

Research Bulletin 21/3 | Furlough Effects on Northern Ireland

Sean McCarthy & Julie McIlhatton, Analytical Services Division, Department for the Economy

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Summary

The global Covid-19 pandemic resulted in most businesses suddenly being closed for an extended period of time, with many continuing to have periods of closure, restrictions and reduced demand throughout 2020 and 2021. In order to stave off huge rises in unemployment in March 2020 the UK Government introduced the Coronavirus Job Retention Scheme (CJRS), or furlough scheme. While the unemployment rate, claimant count, redundancies and economic inactivity rates have risen since then, they were not as high as they would have been in the absence of the CJRS.

The furlough scheme evolved with varying rates of government support and the introduction of flexibility with partial working. While there have been several proposed end dates, the scheme closed on 30 September 2021. Throughout the CJRS the most likely person to be on furlough in Northern Ireland would be fully furloughed from either the Wholesale & Retail or Accommodation & Food Services sectors, female (although a greater percentage of eligible male employees were furloughed), aged under 25 and earning below the average NI wage.

The number of people in NI on the furlough scheme has varied since its peak in May 2020, with steady reductions in employees on furlough during the final six months. For businesses requiring face to face interactions, in particular the Arts & Entertainment and Accommodation & Food Services sectors, the percentage of eligible employees on furlough during the summer of 2021 remained elevated compared to other sectors, in part due to ongoing restrictions.

While the furlough scheme was unable to protect every job, it is clear many businesses and jobs would have been simply unsustainable over such a long period of instability without the furlough scheme.

Introduction

One of the largest costs any business faces is that of its staff, not only directly in terms of wages including pensions and tax but also in terms of investing in training and necessary equipment. Following the outbreak of COVID-19 in the UK, the Coronavirus Job Retention Scheme (CJRS), commonly referred to as the furlough scheme, was announced by Rishi Sunak, the Chancellor of the Exchequer on the 20th March 2020ⁱ. On the 23rd March, Boris Johnson, the Prime Minister, announced the first UK-wide lockdown instructing people to stay at home and only leave for essential, specified reasons.ⁱⁱ

The CJRS enabled employers to place employees on paid leave instead of making them redundant, helping businesses to retain trained staff and helping employees to keep their jobs. Employers could claim 80% of pre-Covid wages from the government for each furloughed employee. There was a massive uptake of this support, with over 6 million employees in the UK supported by the scheme within the first week of its announcement. This peaked to 8.9 million on the 8th May 2020.

Many other countries have similar schemes and like the UK have made changes over time. Some examples include:

- Germany's furlough scheme (Kurzarbeitⁱⁱⁱ) paid 60% (or 67% if you had at least one child) of net lost wages, that amount goes up to 70% of lost wages if people are on short-hours at 4 months, and at 7 months, to around 80% – Germany had a similar scheme during the global financial crisis in 2008^{iv};
- France's scheme (Chomage Partial^v) paid 70% of gross salary or 84% of net salary capped at €32.29 per hour (€5,166 per 8 hour day non-working month), and employees on minimum wage could claim 100% of wages; From 1 June 2021 this support was reduced from 84% to 72% of net wages; and,
- Republic of Ireland's Temporary COVID-19 Wage Subsidy Scheme^{vi} paid up to an 85% subsidy and capped at €3,840 per month. This was replaced on 1 September 2020 by the Employment Wage Subsidy Scheme (EWSS), which widened the range of workers eligible for the wage subsidy and reduced the maximum subsidy per employee per week from €410 to €203. Instead of being a percentage of the employee's net pay, there are two fixed weekly rates: €151.50 or €203. Only workers earning above €151.50 and below €1,462 per week are eligible for the EWSS^{vii}.

UK Furlough Scheme

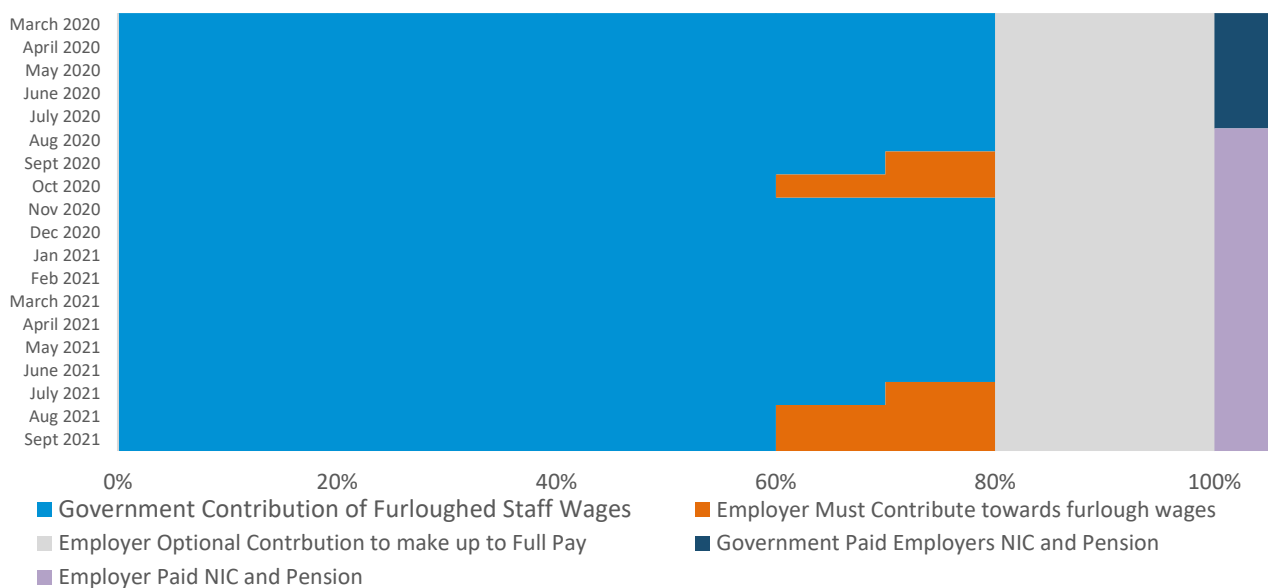
The CJRS scheme subsidised the wages of people who were unable to do their jobs either because their workplace is closed or because their employer experienced reduced demand for their products or services. It is the employer who determines who to place on furlough and for how long. The scheme was based around HMRC's Pay As You Earn (PAYE) system. At the outset of the scheme two of the key rules for an employment to qualify are that the employee must have been employed on 19 March 2020 and the employer must have submitted a Real Time Information (RTI) submission to HMRC for the employee by this date. There were some exemptions to CJRS such as public workers, self-employed (there were five rounds of the separate Self-Employment Income Support Scheme), workers not paid via PAYE, new employees and those paid an annual salary such as directors, although this was later revised.

The Furlough Scheme as initially introduced in March 2020 allowed employers to claim 80% of pre-Covid wages from the government for each furloughed employee, capped at £2,500 per employee per month. In addition the government covered National Insurance Contributions (NIC) and employer pension contributions, saving businesses up to £300 a month. Employers were able to make up the additional 20% of pay, but this was optional. Furloughed employees were not permitted to do any work for their employer.

The CJRS ran from March 2020 to the end of September 2021. It was initially due to end on the 30th May 2020 then extended to the 30th June 2020. However, even with the reopening of many businesses in the summer of 2020 the government determined a stepped down approach to the removal of CJRS to be preferable. The Chancellor announced in May 2020 an extension of the scheme to the 31st October 2020, with the flexibility of partial working and partial furlough permitted at the start of July, employers had to cover NIC and pension contributions from August, and a reduction in government support from 80% to 70% in September then to 60% in October, with employers having to cover the furlough wages up to a minimum of 80%.

At the end of October 2020, on the day the scheme was due to come to an end, a further extension was announced which also returned to the government covering 80% of furlough wages and employers only having to pay NIC and employer pension contributions. Initially this was due to end on 31 December but was further extended. The final plan for the end of the CJRS was announced as part of the Chancellors Budget in March 2021, with another step down approach to government support from July 2021.

