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July 2023 Briefing

**Limiting Choices: Why people choose insecure work**

Earlier this year, with support from the Campaign Fund, UNISON partnered with the Work Foundation to support them doing some work exploring the choices and experiences of those in insecure work. Their full report can be found [**here.**](https://www.lancaster.ac.uk/work-foundation/publications/limiting-choices-why-people-risk-insecure-work)

UNISON's research was already telling us that there were many competing barriers and limitations that some people, and particularly the already disadvantaged groups, face when looking for work or changing jobs. Women, disabled people and those from Black and/or migrant communities are most adversely affected. As we know, the intersectionality of people in these groups further compounds this disadvantage.

The impact of insecure work on career progression, health and family finances are issues public service staff raise with us all the time. So, it was clear to us that the issue was much more complex than simply being about lifestyle choices and the glib reassurances from some politicians that insecure work simply suits some people more than others.

This work has demonstrated beyond doubt that, for many workers, particularly disabled workers and carers, insecure work feels like the only option available.

What is also clear is that it is not only the individual circumstances of workers that limits choice and leads people to accept insecure work. This research clearly demonstrates that in many cases the biggest limiters of choice are structural – the state of local economies, lack of childcare infrastructure, transport etc.

In this context, the word ‘choice’ is even more inappropriate, and in fact, it would be more true to say that the state of our economy is making this unsatisfactory choice for far too many people.

**Background**

In late Summer 2022 the Work Foundation released an index on insecure work.

Insecure work as defined by the Work Foundation is a single measure that combines three main characteristics:

* contractual insecurity, where people are not guaranteed future hours or future work
* financial insecurity, where people have unpredictable pay, or their pay is simply too low to get by

• lack of access to employment rights and protections.

It was the first of what would be an annual report tracking various demographic measurements of who was in insecure work broken down by age, gender, ethnicity, job sector, location and more.

The statistics made it clear who was insecure work but what it wasn’t able to determine was why people were choosing these jobs. Despite regular government and employer organisations rhetoric around insecure contracts (like Zero Hours contracts) being welcomed by employees it was clear that there wasn’t much research about whether people were really welcoming insecure work as a good alternative or felt that it was the only option available and therefore only welcome as an alternative to the prospect of no work at all.

UNISON recognised the importance of answering those questions to enable us to successfully argue for the kind of workforce improvements that would support people into more secure jobs where they wanted them.

With support from the campaign fund, UNISON decided to commission the Work Foundation to build of their baseline statistical index by exploring this issue in more depth.

This report provides crucial new evidence to inform these debates, shedding light on the choices and experiences of those in insecure work, and the kinds of interventions that could support them into better paid, more secure jobs in the future.

**Methodology and comparisons with UNISON membership**

UNISON worked with the Work Foundation formulating an academic-standard methodology (survey, and follow up focus groups), to explore the individual experiences of insecure workers.

The main body of research was based on a general worker population survey (to further our policy and campaigning work on improving workers’ rights generally), UNISON replicated the survey and focus group work for UNISON members only for comparison. Interestingly, the UNISON member survey and focus group findings found very similar results but with some key differences. It was notable that UNISON members who met the definition of insecure work felt, by most indicators, more secure than the general worker cohort. We can speculate that this could be down to the general higher security felt in public sector contracts or to positive impact of a unionised workforce or both.

**Findings (Extract from the full report)**

For many people, insecure work is not a free choice

Many of those in insecure work find themselves having to trade security for flexibility to balance work around other factors in their lives, such as caring responsibilities or health issues. This leaves them vulnerable to economic shocks, as well as potential negative impacts on their wellbeing and future career prospects.

Four in ten (44%) insecure workers earning less than £18,000 per year said they were in their

current job due to limitations, such as the availability of jobs in their area, poor transport

infrastructure or a lack of available childcare. Younger and older workers, those on low-incomes and people in part-time work were all significantly more likely to feel they had more limited

choices.

Just under half of all workers in insecure jobs (46%) said they would find another job if limiting factors were no longer impacting them, compared with just 39% of secure workers.

Those in insecure work are at the sharp end of the cost-of-living crisis

Insecure workers are more likely to report that they are struggling financially than those in secure jobs. Over 52% of those in insecure work earn less than Joseph Rowntree Foundation’s Minimum Income Standard of £25,500, and more than one in four insecure workers (28%) indicated that they are finding it ‘quite’ or ‘very difficult’ to get by. This applied to just over one in five people in secure roles (22%).

Part-time insecure workers and freelancers were significantly more likely than other workers to indicate they were struggling financially, at about 34% from both groups, compared with 23% of full-time workers. This is likely to be related to the lower number of hours worked among part-time workers and unpredictable and sometimes low hourly earnings for freelancers.

In addition, those in insecure work were over four times more likely to see shifts changed at the last minute – making it even harder for them to plan financially, attend training courses or manage other pressures in their lives. Over half (53%) of insecure workers reported that this led to decreases in their pay, compared with 24% of secure workers who saw hours changed.

Women in insecure jobs are significantly more likely than men in insecure jobs to indicate they are struggling to get by. Nearly one in three women (32%) say they are struggling to get by compared to less than one in four men (23%).

And, overall those in insecure work are more than three times as likely as secure workers to perceive a risk of job loss – 42% of insecure workers expected job loss in the next 12 months, compared with just 13% of secure workers.

