

Labour Force and Annual Population Surveys User conference 2024

LIFT, 45 White Lion Street, London, N1 9PW

Thursday 23 May 2024, 9.30 – 16.30

Abstracts

Keynote presentation

Disability and the UK labour market. Evidence from the Labour Force Survey

Melanie Jones, Professor of Economics, Cardiff Business School

The presentation will provide an overview of a series of papers which explore disability gaps in labour market outcomes in the UK, including in relation to employment and pay. It will reflect on the importance of the measurement of disability and cover trends in these gaps, including relating to the impact of COVID-19. Throughout the determinants of disability gaps will be explored, particularly the role of other observable personal and work-related characteristics, as well as the challenges in identifying labour market discrimination. It will further highlight the potential insights from longitudinal labour force survey data, as well as limitations of the labour force survey and complementary insights from other UK data sources.

Research paper abstracts

Employment inequalities of working at home

Darja Reuschke, University of Birmingham

The number of workers who mainly work at home in the UK has skyrocketed from 1.5 Million to 7 Million between 2019 to 2023. This means that now 22.6% of all workers in the UK work most of their work hours or exclusively at home, up from 5% in 2019. Working at home had risen before the pandemic but has now become an essential part of the UK workforce.

The 5.5 Million increase of homeworkers between 2019-2023 is almost entirely down to employees taking up this type of flexible working on a large scale (as opposed to the self-employed of whom a large proportion mainly worked at home even before the pandemic). Amongst employees, the proportion of those who mainly work at home was 3% before the pandemic (660,000 employees) compared to 22% in 2023 (5.9 Million employees).

This paper focusses on the radical rise of mainly working at home amongst employees with the key interest being on impacts on employment inequality and spatial inequality. Has homeworking been an equaliser or has it aggravated existing inequalities? Has homeworking helped employment of older workers, mothers, disabled people, and people living in rural areas?

Using data from the Labour Force Survey before and post COVID for 'mainly' working at home in the main job, multi-variate regressions are employed to investigate the regional variations and worker characteristics of homeworking and changes over time. Decomposition analysis is used to further explore homeworking gaps of groups of workers.

Findings suggest that the homeworking revolution of recent years has not turned around the spatial economy of the UK and that pre-existing occupational inequalities have been exacerbated. These findings are relevant for current concerns about and attempts to Level Up and to balance the UK economy as well as to boost workforce participation and reduce economic inactivity.

The UK Gender Equality Index: Measuring women's and men's outcomes on the local area level across the four nations

Caitlin Schmid, King's College London

Despite considerable progress over past decades, gender inequalities persist in the United Kingdom (Francis-Devine and Hutton 2024) and mounting evidence suggests that socio-economic outcomes vary on the local level (Overman and Xu 2022; Pinchevsky and Wright 2012; Stafford et al. 2005). Effective policy to reduce gender inequalities therefore requires an understanding of how women's and men's lives differ depending on where they live. Yet, to date, no comprehensive measure of gender inequalities exists at the local area level for all four UK nations.

The UK Gender Equality Index (UK-GEI) fills this gap, offering an innovative tool for measuring, mapping, and monitoring gender differences across the 374 local authority districts in England, Scotland, Wales, and Northern Ireland. The first of its kind, the UK-GEI measures outcomes in six domains: Paid Work, Unpaid Work, Money, Education, Health, and Power & Participation. Index construction involved factor analysis, multi-modelling approaches, and robustness testing.

The UK-GEI is unique in measuring both relative and absolute levels of inequality by providing three scores computed from the same variables but using different calculations. First, 'The Gender Disparity Score' measures the relative inequality between men and women in a local authority. Next, 'The Women's Equality Score' measures women's outcomes in a local authority compared to women's outcomes in the highest-performing local authority. Finally, 'The Men's Equality Score' measures men's outcomes in a local authority compared to men's outcomes in the highest-performing local authority.

