COVID-19 and the Labour Market in Dorset

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Contents

Key Findings

Wider context – UK

The UK is experiencing among the highest death toll from coronavirus in Europe and the measures for controlling the pandemic have caused an unprecedented shock to the economy:

- **The projected overall decline in the UK GDP for the year is between 13% and 14%.** The most significant decline is projected for the second quarter (a quarterly GDP decrease set to reach 35%), then over the third quarter recovery is anticipated, as some economic activity resumes.

- **Over the first quarter, all industries already saw decreased economic outputs.** The early signs of recession were seen in the first quarter of the year, when GDP fell by 2% and "the biggest monthly fall since the series began in 1997" was recorded in March with economic output plunging by 5.8%, even though lockdown restrictions were only introduced for the last few days of the month.

- **Education, Accommodation & Food, and Construction are the sectors projected to see the biggest losses exceeding 70% over the second quarter.** Economic output is expected to fall over the second quarter across all industries except Healthcare - with most affected industries are expected to experience losses exceeding 70%.

- **By the end of the year, the unemployment rate could be 7.3% (currently 4%).** Unemployment rate is largely dependent on the withdrawal of the Government's support schemes. It was projected to rise by over 2 million to 10% in the second quarter of the year and then adjust slowly with an overall 7.3% unemployment rate forecasted by the end of the year.

- **Young people, those with lowest wages, women, older people and those engaged in industries that are most affected, are likely to suffer the consequences of the recession more severely.**

Dorset

- **Dorset has maintained lower coronavirus infection rates than other regions.** As of 14 May the 808 confirmed cases in Dorset LEP were equivalent to 105 per 100,000, compared to the average rates for England and the South West - equivalent to 251 and 128 per 100,000 respectively.

- **Higher proportions of people in Dorset are employed in the most affected industries** Around 133,000 people or 41% of the working age population of Dorset are employed in Accommodation and Food Services, Wholesale & Retail, Construction and Education.

- **Dorset employers are putting recruitment activity on hold.**
  Significant drop in job vacancies was seen in April, when advertised vacancies fell almost by half in Dorset (48% down from the previous month) and a more pronounced dip in the BCP area (56%). With recruitment plans largely shelved, the immediate reaction of businesses was to focus on survival and maintaining existing staff.

- **Recent demand is illustrating a growing need for essential and higher skilled workers.**
  Vacancy numbers decreased across all industries in Dorset throughout April compared to the previous month. Almost half of the remaining job vacancies were in health & social care, reflecting the growing demand over recent years, while sectors such as Arts & Entertainment, Construction, and Accommodation & Food services saw over 80% drop in the number of vacancies. Demand for jobs in professional occupations such as software developers, lawyers, and project managers do not appear to suggest that higher-skilled 'white collar' professions may have been better protected during the outbreak

- **Groups identified as most vulnerable to long term adverse effects in Dorset:**

Young people
There is a growing number of young people classified as NEET and Not Known and steep competition for limited graduate opportunities is expected, as well as reduced apprenticeships now and in the near future.

The lowest paid
The evidence of disproportionate impact on the lowest earners is concern for areas in Dorset where considerable proportions earn under the Living Wage, e.g. over a quarter of the jobs in the Dorset Council area and almost half (48%) of those in employee jobs in Weymouth & Portland.

Women
44% of women in Dorset are employed in Public Administration, Education and Health, where they are most exposed to the virus, as well as industries where they are facing unemployment and lower wages.

Older people
With one in four of population aged 65+, Dorset has the greatest proportion of 65+ populations. Older people are more at risk of suffering complications or dying from the virus and are recommended to follow stricter self-isolation. For those living alone, that means no physical contact. Three of the five local authorities in England where more than half of people living alone are over 70 years old are in the South West, with East Dorset having the highest percentage (58%).

What are the recent Coronavirus developments?

As the economy is facing the unprecedented shock of coronavirus pandemic, this paper offers early insights on the impact of these latest developments on the labour market and the people of Dorset.

In an attempt to contain the spread of the virus, UK was put into lockdown on 23 March with closed schools, pubs, restaurants, cafes, gyms and other businesses, restrictions on movement and social distancing measures in place, which are now slowly being eased following the Government's publishing a phased roadmap to lifting restrictions on 11 May[1].

In terms of coronavirus developments, globally c.4.2 million people have contracted the virus and almost 290,000 have died, with Europe currently the worst hit region (c.160,000 deaths) and UK sadly leading in the number of deaths[2]. In the UK, of those who tested positive, 33,614 have died by 14 May[3].

As of 14 May there were **349 confirmed cases in Dorset** (equivalent to 93 per 100,000) **and 459 in Bournemouth, Christchurch and Poole** (equivalent to 116 per 100,000), the county maintaining lower rates of infection compared to the average for England and the South West (rates 251 and 128 per 100,000 respectively)[3]**.**

According to the latest data from the ONS (up to 1st May) 267 deaths in Dorset and BCP where COVID-19 was given as the cause of death. This represents 145 deaths in BCP and 122 in Dorset. 128 of these deaths occurred in hospitals, with a further 122 recorded in care homes.

The South West as a whole has a lower rate of infection than seen nationally, remaining the least affected region as illustrated in Figure 2.

Coronavirus deaths and cases in the UK	
Total deaths	**Total confirmed cases**
33,614	233,151
Change from previous day	**Change from previous day**
+428	+3,446
Coronavirus cases in Dorset	
Dorset (Council)	**Bournemouth, Christchurch & Poole (Council)**
349	459

***Figure 1*. Total confirmed cases and deaths of coronavirus in the UK and confirmed cases in Dorset.ONS[3]**

[1] **Our Plan to Rebuild: The UK Government's COVID-19 recovery strategy.** (May 2020) www.gov.uk/government/publications/our-plan-to-rebuild-the-uk-governments-covid-19-recovery-strategy (Accessed 14 May 2020).
[2] **World Health Organisation Coronavirus disease (COVID-19) situation reports** www.who.int/emergencies/diseases/novel-coronavirus-2019/situation-reports. (Accessed 14 May 2020)
[3] **Coronavirus (COVID-19) in the UK- ONS.** coronavirus.data.gov.uk. Note. *Daily and total case counts are as of 14 May; Daily and total deaths are as of 13 May.* (Accessed 14 May 2020)

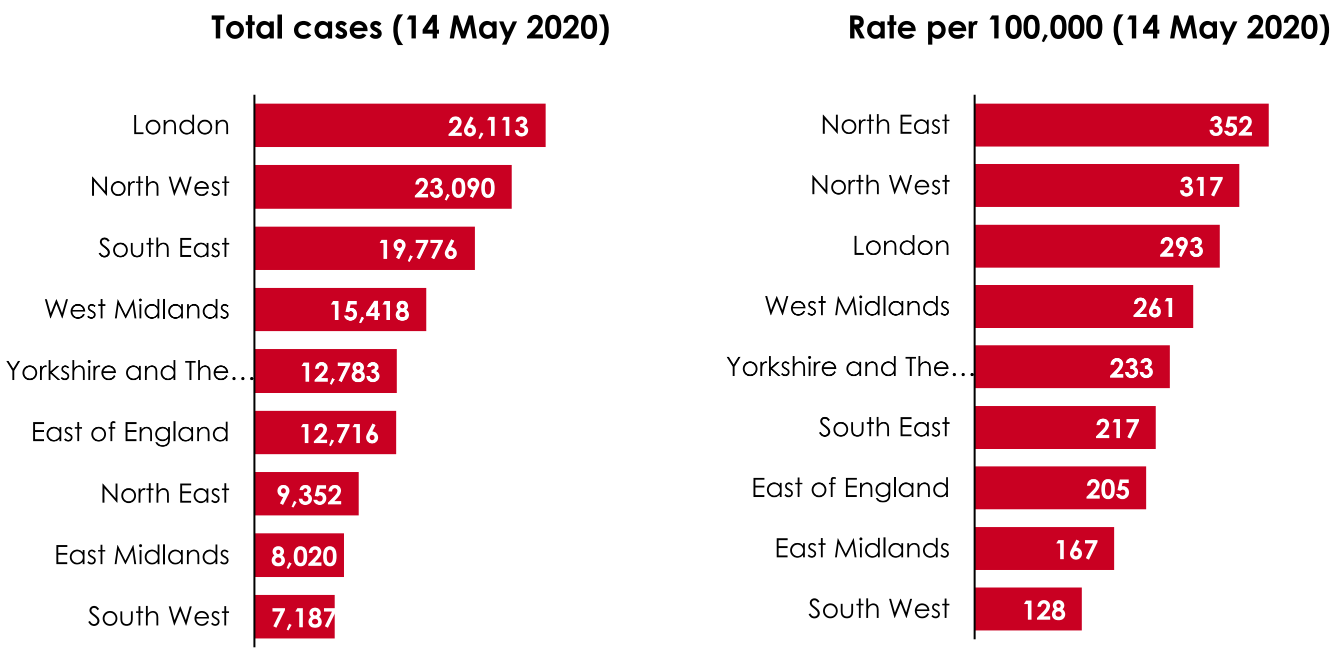


***Figure* 2. Total confirmed coronavirus cases in the UK and rates of infection regional comparison.** Data from 14 May. Coronavirus (COVID-19) in the UK- ONS. Accessed 14 May.

