

'A-typical' working day in Greater Manchester

Stephen Clarke

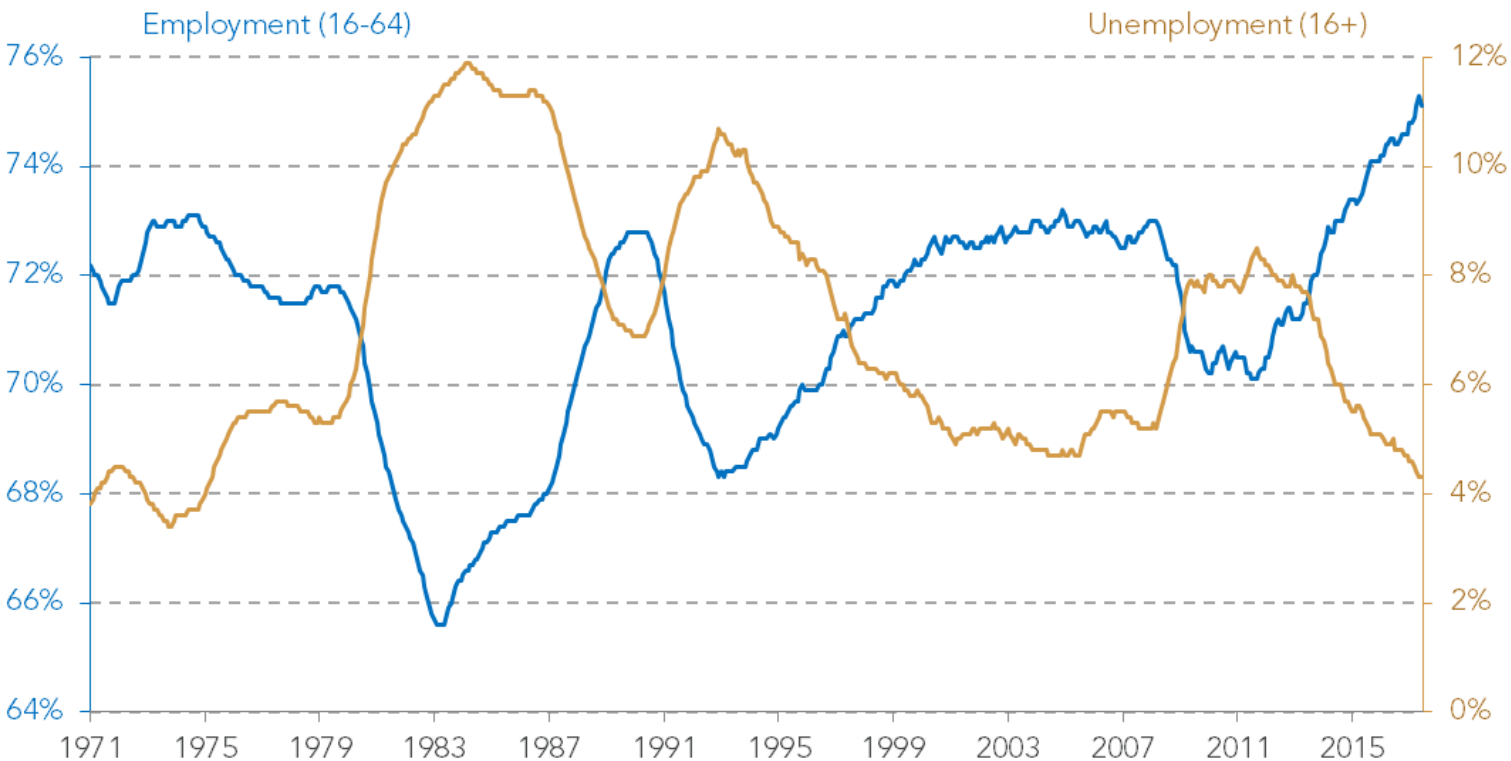
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@stephenlclarke / @resfoundation

THE UK CONTEXT: MORE WORK, AND MORE 'ATYPICAL' WORK

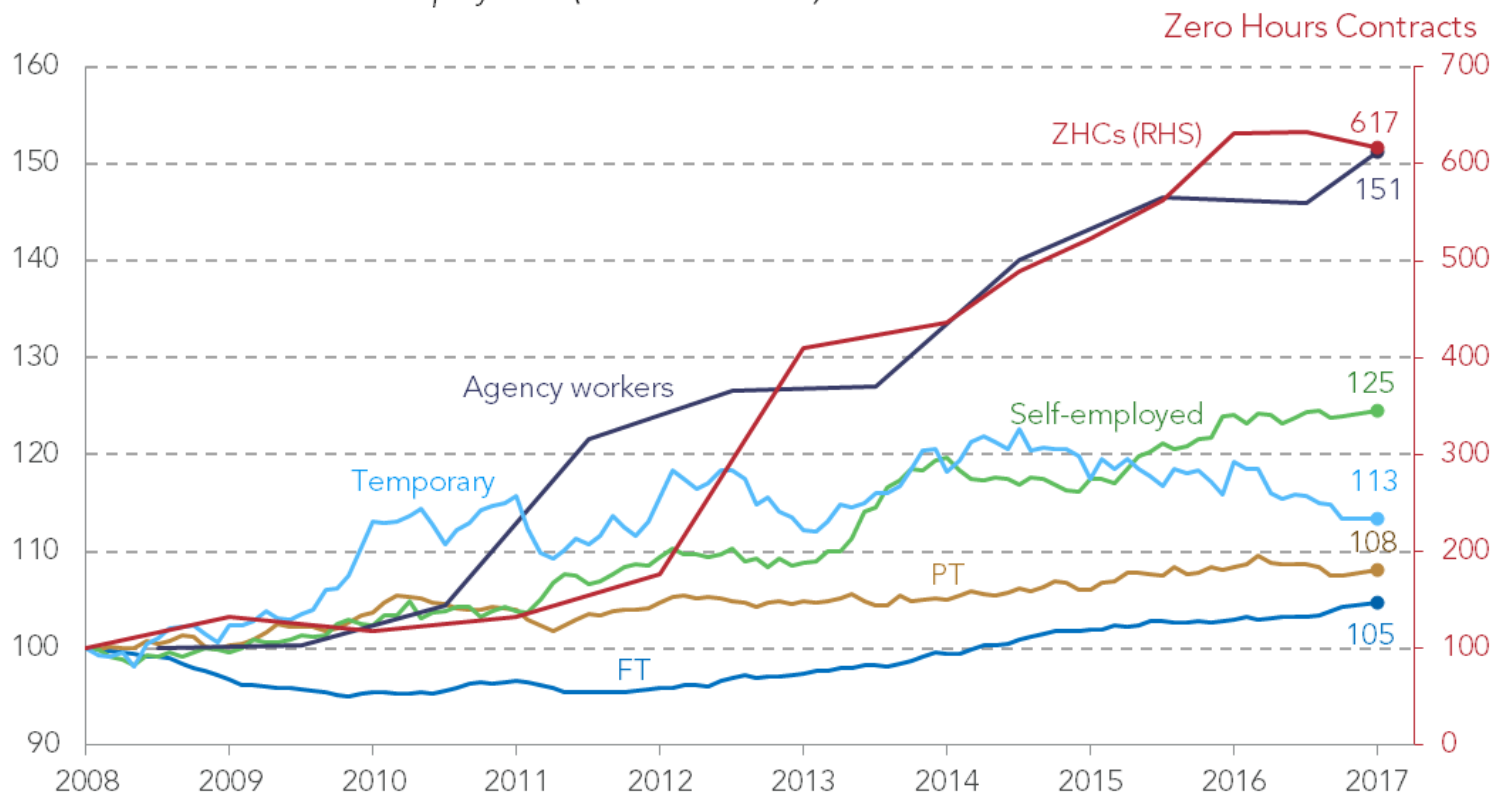
Employment at a record high and unemployment at a forty-year low...