The UK-GEI masters a significant challenge in harmonising and integrating a diversity of existing datasets. Once visualised on an interactive website, the UK-GEI will significantly improve access to and usability of secondary data for analysing gender inequalities and their spatial variation. This evidence will benefit advocacy, research, and policy intervention aimed at improving women's and men's lives across the four nations.

The 'Studentness' Penalty: Opening up the Black Box of Student Employment

Mia Zhong and Rachel Cohen, City, University London

Students comprise approximately four per cent of the UK labour force and as much as 20 per cent in some occupations and jobs. Yet students' work is typically seen as marginal, secondary both to their current learning and future working biographies. Recent recognition that students face polycrises (austerity, inflation, rising housing and tuition costs) has focused public and media

attention on students engaging in ‘earning while learning’ (EwL) and intensified narratives that emphasise the negative impacts of work for young people’s education. Meanwhile, however, students’ actual working conditions, occupations and employment experiences have received limited attention and constitute something of a ‘black box’. We begin to open that box by focusing on the working lives of full-time students (aged 16-29) over the last 18 years. Data reveal small increases in the proportion currently engaged in paid work, but considerable consistency in rates of student work, job characteristics and occupational distribution over time. Gender is identified as a key variable in shaping student employment rates, with women considerably more likely than men to work while studying, especially at younger ages. We find no evidence of a gender pay gap in EwL but this is largely because most student workers are concentrated in two ‘integrated’ occupations, which are poorly paid but gender equitable – signalling the presence of a ‘studentness’ penalty. Older students are more likely to work in gender-segregated occupations, with both male and female gender pay advantages for gender-dominant employment, suggesting a possible early incentive for occupational gender segregation. In conclusion, we challenge the notion that education and work constitute two separate (temporally-ordered) spheres. To address the under-theorisation of EwL, we argue that these experiences may play an important role in setting expectations about the nature of work and, therefore, require greater attention and integration into conceptualisations of the ‘working-life-course’.

The Graduate Wage Premium in the UK - decline and fall?

Tej Nathwani, Higher Education Statistics Agency, Jisc

One of the ongoing puzzles in the UK labour market has been the stability of the graduate wage premium (i.e. the extent to which the pay of graduates exceeds that of non-graduates in percentage terms) despite the growing proportion of graduates within the workforce. We draw upon more recent data to re-examine this issue.

In our primary analysis, we exploit two longitudinal cohort studies for birth cohorts of 1970 and 1990 to assess the change in the premium for those aged 25-26. Based on ordinary least squares models in which we control for a rich set of covariates, we find evidence of a decline in the average premium from 18% to 8%, with the extent of the fall being almost identical for both males and females.

This exploration is then complemented with Labour Force Survey (LFS) data from 1995 to 2019, which enables us to examine the timing of the fall in the premium and whether the decrease is specific to particular birth cohorts or age ranges of workers. We observe that the decline for males aged 25-26 is a relatively recent phenomenon impacting those born in the late 1980s and early 1990s. This is consistent with why previous studies have not observed a fall for males in this age band. Furthermore, from investigation across different age groups, our results indicate that the decrease for males is limited to younger workers. In the case of our analysis for females, while we find that the premium fell in all age groups in the most recent period, there is also evidence that it declined in earlier periods too. However, the LFS results for females are tentative in light of concerns with hourly pay data in early LFS years for those aged 25-26 and possible compositional biases emerging when analysing older age groups.

Trends in under- and over-employment

David Owen, University of Warwick

Despite severe recessions following the financial crisis and Covid lockdowns, unemployment in the UK remains low in comparison to the levels and rates prevailing in the 1980s and 1990s. However, the main contemporary concern for policy is labour shortage and economic inactivity. Another aspect of the mismatch of labour supply and demand is under- and over-employment. This paper uses the method devised by Walling and Clancy (2010) to investigate the incidence of under- and over-employment by age, gender and ethnic group over time and across regions. It explores the factors underlying the experience of under/over employment by sections of the population.