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# Women, families and the “Great Recession” in the UK

Susan Harkness

## **Introduction**

Since the onset of recession in 2008 little attention has been paid to the question of whether men and women’s experience of the downturn in the UK jobs market has differed, or to the implications of these gender differences for families. This chapter is an initial attempt to examine these issues for the UK. It assesses how, over the four years since the onset of the “Great Recession” at the end of 2008, and a period of prolonged labour market weakness, male and female employment and unemployment rates; hours of work; wages and family incomes have changed. Analysing this wide range of indicators allows us to build a rich picture of how recession has affected men and women’s labour market position and their families’ incomes.

2008 marked the end of a long period of economic growth. Under New Labour low to middle-income families had seen substantial improvements in their incomes, employment rates had grown and the incidence of poverty had fallen. While these gains were partly a result of favourable economic conditions, policy changes were also of considerable importance (Hills and Stewart, 2005). But in the third quarter of 2008 the British economy entered recession for the first time in 15-years and compared to the last recession in 1990-93, the role of women in the workforce (and consequently at home) had changed considerably. Between 1992 and 2008 employment grew by 5 percentage points (ppt) to 67%, while the gender pay gap fell

by almost 10ppt to just over 20% in 2008.<sup>i</sup> At the same time women's employment and earnings are of increasing importance in helping families avoid poverty, first because a growing number of families are headed by a single female and second as within couples, not having a second earner is increasingly associated with a high risk of poverty (Harkness, 2010). Women's work is therefore of much greater importance to families' economic well-being today than in earlier recessions, and the question of whether the current recession has had a different effect on male and female employment is therefore one of considerable policy significance. To date there has been little research in this area and it is this gap in the literature that this chapter aims to fill.

The chapter has two primary interests: first to analyse the implications of the economic downturn for gender inequalities in the labour market and second to assess how this has influenced both the level and composition of family income, in particular asking how this has influenced women's role as "breadwinners." It finds that in terms of employment levels women have fared better than men in a difficult labour market since 2008 and as a result their employment and earnings have played an increasingly critical role in maintaining family incomes. Had the contribution of women's earnings to the family budget not increased since 2008, the fall in family income would have been larger. The changes in women's employment and earnings that have taken place over the course of the economic downturn have both reinforced and accelerated trends that have been happening over the last 30-years, with women's role in the labour force and as family breadwinners, becoming increasingly important since the onset of the economic crisis.

## **Background and Methods**

In the third quarter of 2008 the UK economy entered recession for the first time in 15-years. GDP contracted by 7% between 2008 and 2010. While modest growth subsequently returned, the economy contracted again in the final quarter of 2011 and in 2012 output remained 5% lower than it had been at its 2008 peak. NIESR has described this period as one of economic depression. While in the UK, recession has often been described as a period where the economy experiences at least two consecutive quarters of negative economic growth, there is no single definition of recession. Recession in the US, for example, is defined by the NBER Business Cycle Dating Committee, and considers a wide range of measures of economic activity including employment rates, data on hours of work and personal incomes<sup>ii</sup>. A wide definition of recession would include one where the economy is described as such when it is operating at a level of reduced economic activity. It is in this wide sense that this chapter uses this term.

In past recessions when output has fallen so too has employment. The current recession in the UK has been unusual in that, while there has been a substantial decline in output, the effect on employment has been much more muted. A number of studies show that unemployment and joblessness saw only a surprisingly modest rise (e.g. Elsby and Smith, 2010) with most of the negative employment effects being concentrated among the young (Bell and Blanchflower, 2010). On the basis of the numbers in employment, Chris Giles of the Financial Times argues the 2008 recession would be described as “short and shallow” (Financial Times, 2012).

Nonetheless, other commentators have noted that the labour market has experienced a phase of prolonged weakness (Philpott, 2012) and, in spite of the evidence which suggests that the number of people in work has not changed much, the number of people seeking and unable to find work has grown with unemployment

reaching an 18 year high in January 2012, at 2.68 million, and forecast to remain at around 8% until 2016 (ONS, 2012a; NIESR, 2012). Part of the reason for this divergence may reflect an increase in job search among those previously out of the labour market (the 'inactive') as a result of reductions in working hours and falling real wages leading to a squeeze on families' real incomes (Whittaker, 2012).

Evidence from past recessions has shown that women's employment has often been sheltered from its worst effects (Rubery, 1988). Yet a number of reports since 2008 have expressed fears that the recession might hit women disproportionately hard (e.g. TUC 2009, Fawcett Society 2012). The evidence on how women have been affected has to date been lacking, with most reports focussing on changes over single quarters, or single years, since the recession's onset. This study examines the cumulative and longer term effects on women's employment and earnings since the onset of the economic downturn.

This chapter uses a number of recently available micro data sources to examine these trends. First, aggregate data on employment and occupation from the Annual Population Survey, available from NOMIS, is used to assess overall trends in employment by gender. This is supplemented by Quarterly Labour Force Survey (QLFS) data on employment and hours of work. This data source has the advantage of allowing the analysis to be broken down further by family type. Results are reported for data from the first quarter, January to March, of the years 2007 and 2012. The QLFS data do not however provide information on household incomes. They are therefore supplemented by data from the Household Below Average Income (HBAI) series, which is used to examine changes in the level and composition of family income between 2007 and 2011.

The rest of this chapter is structured as follows. The following sections review how male and female employment, hours of work and earnings have changed, and look at how this has varied by gender, since the onset of the recession. It examines some possible reasons for these differences before going on to examine how these trends have varied across family types. Finally the implications of these changes for family income are assessed before concluding.

### **Gender Differences in Employment and the Recession**

Aggregate employment data shows that the total number of jobs in the economy fell by fewer than 2% over the course of the recession and that by 2012 the number of people in work had recovered to its 2008 peak.<sup>iii</sup> But data from the Annual Population Survey (APS) shows that this overall trend in employment disguises significant variations by gender and, notably, age. Table 1 and Figure 1 show how male and female employment and unemployment rates have shifted since the onset of recession in late 2008. Restricting the sample to those aged between 16-64 shows, Table 1 shows that since its peak in 2007-08 the employment rate declined by 2.4ppt to 2011/12. Most of this decline occurred by 2009/10, with no subsequent recovery in the two years to 2011-12. The fall in employment was however much more marked for men than for women: men's employment fell 3.6 ppt to 75.1% between 2007/08 and 2009/10 with little subsequent change by 2011/12. Women on the other hand saw a much smaller drop in employment, with a decline of just 1.1 ppt by 2009/10 although it declined by a further 0.3 ppt in the two years to 2011/12. The employment data therefore indicates that women have fared better than men over the course of the current recession and as a result the "employment gap" between men and women has closed: at the start of the recession men were 12.3 ppt more likely to be in employment than women, by 2011/12 this gap had closed to 10.2 ppt.

