



# Gender and unemployment

## Analysis of Understanding Society: the UK Household Longitudinal Survey

### Summary Report

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## Unemployment and wellbeing: unpacking gender differences

**On average, women's life satisfaction is affected less by unemployment compared to men.** Males show a greater drop in life satisfaction when they become unemployed.<sup>1</sup> But this average gap conceals a range of different experiences. Not all women suffer less than men when they lose their job. This analysis explains some of the differences, showing how **values and attitudes** influence the experience of job loss.

### Women with egalitarian attitudes suffer more when unemployed

Findings from the UK Household Longitudinal Survey [Understanding Society](#) show us that women are more likely to be impacted by job loss - after accounting for loss of income - when they have egalitarian attitudes. We measure this by how strongly individuals agree with statements such as 'both partners should contribute to the household income' and 'employees should help mothers combine jobs and childcare'; and disagree with statements such as 'a husband's job is to earn money; a wife's job is to look after the home and family'. Women with egalitarian attitudes suffer more, on average, than men who lose their jobs.

On the flip side, the survey shows that women with traditional attitudes (those at the other end of the attitude scale) fare better if they become unemployed. Note that these findings are only looking at the additional impact of losing their job, once we've already accounted for the wellbeing impact due to loss of income.

These results are perhaps what we would expect. Clearly, for women who have egalitarian attitudes and choose to go into work, employment has an added value, beyond income alone. As a result, loss of employment is damaging. For those with traditional attitudes, there may be tensions between employment and their attitudes around gender roles and the family, therefore, loss of employment may not pose a negative impact beyond the loss of income.

There is little evidence that gender attitudes influence the experience of job loss for men. In the next few years there may be the opportunity for interesting work exploring whether gender differences extend to other forms of non-employment through the differential impacts of shared parental leave.

### How does work identity fit in?

Findings from [Understanding Society](#) also show that life satisfaction is higher for those in continued employment who have a strong work identity. We measure work identity using the responses to the question "How important is your profession to your sense of who you are?" Interestingly, men with strong work identity cope *better* with job loss. We do not find any (statistically significant) difference in coping with job loss between women with strong and weak work identities. Factors such as type of job (occupation, hours of work) and commute etc<sup>2</sup> influence levels of life satisfaction – but do not influence the impact job loss has on people.

<sup>1</sup> <https://www.whatworkswellbeing.org/product/unemployment-reemployment-and-wellbeing/>

<sup>2</sup> <http://www1.uwe.ac.uk/et/research/cts/researchprojectsbytheme/influencingbehaviours/commutingandwellbeing.aspx>

## Background

Existing research provides clear evidence that the effect of unemployment goes well beyond a loss in earnings (Winkelmann and Winkelmann, 1998), it has a detrimental impact on individuals' happiness and their satisfaction with life (see, for example, Binder and Coad, 2015 for Britain; Blanchflower and Oswald, 2004 for the US; Ferreira et al., 2016 for southern Europe; Kassenboehmer and Haisken-DeNew, 2009 for Germany; Milner, 2016 for Australia; Powdthavee, 2007 for South Africa; Urbanos-Garrido and Lopez-Valcarcel, 2015 for Spain). Although people have a tendency to adapt to important life events such as marriage, divorce, birth of a child etc., the negative effect of unemployment on life satisfaction persists (Clark et al., 2008; Clark and Georgellis, 2013). Life satisfaction drops upon unemployment and it never gets back to the pre-unemployment levels, even when returning to employment. That is, people never fully adapt to unemployment (Clark et al., 2001; Clark et al., 2008; Hahn et al., 2015; Lucas et al., 2004; Oesch and Lipps, 2013).

The negative effect of unemployment on life satisfaction holds even when we take account of other important factors such as income, the duration of unemployment, marital status, age, education and personality traits. Several studies have shed light on which groups experience the largest drop in life satisfaction upon unemployment. Whilst some have found that the young suffer more, others point to the importance of personality traits and the employability potential of the unemployed (Boyce, Wood and Brown, 2010; Green, 2011; Hahn et al., 2015; Winkelmann, 2009).