Figure 1: CJRS Changes to Government and Employer Contributions towards Furloughed Staff Pay



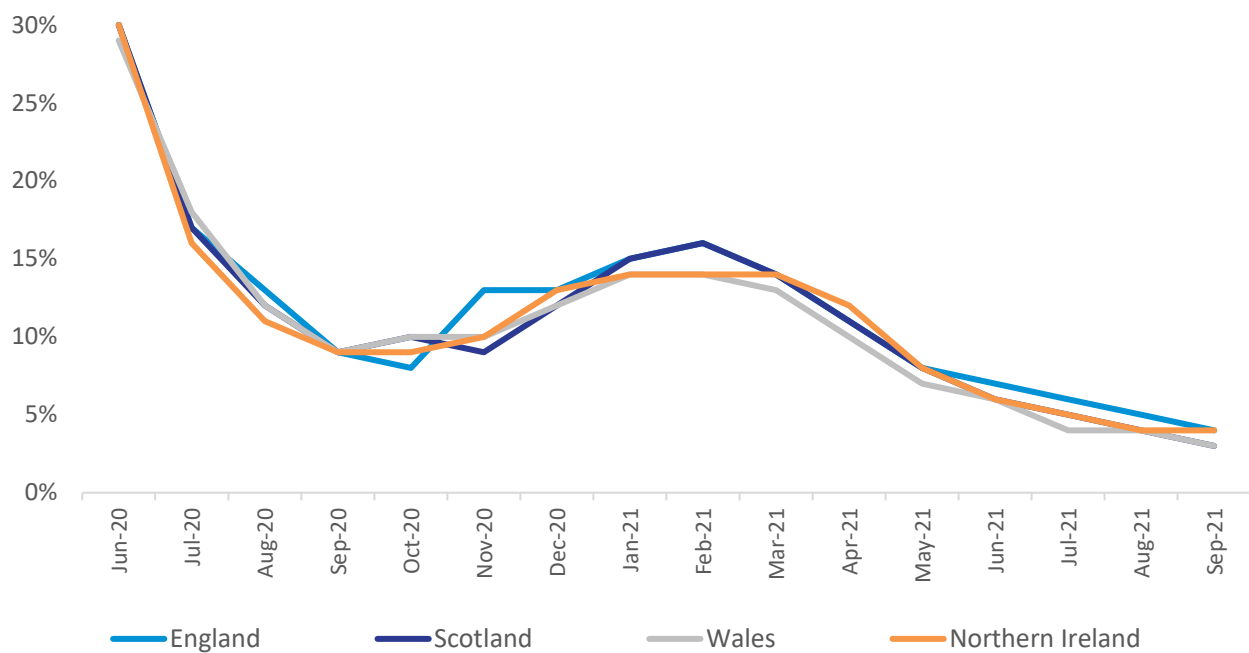
The CJRS has been a very flexible scheme with employers being able to move staff on and off furlough as restrictions and consumer demands change. It is estimated that the scheme will cost the UK government more than £70 billion^{viii}.

UK Regions

The UK government is responsible for key aspects of the pandemic response, including most of economic support measures, but in some key policy areas, including for health and education, the power lies with the devolved governments in Edinburgh, Cardiff and Belfast.^{ix}

From March to May 2020 the four nations of the UK had a unified approach. However, around mid-May each state posted similar but different exit strategies, for example England posted a three phase strategy with target dates while Northern Ireland posted a five stage strategy with no dates. This divergence has remained since affecting the opening and closure of many aspects of everyday life such as non-essential retail, sport facilities, schools and rules on meeting friends and family. Each closure and re-opening had an impact on the number of employments on furlough.

Figure 2: CJRS Take-Up Rate by UK region



Source: CJRS Statistics, November 2021

The chart above shows the proportion of eligible workers by UK nation who have been placed on furlough. For each of the nations the percentages have remained similar each month, with comparable rises and falls. In Northern Ireland 30% of eligible workers were on furlough at the end of June 2020, falling to 9% in October 2020 before rising again. At the end of June 2021 it had fallen to 6% falling further to 4% in August and September 2021. Some of the variance between the nations is due to the differing approaches and timings of local lockdowns.

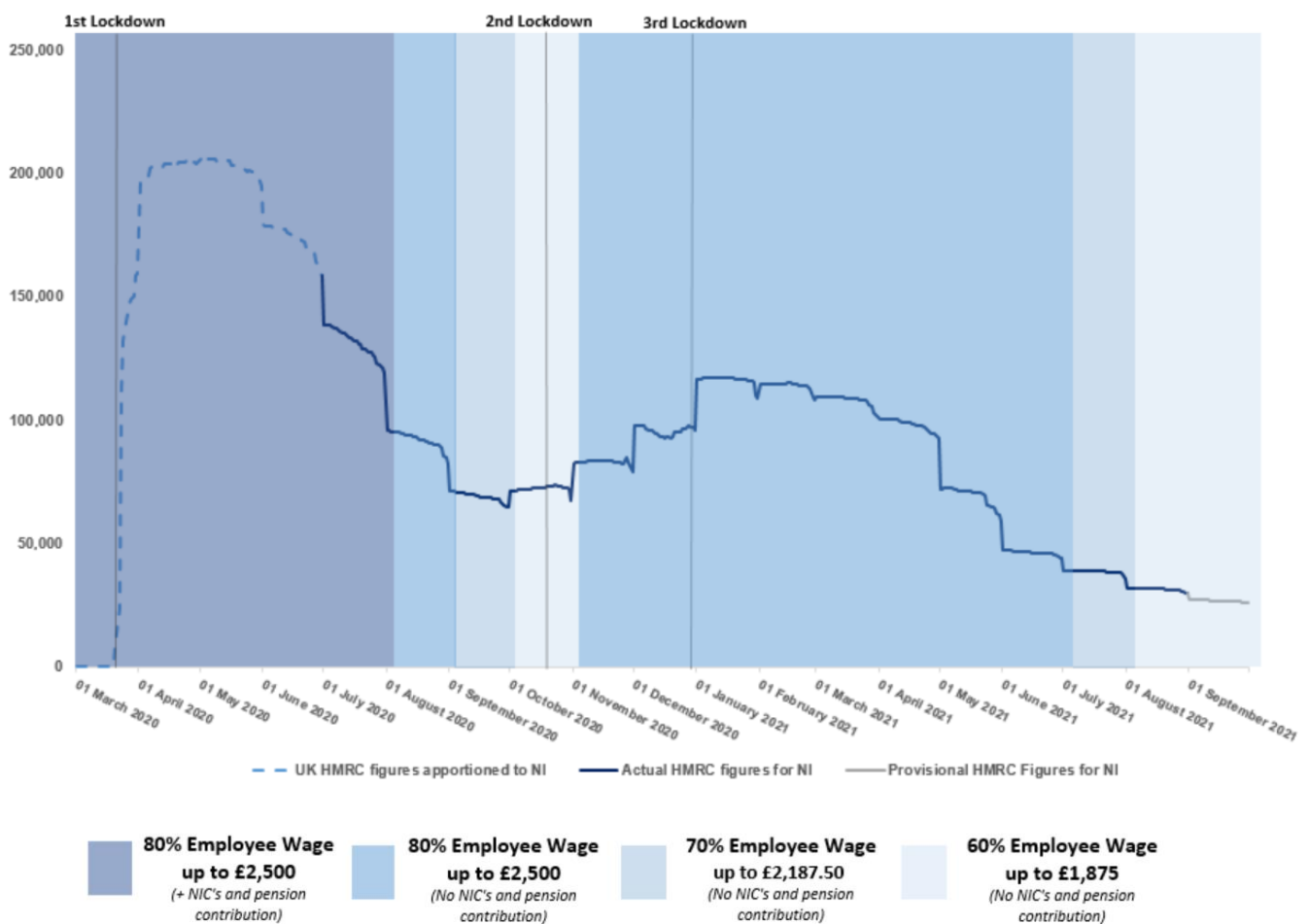
Northern Ireland

The CJRS figures for Northern Ireland are only available from July 2020 onwards as the Office for National Statistics (ONS) did not initially publish CJRS figures by region. On 1 July 2020, 3 months into the scheme, 139,100 employees in Northern Ireland were furloughed. This number has steadily reduced as restrictions eased and furlough support lowered. By the end of September 2020 there were 65,100 furloughed employees in Northern Ireland.

However, the figures began to rise as localised lockdowns, and extensions to the scheme were announced. There are three spikes, increasing in size, of the number of NI employees on furlough. They are at the beginning of November 2020, December 2020 and January 2021. This was due to the furlough scheme being increased and extended late in October 2020 and the NI Executive introducing a 2 week circuit breaker lockdown on the 27 November 2020 and a 6 week lockdown on the 26 December 2020.

