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# Education

*Briefing from the UK Women's Budget Group  
on the gender implications of recent trends in  
education funding*

**October 2018**

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Briefing from the **UK Women's Budget Group** on the gender implications of recent trends in education funding

### Key points

- Public spending on education has been in decline since 2010.
- There has been an **8% reduction in real terms in school spending** between 2009-10 and 2017-18. At the same time, additional money has been allocated to free schools and Independent schools continue to be subsidised through tax relief.
- Classroom teaching is a low-paid area of female employment. **Women earn less than men at all levels of education** and are, proportionally, **less likely to be in senior roles** than men. The biggest average gender pay gap – 31.7% - is among staff in Academy and Trust schools.
- **Further education receives the least educational spending** (10% less per pupil than in schools) and will see a 12% cut in real terms between 2010-11 and 2019-20. The gender pay gap in further education is 7% for management staff and 3% for teaching staff.
- Funding for apprenticeships will double from 2015-16 to 2019-20. However, **apprenticeships remain highly gender segregated with women making up the majority of students in apprenticeships for low-paid professions**, such as childcare, hairdressing and health and social care.
- The shift to funding higher education teaching through tuition fees and loans is having a disproportionate adverse impact on women. **Women pay a significantly larger proportion of their income back in loan repayments** than men because of the **gender pay gap in graduate occupations** and due to **time out of the workforce for unpaid caring**. Having a student loan also appears to have a negative impact on when women, but not men, marry and begin having children.
- The gender pay gap for university staff is on average 15.9% and women are under-represented in senior roles.

For the fiscal year ending March 2019, UK education spending is budgeted to be £87.7 billion. Since 2010 education spending has been in decline, falling to 4.4% of GDP in 2017.<sup>1</sup> This percentage is below the EU28 average, which was 4.9% in 2015.<sup>2</sup>

The decrease in public spending on education is brought into sharp relief when set against inflation. The Institute for Fiscal Studies (IFS) reports that, between 2010-11 and 2015-16, education spending has fallen by 14% in real terms, taking it back to the

same level as 2005-06 and to a similar share of national income as in the 1990s.<sup>3</sup>

### Schools

Analysis by the IFS finds that there has been a reduction of 8% in real terms in school spending between 2009-10 and 2017-18.<sup>4</sup> They claim that this equates to 'the biggest real-terms fall in school spending per pupil for at least the last 30 years'. The government has refuted the IFS analysis, claiming that UK spending on schools is one of the highest in the

<sup>1</sup> UK Public Spending (2018) (<https://bit.ly/2AeG1Hp>)

<sup>2</sup> Eurostat (2017) *Government expenditure on education* (<http://bit.ly/2ibL4yB>)

<sup>3</sup> Institute for Fiscal Studies (2017) *Long-run comparisons of spending per pupil across different stages of education* (<http://bit.ly/2zF4pA1>) p 9

<sup>4</sup> IFS (2018) *2018 Annual Report on Education Spending in England* (<https://bit.ly/2D5G3EW>)

world. However, it was later confirmed that these figures included spending by parents on private education.<sup>5</sup> In September 2018, headteachers petitioned government about the cuts they were being required to make their school budgets, some of which were due to the real terms fall in funding and others due to delays in local authorities implementing the new National Funding Formula (NFF).

The impact of the fall in real-terms school funding has been widespread and included cuts to special needs support in schools and after-school clubs. These have impacted disproportionately on mothers, who take on the majority of caring responsibilities for school-age children.

