

The Gender Pay Gap in the UK: Explained

Lizzie Ville, November 2023.

What is the gender pay gap?

The **gender pay gap** is the difference between the average hourly pay of women and men, as a proportion of men's pay. Each year the Fawcett Society marks **Equal Pay Day** – the day in the year when, based on the gender pay gap, women overall in the UK stop being paid compared to men.

This year, Government data has indicated a mean gender pay gap¹ of **10.7%** for full time-workers, which means that Equal Pay Day is on **22nd November** in 2023. This compares to 10.9% in 2022. At the current rate of decrease, it would take until **2051** to close the gender pay gap. What's more, in 2023 women took home on average **£574** less per month than men.²

Table 1. The gender pay gap in 2023, based on hourly pay. Figures for 2022 are shown in brackets.

	Full-time workers	All workers
Mean gender pay gap	10.7% (10.9%)	13.2% (13.4%)
Median gender pay gap	7.7% (7.6%)	14.3% (14.4%)

Source: ONS, ASHE data for 2022 and 2023³

How does the gender pay gap differ from pay discrimination?

Whilst the two are sometimes conflated, the gender pay gap is distinct from **pay discrimination**, with the latter taking place when women are paid less than men for 'equal work'. This has been illegal since the 1970s although often still occurs. 'Equal work' is defined in the law as:

- **'Like work'**, where two people are doing the same job.
- **'Work rated as equivalent'**, where two people might be doing slightly different jobs but a job evaluation study has assessed them as equivalent.
- **'Work of equal value'**, where a Tribunal has assessed that two people's jobs are of equal value with reference to factors such as effort, skill, and decision-making.⁴

¹ The gender pay gap is calculated as a proportion of men's earnings. The 'mean' is the average result when all the datapoints are added up and divided by the total number of datapoints. The 'median' is the middle datapoint when the entire dataset is placed in order by size. At Fawcett we use mean, full-time, hourly pay to calculate the date of Equal Pay Day for the UK, since this figure captures the full impact of men being more likely to be very high earners.

² We use the median, after-tax figure for the monthly difference in take-home pay, because this best reflects the tangible, average amount in the pockets of the typical woman or man. The data is sourced from Table 1.7a of the ONS' annual release of Annual Survey of Hours and Earnings (ASHE) data.
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/allemployeesashtable1>
The online website The Salary Calculator was used to convert gross earnings to take-home pay, after National Insurance and tax.
<https://www.thesalarycalculator.co.uk/>

³ ONS, Annual Survey of Hours and Earnings time series of selected estimates. 1997 - 2023.
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/ashe1997to2015selectedestimates>
The figures given for 2022 are based on ONS revised figures released in 2023 and so may not match Fawcett's data release in 2022.

⁴ Equality and Human Rights Commission. Equal Work. 2023. <https://www.equalityhumanrights.com/guidance/equal-pay/equal-work>

Pay discrimination is among several factors which contribute to the gender pay gap. Other factors include:

- **Women's unequal share of unpaid caring responsibilities, including the motherhood penalty** - amid an unequal parental leave system, an unaffordable early childhood education and care system, and a lack of flexible work.
- **The overrepresentation of women in part-time work** – which is lower paid pro rata than full-time work.
- **Occupational segregation** by gender - undervaluing the jobs women are more likely to do, such as social or child care work.
- **Bias and a failure to promote women** into senior roles.

Note: The mean and median gender pay gaps

The 'mean' is the average result when everyone's earnings are added up and divided by the total number of datapoints. The 'median' is the middle value for pay when the entire dataset is placed in order from lowest to highest pay (or vice versa). The mean (or median) gender pay gap is the difference between men's mean (or median) earnings and women's mean (or median) earnings.

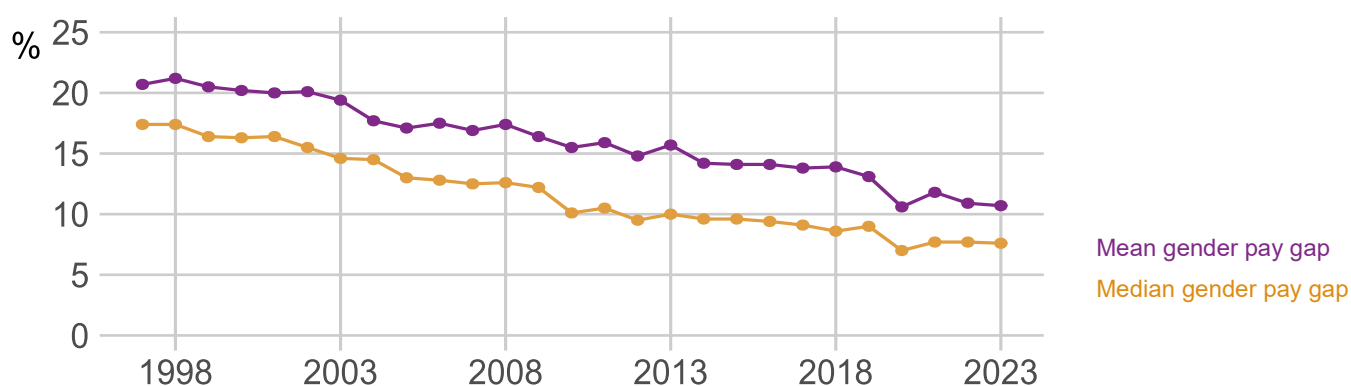
Where possible in this report, we have reported the mean, full-time, hourly gender pay gaps, because this figure captures the full impact of men being more likely to be very high earners. However, the median pay gap or the pay gap for all workers (full-time and part-time) has been reported in cases where the available data source used these measures. The measures used for each data source are noted throughout the report.

How has the gender pay gap changed over time?

