

# A Pink Recession?

Since Covid hit first Australia, there have been media reports of a “pink recession” arguing that women have suffered most from the financial impacts of Covid.

The most influential evidence supporting those claims was a report from the Grattan Institute<sup>1</sup> entitled “*Women’s work: The impact of the COVID crisis on Australian women*”. The Grattan report was widely quoted in the media and other lobbyists have subsequently used the same statistics.

This paper takes a closer look at the Grattan Report and then moves on to consider relevant data on the economic impact of Covid.

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## Grattan Institute Report

The Grattan report makes three claims about the number of women vs men who lost their job or suffered loss of working hours. Based on this, they argue that assistance should be directed to women as a group (rather than, say, the neediest individuals). The report then examines how assistance can most effectively be directed so as to target women.

If their case that women were particularly disadvantaged does not stand up to scrutiny, then the remainder of the report is moot. Consequently, it is important to examine their key claims and evidence.

### *Claim 1: Eight per cent of women lost their jobs*

*At the peak in April, almost 8 per cent of Australian women had lost their jobs [...]. The figures for men were 4 per cent [...].*  
(Wood D. et al, 2021, p3)

This claim was repeated in the Guardian<sup>2</sup>, the Sydney Morning Herald<sup>3</sup>, the Age<sup>4</sup> and SBS<sup>5</sup>.

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<sup>1</sup> Wood, D., Griffiths, K., and Crowley, T. (2021). *Women’s work: The impact of the COVID crisis on Australian women*. Grattan Institute. Available at <https://grattan.edu.au/report/womens-work/>

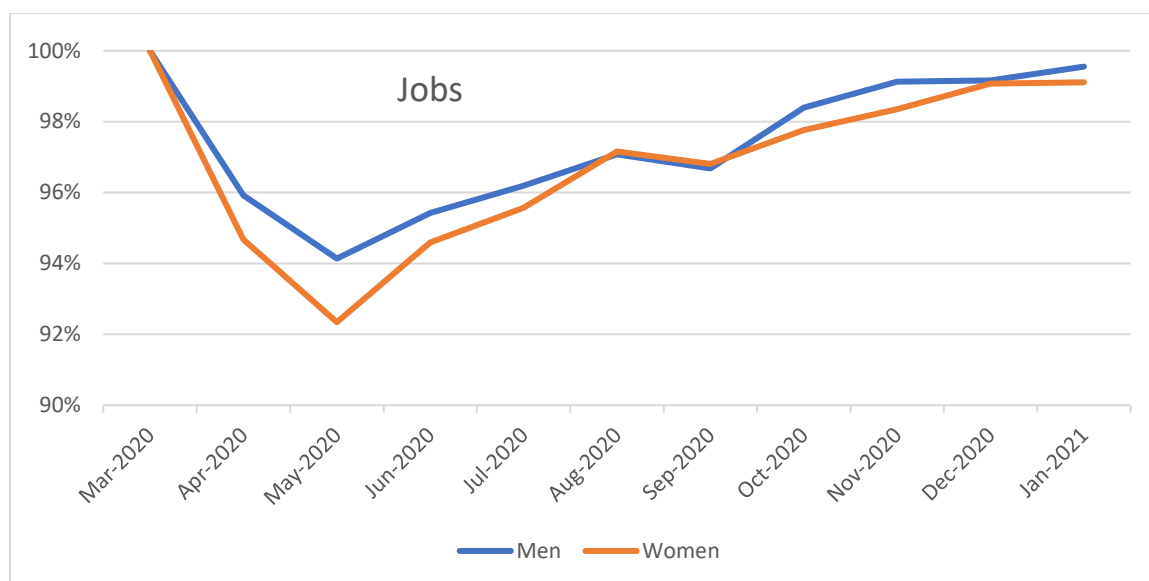
<sup>2</sup> <https://www.theguardian.com/australia-news/2021/mar/07/women-more-likely-to-lose-jobs-and-do-more-unpaid-work-during-covid-recession-report-finds>

<sup>3</sup> <https://www.smh.com.au/national/women-s-economic-progress-has-stalled-in-shadow-of-covid-recession-20210305-p5785g.html>

<sup>4</sup> <https://www.theage.com.au/national/women-s-economic-progress-has-stalled-in-shadow-of-covid-recession-20210305-p5785g.html>

<sup>5</sup> <https://www.sbs.com.au/news/the-feed/triple-whammy-australian-women-suffer-more-job-insecurity-than-men-report-find>

They rely on this graph<sup>6</sup> to support their claim:



