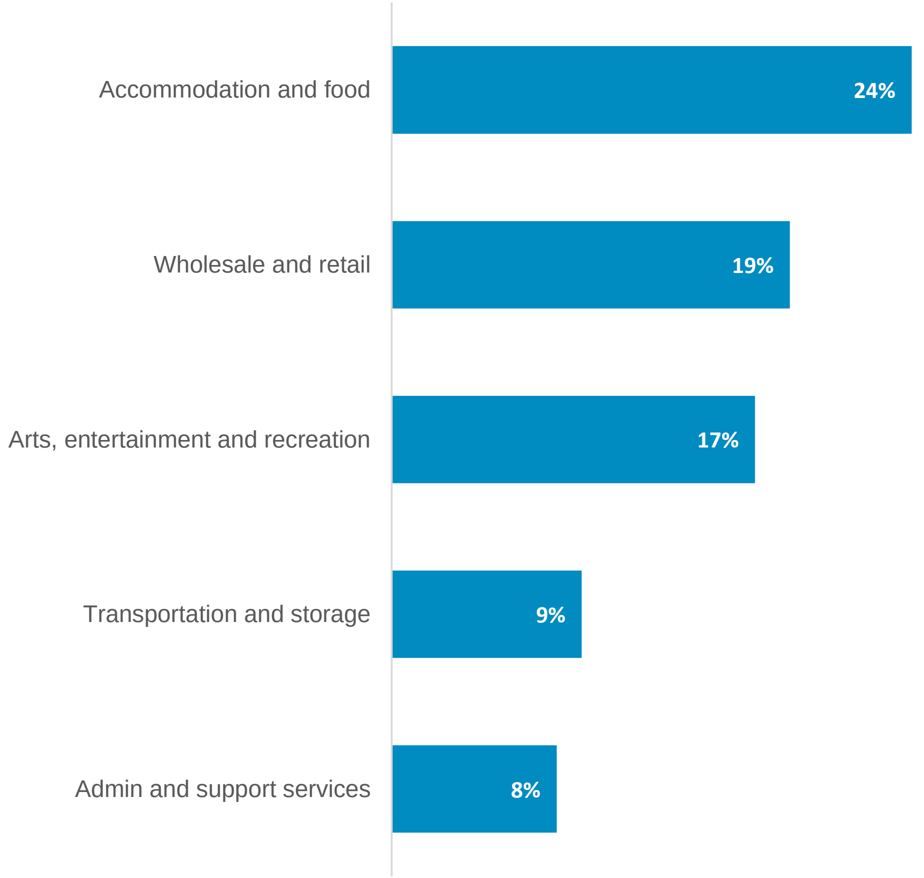
In terms of the total number of job postings in the **capital**:

- Westminster had the highest, with approximately 398,200 postings over April to June 2020. This was far more than any other local authority – the next highest were Southwark (15,000) and Lambeth (13,600).

- The local authorities with the lowest were Waltham Forest (3,900), Bexley (4,600) and Haringey (4,600).

…and for certain sectors.

Jobs at risk in London by industrial share



Source: GLA analysis of Annual Population Survey (Yr to Sept 2019)

- **Our previous roundup** highlighted that there could be up to 1.1 million jobs at risk in the **capital**, by identifying the jobs most likely . Here we provide an industrial breakdown for these sectors.
- The chart indicates approximately 1 in 4 jobs at risk are in the accommodation and food sector (roughly 250,00 jobs). This is followed by Wholesale and retail and Arts (19%) and arts and entertainment (17%).
- The table below shows the jobs at greatest risk in **London** (in terms of volumes) at a more detailed industry and occupation level

Year to Sept 2019	Number of jobs estimated to be at risk	Share of jobs at risk
Top 5 sub-industries		
Restaurants and mobile food service activities	156,000	15.4
Retail sale of other goods in specialised stores	84,000	8.3
Other passenger land transport	71,000	7.0
Creative, arts and entertainment activities	68,000	6.7
Other education	58,000	5.8
Top 5 occupations		
Other Elementary Services Occupations	95,000	9.5
Artistic, Literary and Media Occupations	68,000	6.7
Sales Assistants and Retail Cashiers	65,000	6.5
Road Transport Drivers	64,000	6.3
Food Preparation and Hospitality Trades	57,000	5.6

Jobs at risk analysis is based on pre-COVID data (year to sept 2019), highlighting those jobs that were most likely to be impacted by the crises due to the nature of the industry.

- Furlough statistics also provide an indication of jobs at risk. The take up of the scheme across sectors (see slide 8) as well as **Economic Observatory analysis** suggests a similar profile of sectors at greatest risk.

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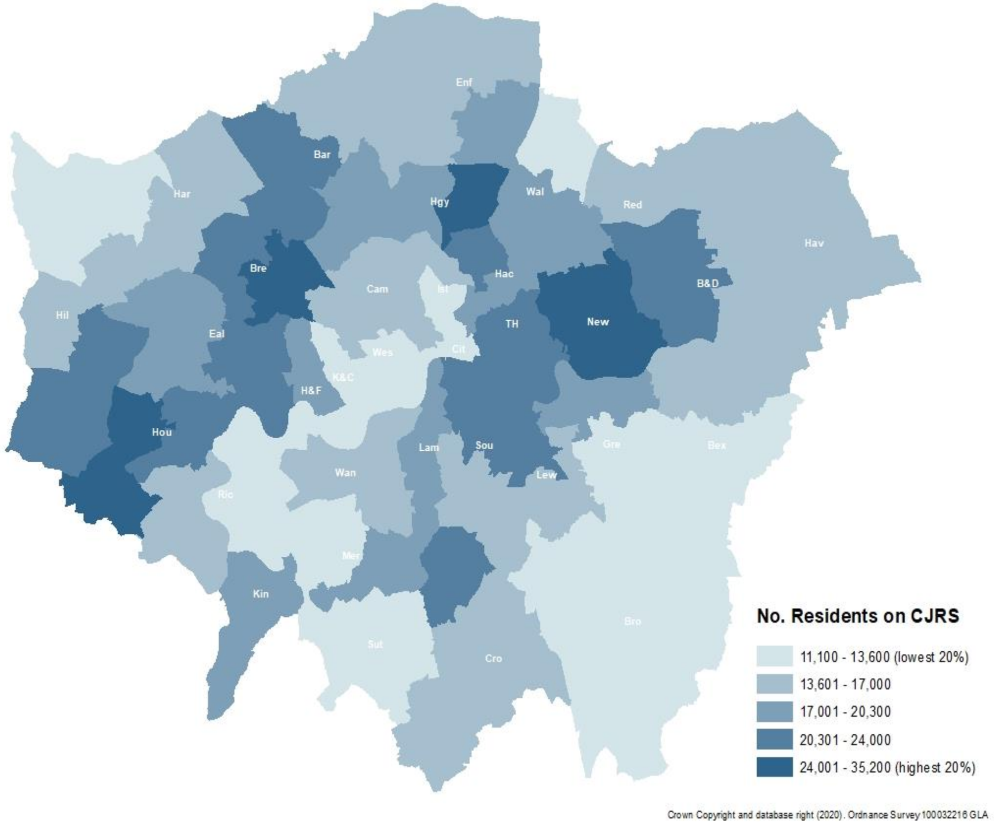
Furlough levels by parliamentary constituency



Source: GLAE analysis job postings data

There is a distinctive geographical pattern emerging from the furlough data. GLAE analysis for CJRS and SEISS claims for London show a relationship between furlough data and areas with higher deprivation, among other factors. This analysis can be found **here**.