The number of people in Northern Ireland on furlough has dropped by 74% since March 2021. The latest figures for 31 September estimate 26,300 eligible workers were on furlough locally at the end of the scheme, this is the lowest number since the scheme was introduced.

Figure 3: Number of NI Employees Furloughed with Changes to Government and Employer Contributions to Staff Pay



Source: CJRS Statistics, November 2021

Over the lifetime of the furlough scheme there have been an estimated 287,100 unique jobs supported through the scheme. To put this into context according to NISRA's Quarterly Economic Survey there were 771,680 employee jobs in Northern Ireland in June 2021. We can estimate then that over a third of all the employee jobs in Northern Ireland have been supported at some stage through the furlough scheme.

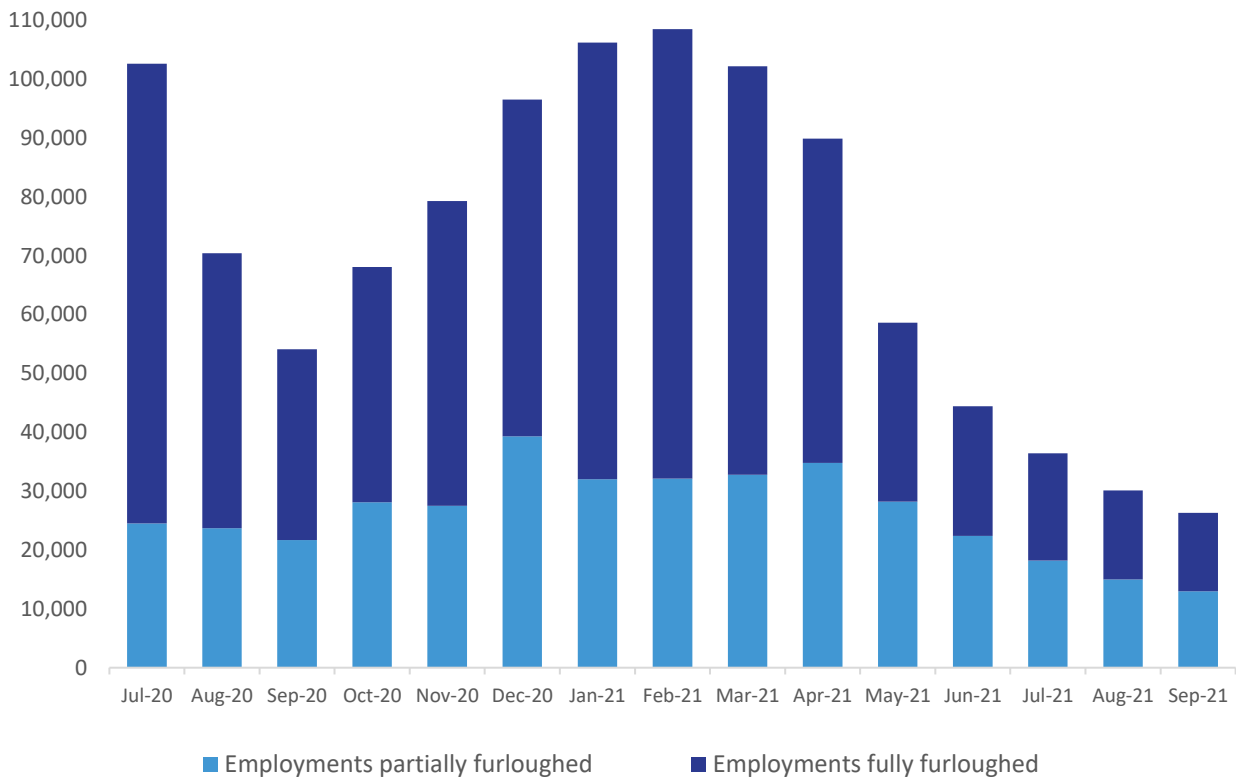
Flexible Furlough

When furlough was first introduced in March 2020 a key principle was that workers could not undertake any work for their employer when furloughed. However, from 1 July 2020, employers were given the flexibility to bring furloughed employees back to work part time, paying them in full for the hours they work, while they received a furlough payment for the rest of their hours. This is known as partial or flexible furlough.

The re-opening of significant parts of the economy in the summer of 2020 and the introduction of partial furlough allowed businesses to build up their confidence and bring staff back gradually rather than an all or nothing approach. In Northern Ireland over the first month of flexible furlough (1 July -1 August), the number of furloughed employees reduced by 43,000 (31%), which was the largest month-on-month decrease locally over the lifetime of the scheme.

As the chart below demonstrates the majority of employments on furlough have remained fully furloughed, i.e. all of their usual hours are furloughed. Partial furlough was most utilised by Northern Ireland's employers in December 2020 when 39,300 employees or 40% of those on furlough were working part of their hours. Since April 2021 the fall in the number of those furloughed has been more concentrated on those on full furlough. June 2021 was the only time in the series more employments on furlough were on partial furlough (51%) than fully furloughed and it has remained that around 50% of furloughed workers are partially working for their employer since June 2021.

Figure 4: NI Employees Fully and Partially Furloughed



Source: CJRS Statistics November 2021

Sectors

The impact of the pandemic on businesses has been very varied depending on their ability to open and on when a level of normality has been permitted to return. When the first lockdown was announced in March 2020, all non-essential shops and businesses were told to close in order to reduce the spread of COVID-19. There were financial penalties for non-compliance. Non-essential businesses included everything from gyms and restaurants to non-essential retail and office workers. It also included most factories and even universities and schools, which were only open for children of essential workers. Later restrictions during lockdowns broadened what was considered essential. For example, many more factories were permitted to open.

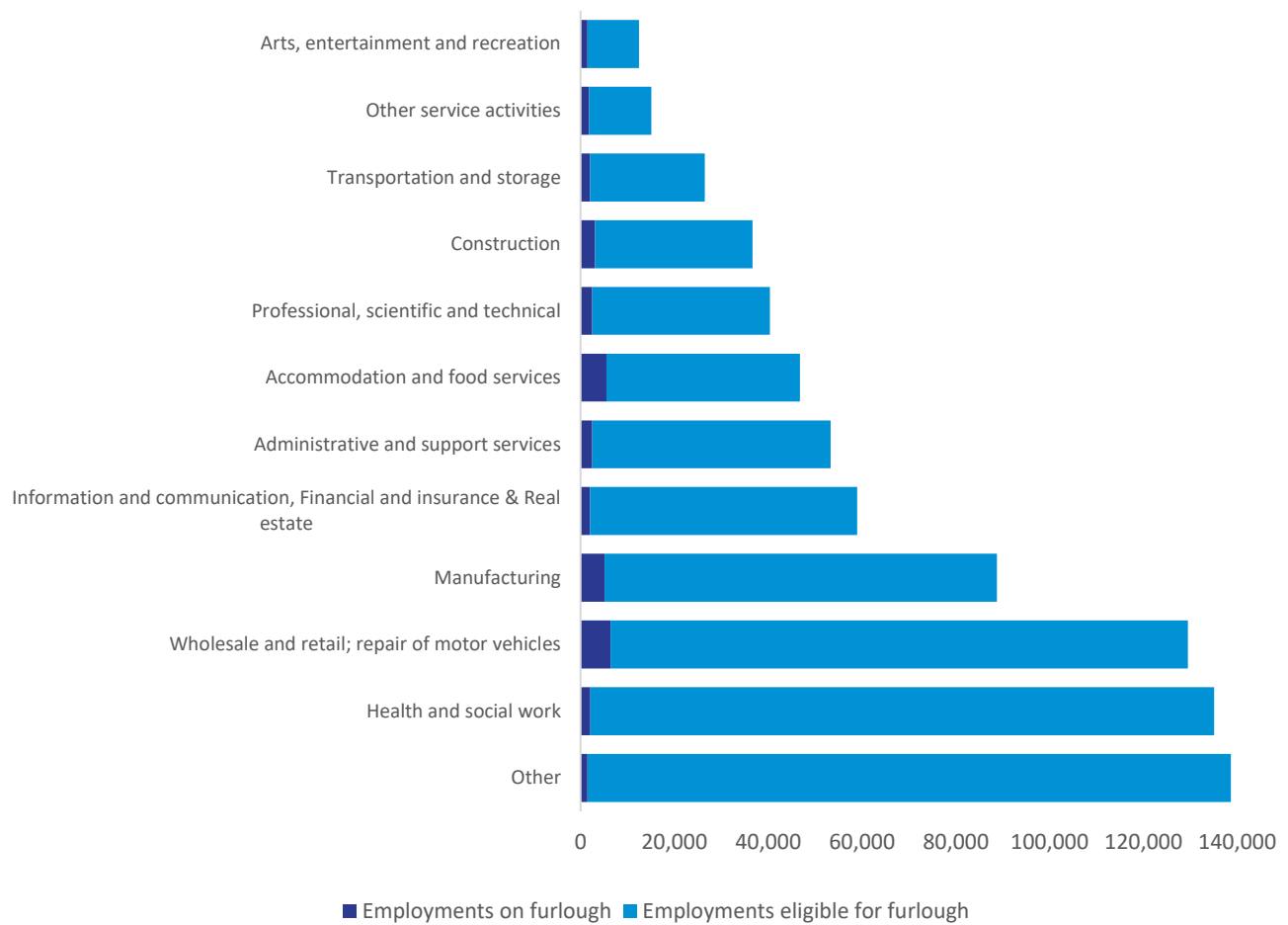
Some employees were able to move to online working from home. This has proved so successful for some businesses that they have announced a permanent move to home working, such as Hughes Insurance. Other businesses had permission to operate in reduced ways, for example restaurants and cafes could provide takeaway services. However, for many employees, especially those with public facing jobs, employers placed them on furlough.

