

## **Women's Budget Group- Commission on a Gender- Equal economy**

### **About Young Women's Trust**

Young Women's Trust supports and represents the 1.5 million women aged 18-30 struggling to live on low or no pay in England and Wales who are at risk of being trapped in poverty. We want to create change through influencing and campaigning, supporting young women and, crucially, involving more young women in addressing the issues that affect them.

### **Research contributing to this response- key stats**

Over the last year, Young Women's Trust has carried out research into the challenges facing young women in apprenticeships<sup>1</sup>, the use of positive action to increase gender diversity<sup>2</sup> and young women's experiences of job centre services.<sup>3</sup>

We have also conducted a general population survey of 4,000 18-30-year-olds<sup>4</sup> as well as a survey of 800 HR decision makers.<sup>5</sup>

The full reports are available on our website ([www.youngwomenstrust.org](http://www.youngwomenstrust.org)) but the key findings can be summarised here. Unless otherwise stated, the statistics cited below are taken from a number of surveys commissioned for these reports.

## **1) What are the causes of gender inequality in the economy?**

### **a) Barriers to accessing employment**

Our research shows that, despite being more likely to go to university, young women continue to have poorer employment outcomes than young men. The pathways from non-graduate routes are often even tougher with young women frequently locked out of the best apprenticeships and finding it harder to progress into longer term employment.

Expensive and inflexible childcare; high travel costs; poor careers advice which funnels women into low paid work; and biased and discriminatory recruitment practices all act as significant barriers to women finding quality work.

Furthermore, for those furthest from the labour market the difficulties in accessing flexible, personalised employment support keep them from finding routes into work. Just one in five women who visited a job centre in the last year said that it had helped them find a job. More than half said their experience was humiliating. Alongside this, there has been a worrying rise in the number of young women who are economically inactive. Many of these will have caring responsibilities or

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<sup>1</sup> Young Women's Trust (2018), Young Women and Apprenticeships: *Still not working?*

<https://www.youngwomenstrust.org/apprenticeships-still-not-working>

<sup>2</sup> Prof. Chantal Davies, (2018), *Young Equality at Work*,

[https://www.youngwomenstrust.org/assets/0000/9388/Equality\\_at\\_work\\_Positive\\_action\\_in\\_gender\\_segregated\\_apprenticeships\\_-\\_Summary\\_report.pdf](https://www.youngwomenstrust.org/assets/0000/9388/Equality_at_work_Positive_action_in_gender_segregated_apprenticeships_-_Summary_report.pdf)

<sup>3</sup> Eliot and Dulieu (2018), *Working Well?*,

[https://www.youngwomenstrust.org/assets/0001/0107/YWT\\_4in10\\_Report\\_v04\\_checked.pdf](https://www.youngwomenstrust.org/assets/0001/0107/YWT_4in10_Report_v04_checked.pdf)

<sup>4</sup> Young Women's Trust(2018), *It's (Still) a Rich Man's World*,

[https://www.youngwomenstrust.org/assets/0000/9913/It\\_s\\_still\\_a\\_rich\\_man\\_s\\_world\\_-\\_web\\_report.pdf](https://www.youngwomenstrust.org/assets/0000/9913/It_s_still_a_rich_man_s_world_-_web_report.pdf)

<sup>5</sup> Young Women's Trust Press release (2019) *One in three employers say their organisation has not tried to reduce its gender pay gap...*

[https://www.youngwomenstrust.org/what\\_we\\_do/media\\_centre/press\\_releases/944\\_one\\_in\\_three\\_employers\\_have\\_not\\_tried\\_to\\_reduce\\_gender\\_pay\\_gap](https://www.youngwomenstrust.org/what_we_do/media_centre/press_releases/944_one_in_three_employers_have_not_tried_to_reduce_gender_pay_gap)

disabilities but despite the majority saying they want to work, they are often missing out on the support they need as they aren't regarded as job seeking.

### Key stats

*Women are more likely to be economically inactive or in insecure work*

- 290,000 young women are NEET and economically inactive, compared to 184,000 young men<sup>6</sup>
- 40% of young women and 36% of young men said they are worried about their job security

*Women are more likely to struggle financially*

- One in three young women have been offered a zero-hours contract.
- A quarter of young women have been paid less than the minimum wage.
- 40% struggle to make their cash last to the end of the month and 25% are in constant debt.

