

GM4WOMEN2028

EMPLOYMENT GROUP BRIEFING NOTE 2022

This briefing note produced by the GM4Women's Employment Action Group starts by reviewing how women have been faring in the labour market of Greater Manchester during 2021, a year that has continued to be dominated by COVID. Most available data for city regions, at the time of writing (January 2022) relates to conditions in the first half of 2021 when lockdowns were still in force or only recently lifted. The Employment Action Group is very aware that the COVID pandemic is still far from over and that women are still bearing many of the key burdens of the pandemic. In relation to employment, these extra burdens take three main forms.

First, those in the frontline of health and care services, most of whom are women, are exhausted by almost two years of caring for COVID sufferers and dealing with the backlog of medical and care needs.

Second, job security in key sectors for women's employment such as hospitality and retail remain uncertain. Despite a brief period of public concern over labour shortages, the new Covid variant and the emerging squeeze on living standards still makes these employment sectors highly vulnerable and there is no longer the prospect of furlough.

Third, the pandemic has taken a major toll on children and women take most responsibility for caring of children, whether as mothers, grandmothers or as paid childcare and education workers. It is also the availability, affordability and flexibility of childcare that is a central determinant of women's employment opportunities. It is for this reason that we devote the second part of this briefing to the current state of childcare provision in the UK and in Greater Manchester.

A joint report by Manchester City Council and the University of Manchester (Allen et al. 2021) into the experience of ethnic minority individuals during COVID highlighted the particular role that ethnic minorities in general but particularly women played in key front-line work during the pandemic. In fact, *'ethnic minority individuals and women were less likely to have been furloughed or dismissed from work because these groups are more frequently employed in essential occupations as key workers. Black people represented a strong majority of key workers across all quintiles of earnings distribution. Increased exposure to the virus itself is therefore another vulnerability faced disproportionately by BAME individuals'*

Women employment in GM has risen in 2020/2021 but only slightly



The share of women in [employment](#) has risen by just over one percentage point to 69.3% (July 2020/June 2021- see Table 1). This is good news, particularly under pandemic conditions. This employment rate is still 4.8 percentage points below that for men (see Figure 1), but this represents a significant decrease from the 9-percentage point gap recorded last year. But in fact, this improvement is mainly due to men's employment falling by 3.4 percentage points over the last year.

Table 1. Employment rates by gender in Greater Manchester

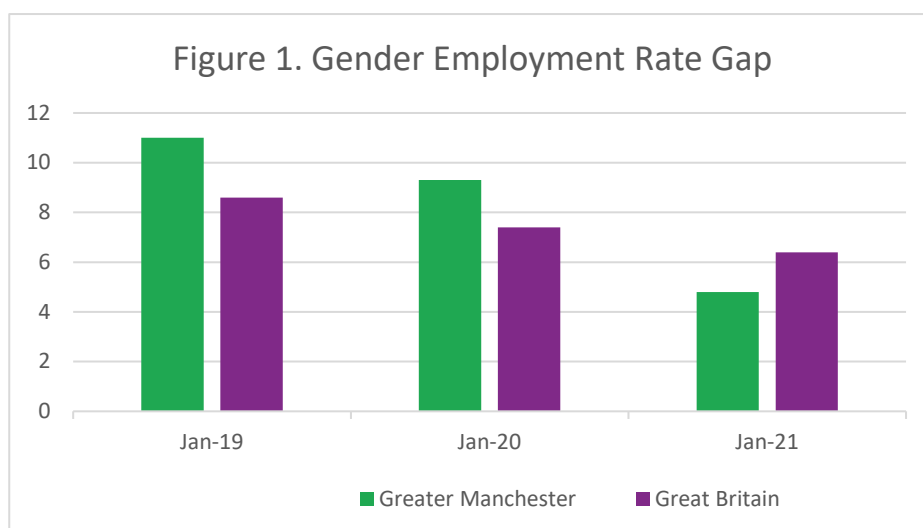
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July to June	Men	Women
2020/2021	74.1	69.3
2019/2020	77.5	68.2
2018/2019	77.8	66.8

While last year the gender employment rate gap in Greater Manchester was around 2 percentage points above that in Great Britain, this year the picture is reversed with the gap narrower in GM by 1.6 percentage points.