Unemployment and employment rate: UK

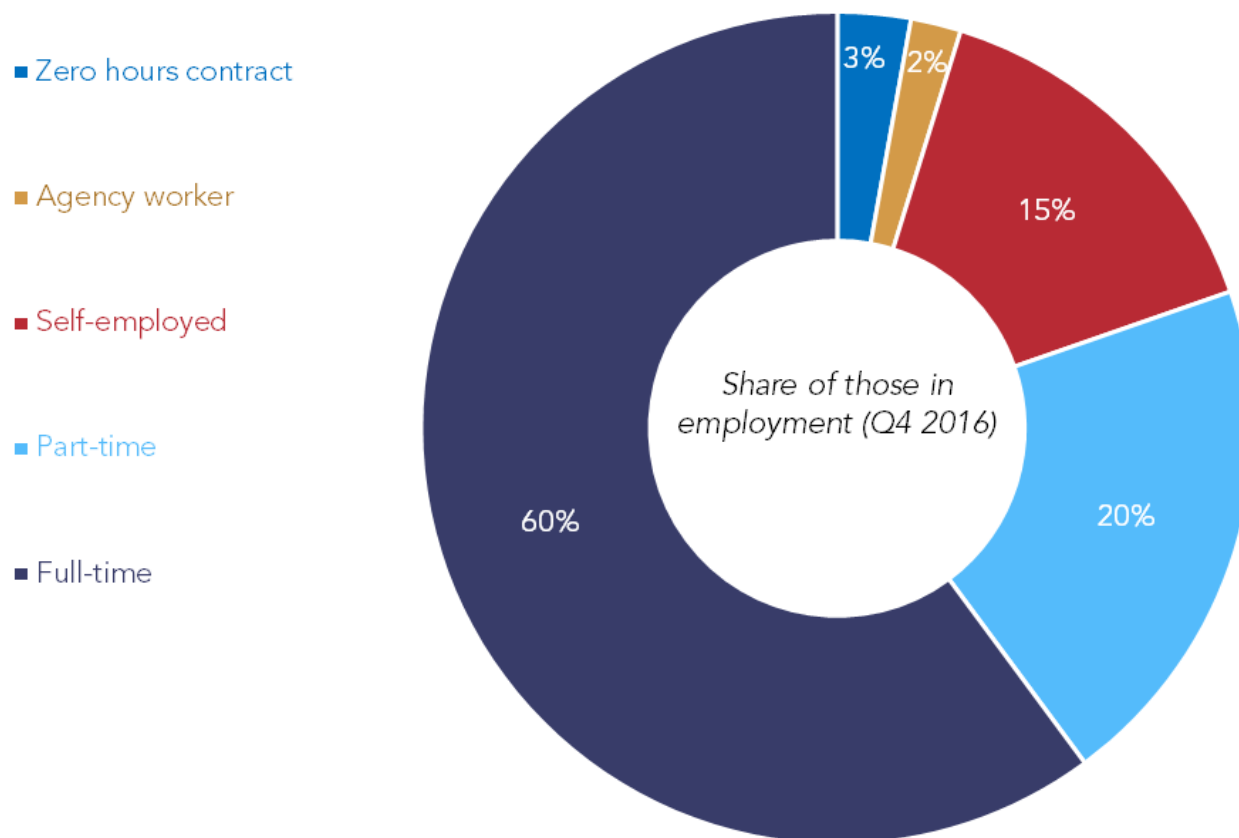


...but significant growth in 'atypical' work

Growth in various forms of employment (June 2008 = 100)



Full-time employees still account for the majority of those in work



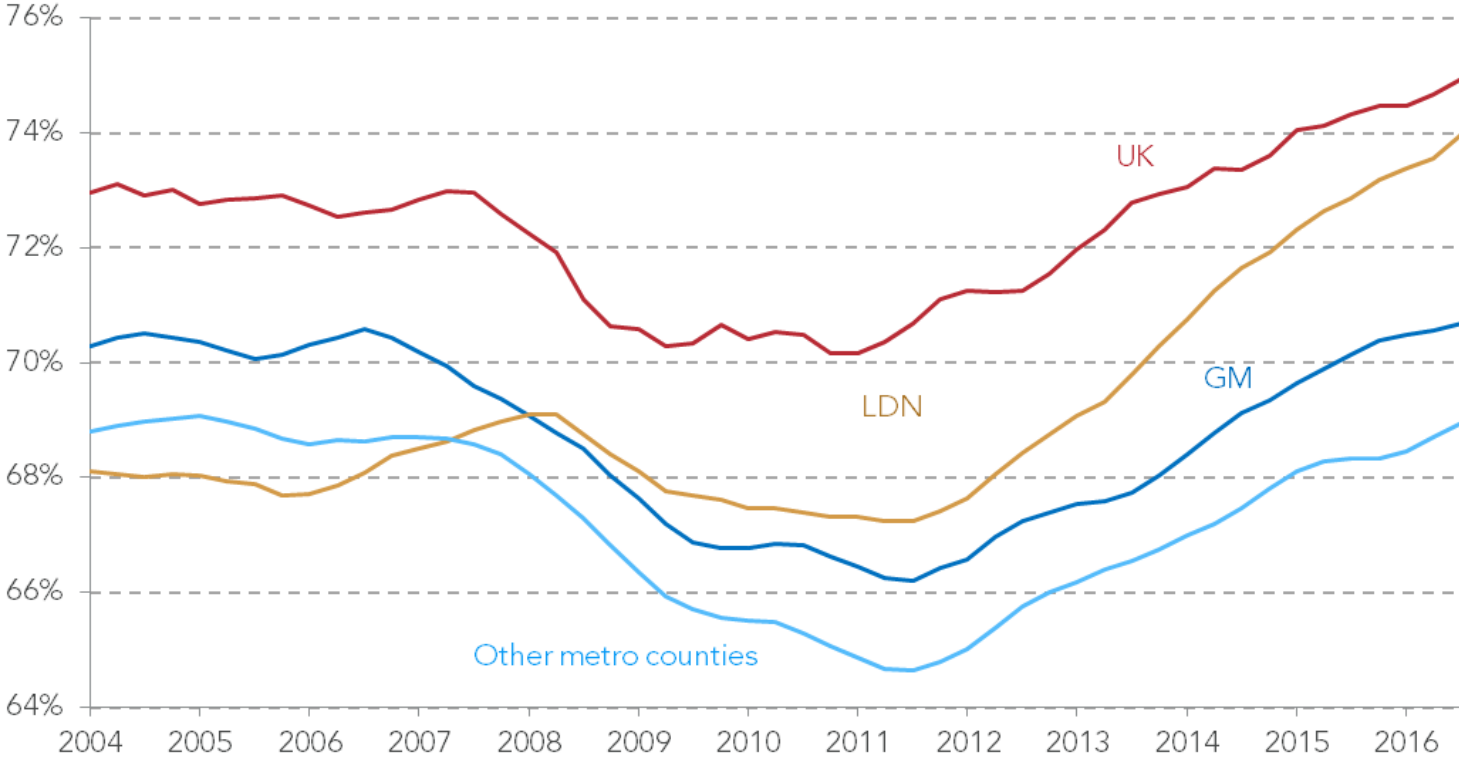
Note: to sum to 100% categories are mutually exclusive. We do this by splitting out agency workers and those on zero hours contracts (ZHC). Some people on ZHCs or working for an agency will be FT or PT workers. Some ZHC workers will be employed by an agency, but are just counted in the ZHC group

FINDING A JOB IN GREATER MANCHESTER



Greater Manchester's employment rate was once the envy of London, but no longer

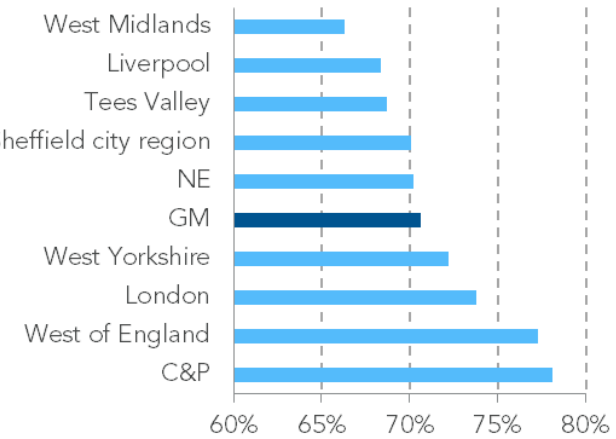
Employment rate (16 - 64) (Annual rolling average)



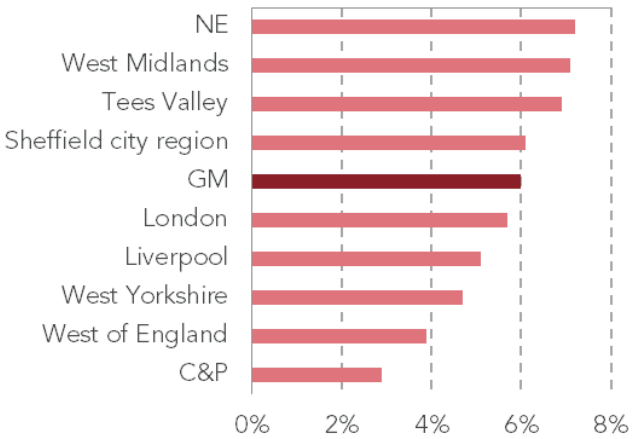
Notes: 'Metro counties' are Merseyside, West Midlands, Tyneside, South Yorkshire, and West Yorkshire

