

# KEY WORKERS



**The Importance of Key Workers to the  
Glasgow City Region Economy**

April 2021

## Contents

Executive Summary	3
1. Introduction	4
2. Sectors	5
3. Demographic characteristics	7
4. Key Workers' Qualifications, Earnings and Quality of Work	9
5. COVID-19 Impacts	12
6. In Focus: the Social Care Sector	13
7. Conclusion	17

This report was developed by the Glasgow City Region Intelligence Hub. The Hub provides a wider range of economic functions for the Region - including data analysis, modeling, policy research and strategy development. For further information please contact Andrew Robertson on [andrew.robertson2@glasgow.gov.uk](mailto:andrew.robertson2@glasgow.gov.uk)

## Executive Summary

The response to the coronavirus crisis has underlined the critical role of the UKs 'key workers' - a term which has been used to describe the type of work that was deemed essential during the pandemic. A recent data release from the Office of National Statistics provides some insights into this broad group of workers. This briefing note uses this data to analyse key workers across different sectors in terms of their demographic profiles (such as education, gender and nationality) and their working conditions. Where possible, the review focuses on key workers within the Region.

### KEY FINDINGS:

- **Over a third of workers in Scotland and Glasgow City Region is a key worker.** In Glasgow City Region the majority of key workers are employed in Health and Social Care occupations (108,000) and Education and Childcare (49,000).
- **Most key workers in the UK are women-** and are highly represented in Health and Social Care and Education and Childcare.
- **There are more degree level qualified key workers (41.7%) than there are among non-key workers (33.3%).**
- **During the pandemic, only a minority of key workers in the UK could work from home.**
- **Those in food and necessary goods sectors have the lowest pay** – the median earner in this sector earned £200 per week in 2019.
- **Care workers are paid less than the median weekly pay (£470).** Moreover, 43% of Care workers in Scotland earn less than the Real Living wage.
- **In the Social Care sector there are a number of challenges which need to be addressed** – such as skills underutilisation and staff shortages.

# 1. Introduction

- 1.1 Over the past year, the term ‘key workers’ has become familiar to most people. But, whilst the public appears to have a new-found appreciation for them, it is not clear that we all fully understand what a key worker is.
- 1.2 The UK government defines a ‘key worker’ as: a public sector or private sector employee whose work is critical to the coronavirus response including those who work in health and social care and other key sectors such as, education and childcare, utilities and communication, key public services, food and other necessary goods and public safety <sup>(1)</sup> <sup>(2)</sup>.
- 1.3 Helpfully, the Office of National Statistics (ONS) has recently produced a dataset on these workers which allows us to understand more about the people who work in these sectors, their skills and given the recent debate on nurses pay, we are able to understand better the wages they and other key workers earn.
- 1.4 This report analyses this data to provide insights into the composition of the workforce defined as ‘key workers’ in Scotland and Glasgow City Region. It covers a range of issues including:
  - **Sectoral breakdown** - the industries they work in
  - **Demographic characteristics** - breakdown by sex and place of birth of this workforce
  - **Qualifications and Earnings** - their levels of qualifications and their wage levels
  - **COVID-19 impact** - have these workers been able to work from home or have they continued to go into work
  - **Focus on the Social Care sector** - a more in depth look at this key sector for the Glasgow City Region economy.

(1) [UK government definition](#).

(2) Some workers under this definition may be furloughed. This is not captured in this definition.

## 2. Sectors

- 2.1. At a national level, approximately 34% of workers in Scotland come under the definition of key workers. This is a similar proportion to that of the whole UK and equates to around 900,000 workers. Just over 34% of Scotland's key workers are in the Health and Social Care occupation group and 17% in Education and Childcare.

**TABLE 1: SCOTLAND'S KEY WORKERS, 2019**

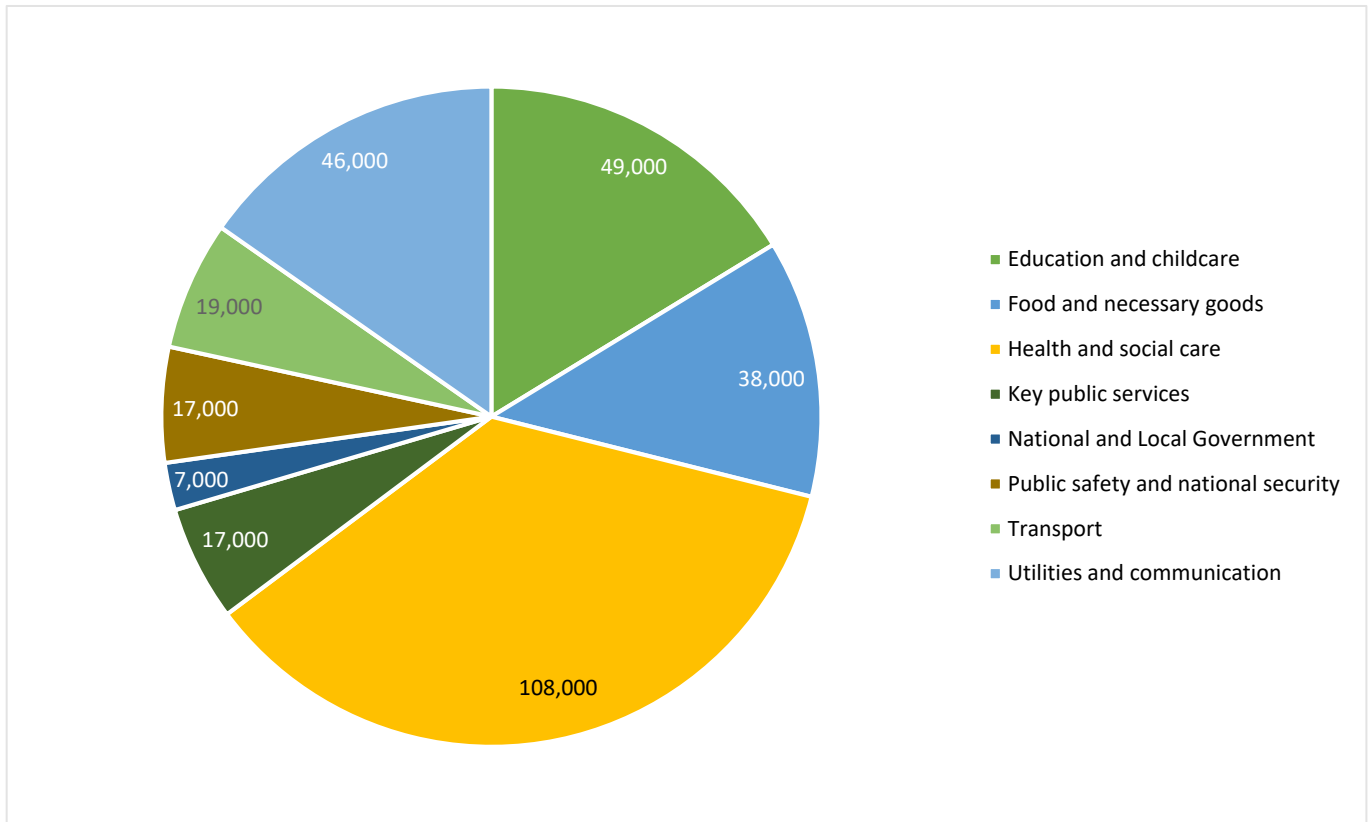
KEY WORKER CATEGORY	NUMBER OF WORKERS	PERCENTAGE OF TOTAL KEY WORKERS
Education and childcare	154,000	17.1%
Food and necessary goods	140,000	15.6%
Health and social care	307,000	34.1%
Key public services	42,000	4.7%
National and Local Government	21,000	2.3%
Public safety and national security	49,000	5.4%
Transport	49,000	5.4%
Public safety and national security	49,000	5.4%
Utilities and communication	139,000	15.4%

