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Gender experiences during the COVID-19 lockdown

Women lose from COVID-19, men to gain from stimulus

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June 2020

SUMMARY

The health response to COVID-19 has resulted in large increases in measured unemployment and underemployment as well as large falls in the total number of hours worked. While the size of these labour market effects has been widely discussed, the gender distribution of these impacts has not.

While an examination of the male/female employment share of the industries that have been hardest hit by the health response to COVID-19 suggests that men should account for a disproportionate amount of job losses, in fact women have have seen faster job losses than men.

Despite the fact that women have borne a disproportionate share of the recent increase in unemployment the stimulus measures announced to date have tended to disadvantage casuals (where women are overrepresented) and been focused on specific industries such as construction (where women are underrepresented).

In order to examine the likely impact of different stimulus measures on men and women this paper provides male and female employment multipliers for each industry.

Our results show that for every million dollars spent on new construction spending only 0.2 direct jobs for women will be created while a million dollars spent on education is likely to create 10.6 jobs.

Given that spending on education, health and hospitality create so many more jobs per million of stimulus than other forms of spending, and so many more jobs for women in particular, it is surprising that there has been so little analysis released by governments to support claims that they are focussed on creating as many jobs as possible.

INTRODUCTION

This paper examines the differential experiences of men and women during the dramatic changes to the labour market caused by the health response to COVID-19 and evaluates the likely impact of stimulating different industries on men and women.

ABS data for the months of March and April 2020 (2020c) show that total employment fell by 4.6 per cent, for women the fall was 5.3 per cent while male employment fell by 3.9 per cent.

Men are over-represented among full time workers and between March and April 2020 the decline in full time work was significantly lower (2.5 per cent) than the decline in employment overall (4.6 per cent). That said, even within the category of full-time work men fared better than women with male full time employment falling 2.2 per cent and female full time employment falling 2.5 per cent.

Women are significantly over-represented among part time workers and the decline in part time work between March and April 2020 was much faster (9.0 per cent) than full time work (2.5 per cent) and employment overall (4.6 per cent). While 11.3 per cent of part time men lost their jobs over that period compared to 8.0 per cent of part time women, because the absolute number of women who work part time is so much larger, the number of women who lost their part time job (224,500) was significantly larger than than the number of men who lost their part time job (149,300).

All up, the total number of people who lost their job between March and April 2020 was 594,300. While women accounted for 47 per cent of employment in March 2020, they lost 55 per cent of the jobs lost in April.

While the official unemployment figures show that the unemployment rate rose faster for men (up 1.3 percentage points from 5.3 to 6.6 per cent) than it did for women (up 0.7 percentage points from 5.1 to 5.8 per cent) these figures conceal a significant fall in the female participation rate. While the male participation rate fell 1.9 percentage points from 70.8 to 68.9 per cent the female participation rates fell 2.9 percentage points from 61.3 to 58.4 per cent.

Had participation rates remained the same for both sexes then female unemployment would have increased by 3.6 percentage points and males by a lower 3.2 percentage points.

While the above figures are based on the best available data, the size and scope of the JobKeeper package has had a significant, and indeterminate, impact on official measures of employment and unemployment. As a result, the Governor of the Reserve Bank of Australia has made clear that he prefers to look at hours worked (Lowe 2020). If we do that the results are clear: hours worked by males fell 7.5 per cent but for females the fall was 11.5 per cent. On those figures we would have to say that women fared much worse than males in the present crisis. Their proportionate decline in employment was 50 per cent higher than for males.

Finally, a new feature of the April labour force figures was a graph showing the number of people who said they were employed but who worked zero hours. This new data is expected to show the effect of JobKeeper in supporting workers who would otherwise have been unemployed. This new data confirms the pattern described above. It shows that in April the proportion of employed males who worked zero hours was up 5.1 percentage points compared with the previous April. (We do not have other months.) However, female employees who worked zero hours increased by 8.1 percentage points.

DO INDUSTRY EFFECTS EXPLAIN THE IMPACT OF THE RECESSION ON WOMEN?

One possible explanation for the disproportionate impact of the recession on women is that the industries that have been hit hardest by the recession are industries in which a disproportionate number of women work. But as Table 1 shows, this is unlikely.

Table 1 ranks each industry by its proportion of female employment: health tops the list with a 77.7 per cent female labour force. At the other extreme is construction with a 12.4 per cent female workforce (ABS 2020d). In the right-hand column we show the change in employment in each industry from 14 March to 2 May. The data in the second column of Table 1 comes from a new ABS series that was recently introduced to provide a more timely view on changes in the labour market than is usually available. Unfortunately, while the new data on employment by industry is timely it is not broken down by gender.