Many studies have shown that there is a general tendency for men to be more badly affected by unemployment when compared to women, although the extent varies across countries. However, recent work argues that whilst the negative effect of unemployment on wellbeing remains larger for men, the differences between men and women appear to become less pronounced over time (see, for example, Carroll, 2007 and Strandh et al, 2013 for a further discussion).

The existing literature notes the gender differences and offers possible explanations: different degrees of specialisation in the labour market, differences in the types of work undertaken by men and women, differences in personality traits, work identity or gender norms. But, they do not formally test these competing hypotheses. This report, therefore, aims to contribute to the literature by exploring the root causes of the underlying gender dynamics behind the effect of unemployment on wellbeing.

## Methods

Our aim is to analyse not only whether the impact of a job loss varies with various types of characteristics of the individual or of the job lost, but also whether it is possible to identify gender differences. Our analysis proceeds in two steps. First we estimate the impact that a job loss (i.e. the transition from a paid job into unemployment) has on life satisfaction. Second, we use interactions to analyse whether the impact of the job loss differs across groups of individuals; for example, does a job loss have a larger impact on workers who lost a higher or lower quality job or for workers with strong work identity compared with weak work identity? As these relationships may be different for men and women we estimate separate models for men and women.

Since some of the job characteristics or personality types may influence not only levels of life satisfaction and the likelihood of job loss, but also low levels of life satisfaction may lead to job loss, we estimate a model that controls for past levels of life satisfaction. This approach allows us to control for the fact that individuals who are employed in one year (at  $t-1$ ) but are unemployed the next (at  $t$ ) may already have a lower level of life satisfaction before the job loss (at  $t-1$ ) compared to those who are employed at both points in time.

We use data from a nationally representative longitudinal household survey, Understanding Society: the UK Household Longitudinal Survey (UKHLS), which covers the period 2009-2014. We restrict the sample to 20-59 year olds to have a homogenous sample where everyone is likely to have finished their education and to exclude retirees. As ethnic minorities' labour market experience may include additional issues of discrimination, direct or indirect, English language difficulties and unfamiliarity with the labour market in case of immigrants, we only include those who self-report their ethnic group as White – British/English/Scottish/Welsh/Northern Irish. The sample includes only individuals who are in paid employment in any one year (at time  $t-1$ ) and are either in paid employment or unemployed in the next (at time  $t$ ).

Understanding Society is a multipurpose survey and includes questions on socio-demographic factors, education, labour market experience, partnership and fertility, health and wellbeing and attitudes. The unemployment transition – or job loss – is measured by respondents' self-reported main activity status at each interview. It includes anyone who moves from employment to unemployment for any reason - through being made redundant, being sacked or voluntarily leaving

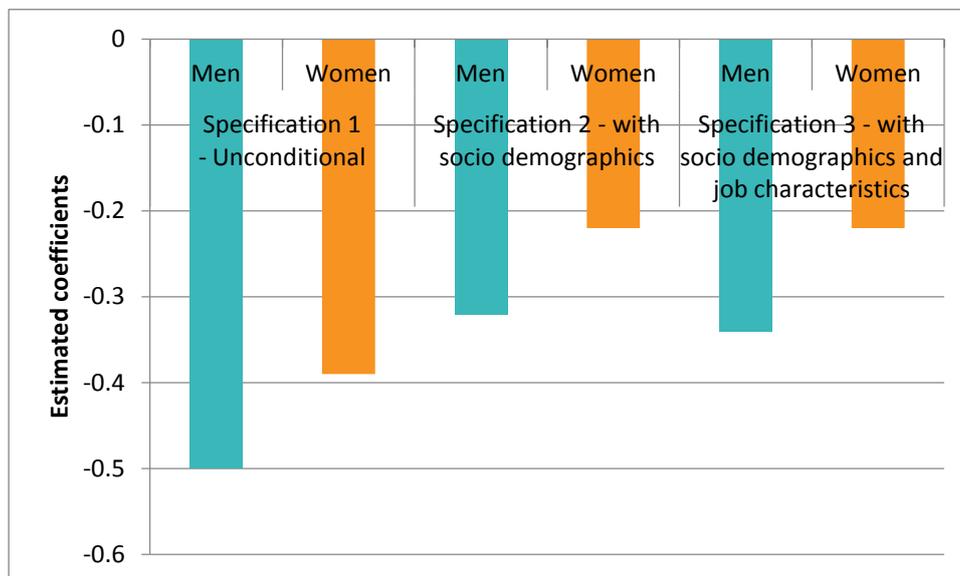
a job. The wellbeing outcome that we focus on is the question on overall life satisfaction which is measured on a 7 point scale with 1 being completely dissatisfied and 7 being completely satisfied.