Looking at numbers on furlough across parliamentary constituencies in London:

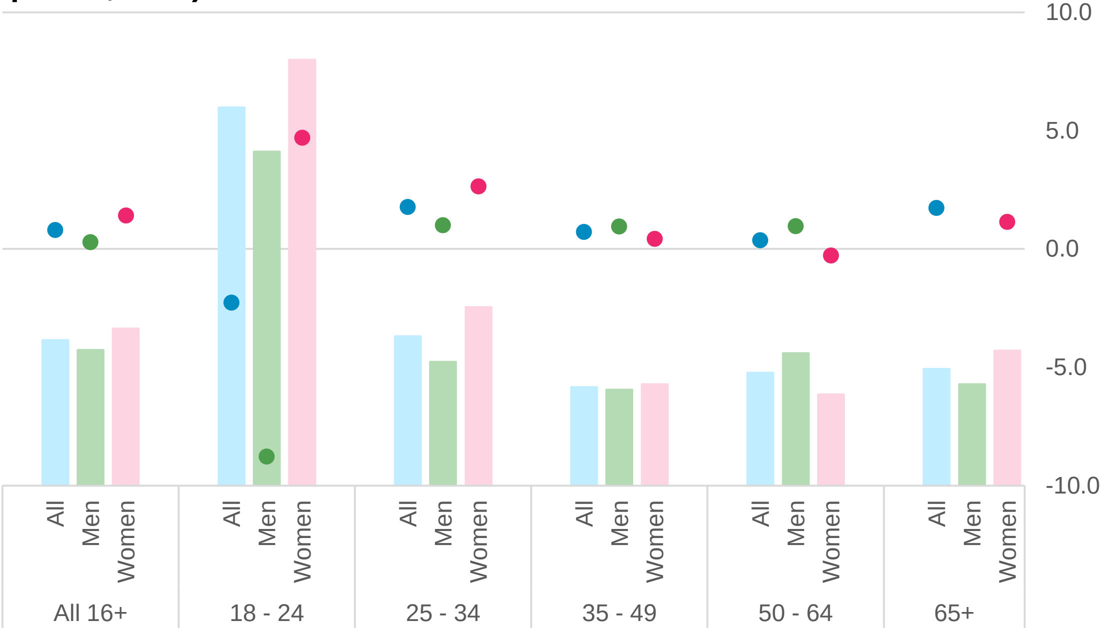
- For the CJRS, West ham had the highest number of employments (35,200), followed by Tottenham (30,300) and Feltham and Heston (28,900).
- For SEISS claims, Beckenham had the highest number (15,600), followed by Finchley and Golders Green (14,800) and Poplar and Limehouse (13,500).

In terms of take up rate (employments on furlough relative to those eligible):

- For the CJRS, the top constituencies were Feltham and Heston (39%), Tottenham (39%), and Hayes and Harlington (38%)
- For the SEISS, the top constituencies were Harrow East, Ilford North and Hornchurch & Upminster – all with a take up rate of 80%.

Whilst headline indicators show the rise in unemployment has been driven by women.

Unemployment rate (%) by age and change on year (percentage points, RHS)



Source: Labour Force Survey

GLA Economics will be tracking the labour market outcomes of different groups of workers in coming months. In this round-up, we look at published headline employment statistics in London by sex and age. Looking at seasonally adjusted rates for March-May 2020 by sex:

- Women are driving the increase in **unemployment** rate in **London** – in the past quarter, the rate for women rose 1.4pp to 5.4%, overtaking the rate for men, which fell 0.1 pp to 4.8%.
- The **employment** rate in **London** had been trending upwards but fell in the quarter to 66.5%. The rate for women fell more than men over the quarter, but the difference was less stark than with the unemployment rates. The employment rate for men fell 1.3pp on the quarter to 73.4%, and the rate for women fell 1.8pp to 60.1%.

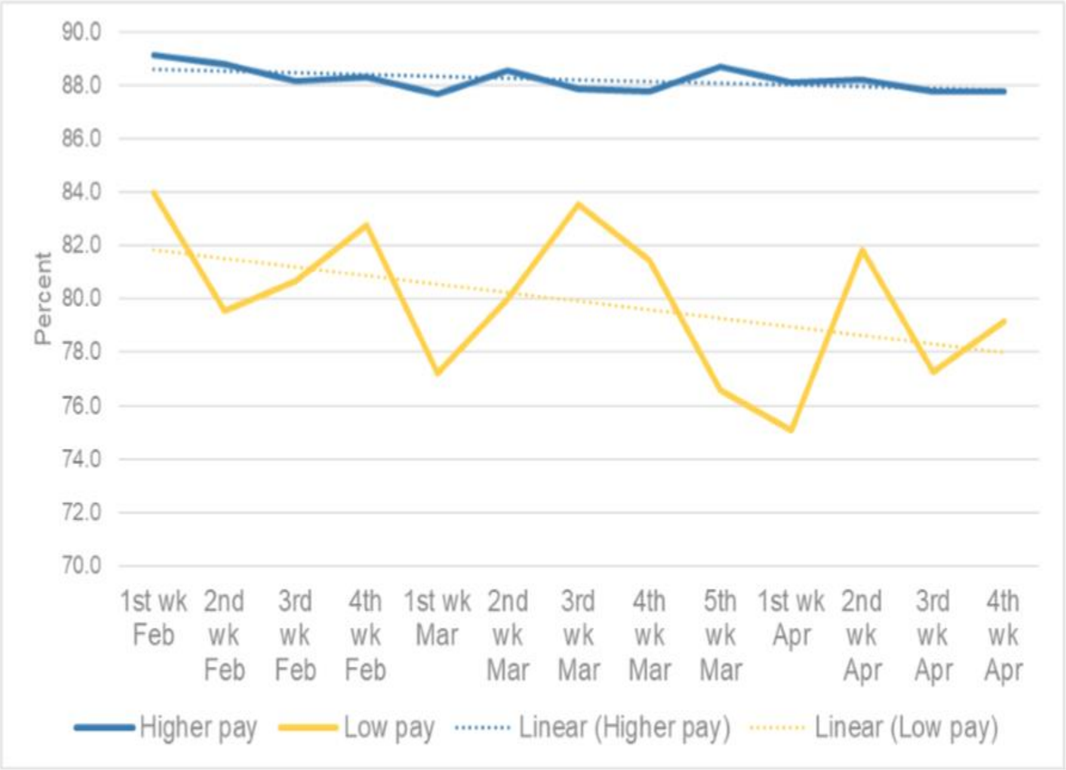
Looking at breakdowns down by both age and sex for the March-May 2020 quarter compared against the previous year (note these numbers are not seasonally adjusted):

- The unemployment rate for all age groups in March-May 2020 remained above their rates for the same quarter the previous year except for those aged 18-24 year olds (who have the highest unemployment rate). This was driven by men in that age group whose unemployment rate was down -8.8pp on the year. Meanwhile the largest year on year increase in unemployment rates was amongst women 18-24 (up 4.7pp) – see chart.
- The employment rate was lower than in the previous year for those aged 35-49 (driven by men in that age group) and 65+ (driven by women in that age group).
- Compared to the March-May 2019 the employment rate for men aged 18-24 was up the most (6.8 pp) – compared to a decline amongst 18-24 women (-1.8pp). Meanwhile the employment rate for men aged 35-49 was down the most (-3.3 pp).