Whilst the gender pay gap narrowed significantly in the 1970s and 80s, over recent decades the rate of decrease has slowed. Data over the last 26 years shows that the mean gender pay gap for full-time workers has decreased from 20.7% in 1997 to 10.7% in 2023 – an average decrease of approximately 0.4 percentage points per year (**Figure 1**). On this basis, assuming a constant rate of decrease, it would take until 2051 to close the gender pay gap.

The median gender pay gap has decreased along a similar trajectory to the mean, from 17.4% in 1997 to 7.7% in 2023, although the median is consistently lower than the mean (**Figure 1**). This difference between the mean and the median exists because the distribution of earnings is positively skewed – with most people earning lower amounts, and very few people earning higher amounts. The mean gender pay gap figures are more affected by the few people (who are more likely to be men) earning very high amounts, than the median.

Figure 1. The mean and median gender pay gaps from 1997 to 2023. % difference in hourly full-time pay between women and men.⁵



Source: ONS, Gender Pay Gap. 1997-2023.

Research from the Institute for Fiscal Studies indicates that the majority of the reduction in the gender pay gap over the last 25 years can be explained by a rapid increase in the education levels of women over that time.⁶ There has also been a significant impact on its narrowing through the introduction of the National Minimum Wage in 1999.⁷ The size of these effects indicate that there are little improvements to be had toward narrowing the gap in the future via these historic changes. To make larger gains going forward we need to reform the remaining systems and issues that are maintaining the gender pay gap – including parental leave, early childhood education and care, flexible work, and occupational segregation by gender.

⁵ ONS, Gender Pay Gap. 1997 - 2023.

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/annualsurveyofhoursandearningsashegenderpaygaptables>

Note that data from 2020 and 2021 was lower quality as it was heavily impacted by the furlough scheme, and so should be interpreted with caution.

⁶ Andrew A., Bandiera O., Costa Dias M., & Landais C. Women and men at work. 2021. <https://ifs.org.uk/inequality/women-and-men-at-work/>

⁷ Amadcharif, Z., Angeli, M., Haldane, A., & Zemaityte, G. Understanding Pay Gaps. 2020. Bank of England Working Paper No. 877. <http://dx.doi.org/10.2139/ssrn.3647190>

What causes the gender pay gap?

There are several underlying causes of the gender pay gap, and each is interlinked. This section explores the evidence in relation to the motherhood penalty, occupational segregation by gender, pay discrimination, bias, and the failure to promote women.

Unequal caring responsibilities, the ‘motherhood penalty’ and the ‘fatherhood bonus’

Becoming a parent has a negative effect on women’s earnings and career progression over the life course, known as the **motherhood penalty**. This disparity accounts for 75% of the overall gender pay gap in Northern and Western European countries – including the UK⁸. Evidence from the British Household Panel Survey indicates that the average motherhood pay penalty resulted in a reduction of medium to long term income of 45%, compared to those without children.⁹

Some people use the term ‘motherhood pay penalty’ to refer specifically to the difference in pay between mothers and similar women without children, or to refer to the difference in pay between mothers and men, particularly fathers. However, parenthood widens the gender pay gap in both directions, through a decrease in women’s pay and an increase in men’s pay after the birth of a child. Recent research indicates that UK mothers with two children take home 26% less than women without children, while fathers with two children are paid on average 22% more than men without children.¹⁰ The increase in men’s pay is known as the **fatherhood bonus**. Furthermore, Black and minoritised mothers experience an additional effect – *The Ethnicity Motherhood Pay Penalty* - highlighted in Fawcett’s 2023 report of the same name – whereby gender, ethnicity, and parenthood intersect to produce greater pay gaps for Black and minoritised mothers.¹¹

There are a range of interlinked causes of the motherhood penalty and the fatherhood bonus. Underlying each is the fact that women continue to hold the greater share of responsibility for unpaid care and domestic work – women do on average 1.8 more hours of unpaid work per day than men (but just 1.5 fewer hours of paid work – so this is not fully balanced out).¹²

All parents should be free to choose the working patterns and division of caring responsibilities that works best for them. However, at present this is not a free choice – parents’ decisions about balancing their domestic and work responsibilities are restricted by gendered norms alongside the policies and systems in place in the UK, which make lower wages for women more likely.

First, the current system of parental leave encourages fathers and partners to take considerably less time off work after the birth of a child – just 2 weeks of statutory paid leave is available – meaning right from the start women are more likely to become primary carers, and men miss out on time with their child. Polling from Fawcett has indicated that 41% of fathers feel they did not have enough time at home after the birth of their child, compared to 36% of mothers.¹³

Second, decisions to alter or not alter working patterns after having a child are restricted by the unaffordability of early childhood education and care. Combined with a lack of well-paid, accessible, and inclusive flexible or part-time work, this can force women (as more often the primary carers) into insecure or lower paid work with less potential for career development, or to leave the labour force entirely. Women also leave the workforce involuntarily as a result of discrimination - 54,000 women face job losses due to pregnancy each year.¹⁴

⁸ Ciminelli G., Schwellnus C., & Stadler B. Sticky floors or glass ceilings? The role of human capital, working time flexibility and discrimination in the gender wage gap. OECD Economics Department Working Papers, No. 1668. 2021. <https://doi.org/10.1787/02ef3235-en>.

⁹ Vagni G. & Breen R. Earnings and Income penalties for motherhood: Estimates for British Women European Sociological Review. 2021; 37(5): 834-848 <https://doi.org/10.1093/esr/jcab014>

¹⁰ Corfe, S. The parenthood penalty? Exploring gender, family and pay in London. Social Market Foundation. 2020.

¹¹ Rose J, Li Y, Ville L, The Fawcett Society. The Ethnicity Motherhood Pay Penalty. 2023.