<< Table 1 and Figure 1 about here >>

An alternative measure of economic well-being is the unemployment rate. This is one of the most widely recognised indicators of recession (Bureau of Labor Statistics, 2012). For women however, trends in employment and unemployment have frequently diverged, with falling levels of employment not always being matched by a rise in the unemployment rate as women who lose their jobs withdraw from the labour market (Smith, 2012). But how have trends in unemployment compared with those of employment under the current recession? Figure 1 shows female unemployment to have grown by 2.3ppt to 7.4% in 2012, and while it remained below the male unemployment rate of 8.9%, suggests that the recession has had a larger effect on women than the employment statistics suggest. The rise in the unemployment rate, in the absence of similarly large falls in employment, indicates a rise in economic activity rates with previously inactive women increasing their job search in response to growing male unemployment and the growing pressure on real earnings levels. But policy changes have also been important – from the end of 2008, lone parents whose youngest child was aged over-12 were no longer eligible to claim Income Support (IS) on the basis of their parental status. Most were transferred over to Job Seekers Allowance (JSA) which, carries with it the condition that claimants must be available for and seeking work. Since then lone parents have only been allowed to claim IS if they have young children, The age of the youngest child that allows a claim for IS has been increasing reduced. In May 2012 only those with a youngest child under-5 years old could claim IS and as a result, the number of lone parents on JSA grew from 8,305 in September 2008, to 78,145 in September 2010 and 143,645 in September 2012 (ONS, 2012b). Receipt of JSA requires claimants to be available for, and searching for work, and therefore

means that those who were previously defined as 'inactive' are now classed as unemployed. This policy change makes it difficult to interpret changes to the female unemployment rate over time (male unemployment has however been much less affected). Nonetheless, the overall trend does suggest that in spite of relatively stable female employment rates other factors, including pressure on male employment and declining real wages, as well as policy changes, have placed increased pressure on women to work and that a growing number of these women (7.4% of all those in the labour force in 2012) were unable to find work.

### **Why Have Women Fared Better than Men?**

Why has women's employment fared better than men's over the course of the current recession? One explanation may be that gender segregation in the labour market has continued to protect women from the worst employment effects of an economic downturn. Rubery et al (1988) noted that job segregation by gender, which has led to women being concentrated in service sector occupations, has shaped the course of earlier recessions. They describe this as the "silver lining" of labour market segmentation as those occupations in which women are concentrated have in the past been sheltered from the worst employment effects of recession. A number of studies show that manufacturing and construction industries have borne the brunt of job loss during the current economic downturn (see for example Smith, 2012) with these industries, which tend to be dominated by men, exhibiting greater cyclical fluctuation than others – so, for example, jobs in construction and manufacturing, are likely to see a sharper downturn in employment during recession than, for example, government or services. The former sectors tend to be dominated by men, who tend therefore not only to suffer greater job losses during recession, but

on the upside also tend to see more rapid employment growth once economic recovery takes hold (Hoynes et al, 2012).

To illustrate the importance of occupation to gender differences in employment trends over the course of the current recession, Figure 2 plots the percentage change in the number of people employed in 81 different occupational groupings between 2008 and 2010 (the employment peak and trough) against the share of men in each occupational category (measured in 2008). Occupations are classified on the basis of the SOC 2000 3-digit occupational codes.<sup>iv</sup> The points on the scatter plot are scaled by the overall job size of each occupational grouping. The line of best fit is also fitted (with each point weighted in the regression by size). The Figure shows that those occupations that have seen the largest job losses are those in male dominated occupations. Fitting a regression line to this data confirms the observed relationship and shows a statistically significant negative relationship between job growth over the recession and pattern. The fitted line tells us that in jobs where men make up just 10% of employees, employment is predicted to grow by close to 2%; where men make up half of all employees employment is expected to fall 0.8%; and where men comprise 90% of employees employment is predicted to fall by 3%. Analysis of the data also shows that men and women lost jobs at a similar rate across occupations, and so it is the difference in occupations in which men and women work that explains gender differences in overall changes in employment.

<< FIGURE 2 AROUND HERE >>

A detailed look at the occupations which have seen the biggest job losses between 2007 and 2010 shows that these are almost all heavily dominated by male workers. Those occupations with the largest job losses were process operatives; elementary

plant process operatives; assemblers and routine operatives; plant and machine operatives; elementary construction occupations and textile and garment trades. In each of these occupations the number of jobs fell by between 18% and 30% and women accounted for between just 2% and one third of the workforce. The only exceptions were 'administrative occupations in government and related sectors' where 71% of the workforce was female and where employment fell by 38%, and sales occupations were women made about half the workforce but for whom employment shrank by 18%. Overall however, women accounted for less than one-third of workers in the most rapidly declining occupational groupings and this has helped therefore to protect them from the worst employment effects of the economic downturn.

### **Job Changes and Job Quality**

Recessions have long been argued to accelerate the pace of industrial change, with job losses in occupations and industries that have been in long-term decline accelerating (see, for example, Stiglitz, 1993). The current recession is unlikely to be an exception and the previous section has shown that there have been significant job losses that have been concentrated in male dominated manufacturing occupations. Analysis of the NOMIS data above shows that most of these job losses have been focused on low to middle earning occupations – those in the third to fifth earnings decile. These trends in job losses reinforce those observed since the late 1970s by Goos and Manning (2007) who have shown that since the 1970s job growth has been strongest in what they term “good” (high paid) and “bad” (low paid) jobs. This, they argue, has led to the increasing polarisation of work into “lovely” and “lousy” jobs. For women, jobs remain disproportionately concentrated at the

bottom end of the wage distribution, particularly for those working part-time, and this is an area where job growth has been strongest (Harkness, 1996).