### Independent schools

Independent schools are effectively subsidised by government because, as charities, they receive tax relief on business rates estimated at £522 million in the five years between 2017-2022,<sup>6</sup> as well as VAT relief. The Conservative Party Manifesto threatened to remove the charitable status of independent schools if they did not contribute to meeting the educational needs of other children. The government appears to have withdrawn this threat and instead published a consultation that encourages partnership between independent schools and poorly-performing community schools.<sup>7</sup>

### Free schools

While funding continues to fall for the state system of schooling, the government has targeted additional money to schools outside the state system. In the 2017 Spring Budget, the Chancellor announced an additional £320 million for 30 free schools. Free schools can be selective, and they include 'faith schools'. Selective schools, whilst benefiting the educational attainment of those selected, tend to under-represent low-income families among their

pupils, and have a negative impact on students not selected.<sup>8</sup>

In April 2017, 12 of the 111 free schools approved that month were 'faith schools'.<sup>9</sup> In the past, such schools have been obliged to offer 50% of their places to non-faith-based students. Traditionally, faith schools have been voluntary-aided or voluntary-controlled, which meant that 10% of capital cost came from a faith organisation that then comprised its governing body. These schools can use 100% faith-based selection. The government will allow faith schools who are willing to contribute 10% of their capital costs to apply for free school status and operate 100% faith-based selection. Faith schools have the potential to have a negative impact on religious and social class integration and on gender equality.

In October 2017, the Court of Appeal ruled that it was illegal to have gender segregation in mixed-sex schools apart from for the purposes of the exceptions set out in the Equalities Act.<sup>10</sup> The government subsequently reminded schools that there should be no inequality in the allocation of resources to single-sex activities. For example, girls' football should be given the same resources as boys' football.<sup>11</sup>

### Teachers' pay

Teachers' salaries are paid for out of school budgets. With budgets under pressure, the government and individual schools have looked for ways to reduce their spending on teachers' salaries. NASUWT, the teachers' union, reported that in 2015 the salaries of comparable professions were 20.2% above those of secondary school teachers, and 32.4% ahead of average earnings for primary school teachers. NASUWT also reported that 'the average starting salary for comparable graduate professions is at least 15% higher than the national M1 starting point for a qualified teacher.'<sup>12</sup> Low pay is contributing to a crisis in recruitment which risks damaging the learning environment in schools. In 2015, 85% of teachers in

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<sup>5</sup> BBC3 (3 Oct 2017) 'Private school fees in minister's funding claims' (<https://bbc.in/2y4w5Ph>)

<sup>6</sup> The Guardian (11 June 2017) 'Private schools to save £522m in tax thanks to charitable status' (<https://bit.ly/2rRbdYP>)

<sup>7</sup> DfE (2018) *Schools that work for everyone* (<https://bit.ly/2ymBv8m>)

<sup>8</sup> IFS (2016) *Can grammar schools improve social mobility?* (<http://bit.ly/2cj89e4>)

<sup>9</sup> Humanists UK (2017) *Government approves yet more religious free schools* (<http://bit.ly/2ilShzj>)

<sup>10</sup> <https://bit.ly/2J7xi0t>

<sup>11</sup> DfE (2018) *Gender Segregation in Mixed-sex schools. Non-statutory Guidance*, June (<https://bit.ly/2Kjqj4o>)

<sup>12</sup> NASUWT (2017) *Pay gap between teaching and other professions harming education* (<http://bit.ly/2lpI58Q>)

UK primary level classrooms were women and 63% of those in secondary level were women.<sup>13</sup> Classroom teaching is becoming a low-paid area of female employment.

It is already the case that female teachers earn less than their male counterparts. NASUWT found that the average pay for all male teachers in 2014 was £39,600 compared to £36,700 for women.<sup>14</sup> Men were also more likely than women to have senior roles as headteachers or deputy headteachers. In 2012, 17% of men working in schools were employed as headteachers or deputy headteachers compared to 11.5% of women.

Data published by the NUT suggests an even wider gender pay and promotion gap.<sup>15</sup> Women classroom teachers earn £800 a year less than men, and this gap rises to an average of £8,300 for headteachers. The gender pay gap also varies with age. Female headteachers aged under 40 earn £4,500 less than their male counterparts of the same age. For female headteachers in their 40s the pay gap is £7,900, while those in their 50s earn £11,400 less than their male counterparts and for those aged 60 or over the pay gap stands at £13,700.

