



Young Women and Economic Justice

Pre-budget briefing from the Young Women's Trust and UK Women's Budget Group

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1. Key facts

. The gender gap in annual earnings for young women aged 18-21 is currently 32.8 percent and for young women aged 22-29 is 19 percent. This is the result of factors including discrimination in the workplace, career gender stereotypes and disproportionate caring responsibilities.

. Young women are more likely to be offered less pay and more precarious working conditions than young men of the same age.

. Many young women find they cannot afford to access the labour market. Childcare costs are a big financial constraint, with a nursery place absorbing between half and two-thirds of a young women's average salary (for 0-2 year-old children) and a fifth and a quarter for older children.

. Young women are 20 percent more likely to be classed as 'economically inactive' than young men. However, this stigmatising term hides the fact that these young women will be caring for children, older relatives and community members, doing household work and emotional labour and making a huge yet unvalued and unpaid contribution to the economy and overall prosperity of the population.

. Young women's economic disadvantage has a significant negative impact on their poverty rates, their ability to afford accommodation and their mental health and should thus be addressed to unlock young women's potential, so all society can benefit.

This briefing outlines evidence on young women's economic situation in the UK from Young Women's Trust and the Women's Budget Group, and recommendations for achieving economic justice for inclusion in the UK Budget 2020.

1. Inequality for young women in paid work

The gender gap in annual earnings exists the moment women start their working careers: in 2019, young women aged 18-21 earned 32.8 percent less than young men of same age and 19 percent less in the 22-29 age group.¹

The gaps for women in leadership are well documented- Fawcett Society's 2020 Sex and Power report showed that women make up just over one in 20 CEOs of FTSE 100 companies (6 percent), and only a fifth of senior civil servants. The picture is even bleaker when we look at race and sex together, as there are *no* women of colour in these roles. Women are also missing from the top jobs in politics, the law, the media, trade unions, charities and professional bodies.²

To address these gaps, we cannot just focus on how senior female staff move into leadership roles, we need to look at the whole employment pathway and intersectional discrimination within this.

The sexism and discrimination young women face at the very beginning of their careers can shut them out of roles that offer the best pay and progression, such as engineering and construction apprenticeships, whilst at the same time, high quality opportunities are lacking in childcare and social care in which the majority of young women apprentices work. The 2018/19 Apprenticeship Pay Survey³ showed that men undertaking apprenticeships are now paid nearly six percent more than their female counterparts - almost double the gap since the survey was last carried out in 2016. Just two in five women receive formal training as part of their apprenticeship compared to three in five men (57 percent), and women are more likely to be illegally paid below the minimum wage.⁴ Young woman can also expect to earn an average of £8,000 less than a young man five years after completing their apprenticeship.⁵

Outright discrimination plays a huge role in young women's economic inequality. Young Women's Trust Research has found that over one in five young mums reported being paid less than the minimum wage they are entitled to and being paid less than male colleagues to do the same or similar work.⁶ A third of young women feel they have been discriminated against when looking for work or working because of their sex, and 41 percent of young women of colour say they have also been discriminated against because of their race.⁷

Disproportionate care responsibilities are also a big factor in explaining the disadvantaged position of young women in the paid labour market. Young women are more likely to be

¹ Calculations based on gross annual pay for all employees. This is different from the gender pay gap, officially calculated as the difference of hourly pay for women and men working full-time. Source: ONS (2019) Annual Survey of Hours and Earnings 201, Age Group Table 6.7a Annual Pay, Gross 2019 (all employees) (<http://bit.ly/32J2hWd>)

² The Fawcett Society (13 January 2020) Sex and Power 2020 (<https://bit.ly/2uAPVTE>)

³ Department for Business, Energy and Industrial Strategy (10 January 2020) Apprenticeship Pay Survey 2018 to 2019 (<http://bit.ly/2PHN3LX>)

⁴ Ibid.