Greater Manchester has fallen down the rankings to mid-table since 2005

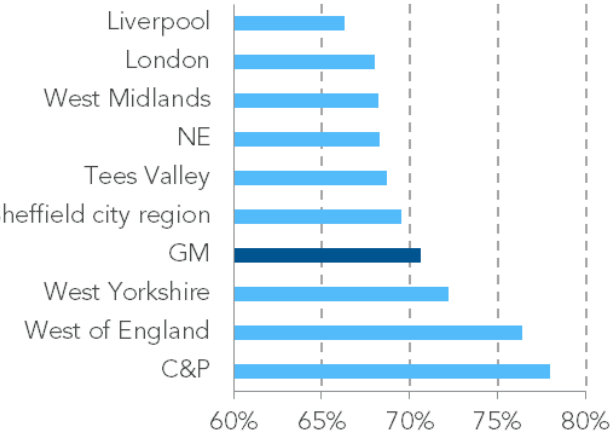
Employment (16 - 64): Q1 2017



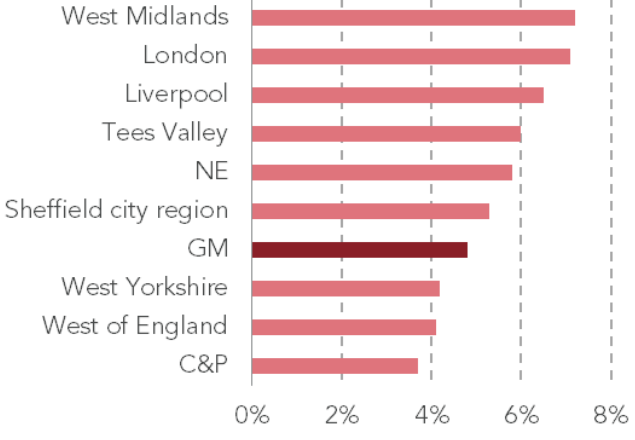
Unemployment (16 +): Q1 2017



Employment (16 - 64): Q1 2005

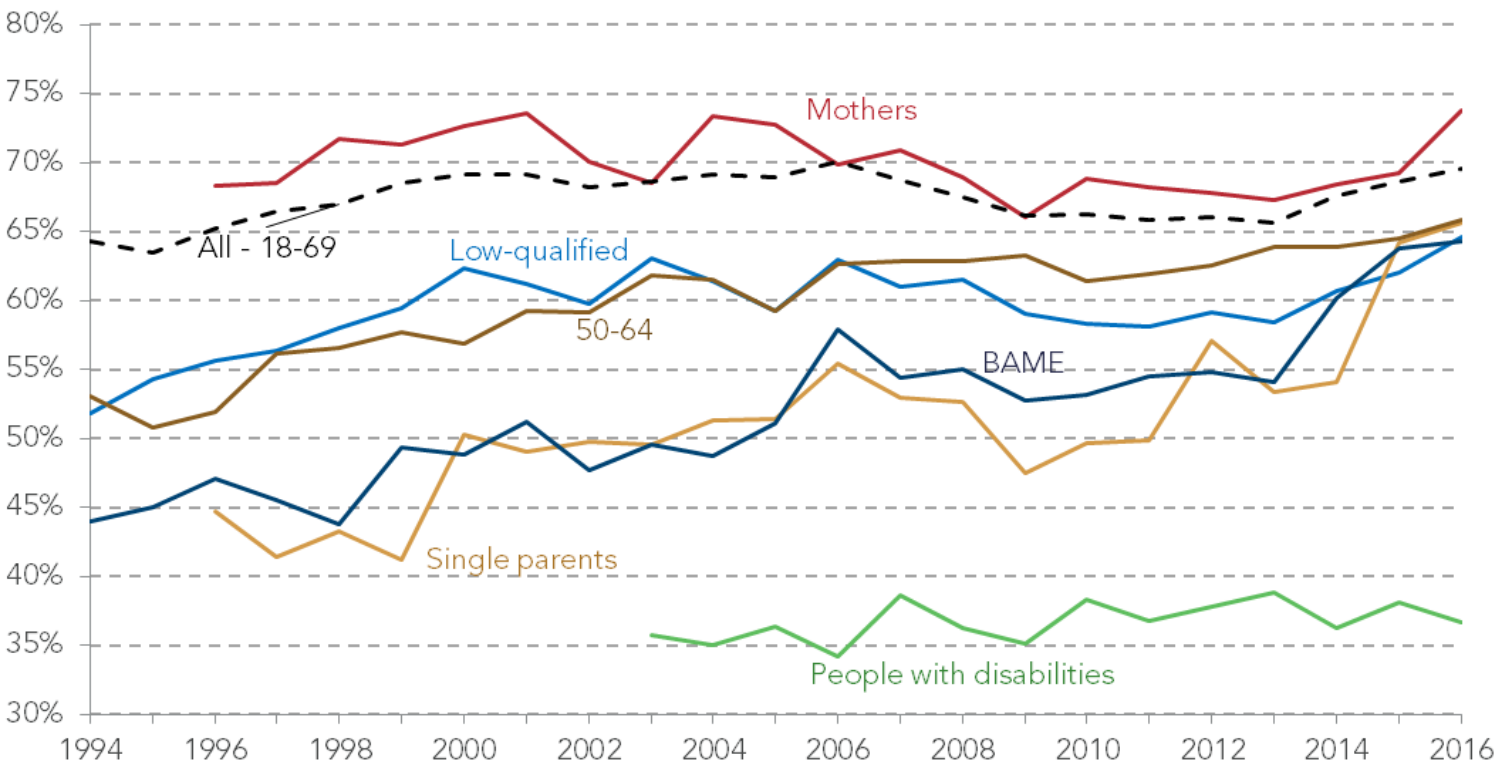


Unemployment (16 +): Q1 2005



Raising the employment rate is partly about providing opportunities for 'disadvantaged' groups

Employment rate in Greater Manchester



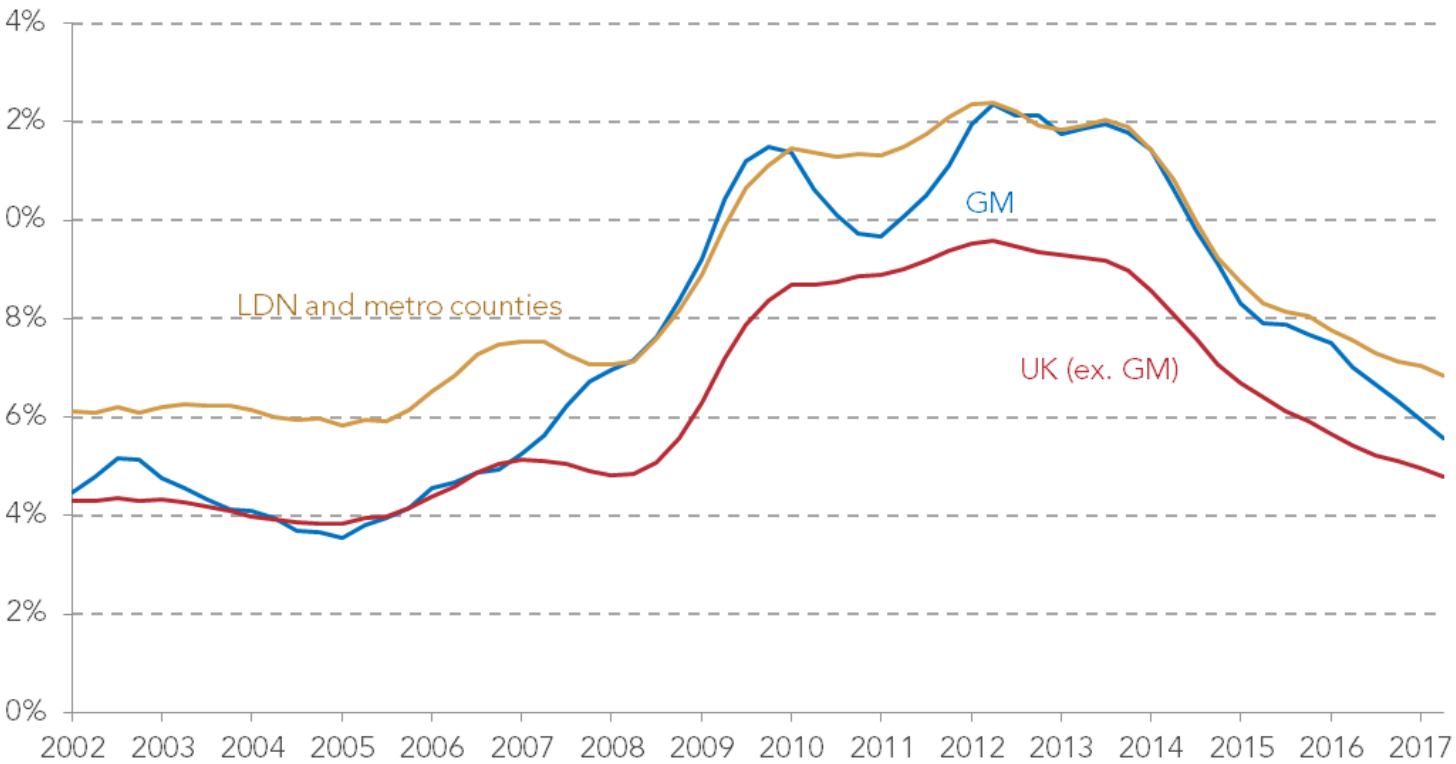


'ATYPICAL' WORK IN THE REGION



Like the rest of the country there is evidence that there is more 'underemployment' than the official statistics suggest

Underemployment rate (Annual rolling average)