GLAECONOMICS

Research continues to highlight the disproportionately high impact on low income earners…

Figure 4: Employment rate by week for low paid and higher paid employees



Source: IES analysis of the Labour Force Survey

IES analysis of the Labour Force Survey for the UK on those in low-paid jobs showed that:

- The employment rate has already fallen significantly for those in low-paid jobs – down by 4 percentage points between February and April, from 82 to 78%. Whilst employment is unchanged for those in higher paying jobs (see chart).
- Low paid workers were two thirds more likely to be in temporary work, three times more likely to be part-time, and nearly five times more likely to be on zero hours contracts than higher paid workers.
- One in eleven low paid workers are looking for a new or additional job, equivalent to 400,000 - double the rate for those in higher paid jobs.
- Those in lower paying jobs are twice as likely to report that they are 'away' from work (but still employed) and report a greater reduction in usual hours of work.

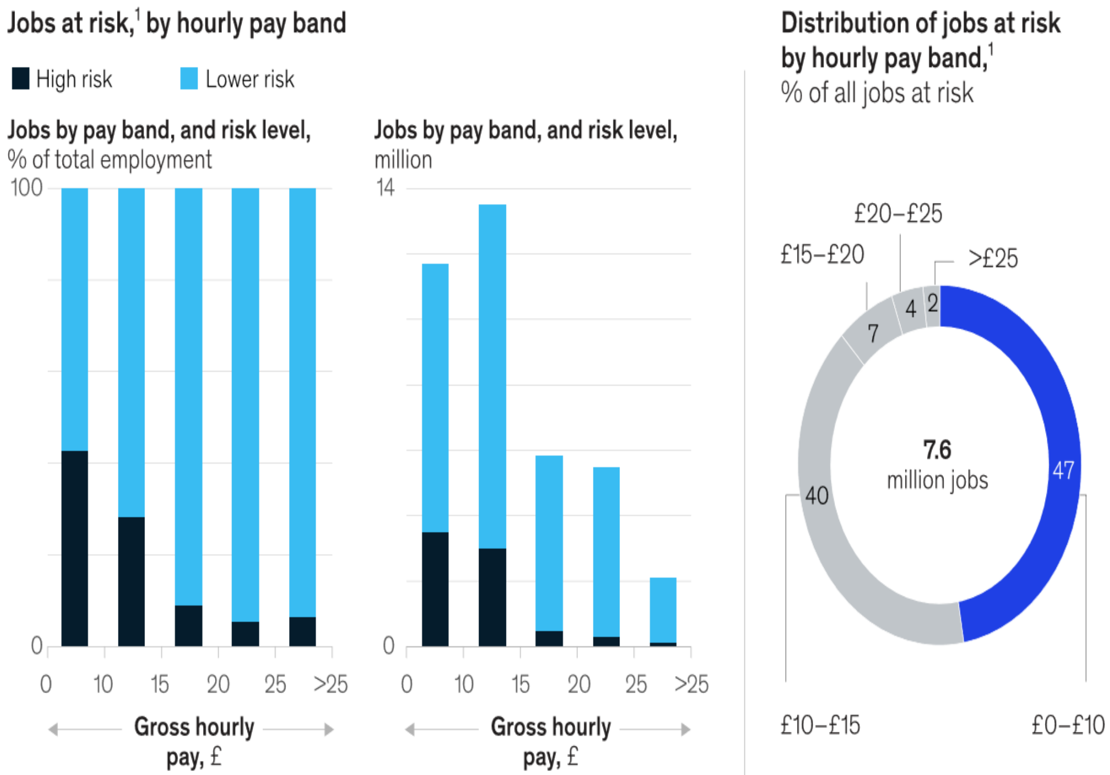
The **IES** draws links between low paid and the distributional impact on certain groups of workers highlighting that low paid jobs are more likely to be held by women, to be young, to be black or from a minority ethnic group, to be under-employed and/ or to have lower qualifications. Those in low paid work are already disadvantaged in the labour market.

RF analysis indicates that workers on lower pay have also been greater impacted by changes in their jobs since the coronavirus outbreak. 33% of the lowest paid workers, by employee earnings quintile, have either lost their job, reduced hours and pay, or been put on furlough due to coronavirus-related reasons. This compares to 22% average across all employees of all earnings.

ISER reported that 31% of the lowest earners have had their earnings fallen by 20% or more, compared to 21% of the highest earners, and average household earnings fell by 8%. Other findings have shown that the average 35 hours worked a week have fell to 23 hours a week.

- The survey also explored how people are mitigating the economic effects of the pandemic, with more than 26% dipping into savings, and a collective 27% having taken a mortgage holiday, applied for Universal Credit or borrowed from friends or family.

…who are exposed to greater risk of furlough, layoffs, or reductions in pay.



[1]Jobs that are at a high risk of furloughs, layoffs, or reductions in hours or pay during periods of high physical distancing. Excludes occupations where no pay data were available.
Source: Office for National Statistics; US Bureau of Labor Statistics; McKinsey Global Institute analysis; McKinsey analysis

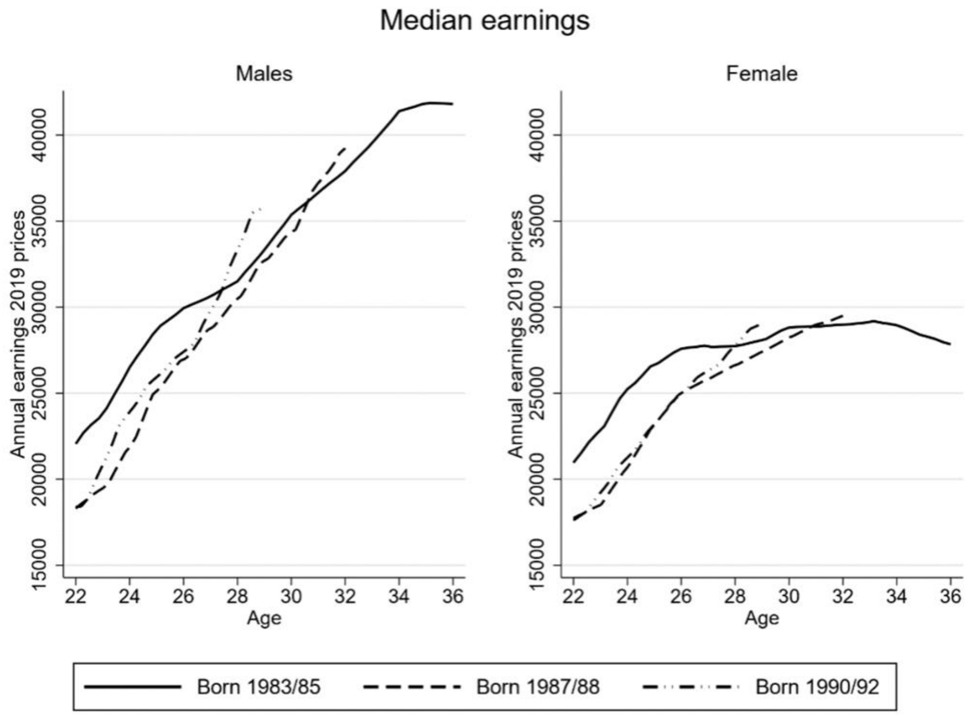
Analysis by McKinsey on the UK showed workers on lower incomes have suffered worse labour market outcomes since the crisis and low paid jobs are likely to be in the sectors most at risk of furlough, layoffs, or reductions in hours or pay during periods of high physical distancing.

