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Part-time employment in London

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Executive summary

This note looks at how part-time jobs in London have fared over the recent past. It also aims to understand why part-time employment is less prevalent in the capital than the UK as whole. In doing so, “place effects” (i.e. London-specific factors, such as the structure of the economy) and “people effects” (i.e. individual-specific factors, such as gender, and parental status) are considered.

Since the financial crisis in 2008, the growth in the number of jobs in London (+12.4 per cent) has exceeded that in the UK overall (+4.2 per cent), with a particularly strong increase in part-time jobs (+23.0 per cent, reaching 1,583,000 in Q3 2014, *versus* +8.7 per cent to 3,991,000 in the UK). Indeed, since Q3 1996 the growth in part-time jobs has exceeded that of full-time jobs, albeit starting from a relatively low base. Nevertheless, the share of jobs which are part-time in London is lower than that in the UK (although the gap has narrowed somewhat in recent history to stand at 4.4 percentage points in Q3 2014).

One common explanation for the lower share of part-time jobs in London as compared to the UK is the differing industry and occupational mixes within the respective economies. Analysis in this report suggests that the occupational composition in London accounts for just over a third of the reason for the lower share of part-time jobs in London. The differing occupational structures, therefore, only partially explains the gap.

In Q3 2014, 66.1 per cent of part-time jobs in London were taken by women. However, this share remains below the 70.6 per cent in the UK and, since Q3 1996, much of the increase in part-time jobs in London has been amongst men. To understand why this is, this note also looks at employment rates between genders and by parental status.

Historically, London’s employment rate has been below that of the rest of the UK, and, although this has narrowed in recent history it still remains true. In 2013, London had an employment rate of 70.1 per cent, 1.4 percentage points lower than the rest of the UK. This gap is driven by differences in the employment rate amongst women (4.0 percentage point gap) particularly those working part-time (7.9 percentage points gap). The employment rate gap is even starker when comparing women with dependent children – in 2013, 59.9 per cent of women with dependent children in London were employed, 8.9 percentage points lower than for the rest of the UK, despite a 6.6 percentage point rise since 2007.

These findings suggest that it is necessary to get a better understanding of the reasons why women with dependent children have a lower employment rate in London – with regard, in particular, to *part-time* employment. To do so, this paper explores different factors which could be behind these differences. With regard to *London-specific factors*, these include the higher costs of living in London as well as direct and indirect commuting costs. As far as *individual characteristics* are concerned, factors include a more ethnically diverse population and a greater incidence of people with characteristics associated with lower employment rates in London. Finally, other *factors on the demand side*, which prevent businesses in London from offering part-time jobs, may also be adding to the problem.

However, there has been relatively little research to date which examines the relative importance of individual characteristics and London-related factors; and so this will be the focus of future GLA Economics work.

1. Introduction

The aim of this note is to analyse the performance of part-time employment in London since the financial crisis in 2008 and to compare this with the UK¹. The analysis also looks at gender-specific differences in the take-up of part-time jobs and at parental employment.

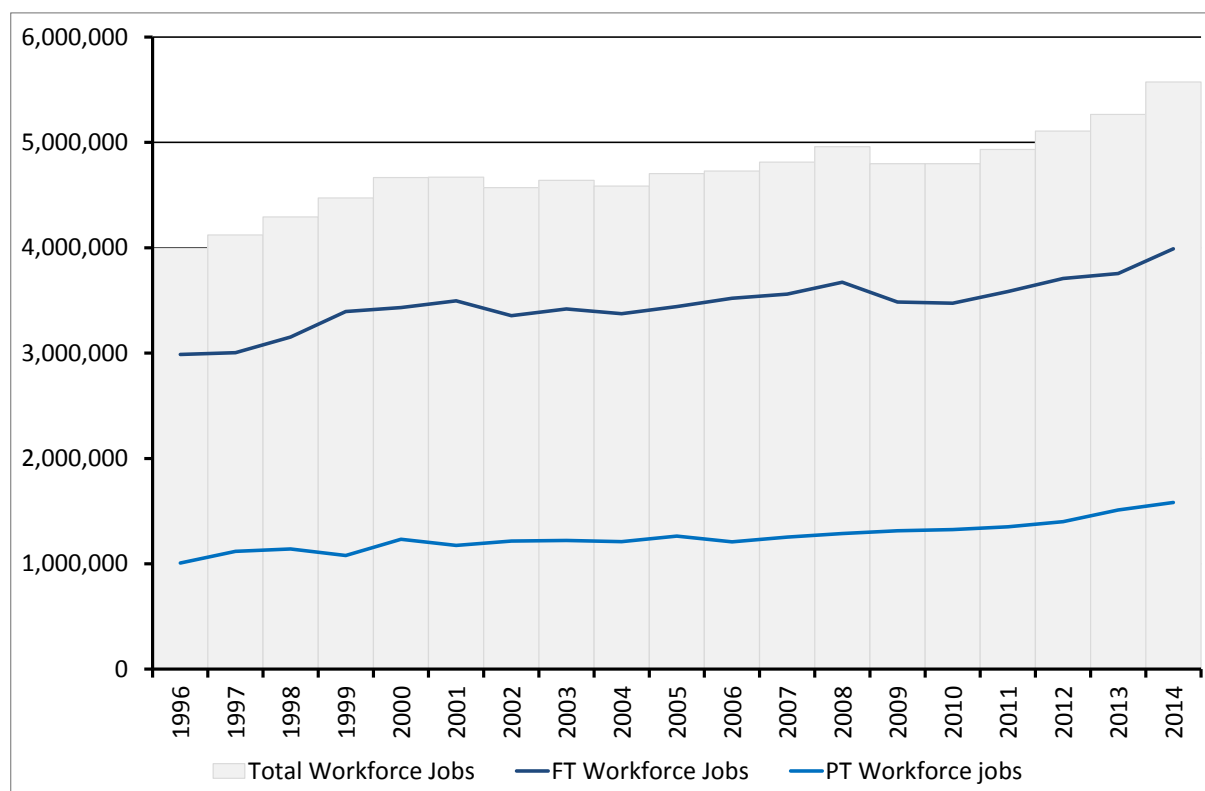
This note is structured as follows. The first section describes how part-time employment in London has fared in the recent past, and in particular after the recent downturn. Data is presented by industry of employment and by occupation. The second section focuses on gender, with respect to the numbers working part-time in London compared to the UK. The paper also looks at differences between parents and non-parents working part-time. This section concludes with a brief survey of other research into the reasons why people may not take up part-time employment in London. The last section closes with a summary of the main findings emerging from the analysis.

¹ Note that in Section 1 and Section 2 we compare London with the UK. But in Section 3 (which focuses on parenting and gender-specific differences in part-time employment) we compare London with the *rest of* the UK (meaning London is removed from the UK figures).

2. Part-time employment in London over the recovery²

Since Q3 1996³, the total number of workforce jobs in London has increased by 39.5 per cent to 5,574,000 (Q3 2014); in the UK, workforce jobs have increased significantly less, by 18.5 per cent (to 33,488,000). In the more recent period, commencing in Q3 2008, the growth of workforce jobs in London has also surpassed that in the UK (12.4 per cent *versus* 4.2 per cent). Figure 1 and Figure 2 show these data.

Figure 1: Workforce jobs in London (1996-2014)

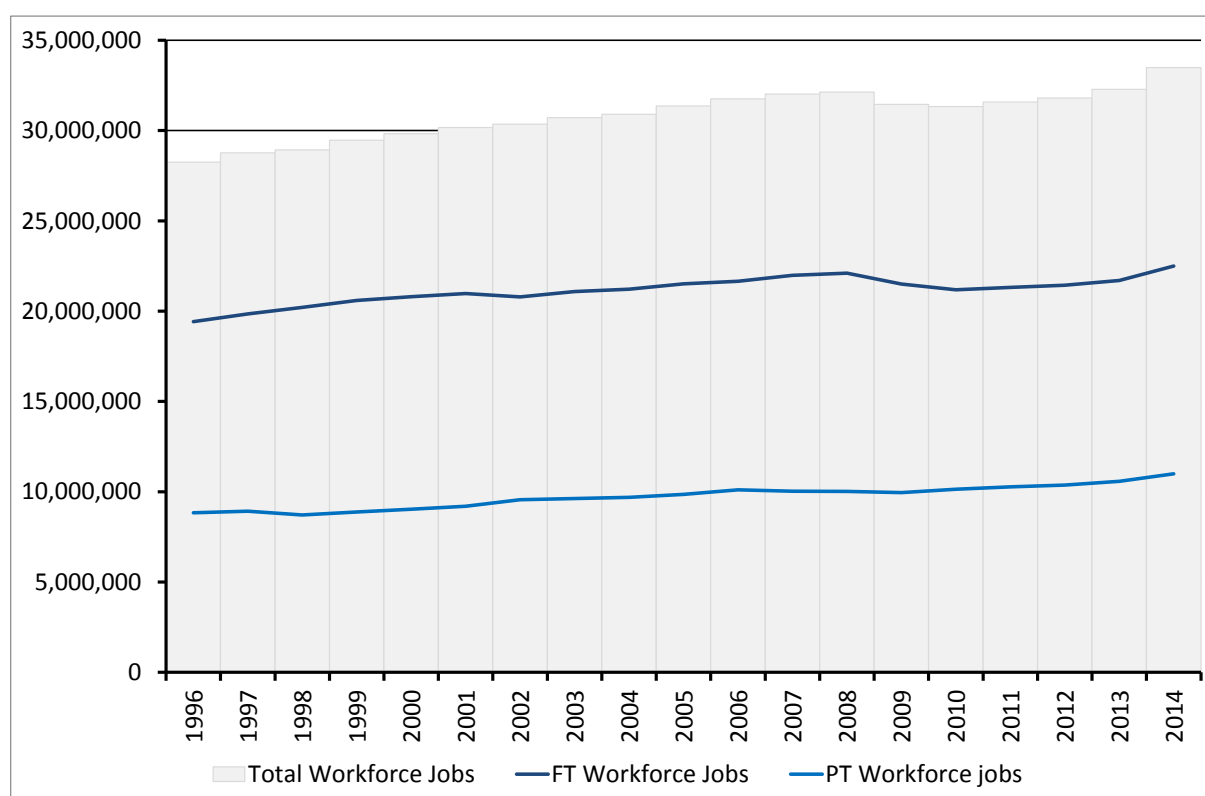


Source: ONS Workforce Jobs series, Nomis

² The data in this section, unless otherwise stated, are based on the ONS Workforce Jobs (not seasonally adjusted) series, Q3 1996 to Q3 2014, accessed via NOMIS.

³ Data on Workforce Jobs are for Q3 in the year reported (rather than annual averages to Q3).

Figure 2: Workforce jobs in the UK (1996-2014)



Source: ONS Workforce Jobs series, Nomis

Both in London and the UK, the growth of part-time jobs since 1996 has exceeded that of full-time jobs (in London, by 57.2 per cent *versus* 33.6 per cent and in the UK by 24.4 per cent *versus* 15.8 per cent). This is a trend that has continued in the more recent history, since the financial crisis. In London the respective growth in part-time and full-time jobs was 23.0 per cent and 8.7 per cent respectively (reaching 1,583,000 and 3,991,000 respectively). The biggest annual increase in workforce jobs occurred in the year to Q3 2014 (+5.9 per cent). This was driven by full-time jobs which grew at their fastest rate (+6.3 per cent) since the financial crisis. However, the biggest annual increase in part-time jobs in London occurred in the year to Q3 2013 (+7.9 per cent).