<https://www.fawcettsociety.org.uk/news/ethnicity-motherhood-pay-penalty>

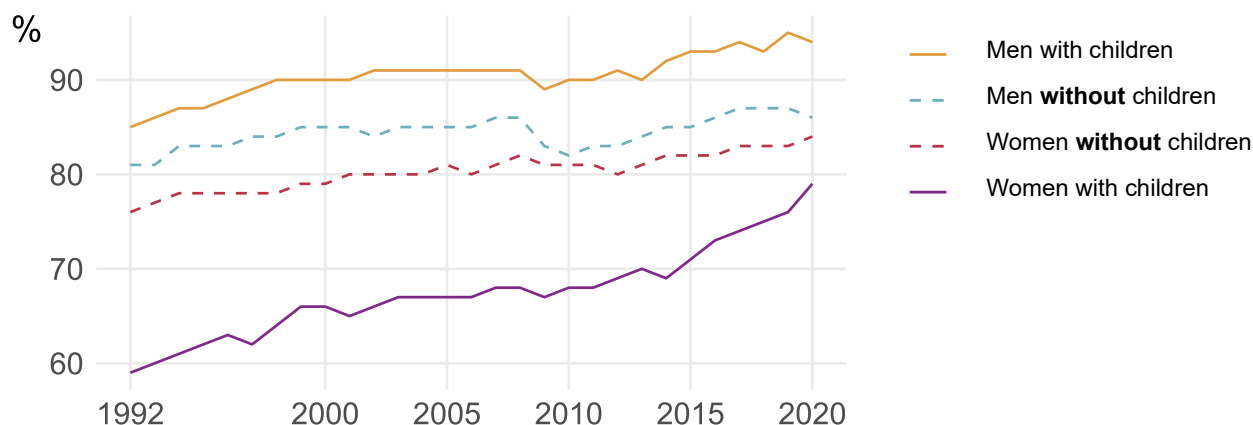
¹² Ibid. Andrew et al., 2021.

¹³ Olchawski, J. Fawcett Society. Parents, work and care: Striking the balance. 2016 <https://www.fawcettsociety.org.uk/parents-work-and-care-striking-the-balance>

¹⁴ The Gender Pay Gap – Do women deserve to be paid less because they have a uterus? Pregnant Then Screwed. <https://pregnantthenscrewed.com/gender-pay-gap-women-deserve-paid-less-uterus/>

Figure 2 shows the economic engagement of parents by gender and parenthood, demonstrating the higher employment levels of men with children and lower employment levels of women with children

Figure 2. Employment rate (%) by gender and parenthood, from 1992 to 2020.



Source: Fawcett Society analysis of Labour Force Survey data from our 2023 report 'The Ethnicity Motherhood Pay Penalty'. <https://www.fawcettsociety.org.uk/news/ethnicity-motherhood-pay-penalty>

Of course, women face unequal caring and domestic responsibilities beyond motherhood which exacerbate this issue – they are more likely in general to care for friends, relatives, and elderly parents as well as children. The availability of flexible and part-time work which matches women's skills is crucial for them to manage their lives. Significantly more women work part-time: 38% do so, compared to just 14% of men.¹⁵ However, for those who enter part-time work, this is paid significantly less per hour than full-time work. Whilst working part-time is a choice for many women, many are forced to squander their skills and abilities – researchers have indicated that there are not enough part-time jobs matching the experience level of the women who seek them.¹⁶ As well as increasing the gender pay gap for all workers, in turn this means that for those women who do return to full-time work, their wages remain suppressed.

Third, bias from employers perceiving fathers to have greater reliability and work commitment may increase fathers' wages - previous research from Fawcett has suggested that people perceive men's but not women's work commitment to increase after they become parents.¹⁷ Fathers may also change their behaviour leading to higher wages after the birth of their child to align with gendered expectations as the 'breadwinner'. Finally, the same characteristics that predict whether someone is likely to earn more may also mean they are more likely to become a father (e.g., education and background) – although evidence is mixed on this point.^{18, 19}

Occupational segregation by gender

Another underlying cause of the gender pay gap is the difference in the types of work that women and men do, known as **occupational segregation**. Women are much more likely to work in occupations that are lower paid, such as early childhood education and care (ECEC), adult social care, teaching, and

¹⁵ Buchanan, I., Pratt, A., & Francis-Devine, B. Women and the UK economy. House of Commons Library. 2023. <https://researchbriefings.files.parliament.uk/documents/SN06838/SN06838.pdf>

¹⁶ Gendered economic inequalities: a social policy perspective. 2021. <https://ifs.org.uk/inequality/gendered-economic-inequalities-a-social-policy-perspective/>

¹⁷ Ibid. Olchawski, Fawcett Society, 2016.

¹⁸ Icardi, R., Hagglund, A. E., Fernandez-Salgado, M. Fatherhood and wage inequality in Britain, Finland, and Germany. <https://onlinelibrary.wiley.com/doi/full/10.1111/jomf.12792>

¹⁹ Budig, M. The Fatherhood Bonus and The Motherhood Penalty: Parenthood and the Gender Gap in Pay. 2014. <https://www.thirdway.org/report/the-fatherhood-bonus-and-the-motherhood-penalty-parenthood-and-the-gender-gap-in-pay>

administrative and secretarial work. According to a model produced by the ONS in 2018, occupation accounts for around 23% of the hourly gender pay gap.²⁰

Women are also underrepresented in highly paid occupations and industries, such as technology – just 29% of roles in the digital sector are held by women.²¹ In particular, estimates indicate a shortfall of at least 20,000 Black women in the industry, if it were to be representative of the population.²²

As Bennett notes in her commentary on gender economic inequalities, “it is too easy to see these as mere individual choices”.²³ Decisions about occupation are constrained both by systems and policies (particularly those related to parenthood as described above) and by cultures and societal expectations. Gendered norms have a significant effect on how we collectively understand what behaviour is socially acceptable for individuals. For example, research indicates that by the age of six, girls avoid subjects they view as requiring them to be ‘really, really smart’, leading to lower take-up of STEM subjects.²⁴

Furthermore, the low pay of important, skilled occupations which prop up society and our economic systems – such as ECEC workers with responsibility for young children at the most critical stage in their development – reflects an undervaluing of this type of work and the people who conduct it. This is reflected by evidence suggesting that wages fall as more women move into sectors.²⁵

Pay discrimination and bias

The factors described above – education, occupation, and parenthood, as well as other worker characteristics do not fully account for the gender pay gap, which point to a significant element – around 10% – likely to be the result of bias.²⁶ One aspect of this is illegal pay discrimination – where individual women earn less than their male colleagues for equal work. This continues to persist and contribute to the gender pay gap. (As described above, pay discrimination is distinct from the overall gender pay gap).

