



# JOINT BRIEFING ON THE IMPACT OF COVID-19 ON YOUNG WOMEN'S EMPLOYMENT, FINANCIAL SECURITY, AND MENTAL HEALTH

October 2021

## 1. ABOUT THIS BRIEFING

This briefing looks at the impacts of Covid-19 on young women's employment, financial security, and mental health in Scotland. It uses data from a joint survey on young women developed by Close the Gap, Engender, the UK Women's Budget Group, Fawcett Society, Women's Equality Network Wales, and Northern Ireland Women's Budget Group. The survey was carried out by Survation between 4<sup>th</sup> June and 19<sup>th</sup> July across the four nations in the UK. A joint briefing was published in August 2021<sup>1</sup> that analyses the data at the UK-level.

This paper analyses survey data gathered from 501 young people aged 18 to 30 in Scotland and a booster sample of 266 Black and minority ethnic (BME) young people. Key findings reinforce evidence, gathered over the course of the pandemic, that young women have been particularly affected by rising financial precarity and anxiety as a result of the ongoing crisis.<sup>2</sup> The findings also align with evidence from previous crises which indicates that economic downturns tend to have particularly detrimental effects on younger workers.<sup>3</sup>

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<sup>1</sup> Fawcett, WBG, EN, NI Women's Budget Group, Close the Gap and Engender (2021) *Post-pandemic aspirations: Young people call on the government to invest to secure a better future* available at <https://wbg.org.uk/analysis/post-pandemic-aspirations-young-people-call-on-the-government-to-invest-to-secure-a-better-future/>

<sup>2</sup> See Close the Gap and Engender (2021) *Joint briefing on the impact of Covid-19 on women's wellbeing, mental health, and financial security* available at <https://www.closesthegap.org.uk/content/resources/Close-the-Gap-and-Engender-Joint-briefing-on-the-impact-of-Covid-19-on-womens-wellbeing-mental-health-and-financial-security.pdf> and Young Women's Movement (2021) *Status of Young Women Report 2020/21*

<sup>3</sup> Resolution Foundation (2020) *Class of 2020: Education leavers in the current crisis*

The data highlights the importance of intersectional approaches to policymaking with young disabled women; young BME women; and young women on lower incomes being particularly impacted by the social, economic and labour market implications of the pandemic.<sup>4</sup> As a result, the findings underscore the importance of a gender-sensitive economic recovery, with specific interventions to promote young women's equality in the aftermath of the pandemic.

## 2. KEY FINDINGS

Women and men had different levels of economic wellbeing before Covid-19 that have been deepened by gendered impacts of the crisis. However, women's lives are not homogenous, and the crisis is having a particularly stark impact on specific groups of women in Scotland, including young women aged 18-30. Economic and labour market consequences of Covid-19 have had a disproportionate impact on young women's employment, and their financial wellbeing and income inequality, with these trends only likely to worsen over the course of the crisis and in the aftermath of the pandemic. Young women's mental health, physical health and optimism for the future have also been negatively impacted which may have long-term implications for young women's wellbeing in Scotland.

### 2.1 The labour market

Key findings regarding young women's experiences regarding the labour market, including training and employability, are as follows:

**Young women, particularly young BME women and those on low-incomes, are less likely to have had their furloughed salary topped up by their employer and are more likely to feel that they have fewer work or education opportunities as a result of the pandemic.**

- Over half of young men (53%) had their furloughed salary topped-up by their employer, compared to just over one-third of young women (35%).
  - Just over one-quarter (27%) of young BME women had their furloughed salary topped-up by their employer compared to 37% of young white women.
- Young women are four percentage points more likely (40% to 44%) to say that there are fewer work or education opportunities available to them since the start of the pandemic.