In 2018, Academy and Trust schools were required to publish their gender pay statistics for the first time. The average gender pay gap was 31.7% in men's favour. Median pay gaps at individual academy trusts ranged from 62.7% in men's favour to 19.2% in women's favour, although only 11 out of 471 trusts reported pay gaps in favour of women. One in ten trusts reported a gender pay gap of 50% or more in men's favour.<sup>16</sup> This is a much higher pay gap than schools controlled by local councils. By mid-2018, the government had contacted 213 academy trusts querying staff salaries of over £150,000.<sup>17</sup>

## Further education

Further education (FE) receives the lowest per pupil spend and has suffered the most from public spending cuts to education. The IFS estimate that, in the ten years between 2010/11 and 2019/20, there will be a 12% cut to the FE budget in real terms.<sup>18</sup> Spending per pupil in FE is 10% less than spending per pupil in schools. Funding for adult education (post-16) has been frozen since 2015, after significant reductions had already taken place between 2010-2015.

Apprenticeships are excluded from the spending freeze, and funding for these is set to double between 2015/16 and 2019/20.<sup>19</sup> It is intended that much of the additional funding will be provided from the apprenticeship levy on business, rather than by government directly. It remains to be seen whether this levy system can produce the necessary funding to expand apprenticeships as planned.

In 2016/17, women made up 54% of all students on apprenticeships.<sup>20</sup> However, most women are on apprenticeships that lead to low-paid occupations. For example, 84% of those on health and social care apprenticeships in 2016/7 and 93.1% of those on childcare apprenticeship programmes were female. In comparison, men made up 97% of those on engineering apprenticeships and 78% of students on STEM degree apprenticeships.<sup>21 22</sup>

Women comprise the majority of staff across all grades in further education, including leadership grades. Despite this, there is a gender pay gap in every grade, ranging from 7% among management staff to 3% among teaching staff.<sup>23</sup>

## Higher Education

The IFS notes the difficulty of measuring changes over time to the funding of higher education (HE) because of the different forms in which this funding is

<sup>13</sup> OECD figures, 2015 (<http://bit.ly/2yxO3rg>)

<sup>14</sup> NASUWT (2016) *Teachers' Pay and Equality: Baseline Research* (<http://bit.ly/2zzuXF0>)

<sup>15</sup> National Education Union (2017) *The Gender Pay Gap* (<http://bit.ly/2zFqBK3>)

<sup>16</sup> FFT Education Lab (2018) *The gender gap in academy trusts*. Nye P. (<https://bit.ly/2CS4g0g>)

<sup>17</sup> TES (6 July 2018) 'Names of 53 academy trusts being quizzed on high pay' (<https://bit.ly/2vodNZk>)

<sup>18</sup> IFS (2017) *Long-run comparisons of spending per pupil across different stages of education* (<http://bit.ly/2mlVJFc>)

<sup>19</sup> Ibid.

<sup>20</sup> HOC (2018) Briefing paper Apprenticeship Statistics England <https://bit.ly/2J2UXeo>

<sup>21</sup> All figures taken from Skills Funding Agency (2017) *FE data library: apprenticeships* (<http://bit.ly/2hnLIZ5>)

<sup>22</sup> HOC (2018) Briefing Paper Apprenticeship Statistics. Ibid

<sup>23</sup> UCU (2018) *The gender pay gap in further education. 2016/17 data report* (<https://bit.ly/2J1hDM5>)

provided.<sup>24</sup> With HE teaching now funded primarily through student tuition fees and consequently loans, most concern has been on the impact on students and graduates of servicing these loans, as well as the debt incurred to the government from unpaid loans.

The Office for Budget Responsibility has forecast that the total value of new loans in England will increase from £15.2 billion in 2017-18 to £20.0 billion in 2022-23.<sup>25</sup>

The government estimates that the value of loan repayments is 55-60% of the face value of the loans in discounted terms.<sup>26</sup> This demonstrates that the loans system for tuition fees has produced debt for individual students as well as overall government debt.