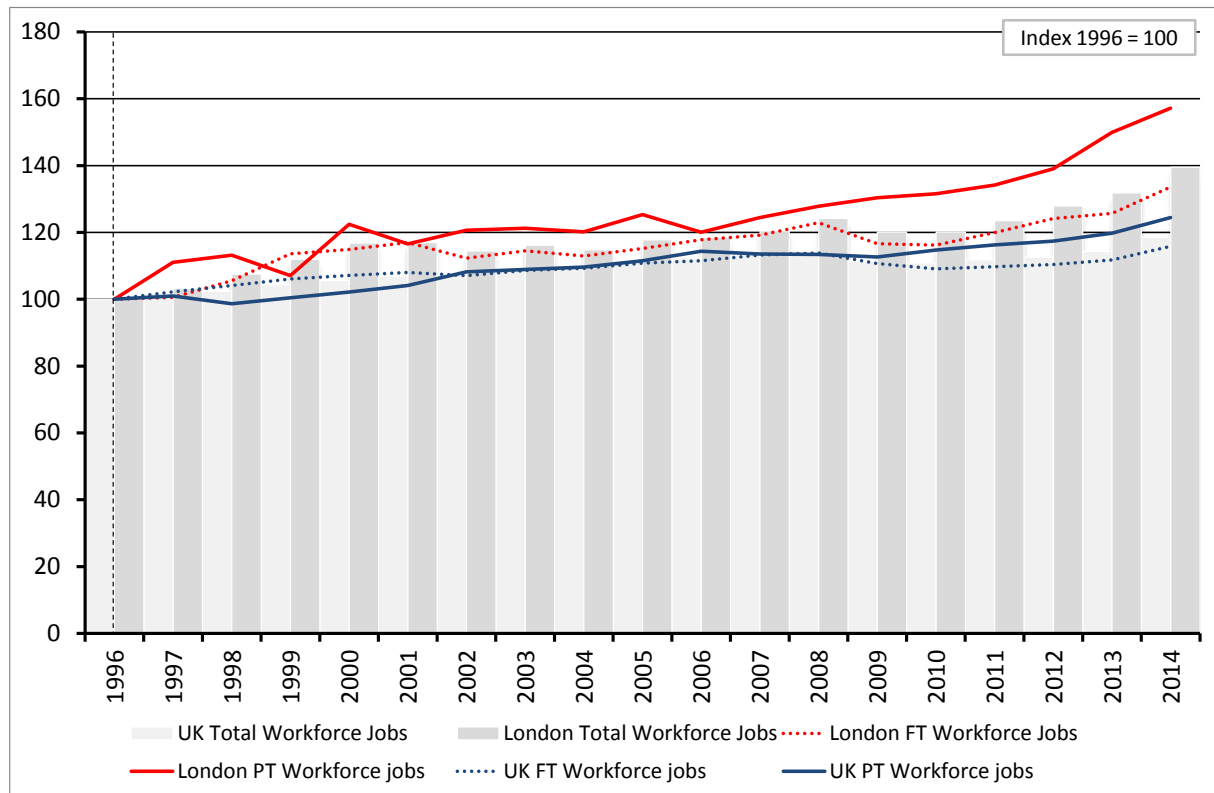
In the UK, in the period commencing in the third quarter of 2008, growth in jobs has not been as strong as in London, with full-time jobs growing by 1.8 per cent (to 22,493,000), and part-time jobs by 9.7 per cent (to 10,995,000).

The number of part-time jobs rose consistently in most years since 2008. By contrast, the number of full-time jobs (both in London and in the UK) fell in the early part of the downturn but has since recovered, growing at around the same rate as part-time jobs⁴.

⁴ According to the ONS Workforce Jobs data, the average annual employment growth over the period 2012-14 was 3.7 per cent for full-time employment and 5.4 per cent for part-time employment in London; in the UK, the average annual employment growth over the same period was 1.8 per cent for full-time employment and 2.3 per cent for part-time employment.

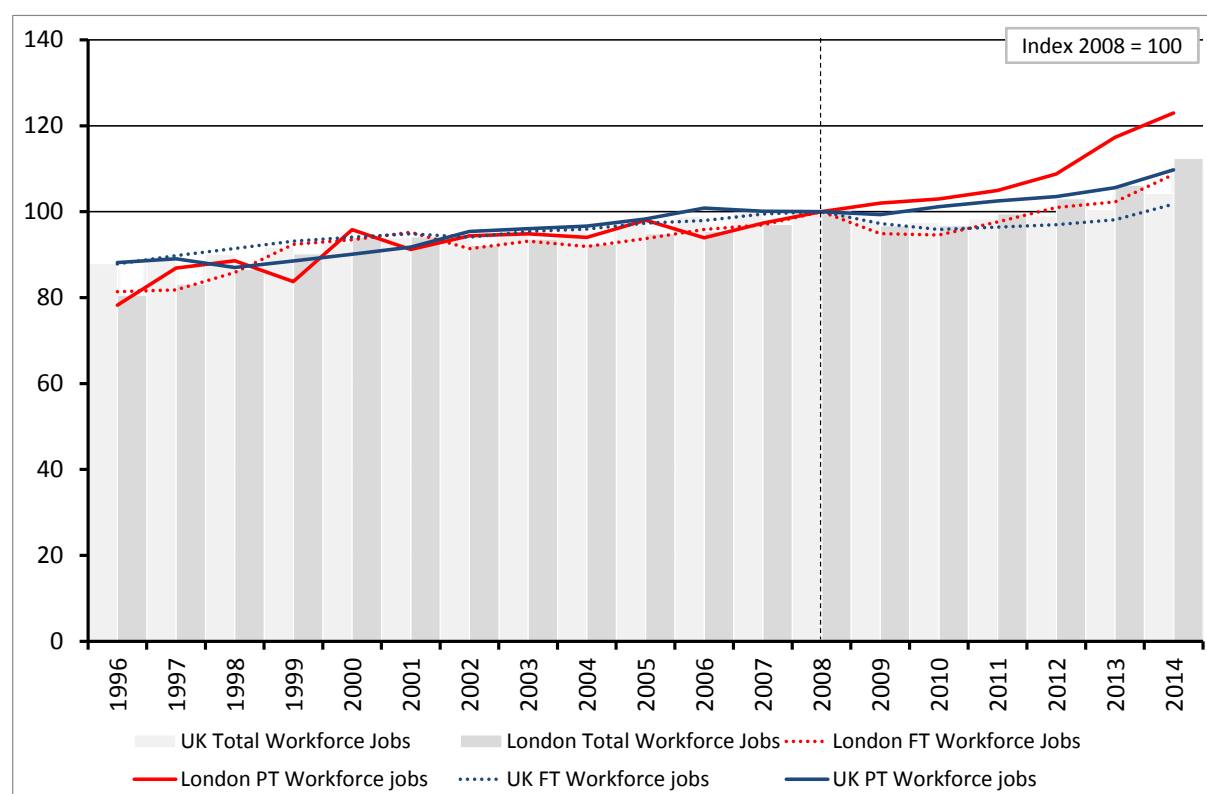
As shown in Figure 3 and Figure 4, using, respectively, the 1996 and 2008 level of workforce jobs as baseline, the growth in part-time jobs has been relatively strong in London, as compared to growth in full-time jobs.

Figure 3: Growth in part-time and full-time workforce jobs in London and in the UK, index 1996=100 (1996-2014)



Source: GLA Economics calculations based on ONS Workforce Jobs series, Nomis

Figure 4: Growth in part-time and full-time workforce jobs in London and in the UK, index 2008=100 (1996-2014)

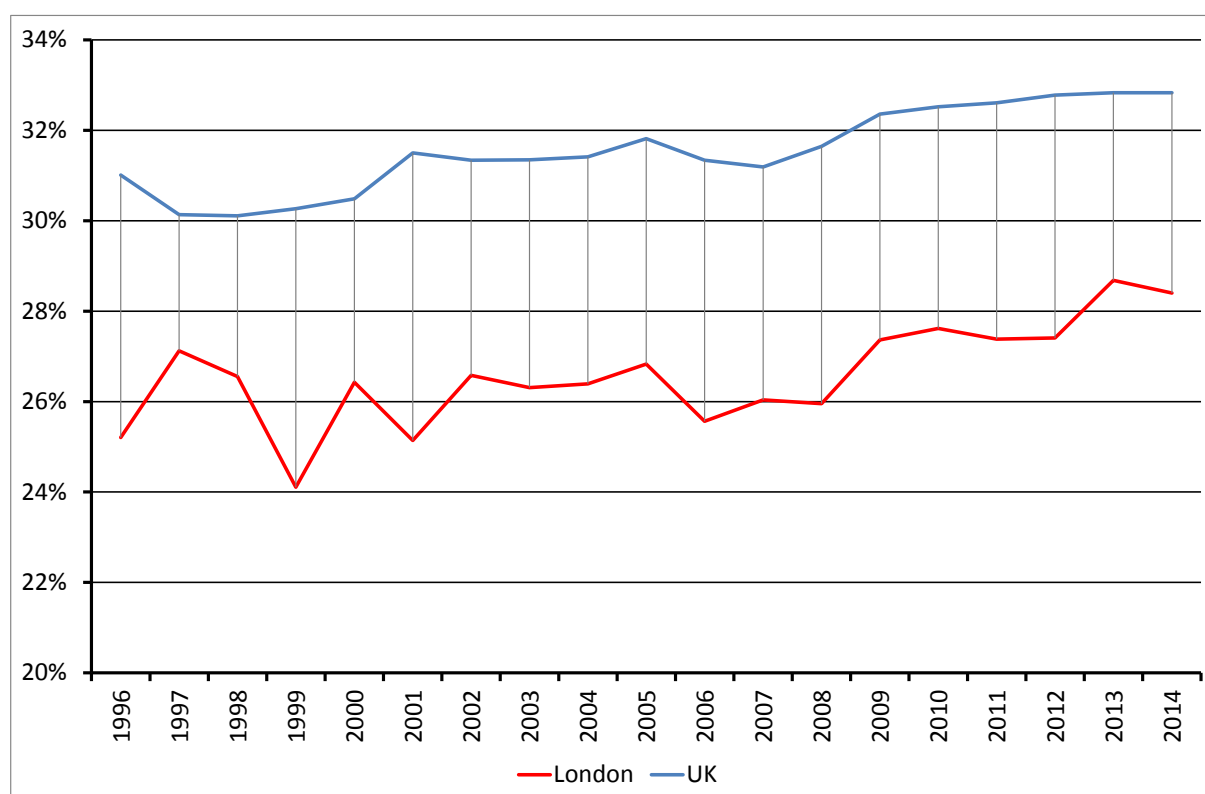


Source: GLA Economics calculations based on ONS Workforce Jobs series, Nomis

The share of part-time employment in London is lower than in the UK⁵. But, with the recent strength of part-time jobs shown above, the gap has been closing (see Figure 5). In the three months to September 2014, the gap in the share of part-time employment in London *versus* the UK was equal to 4.4 percentage points – a 0.8 percentage point decline since the peak of 5.2 per cent in Q3 2008.

⁵ Please note that, although not all jobs in London will be taken by Londoners (i.e. people commute into London for work), a large proportion of them are likely to be. For example, as shown by another piece of analysis produced by GLA Intelligence (<http://data.london.gov.uk/datastorefiles/documents/2011-census-distance-travelled.pdf>) that uses Census 2011 data, in London, people working less hours (i.e. part-time) are more likely to have a short commute. Therefore, we can assume that a large proportion of the part-time jobs are likely to be taken by Londoners, rather than by people commuting into London.

Figure 5: The London-UK gap in part-time employment, as share of total employment (1996-2014)



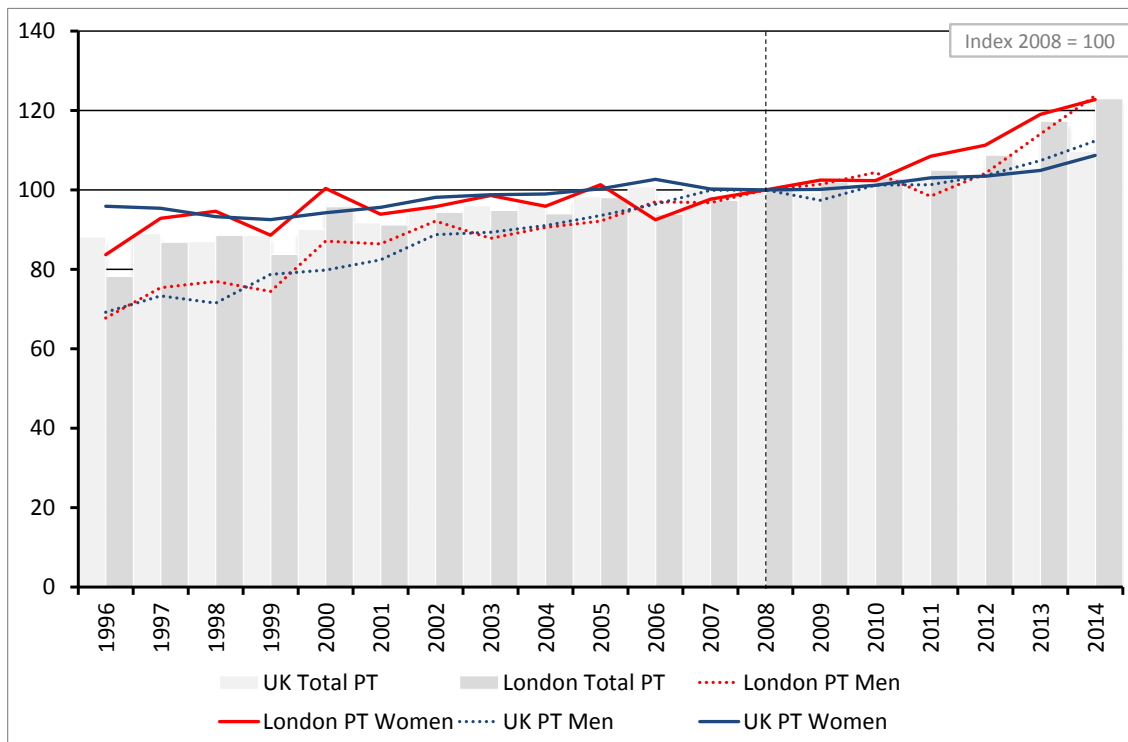
Source: GLA Economics calculations based on ONS Workforce Jobs series, Nomis

2.1 Part-time employment by gender

Disaggregating the increase in part-time jobs by gender shows a mixed picture. Over the longer period from Q3 1996, the share of the increase in the total number of part-time jobs in London taken by women was greater than that taken by men (57.8 per cent *versus* 42.2 per cent). However, over this period, the number of part-time jobs taken by men increased by 82.7 per cent and those taken by women by 46.7 per cent only. But in the more recent period from 2008, it has been much more balanced: the number of part-time jobs in London taken by women has risen by 22.8 per cent, slightly less than the rise in the number taken by men (+23.7 per cent). However, in the year to Q3 2014, the distribution of the growth between men and women appears to have reverted to the longer-term trend. The number of part-time jobs taken by male Londoners increased by 8.5 per cent, whereas the increase registered for women was lower at 3.2 per cent. In contrast, in the UK as a whole, the increase has been more balanced between genders since 2008, with female part-time jobs increasing by 8.7 per cent and male part-time jobs by 12.3 per cent.