- 47% of workers across the UK with a median gross hourly pay of less than £10 make up the highest proportion of people with jobs at risk (see chart)
- The risk reduces as hourly pay increases, with 40% of jobs at risk for people earning £10-15 and 2% of jobs at risk for people earning more than £25.
- Part-time and young workers are more likely to be in jobs at risk among vulnerable demographic groups. Part-time workers make up 24% of the workforce, but have a 35% share of total UK jobs at risks and workers under 35 make up 36% of the workforce, but have a 45% share of total UK jobs at risks.
- This analysis also revealed a link between regions that have lower income levels and a higher proportion of workers with jobs at risk. Approximately 26% of the total work force in the 20 most at-risk subregions are in elementary and skilled trades occupations, while 16% are in the 20 least at-risk sub-regions.

ONS analysis drew links to working from home and showed that employees who earn higher hourly wages are more likely to be able to work from home, explaining in part why they are at lower risk. The median earnings of employees in the 20% of the workforce most likely to be able to work from home is £19.01, compared with £11.28 for workers in the 20% of workers in jobs least likely to be adaptable to home working.

Research from the financial crisis shows challenges for people entering the labour market during a recession…

Figure 1: Earnings by age for three cohorts of graduates entering the labour market before, during and after the 2008-09 recession



Source: IFS analysis of Labour Force Survey

IFS analysis highlighted that in a recession, young people are likely to earn less than expected. Graduates and school leavers across the UK who found work were earning 6% lower after one year and 2% lower after five years in the last three recessions, compared to the 'normal' cohort of graduates.

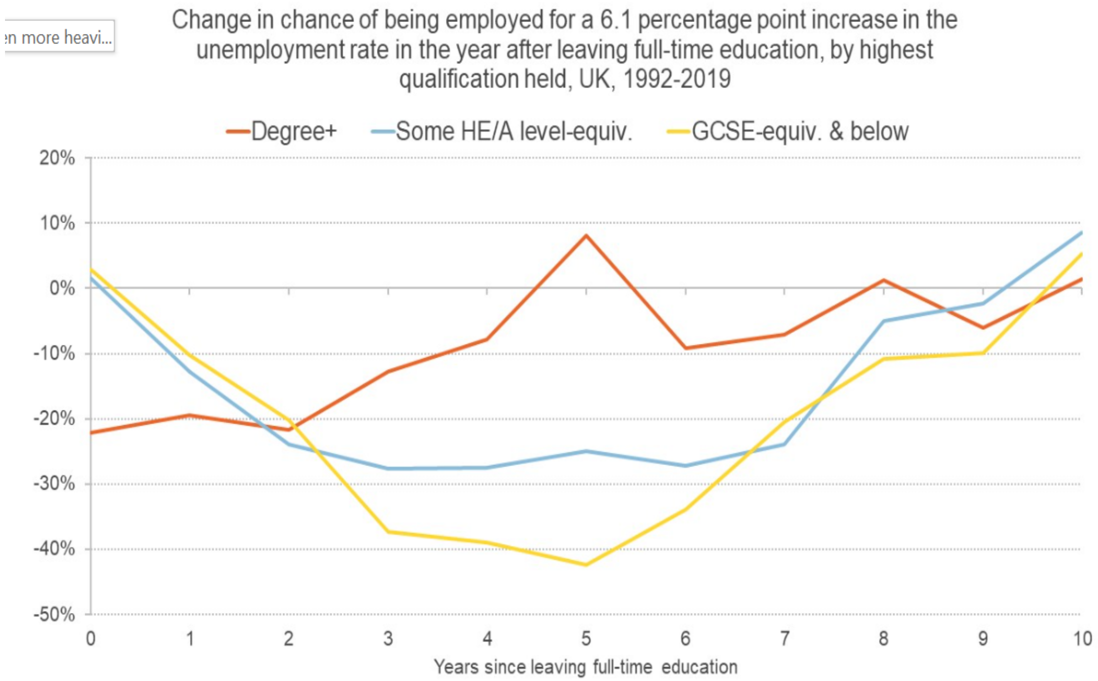
- This effect is even more prominent for school leavers.
- Graduates are more likely to work in low paid 'non-graduate' work - after the 2008 recession they were 30% more likely to work in non-graduate work, such as sales and customer service.
- It will take more time for people graduating during a recession to reach earning levels equal to a normal cohort of graduates. Students of the same age who graduated into a recession entered the job market with lower pay and took 10 years to reached income levels equal to the normal cohort of students who did not graduate during a recession.
- These findings are further supported by **robust evidence** highlighting the short and long term career effects of graduating during a recession.

Note non-graduate work refers to jobs that are considered as not requiring a degree.

Other analysis (Schwandt and von Wachter, 2019), also shows that non-graduate leavers who enter the labour market during a recession suffer even larger long-term earnings losses than graduates and the effects are felt more in terms of employment than wages **(Clarke, 2019)**.

…with recent analysis expecting a similar outcome for those joining the labour market now.

Figure 1: The coronavirus effect to unemployment is expected to reduce a low-skilled leaver's chance of being in work by over a third



Source:* Henehan *2020 (analysis of ONS, Labour Force Survey)

ISE analysis indicates that all types of entry-level roles have been reduced this year by 23%, with the "volatile" jobs market forecast to shrink more as 15% of employers expect to scale back recruitment even further in 2021.

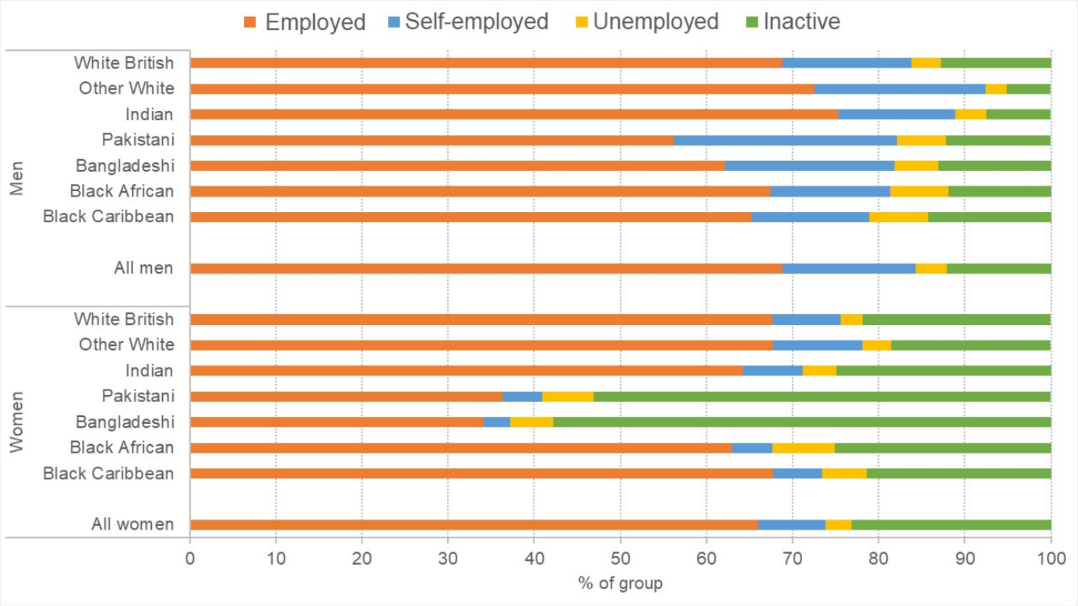
- Employers are reported to be seeking 32% fewer entrants on apprentice or school leaver programmes than originally planned for this year, while graduate jobs have been cut by 12%. Internships and placements are also expected to slump by 40%.