Examining the graph, it can be seen that these figures compare women from the bottom of the graph (in May) with a figure for men from April – before the worst of the trough. But there are other issues with this data. The biggest problem with using this graph as evidence about the percentage of women (and men) losing their jobs is as that it's not really about the percentage of *all* women (or men) nor about just people who lost their jobs:

- The percentages on the graph aren't percentages of all men and women, they are percentages of only those *who were employed* – a much smaller group.
- When one hears "Jane lost her job" you probably understand that she was retrenched - not that she retired, or that she resigned to pursue her business idea, or took a sabbatical to enjoy her interest in art. But the Grattan Institute graph includes all those cases. Rather than using ABS retrenchment data, they use a calculation they've made from the number employed.

However, we can find the actual percentage of men and women who lost their jobs each quarter from ABS retrenchment data<sup>7</sup>. The correct numbers are that 2.6% of women lost their job in the quarter ending May 2020 versus 2.9% of men<sup>8</sup>. (See following section for a graph of this data.) **The true figures are much lower than the Grattan Institute claims and it was mostly men, not women, who lost their job.**

## Claim 2: More Women than Men Lost Jobs

*More women than men lost jobs and hours during the COVID recession*  
(Wood D. et al, 2021, p9)

<sup>6</sup> This is a reproduction of their graph using the most recent ABS Data Series A84423029J and A84423057T to March 2021. Since the Grattan Institute did their analysis, the ABS has made slight revisions to these series but they are not significant enough to be visible in these graphs.

<sup>7</sup> ABS Data Series A85093775V, A85093871V, A84423077A and A84423105X.

<sup>8</sup> Retrenchment data is only available for quarters, not by month.

The claim was tweeted by the Institute<sup>9</sup> and also appeared in the New Daily<sup>10</sup>.

For simplicity, let's break this down into two parts. First, the claim:

*More women than men lost jobs [...] during the COVID recession.*

Again, the Grattan Institute relies on the previous graph for evidence. And again, there are reasons why the graph doesn't support the claim:

- Their claim concerns the *number* of people who lost jobs whereas the graph shows *percentages*. In some circumstances this would not be a major problem but in this case the data for men & women are percentages of different numbers. A 1% decline on the graph equates to 68,500 men but only 61,500 women. Consequently, it is not valid to infer that women suffered a greater drop in employment because a data point for women on the graph is below that for men. Effectively, their graph uses different scales for women and men.
- As before, their claim concerns people *losing* jobs but their data includes *any reduction* in employment – including cases where people chose to leave their job.

We can determine the correct figures from the same ABS data as before<sup>11</sup>:



Clearly, the claim of the Grattan Institute is wrong –**the number of men who lost jobs was at all times greater than women.**

<sup>9</sup>[https://twitter.com/GrattanInst/status/1368502543135830027?ref\\_src=twsrc%5Etfw%7Ctwcamp%5Etweteembed%7Ctwterm%5E1368502543135830027%7Ctwgr%5E%7Ctwcon%5Es1\\_%ref\\_url=https%3A%2F%2Fwww.sbs.com.au%2Fnews%2Fthe-feed%2Ftriple-whammy-australian-women-suffer-more-job-insecurity-than-men-report-finds](https://twitter.com/GrattanInst/status/1368502543135830027?ref_src=twsrc%5Etfw%7Ctwcamp%5Etweteembed%7Ctwterm%5E1368502543135830027%7Ctwgr%5E%7Ctwcon%5Es1_%ref_url=https%3A%2F%2Fwww.sbs.com.au%2Fnews%2Fthe-feed%2Ftriple-whammy-australian-women-suffer-more-job-insecurity-than-men-report-finds)