Conversely, the government permitted some businesses, deemed essential, to be open throughout the lockdowns. These businesses and services were determined to be relied upon by the public to conduct their daily activities, with examples including supermarkets, pharmacies, farmers, vets, and banks. Alongside these, other workers continued to be permitted such as frontline NHS, fire and rescue, postal and delivery workers, lorry drivers, cleaners etc. As a result some businesses such as the large supermarkets were able to increase sales, for example Tesco, the largest supermarket in the UK, increased sales by just over 7% in the year to the end of February 2021. Other businesses which provide services or products for which demand increased due to the pandemic such as IT, pharmaceuticals, delivery services, etc. have been able to expand over the last year and a half. Therefore within sectors there can be mixed experiences. For example, in the retail sector where supermarkets were able to increase sales, businesses deemed non-essential such as clothing shops have suffered losses.

Since reopening some businesses have found it difficult to run their businesses profitably as they have faced continued restrictions, such as limits on gathering sizes which affect hospitality, arts and entertainment businesses and restrictions to international travel affect the travel and tourism industry.

Both the UK Government and the NI Executive have introduced various additional support measures such as reduced VAT, rate relief and schemes such as Eat Out to Help Out, Northern Ireland's £100 High Street Voucher scheme and the Holiday Voucher scheme to try to assist consumer confidence and business in particular sectors.

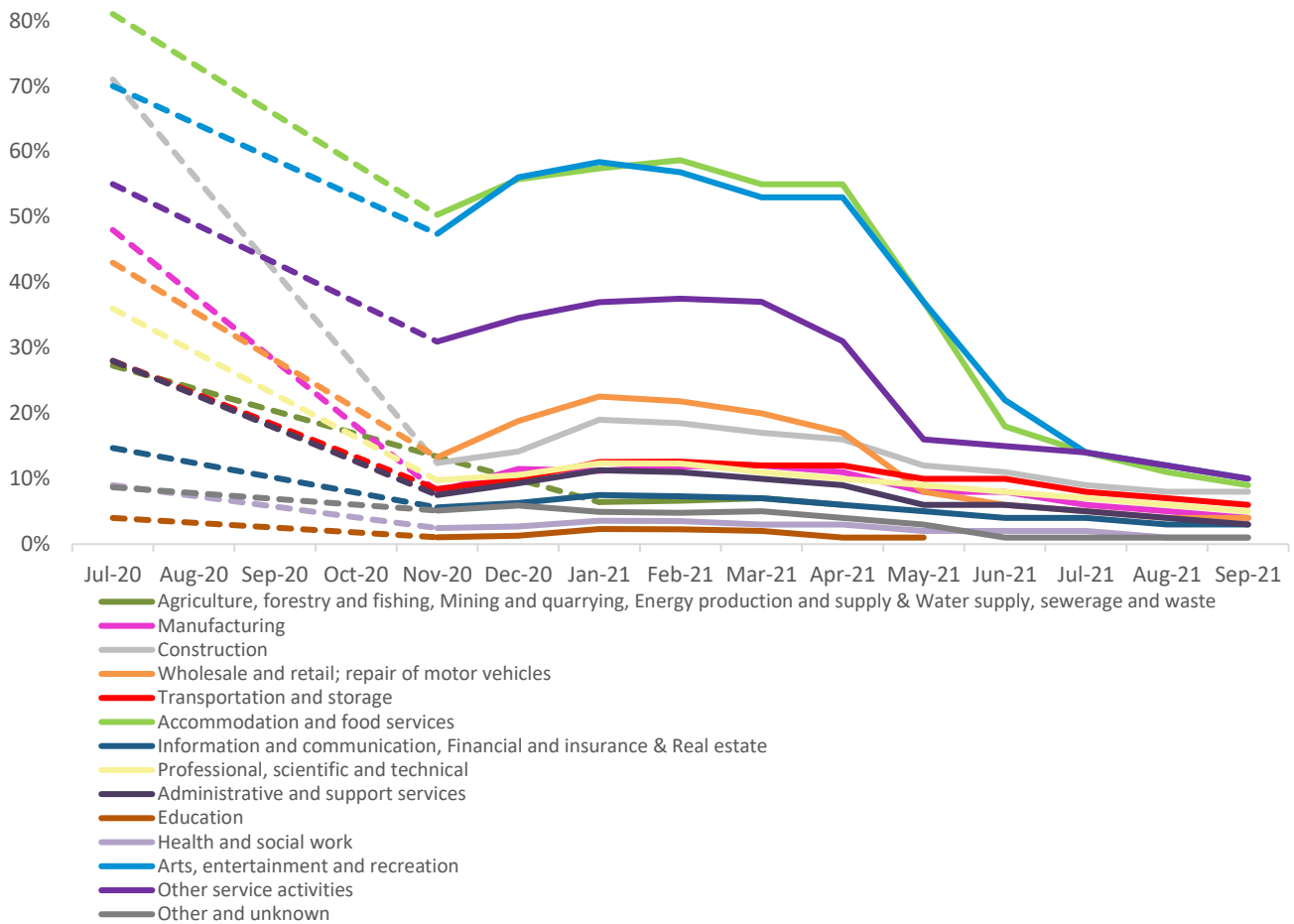
Figure 5: Employments Furloughed as Total of Employments by Sector in Northern Ireland, 30 September 2021 (provisional)



Source: CJRS Statistics November 2021

In Northern Ireland the two sectors which had the most employees on furlough at the end of September 2021 were the Wholesale and Retail sector (4,700) and Manufacturing (3,500). However, this only equates to 4% of the eligible employees in these sectors. Proportionately these sectors have never been the worst affected due to them being very large sectors and having some essential businesses within these sectors which have remained open throughout. In July 2020 while 125,900 employees in the Wholesale and Retail sector were on furlough this accounted for less than half the eligible employees (43%) and fell quickly to 13% in November 2020. Even though the Manufacturing Sector had the third largest number of employees on furlough in July 2020 – 84,400, this was less than half of the eligible employees (48%). The easing of restrictions over the summer of 2020 allowed the take up rate for this sector to fall dramatically to 8% by November 2020 (6,800 employees). The latest figures for have fallen further to 3,500 employments or a 4% take up rate for the end of September 2021.

Figure 6: CJRS Take-Up Rates by Sector in Northern Ireland



Source: CJRS Statistics November 2021

Notes:

- i) Data for take-up rates by region and sector is not available for the period August to October 2020.
- ii) Take-up rates in months November 2020 to February 2021 are calculated using March 2021 number of eligible employments by sector.
- iii) Agriculture, forestry and fishing, Mining and quarrying, Energy production and supply & Water supply, sewerage and waste are grouped into the Other and unknown category for months in months July 2020 and January to April 2021.
- iv) Education is grouped into the Other and unknown category in the months June to September 2021.
- v) Data for September is provisional.