Economic Observatory analysis estimated the impact of the current crisis on different groups of full-time education leavers. Their simulations use LFS data and the **OBR Coronavirus scenario** to show that two years after leaving full-time education, both graduate and non-graduate leavers will be 20% less likely to be in employment than their immediate and more fortunate predecessors.

- The simulation also shows that four years down the line, a large gap may emerge: graduate employment may be lower by 8%, while the employment rate of school leavers with intermediate or low qualifications could be almost 30% or 40% lower, respectively.
- As for those who do find employment, the analysis predicts that two years since entering the labour market, graduates may see their wages cut by 8%, while low qualified non-graduates could see a reduction of about 13%.
- *Note that these are scenario based estimates for the future and there will be a number of factors, including policy interventions such as Kickstart, that could affect the actual impact.*

McKinsey analysis shows part-time and young workers are also more likely to be in jobs at risk among vulnerable demographic groups. Part-time workers make up 24% of the workforce, but have a 35% share of total UK jobs at risks and workers under 35 make up 36% of the workforce, but have a 45% share of total UK jobs at risks.

There is more evidence on the disproportionate impact on ethnic minorities …



Source: Labour Force Survey, first quarter of 2016 to fourth quarter of 2019

The Economics Observatory (ECO) has looked into the economic impact of Covid-19 on ethnic minority groups, adding to and supporting earlier evidence from previous round-ups. It shows that in the **UK**:

- Within most ethnic minority groups, men are more likely to work in sectors that have been affected by the shutdown - 50% of Bangladeshi men work in sectors affected by the shutdown, partly due to their strong concentration in the restaurants and food services sector (24% of Bangladeshi men work in these industries)
- Ethnic minority families may be affected by lower rates of employment among women. Bangladeshi and Pakistani women have relatively low employment and high unemployment rates (see chart). This could make their households more vulnerable to loss of work.
- Certain ethnic groups are more likely to be self-employed (see chart) and the self-employed have fared worse through the crisis- the chances of being self-employed (before the crisis) were higher for Bangladeshi and Pakistani men. More than ¼ of Pakistani men of working age were self-employed. This can be linked to the concentration in taxi driving: 16% of Pakistani men work in taxi/cab driving; over 1/5 of taxi or cab drivers are Pakistani
    - The **GLA Coronavirus Weekly Tracker**, suggests that Self-employed **Londoners** saw the biggest change to employment with 32% working on reduced pay/hours, 14% made redundant and 13% furloughed *(1,096 respondents, 22-25 June)*. **Our May roundup** reported on an April **Bank/Ipsos Mori** survey with similar results for the self-employed.

…and the disproportionate impact on parents, particularly mothers…

Figure 3. Mothers' and fathers' time use over the course of the day

Source: ISER analysis of Understanding Society data

Our previous roundup suggested just over a third of all London workers are parents with children under 16 and highlighted the challenges of working parents. Further research has continued to look at how two-parent households balance this trade off.

IFS-IoE survey of families' on how they use their time (*29 April – 15 May; 3,591 opposite-gender two-parent households in England*) shows that :

- 16% of mothers are no longer doing paid work due to losing their working permanently (either laid off or resigning) compared to 11% of fathers. 34% of mothers are no longer doing paid work temporarily (becoming furloughed) through the CJRS compared to 30% of fathers.
- Mothers in paid work are being paid at an increasingly lower rate compared to men. Prior to the crisis, mothers were in paid work at 80% of the rate that fathers were, now they are in paid work at only 70% of the rate.
- Mothers have reported spending more time doing housework and childcare than paid work, compared to fathers. Fathers are doing an average of 2 hours more paid work than mothers, 2 hours less housework, and 2 hours less childcare.

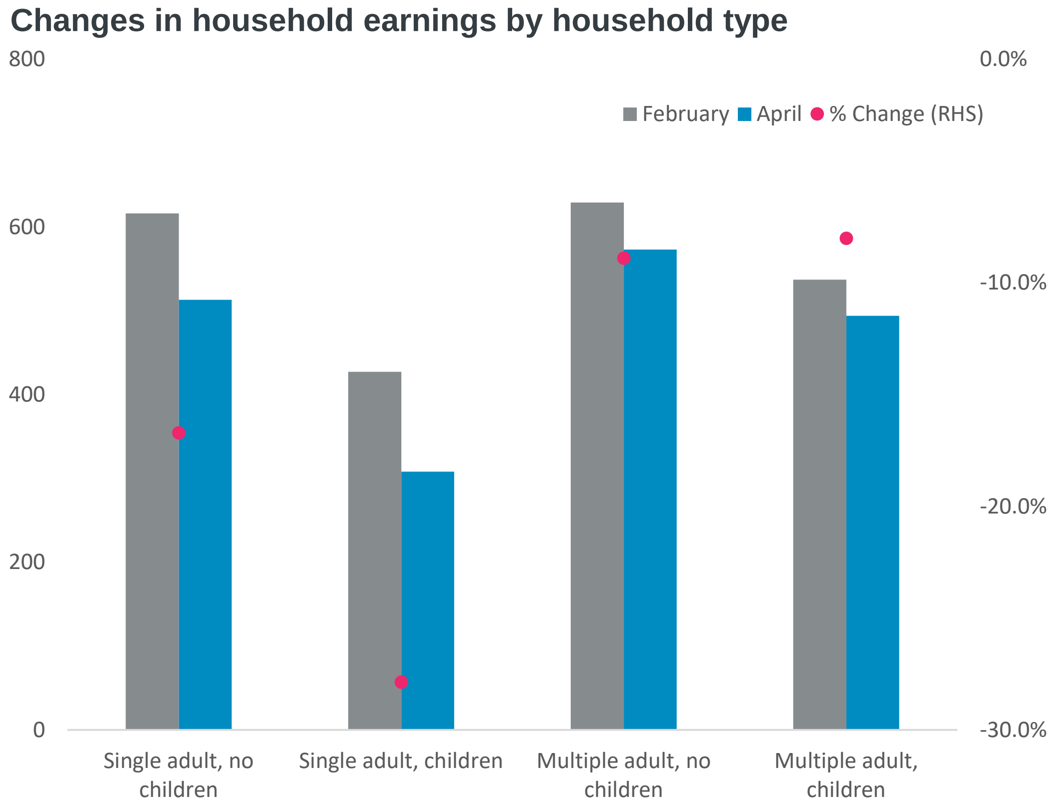
This is also supported by a more recent **IFS-UCL** survey published in July.