An important question then is whether the current recession has reinforced trends in job polarisation? And what does this mean for women? Goos and Manning's (2007) highly influential and widely cited study defines ten job quality deciles, each decile being defined by the median wage within each occupational category. The "worst" jobs are those with the lowest wages, the "best" those with the highest. Using the same methodology here, job quality deciles are defined using median wages for occupations based on 2-digit SOC2000 occupational codes.<sup>v</sup> Figure 3 (top panel) plots the percentage changes in employment across these deciles. A clear picture emerges - those occupations in the two bottom and three top job quality deciles have seen a small increase in the numbers employed since 2008, while occupations in the 3<sup>rd</sup> to 6<sup>th</sup> deciles have seen employment drop with particularly large falls in employment in the 4<sup>th</sup> and 5<sup>th</sup> deciles. The second panel of Figure 3 shows how these changes relate to gender and shows that women are heavily over-represented in the bottom two deciles, where jobs have grown, and underrepresented in the middle deciles, where there has been the largest decline in employment. However, while women are doing well, in terms of employment levels, from the growth in low quality (or "lousy") jobs they have seen much smaller gains in high quality (or "lovely") jobs where they remain underrepresented. Further analysis of this data also shows that within these low paid occupations the gender earnings ratio also tends to be higher – so among those in poor quality jobs it is women who are relatively well paid compared to their male equivalents. But the same is not true for those in higher paid occupations - not only have women gained less from job growth in these high

paid areas but where they do work in these better paid occupations the relative pay of women tends to be lower.<sup>vi</sup>

<< FIGURE THREE AROUND HERE >>

Overall, the emerging picture suggests that the occupations that have been most strongly hit by the recession are in the middle of the job quality distribution while the numbers employed in poor quality (“lousy”) jobs has shown a small rise, to the advantage of women who are strongly over-represented in these areas. At the top of the wage distribution, the number of jobs has continued to rise in numbers but women have gained much less from this change as they remain underrepresented in these areas. The number of jobs in middle-ranking occupations on the other hand has seen a sharp fall, and it is in these jobs that men are overrepresented.

The data presented here suggest that the current recession therefore has continued the long run trend, observed since the 1970s, where jobs in the middle of the earnings distribution have disappeared while those both at the very top and bottom of the wage distribution have continued to grow. Women’s underrepresentation in the middle of the job quality distribution has to date protected their employment rates over the course of the recession. However the less good news is that although women’s employment has remained stable the trends in job quality suggest women are becoming increasingly concentrated in low paying occupations at the bottom of the wage distribution.

### **Family Status and Changes in Employment, Hours and Earnings during the Recession**

For women, family status is an important predictor of employment status and hours worked. Mothers in particular tend to be concentrated in lower paying and part-time jobs and, given the trends observed in the previous section, we might therefore expect the recession to have had different effects on the employment of women with and without children. Table 1 and Figure 6 illustrate how employment rates have changed over the course of the current recession for both men and women according to their family status. Single childless men have seen the sharpest fall in employment, of 4.8ppt between 2008 and 2012, and the age composition of this group is likely to explain much of this change, as employment losses have been focused on the young. For married or cohabiting men, employment changes have been much smaller, with a fall of around 1ppt, and employment levels remaining at 90%. Single women without dependent children have also seen employment fall by just over 2ppt. Women with partners (with or without children), who have lower employment rates on average than men or single childless women, have seen no change in their employment rate while for lone mothers the employment rate has grown by 2ppt.

The data on employment changes suggest that women, particularly mothers, have been relatively sheltered from the worst employment effects of the recession. But, while employment may have shown only a modest change over the course of the recession, they may have been affected in other ways, for example as a result of changes in their working hours or earnings. Analysis of data on usual working hours (including overtime) using data from the Quarterly Labour Force Survey does indeed suggest that there has been little change in hours of work over the course of the recession for men, childless women, or for mothers with partners. But for lone mothers the pattern of working hours has shown a marked shift with a substantial fall

in the numbers working full-time and an increased concentration in the numbers working just over 16 hours a week (the hours threshold to qualify for in-work tax credits, which are intended to incentivise work and provide a significant boost to earnings).

Recent reports have suggested that the current recession has seen a rapid rise in the number of 'under-employed' workers (ONS, 2012c). The OECD defines 'under-employed' as those working part-time because they have been unable to find full-time work. While the data above do suggest that there has been little change in hours worked other than among lone parents over the course of the recession, it also shows that more people that are working part-time would like to work full-time.

Among men, the proportion in part-time work who would like to work full-time doubled between 2008 and 2012, with 28% working part time because they were unable to find a full-time job in 2012. For women, underemployment has also grown: 9% of mothers in couples who work part-time want full-time work, up from 5% in 2008, while 15% of lone mothers in part time work wanted to work full-time, twice as many as in 2008. So, under-employment is indeed growing, but other than for lone mothers, this does not reflect changes to working hours – on the contrary, for all but lone mothers, hours of work have shown little change since 2008.

So why do people want to work more? One explanation for this may be that increased hours are desired because individuals want to work more as the real value of wages falls. Data from the Labour Force Survey also shows that the median real wage fell by 3% between 2007 and 2012, a figure confirmed by ONS estimates (ONS, 2012d). For both men and women with partners, wages saw a similar falls between 2008 and 2012 with these reductions taking place across the wage

distribution. But again lone mothers stand out as facing a different experience to other workers, with an increased concentration of mothers working at low wages.

The decline in real wages over the period was therefore most dramatic for lone mothers, whose wages in 2008 were already low. This, combined with declining hours of work, means that lone mothers appear, in spite of employment gains, to have suffered the largest blows to earnings and hours over the course of the recession.

### **Couples' and Families' Employment Patterns and Income Sources**

Of course, the influence of recession on well-being might be felt not just through its impact on individual employment, but also through its influence on the employment opportunities of other family members. If a man loses his job, for example, a female partner may face greater pressure to search for work or increase her working hours (see Harkness and Evans, 2011 for early analysis of the effects of recession). How the recession has influenced families' employment and earnings, rather than just that of individuals, therefore matters for those living in couples. Data from NOMIS shows how the combined economic status of households has changed for those aged 16-64 between 2007 and 2011. It is striking that during the current recession, and unlike previous recessions, the growth in "workless" households has been relatively small – there were just 1ppt more workless households in 2011 than 2007. But the number of "working" households, where all adults in the household unit are employed, has fallen by 4ppt, and the share of "mixed households", where some but not all adults work, has grown by 3.1ppt. The remaining discussion focuses on the effects of the recession on families with dependent children, looking first at what has happened to employment and earnings patterns among two parent families, and then assessing

how incomes have changed for both lone and two parent families. Income and earnings data comes from the HBAI micro data sets from 2007 to 2011 and is not directly comparable to the LFS data reported earlier.