This change in the GM employment rate gap does not herald more equality in gender roles but is instead an effect of the pandemic. Moreover, loss of men's employment is also impoverishing many families in which women live as well as men.

This means that this change in our scorecard indicator is not in this pandemic period a cause for optimism.

The employment rate for disabled women in GM has continued to rise while that for men has fallen. Disabled women in GM now have a higher employment rate at 53.7% compared to 47.5% for disabled men. But the key headline is the huge gap that still persists between employment rates for the disabled those who are not disabled- 53.7% compared to 75.4% for non-disabled women and 47.5% compared to 81.7% for non-disabled men.

The Gender Pay Gap in GM has widened but remains below the average for Great Britain

Last year the gender pay gap in [GM](#) widened from 9.1 to 12.3 percentage points (see Figure 2), bringing the gap to around the level found before the pandemic. The 2020 figure may have been an aberration as data have become very difficult to collect and interpret during the pandemic due to furlough and other issues. One worrying development, however, is a widening gap between women's earnings in GM and those for Great Britain as a whole (from 1.2 percentage points in April 2020 to 5.6 percentage points in April 2021).

Among women working in Greater Manchester the the share who earn below the living [wage](#) (see Table 2) is 20.9%, a decline of 3 percentage points compared to pre pandemic levels in 2019. This could indicate some success for the GM policy of being a living wage city but more low paid jobs may have been lost in the pandemic than higher paid jobs. Also compared to 2019 there is now a higher share of women who are paid below the living wage than for GB as a whole. Data by local authority in GM show quite a variation with



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Tameside recording almost two fifths paid below the living wage compared to under 15% in Manchester.

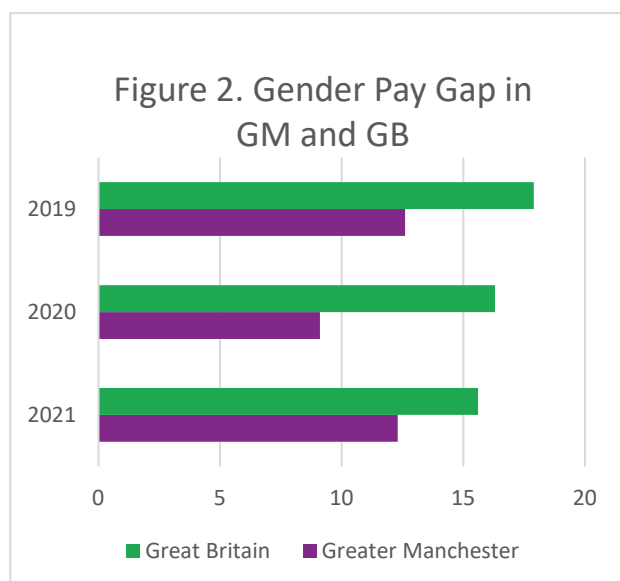


Table 2: Share of women paid below the real living wage in GM, by local authority and in Great Britain April 2021

Greater Manchester	20.9
Great Britain	20.2
Bolton	20.3
Bury	26.0
Manchester	14.8
Oldham	25.5
Rochdale	23.5
Salford	18.9
Stockport	22.3
Tameside	39.6
Trafford	19.1
Wigan	26.6

Childcare provision and women's employment in Greater Manchester

If Greater Manchester is to achieve its ambitions laid out in its strategy of being one of the best places in the world to 'grow up, get on and grow old', it needs to focus on developing available, affordable, and flexible childcare. Childcare problems act as a major barrier to women fulfilling their employment ambitions and to families securing adequate living standards. A plentiful supply of flexible childcare can also be considered essential for making progress towards a more equal sharing of parental responsibilities.

Problems with childcare provision apply across the UK. Here we focus on three key problems: the costs of childcare, problems of sufficient and flexible supply, and staffing issues.

The costs of childcare in the UK top the charts

The UK has the most expensive childcare among advanced [countries](#) with the exception of the Slovak Republic. In 2020, even after taking benefit entitlements and free childcare into account, costs for a couple with two children, one aged two, one three, amount to 30 percent of an average wage (one partner on an average wage, one on two thirds of the average wage). This compares, for example, to 13 percent in France and 5% in Sweden of their respective average wages.