### Over a third of key workers in GCR work in Health and Social Care

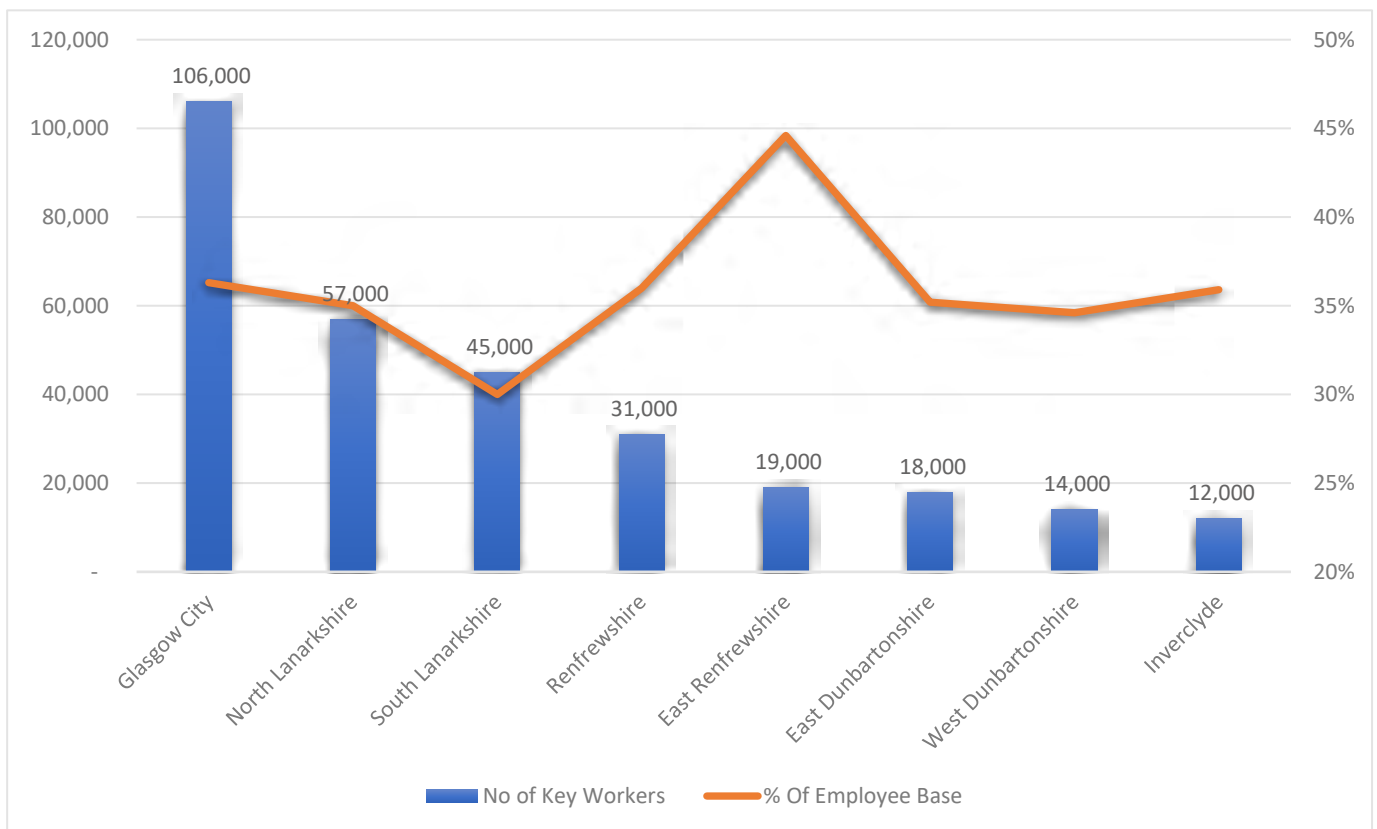
#### GLASGOW CITY REGION

- 2.2 **35.2% of employees in Glasgow City Region are key workers.** GCR follows the national trends with health and social care and education and childcare dominating the composition of the key worker workforce.
- 2.3 As shown in Figure 1, in 2019, of 301,000 key workers in Glasgow City Region:
- 108,000 (35.9%) worked in Health and Social Care and
  - 49,000 (16.3%) in Education and Childcare.
- 2.4. Within GCR, there are no substantial intra-regional differences. As shown in figure 2, GCRs member authorities follow the Regional and national trends. The only exception is East Renfrewshire which has a higher portion of key workers in its workforce (44.6%).