According to the Scientific Advisory Group for Emergencies (SAGE) assessment, R - the reproduction number of the disease has fallen below 1, indicating that the epidemic may have peaked for now and a decline in cases and deaths is hoped for.

However, fundamental changes in individual and group behaviours and business operations are now required to stay in place throughout what is likely to be a lengthy and volatile journey. A second peak poses a serious threat to the roadmap of rebuilding the economy outlined in the Government's recovery strategy and illustrated below[1].

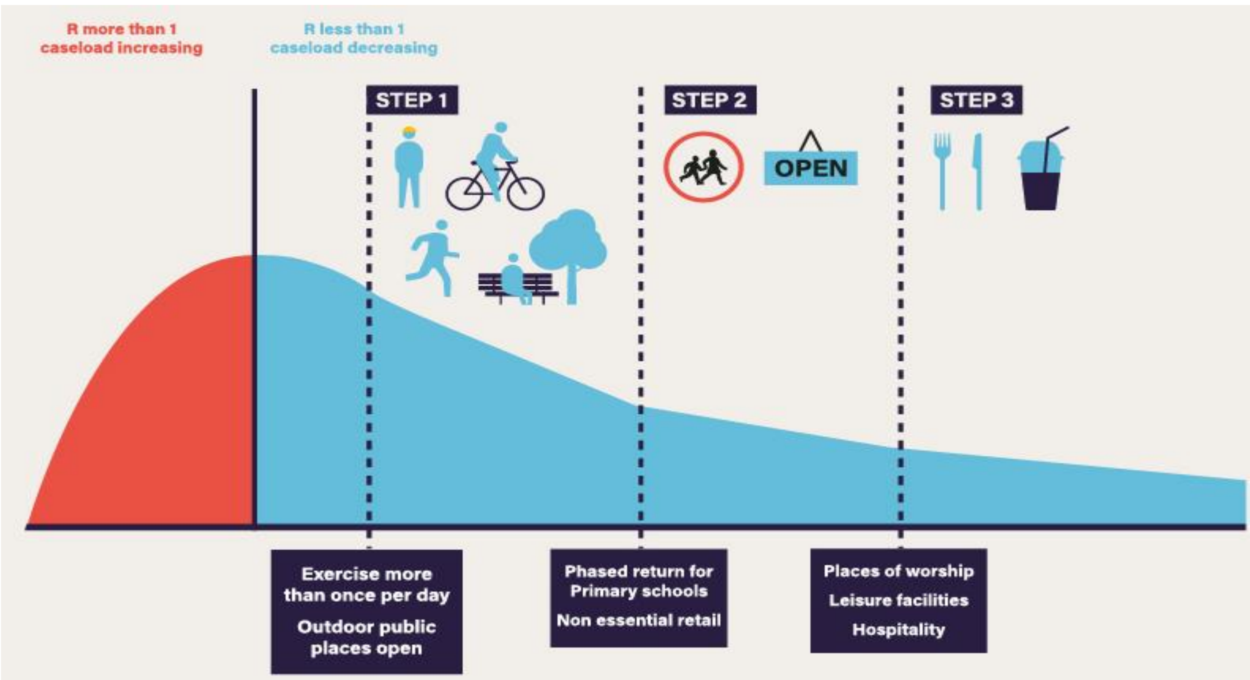


***Figure* 3. Steps of adjustment of social distancing measures, May 2020.** Figure reproduced from [Our Plan to Rebuild: The UK Government's COVID-19 recovery strategy]

What does it mean for jobs in Dorset?

Job Vacancies shed light on how employers see the future: what their immediate recruitment needs are and which jobs they may have to sacrifice.

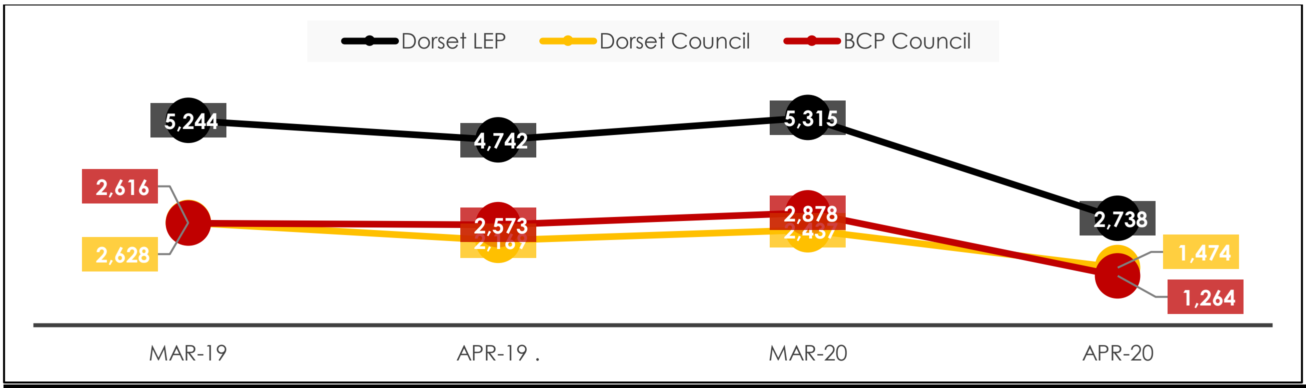
For this labour market analysis, we have utilised data from Labour Insight by Burning Glass Technologies - a source of labour market intelligence combining econometric time series models with machine learning to collate a database of current and historical vacancy data, accessed under a Dorset LEP licence. It is important to stress that the data only covers approximately one month of data, therefore very much reflecting the immediate labour market reaction. We would wish to monitor this over the next 6-12 months to understand the true extent of impact on labour demand.

How many jobs were advertised recently?

Based on analysis of Burning Glass open access data the UK has seen a significant fall in advertised vacancies –down by 51% in April compared to March 2020.

Below we explore the activity for Dorset LEP geographies. While difficult yet to establish the scale of the impact – given it is quickly evolving – the data does confirm that one of the immediate reactions by businesses has been to lower demand for labour. There were c.2,000 fewer jobs advertised by Dorset employers in April 2020 compared to the same period last year and c.2,600 less jobs than the previous month. This immediate reaction by businesses would be expected, with recruitment plans largely being shelved.

The trend prior to the outbreak actually looked positive. For example, there had been c.5.300 jobs advertised within the Dorset LEP area in March 2020, in fact a marginal annual increase from the previous year, indicating the effects from the lockdown were not immediate (it may also reflect a delay in vacancies being taken off from aggregate sites after being removed by employers). The significant drop followed in April, when vacancies fell almost by half (from the previous month) and a more pronounced dip seen in the BCP area. It has to be noted however that there was a slowing of the market (for BCP in particular) in April 2019 as well (of c10%).



Region	Mar-19	Apr-19	Mar-20	Apr-20	April 20 to April 19 (Difference)		per cent	April 20 to March 20 (Difference)		per cent
UK	575,798	522,924	26,730	308,409	-	214,515	-41%	-	318,321	-51%
Dorset LEP	5,244	4,742	5,315	2,738	-	2,004	-42%	-	2,577	-48%
Dorset	2,628	2,169	2,437	1,474	-	695	-32%	-	963	-40%
BCP Council	2,616	2,573	2,878	1,264	-	1,309	-51%	-	1,614	-56%

***Figure 4.* Advertised job vacancies –Dorset LEP and breakdown by geographies.** Comparison between March and April 2020 / 2019. Labour Insights.

Figure 5 compares the weeks in lockdown in 2020 with the previous two years and illustrates the impact starkly. In several weeks there were over 1,000 fewer jobs being advertised.