Table 1: Australian industry: Female intensities and recent changes in employment

	Female intensity (%)	Change in employment (%)
Health Care and Social Assistance	77.7	-1.0
Education and Training	71.0	-1.8
Retail Trade	56.4	-6.0
Accommodation and Food Services	55.2	-27.1
Financial and Insurance Services	50.6	0.6
Administrative and Support Services	50.6	-9.2
Arts and Recreation Services	49.6	-19.0
Rental, Hiring and Real Estate Services	48.9	-12.8
Public Administration and Safety	46.5	-1.7
Other Services	45.0	-10.3
Professional, Scientific and Technical Services	44.4	-11.1
Information Media and Telecommunications	42.0	-9.2
Agriculture, Forestry and Fishing	34.0	-7.4
Wholesale Trade	33.3	-8.7
Manufacturing	28.7	-7.0
Electricity, Gas, Water and Waste Services	22.3	-1.6
Transport, Postal and Warehousing	19.7	-6.7
Mining	16.8	-6.0
Construction	12.4	-6.5
Employed total ; Persons ;	47.31	na

ABS - Weekly Payroll Jobs and Wages in Australia, Week ending 2 May 2020, 19 May; Cat no 6160.0.55.001; Labour Force, Australia, Detailed, Quarterly, February, Cat no 6291.0.55.003, 14 May.

The figures in Table 1 show how diverse the impact of the recession has been so far. Some of the most female intensive industries such as Health and Education have had quite stable levels of employment while there have been quite large falls in some of those industries with relatively even shares of male and female workers including: Arts and recreation; Rental, hiring and real estate; Other services; and Professional etc services. While the retail industry and arts industries have been both hard hit and employ a disproportionate amount of women these industries are not nearly as female intensive as industries like construction and manufacturing are male intensive.

Table 1 does not suggest a strong correlation between the female intensity of an industry and declines in employment by industry. These figures would not seem to explain the bias towards female job losses shown above. However, we can use this

new ABS data set to provide some insight into the the impact of industry declines on male and female employment if job losses in each industry were proportionate to their historic male/female employment shares.

Table 2 shows how employment numbers for women in each industry would have looked had the February employment figures for women declined at the same rate as employment for each industry over the period 14 March to 2 May 2020.

When we add up all the industry figures we find that total employment falls by 7.3 per cent and that, accounting for the differences in the decline in each industry and accounting for the proportion of women working in each industry, women's employment should have been expected to fall by 'only' 6.8 per cent.

That is, given that there were relatively big falls in employment in male dominated industries like Professional services, IT, agriculture and Wholesale trade, and relatively small falls in most female dominated industries like Health and Education, Table 2 suggests that the proportion of women losing their jobs should have been lower than that of men. But, as discussed above, a range of employment, unemployment and hours worked data suggests the opposite has occurred.

Unfortunately, the available data does not explain the reasons for this discrepancy. Is there a bias towards employers sacking women? Is it a bias against part time and other insecure workers? Have women volunteered, felt forced or obliged to take time off work because of child-care issues and/or concerns about the health and safety of their children in school and day care? Women already shoulder more unpaid caring responsibilities and it is reasonable to expect this pattern continued or was exacerbated by the pandemic (WGEA 2016). Did they shoulder more of the burden of home-schooling children, as has been suggested by surveys conducted in the United States (Miller 2020). These are important questions not addressed by the current available data.

Table 2: February employment and hypothetical uniform gender decline with COVID-19, '000 people

	February Employment		Employment following assumed declines	
	Total	Females	Total	Females
Agriculture, Forestry and Fishing	337.2	114.8	312.3	106.3
Mining	238.4	40.1	224.1	37.7
Manufacturing	909.8	260.7	846.1	242.5
Electricity, Gas, Water and Waste Services	136.1	30.3	133.9	29.8
Construction	1,184.2	147.1	1,107.2	137.5
Wholesale Trade	386.1	128.7	352.5	117.5
Retail Trade	1,265.8	714.1	1,189.9	671.3
Accommodation and Food Services	934.8	516.3	681.5	376.4
Transport, Postal and Warehousing	667.0	131.4	622.3	122.6
Information Media and Telecommunications	212.0	89.1	192.5	80.9
Financial and Insurance Services	474.8	240.3	477.6	241.7
Rental, Hiring and Real Estate Services	214.0	104.6	186.6	91.2
Professional, Scientific and Technical Services	1,173.0	520.3	1,042.8	462.5
Administrative and Support Services	450.5	227.9	409.1	206.9
Public Administration and Safety	829.2	385.8	815.1	379.2
Education and Training	1,097.6	779.8	1,077.8	765.8
Health Care and Social Assistance	1,800.1	1,398.3	1,782.1	1,384.3
Arts and Recreation Services	252.5	125.3	204.5	101.5
Other Services	493.6	222.0	442.8	199.1
Employed total	13,056.7	6,176.7	12,100.7	5,754.8
% change	-	-	-7.3	-6.8

Source: Author's calculations based on ABS - *Weekly Payroll Jobs and Wages in Australia, Week ending 2 May 2020,* **19 May, Cat no 6160.0.55.001, 19 May and ABS (2020)** *Labour Force, Australia, Detailed, Quarterly, Feb 2020***, Cat no 6291.0.55.003, 26 March.**

PUBLIC WORKS TO THE RESCUE?