Furthermore, women are not being promoted equitably. Fawcett’s 2022 *Sex and Power* report highlighted that Black and minoritised women remain almost entirely absent in the UK most senior positions.²⁷ Just 8% of FTSE 100 CEOs are women, and none are women of colour. Fawcett and Runnymede’s *Broken Ladders* report highlighted that Black and minoritised women face being passed over for promotion despite frequent good feedback (42% had experienced this, compared to 27% of white women) alongside an additional, invisible workload of having to change key aspects of their identity in order to be seen as acceptable and therefore able to progress at work.²⁸

This failure to promote women means that they do not reach the same high levels of pay as men, reflected in a larger gender pay gap at the top of the earnings scale. Higher earners see a larger pay gap – according to research from the IFS using 2019 data, highly paid women earned just 77% of that of men in the same group, whilst low paid women earned 90% of what men did.²⁹ Evidence from the Bank of England suggests that the introduction of the minimum wage had a significant impact on narrowing the gender pay gap for lower income earners.³⁰

²⁰ ONS. Understanding the gender pay gap in the UK. 2018.

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/understandingthegenderpaygapintheuk/2018-01-17>

²¹ UK Government. Economic Estimates: Employment in the Digital Sector, January 2022 to December 2022. 2023.

<https://www.gov.uk/government/statistics/economic-estimates-employment-in-dcms-sectors-and-digital-sector-january-2022-to-december-2022/economic-estimates-employment-in-the-digital-sector-january-2022-to-december-2022>

²² Coding Black Females & BCS, The Chartered Institute for IT. The experiences of Black women in the information technology industry. 2022.

²³ <https://ifs.org.uk/inequality/gendered-economic-inequalities-a-social-policy-perspective/>

²⁴ Fawcett Society. Unlimited Potential. Report of the Commission on Gender Stereotypes in Early Childhood. 2020.

<https://www.fawcettsociety.org.uk/News/gender-stereotypes-significantly-limiting-childrens-potential-causing-lifelong-harm-commission-finds>

²⁵ Murphy, E. & Oesch, D. The Feminization of Occupations and Change in Wages: A Panel Analysis of Britain, Germany, and Switzerland. 2016. <https://academic.oup.com/sf/article-abstract/94/3/1221/2461953?login=false>

²⁶ Amadjarif, Z. Understanding Pay Gaps. 2020. https://www.researchgate.net/profile/Zahid-Amadjarif/publication/343113414_Understanding_Pay_Gaps/links/61431c3617e30b6ffe17a463/Understanding-Pay-Gaps.pdf

²⁷ Marren, C. & Bazeley, A. Sex & Power 2022. <https://www.fawcettsociety.org.uk/sex-power-2022>

²⁸ Gyimah, M., Azad, Z., Begum, S., Kapoor, A., Ville, L., Henderson, A., & Dey, M. Fawcett Society and Runnymede Trust. Broken Ladders: The myth of meritocracy for women of colour in the workplace. <https://www.fawcettsociety.org.uk/broken-ladders>

²⁹ Andrew, A., Bandiera, O., Costa Dias, M. & Landais, C. IFS. Women and men at work. 2021. <https://ifs.org.uk/inequality/women-and-men-at-work/> (Compares 90th percentile of women earners with 10th percentile).

³⁰ Ibid. Amadjarif, et. al. 2020.

How does the gender pay gap vary for different groups?

As we have seen, the gender pay gap is influenced by the 'motherhood penalty' and is thus much larger for women with children. The size of the gender pay gap also varies considerably for Black and minoritised women, disabled women, women of different ages and women working in different occupations and industries. This section reviews this variation and explores how gender pay gaps can intersect with other sorts of pay gaps, such as ethnicity and disability pay gaps.

Ethnicity

Ethnicity pay gaps combine with and compound the gender pay gap for Black and minoritised women, who are at the sharpest end of financial disparity with men. The overall ethnicity pay gaps were last reported by the ONS in 2019, with data showing that there are hourly median pay gaps between White British people and most other ethnic groups. Compared with White British people, the greatest ethnicity pay gaps were seen for people of Pakistani heritage (16%), White and Black African heritage (15%), Bangladeshi heritage (15%), and White and Black Caribbean heritage (13%).³¹ We also know that Black and minoritised people, particularly women, are overrepresented in low paid and insecure work (15%, compared to 11% of white workers).³² However, we do not have an up to date and complete picture of the data, and so the Government needs to collect and publish intersectional wage data, which includes ethnicity, on a regular basis.

As well as an ethnicity pay gap, we see differences in the size of the gender pay gap by ethnicity. Analysis from the Labour party (using 2019 ONS data) found that gender pay gaps are larger for Black and minoritised women. Compared with the average male worker, women of Pakistani, Bangladeshi, Black African, and Black Caribbean heritage see median hourly gender pay gaps of 31%, 28%, 26%, and 18%, respectively.³³

Furthermore, Fawcett's 2023 report *The Ethnicity Motherhood Pay Penalty* analysed Labour Force Survey data over the last three decades, demonstrating how gender, ethnicity, and parenthood intersect to produce even greater wage gaps for Black and minoritised mothers, particularly Pakistani and Bangladeshi mothers - who saw a 13% pay gap and a 17-percentage point difference in employment rate compared to women of the same ethnicity without children.³⁴ This group are also least likely to receive supplementary maternity pay and paid leave, due to a greater chance of being in insecure work contracts.