## Findings

### *What is the impact of job loss on life satisfaction?*

Both men and women who lose their jobs experience a large decline in life satisfaction. The effect is a drop of 0.5 points for men and 0.4 points for women (specification 1 in Figure 1), which is comparable to the loss of life satisfaction associated with divorce or separation and greater than that associated with widowhood (Clarke, Layard, Powdthavee, Flèche and Ward, forthcoming). However, about 40-50% of these effects can be explained by socio-demographic characteristics that affect life satisfaction and also affect the chances of unemployment (for instance, people in poorer health are more likely to lose their jobs and also suffer lower life satisfaction than those in good health, Figure 1, specification 2). Little changes in terms of the impact on life satisfaction of a job loss when we also control for the type of job (Figure 1, specification 3): men’s life satisfaction falls by 0.3 points while women’s life satisfaction falls by 0.2. The estimates confirm the general finding in the literature that unemployment has a larger impact on men’s subjective wellbeing than it does on women’s.

**Figure 1 – Benchmark effects of job loss on life satisfaction**



Note: These illustrate the effect of job loss on current life satisfaction (at time t), relative to previous levels of life satisfaction (at time t-1), where life satisfaction is measured on a 7-point scale (1-7).

*Does the damage to life satisfaction reflect the type of job lost?*

Life satisfaction is higher for those in higher quality jobs, and those in jobs with shorter commutes and less reliance on public transport. While, when we control for the type of job, we continue to find a large and robust effect of job loss on wellbeing, the damage to wellbeing does not appear to be affected by job type or quality. We have also performed a number of sensitivity checks, none of which change our conclusions.

*Do some personality types cope with job loss better?*

We find that life satisfaction is influenced by personality. For those in employment, life satisfaction is higher for those who score more highly on the conscientious, extraversion and agreeableness scales, and lower for those scoring highly on the neuroticism scale. However, unlike some earlier studies<sup>3</sup>, we find no evidence that job loss has a differential effect for those of different personality types. One possible explanation for this is that those with more ‘negative’ personality types are more likely to experience unemployment and those with more ‘positive’ personality types are less likely – which is one of the reasons why we include controls for prior levels of life satisfaction. There is some evidence that scores for neuroticism are higher and conscientiousness lower amongst both men and women who become unemployed, but there are no consistent patterns for the other personality types between the employed and unemployed.

*How does the impact of job loss on life satisfaction vary with work identity?*

We measure work identity using the responses to the question “How important is your profession to your sense of who you are?” Those in employment are more likely to report having a strong work identity and women are slightly more likely to report having a strong work identity than men. There is a **higher level of life satisfaction for those in employment with a stronger work identity**, this is true for both men and women. Regardless of level of work identity, there is a loss of wellbeing for all those who experience a job loss: **for women, there is a negative impact on life satisfaction from a job loss and the impact is greater for those with a stronger work identity**, but the impact is lower for men with a stronger work identity (see Figure 2).

