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# COVID-19 and Employment Changes in Wales

## Summary profiles

Cathrine Winding, Christian Heathcote-Elliott and Dr Ciarán Humphreys

*These summary profiles draw together information from COVID-19 and employment changes in Wales reports. They present information through the lens of six profiles relating to young people and employment.*

*The summary profiles include:*

Key facts

Statistics and impacts on COVID-19 related employment changes identified through a review of grey and published literature

Insights

Insights on impacts and solutions gathered from a sample of young people (aged 18-24), third sector organisations which support young people and policy makers and influencers

Promising interventions

Policy interventions identified through a systematic evidence mapping of international literature which look promising in reducing the effects of COVID-19 related employment changes and improving health and health equity outcomes

# Labour market entry



Jane (18) was about to start an engineering apprenticeship. She was excited to be learning a trade that would give her the skills and experience to get a good job so she could move out her parents house. However, she couldn't start her apprenticeship as many of the company's workforce were furloughed. Jane tried to get part-time work in the hospitality sector but her home town was hit hard by the pandemic.

## Impacts on employment and wellbeing

### Facts

- Young apprentices more likely to be furloughed
- Fewer apprenticeships ended in 2020. 7,770 were furloughed at the end of May (21.9% of all apprenticeships between March and July 2020)
- Difficult for school leavers to find a job as many start their working life in shut-down sector occupations
- 5 percentage point rise in young women in education in 2020 in the UK

### Insights

- Lack face-to-face training difficult, especially for vocational learning
- Online learning resulting in some digital exclusion
- Pathways to employment disrupted, especially for disadvantaged
- Increasing competition for entry level jobs from older people with employment experience
- Some young people said they would settle for any job

*"I think for people like me who are in a trade and trying to learn, there's not really – you can't do trade work online, I can't take a stone and start putting it in a wall online. So there's no assessors to come out to see me. At the minute, I'm at a standstill. I'm not getting any qualifications, nothing. No colleges are open."*  
**(Male, in education)**

## Solutions

### Promising interventions

- Investing in interventions that offer employment support, career guidance, vocational training and apprenticeships
- Active programmes providing training, job creation and job search assistance

### Insights

- Kickstart scheme of value but can be bureaucratic
- 'Guaranteed offer' could include paid employment for six months with guarantee of a job interview at the end, work experience, placements, traineeships and employer-incentivised apprenticeships
- Junior apprenticeship schemes for 14-16 year olds
- Free, accessible training courses
- Better careers advice and support for young people

*"I would say, from an employer interest, and wanting to take part, and bidding for Kickstart opportunities, we've had great interest in Wales.. If those employers see that the relationships are effective and providing good quality candidates for them, hopefully that will help us be in a better place"*  
**(Decision-maker)**

# Unemployed



Since leaving school, Fiona (23) had trained as a hairdresser and was now a manager in her local salon. She was furloughed in the first lockdown but in the second lockdown the owner of the salon went bankrupt and Fiona lost her job. It was the first time Fiona was out of work since she left college and she was anxious about getting into debt and finding another job as she knew there were a lot of people in her position.

## Impacts on employment and wellbeing

### Facts

- Universal Credit claimant count almost doubled from March to July 2020
- Redundancy levels in 2020 quadrupled compared to 2019 and highest since 2009
- Higher rise in youth unemployment rates for Black, Asian and Minority Ethnic groups than White young people
- Unemployment rate rose from 3.3% in Q1 to 4.6% in Q4 in 2020

### Insights

- Pandemic intensified pre-existing challenges to find work
- Concern that young people less likely to take up universal credit (may be due to Universal Credit sanctions)
- Some unemployed used this as a chance to change career paths and become more entrepreneurial
- Rural challenges

*"I would say it badly affects my mental health. You can definitely notice it with the lack of variety in your life. Every day is the same isn't it, it's been the same for a long time now?"*

**(Male, 18-24, unemployed)**

## Solutions

### Promising interventions

- Active labour market policies: education and training; job creation programmes; job search assistance
- Passive labour market policies: unemployment benefit policies but benefit sanctions may be associated with no health benefit or harm