Being in insecure work can impact health and wellbeing

For some, access to flexible employment is crucial to managing a health condition, but for too many in insecure work, flexibility is one-sided and can impact workers' wellbeing.

Insecure workers were twice as likely as secure workers to experience job related stress 4-6 days a week (26% compared with 13%). In particular, uncertainty over earnings can be a significant driver of stress and anxiety. Our survey found that one in three insecure workers are uncertain how much they will earn in the next three months, compared with one in five secure workers.

Notably, we find that people are 3.7 times more likely to say they experience poor mental health when they also lack confidence in being able to afford an unexpected expense – a critical consideration given the wider economic uncertainty the UK faces.

Insecure work appears to disproportionately impact the mental health of women - 16% of women in insecure jobs say they experienced poor mental health, compared to 11% of men. This compares with 10% for men and 11% for women in secure jobs.

Note: Our own recent research (and evidence to the parliamentary inquiry) on women’s health shows that women tend to have poorer mental health through their working lives than men, so the clear evidence here of the disproportionate negative mental health impacts of insecure work on women represents a double whammy.

**Recommendations**

The Work Foundation report makes many recommendations for necessary reform which UNISON fully support and which we build on, based on the report findings, for a wider set of recommendations that we will incorporate into our wider policy and campaigning agenda.

Recommendations (UNISON’s additional recommendations are in italics) – The government should:

**Open up flexibility to all workers:**

* Oblige employers to embed flexibility in all roles and make it available to both men and women from their first day at work
* Work with employers and employer bodies to actively promote flexible working, among all employees.

**Scale up Access to Work support and support for disabled workers:**

* Intensify its outreach efforts to make sure employers and disabled people are aware of the scheme such as by including information on Access to Work in annual tax code confirmation letters• Ensure that the scheme is properly resourced to reduce the current waiting list
* Expand the trials of the Access to Work Adjustment Passports to disabled people who are looking for work.
* *Make up front payments rather than reimbursing costs so low paid workers aren’t disadvantaged (e.g. taxi costs)*
* *Require employers to implement recommendations of Access to Work assessments*
* *Review and strengthen the right to reasonable adjustments*
* *Introduce a maximum response time for requests for reasonable adjustments*

**Ensure smooth implementation of increased childcare provision and bolster the sector:**

* Monitor the implementation of increased childcare provision within the sector and develop a clear long-term workforce strategy, working with Government to develop long-term funding plans to ensure the sector can manage increased demand.
* Lead a review and consultation process with employers and parents on maternity, paternity and parental leave to ensure legislation is lining up with parents’ ambitions
* Increase the rate of income-replacement for maternity, paternity and parental leave.
* *Urgently move towards a fully funded system, free at the point of need*
* *Ensure a system that is sufficiently accessible and flexible to meet the needs of vulnerable groups*

**Enhance the predictability of working arrangements:**

* Adapt the right to request predictable working patterns to start from day one on the job
* Narrow the reasons employers may give for refusal, to make it easier for workers to challenge unfavourable decisions.

**Mitigate the financial penalty of short notice shift cancellations**

* *Consider employer compensation requirement for short notice cancellations of shifts*

**Make Statutory Sick Pay and disability leave more accessible for disabled and low paid workers:**

* Eliminate the lower earnings threshold for Statutory Sick Pay
* Remove the waiting period of four consecutive days to receive sick pay
* Statutory Sick Pay rates should be raised to the equivalent of the National Minimum Wage pro-rated by the usual number of hours worked
* Strengthen the right to disability leave for all disabled workers.

**Improve enforcement of labour market regulation:**

* Create a single body for labour market enforcement, bringing together HMRC’s Minimum Wage Team, the Employment Agency Standards and the Gangmasters and Labour Abuse Authority under the remit of the Director for Labour Market Enforcement
* Increase resourcing for labour market enforcement and at least double the number of inspectors per worker, according to the International Labour Organisation benchmark
* Review *and strengthen* the consequences for non-compliance with labour market regulation.
* *Review the scale of the problem of unpaid Employment Tribunal awards for workers and consult on scheme to ensure workers receive any wages owed*
* *To review the ‘self-correction’ regime employers are allowed to pursue when a National Minimum Wage breach is found by an Inspector.*

**Prioritise lowest paid workers for support:**

* raise the national minimum wage in April 2024 in line, or beyond inflation, to ensure that those who are lowest paid are best supported through the cost of living crisis.

**Summary and next steps**

This work has gone a long way to fill the speculative gap in understanding why people accept insecure contracts.

It has definitively shown that it is the most disadvantaged groups that are negatively affected by the impacts of insecure work and it shows that too many workers find themselves having to trade security for the flexibility that enables them to move into or stay in work.

It highlights the worker groups who face these constraints most acutely and shows the extent to which insecure work leaves them in vulnerable situations when economic or societal crises hit. This puts insecure workers at risk of job loss and negative impacts to their health, without an adequate safety net.

This work provides an important evidence base to highlight the clear intersectionality of inequalities at play in the current labour market and to push for improvements to workers’ rights that would address these inequalities and enable those who want to move into more secure contracts to do so.

UNISON will be sharing this briefing and the wider report more widely amongst our relevant committees – it will be of particular interest to our equalities committees but also in our community and private contractor’s units. It will also feed into our general policy work on employment rights and challenging the UK’s current economic model that is clearly not working for so many people and which instead entrenches and exacerbates inequality.

This work will be incorporated into our wider policy and campaigning work in all the areas highlighted in the recommendations.