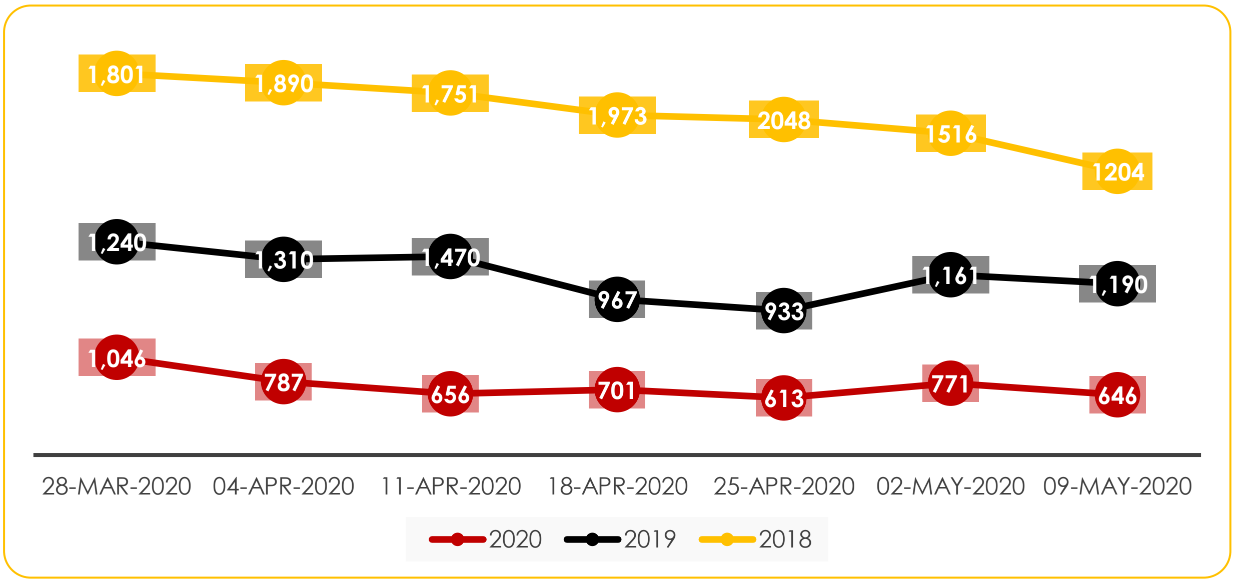


***Figure 5.* Advertised job vacancies –Dorset LEP Comparison by week of lockdown in 2020 with 2019 and 2018**. Labour Insights.

Which industries are recruiting?

The ongoing recruitment activity that is still in place illustrate the impact on the shape of demand, and the types of jobs now needed - covering critical functions or those less affected by the pandemic.

Figure 6 and Figure 7 show breakdown of the vacancies advertised in April by industry compared to March and the difference seen over this period. To account for seasonal variations, the same comparisons drawn with April 2019 are shown in Figure 8 and Figure 9.

Vacancy numbers decreased across all industries in Dorset throughout April 2020 when compared to the previous month and across all industries except Public Administration & Defence and Health & Social Care in comparison to April 2019.

Note that some of these comparisons are drawn from small number of vacancies and caution should be taken with interpretation. Both Health & Social Care and Public Administration & Defence sectors have increased their recruitment demand when compared to April last year (2019). At the same time, the rest of the economy has decreased their labour requirement. This may be due to placing their recruitment activities on hold, or completely ceased recruiting. The early indications are that sectors such as Arts & Entertainment, Construction, and Accommodation & Food services have been most significantly impacted – with over 80% drop in the number of vacancies advertised. Again, this is expected – given that many of those sectors have been in complete lockdown. Protection of existing staff is now their priority, rather than the recruitment of new staff.
As shown below, almost half of advertised job vacancies were in health & social care, up from about one-third in normal circumstances.

Health & Social Care vacancies - proportion of all vacancies

April 2019	April 2020
33%	49%

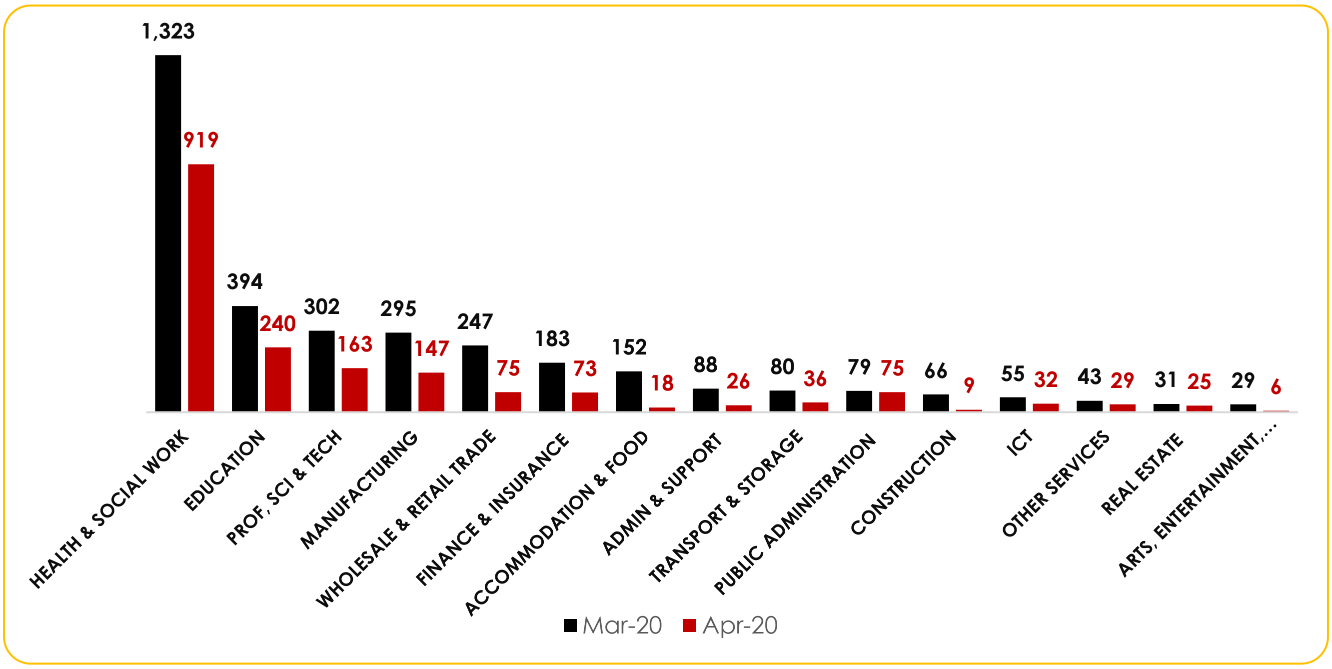


Figure 7. **Advertised job vacancies Dorset LEP industry breakdown Apr 2020-March 2020 comparison**. Labour Insights. *Note. Including vacancies where industry was specified.*

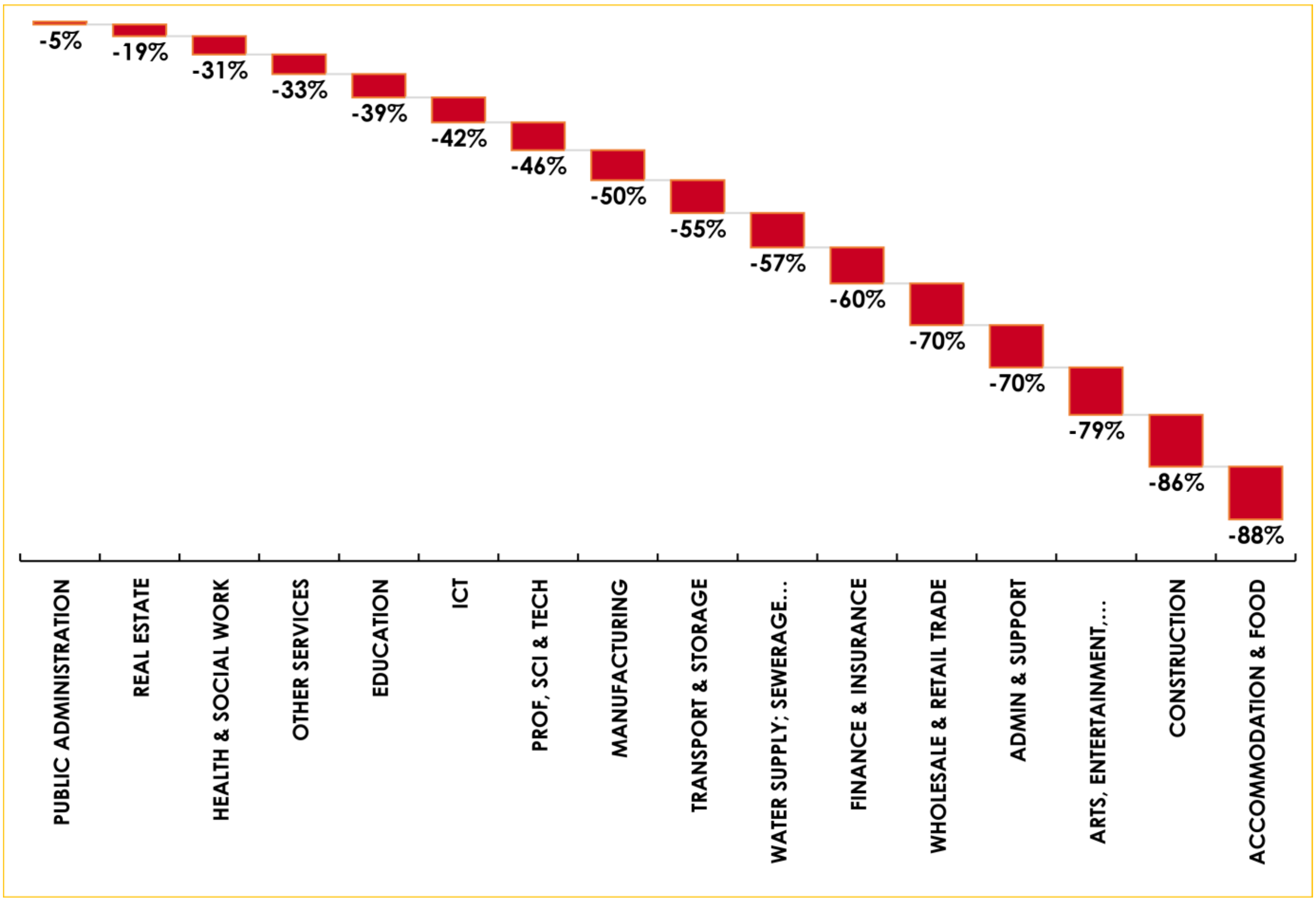


Figure 6. **Difference in percentage (increase, decrease) of jobs advertised per industry Dorset LEP Apr 2020-March 2020.** Labour Insights. *Note. Including vacancies where industry was specified.*