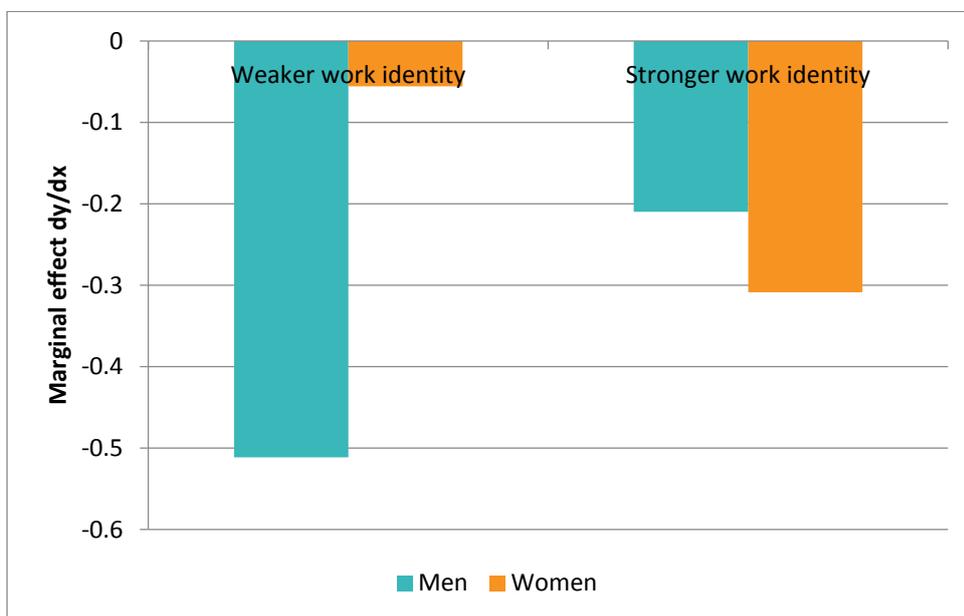
This result for men is a puzzle. We have tested the sensitivity of the results by exploring whether it could be linked with any of our control variables (such as education), whether the definition of work

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<sup>3</sup> Discussed in more detail in the accompanying Technical Report and part of the evidence base in <https://www.whatworkswellbeing.org/product/unemployment-reemployment-and-wellbeing/>

identity (“How important is your profession to your sense of who you are?”) interacts with occupation or with personality type, but the finding is not sensitive to the choice of specification or to restricting the analysis to those in management and professional occupations. We also considered whether the result might be related to the reason for job loss – allowing for different effects for those who left a job voluntarily and those who were sacked or made redundant – again the finding is robust. We speculate that men with a stronger work identity who experience a job loss, may be more confident in their employability or job search skills, similarly, they may engage in more job search activity or find other satisfying activities.

**Figure 2 – The impact of work identity and job loss on life satisfaction**



Note: These illustrate the effect of job loss on current life satisfaction (at time t), relative to previous levels of life satisfaction (at time t-1), where life satisfaction is measured on a 7-point scale (1-7).

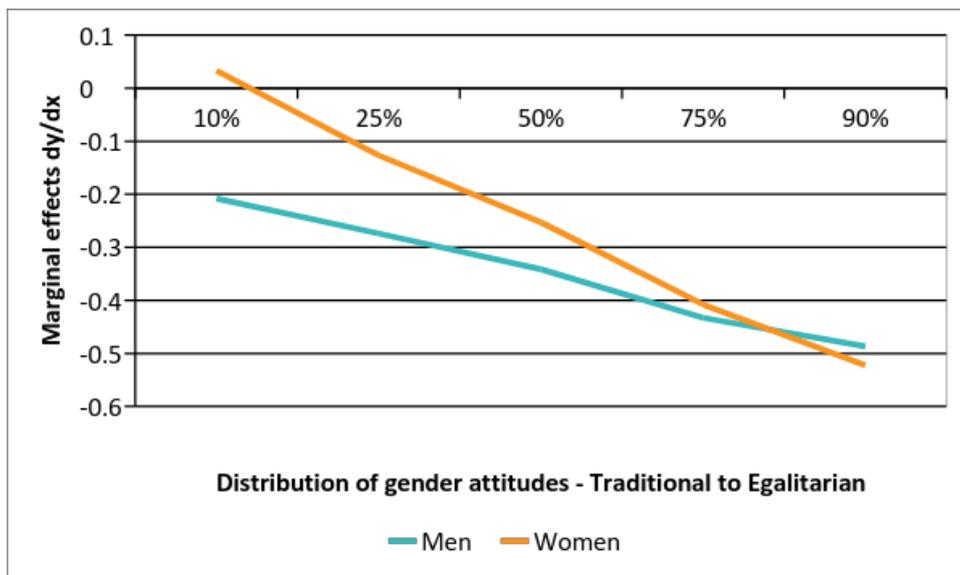
*Do attitudes towards gender roles influence the way in which men and women respond to job loss?*