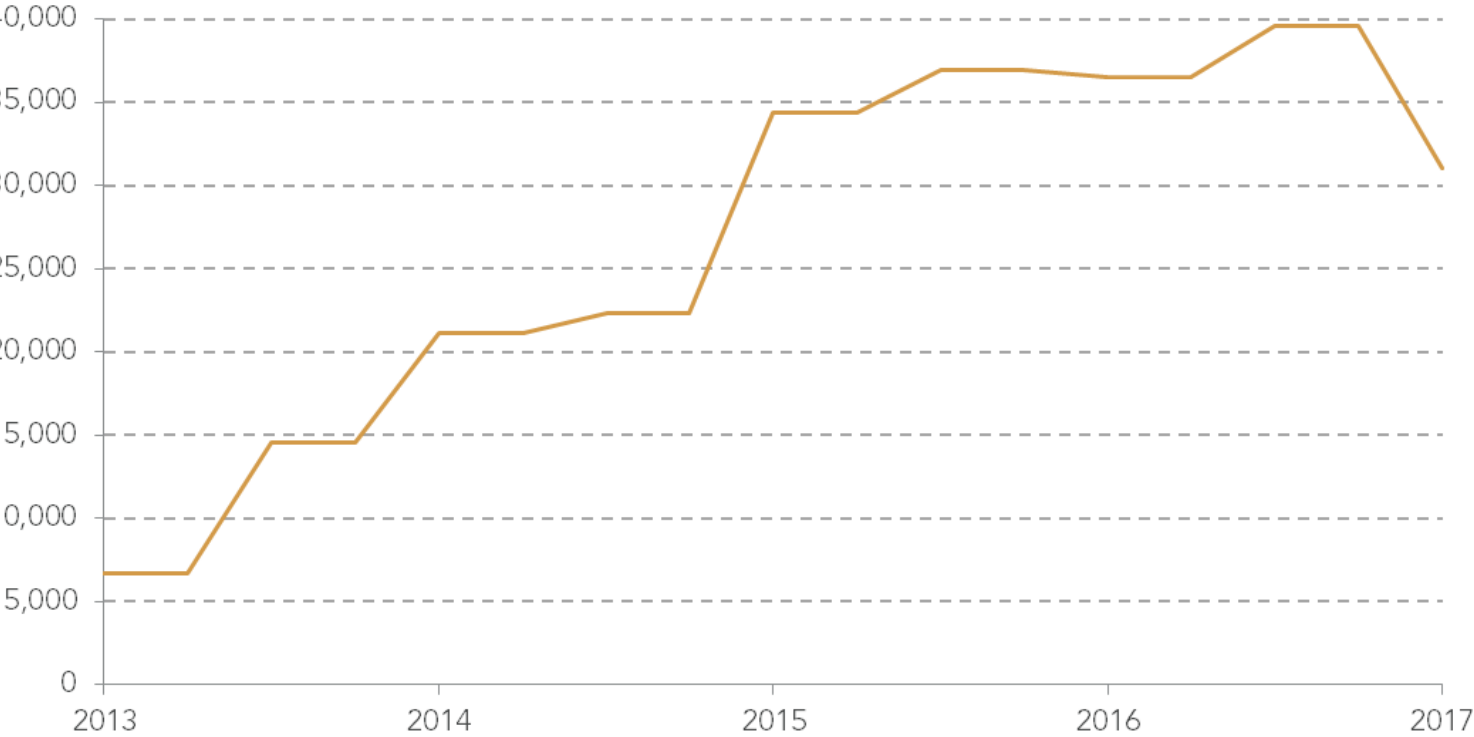


Notes: 'Metro counties' are Merseyside, West Midlands, Tyneside, South Yorkshire, and West Yorkshire



There are around 30,000 people on Zero Hours Contracts in Greater Manchester

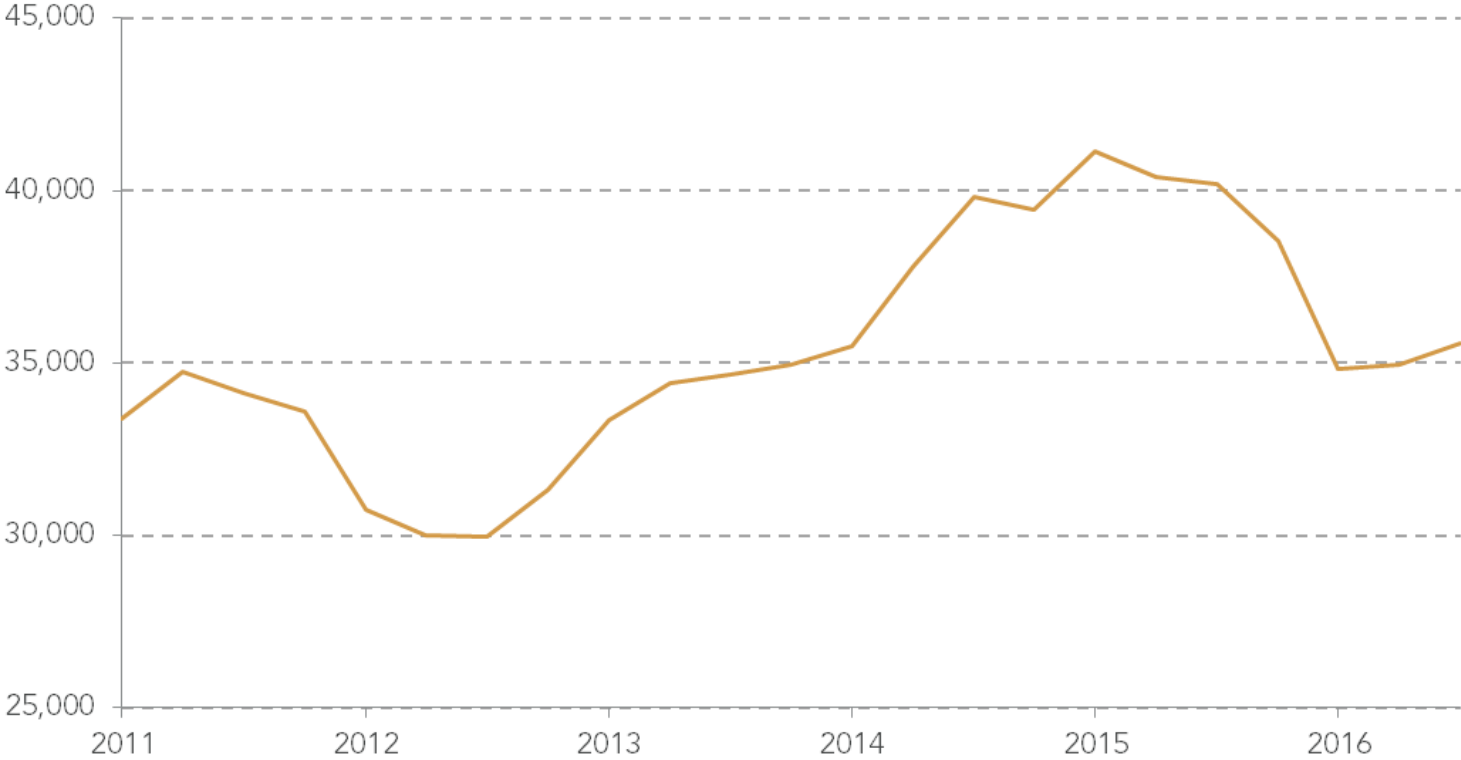
Growth in the number of people on Zero Hours Contracts in Greater Manchester (Annual rolling average)





There are around 35,000 agency workers in the region

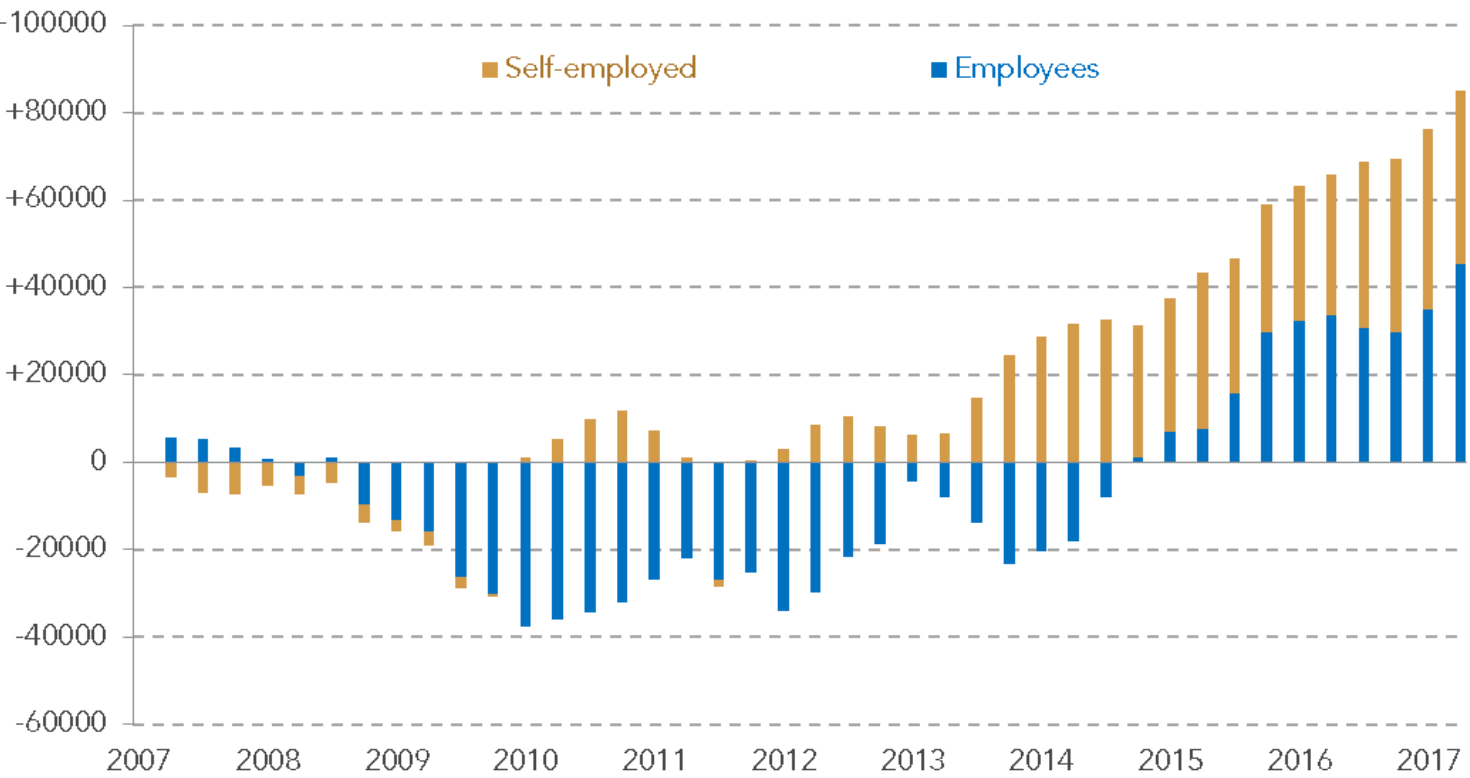
Number of people working for an agency in Greater Manchester (Annual rolling average)





There has also been strong growth in the number of self-employed people, who have accounted for 47 per cent of the jobs growth in the region since 2007

Growth in the number of jobs in Greater Manchester since Q1 2007



Except for Leeds, Bristol and London, the share of workers who are self-employed is higher in GM than in the other major city regions