**FIGURE 1: NUMBER OF KEY WORKERS (AGED 16-64) BY KEY WORKER SECTOR IN GCR, 2019**



**FIGURE 2: PROPORTION OF KEY WORKERS IN WORKFORCE BY LOCAL AUTHORITY, 2019**



### 3. Demographic Characteristics

The majority of key workers are female.

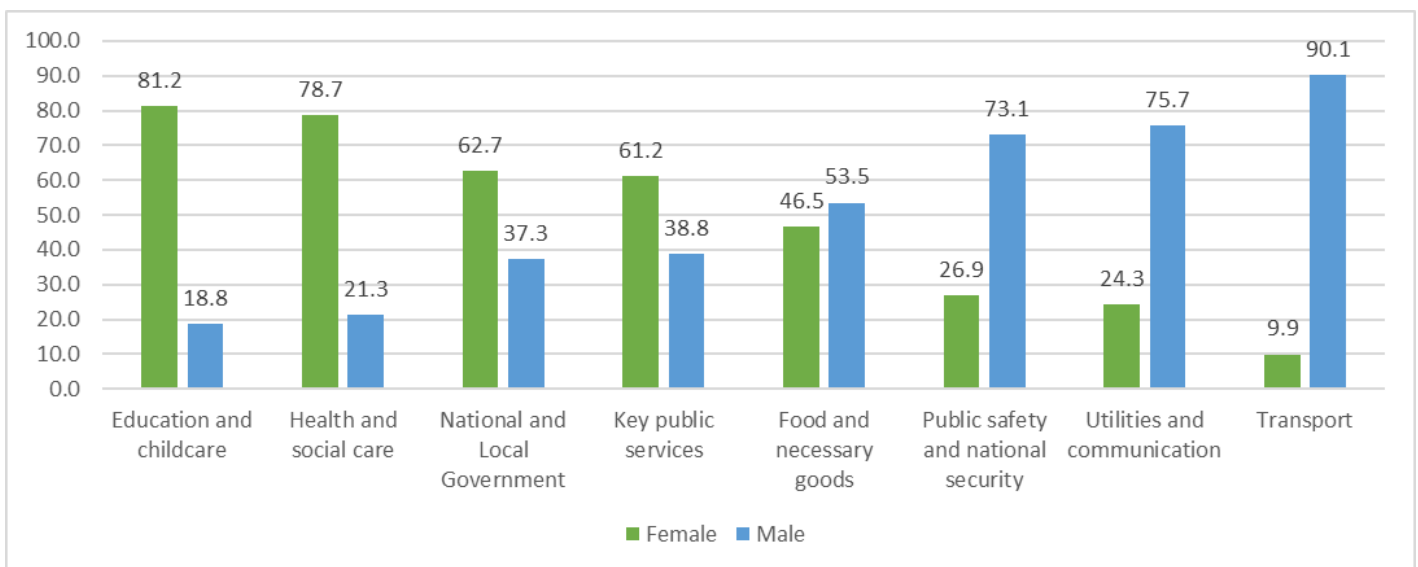
3.1. In the UK, more key workers are women (6,153,000) compared to men (4,459,000).

Women are most represented in:

- Health and Social Care (78.7%) and
- Education and Childcare (81.2%).