### Insights

- Build on existing interventions where possible
- 'Communities for Work' to increase employability
- Cohesive 'Welsh benefits system'
- Improving public transport

*"The best way to prepare somebody for a job is to give them a job. What we found in the past with things like Jobs Growth Wales and other interventions was that if we subsidised employers to provide placements for young people, that helps enormously"*

**(Decision-maker)**

# Furloughed



*Peter (24) had left university with a good degree and with his previous retail experience got a trainee management position in a restaurant chain. He had been on furlough since the first lockdown and there were rumours the company would be closing some of its restaurants. Although Peter felt lucky he had been supported financially during the pandemic he was finding the uncertainty about his future stressful and was thinking of retraining.*

## Impacts on employment and wellbeing

### Facts

- 316,500 workers furloughed as of 31 May 2020 – around 22% of Welsh workforce
- 155,500 furloughed as of 31 December 2020
- Overall take up rate was 28.9% in June 2020
- Young, women, low paid and ethnic minority groups most affected by shutdown sectors
- Some sectors more affected than others (as well as affected by Brexit)

### Insights

- Mental health challenges (lack of socialisation, financial stress due to reduced pay and uncertainty around the furlough scheme ending)
- Uncertainty around a potential rise in unemployment rate as Coronavirus Job Retention Scheme and Self-Employment Income Support Scheme end

*"My first furlough payment was quite a high one, but now with my last furlough pay it is really low. It's taken about four hundred pounds off me, and it's properly affected me seeing my payslip today, and seeing that going down. I didn't know what to do"*

**(Female, 18-24, on furlough)**

## Solutions

### Promising interventions

- Specific employment interventions designed to protect working populations from labour market adversities caused by the pandemic (e.g. furlough scheme, which was associated with better mental health outcomes than those becoming unemployed)
- Kickstart scheme
- Shorter working week

### Insights

- Furlough scheme has been viewed as successful
- Important to support reskilling funds for those in most affected sectors
- Greater focus on 'green jobs' and adapting to changes within sectors

*"Provide new training courses for free, and not make us pay. For different jobs, even though you're in a different line of work, if you wanted to learn something else, they could provide that. More variety I'd say, with no cost. Or some just to cost a little"*

**(Female, 18-24, on furlough)**

# Parents and carers



*Gwen (28) is a single parent. Before the pandemic her parents helped with the childcare and one of her children went to nursery. She works as a project manager in a bank. Since the pandemic childcare has been a real issue and she has had to reduce her hours. Although working from home has saved her time travelling, she finds misses the social contact she had with colleagues. She has also had less money and struggled to pay the bills.*

## Impacts on employment and wellbeing

### Facts

- In a UK survey, almost 65% of furloughed mothers blamed lack of childcare
- 14.5% of all families were lone parent families in 2019 - nine out of ten are women
- In-work poverty rate for single parents in 16/17-18/19 was 27% (double national average)

### Insights

- School closures and online learning particularly affected parents and single parents with young children
- Limited access to formal and informal support networks
- Loss of carer allowance can adversely affect ability to study

*"My mum would pick [son] up after school, at 12, and she'd meet me somewhere at 6pm when I finished work. It was really easy but since COVID, it's been difficult. My mum is high risk as well. I go to work with someone who is high risk and my mum is high risk, so you can't mix"*  
**(Female, 18-24, dependent child)**

## Solutions

### Promising interventions

- Childcare services (free hours and quality) linked to enhanced child health and development
- Family allowances such as childcare benefits
- Parental leave (prenatal, postpartum parental leave, breastfeeding breaks)
- Welfare-to-work interventions (financial support; incentives to search for employment and (re)enter the labour market)

### Insights

- PaCE (Parents, Childcare and Employment) – effectively supporting some in Wales with dependent children
- Better, low cost or free childcare provision would make difference to employment opportunities

*"If the nursery could offer us two full days a week and three half days a week. That means we can both work two full days a week each and do the work between us then"*  
**(Female, 18-24, dependent child)**

# Employed – good quality work



*Paul (40) worked in the local authority planning department. He has worked at home since the start of the pandemic and his employer has been really supportive of him working flexi-hours so he can provide care for his mother. His manager had wellbeing check-ins with his team every week and the local authority had a confidential support service. Paul had got used to use to virtual meetings but was looking forward to seeing his colleagues again.*