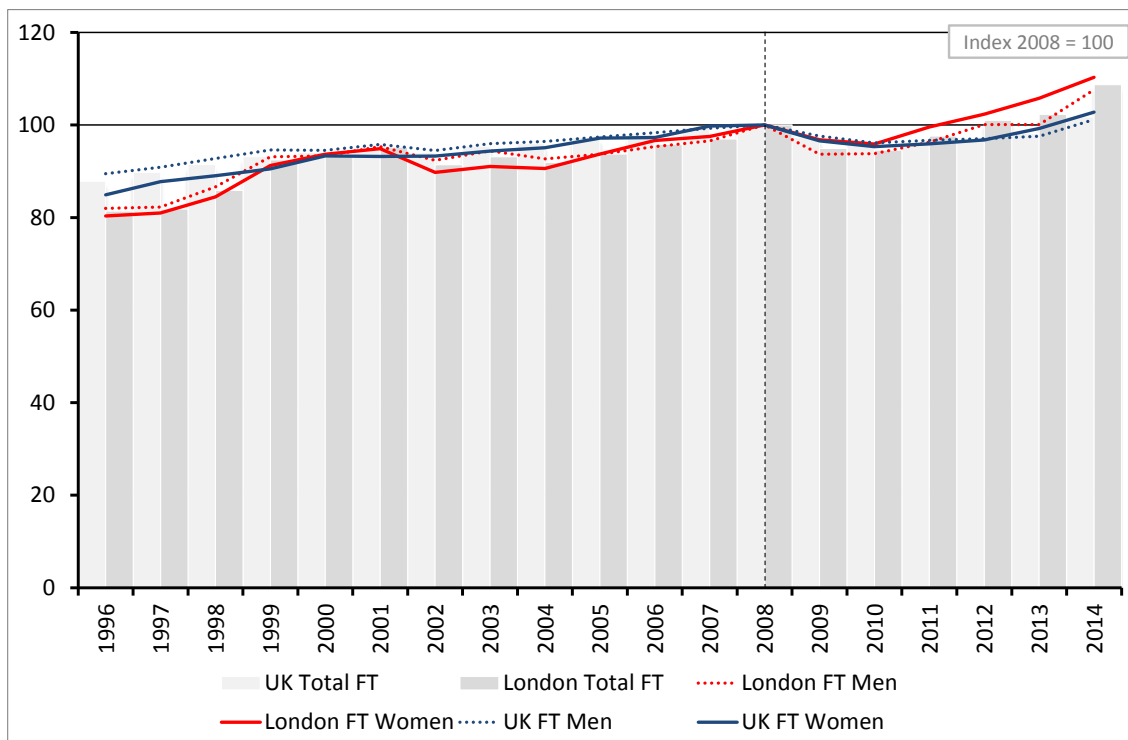
Figure 6 and Figure 7 show the increase in full-time and part-time jobs by gender in London and in the UK, using Q3 2008 as baseline.

Figure 6: Growth in part-time workforce jobs in London and in the UK, index 2008=100, (1996-2014)



Source: GLA Economics calculations based on ONS Workforce Jobs series, Nomis

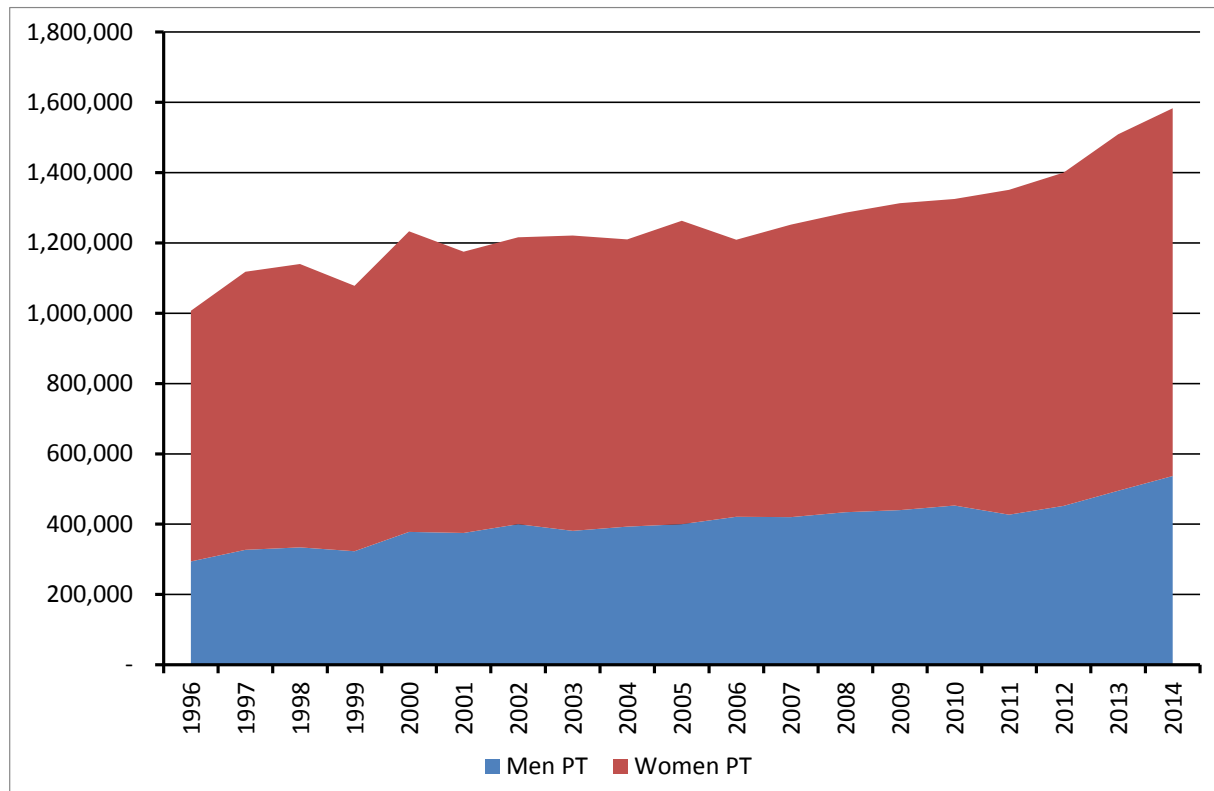
Figure 7: Growth in full-time workforce jobs in London and in the UK, index 2008=100, (1996-2014)



Source: GLA Economics calculations based on ONS Workforce Jobs series, Nomis

Looking at the stock of part-time jobs rather than the increase, in 2008, 66.2 per cent of these jobs in London were taken by women. The latest data (Q3 2014) shows a slight decrease, of 0.1 percentage points (to 66.1 per cent). In the UK, although this proportion is higher, it has recently shown a slight decrease; the proportion of part-time jobs in the UK taken by women decreased by 0.7 percentage points from the 2008 share of 71.3 per cent of part-time jobs to 70.6 per cent (Q3 2014). Figure 8 and Figure 9 show the gender split of full-time and part-time workforce jobs in London⁶, and how this has changed overtime.

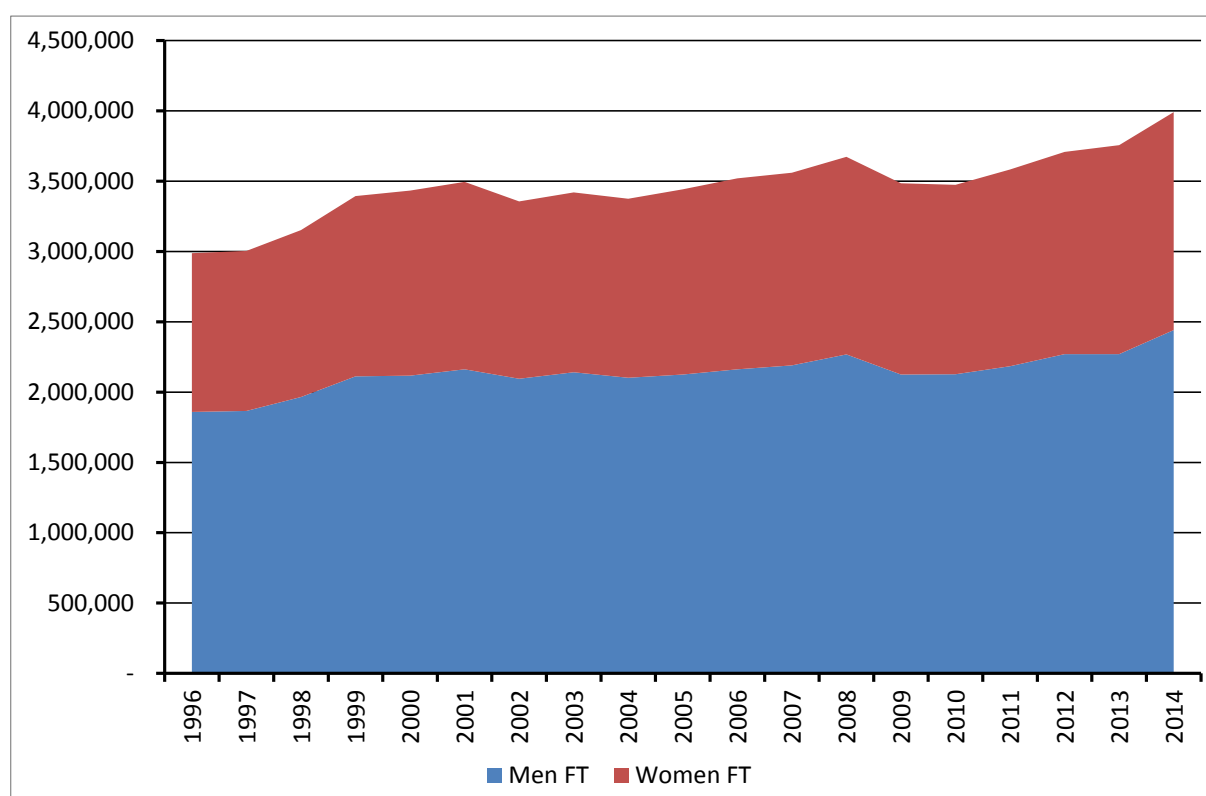
Figure 8: Part-time jobs in London by gender (1996-2014)



Source: ONS Workforce Jobs series, Nomis

⁶ Equivalent charts for the UK are available at Appendix A.

Figure 9: Full-time jobs in London by gender (1996-2014)



Source: ONS Workforce Jobs series, Nomis

2.2 Part-time employment by industry and by occupation

One possible reason for the changes over time and the UK and London differences shown in the preceding sections may be due to changing and differing industry and occupational mixes within the respective economies. This section, therefore, looks at trends in workforce jobs by industry and occupation.