The sectors proportionately most affected, i.e. having the highest furlough take up rates, in Northern Ireland have remained Accommodation and Food sector and the Arts, Entertainment and Recreation sector. Their take up rates have dropped from 81% and 70% respectively in July 2020 to 50% and 47% in November 2020 then 9% and 10% in September 2021. For both of these sectors restrictions have been ongoing and have affected their ability to do businesses for longer than other sectors with some restrictions, for example the closing of nightclubs, only being removed in Northern Ireland after the furlough scheme ended.

The Other Services Activities sector, which includes the repair of computers, personal and household goods, hairdressing and beauticians and funerals and related activities, had a take up rate of 55% in July 2020 but it remained consistently between 47% and 58% between November 2020 and the end of April 2021. The take up rate has dropped since but has been the joint highest rate since July 2021, remaining at 10% at the end of the scheme.

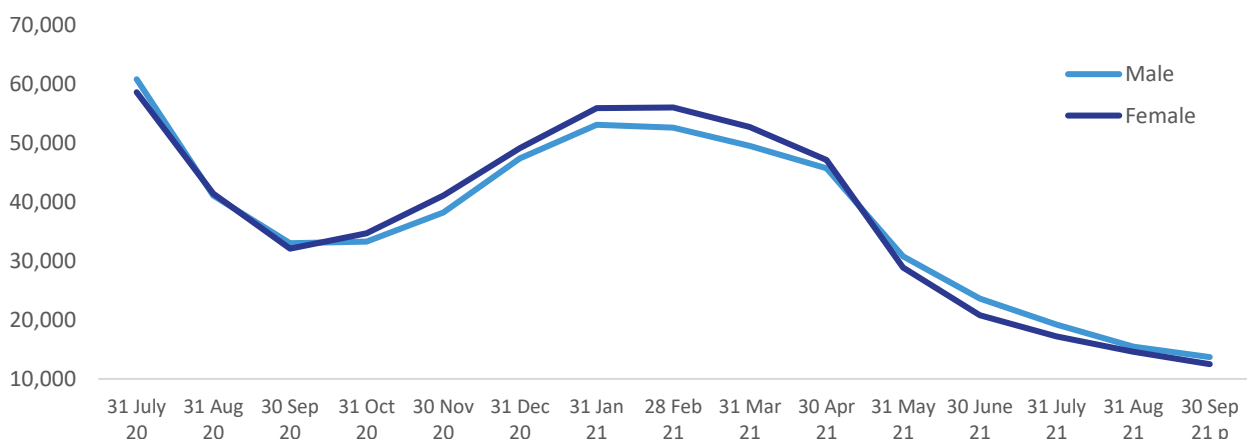
While the Construction Sector has a large proportion of self-employed workers, it is evident that initially the take up rate for the furlough scheme for employees in this sector was also high at 71% in July 2020. However, this dropped significantly to 12% in November 2020, rising to 19% in January 2021 before dropping off again and in the latest data is at 8% for the end of August and September 2021.

The sectors least affected by furlough are Education and Health and Social Work due to the largely public employment nature of these sectors.

Furlough by Gender

The Quarterly Employment Survey (QES) for Northern Ireland estimates that the total number of employees in June 2021 was 771,680, and of this number 48.8% (376,600) were male and 51.2% (395,080) were female. When we compare this to the gender breakdown of those who have availed of the furlough scheme in June 2021 we find that there is a higher number of males on furlough (23,600) than females (20,800), despite more females being employed in the workforce. This is reflected in the June 2021 take up rates which is higher for males (7%) than females (5%).

Figure 7: NI Furlough by Gender

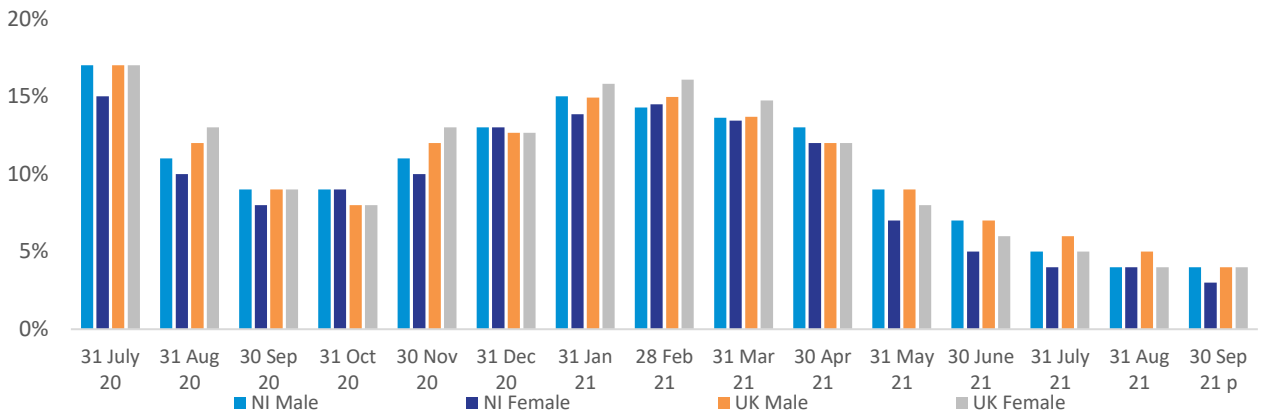


Source: CJRS Statistics, November 2021

Over the lifetime of the scheme there have been slightly more females than males placed on furlough in Northern Ireland. However, since the end of April while the number of males and females on furlough has dropped, there has been a slightly sharper fall in the number of females moving off furlough. This is the case at a UK wide level too. Therefore, while locally females are more likely to have been placed on furlough, in part due to there being more female employees, males were more likely to still be on furlough in the closing months of the scheme.

The take up rate of furlough in NI has been consistently higher for males than females, whereas the opposite has been true for the UK, where until April this year the take up rate was usually higher for females than males. Therefore in Northern Ireland a higher percentage of male employees were placed on furlough than female employees.

Figure 8: Furlough Take-Up Rate by Gender (Northern Ireland)

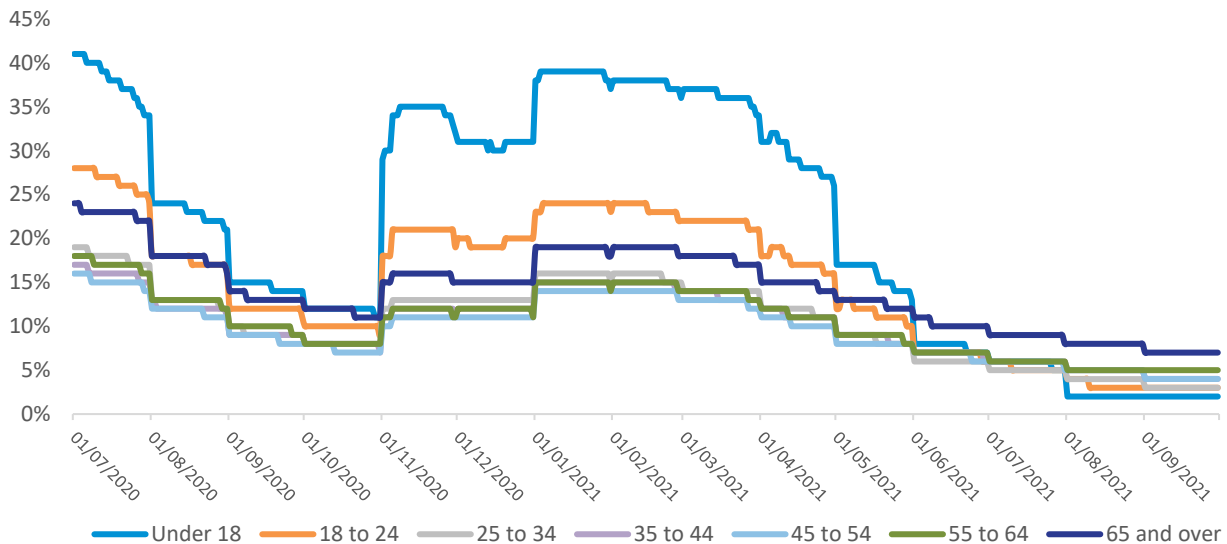


Source: CJRS Statistics, November 2021

Furlough by Age

Regional furlough data by age is only available for the last five months. However, it is likely that similar patterns of furlough by age will have been experienced in Northern Ireland as has been the case across the UK, although it should be noted that NI has a slightly younger population than the rest of the UK. The median age for mid-2020 is estimated to be 39.2 years in Northern Ireland, while it is 42.4 years in Wales, 42.1 years in Scotland and 40.2 years in England.