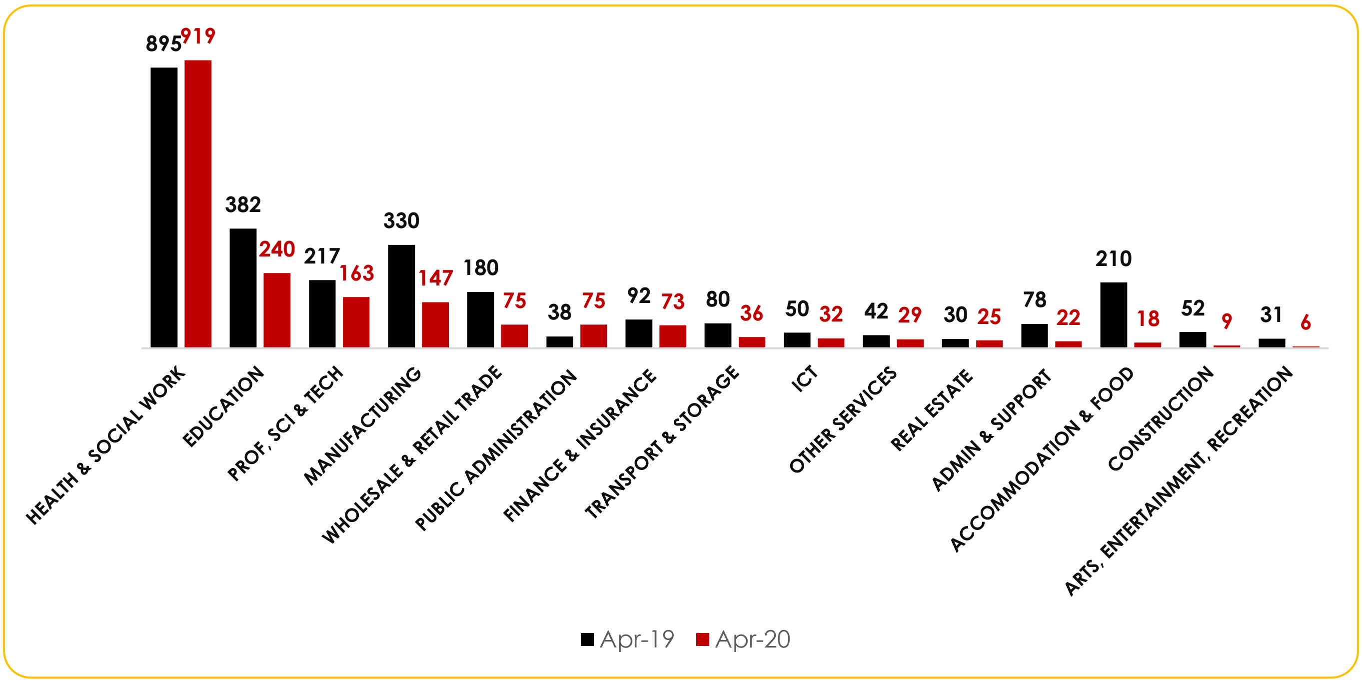


***Figure* 9**. **Advertised job vacancies Dorset LEP industry breakdown Apr 2020-April 2019 comparison**. Labour Insights. *Note. Including vacancies where industry was specified.*

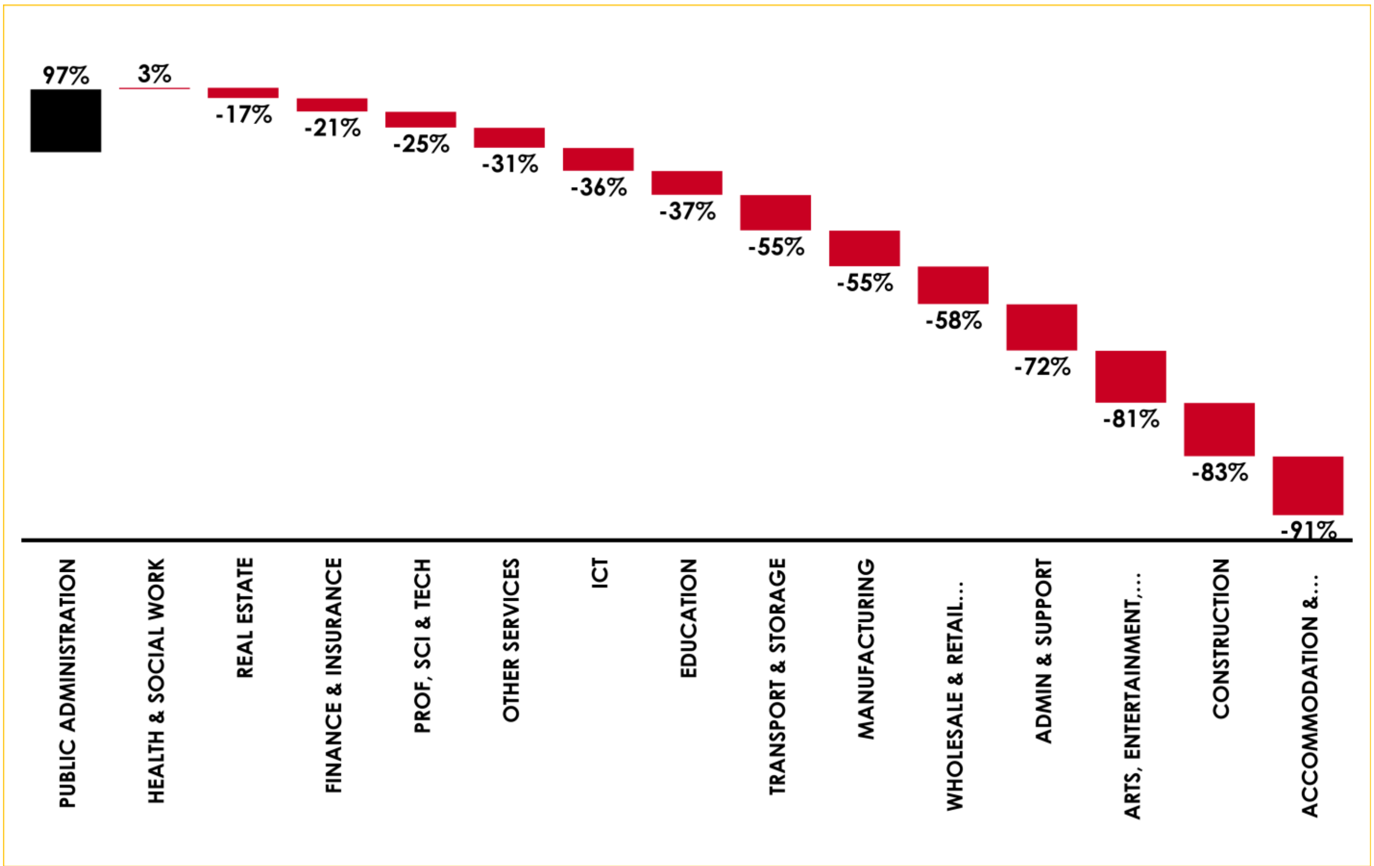


***Figure* 8**. **Difference in percentage (increase, decrease) of jobs advertised per industry Dorset LEP Apr 2020-April 2019.** Labour Insights. *Note. Including vacancies where industry was specified.*

Which occupations and jobs are in demand?

Figure 11 and Figure 12 illustrate the occupations most in demand over April 2020 compared to the previous year (2019 – full year). The recent developments illustrate the growing need being for key and essential workers during the outbreak predominantly in health, social care and technical occupations.

The single occupation with the highest number of advertised vacancies remains Registered General Nurses (RGN). However, in proportional terms this now represents 10% of vacancies (April 2020), compared to 5% the previous year. Jobs in the care sector have similarly increased in proportional terms – again, representing 10% of total advertised jobs.

What is of interest is that demand for jobs in professional occupations such as software developers, lawyers, and project managers do not appear to have been affected quite so quickly. In comparison, demand for lower-skills jobs such as administrative office jobs and customer service occupations decreased markedly and quickly. This may relate to what has been commented in national press, that higher-skilled 'white collar' professions may have been better protected during the outbreak and, in fact, lower-skilled jobs have been affected disproportionately. This would be a trend worth monitoring over the next few months.