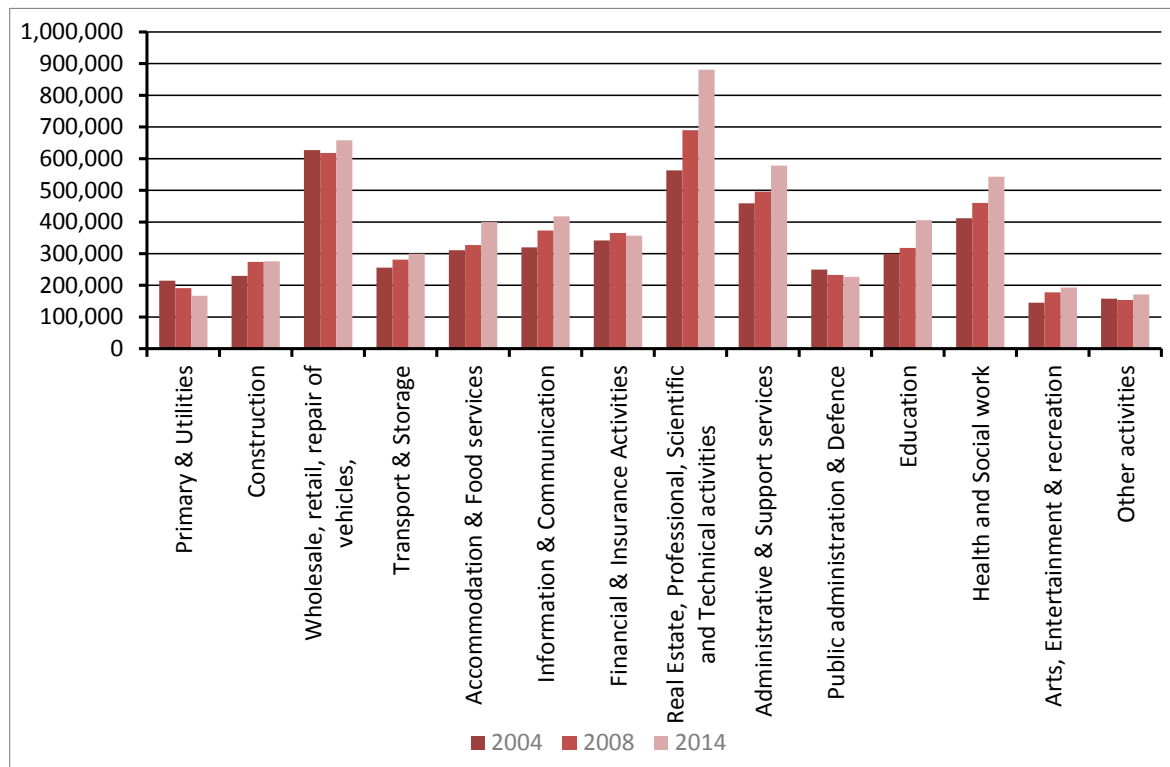
The sectors of the London's economy which have seen the strongest growth in the number of workforce jobs since Q3 2008 are Education (+27.7 per cent); Real Estate, Professional, Scientific and Technical activities (+27.7 per cent), and Accommodation and Food services (+22.3 per cent). By contrast, three sectors - Primary and Utilities (-12.6 per cent), Public Administration and Defence (-2.6 per cent), and Financial and Insurance activities (-2.2 per cent) - saw falls.

Looking only at part-time jobs in London, the biggest increases were in Other activities (+46.8 per cent); Real Estate, Professional, Scientific and Technical Activities (+42.0 per cent); and Public Administration and Defence (+37.8 per cent). Remarkably, no sector of the London economy experienced a fall in part-time jobs over the period.

Figures 10 to 12 show the number of workforce jobs (total, part-time and full-time) in London by industry over time⁷.

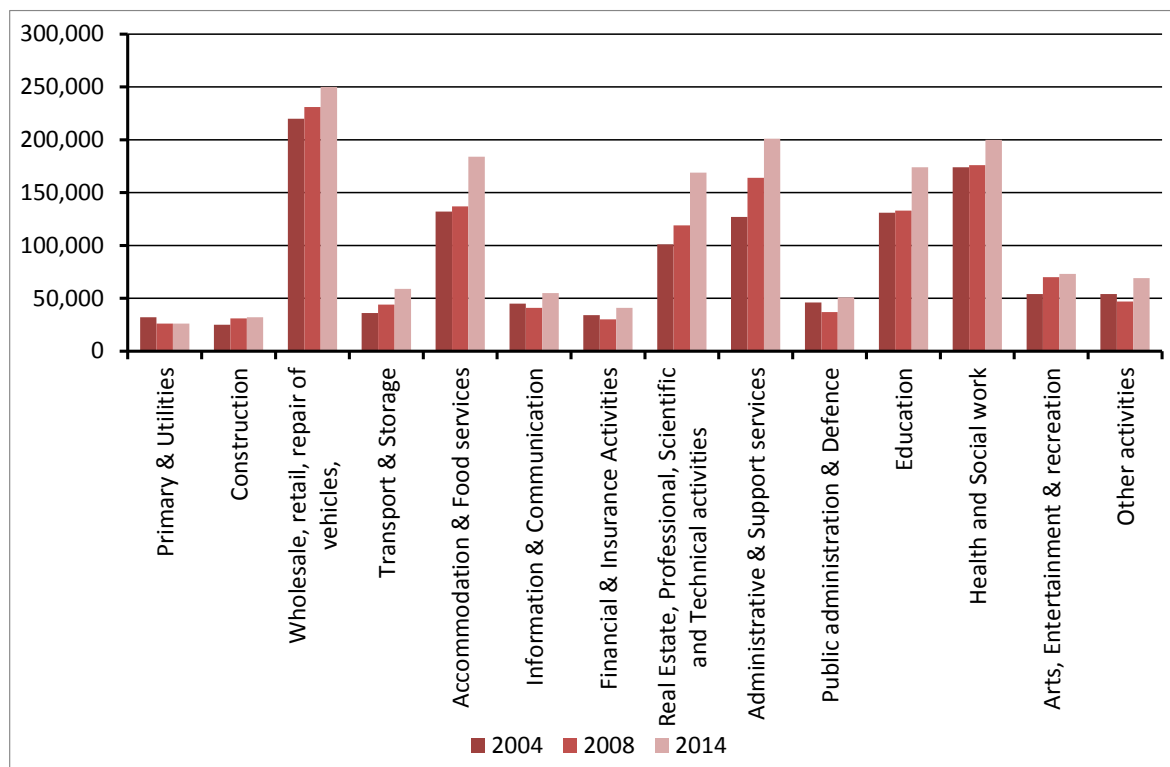
⁷ Equivalent charts for the UK are available at Appendix A.

Figure 10: Total number of workforce jobs by industry in London (2004, 2008 and 2014)



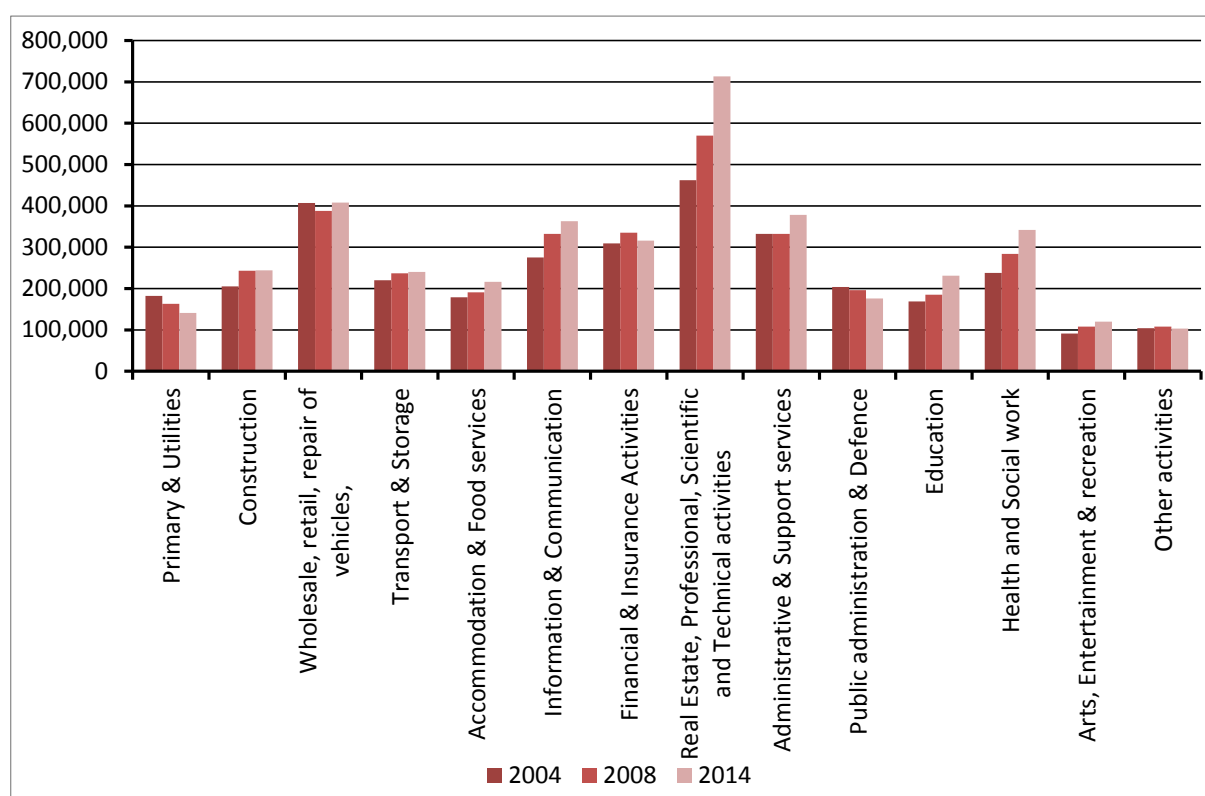
Source: ONS Workforce Jobs series, Nomis

Figure 11: Part-time workforce jobs by industry in London (2004, 2008 and 2014)



Source: ONS Workforce Jobs series, Nomis

Figure 12: Full-time workforce jobs by industry in London (2004, 2008 and 2014)



Source: ONS Workforce Jobs series, Nomis

Looking at jobs by occupations⁸, the biggest increases between 2008 and 2014 in London were registered in Professional occupations (+19.1 per cent), followed by Managerial occupations (+17.5 per cent), and Caring, Leisure and Other service occupations (+12.9 per cent) and Sales and Customer Service occupations (+10.7 per cent). By contrast, the only occupations experiencing a fall in the number of jobs were Administrative and Secretarial occupations (-11.3 per cent) and Process, Plant and Machine operatives (-3.6 per cent).

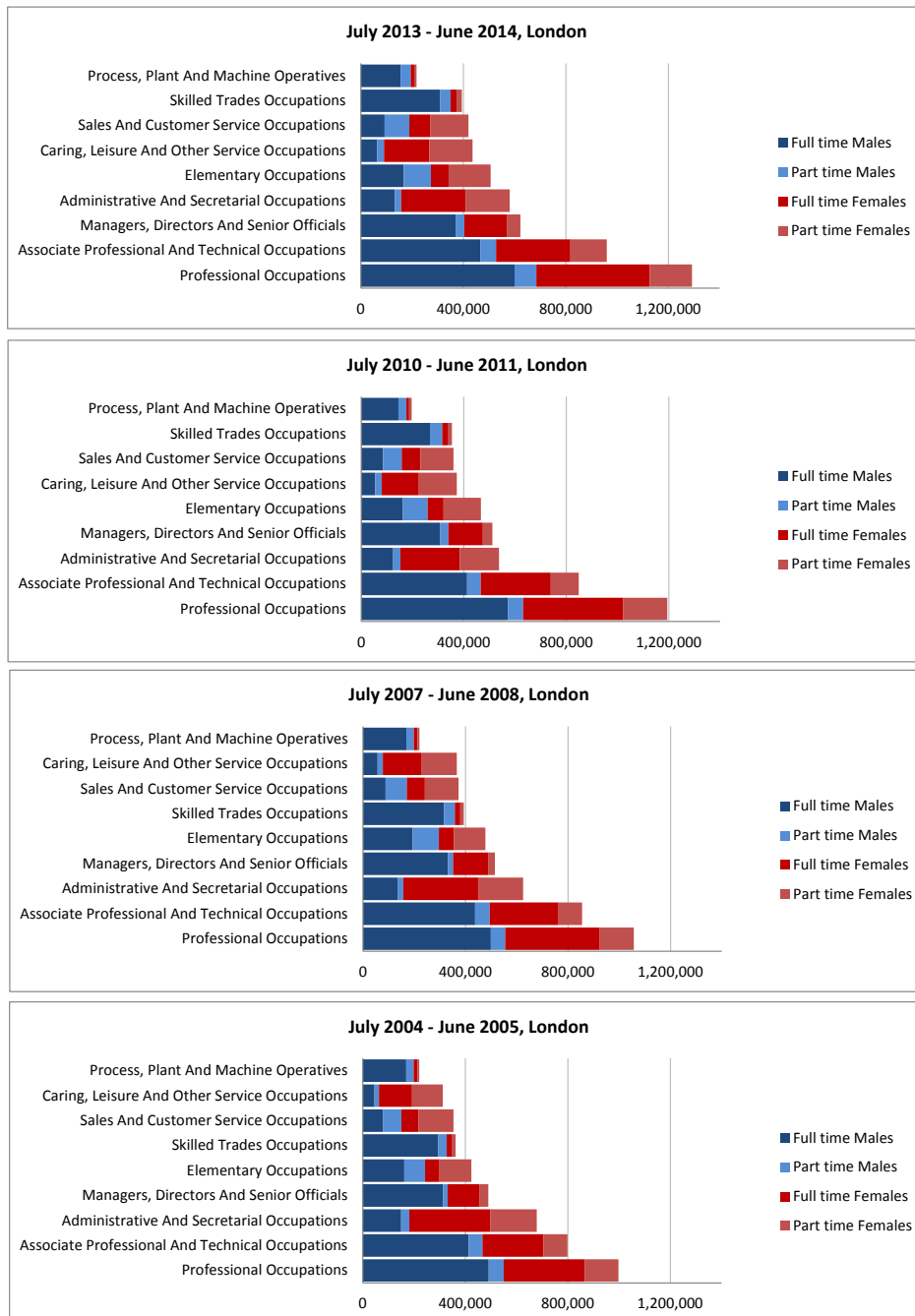
For part-time jobs, the biggest increase was in Managerial occupations (+73.0 per cent), Associate Professional and Technical occupations (+28.9 per cent) and Process, Plant and Machine operatives (+26.7 per cent).