*Job Centres fail to effectively support young women*

- 43% of male jobcentre users attributed Jobcentre Plus to helping them find work compared to 23% of female jobcentre users
- Only a third (33%) of women and two fifths of men (44%) felt they were getting personalised support from their Jobcentre Work Coach
- Young Women overwhelmingly had negative experiences of jobcentre services with over half saying it was humiliating (52%), stressful (56%) or made them feel ashamed (53%)

## **b) Unequal treatment in the workplace**

Even when young women are able to secure work, it is frequently low paid, with few opportunities to progress. The lack of flexible working options; low rates of pay under the National Minimum Wage; and highly segregated work places make it more difficult for young women to access the same opportunities as young men.

This is made worse by the bias and discrimination young women face. This can take many forms from being overlooked for promotion or development opportunities due to unconscious bias, to maternity discrimination. We are particularly concerned about the numbers of young women who have reported experiencing sexual harassment at work, especially as a large proportion remain unaware of how to report sexual harassment in their organisation.

### Key stats

*Women face discrimination in the hiring process*

- A third of young women have experienced sex discrimination when working or looking for work.
- One in seven employers say they are reluctant to hire women who may have children

*Women continue to face sexual harassment at work*

- 15% of young women have been sexually harassed at work and not reported it –double the number of women who have reported it (8%).

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<sup>6</sup><https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/datasets/youngpeoplenotineducationemploymentortrainingneettable1>

- A third of young women don't know how to report sexual harassment. A quarter of would be reluctant to for fear of losing their job or being given fewer hours.
- Just 1 in 6 managers would be confident that they knew their organisations procedures for handling a complaint of sexual harassment

*Employers are failing to act on the gender pay gap*

- 30 per cent of employers had not taken measures to reduce its gender pay gap over the past year
- 10 per cent said their organisation did not know how to and does not take it seriously enough.
- Around one in 10 employers (8%) say that women in their organisation are paid less than men at the same level
- 1 in 4 employers saw gender pay gap reporting as a waste of time

*Young women continue to miss out on the best apprenticeships have to offer*

- 43 per cent of female apprentices said the costs associated with doing an apprenticeship such as travel to work, buying clothing or paying for childcare, are higher than their earnings as an apprentice
- The average hourly apprenticeship pay for men was estimated to be £7.25, compared to £6.67 for women – an eight per cent gender pay gap
- 62 per cent who left school to go to university or other work or training said that the low levels of pay was one of the key reasons for them not following an apprenticeship route
- For Level Three apprentices, men earned a median average £26,200 compared to the £16,60 average salary for women (women earn 36% less/men earn 57% more), women earn less after 5 years than men earn a year after completion)<sup>7</sup>

### **c) Complexities of mental health and additional needs**

Many young women continue to face multiple disadvantage have often complex additional needs. Our research shows that young women are more likely to worry about their mental health for example with 44% young women and 33% young men saying this is a concern for them. We found clear works between mental health and work. A third (31%) of young women said that their mental health had affected their ability to seek work. Similarly, half of young women said that their job had negatively affected their mental health.

Similarly access to housing and high levels of debt have an important impact on young women's ability to access, stay in work and progress.

Key stats

- Four in 10 young women are worried about their mental health, compared to three in ten young men.
- Half of young women say their work has had a negative impact on their mental health.
- A third of young women say their mental health has affected their ability to seek work, compared to a quarter of young men.
- One in three employers admit that their workplace environment has is detrimental to employees' mental health

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<sup>7</sup> Department for Education (2018) Further Education: Outcome based success measures, academic years 2010/11 to 2015/16

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/748305/FE\\_learners\\_outcome\\_based\\_success\\_measures.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/748305/FE_learners_outcome_based_success_measures.pdf)

## **2) How does gender inequality interrelate to other forms of inequality in the economy, such as race inequality, disability, and poverty?**

As part of our previous work providing the secretariat for the APPG on Sex Equality alongside the Fawcett Society, we produced a report called 'Invisible Women' which sought to understand some of the many ways in which different groups of women experience additional barriers and discrimination which is often excluded from the public debate. Whilst not an exhaustive list of intersectional barriers, this report made a compelling case for improving data to better capture the diversity of women's experiences. Current data breakdowns do not show the picture beyond gender: sexuality, disability, ethnicity and age are all overlooked. However, publicly available evidence that allows for further analysis of these inequalities is often lacking. This means that policy is often not made for or with the women who experience the sharpest inequalities.