3.2. Men dominate Utilities and Communication (75.7%), Transport (90.1%) and Public Safety (73.1%).

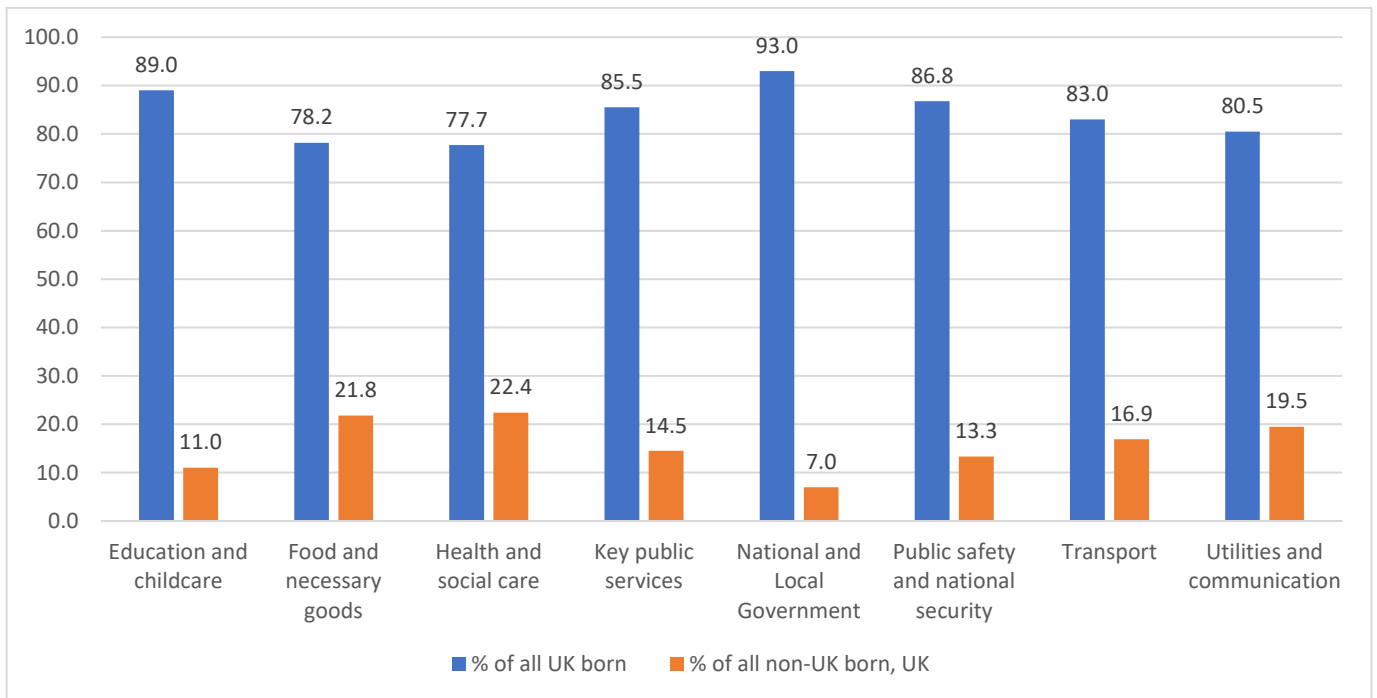
**FIGURE 3: PERCENTAGE OF KEY WORKERS BY OCCUPATIONAL CATEGORY AND GENDER, UK**



## The Health and Social Care sector relies on non-UK born workers to fill 22.4% of its jobs.

- 3.4. **In the UK**, the largest proportions of non-UK born workers are employed in Health and Social Care (22.4%) and Food and Necessary Goods (21.8%).
- 3.4. **In Scotland**, 8.2% of jobs in the Health and Social Care Sector are filled by non-UK nationals <sup>(3)</sup>.
- 3.5 **In GCR**, it is estimated that in 2019 11,316 non-UK nationals worked in the Health and Social Care sector.

**FIGURE 4: KEY WORKERS BY COUNTRY OF BIRTH AND OCCUPATION GROUPS, UK**



(3) This estimate comes from [Scottish Government analysis of labour market data](#). Thus, the Health and Social Care sector here is defined by the 2-digit SIC codes and doesn't reflect ONS classification of key worker occupational groups. The estimate is therefore illustrative of the size of the non-UK born workforce.



## 4. Key Workers' Qualifications, Earnings and Quality of Work

There are more degree level qualified key workers than non-key workers.

- 4.1. Figure 5 shows estimates of qualification levels of key workers in the UK. Nearly 65% of workers in Key Public Services have a degree, compared with just 12 % in the Transport Sector. Whilst the Social Care sector may sometimes be perceived as being 'low-skilled', the data shows that only a minority of key workers have no qualifications (4.1%). The rate amongst the general population in the UK is 8%.

**FIGURE 5: HIGHEST LEVEL OF QUALIFICATION KEY WORKERS AND NON-KEY WORKERS, UK**

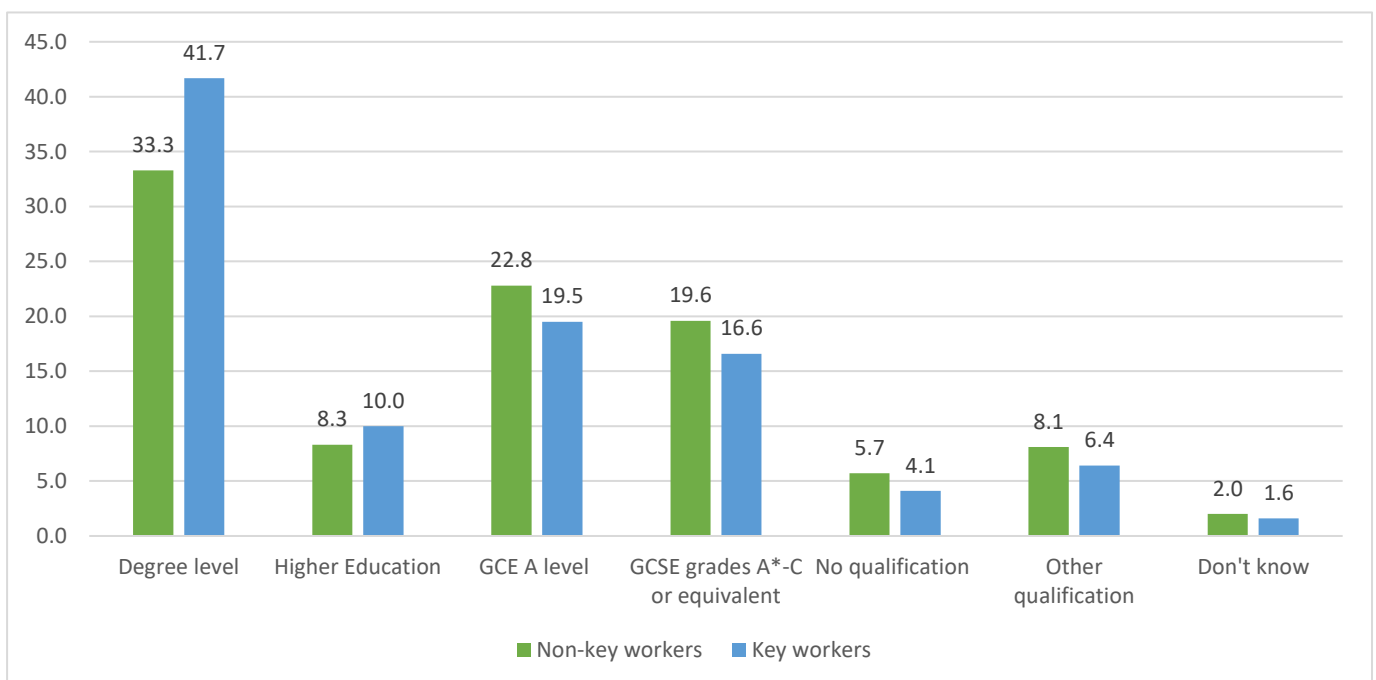
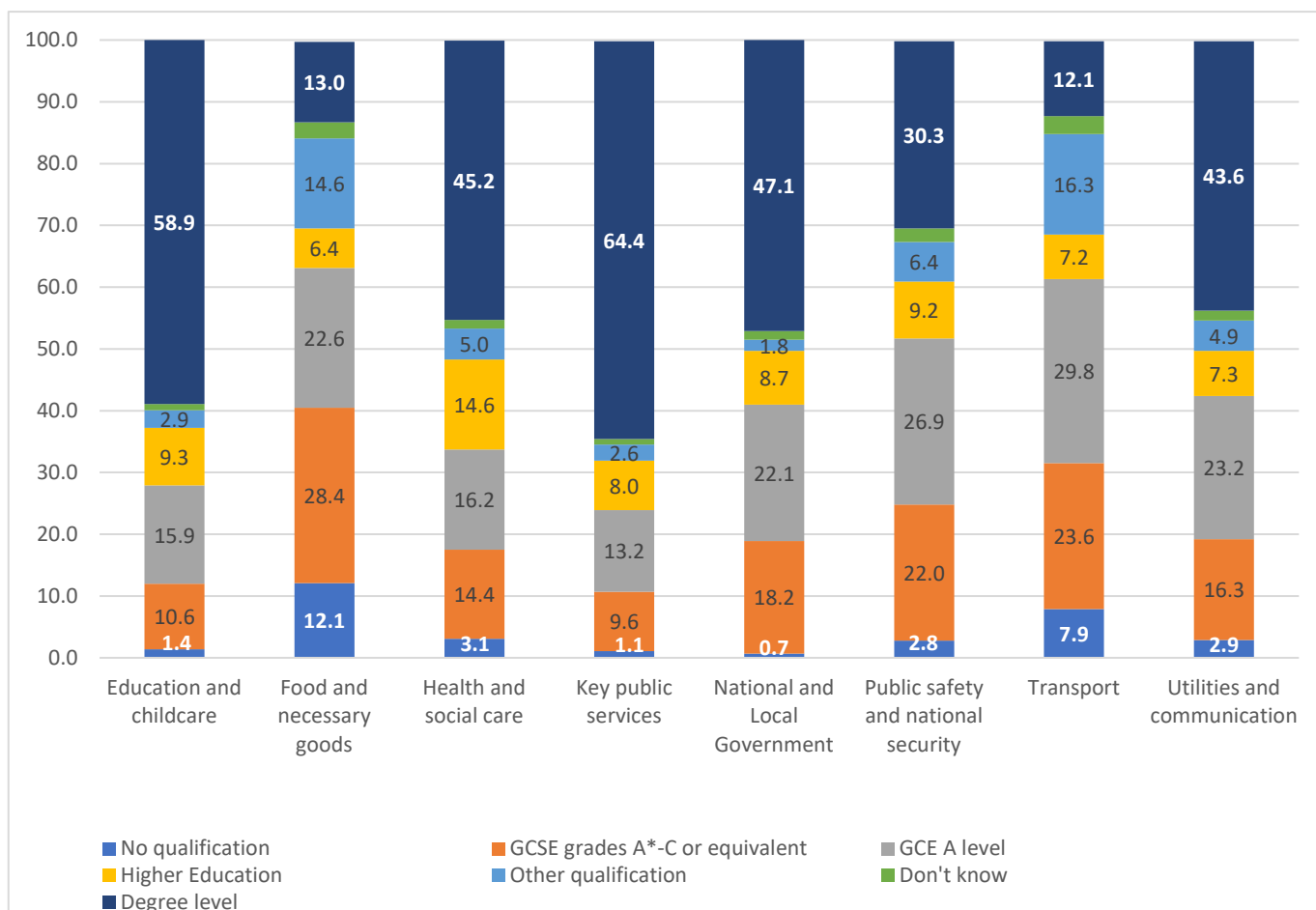