Figure 13 shows the total number of workforce jobs by occupation, employment pattern and gender over the 2005-2014 period⁹.

⁸ Note that the ONS Workforce Jobs series does not provide a breakdown by occupation. Therefore, data for jobs by occupation are taken from the ONS Annual Population Survey (APS) in four years ending in June (2005, 2008, 2011 and 2014). In this case, we take into account both main jobs and second jobs.

⁹ Equivalent charts for the UK are available at Appendix A.

Figure 13: Jobs by occupation, employment pattern and gender, London



Source: GLA Economics calculations using ONS Annual Population Survey (APS) data, years ending in June; and ONS Workforce jobs data¹⁰

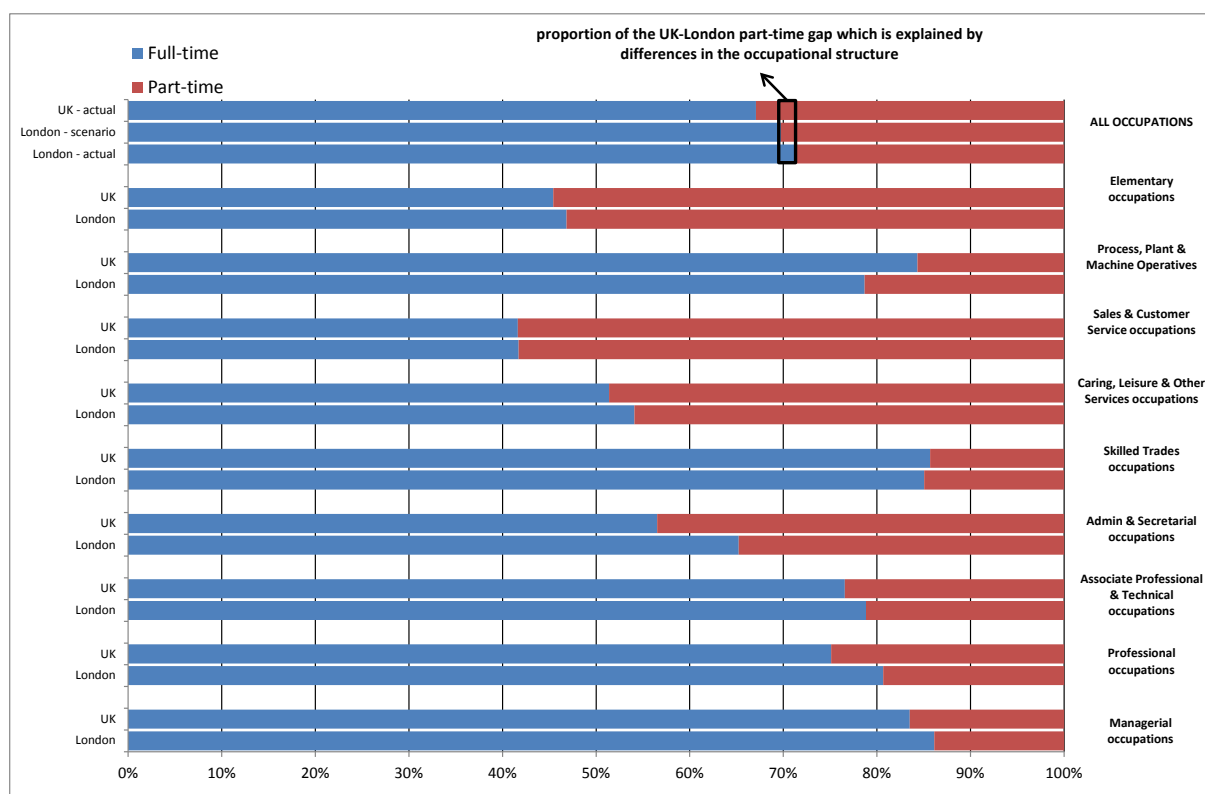
¹⁰ As previously mentioned, the ONS Workforce Jobs series does not provide us with a breakdown of jobs by occupation. Therefore, we have extracted the data on jobs (i.e. main jobs + second jobs) by occupation from the ONS Annual Population Survey (APS) for the following years: July 2013-June 2014, July 2010-June 2011, July 2007-June 2008, and July 2004-June 2005. Once the proportions of jobs by occupation, by employment pattern, and by gender were calculated, we then constrained these figures to the total number of workforce jobs by employment pattern and by gender in all of the considered years. Since the number of workforce jobs is released quarterly, we have calculated the average of workforce jobs between Q3 and Q2 of any given period of time as stated above, so that the two figures (i.e. proportions by occupation from APS and total actual figures by employment pattern and by gender from workforce jobs) could be compared with each other.

As highlighted in previous work commissioned by the Mayor of London¹¹, “The employment structure and proportion of part-time jobs within occupational structures suggests that in London, (...), a shortfall in part-time jobs roles is not unexpected given occupational trends. Central London has a higher proportion of more highly skilled occupations which have less part-time roles and a lower proportion of occupations with more part-time jobs” (p. 29).

However, even when accounting for the different occupations in London, the proportion of part-time jobs is still below what would be expected – suggesting there may be other factors unique to London that result in a lower share of part-time jobs. Figure 14 shows what the proportion of part-time jobs in London would look like if London had the same occupational structure as the UK in 2014.

¹¹ Bell, K. et al. (2012). *Driving up part-time employment in London*, published jointly by Centre for Economic and Social Inclusion, Mayor of London Enterprise Panel, and EU European Social Fund. Available at <http://www.london.gov.uk/sites/default/files/Part%20time%20Jobs%20final.pdf>

Figure 14: Share of part-time jobs across occupations in London compared to the UK and estimate of the total share of part-time jobs London would have if it had the same occupational structure as the UK, July 2013-June 2014



Source: GLA Economics calculations using ONS Annual Population Survey (APS) data, years ending in June; and ONS Workforce jobs data¹²

In 2014, the share of part-time jobs in London was equal to 28.7 per cent of all jobs; in the UK, this share was bigger, and equal to 32.9 per cent of all jobs. By applying the occupational shares of UK employment to London's total employment and applying the London full/part-time split in London across each occupation, it is estimated that in 2014 in London the share of part-time jobs would have been equal to 30.3 per cent (+1.6 percentage points compared to the actual share). This implies that London would have had around 85,000 more part-time jobs than it actually had (+5.5 per cent). In all, the different occupational structure of the London labour market accounts for 37.2 per cent of the London/UK gap in the share of part-time jobs. As such, it does not explain the gap fully. Some additional possibilities are therefore explored in the next section.

¹² See footnote 10 for more detail about the data sources used here (APS estimates were constrained to workforce jobs by employment pattern and by gender). The estimates used to construct the scenario for London were derived by applying, within each occupational category in London, the proportion of part-time and full-time jobs in each occupational category in the UK. This process allowed us to estimate how many more part-time jobs would be created in London should London and the UK have the same occupational structure (i.e. the UK occupational structure), as well as to approximate the unexplained "residual" of the gap between part-time jobs in London and in the UK.

3. Parenting and gender-specific differences in part-time employment¹³

The previous section demonstrated that despite women having the lion's share of part-time jobs in London, the biggest increase in the take-up of part-time jobs, since Q3 1996, was experienced by men rather than by women. However, in the more recent past, neither London nor the whole of the country experienced a significant change in the split of part-time jobs between men and women.

This section will first analyse in more depth the employment rate of women in London as compared with that of women in the *rest of the UK*¹⁴. Then, it considers some of the factors that might lie behind these differences in employment rates.

In the year to December 2013¹⁵, the employment rate in London was 70.1 per cent, an increase of 2.1 percentage points over the year and of 1.2 percentage points compared to 2007. The rest of the UK reported an employment rate of 71.5 per cent in 2013, down by 1.4 percentage points since the pre-financial crisis period (2007). This is consistent with the trend since at least the early 1990s, which shows that employment rates in London have been lower than those in the rest of the UK (although the gap has narrowed recently).

Both in London and in the rest of the UK, female employment rates have historically been lower than male employment rates¹⁶. In 2013, 62.9 per cent of women in London were employed, compared to 66.9 per cent of women in the rest of the UK. Thus, the gap in female employment rates equated to 4 percentage points in 2013. Additionally, if we restrict our comparison to employment rates of women with dependent children¹⁷, the gap becomes even wider. In 2013, 59.9 per cent of female parents in London were employed, compared to 68.8 per cent in the rest of the UK. However, the London-rest of the UK gap in the employment rates of women with children has been closing since 2007; in 2007 this gap equated to 16.7 percentage points, whereas in 2013 it was 8.9 percentage points.

At least some of the gap between female employment rates in London *versus* the rest of the UK reflects differences in part-time employment rates for women. In 2013, in the rest of the UK 28.7 per cent of women were employed part-time. In London, the equivalent figure was lower at 20.8 per cent. This difference is even greater when looking at the employment rates for women with dependent children working part-time. In London 27.1 per cent of women with dependent children work part-time; in the rest of the UK this is 36.8 per cent. Figure 15 shows the trend in female part-time employment in London and in the rest of the UK over the period 2007–2013.

¹³ Data in this section, unless otherwise stated, is taken from the ONS Quarterly Households Labour Force Survey (LFS). Because the data is not seasonally adjusted, and because data availability is limited to specific quarters, we have used the October to December quarter for the years 2007, 2009, 2011 and 2013. All datasets were weighted by Family Unit rather than Household.

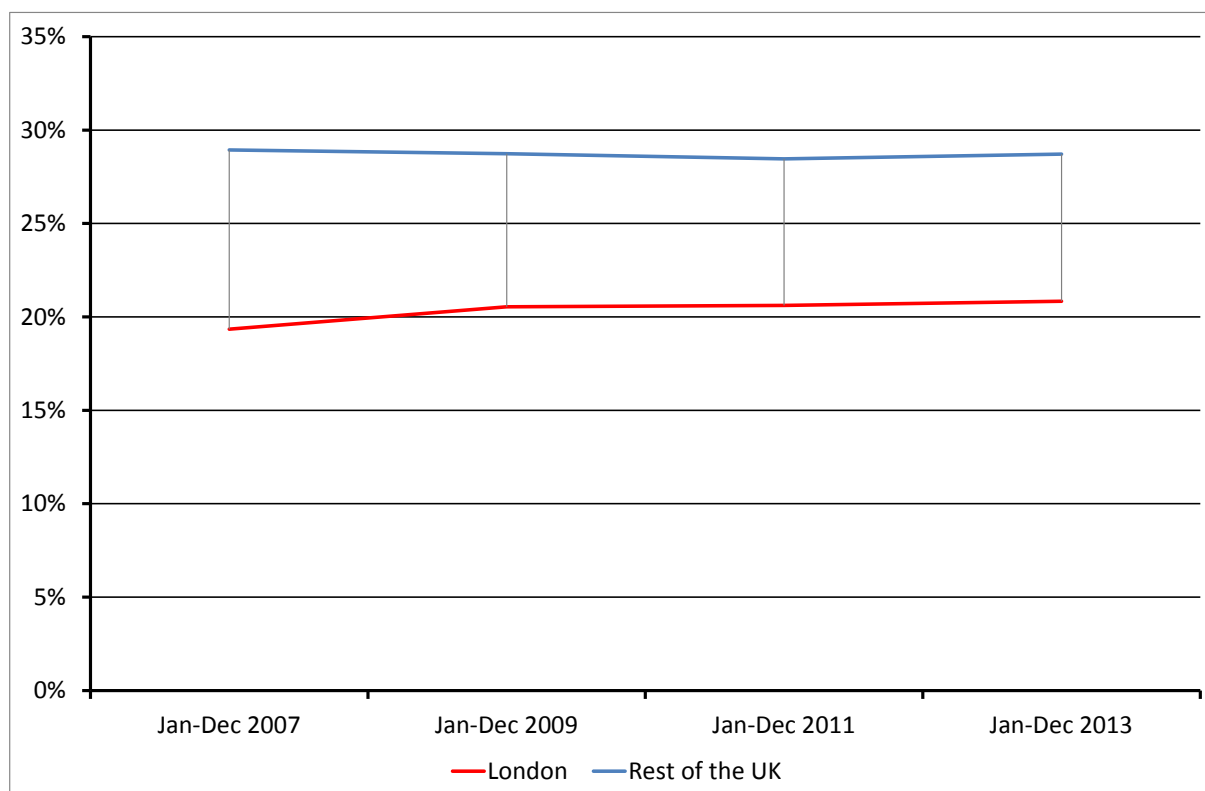
¹⁴ Please see footnote 1 for further explanation.

