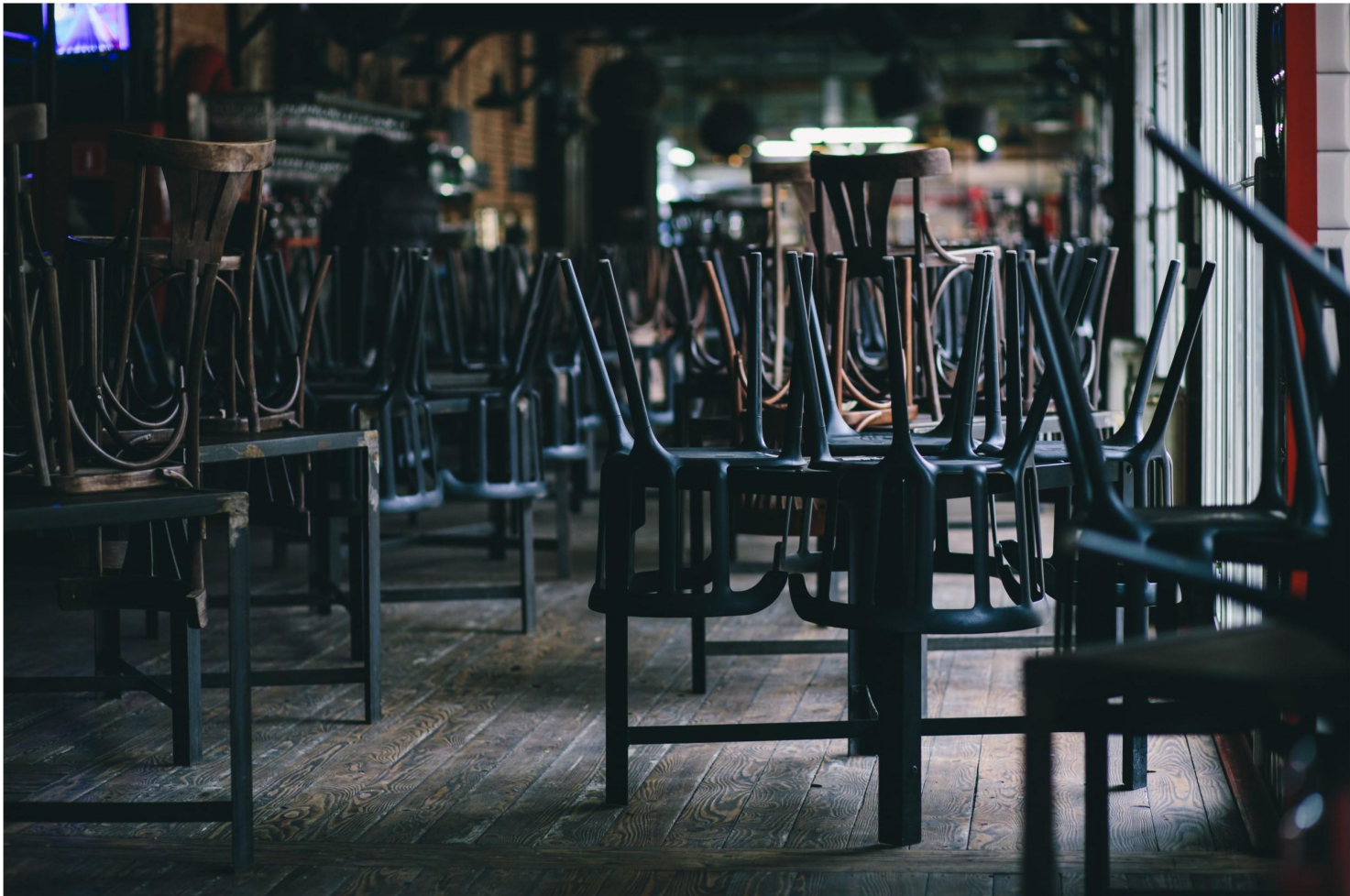




The impact of Coronavirus on Hospitality and Creative Workers



Briefing on Hospitality and the Creative Industries

Hospitality and the creative industries are the two sectors most disproportionately impacted by coronavirus. This briefing assesses the impact of coronavirus on pay and employment in both sectors. It finds:

- Hospitality and the creative industries are the two sectors that have furloughed the highest proportion of workers.
- Workers in creative industries are more than twice as likely to be working two jobs than the workforce in general.
- Unions are reporting an increasing number of workers who work in both creative industries and hospitality and face an uncertain future.
- 20% of workers aged 25 and under work in these two sectors, compared to 6% for workers older than 25.
- Low earners are five-times more likely to be furloughed on reduced pay, and hospitality and the arts are the two

sectors with the highest proportion of employees furloughed without having their pay topped up.