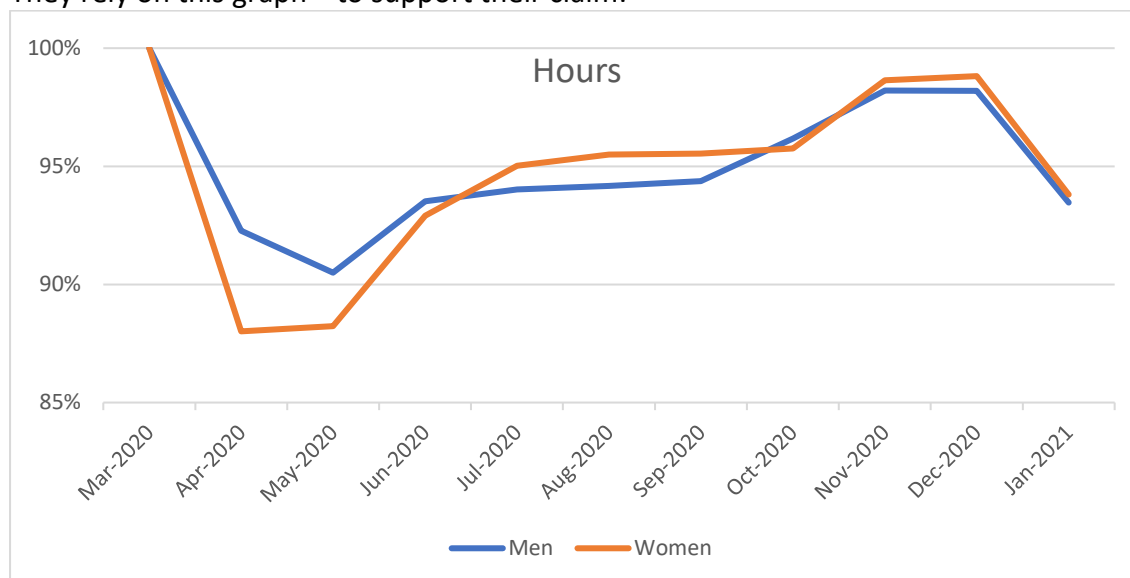
<sup>10</sup><https://thenewdaily.com.au/finance/news-federal-budget/2021/03/07/gender-work-gap/>

<sup>11</sup> ABS Data Series A85093775V & A85093871V.

## Claim 3: More Women than Men lost hours

More women than men lost [...] hours during the COVID recession  
(Wood D. et al, 2021, p9)

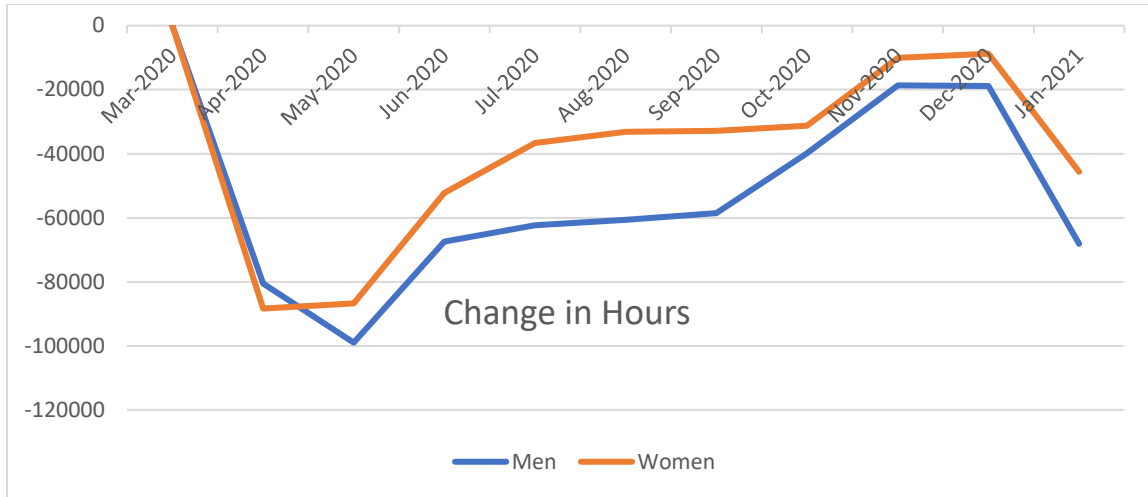
They rely on this graph<sup>12</sup> to support their claim:



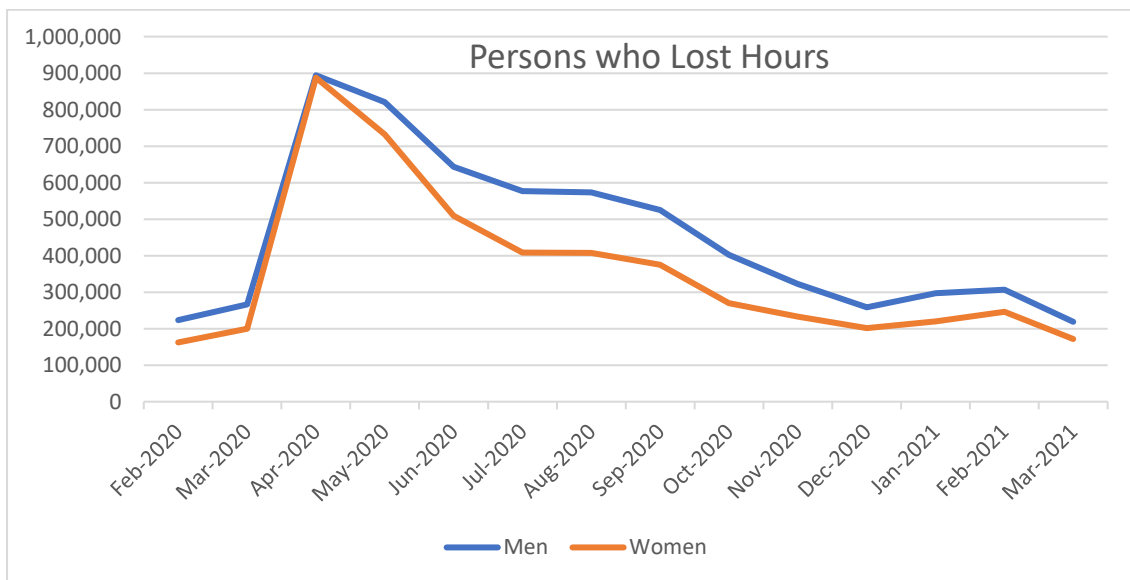
However, their graph shows *hours worked as a percentage* of hours in March 2020, whereas their claim is about the *number of people* who lost hours. It is impossible to reach any conclusions about the number of people who lost hours from this graph. Moreover, it must be mentioned that the graph gives a misleading representation of the number of hours lost because (as with their other graph) the two data series (men and women) are percentages of different numbers. For comparison, the following graph<sup>13</sup> shows the number of hours rather than percentages of hours:

<sup>12</sup> This is a reproduction of their graph using the most recent ABS Data Series A84426274T and A84426280L to March 2021. Since the Grattan Institute did their analysis, the ABS has made slight revisions to these series but they are not significant enough to be visible in these graphs.

<sup>13</sup> ABS Data Series A84426274T & A84426280L from <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/mar-2021#data-downloads>



Though more relevant, even this graph doesn't quite address the point. For that, we need to look at ABS data on persons who worked fewer hours than usual <sup>14</sup>:



Clearly, the Grattan Institute's claim is wrong. At all times, **more men lost hours than women.**

## Summary

The evidence offered by the Grattan Institute is misleading and all three of their claims are wrong.

<sup>14</sup> ABS Data Cube EM2a. Data shows those who worked fewer hours than usual for reasons "No work, not enough work available, or stood down". From: <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/latest-release#hours-worked>

# Relevant Data

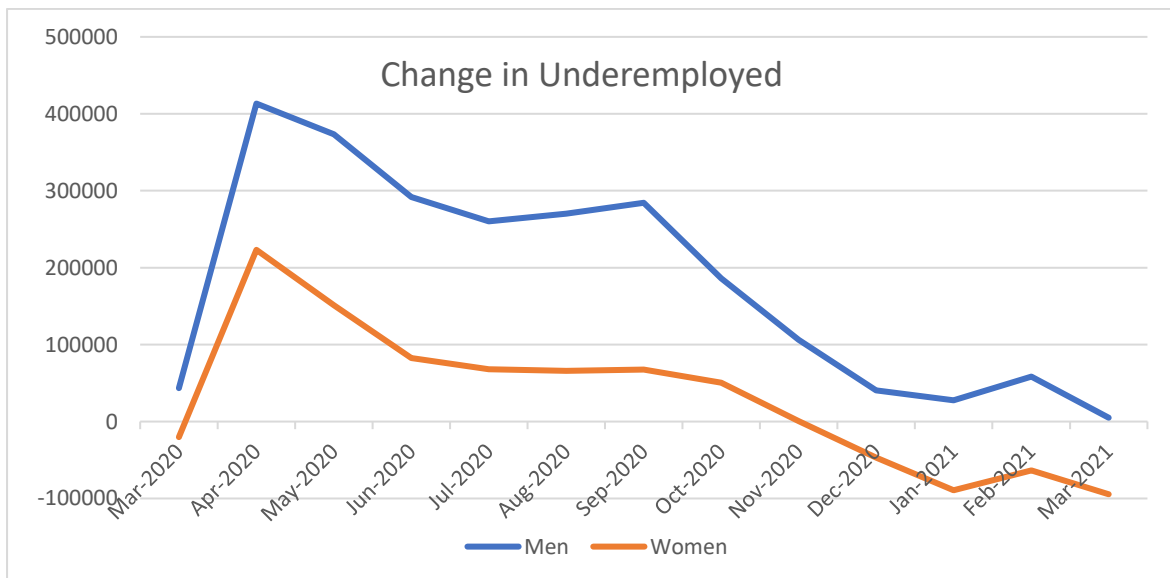
It's regrettable that Covid has become a Victim Olympics event. But, if one did approach the question with an open mind rather than a predetermined narrative, what data would be most relevant? Three things:

1. Unemployment;
2. Underemployment; and
3. Wages

It's notable that none of these statistics have been included in either the Grattan report or like-minded reports.