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<sup>4</sup> Close the Gap (2010) Women in Recession: Making gender equality a priority for economic recovery available at <https://www.closesthegap.org.uk/content/resources/CTG-Working-Paper-1---Recession-and-recovery---Ailsa-McKay-and-Emily-Thomson.pdf>

- Half of young BME women said there are fewer work or education opportunities available to them compared to 43% of white women.
- Young women with lower household incomes (£0-£19,999) were more likely (54%) to say there are fewer work or education opportunities available to them than those with household incomes of £20,000-£39,999 (37%) or £40,000+ (40%).

**Young women are more likely to report barriers to accessing training, development and employability opportunities.**

- Among respondents who have wanted to undertake job related training, young women are six percentage points more likely than their male counterparts (37% to 43%) to say that they have not been able to access in-work training, government funded training and development, or government funded employability support.
  - Over half of young disabled women (51%) reported not being able to access training, development or employability support compared to 40% of non-disabled women and 31% of non-disabled men.
  - Women with lower household incomes are more likely (54%) to report not being able to access training and development than women (42%) and men (23%) on higher household incomes.
- Almost half of female respondents (45%) said that the reason they could not access these opportunities was that they couldn't afford it. While not being able to afford opportunities was also the main reason cited by young men, the numbers were significantly lower (30%).
- One in 10 female respondents said that they couldn't access these opportunities because of their caring roles. No male respondents cited caring responsibilities as a reason for why they could not access training.

**2.2 Financial security**

Key findings regarding young women's financial (in)security, including disproportionate impacts on young disabled and BME women, are as follows:

**Young women are more likely than young men to say their financial situation has worsened, and are more concerned about their financial security in the longer-term.**

- Young women were seven percentage points more likely than their male counterparts (41% to 34%) to say their financial situation had worsened since the start of the pandemic.
  - Disabled young women were 20 percentage points more likely than non-disabled young women (56% to 36%) to say their financial situation had worsened since the start of the pandemic.
- Female respondents were nine percentage points more likely than male respondents (59% to 50%) to say they are concerned that benefits will not be enough to cover their costs if they are out of work.
- Young women are more likely than young men to say that they are not confident that they will have enough money for the next 12 months (24% to 29%).
  - 37% of young disabled women are not confident that they will have enough money for the next 12 months compared to 27% of non-disabled young women and 18% of non-disabled men.
  - 38% of BME young women are not confident that they will have enough money for the next 12 months, compared to 27% of white women and 24% of white men.

### **2.3 Health and wellbeing**

Key findings regarding young women’s mental and physical health are as follows:

**Young women are more likely to report negative mental health impacts as a result of the pandemic and are less likely to feel they will have access to adequate support.**

- Young women were seven percentage points more likely than their male counterparts to say their mental health had worsened since the outbreak of the pandemic (62% to 55%).
  - Almost seven in 10 young women on low household incomes (68%) reported that their mental health had worsened, compared to 58% of young women on middle incomes and 54% of those on higher incomes.
  - 69% of young disabled women reported that their mental health had worsened, compared to 59% of non-disabled women and 52% of non-disabled men.
- Young women are five percentage points more likely than young men (30% to 25%) to say that they are not confident that they will have adequate mental health support over the next 12 months.

- Young women with low household incomes were nine percentage points more likely than young women with high household incomes to say they are not confident that they will have adequate mental health support (35% to 26%). By contrast, 17% of young men on higher incomes said they were not confident in receiving adequate support.

### **Young women were more likely to report that their physical health had worsened during the pandemic**

- 42% of young women believed their physical health has become worse since the start of the pandemic, compared to 30% of young men.
  - Almost half (49%) of disabled young women reported that their physical health had deteriorated compared to 38% of non-disabled young women and just over a quarter (27%) of non-disabled young men.

### **Young women are less optimistic about the future, with particular concerns around employment and access to childcare.**

- Over one-third (36%) of young women said that they were now less optimistic about the future than they were before the pandemic, compared to one-quarter of male respondents.
  - 40% of young women on low household incomes (£0-£19,999) were significantly less optimistic about the future than men with low household incomes (27%).
  - While one-third of women on household incomes of £20,000-£39,999 were less optimistic about the future, this fell to one-fifth for men in the same household income bracket.
- Less than half of young women with children (49%) are confident that they will have enough childcare support over the next 12 months.