Family employment patterns for couples with children are shown in Figure 4.

Between 2007 and 2012 among these families there was no increase in the number who were workless; the number of single-earner male and female “breadwinner” families grew; and the share of dual earner families fell. Among this latter group, a notable change is the declining share of families with both a male full-time and female part-time worker, the share of which has dropped by 2ppt. On the other hand, there has been a small rise in the share of families with children where both work full-time.

<< FIGURE 4 AROUND HERE >>

What implications do these changes have for the composition of family income?

Here we focus on how incomes have changed among families with children. Using data from the HBAI series we can see how income and its components has changed between 2008 and 2011. Figure 5 reports gross income (excluding tax credits), gross total earnings, gross male and female earnings, benefit income and tax credits, and finally net income for couples with children. All figures are reported in constant prices. Of particular interest here is how total earnings, and earnings of male and female partners, have changed over the course of the recession, and second how these changes have been reflected in changes to net family income. Among couples with children gross weekly earnings fell on average by 3.6%. But this change in total earnings disguises important gender differences, average gross male earnings falling by 7.7% while female gross earnings increased 6.6%. Increased receipt of tax

credits and benefit income, alongside changes in taxation, further tempered falling gross incomes, with net income falling just 1% over the 3 years.

<< FIGURE 5 AROUND HERE >>

Of course these changes disguise variations across family type. Further analysis of the data shows that there are some variations by employment status. Net incomes, for example, fell most for families with one full-time and one part-time worker. These families faced a real fall in net incomes of 4%, with this decline mainly driven by declining male earnings. On the other hand, for those with two full-time workers net income grew by 1.7% with increased female earnings offsetting losses in male pay, and the small fall in total earnings offset by changes in taxes and benefits. Those with a single earner, whether male or female, also saw little change to their net incomes as declining real earnings were offset by reduced tax liabilities and increased tax credit and benefit receipt. Those without an earner also saw a modest rise in their real net incomes between 2007 and 2011, an effect unlikely to have continued beyond 2011 as the effect of austerity measures on the incomes of the poorest (through cuts to tax credits and benefits) were implemented from late 2012.

Among families headed by a lone mother, although the real value of average gross earnings declined between 2008 and 2011, net incomes were largely protected against such falls because tax credit and benefit income continued to rise. For those not working or working part-time, net income grew by around 5% between 2008 and 2011. Lone mothers working full-time fared less well, with full-time employed lone mothers seeing their real net incomes fall by an average of 2%. These findings fit closely with reports from the IFS on incomes over the course of the recession. They also show large falls in gross incomes and earnings across households, but that

these falls were largely moderated by the tax and benefit system (Cribb, Joyce and Phillip, 2012), a trend which is unlikely to continue in the future as austerity measures, which are set to reduce the generosity of tax credits and benefits in future years, are brought in.

## **Discussion and Conclusions**

This paper has explored the effects of the economic downturn in the labour market on men, women and families, and explored gender differences in the ways in which men and women have been affected. These differences have significant implications for family life. The analysis of data has shown that, in contrast to what might be expected, the recession has had little impact on employment levels of women: employment rates in 2012 were roughly the same as they had been in 2008. Early fears that women would be disproportionately affected by job loss have not therefore been borne out (see for example Rake, 2009; TUC 2009). Instead this analysis has shown that women's employment levels have held up better than those of men since the start of the economic downturn in 2008. Women have been protected from job losses largely because those occupations that have seen the largest falls in labour demand have, with the exception of public sector administration, been largely dominated by men. Analysis of earlier recessions in the UK (Rubery et al, 1988) and of the current recession in the US (Hoynes et al, 2012) have similarly shown men to have borne the brunt of job losses, largely because those industries which are most subject to cyclical variations in demand (i.e. manufacturing and construction) are also those that are most male dominated. In the US the current recession has been widely labelled a "man-cession" (Hoynes et al, 2012). However, going forward, while the evidence on changes in female employment is encouraging, trends in recent years may not indicate a permanent move towards closing the gender employment

gap. In the US, where recovery has made further headway, it has been shown that although women faced fewer job losses during the downturn they also saw fewer job gains during the recovery (Kochhar, 2011).

While gender segregation may have protected women from job losses in recent years there are other consequences of these changes. The analysis of Goos and Manning (2007) suggests that there has been a long-term hollowing out of jobs in the middle of the income distribution and an increase in labour demand for those doing “lovely” and “lousy” jobs. Women tend to be concentrated in the latter category, and it is the growth of “lousy” jobs that appears to have protected female employment levels over the course of the current recession. This continuing trend, while helpful in the short-term in terms of reducing the male/female employment gap, also means that women have become increasingly concentrated in jobs at the bottom of the labour market.

While there has been little change in the female employment rate over the last four years, there is clear evidence that women are facing greater pressure to work. Since 2008 the female unemployment rate grew by 2.5ppt to reach 7.4% in 2012. At the same time among women working part-time, there has been a significant growth in the numbers that are doing so involuntarily because they have been unable to find full-time work. This rise in underemployment does not reflect changes in working hours - other than for lone parents, hours of work have shown little change over the course of the recession. Rising unemployment and underemployment, in the absence of falling employment rates or hours of work, suggest a growing pressure on women to work and this is likely to have been a consequence of both policy changes which have increased job search requirements for those claiming benefits

and also increased financial pressure on women to work as male employment rates have fallen and men's and women's real wage have fallen.

A further major effect of the current recession has been to put pressure on the incomes of those in work as their real wages have become increasingly squeezed (Whittaker, 2012). While earnings are known to have shown a considerable fall (Cribb et al, 2012), what has not been widely reported on before, is the distinct difference in the experience of men and women. The results reported here for couples with children shows that, while male weekly real earnings dropped considerably (by 7%), the contribution of female earnings to the family budget has been increasing and because of this, total family real earnings fell by a smaller amount (just under 4%). Without the increased contribution of women's earnings to the family budget the fall in family income that has occurred since 2008 would have been much greater.