PAY IN GREATER MANCHESTER



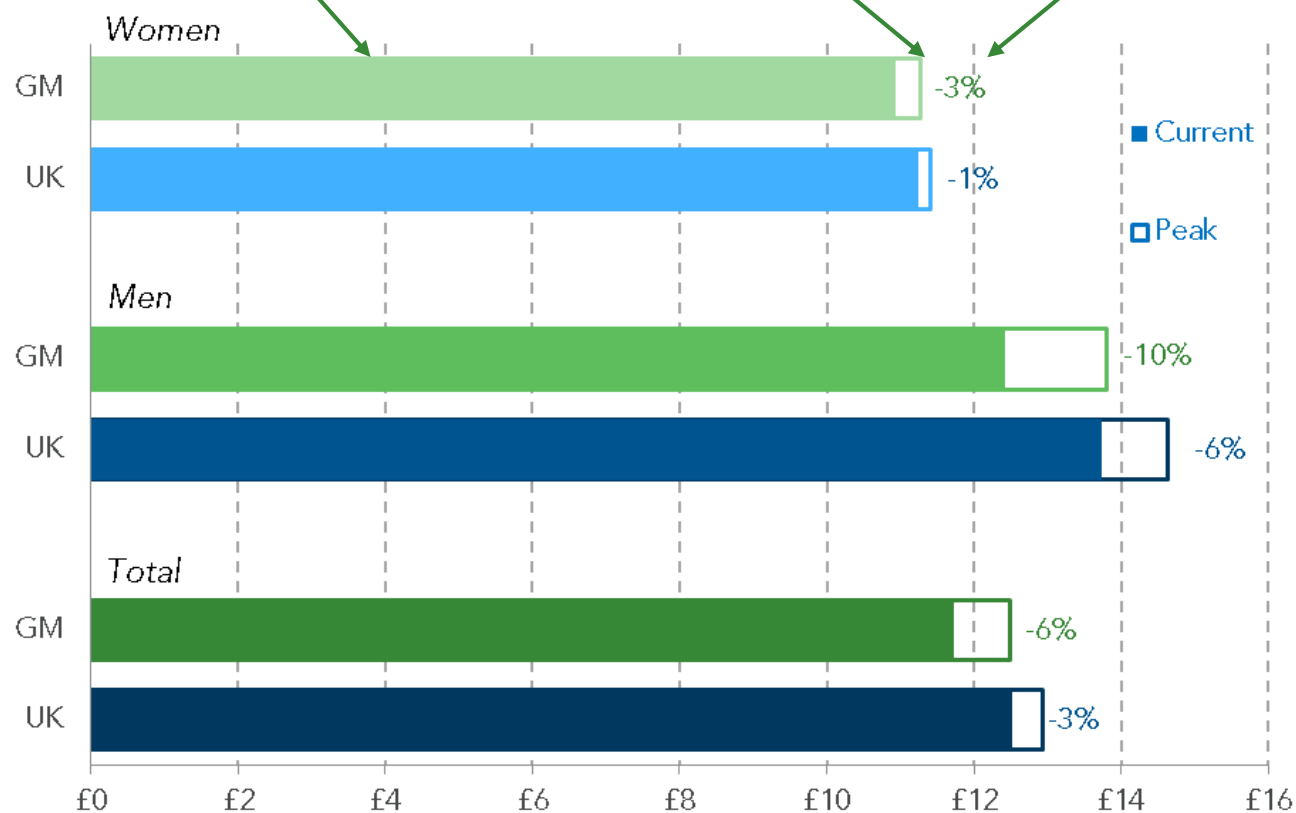
People in 'atypical' forms of employment are paid less, even when we compare like-for-like workers

- Those on ZHCs earn £0.93 less an hour
- Those on temporary contracts earn £0.77 less
- Permanent agency workers earn £0.34 less

Notes: Figures refer to the pay-penalty for various workers assessed at the UK level. More details can be found in:
<http://www.resolutionfoundation.org/media/blog/atypical-year/>

The pay squeeze has bitten harder in Greater Manchester, particularly for men.

Real typical hourly pay (ex. overtime), Pre-crisis peak and size of the squeeze

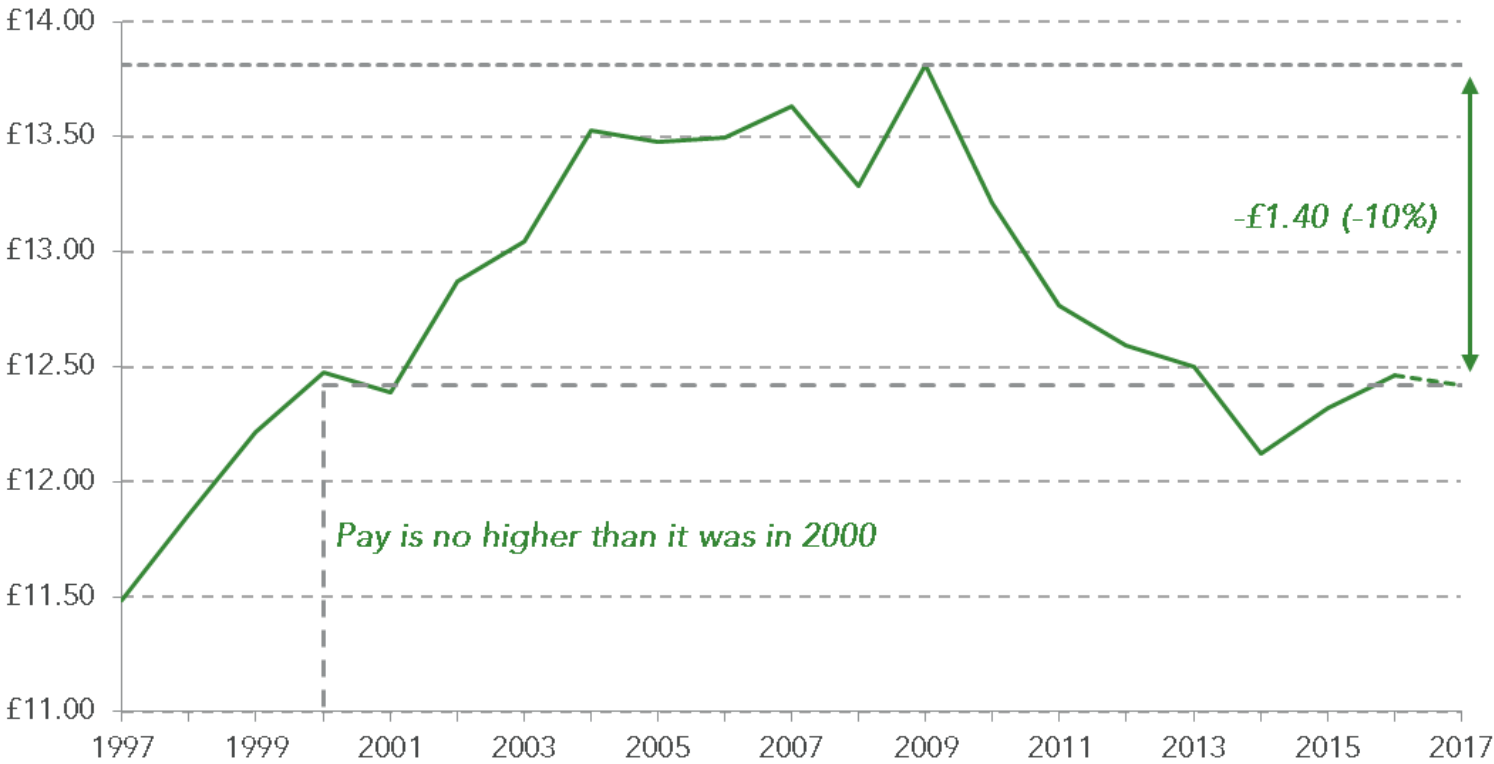


Typical pay for men in Greater Manchester reached £13.80 before the crisis. It is now £12.40, a fall of 10 per cent



Typical pay for men in Greater Manchester is no higher than it was at the turn of the millennium

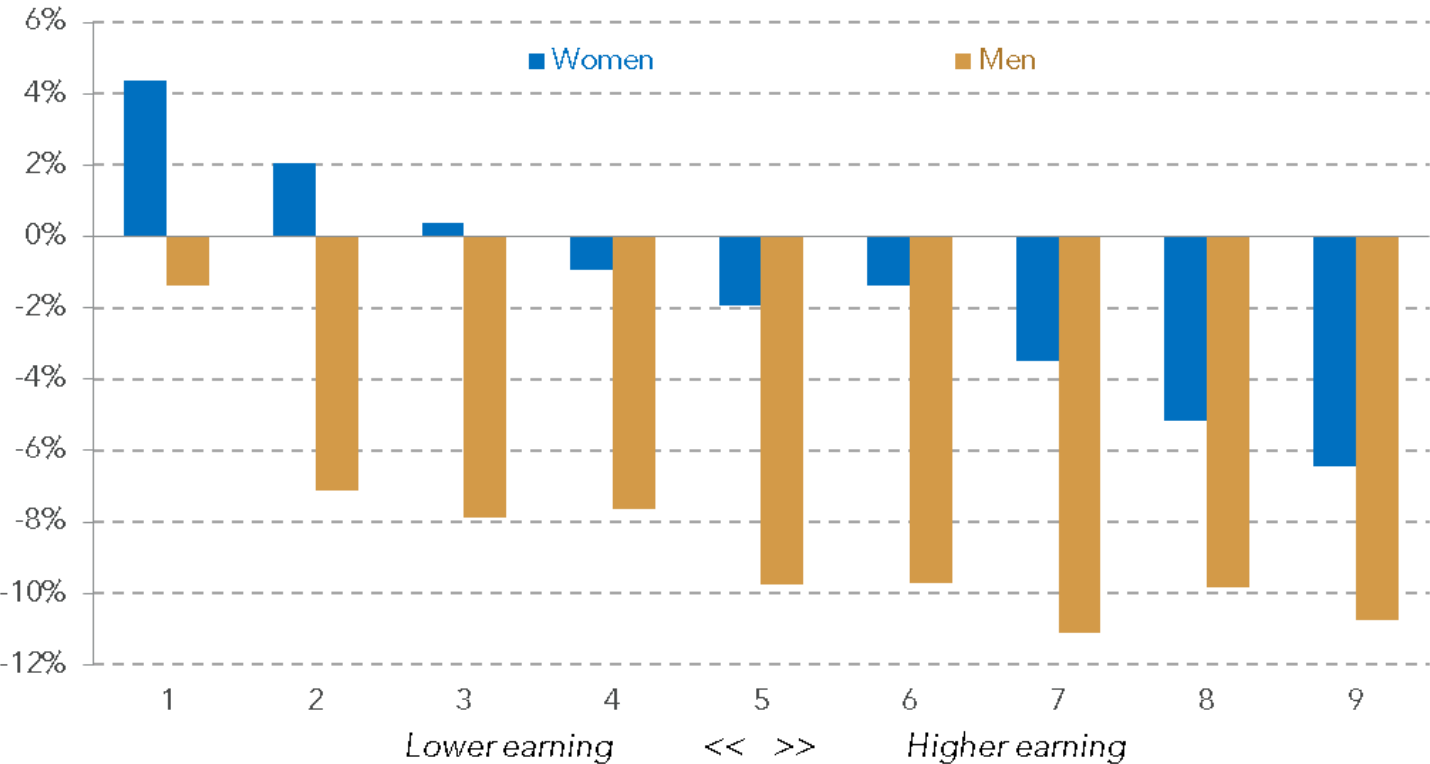
Real typical hourly pay (ex. overtime) for men in Greater Manchester