## **2.4 Attitudes towards public policy**

Key findings regarding young women's attitudes towards public policy, including social security, childcare, social care, and a zero-carbon economy, are as follows:

**There are high levels of support among young people for policies that could advance women's economic and social equality, including in terms of the labour market, financial security and health and wellbeing.**

- Over two-thirds (68%) of respondents believed that there should be greater investment in the benefit system so that more people have access to

Universal Credit, unemployment benefits, and sick pay. Female respondents are seven percentage points more likely (71% to 64%) than their male counterparts to believe that there should be greater investment in the benefit system.

- 73% of respondents agreed that young parents on low incomes under 24 should be given the same support through Universal Credit as parents 25 and older. Young women were eight percentage points more likely to agree with this statement than young men (69% to 77%).
- While three-quarters of respondents agreed with greater investment in early learning and childcare to create more affordable childcare, young women (78%) were six percentage points more likely to agree with this than male respondents.
- More than eight in 10 female respondents (82%) and seven in 10 male respondents (71%) agreed that social care for older people and people with additional needs should be free. Overall, over three-quarters (76%) of respondents agreed this should be free.
- 68% of respondents agreed that there should be greater investment in green initiatives toward a zero-carbon economy to protect the planet. Young women (71%) were more likely than young men (64%) to agree with greater investment in green initiatives.
- 82% of young women believed that there should be greater investment in affordable housing and more security for renters, compared to around three-quarters of young men (74%). Overall, 78% of respondents agreed with this.

### **3. IMPACT OF COVID-19 ON YOUNG WOMEN'S EQUALITY**

#### **3.1 Labour market**

Young women's labour market participation has been adversely affected by Covid-19 job disruption. Analysis by Close the Gap has found that young women were more likely to have been furloughed over the course of the crisis; are more likely to work in a shutdown sector; and have been more impacted by increases in unpaid care.<sup>5</sup> Data on the Job Retention Scheme (furlough) shows that 23% of female workers aged 18 to 24 were furloughed in January 2021, compared to 19% of men in the same age group.<sup>6</sup> These higher rates of furlough among young women put them at particular risk of redundancy in the aftermath of the crisis. This is partly as young women are

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<sup>5</sup> Close the Gap (2021) *One Year On: How Covid-19 is impacting women's employment* available at <https://www.closesthegap.org.uk/content/resources/One-Year-On---How-Covid-19-is-impacting-womens-employment-in-Scotland.pdf>

<sup>6</sup> Ibid.

concentrated into employment in sectors which are likely to bounce back less quickly as we move out of the crisis, with the most up-to-date data on the furlough scheme in Scotland finding that one-third (35%) of furloughed jobs continue to reside in female-dominated retail and hospitality.<sup>7</sup> Indeed, research has found that over 40% of young women aged 18 to 30 don't feel secure in their current employment, and over 60% had changed their career plans because of the pandemic.<sup>8</sup>

The data presented in this paper reinforces pre-existing evidence that shows young women face particular barriers to upskilling and reskilling opportunities which has implications for education, skills and training policy in the aftermath of the crisis. Women are less likely to have access to training, particularly women working in low-paid part-time jobs,<sup>9</sup> less likely to undertake training that will enable them to progress or secure a pay rise, and more likely to have to do training in their own time and to contribute towards the cost.<sup>10</sup> The Status of Young Women report 2021 found that only 44% of young women felt supported or very supported to develop skills at work, and one in three young women did not feel that they received adequate support to aid their personal development through training, work shadowing and mentoring opportunities.<sup>11</sup> Young women with caring roles also report that part-time work is often their only option, and that their employers may not offer them the same access to promotions or development opportunities as other full-time staff.<sup>12</sup>