The changes in women's status in the labour market and as breadwinners at home that has been taking place over the last 30-years appears to have been accelerated over the course of the 2008 economic downturn. Yet while women's earnings have become increasingly important to family income, and while there has been a corresponding decline in the male breadwinner, women's labour market position remains relatively weak with many women concentrated in low paying sections of the labour market. Thus, while there have been recent reports of improvements in the gender pay gap (ONS, 2012e), this may well reflect falling male wages rather than any improvement in women's economic position. As such, gains that have been seen in women's labour market standing over the course of the downturn may struggle to be sustained during economic recovery. In parallel with this, women who have taken on the role of breadwinner are often not those that are most economically

advantaged. Lone parents, for example, while seeing employment gains over the course of the current recession, remain one of the most vulnerable and low income economic groups even when in work, and unlike other women, they have seen a reduction in their working hours and weekly earnings over the course of the recession. Among those in couples with children, if the woman works she is much more likely to be the main breadwinner (defined as earning more than her partner) if she is in the lowest income decile than if she is in the top (Figure 6).

<< FIGURE 6 AROUND HERE >>

The recession has hit the employment and earnings prospects of families. At the same time the government have implemented a series of public sector spending cuts. While the effect of some of the cuts in public sector employment have already been felt, the effects of further changes to the tax and benefit system are yet to be seen (the discussion here has considered how tax and benefit changes influenced overall family income only up to 2011, the latest period for which data are available). These data suggest that up to early 2011, changes in tax and benefits helped to protect families from the effect of falling real wage levels. The effect of further changes to the tax and benefit system, which took place in late 2011, have yet to be observed. These changes have substantially reduced income transfers to low and middle income families, with those with children facing a disproportionately large effect. Between 2011 and 2014, couples with children are expected to see a 6% fall in income and lone parents are expected to fare as poorly (National Family and Parenting Institute, 2012). If these changes are to be compensated for, female earnings will be of even greater importance and any threat to “expensive” policies that promote female employment, such as family friendly working, maternity leave or

childcare provision, which may result from austerity measures, will further setback the position of women and their families (Rake, 2009).

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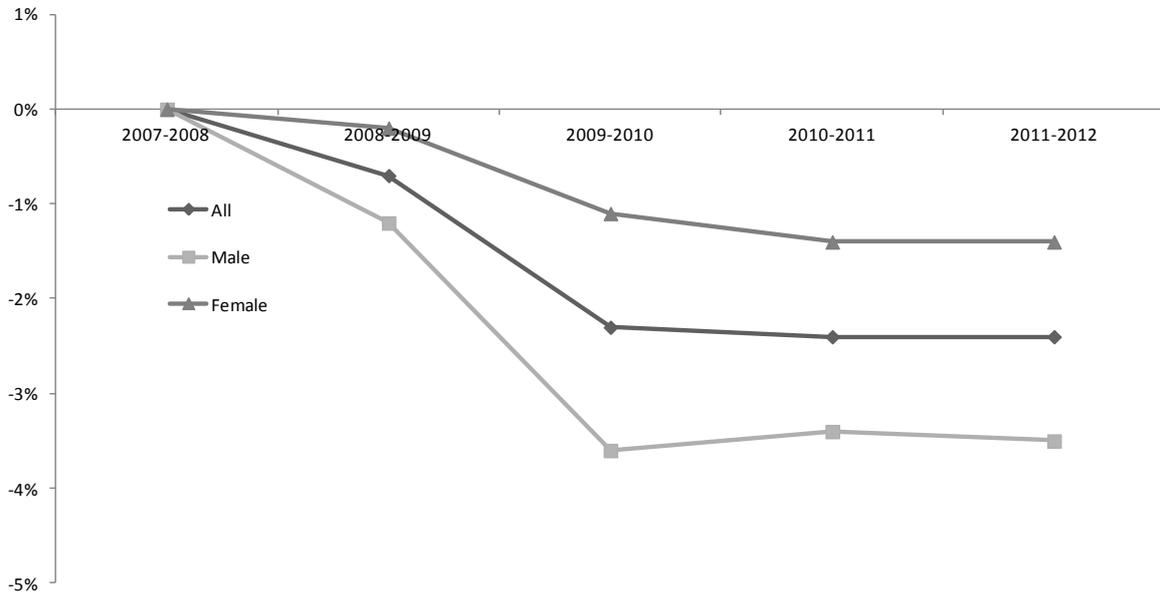
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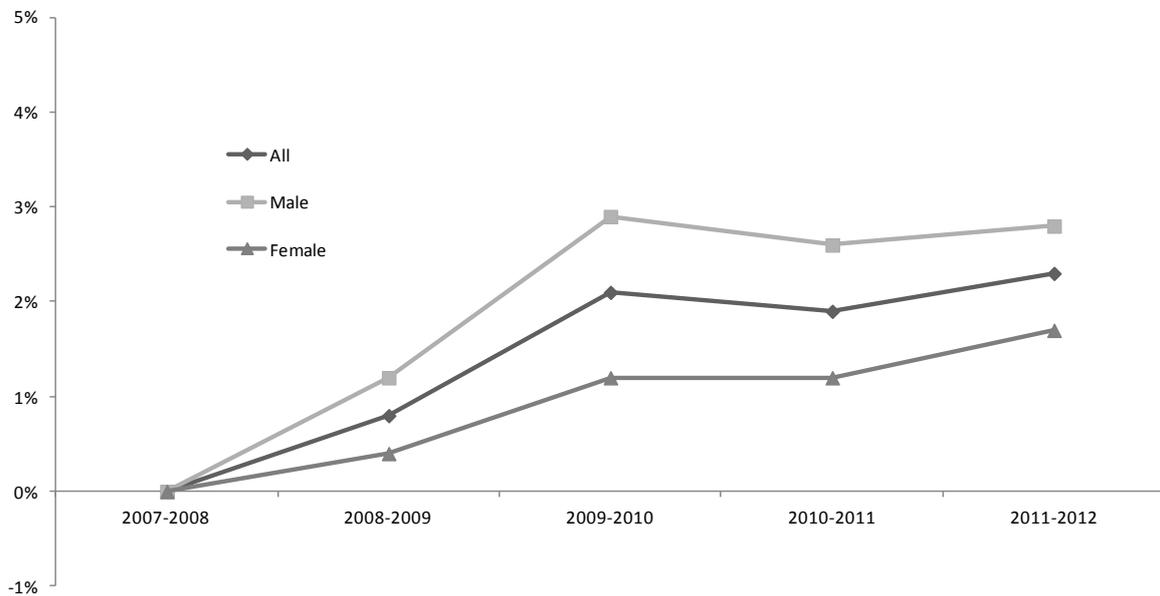
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Figure 1: Changes in male and female employment and unemployment rates (age 16-64)