- Mothers who interviewed were looking after children for an average of 10.3 hours a day, 2.3 hours more than fathers and doing housework for 1.7 more hours than fathers.
- Fathers spend 70% of work hours exclusively doing paid work, compared to only 53% of mothers' work hours.
- Mothers in England are more likely than fathers to have lost their jobs during lockdown, increasing fears that the coronavirus crisis has exacerbated inequality and could lead to the gender pay gap increasing. Mothers were 47% more likely to have permanently lost their job or quit and 14% more likely to have been furloughed.

ONS analysis on parenting during lockdown also reported that during the first weeks of lockdown (28 March to 26 April 2020), in households with children aged under 18 years, women were carrying out on average two-thirds more of the childcare duties per day than men.

GLAECONOMICS

…and on sole parents, who have seen large falls in household income.



Source: ISER analysis of Understanding Society data

Research by **ISER** using Understanding Society Longitudinal Household data shows earnings have fallen across UK for the lowest earners and particularly for single parents (see chart).

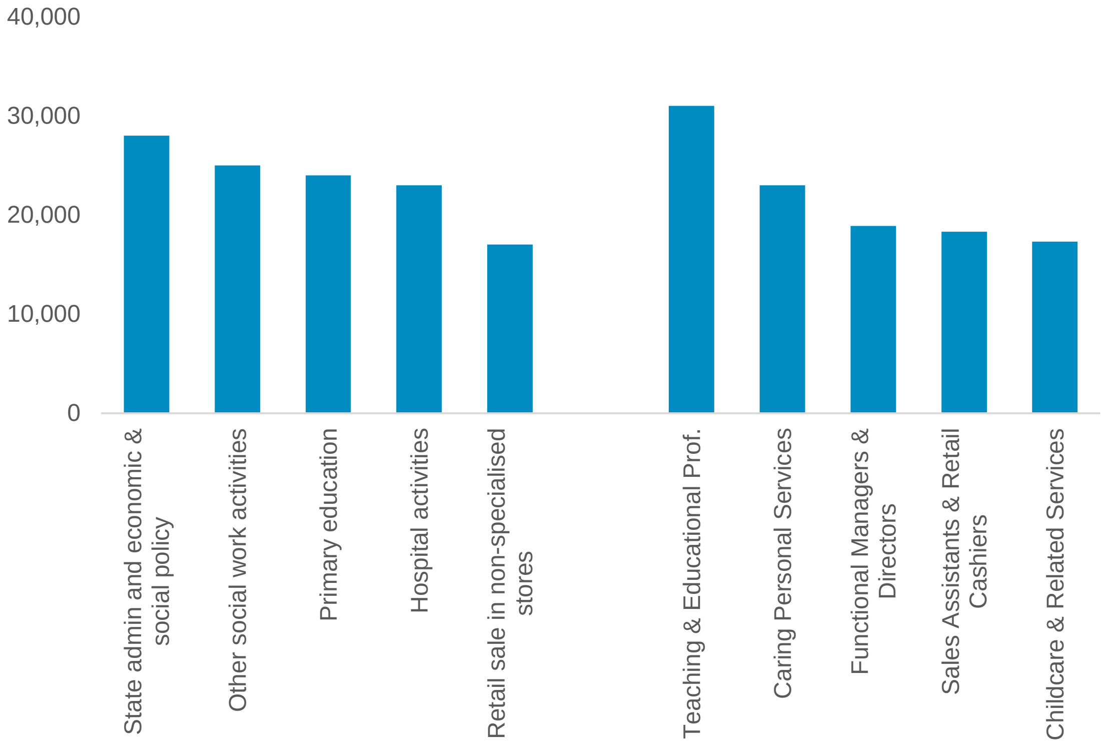
- On average, single parents' earnings fell by more than double the amount experienced by households with children and more than one adult.
- Single parents reported that they expect their financial situations to get worse three times more than single parents who expect it to get better.
- *This data was drawn from a survey involving 17,450 participants (aged 20 – 65) conducted by Understanding Society, on UK's residents' circumstances in the midst of the Covid-19 pandemic, only a monthly basis from January to April 2020.*

McKinsey point out that women and lone parents who make up 47% and 13% of the workforce respectively, and have a 45% and 15% share of the total UK jobs at risk.

More generally, parents face the challenge of fitting in work commitments around childcare as **ONS report** that 20% of working parents with school-aged children who have experienced disruption, attributed this at least partly to having to work around childcare responsibilities.

And workers with disabilities may also face a disproportionate risk of job losses.

Top 5 industry and occupation for London workers with disabilities



Source: APS, Year to Sept 2019

Research has historically shown that labour market outcomes for those with disabilities tend be worse. This could be exacerbated during the crisis. Here we look at this group of workers in more detail.

- According to the APS, there were 508,000 workers self-classified as disabled in the **capital** *(year to September 2019).* This represents 11% of all **London** workers.
- The chart looks at the industries and occupations of workers with disabilities on a more detailed level. The data indicates that Teaching, Care professionals and Functional Mangers/Directors are the leading occupations in terms of number and respective share of all workers with disabilities.
- Health and social work, Education and Wholesale and retail sectors have the largest shares of disabled workers in **London**.
- GLA Economics estimate that approximately 144,000 **London** workers with disabilities are in jobs which are at risk due to the COVID crisis (28% of all disabled workers).This is compared to roughly 24% of all **London** workers who are in jobs at risk (see GLA Economics' Previous Roundup for detail of jobs 'at risk').
- GLA Economics analysis also revealed that 122,000 disabled workers in **London** are also 55 and over and 138,000 workers in London with disabilities are clinically vulnerable.
- *These estimates are based on LFS/APS data. We use the APS (year to Sept 2019) to provide disaggregated breakdowns due to its larger sample size and reliability. Note these figures are based on the Equality act definition of Disability.*

GLAECONOMICS

London's labour market continues to be affected by the crisis:

Headline ONS indicators are starting to capture the impact of Covid-19, with London's employment falling more than other regions…

…and London wages increasing relatively slowly.

Other measures of economic activity show larger falls than headline indicators…

…and the claimant count continues to rise, especially in London…

...although the majority of new claimants still have a job.

This all suggests government policies have supported the labour market, with nearly 1 in 3 taking up furlough.

And, there are some recent signs of stabilization.

Latest forecasts suggest employment will continue to fall and unemployment rise.

Low vacancy numbers also support a weaker employment outlook…
… particularly for some occupations…
… in certain parts of London …
…and for certain sectors.

With continued evidence on the impact on certain groups:

Furlough rates highlight the disproportionate impact across the capital.

Whilst headline indicators show the rise in unemployment has been driven by women.

Research continues to highlight the disproportionately high impact on low income earners…

…who are exposed to greater risk of furlough, layoffs, or reductions in pay.

Research from the financial crisis shows challenges for people entering the labour market during a recession…

…with recent analysis expecting a similar outcome for those joining the labour market now.

There is more evidence on the disproportionate impact on ethnic minorities …

…and the disproportionate impact on parents, particularly mothers…

…and on sole parents, who have seen large falls in household income.

And workers with disabilities may also face a disproportionate risk of job losses.

The Chancellor's Summer Statement set out a three-point plan for jobs:

1 - Supporting jobs (a)... ...Supporting jobs (b)... ...2 - Protecting jobs & 3 - Creating jobs (a)... ...Creating jobs (b).