FIGURE 6: HIGHEST LEVEL OF QUALIFICATIONS AMONG KEY WORKERS, UK



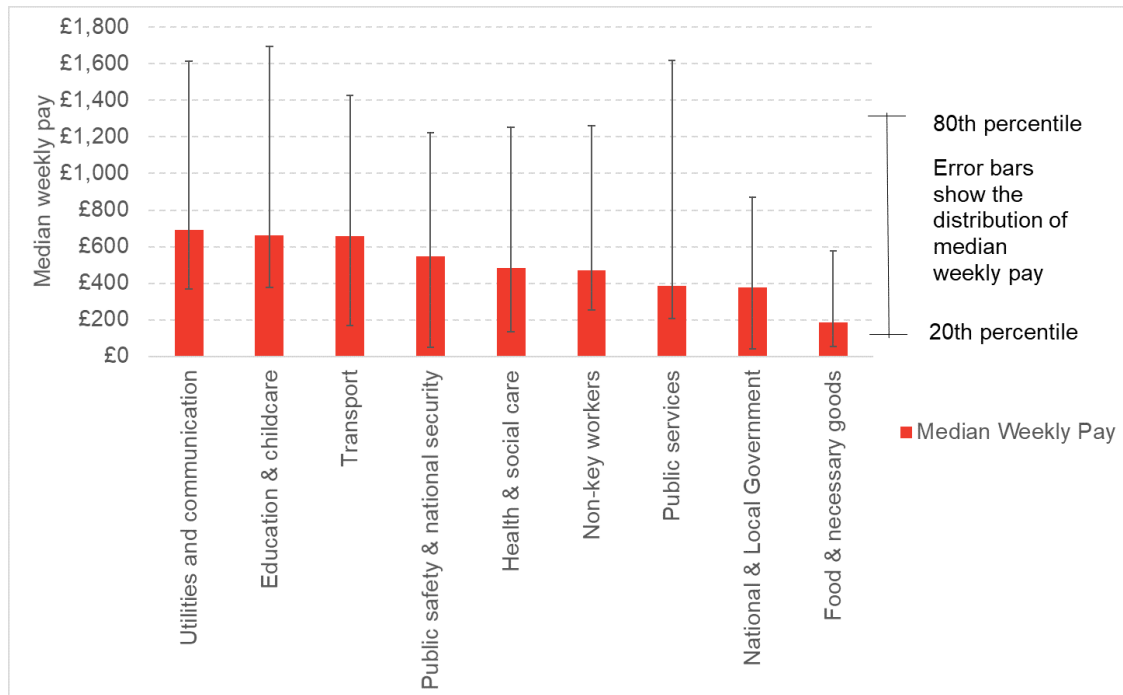
### Those in Food and Necessary Goods Sector have the lowest pay.

- 4.2. According to the Labour Force Survey (LFS), the average median weekly pay in Scotland in 2019 was £480. Weekly pay is determined by a combination of hourly pay and hours worked. According to the Fraser of Allander Institute's analysis of the LFS, three key occupational categories, Public Services (for example, local government administrative assistants, NGO officers, records clerks and assistants) National and Local Government (for example, business and administrative professionals) and Food and Necessary Goods (broadly covering food processing, delivery and sale) have lower weekly pay than this (Figure 7) <sup>(4)</sup>.

(4) Fraser of Allander Institute, May 2020.