Figure 9: Take-Up Rates of UK Eligible Employments on Furlough by Age



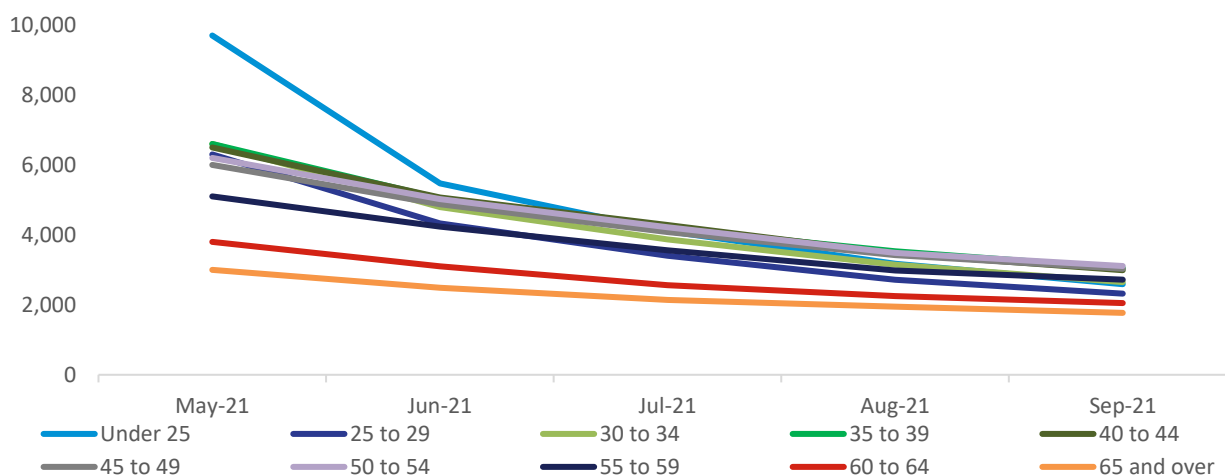
Source: CJRS Statistics, November 2021

The proportion of people across the UK who have been furloughed at any time was higher (30%) for workers aged under 25 years and over 65 years, compared with 23% of workers aged 35 to 44 years^x. NISRA’s Annual Survey of

Hours and Earnings (ASHE) for 2020 also found that the 18-21 age group in Northern Ireland had the highest percentage of employees furloughed at a reduced rate of pay.

Those most likely to be placed on furlough in the UK are employees aged under 25 followed by those aged over 65 years old. In recent months the number of employees on furlough aged under 25 has decreased significantly, with more than half of those in this age group coming off furlough in one month between end of April and the end of May 2021. There have been further significant reductions in the number of employees on furlough aged under 25 over the summer with the number on furlough dropping by almost three quarters between the end of May and the end of September 2021. Those aged over 65 tend to come off furlough more slowly and so this age group had the highest proportion of employees on furlough across the UK (7% take up rate). This may be a reflection of the re-opening and viability sectors with higher numbers of younger workers (such as the hospitality sector), or it may be that businesses are choosing to retain employees with more experience when the costs of furloughed workers increased for businesses in July 2021.

Figure 10: NI Furloughed Employees by Age



Source: CJRS Statistics, November 2021

Data (which is only available at a regional level for May to September 2021) shows that in Northern Ireland the number of under 25s on furlough at the end of May 2021 was 9,700. This has followed the same pattern as the UK and fallen by almost three quarters to 2,590 in August. While the number of employees on furlough in each of the age groups has fallen, this is the largest decline in any of the age groups. The percentage decrease in the number of employees on furlough correlates with age, as the age group increases the percentage decrease since the end of May falls, with the smallest decline being for the oldest age group of 65 and over (41%).

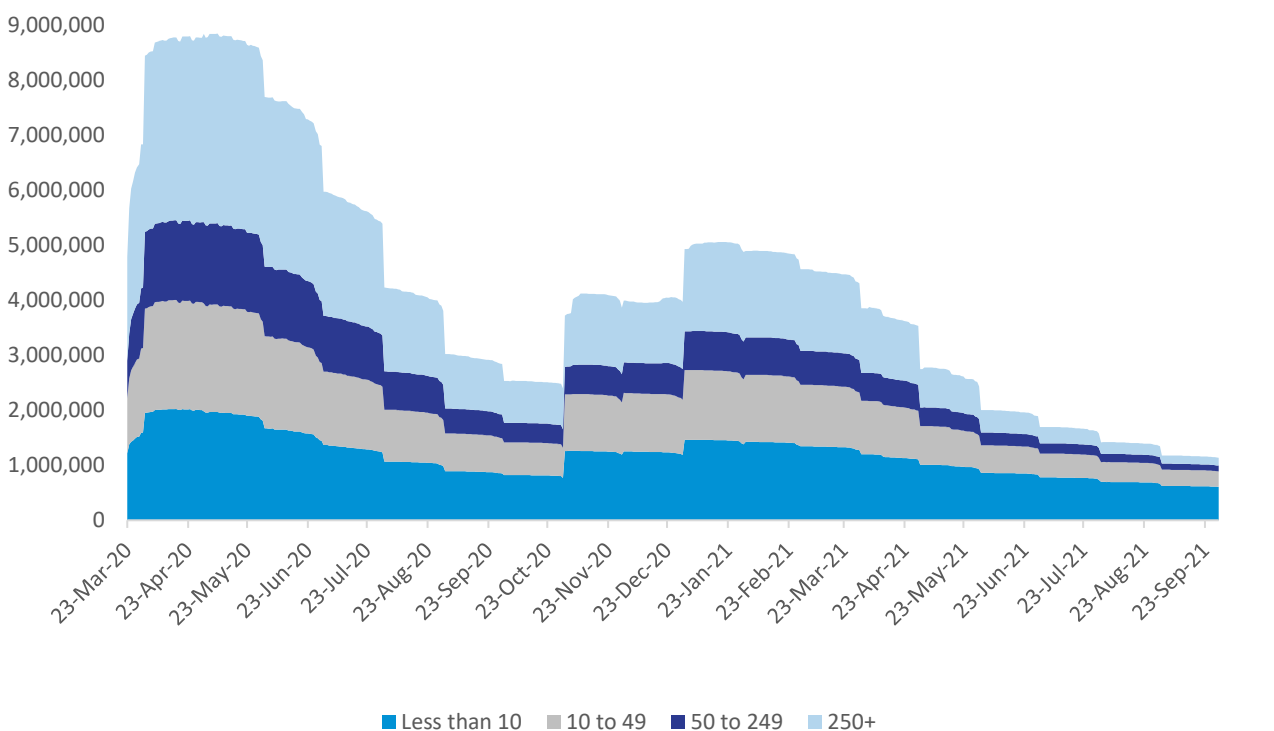
The three age groups with more than 3,000 employees on furlough at the end of the scheme were 50-55 year olds (3,110), 35 to 39 year olds (3,050) and 45 to 49 year olds (3,030).

Business Size

There is only data on furlough by business size at a UK level. This data shows a generally inverse correlation between business size and the likelihood of being on furlough, with people working in micro and smaller businesses more likely to be furloughed than employees in large businesses.

The number of furloughed employees from micro businesses (less than 10 employees) has remained relatively static throughout the scheme, while initially there was a much larger uptake from large businesses (250+ employees) which reduced significantly in the summer of 2020. Further restrictions caused rises but these quickly fell.

Figure 11: UK Furlough Workers by Business Size



Source: CJRS Statistics November 2021

While the number of furloughed workers fell from all businesses sizes over 2021, the number of employees on furlough has fallen in line with business size. Large businesses have been able to reduce the number of furlough workers more quickly. The number of furloughed workers in these businesses from the end of January 2021 to end of September 2021 fell by 91%, whereas micro businesses have only reduced by 56% over the same period.

Northern Ireland has a higher proportion of smaller businesses. The latest Inter-Departmental Business Register (IDBR) for 2021^{xi} states that of the 77,640 VAT and/or PAYE registered businesses operating in Northern Ireland the majority (89.3%) have less than 10 employees, and a further 8.4% have 10 to 49 employees, with only 0.4% having 250 or more employees.