Capital works and housing construction projects are often promoted as effective ways to stimulate the economy (see Coorey 2020; Morrison 2020). However, as discussed in Denniss et al (2020) an important criterion for stimulatory spending should be the likely employment generation. Put simply, while all increases in public spending create jobs in a recession, not all increases in spending will create the same amount of jobs.

While the use of employment multipliers (based on ABS input output multipliers) is common, the role of different industries in creating different numbers of jobs for men and women has been less commonly considered.

Table 3 shows the female employment multipliers for each industry expressed as the number of women likely to be directly employed for every additional million spent on each industry. The table is constructed by weighting the employment multipliers derived from ABS data by the ABS data on the proportion of male and female employment by industry discussed above. The female employment multipliers presented in Table 3 are based on the assumption that new jobs created in each industry are allocated in proportion to the historic female intensity of the industry.

Table 3: Female employment multipliers

	Direct employment per $1m	Female intensity (%)	Female employment per $1m
Agriculture, Forestry and Fishing	4.8	34.0	1.6
Mining	0.6	16.8	0.1
Manufacturing	2.1	28.7	0.6
Electricity, gas, water and waste services	0.8	22.3	0.2
Construction (building construction)	1.2	12.4	0.2
Wholesale trade	1.0	33.3	0.3
Retail trade	3.0	56.4	1.7
Accommodation and food services	9.5	55.2	5.2
Transport, postal and warehousing	3.4	19.7	0.7
Information media and telecommunications	2.0	42.0	0.8
Rental, hiring and real estate services	3.1	48.8	1.5
Professional, scientific and technical services	4.6	44.4	2.1
Administrative and support services	9.5	50.6	4.8
Public administration and safety (private)	6.9	46.5	3.2
Education and training (private)	14.9	71.0	10.6
Health care and social assistance (private)	10.2	77.7	7.9
Arts and recreation services	5.6	49.6	2.8
Other services	7.8	45.0	3.5
Total selected industries	3.3	47.3	1.5

While the results in Table 3 provide an indicative first round estimate of the likely number of women employed per million spent on each industry, the disparity between the most and least female intensive industries is so stark that they cannot be ignored by those interested in designing job creation stimulus packages.

Education and health give the first and second most employment per $1m at 14.9 and 10.2 people respectively. As might be expected, given their high female intensity, they also give the biggest direct female employment impact (at 10.6 and 7.9 people respectively) and are well in excess of the third most effective industry at creating jobs

for women of 5.2 female jobs per million dollars spent on accommodation and food services.

At the other extreme is construction and mining which both have very low labour intensities and a very low low proportion of women in their relative workforce's. While publicly funded construction projects played a central role in stimulus measures designed to end the Great Depression it is important to realise that the paid labour market was overwhelmingly male in the 1930s and construction projects were much more labour intensive in 1930 than they are today.

While infrastructure and housing construction have a role to play in any well designed stimulus package, if it's role is central to the design of a stimulus package then it is important to understand that, per million dollars spent, such a stimulus package will not create many jobs in general and will create barely any jobs for women. Alternatively, stimulus spending focussed on health, education and tourism or entertainment will create far more jobs, for both men and women, than spending a similar amount on construction.

As mentioned above, the figures presented in Table 3 are based on the best available data but the results should be understood primarily as providing insight into the relative job creating capacity of spending aimed at different industries than as precise forecasts of the employment impacts of specific projects. Available data does not allow us to control for the prevalence of part-time work in different industries which may account for some of the differences described above and we have only used employment data for private sector firms.

A more general qualification for these results is that they refer only to the direct or 'first round' employment effects of additional spending on each industry. Most industries purchase inputs from other industries which in turn creates jobs in those industries. For example, increased spending on health and education leads to an increase spending on construction and electricity while an increase in home construction activity leads to an increase in expenditure on manufactured goods and training. Focussing on first round effects leads to an underestimate of job creation by all industries, but given that all industries create second round employment effects and that second round employment effects can take years to eventuate and are diluted when industries have excess capacity (as is the case in a recession) the decision to exclude them will not have a significant impact on the rank order of the industries that create the most jobs for women per million dollars spent.

CONCLUSIONS

The COVID-19 crisis has been much worse for female workers than their representation in various industries would suggest. But despite the fact that women have been hit harder than would have been expected, to date the design of stimulus policy has disproportionately benefited men both in terms of decisions about the treatment of casual workers in the JobKeeper policy and in the focus on building and construction in the design of industry specific stimulus policies.

The available data cannot explain why the number of women who have lost their jobs or hours of work is so much larger than the proportion of jobs and hours they work. Is there a bias towards employers sacking women? It is a bias against part-timers and other insecure workers? Have women volunteered to take time off work because of child-care issues? And if they have, why is that? These are important questions that remain to be addressed.

But while the available evidence cannot yet answer these questions one thing the data can tell us is the relative impact on employment for women of stimulus spending on different industries. There is no doubt that, per million dollars spent, construction creates relatively few jobs for women.. In turn there is absolutely no doubt that stimulus spending focussed on infrastructure and construction will do little to create jobs for the hundreds of thousands of women who have lost their jobs in retail, hospitality, entertainment and other service sector industries as a result of COVID-19.

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