⁵ WBG and YWT calculations from Department for Education (24 October 2019) Further Education outcome-based success measures (<http://bit.ly/2uMkW7b>)

⁶ Young Women's Trust (4 December 2019) Young women facing constant financial struggle (<https://bit.ly/32rAxFH>)

⁷ Ibid.

doing unpaid work for others such as caring and domestic work⁸, and if they can access paid work, they are more likely to be offered fewer hours and be paid less than the minimum wage than young men.⁹ Their jobs are also more likely to be precarious than young men's: 42 percent of young women are offered a zero hours contract compared to 37 percent of young men, and this percentage has been rising every year.¹⁰

Career trajectories and the sectors where young women work are also part of the gender pay gap. In making career choices, gender stereotypes are still powerful influencers. The Fawcett Society found that 45 percent of people felt that they experienced gender stereotyping as children and 7 in 10 younger women (18-34 age group) affected by stereotypes say their career choices were restricted.¹¹

For those who are able to access higher education, men earn more than women within five years of completing their degree across all subjects. This is particularly pronounced in architecture and computer science, with male graduates earning £4,500 more a year than women who completed the same courses.¹²

Young women are not worth less. They have the same living costs as everyone else - rent, bills, food - and often more, with childcare too. Pay gap reporting (for all sizes of organisations) along with action plans and advertising all jobs with salary details are essential to achieve pay equality.

1.1 Sexism and sexual harassment in the workplace

As well as pay disparity, young women all too commonly face sexual harassment, but are still not able to report this without fear of losing their job. A TUC study found that 63 percent of young women have experienced sexual harassment compared to an average of 52 percent across women of all ages.¹³ Young Women's Trust research adds to this picture, showing that, despite its prevalence, a quarter of young women would be reluctant to report sexual harassment for fear of being fired or been given fewer hours.¹⁴ This fear is even higher for women in younger ages, young BAME women (30 percent) and young women with a disability or long-term condition (30 percent).¹⁵

16 percent of young women say they know of cases of sexual harassment at work that have been reported and not dealt with properly. One in 20 young women reported they have had to change job due to sexual harassment, assault or abuse. Eight percent of young women say they have been treated less well at work because they rejected sexual advances.¹⁶

⁸ Young Women's Trust (4 March 2020) *Valuing Young Women's Unpaid Work* (<https://youngwomenscount.org/>)

⁹ Young Women's Trust (4 December 2019) Young women facing constant financial struggle (<https://bit.ly/32rAxFH>)

¹⁰ Ibid. In comparison in 2018 39% of young women were offered zero hours contracts compared to 32% of young men (<http://bit.ly/2VHmiuL>) and in 2017 33% of young women compared to 28% of young men (<http://bit.ly/2wXopAn>).

¹¹ The Fawcett Society (7 March 2019) Gender Stereotypes Poll (<http://bit.ly/3aoKmXG>)

¹² Department for Education (1 December 2016) Graduate outcomes, by degree subject and university (<https://bit.ly/2PsrpLx>)

¹³ Trades Union Congress (2016) Still just a bit of banter? (<https://bit.ly/2wJNIG0>)

¹⁴ Young Women's Trust (15 October 2019) Young women demand urgent action on sexual harassment (<https://bit.ly/32vaMo0>)

¹⁵ Ibid.

¹⁶ Ibid.

1.2 Balancing paid work and childcare

Young mothers struggle to balance paid work and childcare because formal childcare arrangements are expensive and inflexible. For young women childcare costs are even less affordable than to the average woman because their average earnings are lower.

Table 1: percent of young women's (22-29 year old [yo]) median earnings absorbed by childcare costs, by child age, England, 2020

Childcare costs in England (nursery cost for 48 weeks)		Young women's median earnings (England)	percent of young women's median earnings absorbed by childcare
0-2yo (PT)	£6,327	£9,768 (PT jobs)	65 percent
3-4yo (PT)	£2,436		25 percent
0-2yo (FT)	£12,064	£23,727 (FT jobs)	51 percent
3-4yo (FT)	£4,784		20 percent

Source: WBG and YWT calculations using Childcare Care Survey 2020 and Annual Survey of Hours and Earnings 2019, table 6.7a. 3-4yo figures include free entitlement.