a. Change in employment rate

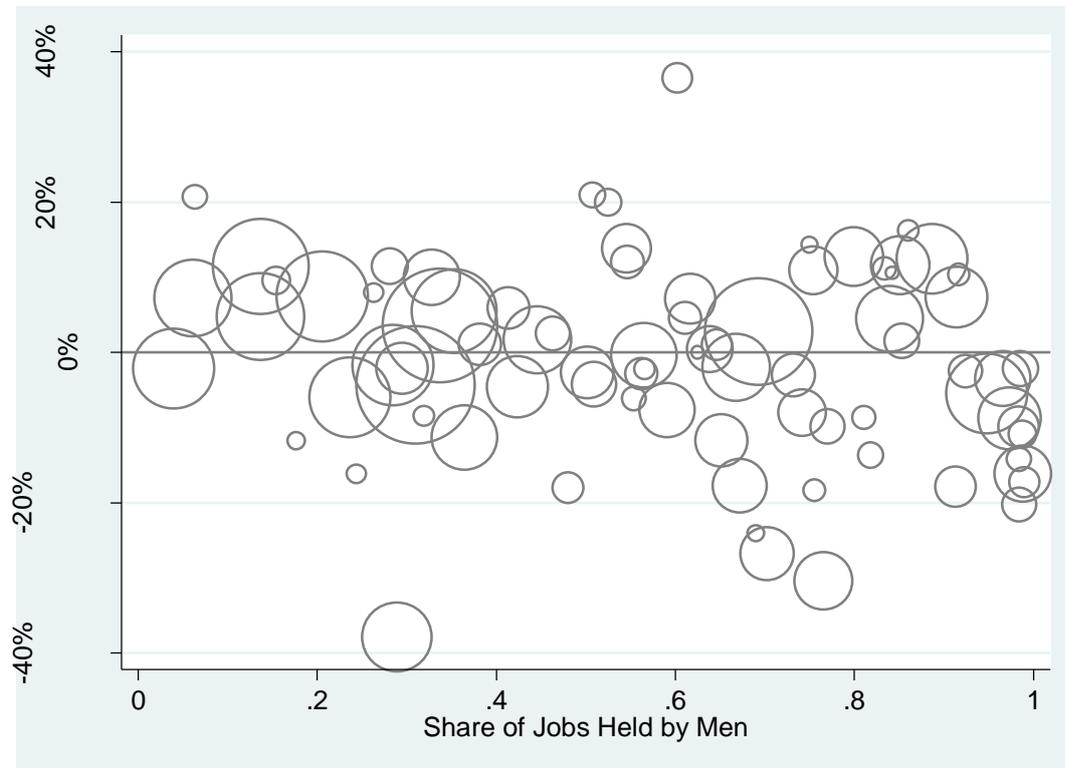


b. Change in unemployment Rate



Source: NOMIS data from the Annual Population Surveys.

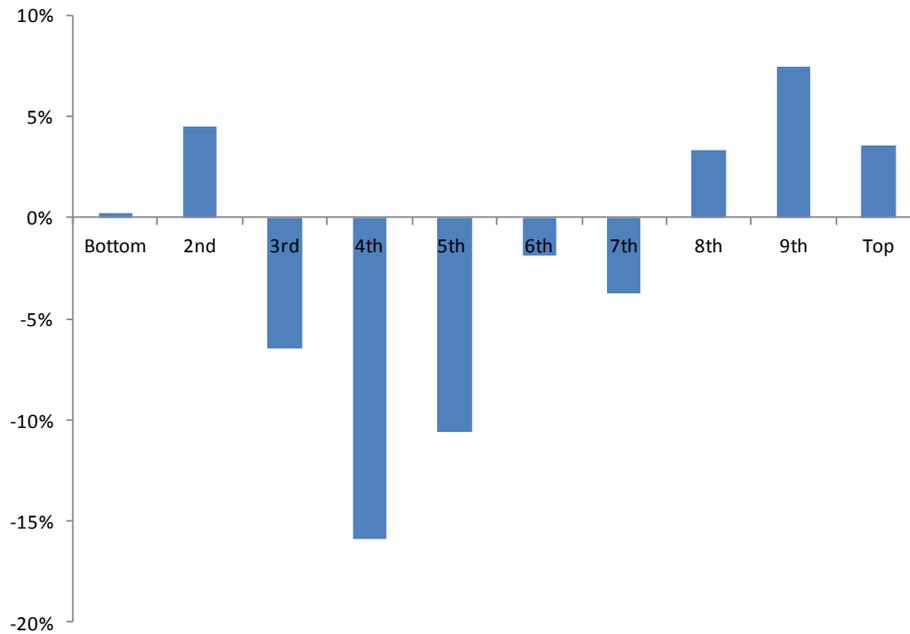
Figure 2: Percentage change in employment between 2007 and 2010 plotted and the share of jobs that were male in 2007 by occupation



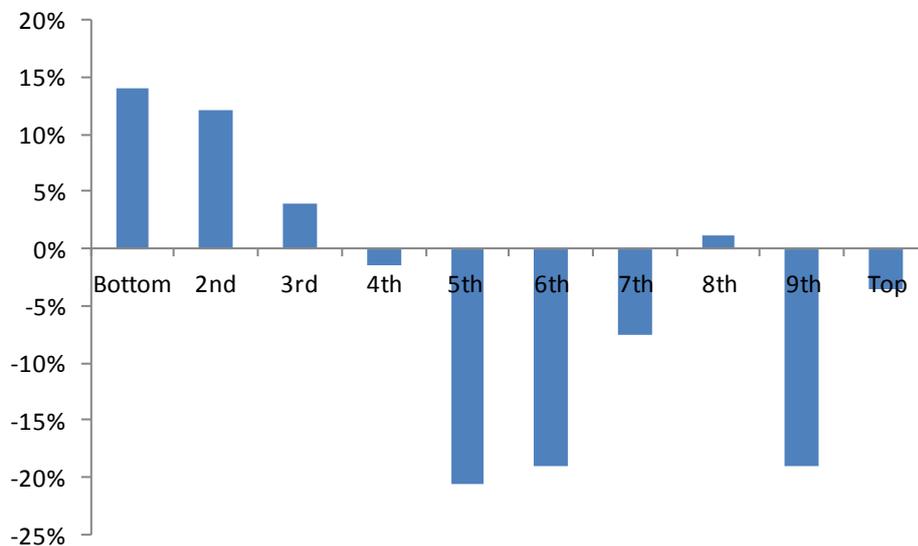
Note: NOMIS data from the Annual Population Survey. The regression line of best fit is  $Y=0.026-0.068X$ . The coefficient on X has a standard error of .002.