Prior to the Covid-19 outbreak, the demand for care workers and nurses had been growing significantly over recent years due to the demographic profile of Dorset. Adding this new challenge to the mix, combined with more limited inward migration already expected after Brexit, the need to meet this growing demand may become an even greater cause of concern.
The profile of the NHS and care sector during the crisis – which has been accompanied by national recognition and appreciation of those roles – has led to NHS England reporting that there had been a surge of interest in nursing as an occupation. There has been a 220% increase in interest in nursing careers on the NHS careers website since the outbreak[4]. Additional funding has been made available to increase the number of clinical placements available. However, the Chief Executive of NHS England has recently highlighted that there will now be 4,000 more placements available than degree courses and he has urged universities the number of nursing degrees to be expanded to meet this apparent gap between the number of clinical placements and degree courses on offer[5].

There are also a number of jobs advertised in direct response to the crisis. Key word time-series analysis shows that over 300 jobs advertised since March contain the term Covid 19 (Figure 10). Over March, these were mostly customer service jobs in supermarkets, while in April, the core focus was on nursing and care professionals, but also included technical support, development and engineering in response to the crisis.

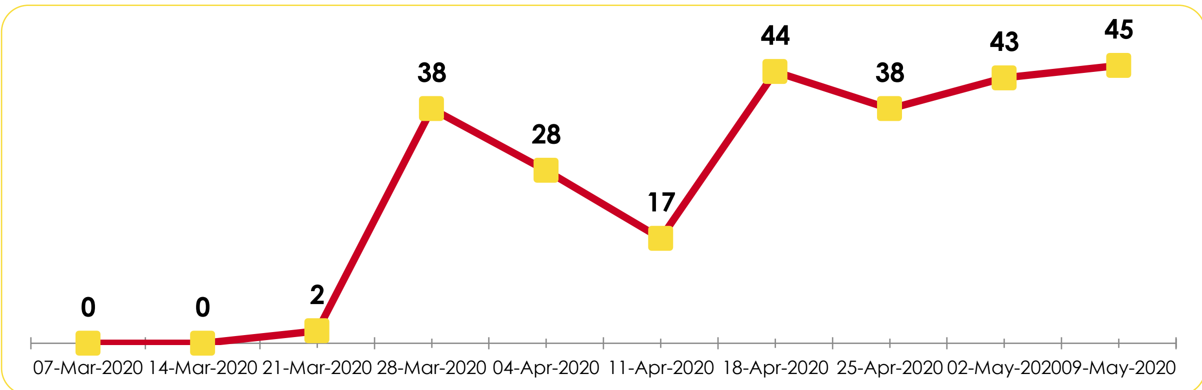


***Figure 10*. Covid – key word time series analysis –Dorset LEP March –May 2020.** Labour Insights

[4]More nurses should be coronavirus legacy. WiredGov. 14 May 2020
[5]NHS England chief asks universities to increase intake of student nurses. Nursing times. 12 May 2020

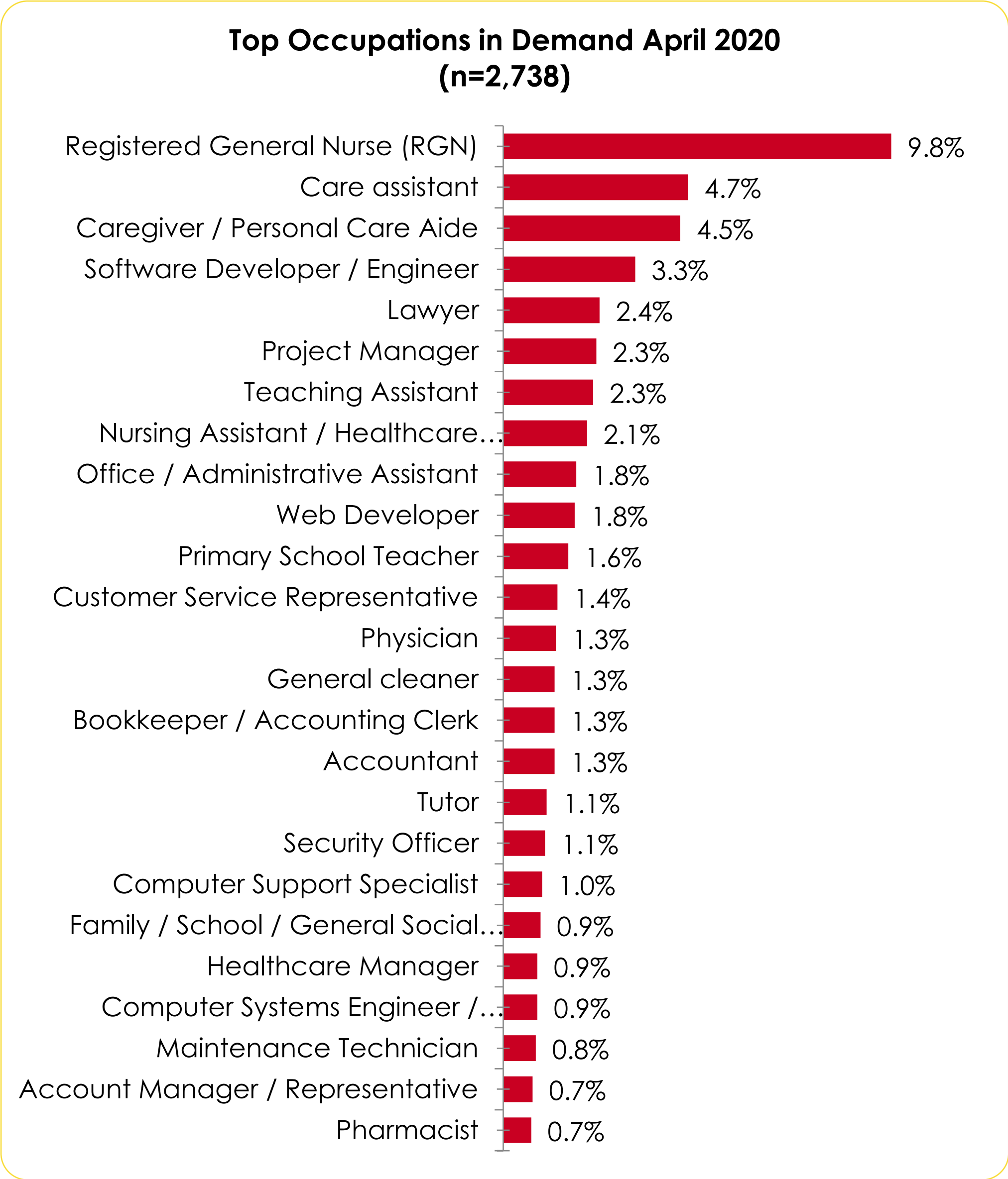


Figure 12. **Top occupations in demand in April 2020** – occupations rated by percent of all vacancies advertised within Dorset LEP. Labour Insights.