During periods of economic recession, employers are less likely to be prioritising training and development, particularly non-essential training. This means that state-funded skills programmes will be the main lever for upskilling and reskilling opportunities to support young women to re-enter the labour market.<sup>13</sup> Generic employability programmes replicate gendered patterns of skills acquisition and employment, entrenching occupational segregation and widening the gender pay gap. Close the Gap have therefore called for all skills policy and service design developed in response to Covid-19, including the Young Person's Guarantee, to address occupational segregation and the under-utilisation of women's skills as a

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<sup>7</sup> Close the Gap (2021) 'What will the end of furlough mean for women's employment?' available at <https://www.closesthegap.org.uk/news/blog/what-will-the-end-of-furlough-mean-for-womens-employment/>

<sup>8</sup> Young Women's Movement (2021) *Status of Young Women Report 2020/21*

<sup>9</sup> House of Commons Women and Equalities Committee (2016) Inquiry into the gender pay gap

<sup>10</sup> Aldrige, Fiona and Corin Egglestone, (2015) Learning, Skills and Progression at Work: Analysis from the 2015 adult participation in learning survey, UK Commission for Employment and Skills

<sup>11</sup> Young Women's Movement (2021) *Status of Young Women Report 2020/21*

<sup>12</sup> Ibid.

<sup>13</sup> Close the Gap (2020) *Close the Gap response to the Advisory Group on Economic Recovery* available at <https://www.closesthegap.org.uk/content/resources/Close-the-Gap-evidence-for-the-Advisory-Group-on-Economic-Recovery---May-2020.pdf>

central aim.<sup>14</sup> In addition, it is vital that the Scottish Government and its delivery agencies gather and utilise a range of intersectional gender-sensitive sex-disaggregated data,<sup>15</sup> including on caring roles and occupational segregation, across all skills and training programmes, to ensure that young women's experiences and outcomes are measured.

### 3.2 Financial security

Prior to the outbreak of Covid-19, women accounted for 60% of workers being paid less than the living wage in Scotland.<sup>16</sup> Young women are particularly likely to be employed in low-paid jobs and sectors and are also more likely to be in precarious work. Indeed, sectors where young women's employment has been particularly impacted during the crisis, such as retail and hospitality, are notoriously low paid and characterised by job insecurity. For example, four in ten of those working in retail and wholesale are paid less than the real Living Wage<sup>17</sup> and 80% of people working in hospitality reported that they were already struggling with their finances before going into lockdown.<sup>18</sup>

In addition, the data set out above highlights that young women are significantly less likely to have their furloughed salary topped up by their employer than their male counterparts. This will further cement the in-work poverty already experienced by young women working in these low-paid sectors, as they are less likely to have savings to fall back on. The labour market implications of the crisis have pushed young women, particularly low-paid young women and disabled young women into greater financial precarity. Women who were already struggling are now under enormous financial pressure. Covid-19 has therefore placed young women, and their children, at even greater risk of poverty, adding to a growing child poverty crisis.<sup>19</sup> In the aftermath of the crisis, there is a need to improve the coverage of the living wage

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<sup>14</sup> Close the Gap (2021) *One Year On: How Covid-19 is impacting women's employment* available at <https://www.closesthegap.org.uk/content/resources/One-Year-On---How-Covid-19-is-impacting-womens-employment-in-Scotland.pdf>

<sup>15</sup> Engender (2020) *Covid-19: Gathering and using data to ensure that the response integrates women's equality and rights*. Available at: <https://www.engender.org.uk/content/publications/Covid-19-Gathering-and-using-data-to-ensure-that-the-response-integrates-womens-equality-and-rights.pdf>.