## Impacts on employment and wellbeing

### Facts

- People in good quality jobs were less likely to be furloughed, lose their jobs or have hours reduced
- If furloughed, people in good, high income jobs were more likely to have their pay affected (likely to be earning more than the £2500/month furlough limit)

### Insights

- Less likely to mention health and wellbeing issues but jobs still stressful and impacting mental health
- Loneliness and boredom due to lack of socialisation
- People generally felt more supported by their employees
- Changes to employment circumstances has acted as a catalyst to follow an ambition for some

*"I was actually pretty lucky as I kept my normal income but at the start for the first five months, they gave me permission not to attend work because my mum is asthmatic. Luckily they still paid me then, they didn't cut my pay, they let me work from home"*

**(Female, 18-24, secure employment)**

## Solutions

### Promising interventions

- Shorter working week to improve mental health
- Employment protection legislation to get more people into good, fair work
- Employee controlled flexible arrangements likely to affect physical health positively
- Labour market flexibility combined with strong social welfare system may positively affect health

### Insights

- Making some jobs more attractive and secure – e.g. health and social care (making care a career with possibilities for further qualifications)
- A focus on 'green jobs', re-skilling and transferable skills
- Public sector has a role in making jobs available for young people
- Digital connectivity for disadvantaged young people

*"We want people in secure, fair, paid employment, but I think we have to be realistic about what the market is like at the moment, and for some people it's about getting on the first rung in the ladder – getting that experience in, have it under their belt, then progress"*

**(Decision-maker)**

# Employed – poor quality work



*Lewis (26) was working for a delivery company on a zero hours contract. He was new to the area when the pandemic started and although, unlike his flat mates, he was still able to get work, he found it stressful not knowing what hours he would be working each week and on some days he was having to work for 12-hours with few breaks. The wages were low and he was finding it difficult to budget due to the sporadic nature of the work.*

## Impacts on employment and wellbeing

### Facts

- An estimated 12.4% of workers were employed in insecure work in 2018
- In-work poverty was 14% in 2019 and industries like food, wholesale, accommodation and retail faced some of the highest in-work poverty rates
- Workers in precarious jobs were 11 times more likely to experience unemployment during the pandemic

### Insights

- More job seekers/applicants due to redundancies and less vacancies
- Less commercial pressure to adopt fair work practices – “any job is better than no job”
- Variable shift patterns impacted on mental health
- People could not afford not to work and potentially exposed their household to COVID-19

*“I’m still on a zero-hour contract, which I’ve been on for about four years now. I’ve actually asked them for an hourly contract, which I am entitled to. But they keep refusing”*

**(Female, 18-24, dependent child)**

## Solutions

### Promising interventions

- Employment protection legislation (laws that facilitate employment relationships; protect the rights of people in employment; protect employees from unfair treatment)
- Universal Basic Income
- Tax credits and cash transfers

### Insights

- ‘Holistic view’ of young people’s potential
- Raising minimum and living wages
- Ensuring the voice of young people
- Strengthening social partnership via the Social Partnership Bill
- Ensuring businesses are in receipt of public funding to provide fair work

*“We could outlaw zero-hours contracts. We should make requirements for longer term rostering of staff. We could make requirements for other terms and conditions to do with sick pay, holiday pay, entitlement for people with caring responsibilities”*

**(Decision-maker)**



# Further information

The summary profiles bring together findings from this series:

- Alma Economics. COVID-19 and employment changes in Wales: Promising interventions to improve health and health equity. 2021. Public Health Wales NHS Trust
- Beaufort Research. COVID-19 and employment changes in Wales: Insights for policy – young people, employment and health. Qualitative research findings. 2021. Public Health Wales NHS Trust
- Winding, C., Heathcote-Elliott, C. & Humphreys, C. COVID-19 and employment changes in Wales: What we know about current and future impacts. 2021. Public Health Wales NHS Trust

For further information on this work contact the Wider Determinants of Health Unit: [PHW.Determinants@wales.nhs.uk](mailto:PHW.Determinants@wales.nhs.uk)

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