¹⁵ Calculations use ONS Annual Population Survey (APS) data, January–December 2007, 2009, 2011 and 2013.

¹⁶ For data on male employment rates by employment pattern, as well as for data on the employment rates of male parents, please see Appendix B.

¹⁷ These figures were calculated using ONS Quarterly Household Labour Force Survey (LFS) data, October–December 2007, 2009, 2011 and 2013.

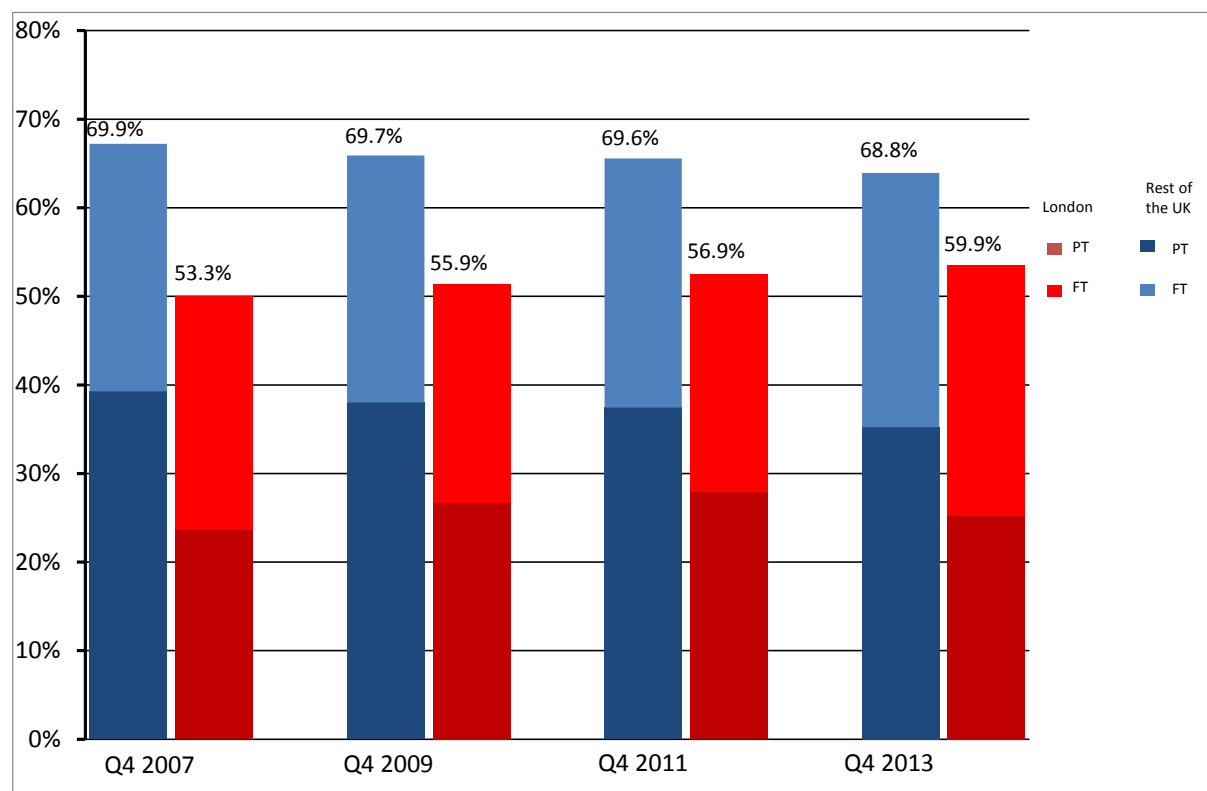
Figure 15: Employment rates of women working part-time: London and the rest of the UK (2007-2013)



Source: GLA Economics calculations using ONS Annual Population Survey (APS) data, years ending December

Figure 16 compares the employment rates of female parents in London and in the rest of the UK, and also provides a breakdown by employment patterns.

Figure 16: Employment rates of female parents by employment pattern in London and in the Rest of the UK (2007-2013)



Source: GLA Economics calculations using ONS Quarterly Households Labour Force Survey (LFS) data, October-December

To sum up¹⁸, a lower proportion of women in London than in the rest of the UK work and the gap is wider still for women with dependent children. Therefore, in order to understand the reasons why London's employment rate is lower than that for the rest of the UK, it is important to understand the reasons why women with dependent children have a lower employment rate in London – with regard, in particular, to *part-time* employment.

In order to do this, it is necessary to understand both London-specific factors (e.g. cost of living differences) and individual characteristics (e.g. cultural differences) that may be behind the relatively low rate of part-time employment for women (and particularly parents) in London. Many of these factors have been previously analysed (although rarely in conjunction, in order to disaggregate the impact of each) and include the following:

Composition of the London population

Previous studies¹⁹ have shown that, while the gender balance of the workless population (i.e. all those not in employment) is similar in London to that in the rest of the country, the ethnic diversity is different. Indeed, ethnic minorities have lower employment rates across the whole country; nonetheless, because of the higher concentration of different ethnicities in London,

¹⁸ Appendix C has a summary table with all the data mentioned in this section.

¹⁹ Meadows, P. (2006). *Worklessness in London. Explaining the differences between London and the UK*, GLA Economics working paper 15, available at http://www.london.gov.uk/mayor/economic_unit/docs/wp15_worklessness_in_london.pdf
HM Treasury (2007). *Employment opportunity for all: tackling worklessness in London*, available at http://news.bbc.co.uk/1/shared/bsp/hi/pdfs/21_03_07_employment.pdf

the impact on London's employment rate might well be greater than anywhere else in the country. Therefore, as suggested by Meadows²⁰, certain characteristics (e.g. BAME, lone parents, women) impact on people's likelihood of being in employment and might play a more important role in London than anywhere else in the country.

High living costs in London

Higher living costs in London lower the disposable income available to workers in the capital. This may mean that work is less attractive for some workers in London when compared to work in the rest of the UK. One such cost is childcare: London and the South East are the most expensive regions when it comes to childcare costs. Figures from the Daycare Trust show that nursery costs for a child under two years of age in London are 28 per cent higher than the British average²¹. These costs contribute towards higher opportunity costs from working²² for parents.

Direct and indirect costs of commuting

Travelling to work is likely to play an important role in preventing people (and people with dependent children in particular) from taking part-time jobs. Both direct travel costs and time costs need to be taken into account. The Census 2011 showed that the higher the qualification level held by Londoners, the longer their journey time to work. Those working part-time are 8 percentage points more likely to have a commute of less than 5 kilometres than those working full-time. Female part-time workers are 13 percentage points more likely to travel less than 5 kilometres to work than male part-time workers²³. However, the Census 2011 also showed that for Londoners the most common mode of commuting is public transport. This implies a longer average journey time – even for shorter distances – as compared to workers in England and Wales, where the great majority (54.4 per cent) commutes by car or van – only 8.7 per cent of people in England and Wales commute by public transport (*versus* 34.6 per cent in London). It is therefore reasonable to assume that although part-time workers in London tend to travel a shorter distance they have longer journey times relative to the distance travelled, as compared to their counterparts in the rest of the UK. To conclude, the costs of travelling to work are likely to be higher in London than elsewhere in the UK; the choice of whether to work part-time needs to factor in higher opportunity costs from working as compared to those working full-time; longer journey times mean subtracting time from other important activities such as childcare and, because this is more expensive in London, it may well not pay for some to take a part-time job.

Impact of the national tax and benefit framework

Given that the current benefits system operates on a national basis, the tax and benefit framework does not directly recognise the higher costs of living in London. Therefore, national measures aimed at “topping-up” wages of those in need are unlikely to be as effective in

²⁰ See footnote 24.

²¹ Rutter, J. and Stocker, K. (2014). *Childcare Costs Survey 2014*. Daycare Trust, available at <http://www.familyandchildcaretrust.org/Pages/Category/childcare-costs>

²² Bell, K. (2013). *Missing potential: why the European funds should be used to support parental employment in London*, Child Poverty Action Group (CPAG), available at <http://www.cpag.org.uk/content/missing-potential-why-european-funds-should-be-used-support-parental-employment-london-and>

Meadows, P. (2006). *Worklessness in London. Explaining the differences between London and the UK*, GLA Economics working paper 15, available at http://www.london.gov.uk/mayor/economic_unit/docs/wp15_worklessness_in_london.pdf

²³ GLA Intelligence (2014). *2011 Census Snapshot: Distance travelled to work in London*, Census Information Scheme 2014-17, Greater London Authority (GLA), available at <http://data.london.gov.uk/datastorefiles/documents/2011-census-distance-travelled.pdf>

London as they are in other parts of the country. As a consequence, Londoners effectively end up being paid proportionally less than those in the UK, once the higher costs of living in London are factored in (for the same level of wage). For example, one of the national measures that the Government took in order to bridge the gap between London and the rest of the country, the In-Work-Credit Allowance, used to grant eligible Londoners a London premium to compensate for higher costs in the capital. But this was abolished in 2012. Other changes to the welfare system, affecting couples with children in particular, have occurred and are likely to continue to occur in the future (e.g. Universal Credit). If these policy changes do not take into account London's circumstances, the relative dis-incentive to take work in London (as compared to the rest of the country) could remain or become higher still²⁴. Clearly, the effects of the benefit and tax system on Londoners can influence their (rational) choice on whether to work part-time or not (or on whether to work at all).

Other evidence shows that there are also important deterrents to part-time work on the demand side, which prevent businesses from offering part-time jobs, such as a perceived increase in costs associated with employing part-time workers (e.g. administrative, managerial, training costs arising from increased headcount), greater challenges for businesses to manage day-to-day work of part-timers, and the possible belief of employers that part-time workers might not fully embrace the company's corporate identity, meaning that, in the eyes of some businesses, part-time employees may be less loyal, less flexible with respect to the company's priorities, and less committed²⁵.

²⁴ Bell, K. et al. (2012). *Driving up part-time employment in London*, published jointly by Centre for Economic and Social Inclusion, Mayor of London Enterprise Panel, and EU European Social Fund. Available at <http://www.london.gov.uk/sites/default/files/Part%20time%20Jobs%20final.pdf>

²⁵ See footnote 24.

4. Summary

This note has shown that the employment rate in London is lower than that in the rest of the UK; that the gap for women is wider still; and that the gap for women with dependent children is even wider. In addition, the share of all jobs that are part-time in London remains below the equivalent share in the UK overall, despite having closed somewhat in recent years.

A series of factors might be lying behind these differences.

With regard to *London-specific factors*, the higher costs of living in London, which are, arguably, not effectively accounted for by the national tax and benefits system, as well as the direct and indirect costs of travelling to work, are likely to impact significantly on individuals' decisions to work in London (particularly part-time) as compared to the rest of the UK.