A recent government report on tuition fees quotes the OECD as stating 'that average fee levels for new students in England from 2012 were likely to be the highest for public or state-dependent private institutions in the developed world'.<sup>27</sup> Since October 2017 tuition fees in England have been frozen at £9,250 p.a.

In February 2018, the Prime Minister announced that there would be a 'wide-ranging review into post-18 education' led by Philip Augar. The review is to look at how future students will contribute to the cost of their studies, including 'the level, terms and duration of their contribution', and is due to report in 2019.

### Gender impact

A reduction in tuition fees and a reversal of the policy to replace maintenance grants with loans would be especially welcome for women. Research by the University and College Union demonstrates that, because of the gender pay-gap in graduate occupations and time out of the workforce due to

unpaid caring, women pay a significantly larger proportion of their income back in loan repayments than men, and over a longer period of time.<sup>28</sup>

However, the IFS has argued that low-earning graduates, of which women comprise a majority, benefit from the present system by paying back very little of their original loan.<sup>29</sup>

A recent review paper published by the Centre for Global Higher Education suggests that having a student loan has a negative impact on family formation for women, but not for men, with graduate women having fewer children and delaying childbearing compared to non-graduate women.<sup>30</sup>

Despite the government making loans available to part-time students from 2012, part-time student numbers have continued to fall. By 2015/16, part-time undergraduate student numbers had fallen by 60% since 2008 compared with a 3% increase in full-time students.<sup>31</sup> Part-time study has historically attracted large numbers of mature entrants, and those with caring responsibilities, the majority of whom tend to be women.

### University salaries

Universities follow the pattern of all sectors of education in paying women staff less than men, on average, and in the same grades, as well as having fewer women at senior level.<sup>32</sup> The average gender pay gap in universities in 2018 is 15.9% with 30 universities reporting a 20% pay gap.<sup>33</sup>

### Conclusion

Funding for education has decreased in real terms since 2010 while additional money has been given to free schools and independent schools enjoy favourable tax status. The proliferation of selective

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<sup>24</sup> IFS (2017) *Long-run comparisons of spending per pupil across different stages of education* <http://bit.ly/2mIVjFc>

<sup>25</sup> OBR (2018) *Economic and Fiscal Outlook March 2018* (<https://bit.ly/2lvzKJo>)

<sup>26</sup> House of Commons Library (2018) *Higher Education tuition fees in England*. Briefing Paper 8151 (June) (<https://bit.ly/2FgBgB9>)

<sup>27</sup> Ibid.

<sup>28</sup> London Economics (2017) *The impact of student loan repayments on graduate taxes* (<http://bit.ly/2yVTpRz>)

<sup>29</sup> IFS (2017) *How much would it really cost to write off students debt?* (<http://bit.ly/2x6Ei54>)

<sup>30</sup> UCL Institute of Education (2018) *Graduate indebtedness: its perceived effects on behaviour and life choices – a literature review* (<https://bit.ly/2RTEfSF>)

<sup>31</sup> House of Commons Library (2017) *Higher education student numbers* (<http://bit.ly/2i4G5NW>)

<sup>32</sup> UCU (2017) *UCU names and shames colleges and universities that hold down women's pay* (<http://bit.ly/2iR5ZXo>)

<sup>33</sup> THES (6 Apr 2018) 'Gender pay gap: how much less are women paid at your university?' (<https://bit.ly/2JnyQ29>)

schools raises concerns for social mobility, integration and gender equality.

Cuts to primary, secondary and further education funding have worsened pay and affected women disproportionately as they are the vast majority of classroom teachers in primary and secondary schools.

The government should review the status of free and independent schools and make sure state education is properly funded per pupil, including further education.

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**UK Women's Budget Group, October 2018**

WBG is an independent, voluntary organisation made up of individuals from Academia, NGOs and trade unions. See [www.wbg.org.uk](http://www.wbg.org.uk)

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