<sup>16</sup> Living Wage Scotland (2021) *International Women's Day – Let's talk about low pay*. Available at: <https://scottishlivingwage.org/international-womens-day-lets-talk-about-low-pay-by-lynn-anderson-living-wage-scotland/>

<sup>17</sup> Resolution Foundation (2020) *Risky Business: Economic impacts of the Coronavirus crisis on different groups of workers*

<sup>18</sup> IPPR (2020) *Covid-19: What's the outlook for Scotland's workforce*

<sup>19</sup> Close the Gap and Engender (2021) *Close the Gap and Engender joint briefing for Ministerial Statement: Tackling Child Poverty Progress Report*. Available at: <https://www.closesthegap.org.uk/content/resources/Close-the-Gap-and-Engender-briefing-for-Ministerial-Statement---Tackling-Child-Poverty-Progress-Report.pdf>



in female-dominated sectors, address the increasing precarity of women's work and deliver reliable working hours. This should be coupled by action to address the systemic undervaluation of work that is seen as "women's work" in sectors such as childcare and social care.

Engender and Close the Gap have long called for a social security system that ensures the dignity and security of women. The UK 'welfare' system consistently fails women, working instead to maintain and exacerbate women's economic and social inequality.<sup>20</sup> We recommend that Scottish Government use devolved powers to tackle women and children's poverty, by delivering individual payments of Universal Credit, targeting the Scottish Child Payment to better meet women's needs, and to develop fully flexible entitlements for unpaid carers paid (at least) at the level of the real Living Wage.

### **3.3 Health and wellbeing**

Poor mental health for women has been on the rise in recent years, and young women and girls are a particularly high-risk group.<sup>21</sup> Mental health inequalities between women and men have also widened.<sup>22</sup> Women and girls experience differences both regarding the types of mental illness they experience and in terms of diagnosis, access to health and support services. These experiences are fundamentally linked to gendered inequalities regarding caring and income inequality, which ensure that women have fewer access to resources, power and safety, exposure to emotional stress, and increased vulnerability to changing circumstances. All of this increases the risk of mental health issues arising.

This data suggests that this is worsening, with young women's mental health, physical health, wellbeing, and optimism for the future being negatively impacted by Covid-19 to a greater extent than young men's. The disproportionate impact on women's wellbeing and mental health is reflected across a number of indicators, including in women and men's own accounts of how the pandemic has impacted their mental health and wellbeing, in the proportions of women and men who

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<sup>20</sup> Engender (2016) Securing Women's Futures: using Scotland's social security powers to close the gender equality gap

<sup>21</sup> DHSC (2018) The Women's mental health taskforce final report

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/765821/The\\_Womens\\_Mental\\_Health\\_Taskforce\\_-\\_final\\_report1.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/765821/The_Womens_Mental_Health_Taskforce_-_final_report1.pdf)

<sup>22</sup> Mental Health Foundation (2017) While your back was turned: how mental health policymakers stopped paying attention to the specific needs of women and girls. Available at:

<https://www.mentalhealth.org.uk/sites/default/files/while-your-back-was-turned-how-mental-health-policymakers-stopped-paying-attention-to-mental-health-needs-young-women-girls.pdf>

reported seeking support for their mental health,<sup>23</sup> and in access to adequate mental health support. This is particularly acute for disabled women, women on low incomes, and women with childcare responsibilities.<sup>24</sup>

The unequal distribution of care and household labour has intensified during the pandemic,<sup>25</sup> with evident negative implications for women's health and wellbeing, as well as labour market equality and financial security. This has also reinforced outdated gendered patterns of work, leisure and resource. Single parents, over 90% of whom are women, have faced almost insurmountable challenges as lockdown measures combined with unsustainable, low paid work and the dearth of flexible formal or informal childcare. The data highlights that women with caring roles feel worried about having enough childcare moving forward, with some women reporting that they have been unable to access training, development and employability opportunities because of this.