Notes: 2017 data estimated using data from the Labour Force Survey (LFS) to project Annual Survey of Hours and Earnings (ASHE) data forward

Although the minimum wage and now NLW means that those at the bottom – particularly women - have been somewhat protected

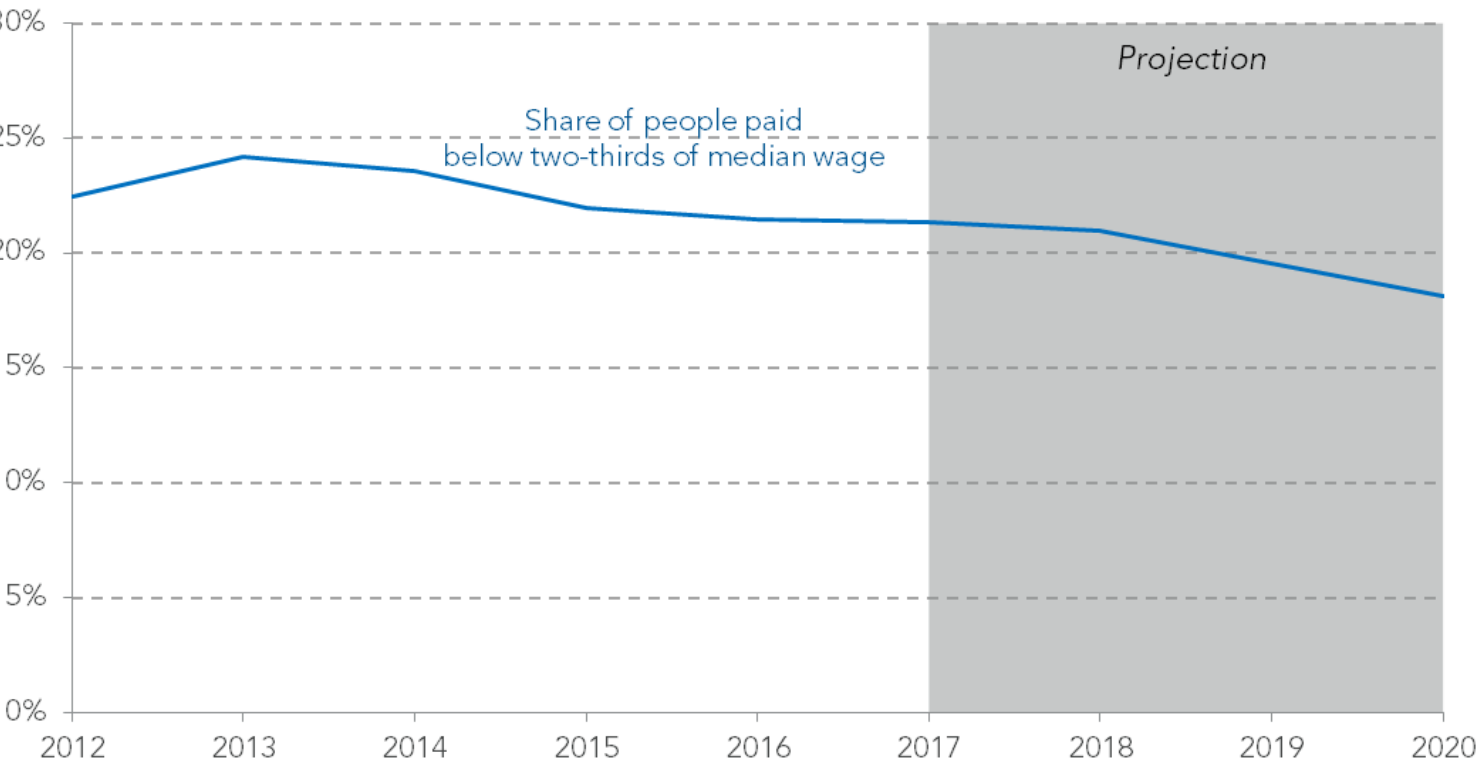
Growth in real hourly pay (ex. overtime) in Greater Manchester (2009 - 2016)





There are currently 240,000 people on low pay in the region, though this is set to fall to 200,000 over the next few years

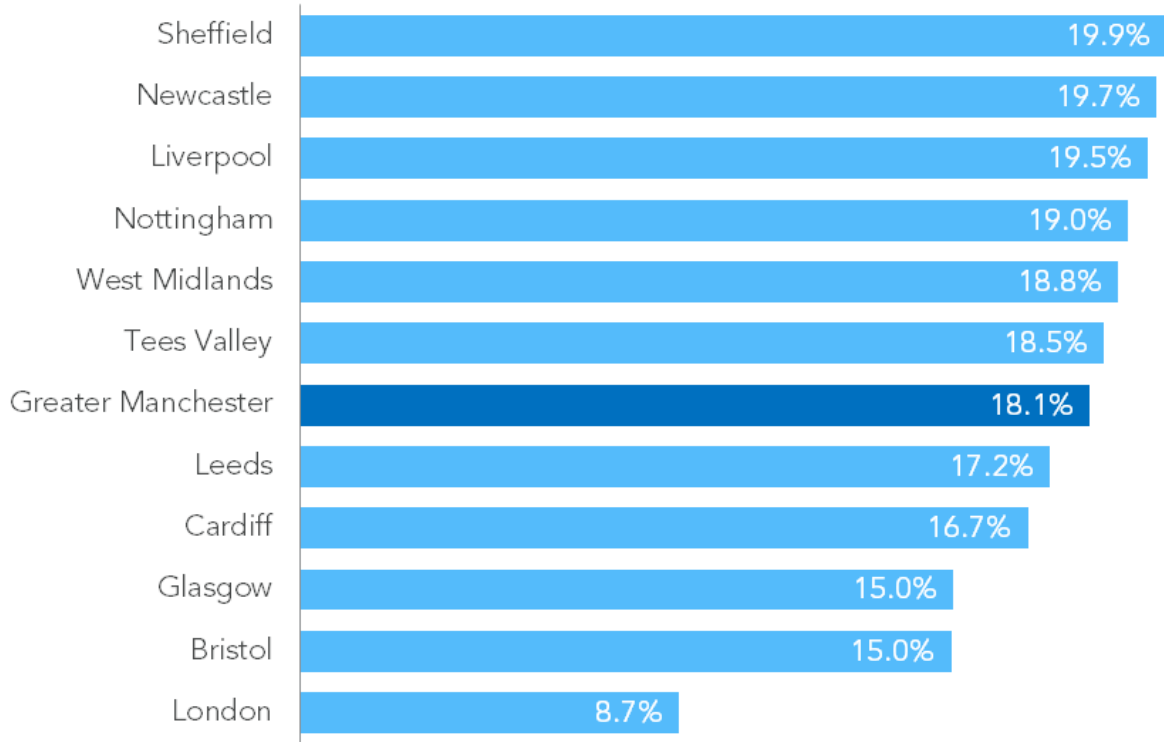
Share of people on low-pay in Greater Manchester