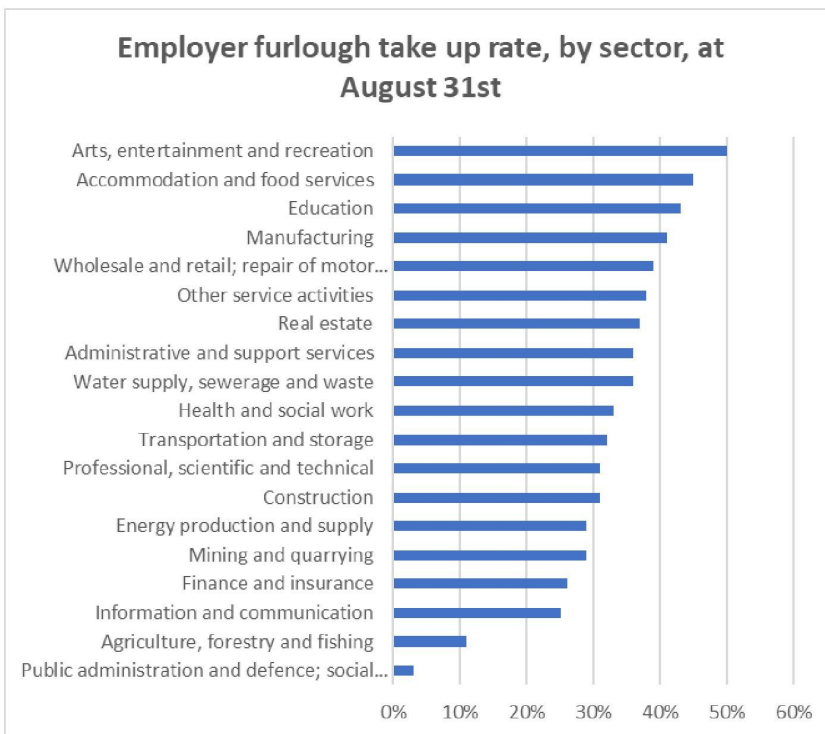
- An estimated 66,000 workers in hospitality and 16,000 workers in the arts, in Scotland, were paid less than the minimum wage when furloughed. Across Scotland as a whole, up to 190,000 workers received less than the minimum wage after being furloughed.

The UK Government must address issues of low-pay within the furlough scheme to ensure everyone receives a real living wage. Any additional Scottish Government support for employers should come with conditions that ensure workers benefit.

While the figure above is a share of employers using the furlough scheme, data for furloughed employment also shows that workers in hospitality and the creative industries have been disproportionately impacted. While

11% of the workforce was furloughed as of August 31st, this rose to 27% for workers in the accommodation and food sector and 33% of workers in arts, entertainment and recreation. The table shows the employment furlough take up rate, by sector.

The latest figures show that, as of August 31st, 50% of arts, entertainment and recreation employers and 45% of hospitality employers were still using the furlough scheme. While this had reduced from previous months, the 'Eat out to Help Out' scheme operated in August, and with increased restrictions in October and November, these figures are likely to have risen again.



STUC Analysis of ONS UK data¹

While the previous figure is a share of employers using the furlough scheme, data for furloughed employment also shows that workers in hospitality and the creative industries have been disproportionately impacted. While 11% of the workforce was furloughed as of August 31st, this rose to 27% for workers in the accommodation and food sector and 33% of workers in arts, entertainment and recreation. The table below shows the employment furlough take up rate, by sector.