Gender mainstreaming should be systematically integrated throughout mental health policy to address young women's worsening mental health and to avoid exacerbating inequalities further. In particular, the National Mental Health Strategy should be refreshed for the Covid-19 context, with actions to address the impact of the pandemic on women's mental health. This should be underpinned by an understanding of the gendered drivers of poor health, taking into account the disproportionately poor mental health outcomes of young women and girls, women living in poverty and marginalised women. The impacts of structural inequality on mental health and wellbeing should be explicitly addressed, and concerted action taken to remove the barriers women face to participating in activities that are beneficial for wellbeing, such as exercise and leisure activities.

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<sup>23</sup> Close the Gap and Engender (2021) *Joint briefing on the impact of Covid-19 on women's wellbeing, mental health, and financial security*.

<sup>24</sup> Close the Gap and Engender (2021) *Joint briefing on the impact of Covid-19 on women with childcare responsibilities in Scotland*.

<sup>25</sup> Close the Gap and Engender (2021) *Joint briefing on the impact of Covid-19 on women with childcare responsibilities in Scotland*. Available at: <https://www.engender.org.uk/content/publications/Close-the-Gap-and-Engender-Joint-Briefing-on-the-impact-of-Covid-19-on-women-with-childcare-responsibilities-in-Scotland.pdf>

#### **4. CONCLUSION: BUILDING AN ECONOMIC RECOVERY THAT PROMOTES YOUNG WOMEN'S SOCIAL, ECONOMIC AND LABOUR MARKET EQUALITY**

The data gathered over the course of this project has clearly illustrated that young women have been disproportionately affected by the social and economic impacts of Covid-19, with these negative impacts being particularly acute among young women, women in low-income households, disabled women, BME women, lone mothers and those with caring roles. There is an urgent need for policymakers to better integrate all women's needs and the realities of women's lives into decision-making, in order to protect women's jobs, incomes, health and wellbeing, and to prevent an ongoing exclusion of women from public life and further rollback of progress towards women's equality.

Further to this, it is imperative that a gender-sensitive economic recovery from Covid-19 is prioritised. In 2020, Close the Gap and Engender published *Gender and Economic Recovery* which sets out principles to this end.<sup>26</sup> The principles describe features of an economy that works for women as well as men, and develops Scotland's existing commitment to inclusive growth so that women are not left behind. The nine principles are a set of ideas, challenges, and calls that are rooted in evidence. The principles range from specifying that gender-sensitive inclusive growth is about the pattern of growth and not its rate, to stipulating that unpaid domestic and care work needs to be recognised, reduced, and redistributed from the household to the state by an increase of accessible, good quality childcare and social care. Pivotal, one of the principles highlights that while equality is good for growth, the converse is not necessarily true. The principles will create better jobs, better decision-making, and a more adequate standard of living for us all. These principles should be adopted by the Scottish Government as a starting point for the design and delivery of economic recovery policymaking, in order to ensure that the economic recovery is gender-sensitive and addresses pre-existing gender inequality.

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<sup>26</sup> Close the Gap and Engender (2020) *Gender & Economic Recovery*. Available at: <https://www.engender.org.uk/content/publications/Gender--Economic-Recovery---Engender-and-Close-the-Gap.pdf>.

## ABOUT US



Close the Gap is Scotland's policy advocacy organisation working on women's labour market participation. We have been working with policymakers, employers and employees for 20 years to influence and enable action that will address the causes of women's labour market inequality.



Engender is Scotland's feminist policy and advocacy organisation, working to increase women's social, political and economic equality, enable women's rights, and make visible the impact of sexism on women and wider society. We work at Scottish, UK and international level to produce research, analysis, and recommendations for intersectional feminist legislation and programmes.

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## ABOUT THE RESEARCH

This research was conducted by the [UK Women's Budget Group](#), [Fawcett Society](#), [Northern Ireland Women's Budget Group](#), [Women's Equality Network Wales](#), [Close the Gap](#) and [Engender](#).



JRRT's priority area of work for both grant-making and external activities is democratic and political reform.

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