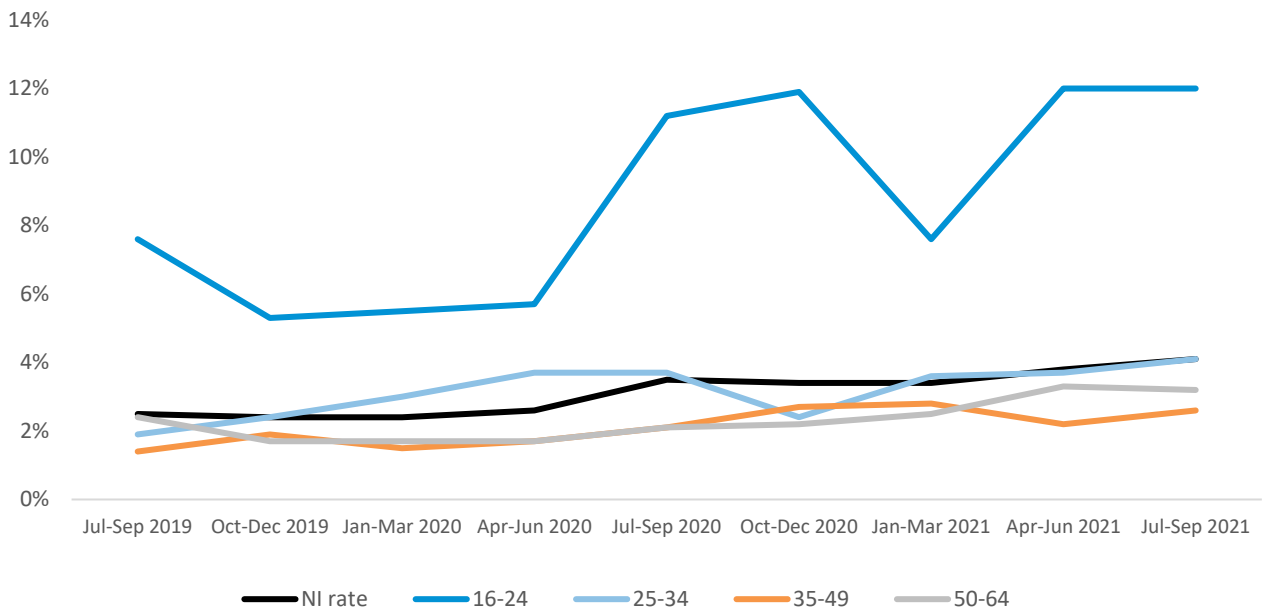
Labour Market

The CJRS was introduced to soften the impact of the pandemic restrictions on the UK labour market. The following sections will investigate the labour market statistics during the furlough scheme to see if the scheme achieved its aims locally.

Unemployment

The NI unemployment rate for July to September 2021 is 4.0% which is below the UK rate of 4.3% but increased by 0.2 percentage points (pps) over the quarter and 0.6pps over the year. It is the highest unemployment rate in NI since July to September 2017 and is 1.6pps above the pre pandemic rate for January to March 2020. Danske Bank forecasts NI's unemployment rate to average at 4.1% this year and 4.4% in 2022, as the labour market impacts of the pandemic deferred from last year begin to materialise^{xii}. The male unemployment rate (5.3%) has increased by 1.6pps over the year whereas the female unemployment rate (2.7%) has fallen by 0.4pps.

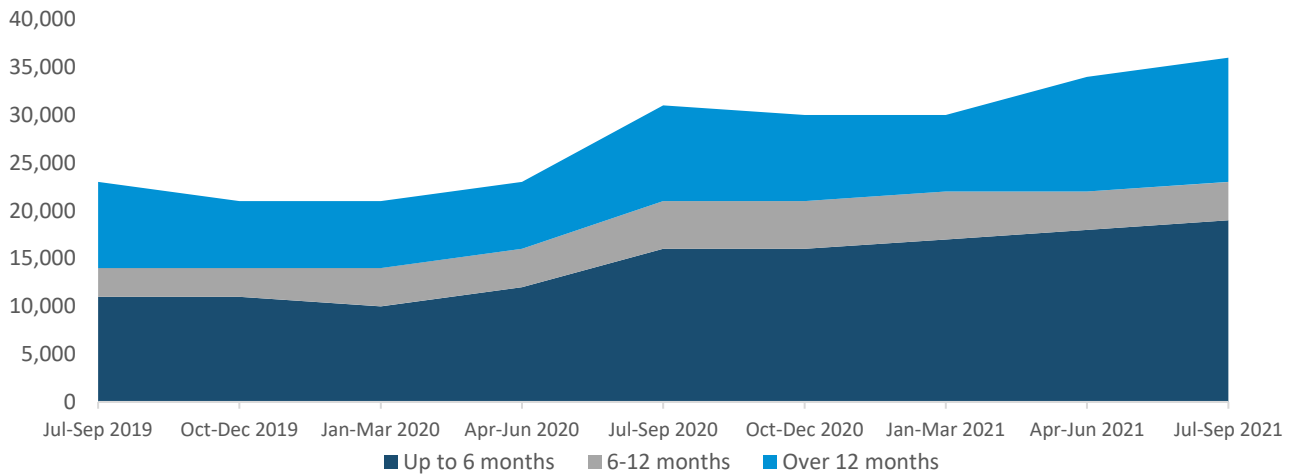
Figure 12: NI Unemployment Rate by Age



Source: NISRA Labour Market Report November 2021

The unemployment rate has risen for all age groups over the pandemic. However, as the graph above demonstrates, the 16-24 age group is the most impacted, with the number of unemployed in this age group more than doubling between March-May 2020 and June-August 2021. The most recent statistics show that over a third (35%) of those who are unemployed are aged between 16 and 24. While there tends to be an increase in unemployment for this age group during the summer months, as students leave education and training courses, there has been an upward trend for this age group throughout the pandemic.

Figure 13: NI Unemployment by Duration



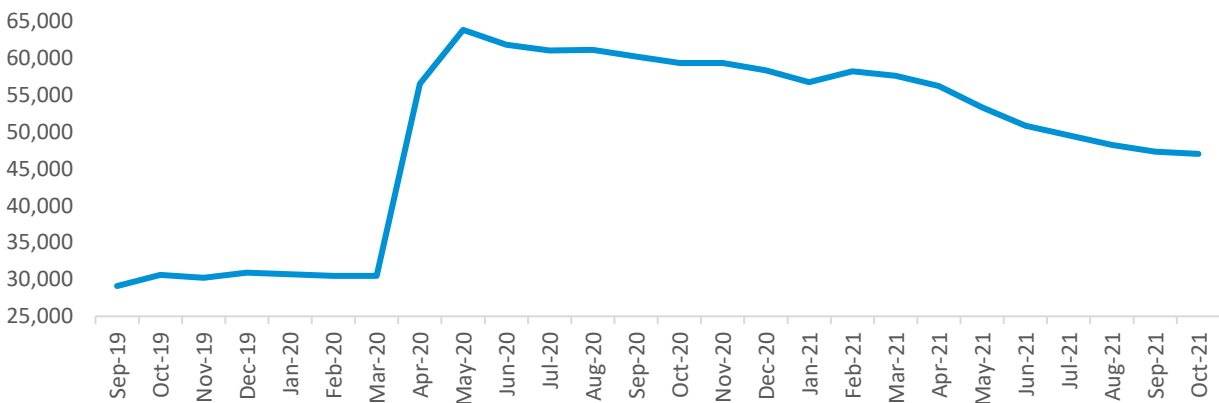
Source: NISRA Labour Market Report November 2021

As the number of unemployed has risen, so has the number of people in Northern Ireland who are considered long term unemployed (unemployed for 12 months or more). During January to March 2020 an estimated 7,000 of the 21,000 people unemployed were considered long term unemployed (32.4%). For July to September 2021 the number of long term unemployed people rose to 13,000 and the percentage of the unemployed considered long term unemployed has also risen to 36.2%. Long term unemployment can affect a person’s health as well as their prospects as they may earn less once they find employment. The effect on young people can be particularly negative, leading to a long term scarring on their wages or an ongoing disconnection from the labour market.

Claimant Count

The claimant count includes the number of people claiming job seekers allowance or other unemployment benefits such as Universal Credit who are claiming principally for the reason of being unemployed.