A lack of culturally inclusive early childhood education and care is a significant barrier to economic participation, with 90% of White British parents taking up their free ECEC hours for 3-4-year-olds, compared to three quarters of Black parents and two thirds of Pakistani and Bangladeshi parents.³⁵ Finally, over double the proportion of mothers of Black African heritage compared to white mothers reported that they had no access to flexible work, with Black and minoritised workers are more likely to consider leaving their jobs due to lack of flexibility than white workers (32% compared to 21%).³⁶

³¹ ONS. Ethnicity pay gaps: 2019. 2020.

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/ethnicitypaygapsingreatbritain/2019>

³² TUC. Insecure work. 2022. <https://www.tuc.org.uk/sites/default/files/2022-07/InsecureWork.pdf>

³³ The Guardian. Gender pay gap wider for minority ethnic women, Labour finds. 2022. <https://www.theguardian.com/world/2022/oct/12/gender-pay-gap-wider-for-ethnic-minority-women-labour-finds#:~:text=Pakistani%20women%20had%20the%20worst,for%20them%20in%20the%20UK.>

³⁴ Rose, J., Li, Y., & Ville, L. The Fawcett Society. *The Ethnicity Motherhood Pay Penalty*. 2023. <https://www.fawcettsociety.org.uk/news/ethnicity-motherhood-pay-penalty>

³⁵ Butler, V. *Female Unemployment : Black, Pakistani and Bangladeshi heritage women*. 2013.

³⁶ Mayne, M. 'Ethnic minority workers more likely to quit over flexibility than white counterparts' *People Management*. 2022.

Disability

The median pay gap between disabled and non-disabled people was 13.8% in 2021 for all employees. By type of disability, the largest overall pay gap was seen for autistic people, at 33.5%. This group also sees the lowest rates of employment, with just 29% of autistic adults aged 16 to 64 employed in 2021, compared to 53.5% of disabled people overall.³⁷ These figures may be greater than estimated for autistic women, who are much more likely to be undiagnosed than autistic men, or to be diagnosed later in life.³⁸

There is a larger pay gap between disabled and non-disabled men (12.4%) than there is between disabled and non-disabled women (10.5%). However, this is because men already earn much more than women overall. Disabled women - who are at the intersection of the disability and gender pay gaps - consistently earn less than non-disabled men, as well as disabled men and non-disabled women.³⁹

Figure 3 shows the median hourly earnings for disabled and non-disabled women and men in 2021.

Figure 3. Median hourly pay in 2021, by disability and gender.



Source: ONS, *Disability pay gaps in the UK: 2021*.

Evidence from the Life Opportunities Survey in the UK finds that disabled women were significantly less likely to be employed, to work full-time, or to be supervisors than disabled men, non-disabled women, and non-disabled men, and felt more limited in their choices about work.⁴⁰ However, **ensuring flexible work becomes the default** across all types of careers would broaden opportunities for disabled people – including options to work from home⁴¹, part-time, or with flexible hours.

The earnings disparity suffered by disabled women is exacerbated by the additional costs that disabled people already face, such as higher energy costs, and costs for specialised equipment, clothing, and insurance.⁴² Furthermore, evidence from Fawcett during the pandemic in 2020 indicates that 34% of disabled people said that their household had run out of money in April 2020⁴³ and in the years since, record inflation and a cost-of-living crisis has only exacerbated this.

³⁷ ONS. Outcomes for disabled people in the UK. 2021.

<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/disability/articles/outcomesfordisabledpeopleintheuk/2021#employment>

³⁸ Lockwood Estrin, G., Milner, V., Spain, D., Happé, F., Colvert, E. Barriers to Autism Spectrum Disorder Diagnosis for Young Women and Girls: a Systematic Review. *Rev J Autism Dev Disord*. 2021; 8:454–70.

³⁹ ONS. Disability pay gaps in the UK: 2021. 2022.

<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/disability/articles/disabilitypaygapsintheuk/2021>

⁴⁰ Kim, E. J. A study on intersectional discrimination in employment against disabled women in the UK. *Disability & Society*. 2019; 35(5).

⁴¹ Schur, L. A., Ameri, M., Kruse, D. Telework After COVID: A “Silver Lining” for Workers with Disabilities? *Journal of Occupational Rehabilitation*. 2020 ;30:521–36.

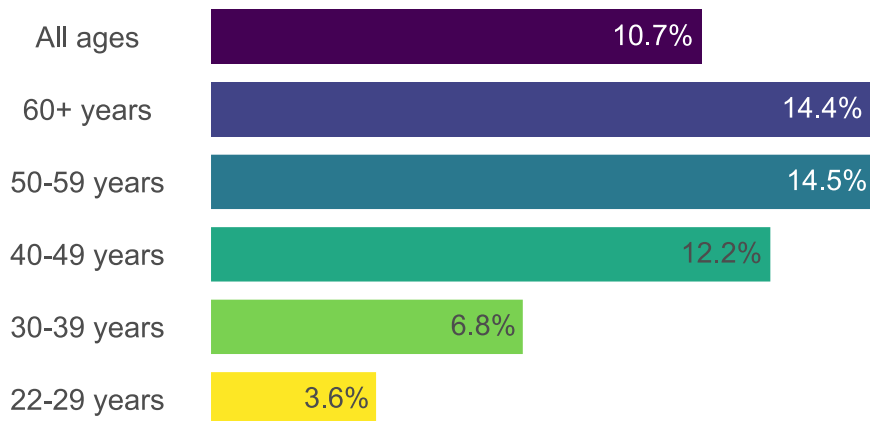
⁴² Scope. Out in the Cold. 2018. <https://www.scope.org.uk/campaigns/extra-costs/out-in-the-cold>

⁴³ Fawcett Society, Disabled women and Covid-19 – Research evidence. 2020. <https://www.fawcettsociety.org.uk/disabled-women-and-covid-19>

Age

Government data shows that the gender pay gap is larger for older women and smaller for younger women, varying from a mean hourly gap of 3.6% for 22–29-year-olds, to 14.5% for people aged 50–59 in 2023 (**Figure 4**). This is likely a result of the motherhood penalty, whose effects increase over time⁴⁴ - as men's careers build whilst women's stall. It may also be attributable to the compound effect of other types of workplace gender inequality over the life course, including pay discrimination, bias, and a lack of promotion opportunities.