- 4.3. In Figure 7, the error bars show the variation in earnings between the 20th and 80th percentile within occupational groups. A small variance suggests a predominately low pay sector. The widest variation in weekly earnings is within public services. This is due to the variety of occupational groups included in the definition ranging from solicitors and journalists to secretaries and administrative assistants. Those in the food and necessary goods category received the lowest estimate of median weekly pay.

**FIGURE 7: KEY WORKERS IN SCOTLAND BY CATEGORY WEEKLY PAY**



Source: Fraser of Allander Institute, 2020

- 4.4. ONS's dataset provides further information on key workers' and non-key workers' distribution of salary, showing the proportion of key workers in each occupational group by pay decile. Even though, at an aggregate level, more key workers have qualifications compared to non-key workers, key workers are most represented in the 3rd decile (weekly pay £328.40). This is mainly driven by workers in Health and Social Care (14%) and Education and Childcare (8%). 26% of key workers are represented in the 5th decile (median) with £446.71 weekly pay, while only 23% of key workers are in the highest pay decile (above £961.79 per week).

### A higher proportion of workers in caring occupations are in low pay than the GCR average.

- 4.5. The ONS has produced experimental data on job quality across the UK's city regions. The composite indicator includes hours, earnings and contracts based on the Annual Population Survey 2018<sup>(5)</sup>. The occupational categories (broad Standard Occupational Classification) do not exactly suit the purpose of key worker analysis, but are illustrative of quality work issues that key workers in these occupational groups face.
- 4.6 **In Sales and Customer Service occupations** (which includes key workers in elementary sales occupations in supermarkets and food delivery), 42.2% of workers are not in quality work, similar to the Scottish average (45.4%).
- 4.7 **In Caring, Leisure and Other Service occupations** (which includes care workers), 72.9% of workers in GCR were in quality work, higher than the GCR average (67.3%). However, looking at the individual components of job quality, the data shows that a higher share of workers in Caring, Leisure and other Service occupations are in low pay (9.9%) than the GCR average (7.1%).

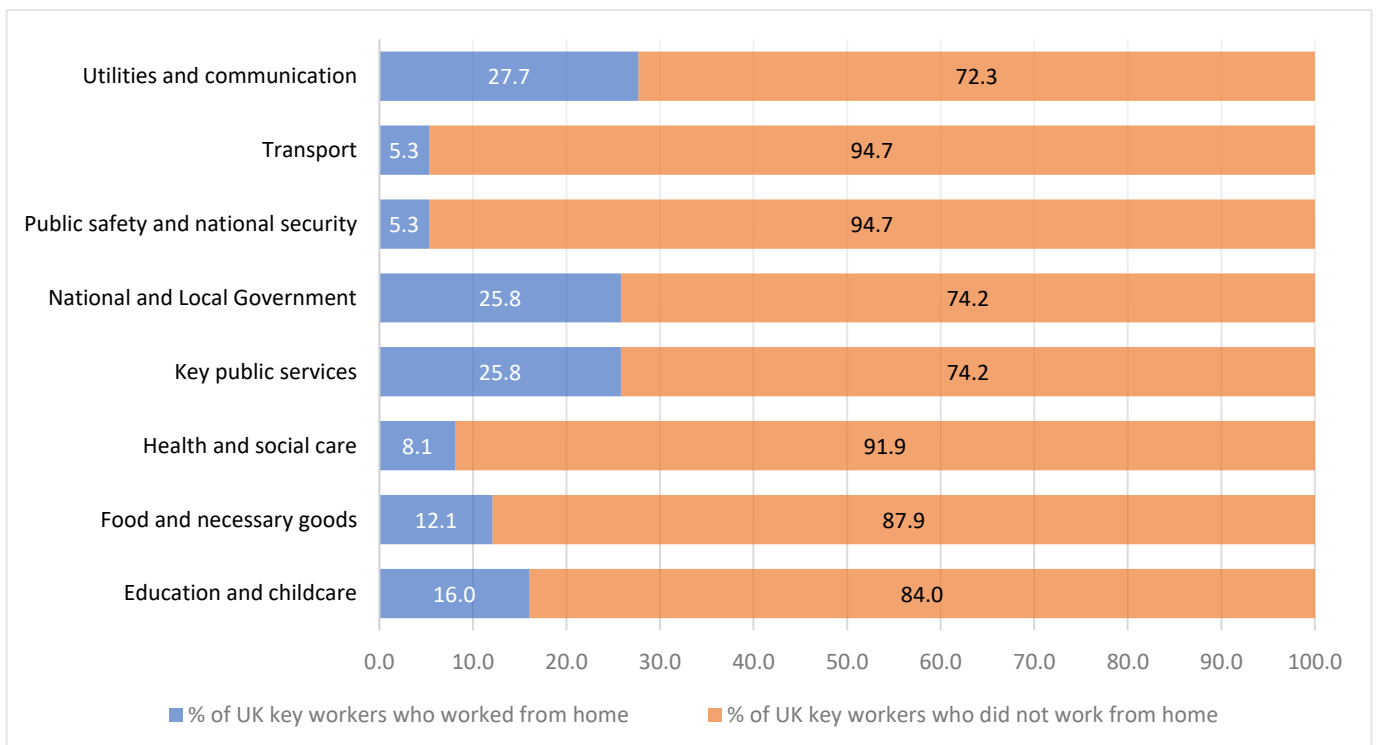
(5) ONS Job Quality, 2018.

## 5. COVID-19 Impacts

The majority of key workers could not work from home during the pandemic.

- 5.1. The majority of key workers could not work from home during the pandemic, putting themselves at greater health risks to do their jobs. Health-related data from the Annual Population Survey suggests that 15% of key workers were at increased risk from coronavirus because of a health condition.
- 5.2. Figure 8 below shows the proportion of key workers in the UK that were able to work from home by occupational group. While 20.1% of non-key workers had shifted to home working only a small portion - 14.5% - of key workers could work from home.
- 5.3. Applying this proportion to GCR's key worker employee base estimates that approximately 43,645 workers were able to work from home compared to 257,355 who did not. Unsurprisingly, due to the nature of occupations, just 8.1% of key workers were able to work from home in Health and Social Care and only 5.3% in Transport and Public Safety.