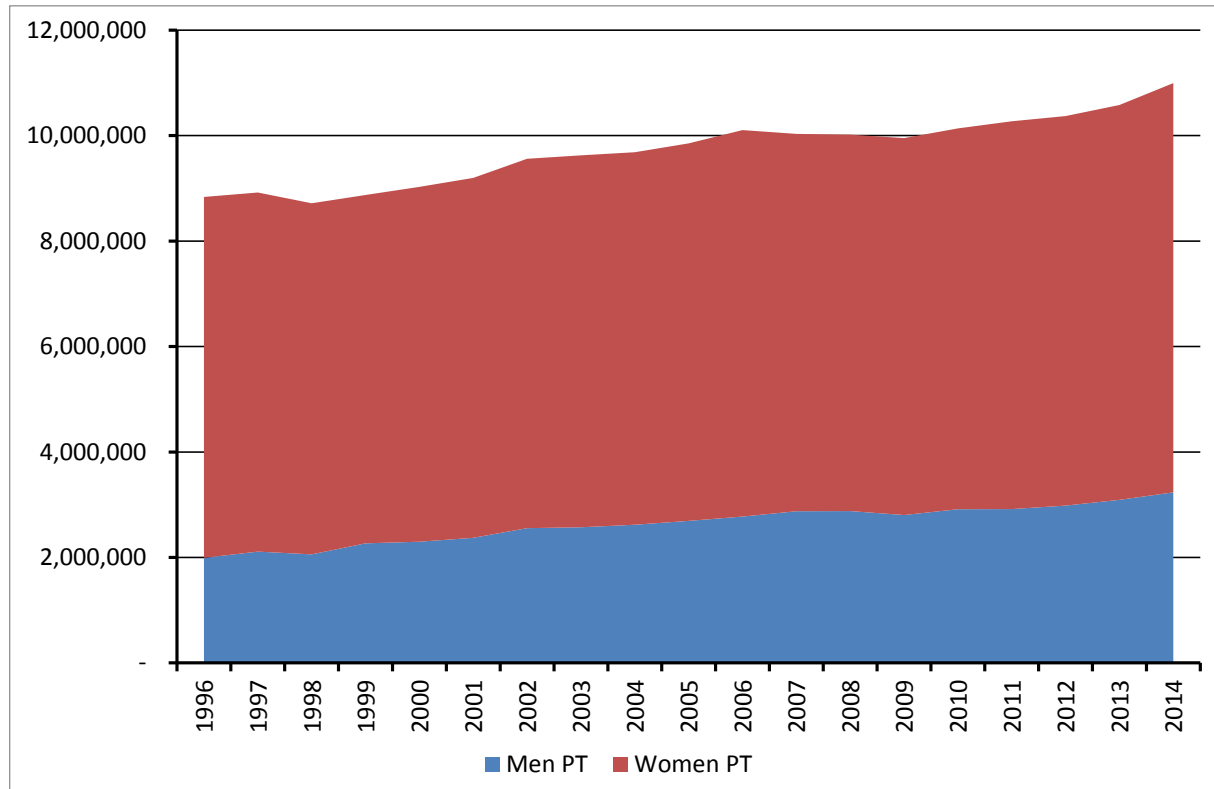
As far as *individual characteristics* are concerned, a more ethnically diverse population as well as other 'characteristics' of London's population could also play an important role in explaining the employment gap between the capital and the rest of the UK.

Other *factors on the demand side*, which prevent businesses in London from offering part-time jobs, may also be adding to the problem (for example, because of a belief on the part of firms that part-time workers may be more costly to employ and less loyal or committed than full-time workers).

Appendix A: Additional charts on the performance of employment in the UK²⁶

a) Part-time and Full-time workforce jobs by gender, UK (1996-2014)

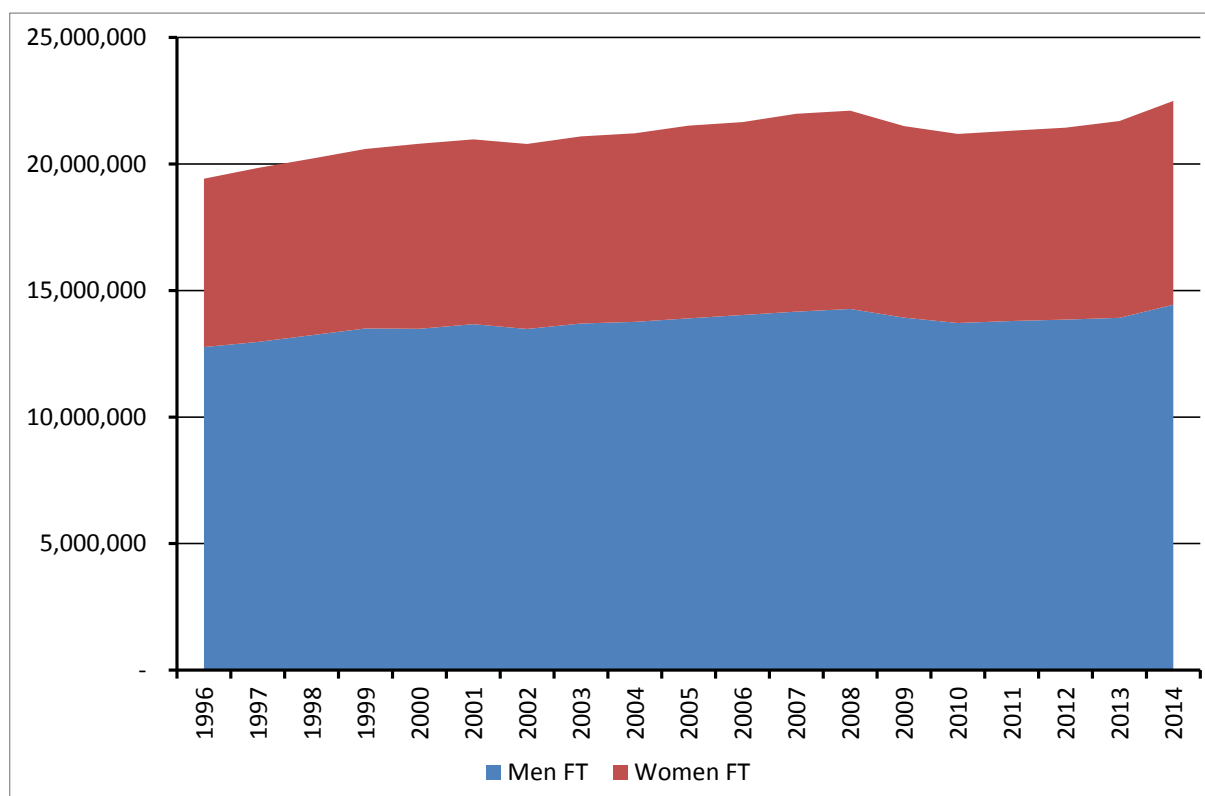
Figure A: Part-time jobs in the UK by gender (1996-2014)



Source: ONS Workforce Jobs series, Nomis

²⁶ The figures reported in this appendix, unless otherwise stated, are based on ONS Workforce Jobs (not seasonally adjusted) series, Q3 1996 to Q3 2014.

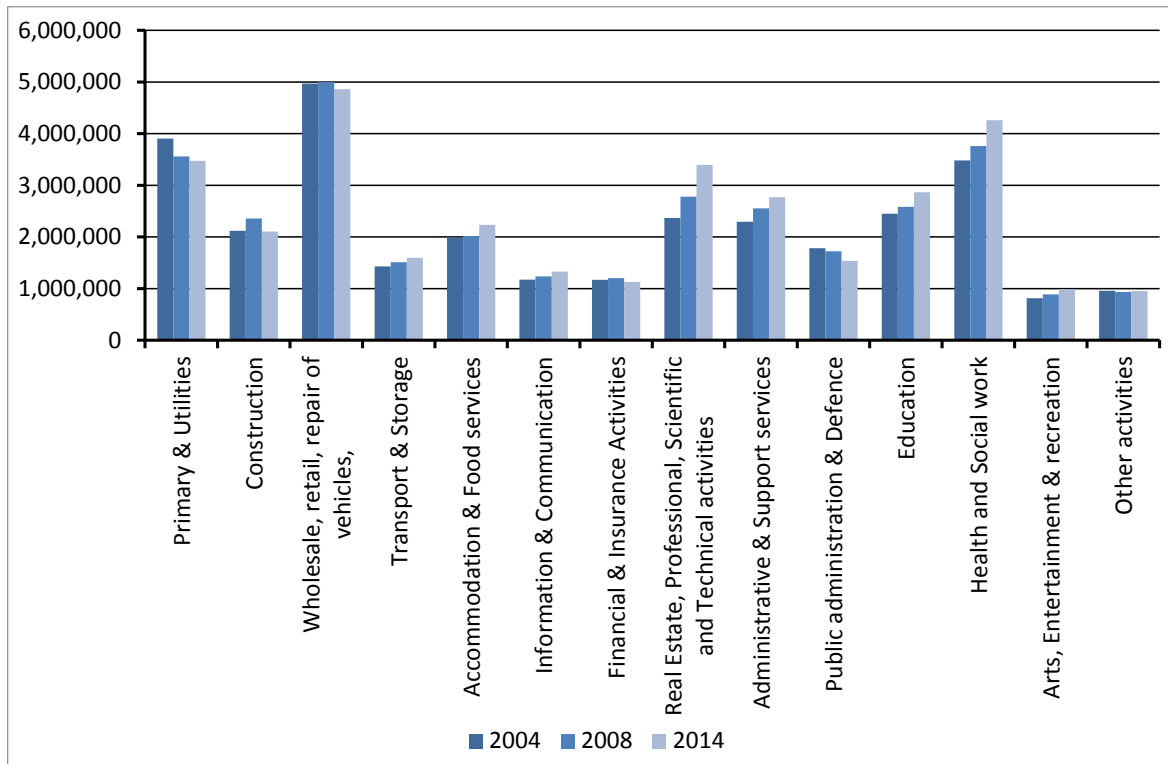
Figure B: Full-time jobs in the UK by gender (1996-2014)



Source: ONS Workforce Jobs series, Nomis

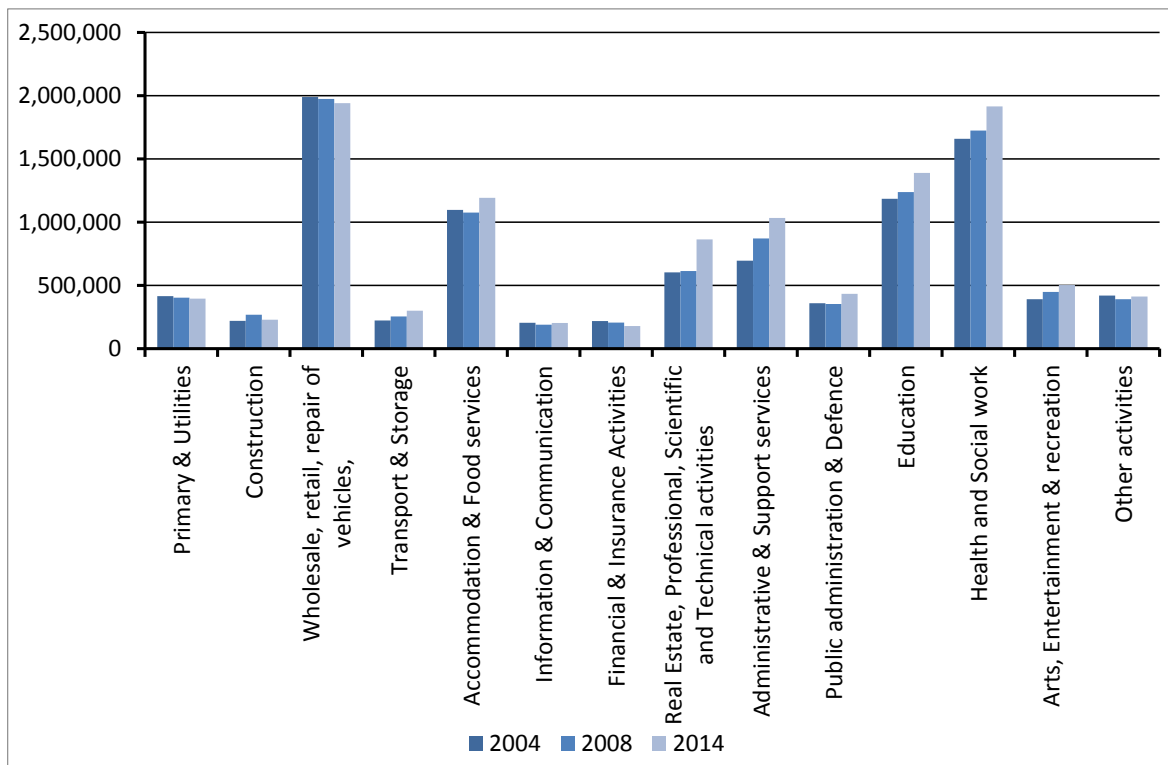
b) Workforce jobs by industry and occupation, UK

Figure C: Total number of workforce jobs by industry in the UK (2004, 2008 and 2014)