Figure 14: NI Claimant Count (Seasonally Adjusted)



Source: NISRA Labour Market Report November 2021

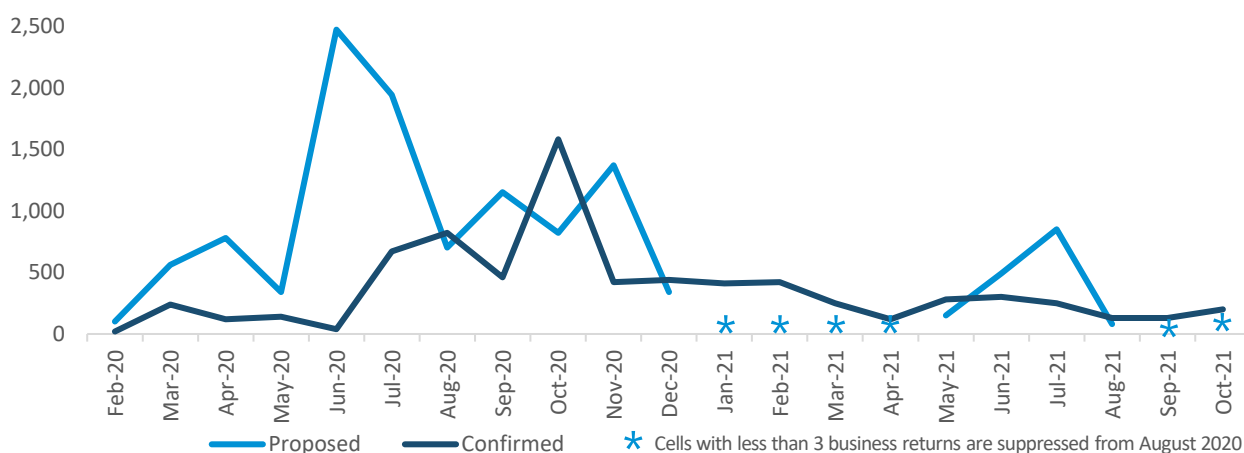
A significant spike in the claimant count occurred between April and May 2020 during the first lockdown. The peak in May 2020 of 63,800 claimants was more than double the number of claimants in March 2020 (30,500). Between May 2020 and October 2021, the claimant count has fallen by just over a quarter (26%). However, it remains 54% higher than October 2019, with 47,000 people claiming unemployment benefits in October 2021. It was anticipated that the end of the furlough scheme would see a rise in unemployment claimants, however between September and October 2021 there was an estimated 300 fall in the number of claimants. One possible reason for this is that some of those on furlough at the end of the scheme may have already been claiming Universal Credit as furlough pay had brought them into the eligibility criteria. It is likely that employers will have retained some of the furloughed employees. However, there may also have been some furloughed workers who had already taken a second job to supplement their income and at the end of furlough moved from one job into another. What is clear is that the end of furlough has not led to large increases to the number of unemployment claimants.

Redundancies

These figures relate to businesses proposing and confirming redundancies of 20 or more employees. There is a time lag between proposed and confirmed redundancies and not all proposed redundancies take place. During October 2021, 200 redundancies were confirmed, 70 more than both August and September 2021 but 50 less than July 2021 and 100 less than June. Over the year to October 2021, 3,650 redundancies were proposed and 3,350 confirmed. Of the confirmed redundancies 36% were in Manufacturing and 23% in Wholesale and Retail.^{xiii}

Many of the proposed redundancies in June 2020 began to translate into confirmed redundancies from July and peaked in October 2020. Confirmed redundancies have been on a downward trend since then. The October 2020 total (1,580) was the highest number on record with the very late announcement of the extension to the furlough scheme likely to have impacted business decisions. However, the government allowed businesses to re-hire redundant staff at this time as long as they were an employee by the 23rd of September 2020.

Figure 15: Confirmed and Proposed Redundancies in NI



Source: NISRA Labour Market Report November 2021

Pay

The latest CJRS statistics provides wage information for employees on furlough at a UK wide level. At the end of the scheme over half of the employees on furlough (51.5%) earned less than £15,000 per annum while 8.2% earned £40,000 or more.

The 2020 Annual Survey of Hours and Earnings (ASHE) by NIRSA noted that the proportion of jobs below the National Living Wage increased from 1.1% in 2019 to 10% in 2020. More than 90% of those below this level were on furlough rates of pay during the survey period. In 2021 there was a reduction to the number of people in NI earning below the National Living Wage (£8.91 per hour). The introduction of flexible furlough during 2020 meant employees could be earning more than 80% of their wages and so the number of employees with reduced rate of pay in 2021 was around half of the 2020 count, although the majority of furloughed employees still earned below the National Living Wage.

In 2021 the largest annual increases were reported for Skilled Trade occupations, Elementary occupations and Process, Plant and Machine Operatives. These three occupational groups had the highest rates of furlough pay in 2020 and recorded the largest decrease in their rates of furloughed employees on reduced pay in 2021. Elementary occupations are the second lowest paid group in NI, earning on average £187 a week below the median for all full-time employees gross weekly pay. Within Elementary occupations 54% of jobs were low-paid and only 0.3% high-paid. Average full-time gross weekly earnings in both Skilled Trade occupations and Process, Plant and Machine Operatives are also below the NI average by £69 and £94 respectively. This suggests that in Northern Ireland the most likely employees to be placed on furlough were lower paid workers.

Weekly earnings in Construction, Accommodation and Food Services, Arts, Entertainment and Recreation and Financial and Insurance activities have not yet returned to 2019 levels.

Conclusions

The CJRS has helped to save jobs. At the start of the pandemic it was feared that more than one in 10 UK workers would become unemployed^{xiv}. Northern Ireland's unemployment rate has stayed well below this. The furlough scheme has been commended with some saying "The scheme played a valuable role in staving off mass unemployment, avoiding the big rise in joblessness seen in the US and Ireland at the start of the pandemic."^{xv}

Even though claimant count and redundancy figures have not experienced spikes in November, the end of the furlough scheme will have resulted in some furloughed workers not returning to their previous employment. Those most at risk in NI were fully furloughed workers, those working in the Accommodation & Food Services and the Arts & Entertainment sectors and those working in a micro business (less than 10 employees). Workers paid below the median NI wage were more likely to be placed on furlough. While females were more likely to be placed on furlough, in part because there are more female employees, a higher proportion of eligible male employees were on furlough,

particularly towards the end of the scheme. Younger workers, aged under 25 were been more likely to have been placed on furlough but the number of younger workers on furlough has rapidly declined since March this year.

With the reopening of the economy in the spring and evidence of increasing vacancies in some sectors, as well as improvements in demand and business confidence, the need for the CJRS has reduced. However, not every business is at the same stage of recovery from the pandemic, with some restrictions only lifting in Northern Ireland after the furlough scheme had finished. The NI government has sought to support businesses affected for longer in a more targeted way via Northern Ireland's £100 High Street Voucher scheme and the Holiday Voucher scheme. However, it is also essential that those made redundant are assisted into employment or training, particularly youth and long term unemployed, to reduce the potential long term scarring effects of the pandemic.

The Covid-19 pandemic required a significant government response to support people and businesses through a momentous period of uncertainty. While the CJRS has been provided for much longer than originally intended and therefore cost much more than planned, it has supported millions of employees across the UK, without which undoubtedly many more would have faced redundancy.

Sean McCarthy & Julie McIlhatton

For further information or queries please contact analyticalservices@economy-ni.gov.uk

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- i [The Chancellor Rishi Sunak provides an updated statement on coronavirus](#)
 - ii [Prime Minister's statement on coronavirus \(COVID-19\): 20 March 2020](#)
 - iii [Geringere Entgeltkosten dank Kurzarbeitergeld](#)
 - iv [Kurzarbeit: Germany's Short-Time Work Benefit](#)
 - v [Remuneration of an employee on short-time working \(short-time work\)](#)
 - vi [www.revenue.ie/en/employing-people/twss/information-about-twss/rules-for-the-rate-of-wage-subsidy-payable.aspx](#)
 - vii [New Employment Wage Subsidy Scheme - what you need to know](#)
 - viii [Businesses give back more than £1bn claimed through furlough scheme](#)
 - ix [Co-ordination and divergence - Devolution and coronavirus](#)
 - x [An overview of workers who were furloughed in the UK: October 2021](#)
 - xi [Northern Ireland business; activity, size, location and ownership, 2021](#)
 - xii [Northern Ireland Quarterly Sectoral Forecasts 2021 Q1](#)
 - xiii [Northern Ireland Labour Market Report](#)
 - xiv [Covid: What will happen when furlough ends?](#)
 - xv [The Coronavirus Job Retention Scheme - How has it been used and what will happen when it ends?](#)