**FIGURE 8: PERCENTAGE OF KEY WORKERS BY KEY WORKER SECTOR AND ABILITY TO WORK FROM HOME, UK**



## 6. In Focus: the Social Care Sector

- 6.1. Health and Social Care workers make up 35.9% of all key workers in Glasgow City Region, the largest occupational group. The current crisis has highlighted the importance of carers as frontline workers during the pandemic. Yet, according to research by the Centre for Progressive Policy (CPP), care workers appear to experience the most acute divergence amongst all key workers between the social value of the care they provide and their ‘market value’<sup>(6)</sup>.

### Care workers are paid less than the Scottish median weekly pay.

- 6.2. The Annual Survey of Hours and Earnings (ASHE) provides estimates for weekly earnings by occupational group and allows for a more in-depth analysis of pay in the social care sector. Figure 9 shows median weekly earnings and number of jobs for selected occupations in the health and social care sector in Scotland<sup>(7)</sup>. It highlights the wide divergence in earnings between various health professionals and social care workers<sup>(8) (9)</sup>.
- 6.3. Despite being the second largest occupation group in terms of employment, care workers and home carers earn less than the Scottish median weekly pay (£470)<sup>(10)</sup>. Other frontline staff, such as nurses earn just a few pounds more (£69) than national median weekly pay.
- 6.4. From the perspective of hourly pay, the Scottish Social Care sector pay averaged £9.79 per hour in 2019 – this average includes care staff at all levels, from ancillary staff to qualified social workers<sup>(11)</sup>. This is above the Scottish Real Living wage of £9.50 (in November 2020, up from £9.30 in 2019).

(6) The discussion is restricted to paid carers, while we acknowledge the significant contribution that unpaid carers make to the sector.

(7) In this case a city region and/or local authority analysis was not possible due to lack of data for 4-digit SOC.

(8) Earnings data for some 4-digit occupation codes such as care escorts were not robust and have thus been excluded from the analysis.

(9) Some caveats to note: estimates for jobs counts and weekly pay vary in quality, mainly reflecting the size of the samples. The graph is therefore indicative and is intended to provide an idea of the numbers of employee jobs, but they should not be considered as accurate estimates.

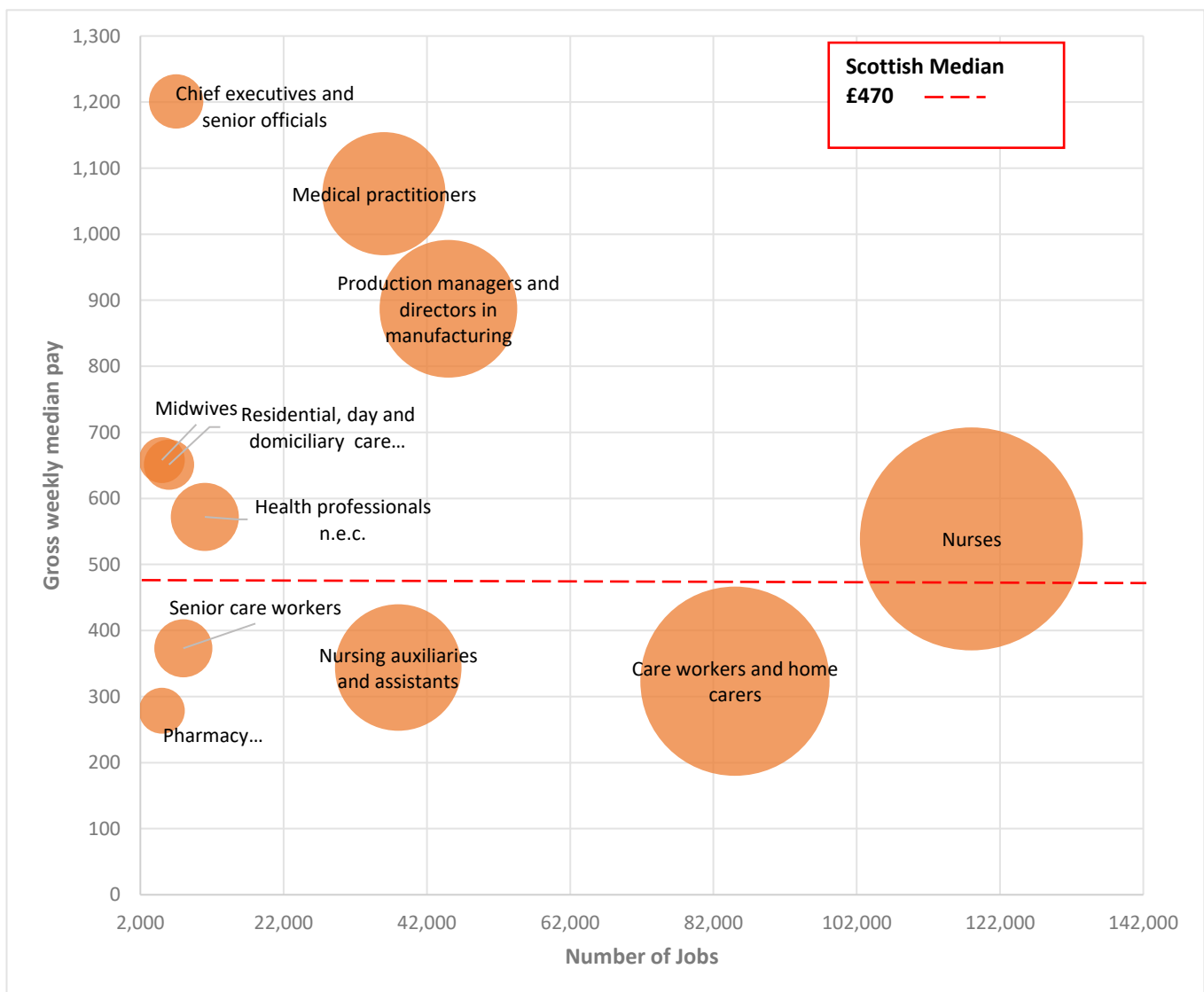
(10) Here, the Scottish median weekly pay differs from the one used by the FAI as it comes from the ASHE and not the LFS.