In Greater Manchester childcare fees are likely to be somewhat below the UK average but so are wages. For example, in [Oldham](#) in 2019 costs for a childminder were £138 per week compared to an average of £184 in the Northwest and £221 for England. Likewise, day nurseries cost £167 compared to £197 for the Northwest and £240 for England. Yet while these are substantial differences in costs, they still account for 28 to 34% of median full-time weekly earnings in Oldham.

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The offer of 30 hours of free childcare for three- and four-year-olds has not solved all the problems.

The very high costs of childcare in the UK led to a new policy after the 2015 election of providing up to 30 hours per week free childcare for three- and four-year-olds in England, in addition to the 15 hours already available.

This welcome increase in support is not as generous as it might at first [appear](#); it is for only 38 weeks at 30 hours or 22 hours per week spread over 52 weeks, i.e. 1140 hours a year. It is also underfunded and private providers either have to cross-subsidise from other sources or opt out of the free provision, with some forced to close due to inadequate funding. Only 62% of local authorities report sufficient [supply](#) of childcare for the full free 30 hours for three and four year olds and only 23% of local authorities have sufficient childcare for disabled children in all areas. Eligibility for the full 30 hours requires both parents earning per week at least the equivalent of 16 hours paid at the national living wage. If there is a delay in securing a childcare place after a job is offered, it may not be possible to take up the offer.

The Scottish [government](#) has now made access to the full free childcare allowance for three- and four-year-olds no longer conditional on the employment status of parents. This should help more women get back into work as well as ensuring that children of those outside the labour market can enjoy the educational benefits of longer nursery provision. **Offering the full childcare hours for all would also help the main carers of disabled children, mainly women, who need the relief from care duties whether or not they then seek to enter employment. GMCA should ask central government to adopt a similar policy to that of the Scottish government.**

Childcare is also needed for school age children – before and after school and in the holidays. In Manchester City Council's latest [report](#) on sufficiency of childcare provision (2019), concerns were expressed that supply of holiday and after school care was limited particularly in less affluent areas. The absence of subsidies for school holiday closures made it much more difficult for women to stay in work. This report also noted a problem with respect to finding childcare to fit with the increasing prevalence of work hours beyond the standard nursery day, with one third of respondents to a survey mentioning problems of flexible hours. **While providing more wrap around care is a priority, it is also important that employers provide more family friendly working conditions including hybrid working, flexible working hours at point of recruitment and more predictable working schedules (e.g., more notice of changes to hours and shift patterns). A proposal out for consultation by government suggests that flexible working requests could be made at the point of hire instead of having first to work six months in a job but this would still only be a request for [flexibility](#).**

The sustainability of childcare services is threatened not only by underfunding but also by low pay and high workloads for staff

A 2020 [report](#) by the Social Mobility Commission (SMC) warns that 'low pay, a high workload and a lack of career development for early years workers risk having a serious impact on the provision of care and education services for the under-fives'. Figure 3 shows that in 2018 there was a higher risk of very low pay among Early Years Workers in England than in another low paying sector such as retail even though average wages were slightly higher at £7.42 per hour for EY

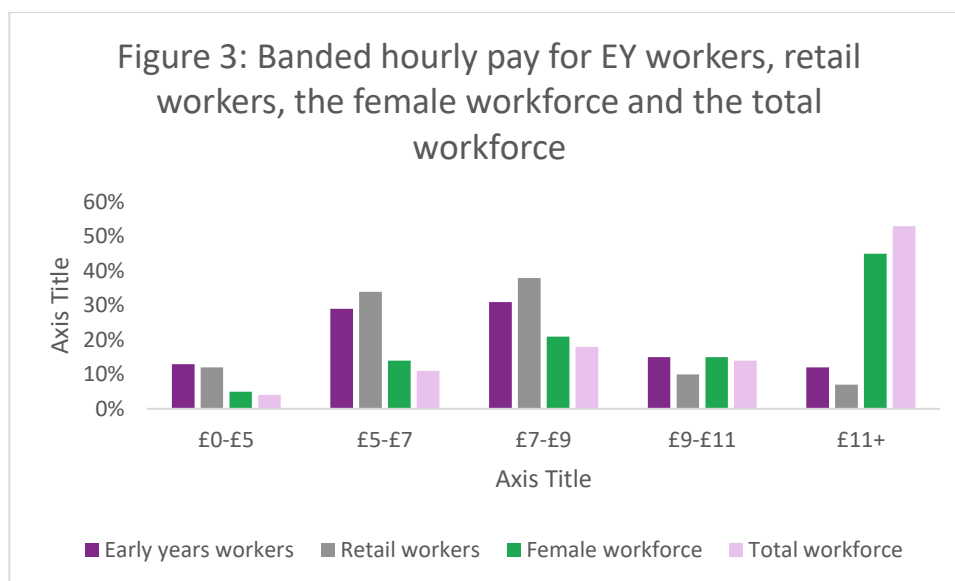
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workers compared to £7.09 in retail. Even so this is well below average pay across the whole female workforce at £11.37. The SMC found that EY practitioners found it difficult to meet their own living costs and low pay was a major factor in reasons for leaving the sector.