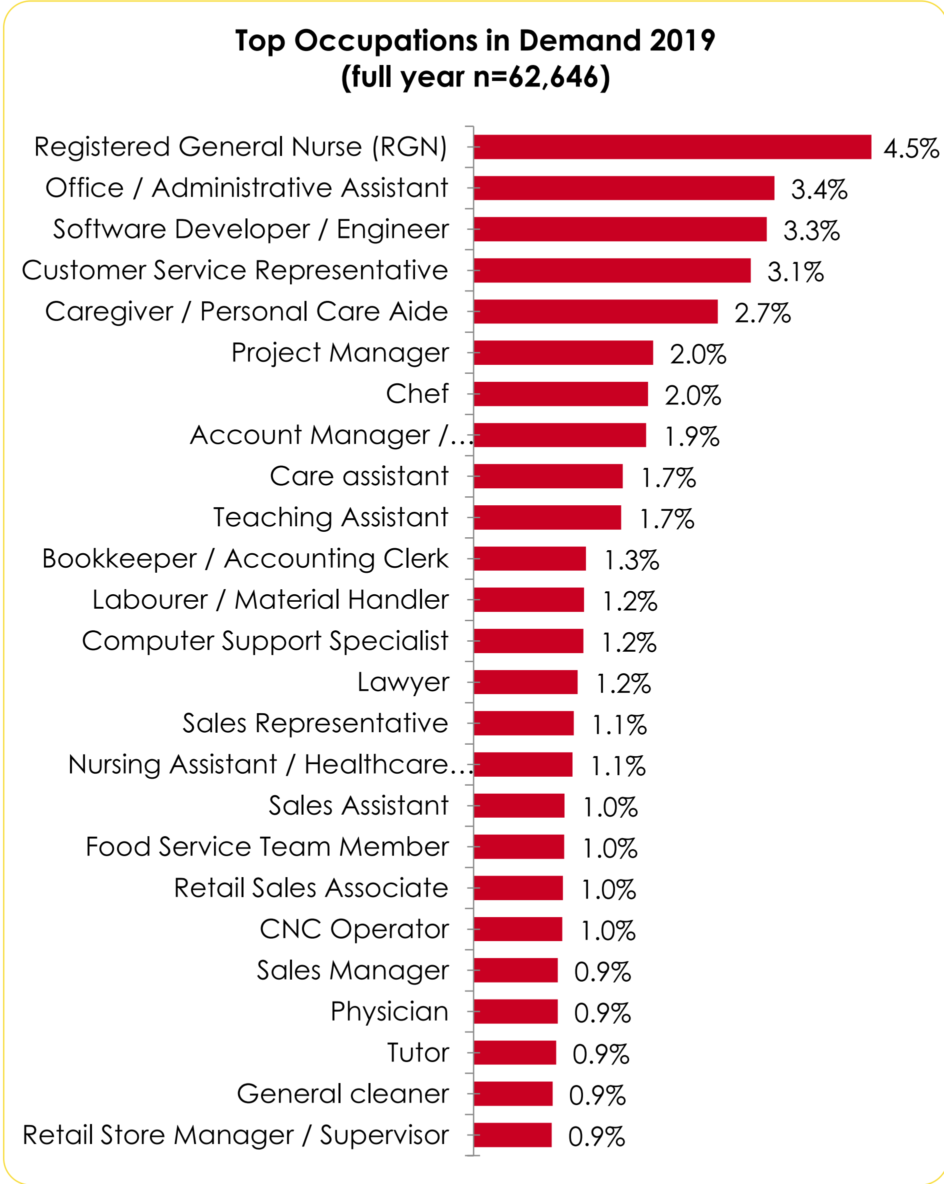


Figure 11. **Top occupations in demand in 2019 (full year)** – occupations rated by percent of all vacancies advertised within Dorset LEP. Labour Insights.

What are the economic projections?

These observations of rapidly reducing and altered labour demand are early illustrations of the sectors, which are most likely to suffer the greatest impact of this unprecedented situation.

They broadly align with the industry-level projections produced in a reference scenario[6] by the Office for Budget Responsibility (OBR), predicting most significant decline in the **Education** sector with closed schools, universities and colleges, **Accommodation and Food** industry with hotels, restaurants and pubs shut, and **Construction** sector with major projects on hold. The scenario details the expected output decline and its weight to the overall economy per industry as illustrated in Figure 13 with projected overall 35% decrease in the real GDP in the second quarter of 2020. The OBR adjusted these figures since[7] to estimate some recovery over the third quarter, as some economic activity resumes. Overall, with these forecasts being made in late April and still not fully reflecting the evolving situation, the OBR forecast a 13% decline in UK GDP in 2020. The Bank of England have also produced economic forecasts that reflect the significant impact of the outbreak; the BoE forecasting a 14% contraction in UK output through 2020.

	Per cent	
Sector	**Weight in whole economy value added**	**Effect on output relative to baseline**
Agriculture	0.7	0
Mining, energy and water supply	3.4	-20
Manufacturing	10.2	-55
Construction	6.1	-70
Wholesale, retail and motor trades	10.5	-50
Transport and storage	4.2	-35
Accommodation and food services	2.8	-85
Information and communication	6.6	-45
Financial and insurance services	7.2	-5
Real estate	14.0	-20
Professional, scientific and technical activities	7.6	-40
Administrative and support activities	5.1	-40
Public administration and defence	4.9	-20
Education	5.8	-90
Human health and social activities	7.5	50
Other services	3.5	-60
Whole economy	**100.0**	**-35**

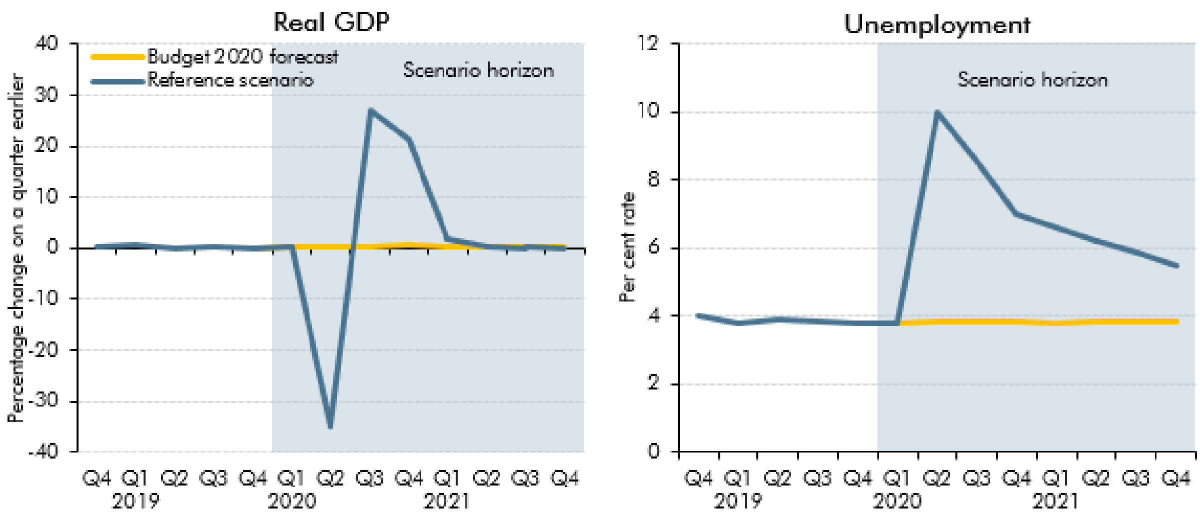
Figure 13. OBR coronavirus reference scenario, April 2020. Output losses by sector in the second quarter of 2020. Figure reproduced from obr.uk/coronavirus-reference-scenario/

In terms of employment, according to the OBR reference scenario, unemployment is set to rise by more than 2 million to 10% in the second quarter of the year. By the end of the year the OBR forecasts that the unemployment rate could be 7.3%[7] (Figure 14).

What is important in a labour market context is that any recovery in economic output is expected to occur more quickly than a recovery of the labour market – which tends to adjust more slowly.

[6] **OBR coronavirus reference scenario, April 2020.** obr.uk/coronavirus-reference-scenario/
[7] **OBR coronavirus analysis, May 2020** https://obr.uk/coronavirus-analysis/

As is well-known, the Government has quickly introduced a series of measures[8] to support businesses in maintaining staff and attempting to reduce the impact on the labour market. Policies such as the Job Retention Scheme (furloughing of employees), which the Chancellor has now extended until October 2020, aim to shield businesses and the people from the worst effects of the lockdown. This has been supplemented by schemes such as the Self-Employment Income Support Scheme. The full extent of the impact on the labour market will not begin to materialise until these 'safety nets' are withdrawn. The key focus then will be on whether a wave of redundancies will immediately follow the withdrawal of these wage subsidy schemes.



Source: ONS, OBR

Figure 14. OBR coronavirus reference scenario, April 2020. Real GDP and unemployment: reference scenario versus Budget forecast. Figure reproduced from obr.uk/coronavirus-reference-scenario/

The initial focus on these forecasts of impact are now shifting onto actual economic data that is slowly emerging. A key release was the ONS's estimates of first quarter economic performance figures. This showed that GDP fell by 2% per cent on a quarterly basis to the end of March. On a monthly basis, output plunged by 5.8% in March, even though lockdown restrictions were only in place for the last few days. The ONS commented that this was "the biggest monthly fall since the series began in 1997"[9]. All industries in the overall economy saw significant contraction.

What is the business feedback?

The ONS have also started releasing some quick experimental statistics[10] to help better understand the evolving impact on UK businesses.

Some key initial findings have been:

- Of UK businesses that responded to its fortnightly survey (for the period 20 April to 3 May 2020), just 1% of indicated they had permanently ceased trading.

[8] **Coronavirus Policy monitoring database** https://obr.uk/coronavirus-analysis/. Updated 14 May. Accessed 16 May
[9] **GDP monthly estimate, UK: March 2020. ONS. 13 May 2020** www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpmonthlyestimateuk/march2020
[10] **Coronavirus and the economic impacts on the UK: 7 May 2020. ONS** www.ons.gov.uk/businessindustryandtrade/business/businessservices/bulletins/coronavirusandtheeconomicimpactsontheuk/7may2020

- 44% of businesses who had not permanently ceased trading reported that their cash reserves would last less than six months.
- 91% of businesses who had paused trading applied for the Coronavirus Job Retention Scheme, compared with 72% of businesses who were still trading.
- Individual declarations for Universal Credit rose steeply in March to peak at 146,290 on 27 March 2020, before gradually declining to 27,870 on 5 May. Overall, 1.6 million households (2 million individuals) commenced Universal Credit claims between the start of lockdown and 5th May, some of which will have been triggered by lost hours/earnings rather than job losses.

In parallel, Dorset LEP has been running our own Covid 19 Business Impact Survey, receiving responses from 319 local businesses, and showing that:

- Just over a half of the responding businesses (53%) were from the Tourism, Hospitality & Retail sector, 13% from Finance & Professional Services, 9% from Health & Social Care, 8% from Manufacturing and 7% from Digital & Creative.
- The vast majority of respondents (88%) said that the outbreak has had a major Impact causing significant disruption to their business operations.
- 55% say they have furloughed staff, and 9% have laid off workers permanently
- 77% of businesses felt that with the current measures in place they could remain trading for under 6 months.