Figure 3: Changes in Employment and Female Employment Shares by Job “Quality” Decile

i. % Change in Employment between 2007 and 2010 by Job Quality Decile



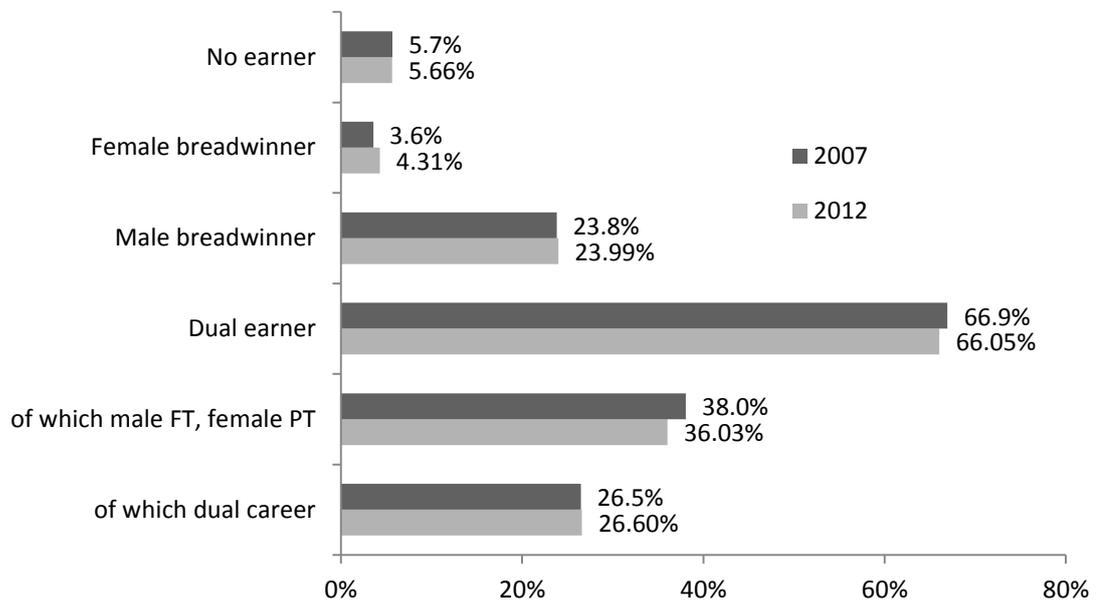
ii. Female over- and under-representation by job quality decile



Note: All data from NOMIS. Job quality deciles are defined on the basis of the median wage in 2007. In (ii) the graph shows the excess (deficit) of women in each decile. It assumes that that in each decile there should be a 0.5 share of women in employment if jobs were equally distributed. In the bottom decile, therefore, the over-representation of women is .14 implying 64% of jobs in this decile were held by women in 2007.



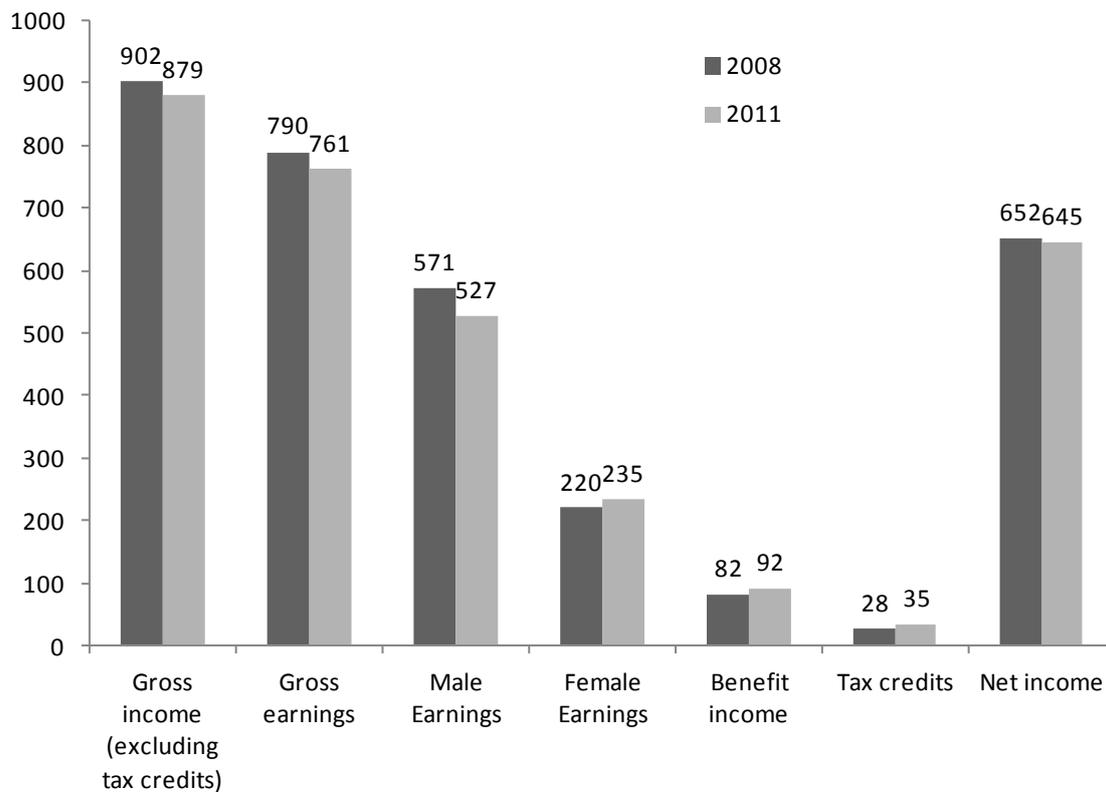
Figure 4: Changes in Family Employment Patterns among Couples with Dependent Children, 2007 and 2012