The Kickstart Scheme was based on the successful Future Jobs Fund

Others have suggested additional policies to support the recovery phase and stay safe at work, create jobs through public investment…

...and to further develop skills.

The Chancellor's Summer Statement set out a three-point plan for jobs:
1 - Supporting jobs (a)...

Policy	Recently recommended elsewhere (similar or related policies)	GLAE quick view
Supporting jobs (£12.5 billion)		
Job Retention Bonus (£9.4 billion) **One-off payment of £1,000 to UK employers for every furloughed employee who remains continuously employed through to the end of January 2021.**	• If all furloughed workers are still employed by the firm at the end of January, then the firm receives £1200 per worker as retention bonus (or 3 ½ months of their part-time furlough costs) (Professor Paul Gregg). • The OECD proposes modifications to the CJRS to ensure incentives remain on workers and employers for people to work where possible. The change from 1 July allowing employers to pay staff work hours worked makes some progress towards this objective.	Context ▪ 1.29 million furloughed employments in London in June ▪ CJRS due to end on 1 October This may be insufficient incentive for employers and requires firms to have sufficient cash flow to front labour costs– even at the bottom decile of pay in London it would only cover just over a third of labour costs between Oct-Jan (based on very crude calculations). However, the policy may not wish to retain everyone. Some reallocation between sectors to take place (OECD), particularly if demand in certain sectors is likely to remain subdued until a treatment is found. When CJRS is phased out, many workers are likely to become unemployed and could find it hard to find a new job. UC will play an important role in supporting the income of these individuals during the job search.
Kickstart Scheme (£2.1 billion) **A fund to pay wages and employer NICs for hundreds of thousands of 6-month work placements for people aged 16-24 on UC and at risk of long-term unemployment.**	▪ RF and IES have called for employment subsidies targeted at young people to prevent labour market scarring. ▪ RF has also proposed support for the private sector to increase hiring, via hiring subsidies or reducing employer NICs for sectors hardest hit. ▪ Support out-of-work young people to find work. This requires providing high quality employment support, backed by a job creation fund giving employers £8,500 to create additional 6-month jobs paid at minimum wage (L&W).	Claimant numbers for those aged 16-24 have almost tripled in the past year. This policy could provide useful ways to develop the skills of young people post-education whilst obtaining invaluable work experience and could help reduce the NEET rate and provide more young people with the skills and experience to find permanent work. There will be some deadweight loss associated with this policy – some firms would have hired people without the government support. Kickstart is similar to the Future Jobs Fund introduced in October 2009. The evaluation is discussed in detail on slide 31.

...Supporting jobs (b)...

Policy	Recently recommended elsewhere (similar or related policies)	GLAE quick view
Boosting work-search, skills and apprenticeships – comprised of the three components below with a total cost of £1.6 billion		
1. Skills development not restricted to young people ▪ **Payments for employers who hire new apprentices** ▪ **New funding for sector-based work academies**	▪ London First proposes comprehensive apprentice support, going beyond the Government's proposals. This includes greater flexibility over use of levy, additional government funding for more apprenticeships, and aspects aimed specifically to boost apprenticeships among younger people.	These policies are aimed at preventing unemployment, minimising unemployment duration, and scarring. Training programmes will play an important role in the recovery but it is important that support provided incentivises the acquisition of skills that will be of value in the labour market (or to individuals' wellbeing) rather than a blanket provision that does not support their future labour market participation. It may be appropriate to have a youth focus to many skills programmes, given the risk of scarring effects for new entrants to the labour market. However, in the absence of a quick economic recovery there will be a need for a more comprehensive investment programme in skills and retraining. Support for apprenticeships may simply bring forward or displace apprenticeships that would have happened (especially given that firms continue to pay into the Apprenticeship Levy).
2. Skills development for young people ▪ **High quality traineeships for young people** ▪ **High value courses for school and college leavers**	• Reform level 2 and 3 traineeship programmes for up to 24-year-olds. This include extending maximum length up to 12 months and allow delivery qualifications in priority sectors up to Level 3. Remove existing funding cap for qualifications aims and revise funding rates for work placements (AoC)	
3. Worksearch and support into work ▪ **Enhanced work search support and Expanded Youth Offer** ▪ **New funding for National Careers Service** ▪ **Expansion of the Work and Health Programme** ▪ **Flexible support fund – including removing barriers to work such as travel expenses**	▪ Create a Future Jobs Fund or new Deal Style system, which broadly aims to get people back into work though coaching and job placements (L&W/CfC). ▪ Investing up to £800m in redundancy, training and reemployment support. This includes the recruitment of at least 10,000 extra JobCentre Plus Work Coaches (L&W).	These policies are aimed at preventing unemployment, minimising the time spent on unemployment by supporting people back into work. If well designed, these supports can ensure better matching of people into jobs they are best suited. There are risks that if poorly supported, people are encouraged into roles that do not suit their skills, leading to lower productivity.

...2 - Protecting jobs & 3 - Creating jobs (a)...

Policy	Recently recommended elsewhere (similar or related policies)	GLAE quick view
Protecting jobs (£4.6 billion)		
Reduced rate of VAT for hospitality, accommodation and attractions (£4.1 billion) **The rate of VAT applied on most tourism and hospitality-related activities will be cut from 20% to 5% until 12 January 2021. The Government expects the change to save families £160 on average.**		A temporary VAT cut could be effective at stimulating demand for industries hardest hit, but needs to be timed carefully. Risks include: ▪ Firms may not be able to accommodate additional demand by managing Covid-19 related precautions ▪ The cut will be insufficient to increase demand for people remaining cautious about virus transmission. For more analysis see IfS ▪ There are complexities with categorising businesses for which the reduction would apply
Eat Out to Help Out (£0.5 billion) **A 50%of up to £10 per head reduction for sit-down meals in participating restaurants across the UK from Monday to Wednesday every week throughout August 2020.**	RF and CfC proposed similar voucher schemes for all high-street businesses (far wider scope than the eat out to help out policy).	Similar arguments apply to those surrounding VAT cuts on selected industries.
Creating jobs (£12.5 billion)		
Stamp Duty Land Tax temporary cut (£3.8 billion) **Temporarily increase the Nil Rate Band of Residential SDLT, in England and Northern Ireland, from £125,000 to £500,000. From 8 July 2020 until 31 March 2021.**		The OBR estimates that at the UK level for sales priced between £250k and £1m a 1 percentage point reduction in the average stamp duty rate increases transactions by 5% and increases prices by 1% in the short run. There may be distortions around the £500,000 threshold.

...Creating jobs (b).