The report gave a number of examples of multiple additional barriers face by women because of their age, race, or disability. This response summarises the key issues raised but the full report is available for reference and provides further details on these points.<sup>8</sup>

### **a) Young women are more likely to be economically inactive.**

Data from the latest ONS Labour Market Statistical bulletin demonstrates that women aged 16-17 (65%) and 18-24 (32%) are more likely to be economically inactive than women in older age bands (25-49 year olds have an inactivity rate of 18%).<sup>9</sup> A lack of focus on the different experiences of young women in relation to employment means that policy responses lack the necessary sophistication to meet the unique needs of young women and the additional barriers they face.

### **b) Older women and younger face a larger pay gap**

Existing data makes clear that the size of the gender pay gap varies significantly across the life course. Whilst the median gender pay gap for women in full-time work is 9.5%, it rises to 16% for women in their fifties.<sup>9</sup> It is often argued that there is no longer a pay gap for younger women but the ONS' statistics indicate that the picture is more complicated: whilst the gap is 3% for those aged 18-21 and just under 1% for those in their twenties it is much higher for under 18s at 9.5%.<sup>10</sup>

There is also concern about the persistent gender pay gap amongst apprenticeships, which is a particular issue for younger women. The latest apprenticeship pay survey published in July 2017 shows that for level 2 and 3 apprenticeships women earn an average of £6.85 compared to the £7.10 average for men.<sup>11</sup>

Disabled women experience a further wage penalty relative to non-disabled women, which the EHRC found was an additional 7% across the period from 1997-2014. Disabled people are also more likely to be out of work.<sup>12</sup>

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<sup>8</sup> Young Women's Trust and Fawcett Society (2018), Invisible Women, [https://www.youngwomenstrust.org/assets/0000/9206/Invisible\\_Women\\_final\\_report.pdf](https://www.youngwomenstrust.org/assets/0000/9206/Invisible_Women_final_report.pdf)

<sup>9</sup> ONS (2016), ASHE provisional results, table 6.6a <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/agegroupshetabl e6>

<sup>10</sup> *ibid*

<sup>11</sup> Department for Business, Energy & Industrial Strategy (2017), Apprenticeship Pay Survey 2016

<sup>12</sup> Simonetta Longhi (2017) The Disability Pay Gap, <https://www.equalityhumanrights.com/sites/default/files/research-report-107-the-disability-pay-gap.pdf>

**c) Ethnic minority women and women of religious minority groups face higher gender pay gaps**

The gender pay gaps faced by ethnic minority women vary significantly. Fawcett Society research produced with Professor Yaojun Li of the University of Manchester found that taking white British men as the starting point for comparison the gaps by ethnicity range from 20% for Black African women to a reversed pay gap of -6% for Chinese women (although Chinese women still earn 11.5% less than their male counterparts).<sup>13</sup> Similarly, women of different religious groups experience varying pay gaps. Although there is some correlation with ethnicity, religious groups do not map neatly onto ethnic groups and it is important to recognise religion or belief as a distinct phenomenon.

Despite this variation official ONS statistics do not provide information by ethnicity or religion and public debate often focuses on the headline figures. The overall gender pay gap is caused by a combination of factors: the unequal impact of caring roles and a lack of support for mothers' career progression; a divided labour market in terms of skills and occupational segregation of women into more low-paid work; outright discrimination against women; and the over-representation of men at the top of the pay scale and women at the bottom. All of these factors, alongside varying kinds and degrees of direct and indirect discrimination, and cultural norms, in turn shape the different gender pay gaps for different ethnic and religious groups.