Figure 4. The gender pay gap in 2023, by age. % difference in mean, hourly full-time pay between women and men. ⁴⁵



Source: ONS, *Gender Pay Gap*. 2023.

The cumulative impact of lower earnings over time also leads to a considerable gender pensions gap. The TUC's recent report⁴⁶ points to figures from Prospect indicating that this gap was 37.9% in 2019–2020, which is much higher than the gender pay gap.⁴⁷ Furthermore, figures from the Organisation for Economic Cooperation and Development (OECD), indicate that the UK falls far behind other member countries, who saw an average gender pensions gap of 25.6% in 2015 - in the same year the UK's gender pensions gap was 40.5%.⁴⁸

⁴⁴ Ibid. Rose et al., The Fawcett Society. 2023.

⁴⁵ Data was excluded from this graph for the 18–21 age group due to its low quality.

⁴⁶ TUC. The gender pensions gap. 2023. <https://www.tuc.org.uk/sites/default/files/2023-05/Gender%20Pensions%20Gap%20report.pdf>

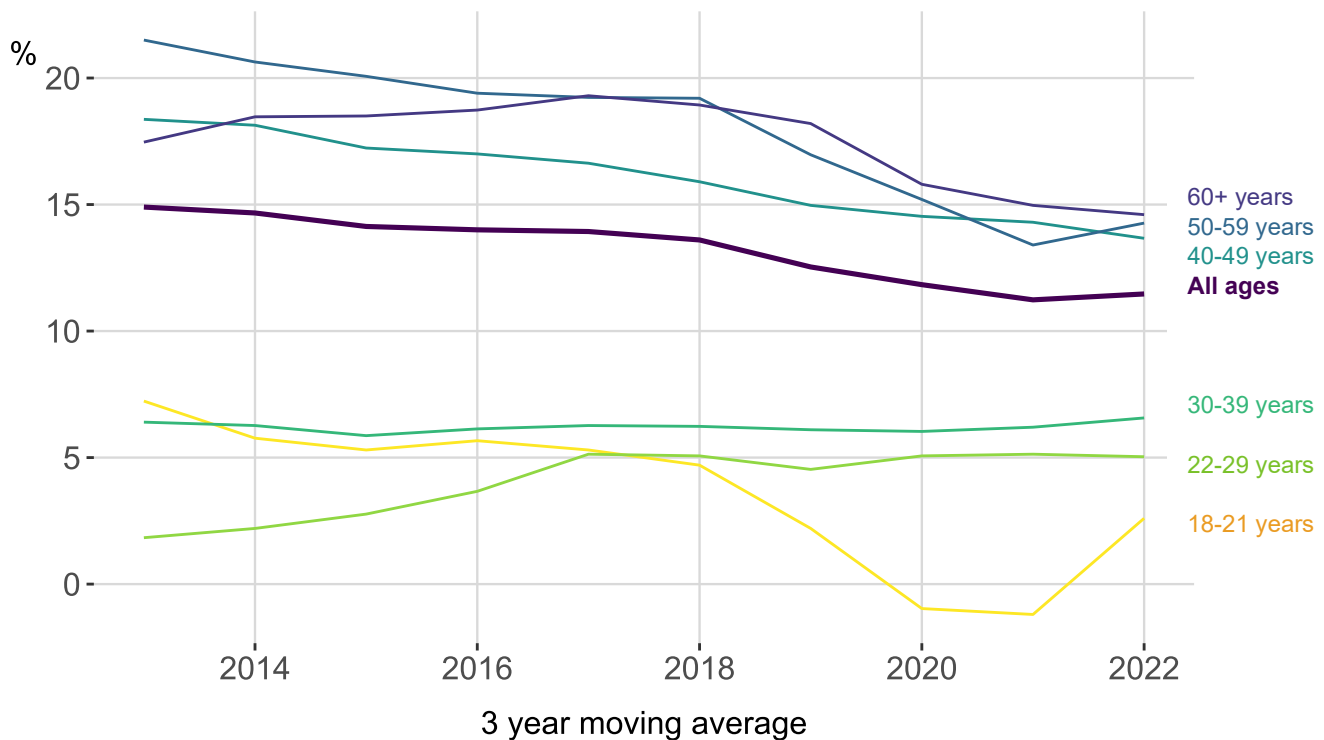
⁴⁷ Prospect. What is the gender pension gap? 2023. <https://prospect.org.uk/article/what-is-the-gender-pension-gap/>

⁴⁸ OECD. Toward improved retirement savings outcomes for women. <https://www.oecd-ilibrary.org/sites/f7b48808-en/index.html?itemId=/content/publication/f7b48808-en>

However, women aged under 40 do still experience a significant gender pay gap. **Figure 5** shows that this has not narrowed since 2018 for women aged 22-39. The 18-21 age group have seen a recent dip then rise, although this should be interpreted with caution as ONS data quality is lower for this group. Furthermore, a lower pay gap does not mean that younger women are more wealthy - younger women earn less than older women on average.

For women aged 40 years and above, we see a very slight narrowing of the pay gap over time, but the pace appears to have slowed in recent years.

Figure 5. The gender pay gap by age, over time. 3-year moving averages, including data from 2012 - 2023.