Policy	Recently recommended elsewhere (similar or related policies)	GLAE quick view
Infrastructure package (£5.6 billion) • **Support for public transport** • **Support for local government** • **Social housing decarbonisation** • **Brownfield Housing Fund** • **Planning reform**	• TUC proposes Investment in an additional series of infrastructure projects; 1. Investment in high-speed broadband - 40,000 new jobs, 2. expanding and upgrading the rail network - 120,000 new jobs; 3. investing in the electrification of transport – 59,000 jobs; 4. building new social housing and retrofitting existing social housing – 500,000 jobs	Much of the policies and funding included here had already been announced but were accelerated or re-announced. Capital investment is generally considered a fiscally responsible means of stimulating the economy because it produces an asset that holds its value (often retained by a public institution), and most of the expenditure is a one-off. Increases to social services are harder to unwind once implemented and can lead to higher ongoing costs. Key challenges include: • prioritising across capital investments that are of greatest value and likely to be most stimulatoryplanning and delivering often complex projects on a fast-enough timeframe to have the desired stimulus effect (before businesses begin to close and workers enter unemployment).
Green support (£3.1 billion) **This includes multiple policies, with the largest two:** • **Public sector and social housing decarbonisation** • **Green Homes Grant**	• Green stimulus – retrofitting homes, installing insulation and heat pumps (28 million over 18 months, NEF). CLES supports incorporating climate objectives into a stimulus. • Funding all low-income homes to be upgraded to Energy Performance Standard Band C by 2025, alongside providing zero-interest loans to other households to facilitate upgrading, would generate 108,000 jobs per year over the period 2020-2030 (RF/CfC/TUC/CBI/IES).	Similar arguments apply to those for the infrastructure projects. In this case, many have argued that 'green' investments are of particularly high-value given climate objectives. Grants that support improvements to insulation are also relatively quitter to implement than complex infrastructure projects.

The Kickstart Scheme was based on the successful Future Jobs Fund

Kickstart Scheme key features:

- A £2 billion fund to create hundreds of thousands of high quality 6-month work placements
- Aimed at those aged 16-24 who are on Universal Credit and are deemed to be at risk of long-term unemployment
- Funding available for each job will cover 100% of the relevant National Minimum Wage for 25 hours a week, plus the associated employer National Insurance contributions and employer minimum automatic enrolment contributions.

Kickstart is similar to the Future Jobs Fund (FJF) introduced in October 2009. Key features of the FJF:

- Designed as a temporary measure to prevent labour market scarring in response to the Financial crisis
- Similar focus to the Kichstart Scheme on creating jobs for disadvantaged young people on the Jobseeker's Allowance (JSA), although a small number of placements were available to older people in unemployment hotspots (where 1.5 pp higher than the national average)

A Department for Work and Pensions evaluation of the FJF between 2009 and 2011 found it was effective:

- The policy created 105,000 jobs costing £680 million. Per participant, the programme provided a net benefit to society of £7,750 to society offsetting the net cost of £3,100.
- FJF participants and non-participants had similar rates of benefit receipt until around one year before the FJF job start. Therefore, results are attributable to the combination of the FJF job and differences in the characteristics of those who participated and those who did not.
- The impact of FJF on the likelihood of receiving welfare support was -7 percentage points 2 years after the start of participation. This impact was stable in the months before the 2 year period. This suggests that the impact of FJF may be sustained at a similar level beyond the 2 year outcome period over which it was measured.
- Over the full 2 year period, programme decreased the amount of time receiving welfare support by 8 days. The impact of FJF was sustained for long enough period to more than offset the additional time that participants spent on welfare support through FJF.
- DWP estimated that FJF would reduce the number of days on welfare support by 34 days over three years and by 59 days over four years - after starting a FJF job. However, this could overstate the impact because it projects forward the final six months of the tracking period assuming no decay in impacts.
- After 2 years following the start of their FJF job, participants were less likely to be in receipt of welfare support by 7 percentage points (or 16% less likely) and more likely to be in unsubsidised employment by 11 percentage points (or 27% less likely) per participant than they would have been had they not participated.

Others have suggested additional policies to support the recovery phase, stay safe at work, create jobs through public investment…

The Government's jobs plan targets areas consistent with many policy recommendations from other organization, but in most cases does not go as far – a key critique from The Institute for Government was that the package was small. The following list includes some areas of policy recommendations not included in the Government's jobs plan. In particular, there are multiple policies proposed for the skills system, including retraining.

Policy area	Recently recommended policy	GLA quick view
New support for the recovery phase	• Replace the CJRS with a Job Protection scheme for the hardest hit sectors. This would subsidise work in these sectors and reduce firms' labour costs for the duration of the reopening phase, to maximise the number of workers that firms retain in the face of lower levels of output (RF/London First). • As the CJRS phases out, Universal Credit will play an important role in supporting family incomes and more needs to be done to strengthen the safety net further. This could include: (1) limiting/ temporarily suspending the capital rules in UC that prevent those with £16k from receiving benefits; return to the pre-2012 system for tax credits, so that any reduction in a claimant's earnings will lead to higher tax credit awards (RF/TUC).	The Job Protection scheme could support employment in the hardest hit sectors but it will be difficult to identify the appropriate sector, duration, and level of subsidy. Some reallocation between sectors should take place, particularly if demand in certain sectors may not return. When CJRS is phased out, many workers are likely to become unemployed and could find it hard to find a new job. UC will play an important role in supporting the income of these individuals during the job search – an argument supported by the OECD.
Staying Safe	The OECD highlights the importance of ensuring workplaces are safe • Support for workplaces to implement health and safety practices • Extraordinary paid sick-leave for those not covered • Connecting those on sick leave with occupational rehabilitation	Staying safe can ensure that workers remain active and in customer facing workplaces can reassure customers, encouraging their patronage.
Create jobs through public investment	• Fund an additional 180,000 care jobs – 15% increase on existing number. This would cost £5bn: 3.9bn to create these new posts and £1bn to lift social care wages to the level of the London Living Wage (RF)	This could be appropriate if there is likely to be a continued high demand for care workers (or issues with supply due to Brexit), otherwise it risks overinvesting in a particular sector.

...and to further develop skills.

Policy area	Recently recommended policy	GLA quick view
Skills development and facilitating the return to work	A key difference between many recent policy recommendations and the Government's latest policy announcement is the inclusion of a focus on retraining for those whose skills may no longer be in demand. • Investing up to £2.4 billion in high quality support for those out of work longer. This can include linking furloughed workers at risk of losing their jobs to other vacancies, including apprenticeships, and provide financial support to retrain (L&W). • Fully fund 24+ adults to undertake subsequent Level 3 programmes or units in priority sectors to respond to post furlough employment (Association of Colleges) • Create an Adult Learning Account that gives each unemployed person a grant to retrain through their local further education college. The amount that each course is subsidised could be varied according to what the Government wants to promote (Centre for Cities). • A new right to retrain for everybody, backed up by funding and personal lifelong learning accounts. This should involve bringing forwards the £600m promised investment in a National Skills Fund (TUC). • The OECD makes a general call for greater investment in skills, enabling retraining and support for younger people at risk of scarring . Policy recommendations also went further in their support for additional skills development for young people • Enhance the Adult Education Budget together in one budget line with the National Retraining Scheme, the National Skills Fund, the Shared Prosperity Fund to cut bureaucracy and make the system more accessible. (AoC/London First) • Support more young people to stay in education and study to level 3. That means a £900 million investment in extra education places, a new Youth Training Allowance for 18-19 year olds, and support though Universal Credit for other young people studying up to level 3 (L&W). • Support colleges and universities to accommodate a larger student intake in Autumn (London First) • A college-based national tutoring scheme, re-engagement and catch-up programme funded through a £375 premium per enrolment of students who have yet to achieve good grades in English and Maths (AoC). • Relaunch higher level 3 to 5 classroom based programmes for 18-19 year olds. This could include: (1) up to 12-month pre/re-employment programmes (AoC).	Returns & externalities from education and training are well documented. Care should be taken so that the support provided incentivises the acquisition of skills that will be of value in the labour market now and in the future (or to individuals' wellbeing).