Finally, we test whether job loss has a different impact on employees with more gender egalitarian attitudes compared with those who have more traditional gender attitudes (Schober and Scott 2012). We develop a continuous measure of gender values, using the responses to five questions which ask about attitudes to gender, work and family – such as ‘A pre-school child is likely to suffer if his or her mother works’, ‘Both the husband and wife should contribute to the household income’ and ‘A husband’s job is to earn money; a wife’s job is to look after the home and family’. Lower values on this scale indicate more traditional gender attitudes and higher values indicate more gender egalitarian attitudes. Women are more likely to have gender egalitarian attitudes: not only

do women in employment hold more gender egalitarian views than women who become unemployed, but, on average, those women who are unemployed also have more gender egalitarian views than men.

We illustrate our results by comparing the impact of a job loss on life satisfaction for women across the range of gender attitudes – from those with more traditional gender attitudes to those with more gender egalitarian attitudes. Figure 3 shows this range, going from those reporting the lowest 10% of scores (very traditional attitudes) to those reporting the highest 10% of scores (labelled 90% in the Figure, very egalitarian attitudes). For both men and women in employment, life satisfaction is higher for those with more gender egalitarian attitudes. Job loss is associated with lower life satisfaction for men and women, an effect which is stronger for those with more egalitarian gender values – significantly so for women. For men, there is a relatively small difference in the loss of life satisfaction associated with a job loss between those with traditional or egalitarian attitudes – perhaps this is because work has always been part of men's social identity, regardless of whether they hold an egalitarian or traditional attitudes, or have strong or weak work identity. This is not true for women. For those women with the most traditional gender values the impact of job loss on life satisfaction is positive – their life satisfaction actually increases very slightly – whereas for women with the most egalitarian gender attitudes there is not only a loss in life satisfaction but it is greater than the average loss for men.

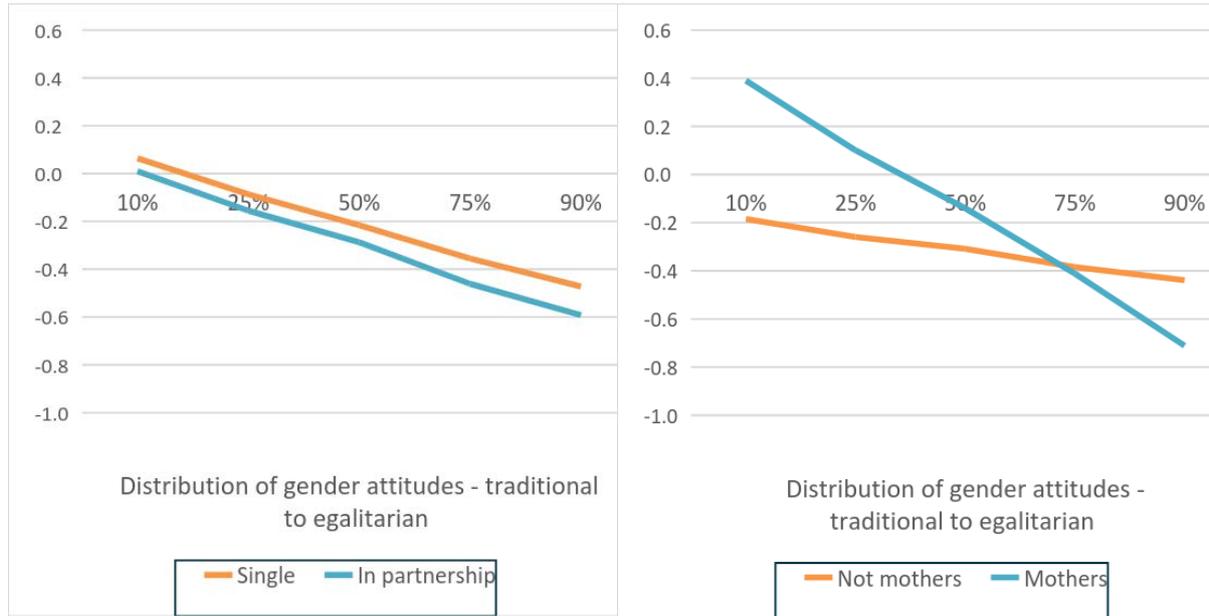
**Figure 3 – The impact of gender attitudes and job loss on life satisfaction**



Note: These illustrate the effect of job loss on current life satisfaction (at time  $t$ ), relative to previous levels of life satisfaction (at time  $t-1$ ), where life satisfaction is measured on a 7-point scale (1-7).