Furthermore, the National Coastal Tourism Academy have compiled key headline findings from the Bournemouth, Christchurch and Poole and Visit Dorset Tourism Business Survey establishing that fewer than half of Dorset tourism businesses are confident of survival if they can't open in the summer.

What are the human implications?

In their report *Getting Back to Work*[11] *- Dealing with the labour market impacts of the Covid-19 recession*, the Institute for Employment Studies (IES) estimated that employment has already fallen by at least 1.5 million, equivalent to 5% of all of those in work. Moreover, that unemployment has risen to at least 2.5 million or from 3.9% to around 7.5% of the workforce. These estimates broadly match the OBR forecasts highlighted earlier.

IES warns that:

> *"There is clear evidence that prolonged spells of unemployment, particularly while young, can cause long-lasting 'scars' on an individual's future earnings, employment prospects and health and wellbeing. …*

They go on to identify vulnerable groups at elevated risk of suffering the long-term negative effects of the recession, as follows:

- **young people**
- **the lowest paid**
- **women** – likely more adversely affected than men
- **older people**
- **engaged in industries that are affected - a stronger sectoral bias**

[11] **Getting Back to Work - Dealing with the labour market impacts of the Covid-19 recession.** Institute for Employment Studies. April 2020. www.employment-studies.co.uk/resource/getting-back-work-0

The implications for Dorset are yet to unravel and to be reflected in data. In terms of the pre-outbreak context, we finished 2019 in near full employment conditions and with the unemployment rate almost half of the national average (Figure 15).

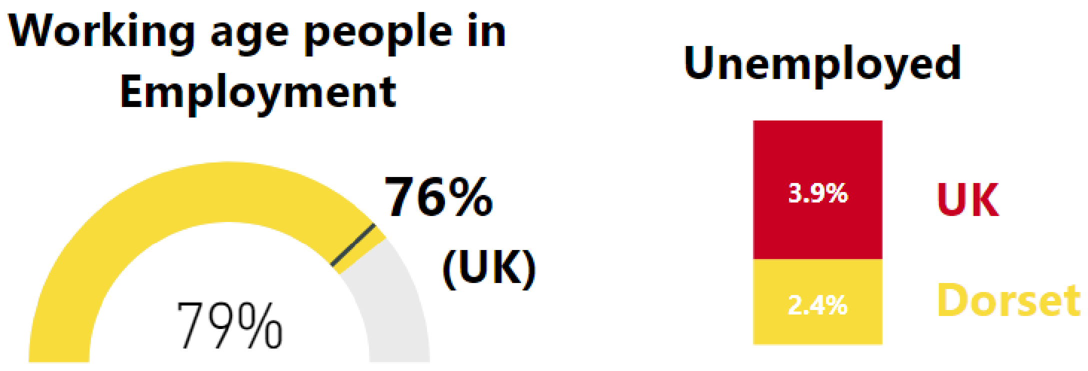


Figure 15. **Dorset LEP employment/ unemployment figures - December 2019**. ONS Annual Population Survey. Nomis Labour Market Profile – Dorset. Accessed 16 May 2020

We briefly explore these groups identified as most vulnerable outlined above, looking at the representation and specifics in Dorset.

Young people

The evidence that is emerging is suggesting that younger workers are being disproportionately affected by the lockdown. Analysis by the Resolution Foundation[12] has shown that workers in sectors which are currently completely shut down are younger with nearly two in five of every 16-24-year old who works is employed in those sectors (such as food and accommodation, leisure, retail etc). In addition, typical pay in these sectors is among the lowest in the workforce.

Some of these sectors such as pubs and restaurants, non-essential shops, and recreation and leisure are currently not allowed to reopen until at least July. The Government has recognised the particular difficulty these sectors are facing and have announced the establishment of five new task forces to provide further targeted support – although the exact details of this support are still largely unknown.

There is also a concern that on top of workplace closures, the closure of educational settings would mean a growing number of young people falling within the NEET (not in education, employment or training) or Not Known categories and would require additional support.

According to the latest data provided by BCP council, there were an estimated 743 young people (5.2% of all people aged 16 to 24 years) in the Dorset LEP area classified as NEET or Not Known in January to March 2020. In lower geographies, both local authority areas are under the South West average for this period (6.3%), while the proportion in Dorset Council is slightly above the national average (National 5.1%; DC 5.3%). The month-end estimation for March was that the number has increased to 780 and early indications from April show signs of notable increases going forwards.

[12] Risky business: Economic impacts of the coronavirus crisis on different groups of workers. Resolution Foundation. 28 April 2020. www.resolutionfoundation.org/publications/risky-business/

Currently 50% of the Dorset Supply Chain offering support for these young people can offer remote delivery, with the remaining providers having to furlough staff. The key issue is keeping young people in this particular cohort engaged, as they are traditionally hard to reach, despite ongoing efforts to maintain contact.

There are further concerns regarding apprenticeships for both those currently underway as well as the reduced opportunities in the pipeline. Our pre-Covid research has shown that apprenticeship participation has been declining in Dorset mirroring national trends. Also in a recent employer survey in Dorset only 8% of employers said they were currently employing an apprentice, which is a worrying picture and likely to be exacerbated in the current landscape. School leavers and graduates hoping to enter the labour market this year are also expected to face steep competition amidst latest reports that employers are scaling back recruitment of all types of entry-level roles by 23%[13].

The lowest paid

In its research, Resolution Foundation is concluding that there is growing evidence of a disproportionate impact on the lowest earners, as well as those in atypical forms of work, estimating that one-third of the lowest paid 20% of employees have been furloughed, or lost jobs or hours since the outbreak[14].

There are areas in Dorset with large proportions of people earning **below the Living Wage.** Over a quarter (26.9%) of the jobs in the Dorset Council area are estimated to be below this threshold – equivalent to 46,000 jobs in 2018 – although the data is associated with some confidence issues at lower geographies and needs to be treated with some caution.[15]
Almost half (48%) of those in employee jobs and 70% of those in part-time jobs in Weymouth & Portland were earning below the Living Wage in 2018. Weymouth & Portland is also an area that is heavily exposed/reliant on tourism-related activities – with many of those businesses tending to pay lower wages – and is one sector, expected to be heavily hit over the coming months.

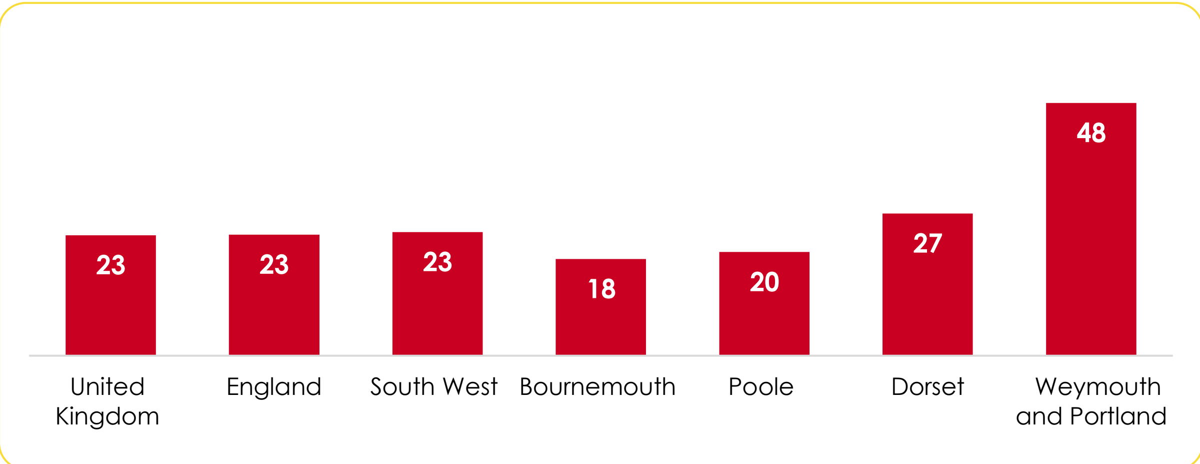


***Figure 16.* Proportion (%) of employee jobs earning below the Living Wage Foundation rates (2018). Annual Survey of Hours and Earnings – ONS**

[13] Firms slash entry-level jobs by almost quarter owing to coronavirus. The Guardian. 18 May 2020. Accessed 18 May 2020

[14] **The effects of the coronavirus crisis on workers.** Resolution Foundation. 16 May 2020 www.resolutionfoundation.org/publications/the-effects-of-the-coronavirus-crisis-on-workers/

[15] Annual Survey of Hours and Earnings – ONS

Women

Using estimates of exposure to disease and physical proximity, ONS [16] has looked at how likely different occupations and people working in these occupations are to be exposed to coronavirus (COVID-19), based on 2019 data. ONS found that three in four workers (75%) in occupations requiring frequent contact with people, and exposure to disease, are women. As shown in the figure below, 44% of women in Dorset are employed in Public Administration, Education and Health – industries that are most exposed to the virus.