Unemployment data is the obvious place to start to look at disadvantage from the Covid recession. Briefly, the picture that emerges is both women and men have suffered with neither group clearly suffering more than the other.

Underemployment data is probably not as familiar to most people as unemployment but it is a key indicator of disadvantage. This shows workers who are employed but *not fully employed* - i.e., part-time workers who would prefer to work more hours, and full-time workers who couldn't work their desired full-time hours<sup>15</sup>. Here is a graph of the data<sup>16</sup>:



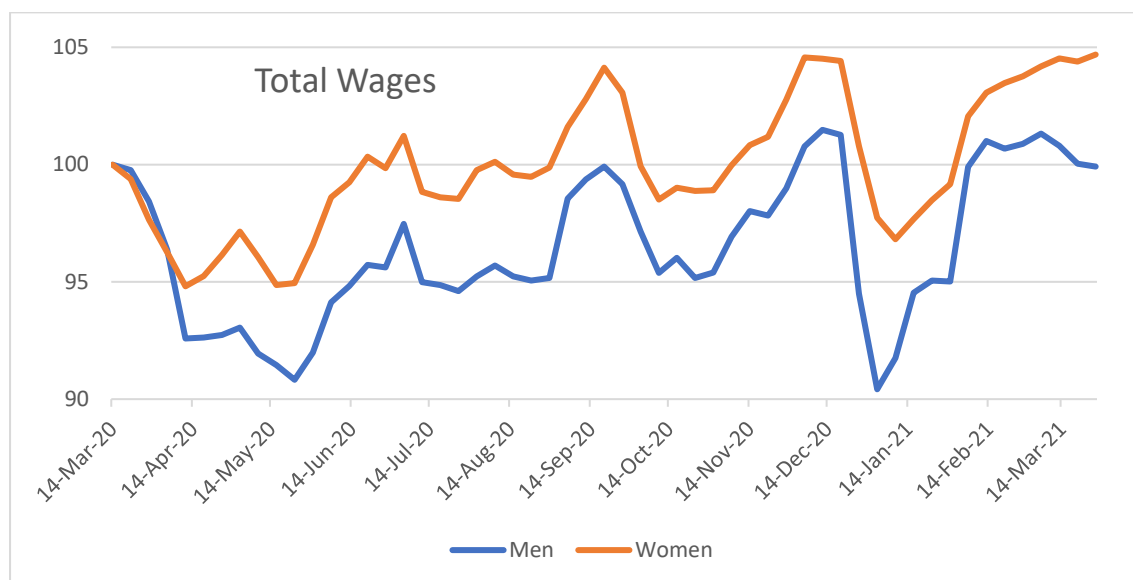
Clearly, the number of underemployed men is much greater than women. Note also, how quickly the situation for women recovered, with many more women ultimately achieving their desired employment.

<sup>15</sup>

<https://www.abs.gov.au/ausstats/abs@.nsf/products/036166B5C6D48AF2CA256BD00027A857?OpenDocument>

<sup>16</sup> ABS Data Series A85255575L and A85255863F from <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/mar-2021#data-downloads> Baseline February 2020

Another question of interest is “What happened to wages?”. Though it has limitations, the best source comes from ATO payroll data via the ABS<sup>17</sup>:



Again, the remarkable thing here is how quickly women’s total wages have recovered and then moved ahead of that of men.

In summary, the data points to men being most impacted, with women being less disadvantaged.

## Conclusion

Given that data actually point to men being the hardest hit, should we turn the policy proposals of feminist lobbyists on their head and direct assistance to men instead of women?

No, the problem with either set of proposals is that they amount to discrimination – even if it’s “only” indirect discrimination. A just and equitable approach would be to direct assistance to *individuals* based on *need* rather to a favoured gender. Favouring identity groups merely because they have the most potent lobbying is not a path to a better, fairer society.

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<sup>17</sup> See <https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/weekly-payroll-jobs-and-wages-australia/latest-release#data-download>