Source: ONS, Gender Pay Gap. 2012 - 2023.

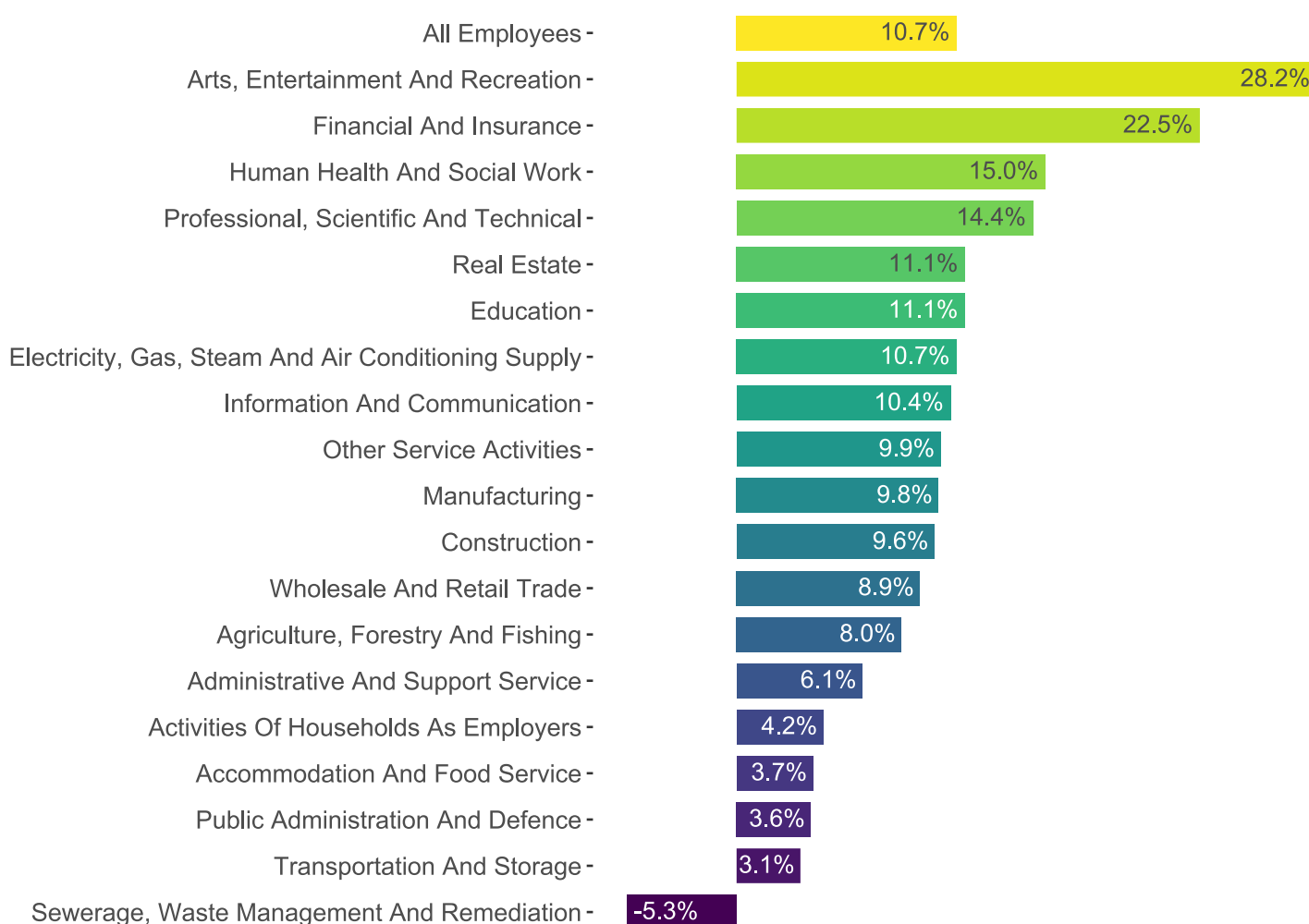
Industry

There is considerable variation in the gender pay gap by industry. Looking at the mean, full-time hourly gender pay gap for 2023, the largest pay gap is seen in the arts, entertainment and recreation industry (made up of creative arts, entertainment, libraries, museums, gambling and betting, and sports activities) at 28.2%. However, the median hourly pay gap is just 4.8%, which is lower than many other industries. This discrepancy between the mean and the median could indicate a small number of very high earners who are men, and a smaller gender pay gap between women and men who are average or low earners in the industry.

Similarly, health and social work activities sees the third largest mean gender pay gap (22.5%), but a smaller median gender pay gap (9.3%). This may reflect the fact that the workforce is predominantly made up of women – for example 82% workers in the adult social care industry (which sits within the health and social work industry) are women, but that fewer senior managers are women (just 68% of senior managers in adult social care). Again, we see likely see a small number of very high earners who are men, which skews the mean.

Financial and insurance activities sees the second largest mean gender pay gap for full-time workers (22.5%) as well as the largest median gender pay gap of all industries (22.7%) – suggesting that the industry has a consistently large gender pay gap across all levels of pay or seniority.

Figure 6. The gender pay gap in 2023, by industry. % difference in mean, hourly full-time pay between women and men.