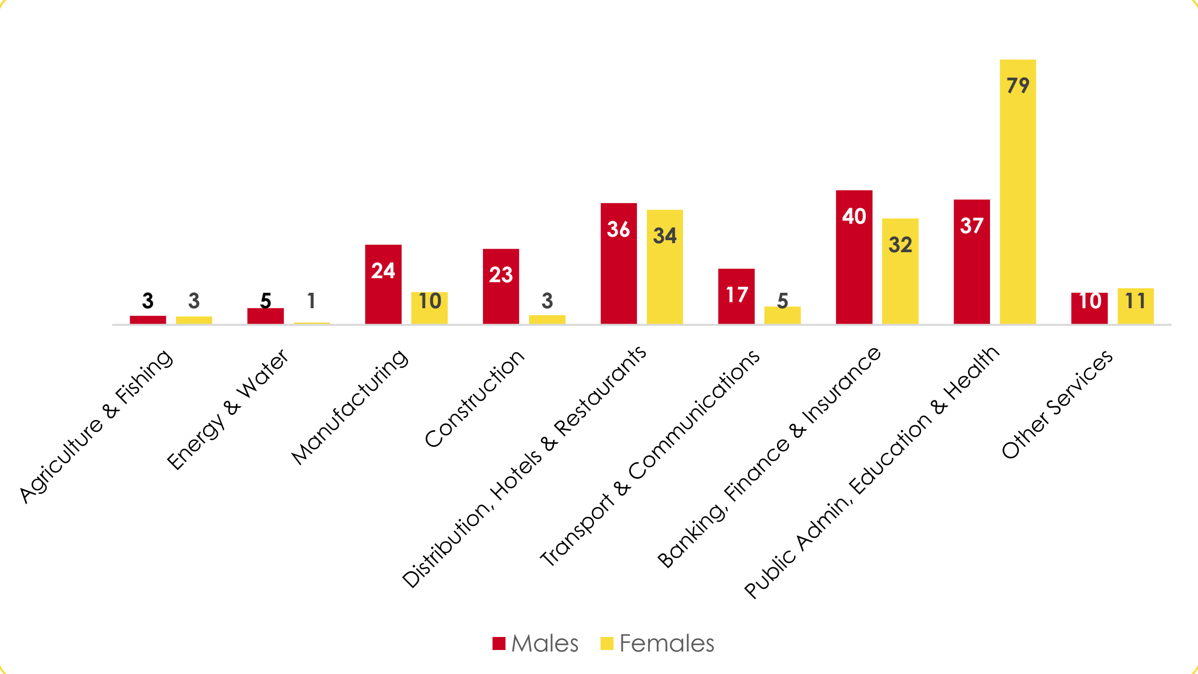


Figure 17. **Employment by industry – 2019** Dorset LEP (male-female). Annual Population Survey, ONS. Note. Figures *000

There is also a difference in occupational make-up of male and female employment and this could have an impact on the different genders in the coming months – dependent on which sectors and/or occupations are hardest hit.
Figure 18 shows employment by broad occupation, illustrating there is a higher proportion of female workers in administrative, care and leisure and sales and customer services. Conversely, a higher proportion of the male workforce are employed in skilled trades and managerial roles. The implications of the impact on different occupations is not fully known at this time but it is realistic to expect that there may be a gender element.

[16] **Which occupations have the highest potential exposure to the coronavirus (COVID-19). ONS. 11 May 2020.**
www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/whichoccupationshavethehighestpotentialexposuretothecoronaviruscovid19/2020-05-11

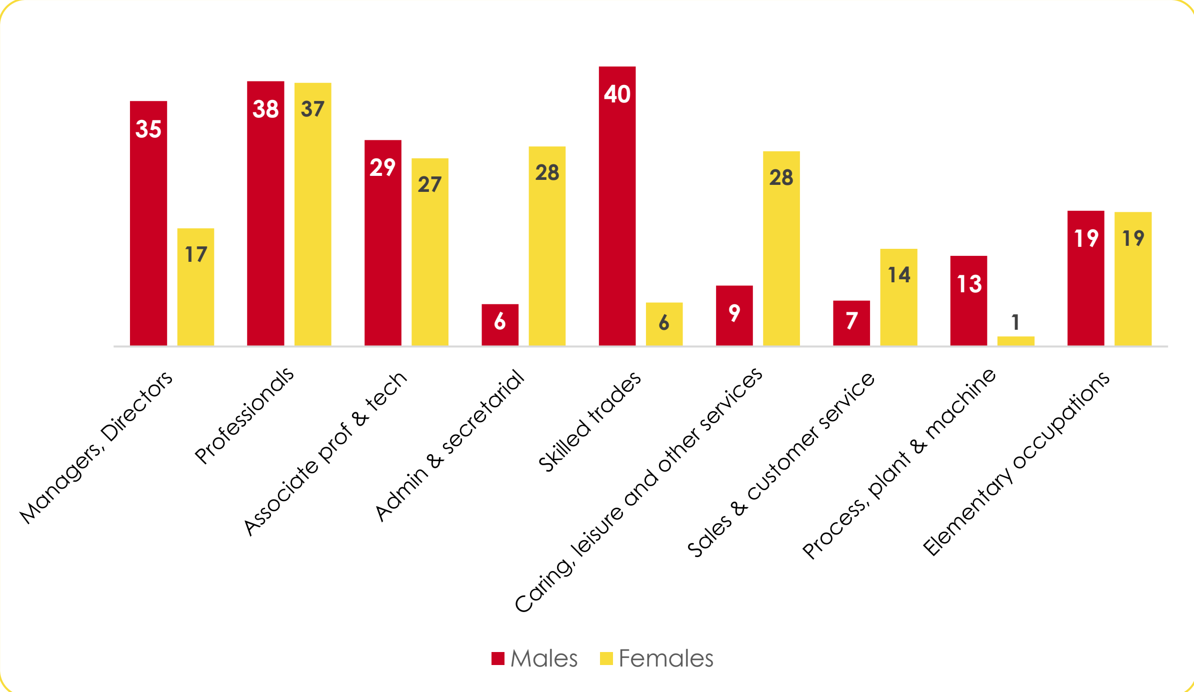


Figure 18. **Employment by broad occupation – 2019** Dorset LEP (male-female). Annual Population Survey, ONS. Note. Figures *000

When estimating the impact on lower wage earners it has to be noted that there is also a more pronounced 'pay gap' between male and female earnings in Dorset LEP, than seen in the UK with female full-time workers in Dorset on average earning only 72% of their male counterparts.

Older people

Dorset is among the most aged parts of the UK (in fact Dorset Council has the greatest proportion of its population aged 65+). One in four of the DLEP population is aged 65+, compared to 1-in-5 of the national population. Conversely, 15.5% of the DLEP population is aged under 15, compared to 17.9% nationally and 59.8% is of working age, compared to 64.1% at a national level. The figure is even lower in the Dorset Council area, where only 56.8% of the population is of working-age.

Within Dorset, the proportion of those aged 65+ is expected to increase to circa 32% by 2025 and 37% by 2035. The situation is less marked in the BCP Council area.

Older people are more at risk of suffering complications or dying from the virus and are recommended to follow stricter self-isolation. For those living alone, that means no physical contact. According to projections made by the Office for National Statistics for 2020, 28% of households in England contain dependent children and almost a third of households in England are people living alone[17]. Among those living alone, 34% are 70 years and older. Three of the five local authorities in England where more than half of people living alone are over 70 years old are in the South West, with East Dorset having the highest percentage (58%).

[17] Household composition in England, by age of household reference person projected values for 2020 – ONS analysis
www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/articles/coronaviruscovid19roundup/2020-03-26#coviddeaths

The sectoral bias

Due to our unique geographic location, we have higher proportion of people employed in[18]:

- **Accommodation and Food Services**

(35,000 employed, c.11% of all employed vs. 8% for Great Britain)

- **Wholesale & Retail**

(52,000 employed, c. 16% of all employed vs. 15% for Great Britain)

- **Construction**

(18,000 employed, 5.4% of all employed vs. 4.7% for Great Britain)

- In Dorset there is higher proportion of people who are **self-employed**

(65,700,13% vs. 11% in Great Britain)[19].

All of the above groups of people are likely to experience significant challenges in keeping and finding employment and have higher proportions of furloughed employees.

How can we support the recovery?

The **Institute for Employment Studies (IES)** proposes five priorities for action:

1. Investment in new active labour programmes for those out of work
2. Refocusing skills and training to support the recovery
3. An integrated and coherent offer for young people
4. An orderly withdrawal from the Job Retention Scheme
5. A new, partnership-based, 'Back to Work' campaign

These initial observations offer early insights on the effects of the coronavirus pandemic and lockdown on the Dorset's labour market. However, we would wish to explore employment and claimant statistics once these become available, as well as analyse the labour market intelligence data for a longer period to understand whether the latest observations are truly indicative of the jobs market over the near to medium term.

Report produced 18 May 2020

[18] **ONS Business Register and Employment Survey** – accessed from Nomis Labour Market Profile - Dorset

[19] ONS Annual Population Survey – accessed from Nomis Labour Market Profile - Dorset