Key policy implications

GM4women2028 asks that all the care workers including childcare and early years workers are paid the real living wage. This repeats our ask from last year but makes it clear that improving conditions for childcare staff should have a similar priority to social care. This ask is directed at both employers and policymakers. Where employers can pay, we ask them to do so. Where they cannot pay due to too low commissioning prices, we ask policymakers to raise fees but make these conditional on the employer paying their staff real living wages.

Our key new ask this year is that support for working parents (and all those unable to work due to childcare problems) should be at centre of GM's strategy to be the best place to grow up, get on and grow old. This requires changes in employment practices: GMCA should ensure that offering flexible working from day one in its Employment Charter. At the same time there needs to be a coordinated strategy in GM to campaign for and deliver flexible and affordable childcare in all areas of GM. This will also require putting pressure on central government to provide better funding for its current schemes and to extend free childcare to younger age ranges.

Authors

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Data sources, definitions and references on employment and earnings

All employment data come from the Annual Population Survey available from the NOMIS website <https://www.nomisweb.co.uk/>. Employment rates are calculated as the number of people in employment divided by the 16-64 year old working population. Data on employment rates for the disabled is drawn from Table T02A Economic Activity by Disability (Equality Act)

All earnings data on gender pay gaps and the real living wage come from the Annual Survey of Hours and Earnings (ASHE). Gender pay gap (GPG) is defined as the difference between men's median and women's median hourly earnings as a percentage of men's earnings. For 2021 the real living wage is defined by the Living Wage Foundation at £9.50, £10.85 in London.

Allen, Ruth and Wiśniowski, Arkadiusz and Aparicio Castro, Andrea and Olsen, Wendy K. and Islam, Maydul, The Economic Impact of the COVID-19 Pandemic on Ethnic Minorities in Manchester (October 25, 2021). Available at SSRN: <https://ssrn.com/abstract=3949593> or <http://dx.doi.org/10.2139/ssrn.3949593>

Data sources, definitions and references on childcare

Net childcare costs international data drawn from OECD data <https://data.oecd.org/benwage/net-childcare-costs.htm>

Childcare costs in Oldham from Oldham Council's 2019 Childcare Sufficiency Assessment https://www.oldham.gov.uk/info/200230/early_years/2094/childcare_sufficiency_assessment

Information on the 30 hours a week free childcare from the Early Years Alliance <https://www.evalliance.org.uk/30-hours-free-childcare-what-parents-need-know>

Data on sufficiency of childcare provision across all local authorities from the Family and Childcare Trust's Childcare survey https://www.familyandchildcaretrust.org/sites/default/files/Resource%20Library/Childcare%20Survey%202019_Coram%20Family%20and%20Childcare.pdf

Information on the new childcare policy in Scotland from the Scottish government website <https://www.gov.scot/policies/early-education-and-care/early-learning-and-childcare/>

Manchester City Council (2019) Childcare Sufficiency Assessment https://secure.manchester.gov.uk/downloads/file/24155/childcare_sufficiency_assessment_june_2019

Response to the government's consultation on flexible working requests available at the point of hire by Jill Rubery as a member of the expert Group REWAGE https://warwick.ac.uk/fac/soc/ier/rewage/publications/flexible_working_rewage_consultation_response.pdf

Social Mobility Commission (2020) The stability of the early years workforce in England https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/906906/The_stability_of_the_early_years_workforce_in_England.pdf (source for Figure 3)



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