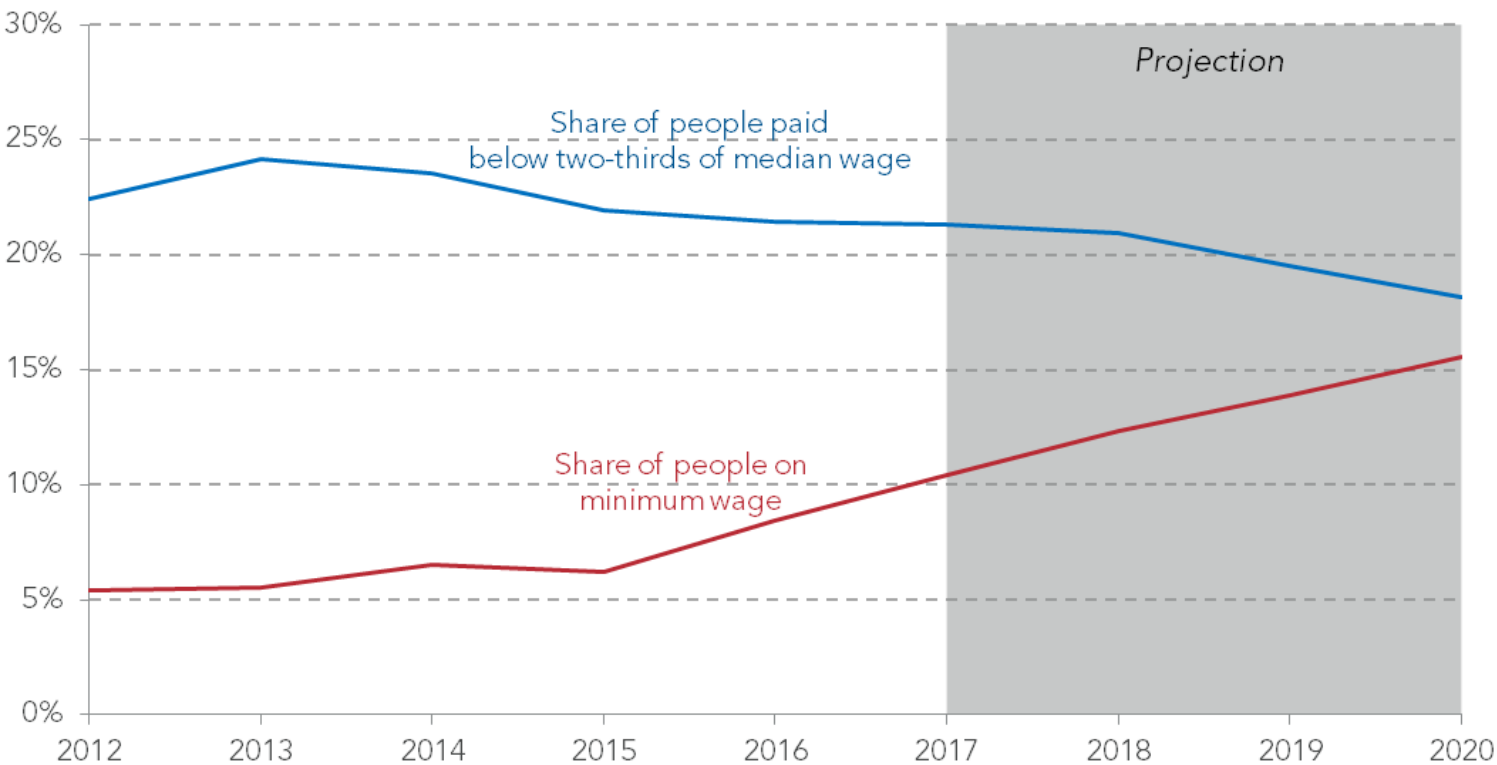
At this point the region will be performing (marginally) better than most other major cities in the north and midlands

Projected share of people on low-pay in 2020



The share of people on the minimum wage will double to 170,000 by 2020, making the progression challenge even more pressing

Share of people on low-pay and on the minimum wage in Greater Manchester

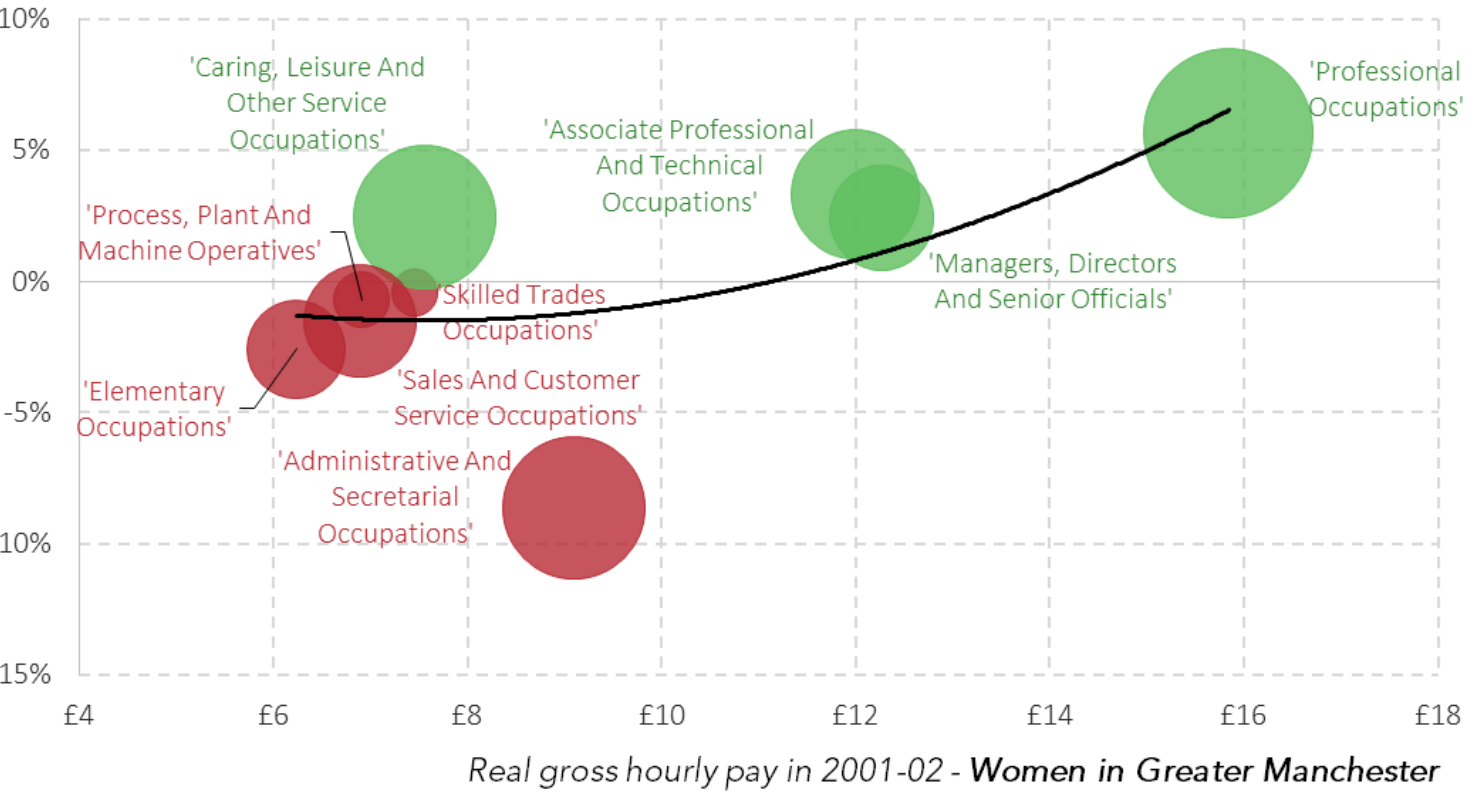


OCCUPATIONAL CHANGE, THE GENDER PAY GAP AND THE YOUNG



Women have experienced strong growth in highly paid professions, and fewer women work in mid-skilled/mid-paid jobs

Change in share of total hours worked (2001-02 - 2015-16) - Women in Greater Manchester

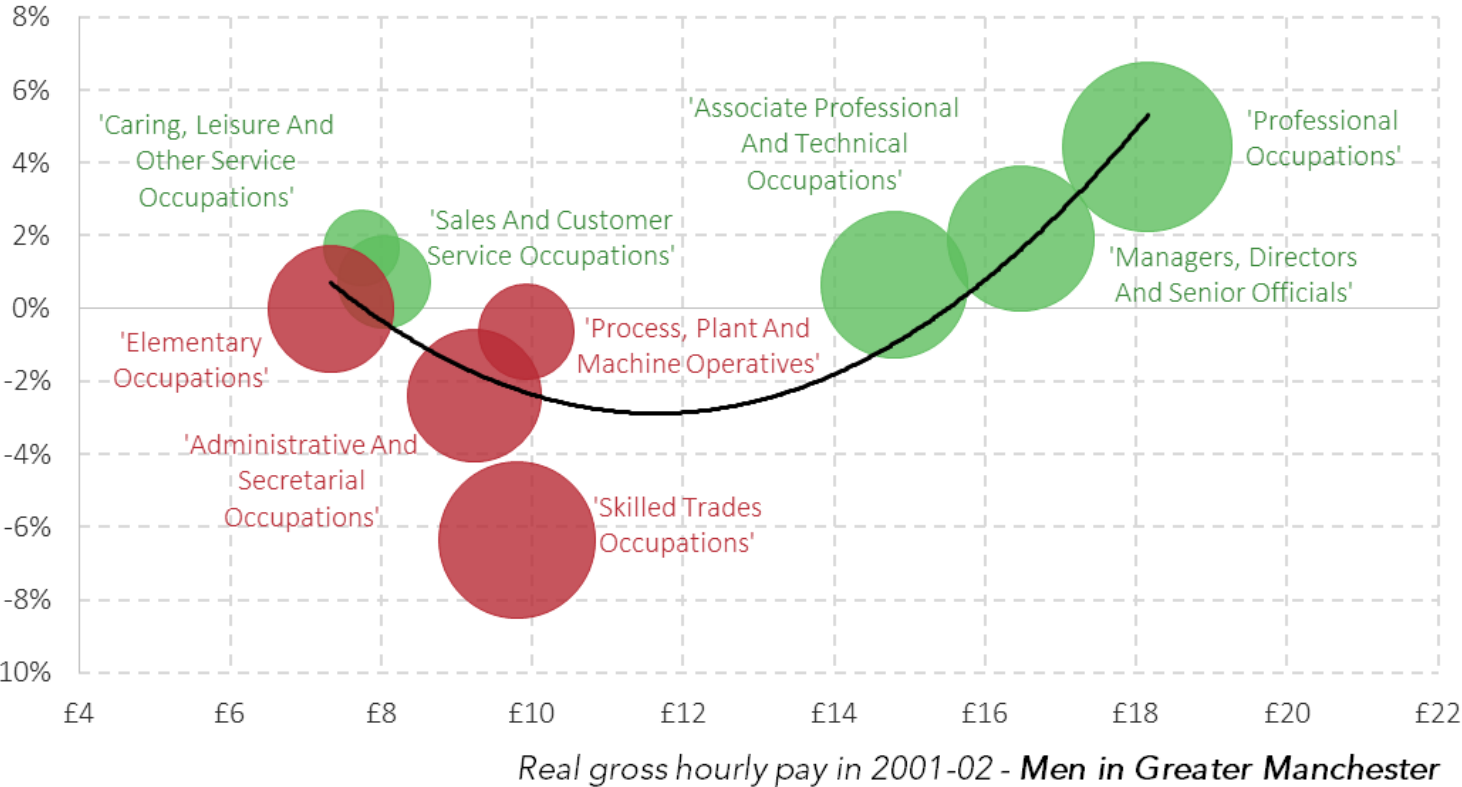


Notes: Size of the bubble represents the share of total hours worked (for both sexes) for each occupation in 2015-16



