

Young and ethnic minority workers were hardest hit at the start of COVID, but not anymore

November 17 2021, by Peter Levell



Young workers have been quicker to adapt. Credit: Wayas Saeed/Unsplash, CC BY-SA 4.0

Governments had to take unprecedented measures to control the spread



of the COVID pandemic, shutting down whole sectors and encouraging many people to work from home. The UK and other countries designed whole new systems of support for workers from scratch and deployed them in a matter of weeks.

Economists advised governments in this task using real-time data, including from <u>rapid online surveys</u>, which helped to highlight which workers were worst hit in the initial lockdown. For instance, much attention was focused on younger workers—the "COVID generation"—since they were more likely to be employed in shut-down sectors such as hospitality, and saw the largest initial declines in employment.

However, early effects like these may have distorted our view of the pandemic's lasting consequences, and the policy challenges that governments will face in the coming months and years.

To get a better impression of how different workers have fared and adapted, my colleagues and I, in work funded by the Nuffield Foundation, <u>examined the results</u> of a detailed survey conducted regularly throughout the pandemic (the "<u>Understanding Society COVID</u> <u>study</u>", conducted by the Institute for Social and Economic Research at the University of Essex). In various ways, the findings are different to what might have been expected earlier in the pandemic.

Challenges facing older workers

Between February and April 2020, the proportion of 20- to 29-year-olds in employment fell five percentage points more than those aged 30–49. However, what has received less attention is that these workers' employment prospects recovered much more rapidly—particularly compared to workers over 50. By March 2021, employment of the over-50s was 5.3 percentage points below pre-pandemic levels, while the



equivalent rates for 20–29 and 30–49 age groups were respectively 1.5 and 1.3 percentage points down.

Partly this is because over-50s adapted less quickly to the changed circumstances. Under-30s who stopped working in April 2020—either through losing their jobs or being furloughed—were more likely than older workers to resume paid work in a new job or industry. Nearly one third of under-30s who stopped working in the first lockdown had found work in a new industry by March 2021, compared to just 7% of over-50s.

This doesn't mean we don't need to worry about scarring effects on younger workers, since career changes can be disruptive. It does however mean that older workers have been the slowest to return to the labor market, and there remains a real risk that many could drop out of it altogether.

The government introduced new schemes to help <u>younger workers</u> back into work (including the <u>Kickstart scheme</u>). But older workers might need additional support and encouragement to keep working too.

Men v women

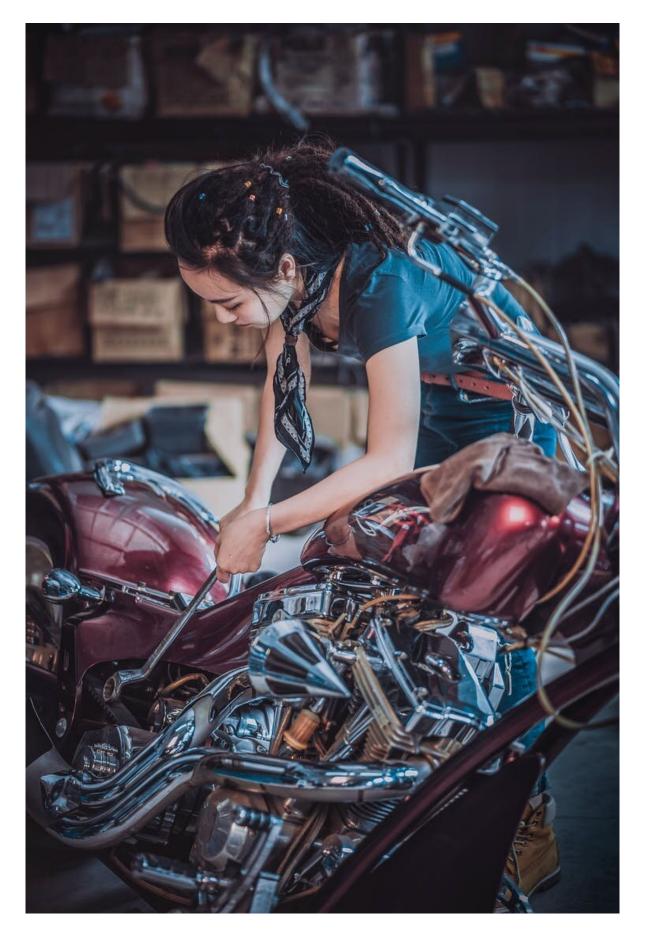
Another area where first impressions may be misleading is the pandemic's effects on men and <u>women</u>. Men's jobs tend to be more exposed to the economic cycle, but the 2020 pandemic recession was atypical in this respect. In <u>the US</u>, for example, it was women who were more likely to lose their jobs, and <u>many other countries</u> experienced something similar.

This was not the case in the UK, where employment declines were comparable for men and women in the first lockdown and throughout the pandemic. Average hours worked per week also fell by less for



women than for men.







Women fared better in some respects than men. Credit: Jia Ye/Unsplash, CC BY-SA 4.0

Does this mean that fears the pandemic would widen gender inequalities were unfounded in the UK? Not quite. Comparing workers in similar jobs, married women with children who were working in February 2020 were more likely to have stopped doing paid work than married men with children. The unequal distribution of increased childcare responsibilities may partly account for this.

So despite women not being more adversely affected in the UK in terms of overall employment or hours, the pandemic may still have unequally affected women and may have more significant implications for their future career progression.

Ethnic comparisons

Ethnic minorities in the UK were doubly hit in 2020–21, being both <u>more seriously harmed</u> by the health crisis, but also more likely to lose their jobs at the start of the pandemic. Yet as the pandemic went on, the employment and hours of ethnic minorities recovered faster than the white ethnic majority. By March 2021, the gap in employment rates between ethnic minorities and the white ethnic majority had fallen back to its pre-pandemic level.

Part of this is again explained by the fact that ethnic minorities were more likely to switch jobs. As many as 21% of <u>ethnic minority</u> workers who were working in both February 2020 and March 2021 had changed jobs, compared to 11% in the white ethnic majority.



And among those who stopped doing paid work in the first lockdown, members of ethnic minorities were more likely to resume working with a new employer or in a different industry. But again, individuals in these groups may have experienced greater career disruption, so they may experience lasting effects.

Clearly the true effect of the <u>pandemic</u> on workers is more complex than a simple look at <u>employment</u> figures would suggest, often contradicting what happened in the initial stages. The government will need to continue to pay close attention to the experiences of different groups in the labor market as we emerge from this crisis to ensure that its unequal impacts do not become entrenched.

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