We also considered whether there are any differences in how a job loss and gender attitudes might impact upon life satisfaction for women who are single compared with those in couples, and those with and without children (see Figure 4). Being single or part of a couple did not alter our main findings, however parenthood did matter. **Life satisfaction rises for mothers with more traditional gender attitudes who lose their jobs but falls for those with more gender egalitarian views.**

**Figure 4 – The impact of parenthood, gender attitudes and job loss on life satisfaction for women**



Note: These illustrate the effect of job loss on current life satisfaction (at time t), relative to previous levels of life satisfaction (at time t-1), where life satisfaction is measured on a 7-point scale (1-7).

### Discussion and recommendations

In common with the existing literature we find gender differences in the impact of job loss on life satisfaction – the damage to wellbeing is greater for men on average. We extend upon previous studies by testing between possible explanations: different degrees of specialisation in the labour market, differences in the types of work undertaken by men and women, differences in personality traits, work or gender attitudes. Whilst factors such as type of job (occupation, hours of work, length/type of commute) and personality types all influence levels of life satisfaction – we do not find evidence that the experience of job loss differs by job or personality type. There is evidence not only that levels of life satisfaction are higher for those in continued employment with a strong work identity but also that for men, but not women, those with strong work identity cope better with job

loss. This factor provides a partial contribution to our understanding of the gender differential in the impact of job loss upon wellbeing. Furthermore, we find that for women (particularly for mothers or women in couples) the experience of job loss is much more damaging if they have gender egalitarian than if they had more traditional gender attitudes. We therefore throw light on underlying gender dynamics behind the effect of unemployment on wellbeing. *It is not all, but some, women who suffer less than men when experiencing job loss.* In other words, over time as gender norms are expected to become more egalitarian across the population (ILO, 2017), the gender difference in loss of wellbeing from job loss may disappear and the total wellbeing cost from the similar levels of job loss will be higher.

Whilst wellbeing is influenced by a range of socio-demographic, job type, personality and beliefs, it is interesting that the recent experience in the UK is that the damage to wellbeing associated with job loss does not seem to depend upon the type of job lost or personality type. The experience of job loss is influenced by values and beliefs – how each individual identifies with their work – and this differs for men and women.

In terms of how this evidence may influence policy and practice, whilst recognising that unemployment is always damaging, it might inform not only the level of support given but also that the approach might be differentiated amongst the unemployed.

### **Next steps for research**

This analysis benefitted from data collected as part of the most extensive nationally representative publicly available survey – Understanding Society. In order to ensure some degree of commonality of experience, we limited our attention to 20-59 year olds (where everyone is likely to have finished their education and to exclude retirees) and on the white British majority population (avoiding issues relating to discrimination, English language difficulties and unfamiliarity with the labour market in case of immigrants). This allowed us to study the experience of 11,434 person-year observations of white majority men and 15,554 white majority women over the period 2009-2014. Because the unemployment rate in the UK has remained relatively low, the experience of unemployment is relatively uncommon and from our sample only 257 white majority men and 239 white majority women experienced employment-unemployment transitions. Despite the large scale of Understanding Society, the non-white population is relatively small and those experiencing

unemployment much smaller still (151) and so it is not possible to undertake a comparable analysis of the differentiated experience of unemployment amongst ethnic groups. This is an obvious next step. A study of this sort not only requires large scale longitudinal data – to capture the experience of unemployment – but also the survey needs to measure wellbeing. It is possible that the longitudinal LFS data would capture large enough samples of non-white workers but the data which is currently in the public domain does not include the wellbeing indicators.

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