**d) Ethnic minority women have different experiences of employment support**

Similarly, ethnicity has been found to be a factor in determining the propensity to claim benefits on the part of women classed as "economically inactive". The needs of ethnic minority women are often little understood within the welfare system and they are less likely to appear on the radar of local government. The cultural and societal pressures on BAME young women are often not taken into account and assumptions and prejudices about their availability for work are rife.

A study of the participation of women in the labour market in Leicester found that the relatively large number of Asian women who were economically inactive or unemployed did not access the benefit system.<sup>14</sup> One of the few earlier studies of Pakistani and Bangladeshi women in the UK suggested that, contrary to underlying assumptions, young women aspired to remain economically active after getting married, although this was something which often had to be negotiated with their husband and mother-in-law.<sup>15</sup> Various actors within the benefits system failed to fully understand this and the young women therefore frequently missed out on the support they needed to continue in the labour market.

**e) Ethnic minority women have different experiences of mental ill health**

The APPG on Sex Equality heard evidence about mental health inequalities which demonstrated significant differences in the experience of mental ill health along gender lines, with women more likely to report some mental illnesses such as anxiety and depression. These differences were even

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<sup>13</sup> Prof. Yaojun Li and Anthony Breach (2017) Gender Pay Gap by Ethnicity in Britain – Briefing Fawcett Society [www.fawcettsociety.org.uk/Handlers/Download.ashx?IDMF=f31d6adc-9e0e-4bfe-a3df-3e85605ee4a9](http://www.fawcettsociety.org.uk/Handlers/Download.ashx?IDMF=f31d6adc-9e0e-4bfe-a3df-3e85605ee4a9)

<sup>14</sup> Beatty, Gore and Powell (2010), Participation of Women in the Labour Market in Leicester, Centre for Regional Social and Economic Research

<sup>15</sup> Dale (2008), Pakistani and Bangladeshi Women's Labour Market Participation, Centre for Census and Survey Research, University of Manchester

more acute for BAME women who experienced much higher rates of mental ill-health both in comparison to other women and BAME men

Sally McManus gave evidence that 29% of Black/Black British women and 24% of Asian/Asian British women suffered from a common mental disorder compared to 21% of White/White British Women. Further analysis and research has indicated that Asian women also suffered from higher levels of anxiety and depression (63.5% compared to 28.5% of white women).<sup>16</sup>

Farah Elahi from Runnymede also told the APPG that experience of hate crime and micro aggressions against ethnic minority women had significant impacts on their mental health. Ethnic minority women were three time more likely to suffer depression after an incident of verbal abuse. This increased to five times more likely for women who had suffered a physical attack.<sup>17</sup>

### **3) What issues are important to research and make proposals on in order to create policies for a gender-equal economy?**

Further to the above, research forthcoming research by Young Women's Trust will look in greater depth at the following issues which we hope will provide additional useful information for the Commission to consider.

- a) What young women want from childcare
- b) Young people's experience of the jobcentre
- c) Pay progression in low pay sectors
- d) Experiences of sexual harassment

In addition, there will be scope for the Commission to further investigate issues under the above headlines of barriers to work, unequal treatment at work and mental health and wellbeing, with a particular focus on the varying experiences of different groups of (young) women.

### **4) What resources or publications are important for the Commission on a Gender-Equal Economy to consider?**

Young Women's Trust's research listed above and referenced throughout this submission is available online and we would be happy to discuss the findings of this and forthcoming research in more detail should the Commission wish to do so.

In addition, we have an advisory panel of 35 young women, a closed Facebook Group and regular contact with our Work it Out service users. If the Commission wanted to speak to groups of young women to understand their experiences or gather case study evidence, we are able to arrange focus groups and other ways to consult with this group.

**For more information please contact:**

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<sup>16</sup> Young Women's Trust and Fawcett Society (2018), Invisible Women, [https://www.youngwomenstrust.org/assets/0000/9206/Invisible\\_Women\\_final\\_report.pdf](https://www.youngwomenstrust.org/assets/0000/9206/Invisible_Women_final_report.pdf)

<sup>17</sup> Young Women's Trust and Fawcett Society (2018), Invisible Women, [https://www.youngwomenstrust.org/assets/0000/9206/Invisible\\_Women\\_final\\_report.pdf](https://www.youngwomenstrust.org/assets/0000/9206/Invisible_Women_final_report.pdf)