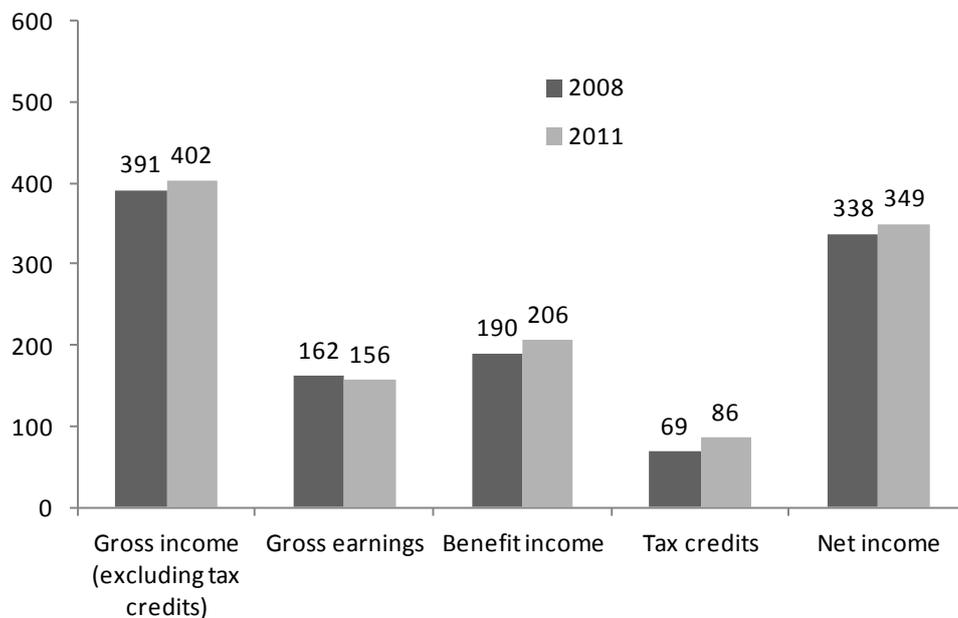
Note:  
Source: QLFS data

Figure 5: Income Sources and Levels for Families with Children, 2008 and 2011

Couples with Dependent Children

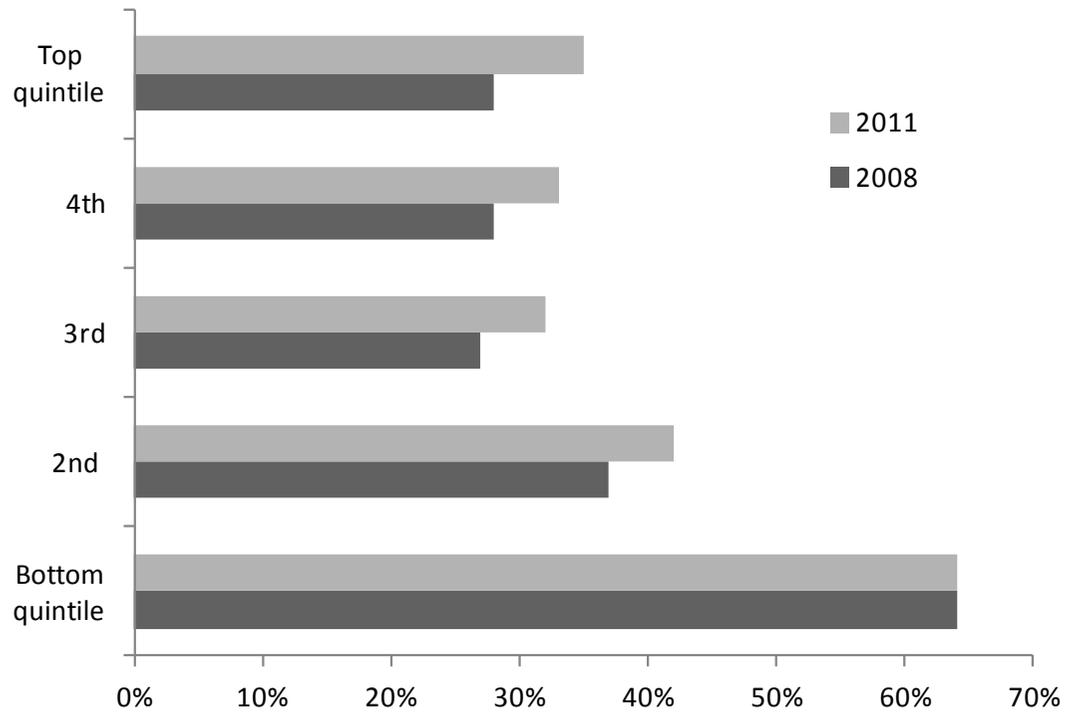


Lone Mothers



Note: Source: HBAI data. Gross income is the sum of gross earnings, benefit income and other income (not shown on the graph).

Figure 6: Share of employed women with greater weekly earnings than their partner (couples with children) by family income quintile



Source: HBAI data

**Table1: Employment by Gender and Age**

	<b>2007-08</b>	<b>2009-10</b>	<b>2011-12</b>	<b>Change</b>
<b>All age 16-64</b>				
Employment rate	72.5	70.2	70.1	-2.4
Unemployment rate	5.2	8.0	8.2	3.0
<b>Males age 16-64</b>				
Employment rate	78.7	75.1	75.2	-3.5
Unemployment rate	5.5	9.1	8.9	3.4
<b>Females age 16-64</b>				
Employment rate females	66.4	65.3	65.0	-1.4
Unemployment rate females	4.9	6.8	7.4	2.5

Source: NOMIS data from the Annual Population Survey.

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<sup>i</sup> Employment data is NOMIS time series data, [http://www.nomisweb.co.uk/reports/lmp/gor/2092957698/subreports/nrhi\\_time\\_series/report.aspx?](http://www.nomisweb.co.uk/reports/lmp/gor/2092957698/subreports/nrhi_time_series/report.aspx?). Data on the pay gap is from the ONS.

<sup>ii</sup> See <http://www.nber.org/cycles/sept2010.html> for details on recent deliberations on defining the recession in the US

<sup>iii</sup> See Chris Giles in the Financial Times (2012) <http://blogs.ft.com/money-supply/2012/09/07/the-uks-short-and-shallow-recession/#axzz26Mh9NE00>

<sup>iv</sup> SOC 2000 classifies occupation on the basis of job type and skill levels. For more details see the ONS definition at <http://www.ons.gov.uk/ons/guide-method/classifications/archived-standard-classifications/standard-occupational-classification-2000/about-soc-2000/index.html>

<sup>v</sup> Of course, wider measures of job quality would include other indicators of job characteristics. However how job quality should be measured and which characteristics should be included is widely debated (see for example Green, 2006). In addition such data is not widely available and no consistent annual series of job quality exists.

<sup>vi</sup> Authors own analysis of NOMIS data. Further details available from the author on request.