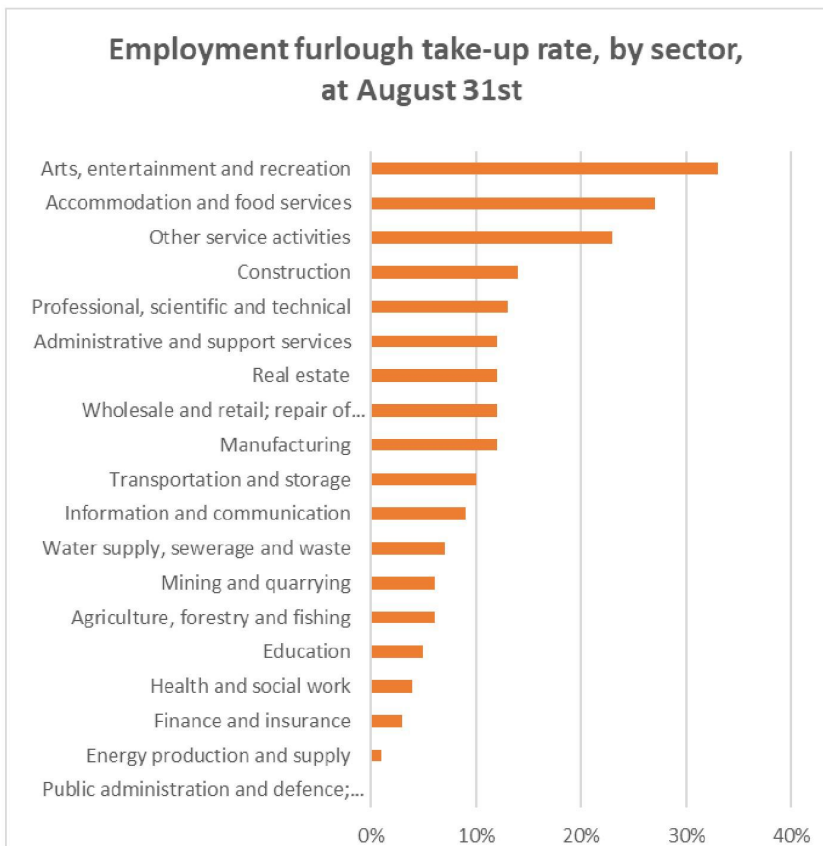
More likely to be working two jobs

The STUC and its member unions are reporting an increasing number of workers reporting concerns about working in both the creative industries and hospitality, and facing an uncertain future.

Research from 2019, suggests that having a second job is particularly likely for people with their main job in music and performing arts occupations, such as actors, entertainers, presenters, artists (about 8%) photographers, audio-visual and broadcasting operators (10%) and, above all, musicians (11%). Previous research from 2006 estimated as much as 40% of those in musical and performing arts have second jobs. This is far higher than the workforce in general where only 4% of workers in general have a second job.³

We know that those working second jobs tend to have lower pay, work fewer hours, and have more often temporary jobs, compared with those who do not work second jobs.⁴

Workers in these sectors are also more likely to be young and not have access to savings. 20% of workers aged 25 and under work in these two sectors, compared to 6% for workers older than 25.⁵



STUC Analysis of ONS UK data²

Low earners hardest hit

This crisis of working two jobs is further deepened by issues of low-pay. UK ASHE data ⁶ from April shows that low earners are five-times more likely to be furloughed on reduced pay, and this is a sectoral problem.⁷ As well as being low-pay industries, hospitality and the arts are the two sectors with the highest proportion of employees furloughed without having their pay topped up.⁸

Based on this and Scottish workforce jobs data, we estimate that 66,000 workers in hospitality and 16,000 workers in creative industries were paid less than the minimum wage when furloughed back in April. In Scotland as a whole, we estimate up to 190,000 workers were paid less than the minimum wage when furloughed in April.

Living off 80% of your wages is a struggle. It is even more of a struggle if the drop in pay pushes you below the already insufficient legal minimum wage.

The UK Government must ensure the pay of no furloughed worker drops below the legal minimum, under both the existing furlough scheme and the new job support scheme. It must also address gaps in the self-employment scheme.⁹

The Scottish Government must ensure any support for employers in hospitality and the creative industries comes with conditions that workers benefit.

For further information contact:

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¹ <https://www.gov.uk/government/publications/coronavirus-job-retention-scheme-statistics-october-2020/coronavirus-job-retention-scheme-statistics-october-2020#furloughing-by-sector-at-31-august>

² <https://www.gov.uk/government/publications/coronavirus-job-retention-scheme-statistics-october-2020/coronavirus-job-retention-scheme-statistics-october-2020#furloughing-by-sector-at-31-august>

³ <https://pec.ac.uk/blog/who-is-working-second-jobs-in-the-creative-economy>

⁴ <https://pec.ac.uk/blog/who-is-working-second-jobs-in-the-creative-economy>

⁵ <https://www.tuc.org.uk/news/young-workers-three-times-more-likely-be-employed-sectors-where-jobs-are-most-risk-tuc>

⁶ <https://www.ons.gov.uk/ashe>

⁷ <https://www.tuc.org.uk/blogs/government-must-ensure-no-one-paid-below-minimum-wage-due-furlough-scheme>

⁸ Tables 4 & 5 of latest spreadsheet dated 10 November: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/headlinelabourforcesurveyindicatorsforscotlandhi11/current>

⁹ A detailed briefing on this from the summer is available on request.