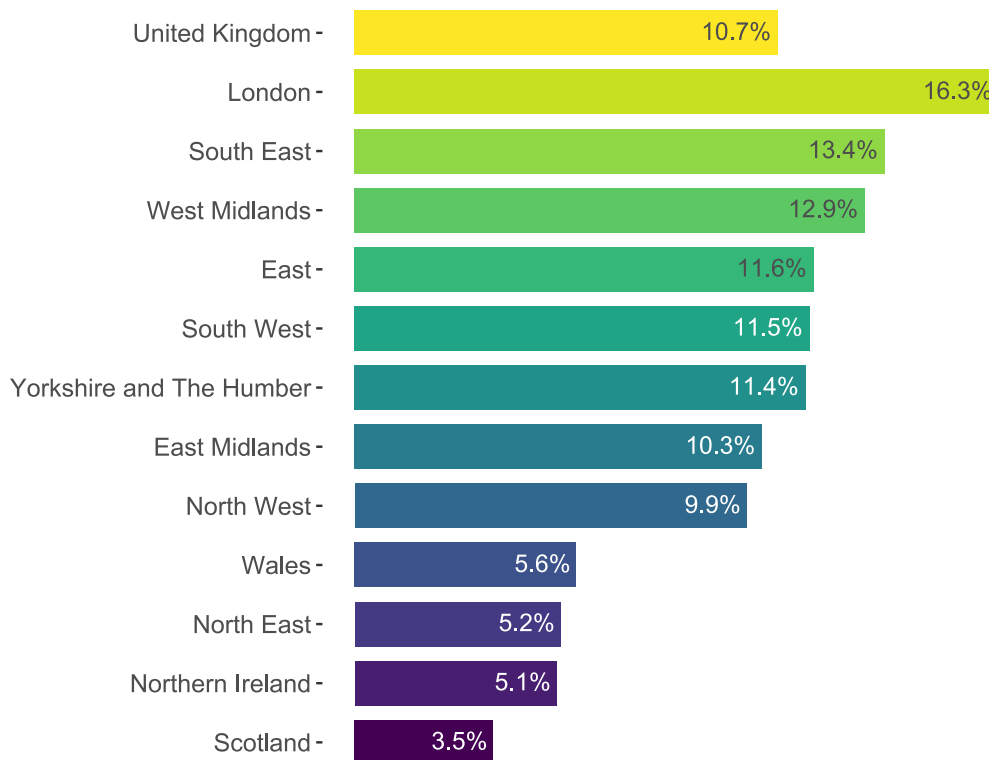


Source: ONS, Gender Pay Gap. 2023.

Region

London and the South East consistently see the highest hourly gender pay gaps for full-time workers, whether looking at the mean or the median, whilst Scotland and Northern Ireland see the lowest gender pay gaps (**Figure 7**).

Figure 7. The gender pay gap in 2023, by region. % difference in mean, hourly full-time pay between women and men.



Source: ONS, Gender Pay Gap. 2023.

Closing the gender pay gap: our calls to action

Gender pay gap reporting and action plans

Since 2017, employers with more than 250 employees have been legally required to publish the gender pay gap for their organisation. Research comparing the gender pay gap of employers with more than 250 employees (i.e. those who are required to report their gender pay gap) and those with fewer than 250 employees (who are not required to report their gender pay gap) before and after the policy was introduced found that reporting led to a narrowing of the gender pay gap.⁴⁹ Whilst reporting is only part of the solution, its effectiveness makes a strong case for **lowering the threshold so that employers with 100 employees or more must report their gender pay gap**.

Reporting alone is just the start and so we are advocating for mandatory action plans for employers to address their gender pay gap, and for the Equality and Human Rights Commission to be given the power to fine organisations which fail to make progress on closing their gender pay gaps within a given timeframe.

Ethnicity and disability pay gap reporting

Similarly, the impact of gender pay gap reporting both in drawing attention to the true disparity and in incentivising organisations to make change makes a strong case for **mandatory ethnicity and disability pay gap reporting**. As described above, ethnicity and disability intersect with gender to create larger pay gaps - which compound over time - for Black and minoritised women and disabled women.

Flexible work

Flexible work offered as default across all types of roles (not just low paid or insecure work) is vital to ensuring that everyone, and particularly disabled people and those with caring responsibilities are able to manage their lives in a way that best suits them. Flexible work as the norm – including part-time work, job sharing, flexible hours, compressed hours or remote working – would enable more women to remain or progress in the roles they choose after the birth of a child, thus lowering the gender pay gap.

Critically, the onus must be on the employer to consider what flexible working options are possible for their workplace, and where some options are not possible, to justify this with a strong business reason. These **flexible work options must then be advertised in job adverts**, so that the responsibility is not with the employee to request this after they have already accepted a job without knowing how suitable it is for them.

Early childhood education and care reform

The current early childhood education and care system is both unaffordable for parents and exploits its majority-women workers - who are poorly paid, despite their important role in providing education and care to young children at a critical time in their development. This leaves parents facing impossible and unfair decisions surrounding work and parenthood - which in turn contribute to the gender pay gap.

Prioritising wholesale reform toward a universal free system – including a workforce strategy accompanying any expansions of provision, and careful consideration of the factors that influence quality at each step during the implementation of any new policy – is crucial.

The Right to Know

Illegal pay discrimination - when women are paid less than men for 'equal work' - persists as a significant contributor to the overall gender pay gap. Therefore we are calling for **a free standing and legally enforceable 'Right to Know' what a male colleague is paid for equal work**, for women who suspect

⁴⁹ Blundell, J. Wage responses to gender pay gap reporting requirements. Centre for Economic Performance, LSE; 2021. <http://eprints.lse.ac.uk/114416/1/dp1750.pdf>

they are experiencing pay discrimination to understand their circumstances and be equipped to challenge discrimination.

End Salary History

The practice of basing a salary offer for a new employee on their salary for their previous job can mean that people carry lower pay with them from job to job. Thus, questions about previous salary during recruitment perpetuate pay gaps for groups who earn less on average, such as women, Black and minoritised people, and disabled people. Empirical evidence from the US finds that where salary history questions have been banned, the gender pay gap shrunk by 4.7% of its existing size.⁵⁰ Therefore, Fawcett is calling for a **ban to salary history questions in job applications**.⁵¹

⁵⁰ Hansen, B. & McNichols, D. 2020. Information and the persistence of the gender wage gap: Early evidence from California's salary history ban.

⁵¹ End Salary History website. <https://www.endsalaryhistory.co.uk/>