Although men have also experienced a rise in highly paid roles, there has been a decline in the share of men in mid-skilled/mid-paid jobs

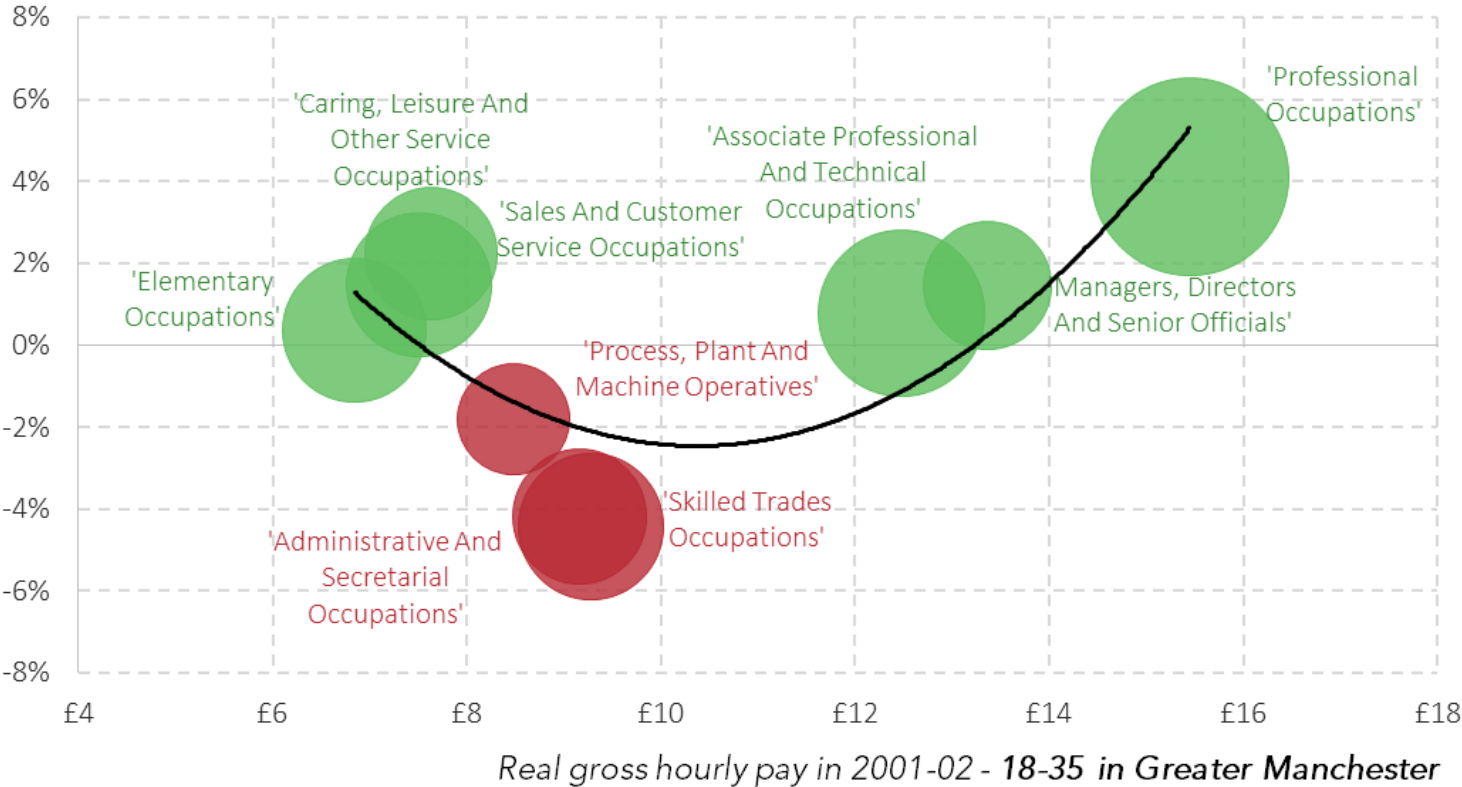
Change in share of total hours worked (2001-02 - 2015-16) - Men in Greater Manchester



Notes: Size of the bubble represents the share of total hours worked (for both sexes) for each occupation in 2015-16

While there is no clear evidence of a widespread 'hollowing' out of the labour market, this is happening for the young

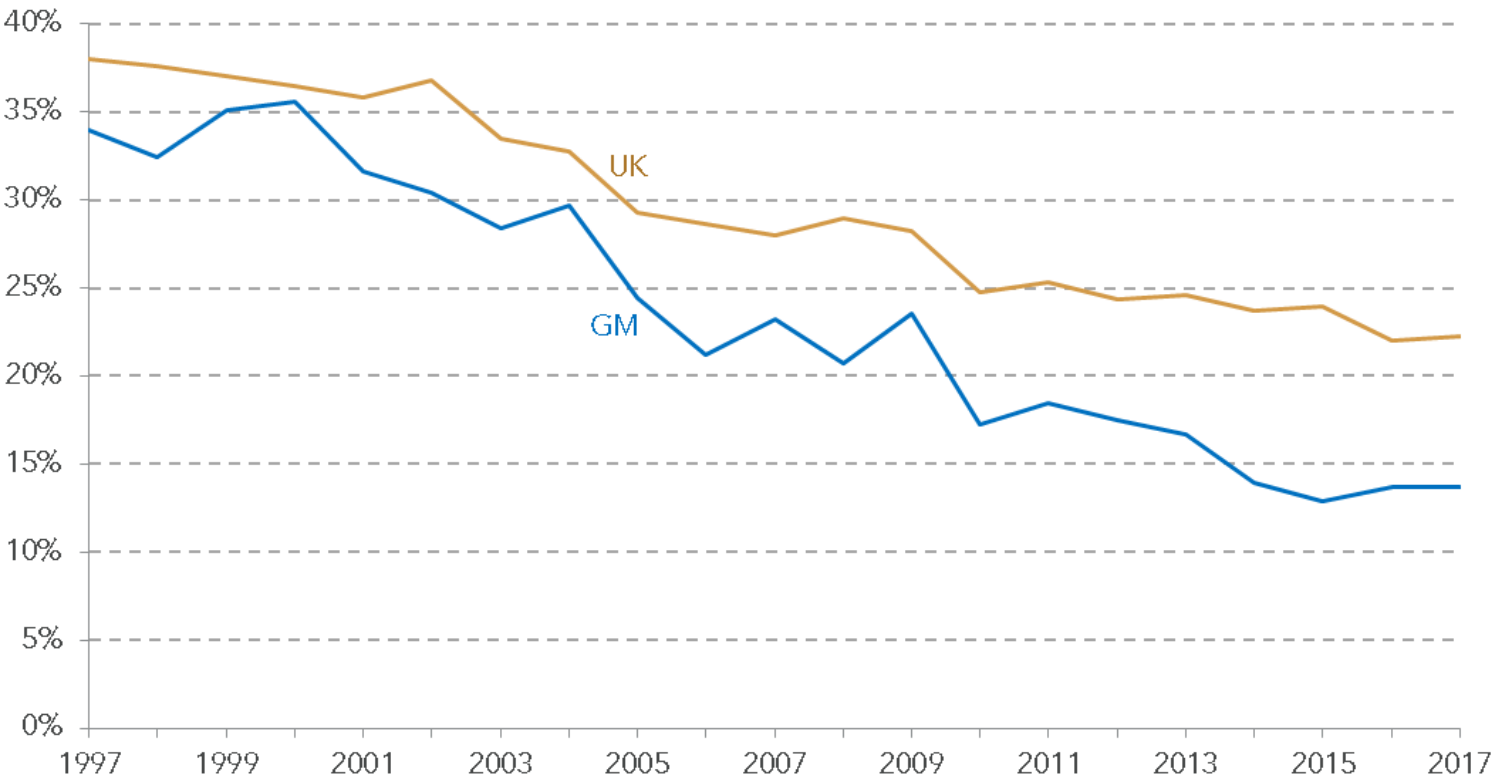
Change in share of total hours worked (2001-02 - 2015-16) - 18-35 in Greater Manchester



Notes: Size of the bubble represents the share of total hours worked (for all ages) for each occupation in 2015-16

The pay squeeze and occupational shifts have significantly reduced the gender pay gap in Greater Manchester

Difference between male and female pay





CONCLUSION



There are three current challenges

- The decline in the performance of the region relative to the UK and London needs to be halted
- Although it can provide flexibility for some workers, more needs to be done to address 'atypical' work
- The pay squeeze means that living standards are stagnating in the region



And two that will loom large in the future

- Encouraging progression in a world where pay differentials are compressed at the bottom of the labour market
- Tackling occupational polarisation for younger workers