(11) Fair Work Convention 2019.

## 43% of Care workers in Scotland earn less than the Real Living wage – 3 times the Scottish average.

- 6.5. Recent research from the Resolution Foundation suggests that in 2017 to 2019, 43% of care workers in Scotland were paid below the Real Living wage, almost three times higher than the Scottish average (15.2%)<sup>(12)(13)</sup>. In addition, research shows that **approximately 20% of the Social Care workforce are not on permanent contracts and 11% are on zero hours contracts**, which have been associated with economic insecurity, underemployment and in-work poverty<sup>(14)(15)</sup>.
- 6.6. As the Social Care sector is dominated by female workers, women are more likely to be negatively impacted by low quality work and low pay than men.

**FIGURE 9: GROSS MEDIAN WEEKLY PAY ALL EMPLOYEE JOBS IN SELECTED KEY WORKER OCCUPATIONS, SCOTLAND 2019**



Source: Intelligence Hub analysis of the Annual Survey of Hours and Earnings ONS, 2019

(12) What happens after the clapping finishes? Resolution Foundation, 2020

(13) (14) <https://www.povertyalliance.org/real-living-wage-increases-to-9-50-in-scotland/>

(15) Stock Jones, R. (2020) From precarious to prosperous: How we can build back a better labour market CPP.

## Low Pay, Inclusive Growth and Ageing Population Considerations.

- 6.7. Our ageing population will inevitably increase demand for social care services. In 2019, GCR's dependency ratio was quantified as 52.4 <sup>(16)</sup>. The dependency ratio quantifies how many young (0-15 years) and pensionable age (65+ years) individuals there are against the number of working-age (16-64 years) individuals. Despite being the second lowest ratio amongst comparable UK Core City Regions, there are important intra-Regional differences with higher dependency ratios seen in East Dunbartonshire (67.7) and East Renfrewshire (68.1). It is also due to increase across the Region.
- 6.8. Increasing the quality of care will be dependent on higher quality jobs in the sector – as evidence by the Health and Social Care Committee which found that **low pay devalues workers, increases turnover and undermines the resilience of the care system** <sup>(17)</sup>.
- 6.9. The CPP analysis at the start of the coronavirus crisis predicted that poor quality care in deprived places would exacerbate existing health inequalities <sup>(18)</sup>.
- 6.10. Interviews with Scottish care home workers found that **5 out of 7 job quality factors had worsened during the coronavirus crisis** including 'a safe work environment' and 'decent pay' <sup>(19)</sup>. Given the large portion of females in the sector, low pay in the sector helps continue the gender pay gap.
- 6.11. In areas with instances of relative deprivation <sup>(20)</sup>, where the Health and Care Sector makes a large portion of the local economy <sup>(21)</sup>, such as Inverclyde (19.2%), Glasgow City (15.5%) and West Dunbartonshire (20%) **better remuneration and working conditions for care workers would also support the local economy, promote inclusive growth and impact significantly the gender pay gap** <sup>(22)</sup>.

## There are a number of skills challenges facing the industry.

- 6.12. There is a range of evidence that skills underutilisation across the social care sector is a problem. Research from the Scottish Centre for Employment Research (SCER) found that **only a minority of workers felt that most or all colleagues' skills were used effectively** <sup>(23)</sup>. This suggests significant untapped potential in the workforce, but also raises the question about the relevance of training provided <sup>(24)</sup>.
- 6.13. In addition, in-depth interviews with care workers in Scotland conducted by the University of West of Scotland, reveal that many care workers in Scotland consider their work to be highly skilled, but it is often not recognised as such. They also feel that the education and training system does not provide the qualifications which are necessary to demonstrate they have the skills of "understanding people, providing social care, personal care and psychological care" <sup>(25)</sup>.

(17) [Social Care: Funding and Workforce \(2020\)](#)

(18) [Franklin, B. \(2020\) COVID-19 local area health risk rating: 6 April 2020. Centre for Progressive Policy.](#)

(19) [Pautz, H. et al. \(2020\) Decent Work in Scotland's Care Homes. The impact of Covid-19 on the job quality of front line workers. University of West Scotland](#)

(20) Local authorities with highest proportion of their datazones within the bottom 20% SIMD. [SIMD 2020](#)

(21) Measured by percentage of employees jobs by broad industry, 2019 (BRES)

(22) [Simply the Best: making the NHS a leader in good employment.](#) CPP

(23) SCER, Fair, Innovative and Transformative Work in Social Care, February 2019

(24) Fair Work in Scotland's Social Care Sector, 2019

(25) Interview with a social care worker in Decent Work in Scotland's Care Homes (2020)

- 6.14. According to the latest Skills Development Scotland RSA (February 2021), in Glasgow College Region <sup>(26)</sup>, the highest employment growth in both the medium-term (2020-2023) and the long-term (2023-2030) is expected to be in Caring Personal Services.

### 14,300 new workers will be required in Caring Personal Services by 2030.

- 6.15. In the medium-term it is expected that the total requirement for Caring Personal Services will be 5,600 (4,500 from replacement demand and 1,100 from expansion demand). In the long-term, total requirement is expected to be 14,300 jobs (mainly from replacement demand 10,700, but also expansion demand - 3,600).
- 6.16. **A combination of low wages and low-quality work is going to be a challenge for GCR to meet demand for labour in the social care sector.** Arguably, failure to improve pay and working conditions in the social care sector will result in persistent skills shortages.

(26) Glasgow College Region is comprised of Glasgow City, East Renfrewshire and East Dunbartonshire.



## 7. Conclusion

This crisis has highlighted that our society would struggle to function without those who were designated as key workers. During a year of lockdowns, there have been questions asked about whether our economy values these workers appropriately – or whether or not they get paid enough. Whilst, on average, it appears that key workers are paid above average, this disguises significant variation. Given the large portion of females in the care sector, low pay further widens gender inequalities.

Beyond pay, a large proportion of employees in Glasgow City Region are not in quality work. There is a major issue around the fragility of contracts – whether non-permanent or zero hours. In the Social Care sector specifically, low quality work and low earnings pose a wider inclusive growth challenge for the Region. 14,300 new workers will be required in Caring Personal Services by 2030.