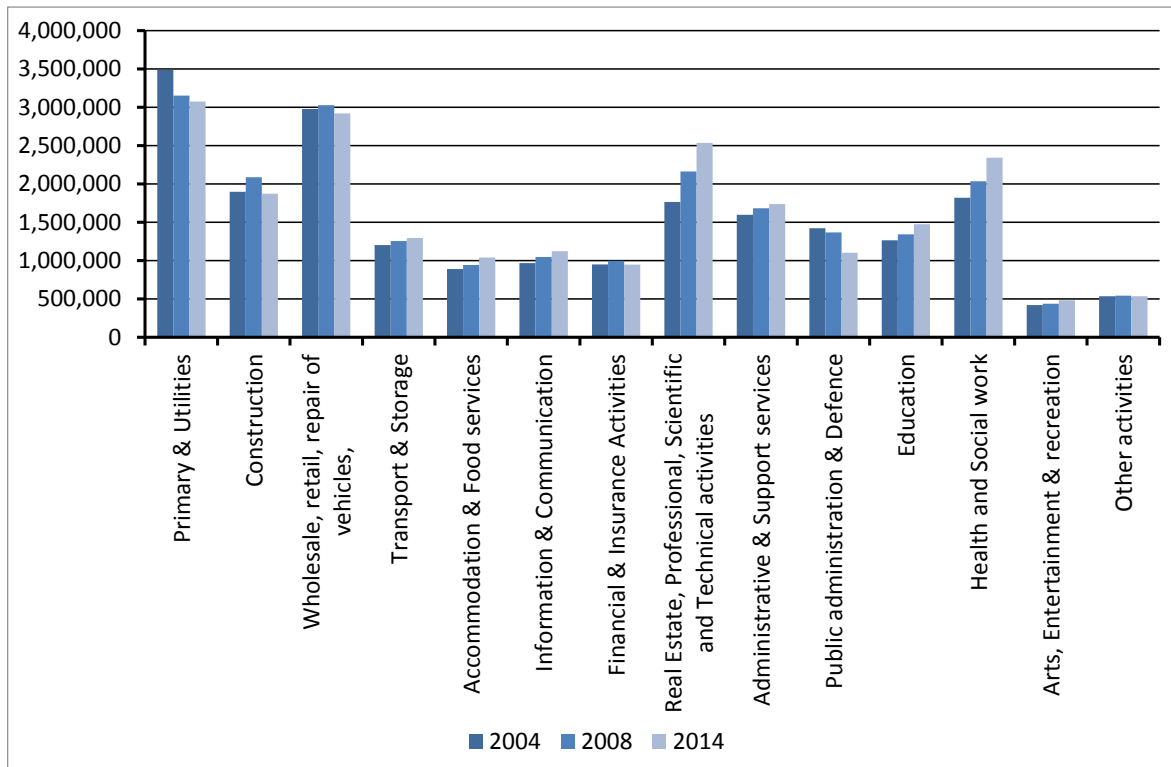
Source: ONS Workforce Jobs series, Nomis

Figure D: Part-time workforce jobs by industry in the UK (2004, 2008 and 2014)



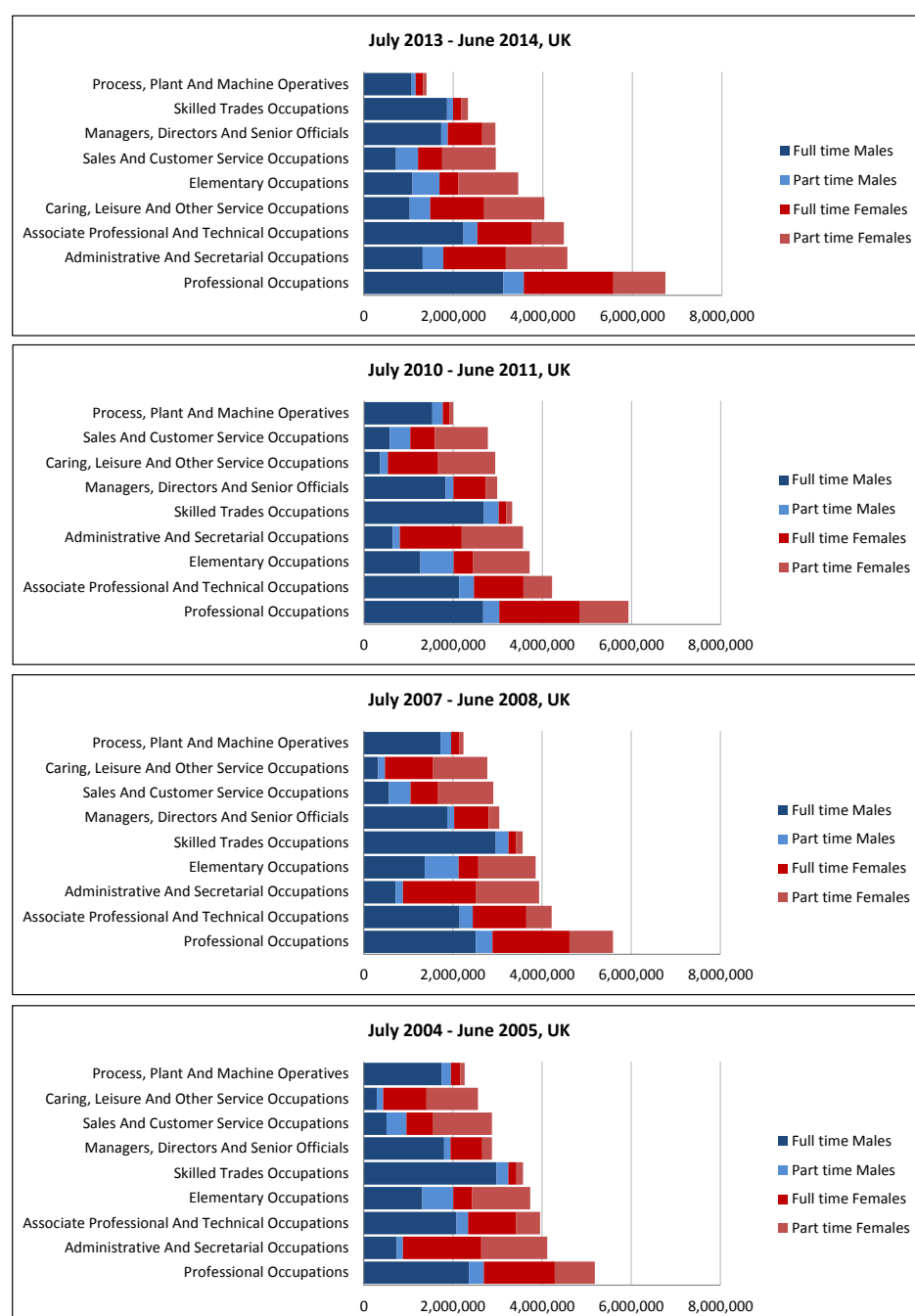
Source: ONS Workforce Jobs series, Nomis

Figure E: Full-time workforce jobs by industry in the UK (2004, 2008 and 2014)



Source: ONS Workforce Jobs series, Nomis

Figure F: Workforce jobs by occupation, employment pattern and gender overtime, UK



Source: GLA Economics calculations using ONS Annual Population Survey (APS) data, years ending in June; and ONS Workforce jobs data²⁷

²⁷ The ONS Workforce Jobs series does not provide us with a breakdown of jobs by occupation. Therefore, we have extracted the data on jobs (i.e. main jobs + second jobs) by occupation from the ONS Annual Population Survey (APS) for the following years: July 2013-June 2014, July 2010-June 2011, July 2007-June 2008, and July 2004-June 2005. Once the proportions of jobs by occupation, by employment pattern, and by gender were calculated, we then constrained these figures to the total number of workforce jobs by employment pattern and by gender in all of the considered years. Since the number of workforce jobs is released quarterly, we have calculated the average of workforce jobs between Q3 and Q2 of any given period of time as stated above, so that the two figures (i.e. proportions by occupation from APS and total actual figures by employment pattern and by gender from workforce jobs) could be compared with each other.

Appendix B: Employment rates in London and in the Rest of the UK (2007-2013)

a) Employment rates in London and in the Rest of the UK by gender and by employment pattern (2007-2013)

Employment rates by gender and by employment pattern ⁱ												
London												
	Jan-Dec 2007			Jan-Dec 2009			Jan-Dec 2011			Jan-Dec 2013		
	Employment rate*	FT	PT	Employment rate*	FT	PT	Employment rate*	FT	PT	Employment rate*	FT	PT
Men	76.6	68.1%	8.3%	75.5	66.7%	8.6%	74.9	65.5%	9.1%	77.3	67.4%	9.4%
Women	61.2	41.8%	19.3%	61.2	40.6%	20.5%	61.0	40.3%	20.6%	62.9	41.7%	20.8%
All	68.9	55.0%	13.8%	68.4	53.7%	14.5%	68.0	53.0%	14.8%	70.1	54.7%	15.0%
Rest of the UK												
	Jan-Dec 2007			Jan-Dec 2009			Jan-Dec 2011			Jan-Dec 2013		
	Employment rate*	FT	PT	Employment rate*	FT	PT	Employment rate*	FT	PT	Employment rate*	FT	PT
Men	78.8	71.3%	7.5%	75.7	67.6%	7.9%	75.2	66.7%	8.4%	76.2	67.3%	8.5%
Women	67.1	38.1%	28.9%	66.2	37.3%	28.7%	65.4	36.9%	28.5%	66.9	37.9%	28.7%
All	72.9	54.6%	18.3%	70.9	52.4%	18.4%	70.3	51.7%	18.5%	71.5	52.5%	18.6%

* People aged 16-64

i Source: GLA Economics calculations using ONS Annual Population Survey (APS) data, years ending in December

b) Employment rates of parents and non-parents in London and in the Rest of the UK by gender and by employment pattern (2007-2013)

Parents' employment rates by gender and by employment pattern ⁱⁱ												
London												
	Q4 2007			Q4 2009			Q4 2011			Q4 2013		
	Employment rate*	FT	PT	Employment rate*	FT	PT	Employment rate*	FT	PT	Employment rate*	FT	PT
Men	87.3%	80.1%	7.2%	85.7%	76.0%	9.7%	85.8%	77.6%	8.2%	90.4%	80.7%	9.1%
Women	53.3%	29.3%	23.9%	55.9%	27.5%	28.5%	56.9%	27.1%	29.7%	59.9%	31.5%	27.1%
All	67.4%	50.4%	17.0%	68.5%	47.9%	20.6%	69.0%	48.3%	20.7%	73.0%	52.4%	19.4%
Rest of the UK												
	Q4 2007			Q4 2009			Q4 2011			Q4 2013		
	Employment rate*	FT	PT	Employment rate*	FT	PT	Employment rate*	FT	PT	Employment rate*	FT	PT
Men	91.1%	87.0%	4.1%	88.9%	84.3%	4.6%	89.6%	83.8%	5.8%	90.4%	83.4%	6.6%
Women	69.9%	30.0%	39.9%	69.7%	30.3%	39.3%	69.6%	30.6%	39.0%	68.8%	31.5%	36.8%
All	79.3%	55.2%	24.0%	78.2%	54.2%	24.0%	78.4%	54.0%	24.3%	78.3%	54.0%	23.7%
Non-parents' employment rates by gender and by employment pattern ⁱⁱ												
London												
	Q4 2007			Q4 2009			Q4 2011			Q4 2013		
	Employment rate*	FT	PT	Employment rate*	FT	PT	Employment rate*	FT	PT	Employment rate*	FT	PT
Men	78.9%	71.3%	7.6%	66.5%	57.5%	8.9%	72.8%	64.4%	8.5%	81.1%	69.6%	8.4%
Women	72.2%	56.5%	15.6%	63.8%	47.0%	16.8%	69.3%	52.8%	16.4%	70.5%	52.6%	14.5%
All	75.7%	64.1%	11.5%	65.2%	52.5%	12.6%	71.1%	58.7%	12.3%	76.0%	61.4%	11.3%
Rest of the UK												
	Q4 2007			Q4 2009			Q4 2011			Q4 2013		
	Employment rate*	FT	PT	Employment rate*	FT	PT	Employment rate*	FT	PT	Employment rate*	FT	PT
Men	77.7%	70.4%	7.3%	74.3%	66.5%	7.7%	74.4%	66.7%	7.6%	71.5%	60.1%	9.3%
Women	68.6%	47.1%	21.5%	67.7%	46.2%	21.5%	68.0%	46.2%	21.7%	67.3%	44.6%	21.0%
All	73.2%	58.9%	14.3%	71.0%	56.5%	14.6%	71.2%	56.6%	14.6%	69.5%	52.7%	14.9%

* People aged 16-64

ii Source: GLA Economics calculations using ONS Quarterly Labour Force Survey (LFS) data, October-December
Note: PT and FT employment rates do not add up to the overall employment rate because the latter is calculated irrespectively of employment patterns (i.e. FT or PT), hence including people who, although in employment, did not provide an answer with respect to their current employment pattern. It should be noted that the figures populating the tables above are calculated using survey data (ONS LFS and APS).

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