Table 1 shows how unaffordable childcare is for young women: young mothers of 0-2 year-olds on average earnings would spend between half and two-thirds of their salaries on a nursery place. The free childcare hours for 3- and 4-year-olds make a significant difference to affordability but childcare costs still come to a fifth and a quarter of young mothers' salaries.

Young Women's Trust Childcare Report (2019) found that two thirds of young mums currently not in paid work had been unable to take up paid work due to childcare costs. One in three had to leave a job because they could not afford childcare and more than half (57 percent) were unable to take a job they had been offered because of a lack of suitable childcare options.¹⁷

"If mine was to go to nursery, part time, it costs me more than my rent. A single parent, one income. It doesn't matter whether it's one income or [you're earning] just above the threshold, it doesn't work, no matter what."

London contributor Young Women's Trust Childcare report

Previous Young Women's Trust research also found 79 percent of mothers said that cheaper childcare available in their area would play an important role in allowing them to secure work.¹⁸ 82 percent of mothers of 3- and 4-year-olds said that it would be helpful if the 15 hours free childcare was extended to be available all year round, rather than being restricted to 38 weeks of the year. The majority of young mothers said that it was important

¹⁷ Young Women's Trust (15 November 2019) Childcare: What Young Women Want (<https://bit.ly/37UBLKE>)

¹⁸ Young Women's Trust (28 March 2017) What Matters to Young Mums? (<https://bit.ly/2SZRIAe>)

for more jobs to be advertised with flexible hours (83 percent) or part-time hours (81 percent).¹⁹

Young mothers often have poor experiences with employers. 28 percent had experienced discrimination when their employer found out they were pregnant and 40 percent had been illegally questioned in an interview about how being a mother affects their ability to do paid work.²⁰ This discrimination has even been acknowledged by employers. One in five employers surveyed acknowledged that pregnancy or having children impacts on decisions about recruitment and promotion.²¹

Affordable childcare arrangements are crucial to ensure young mothers can access paid work. Travel costs are also often a barrier for accessing good jobs. A third of young women (compared to 26 percent of young men) turned down or left work because of travel costs. This was even higher at 36 percent for young women with a disability or long-term condition and 41 percent for young women of colour.²²

2. Valuing young women's unpaid work

Official statistics define young women not in education, employment and training who are also not able to look for paid work or start a job quickly as 'Economically Inactive (EI)'. Consistently there are more young women in this category than young men: from April to June 2019 there were 50,000 more young women than young men in the UK classed as EI (256,000 16-24-yo women, compared to 206,000 16-24-yo men) - young women are 20 percent more likely to be classed as economically inactive than young men.

Young Women's Trust research has found that new mothers and young women who live with a dependent child are six times more likely to be out of paid work or not able to start a job.²³ Having a disability or long-term health condition makes young women 57 percent more likely to be out of the paid labour market.²⁴

However, the phrase 'Economically Inactive' does not accurately depict the disproportionate amounts of unpaid work that out-of-paid-work young women do such as caring for children and family members, and emotionally supporting others, alongside unpaid household and community work. These activities are fundamental to support the formal economy and overall wellbeing of the population.

Using ONS data, young women's unpaid work contributes an estimated value to the economy of at least £140 billion, not including the many additional categories of unpaid work young women highlighted to Young Women's Trust in their peer research report '*Valuing Young Women's Unpaid Work*'.²⁵ The report shows young women stepping in to do

¹⁹ Ibid.

²⁰ Young Women's Trust (15 November 2019) Childcare: What Young Women Want (<https://bit.ly/37UBLKE>)

²¹ Ibid.

²² Young Women's Trust (4 December 2019) Young women facing constant financial struggle (<https://bit.ly/32rAxFH>)

²³ Young Women's Trust (28 November 2017) Young, Female and Forgotten? (<https://bit.ly/32xxZG6>)

²⁴ Ibid.

²⁵ Young Women's Trust (4 March 2020) *Valuing Young Women's Unpaid Work* (<https://youngwomenscount.org/>)

the work of holding communities together after years of austerity and cuts to local government funding and by picking up the pieces they are being pushed further into poverty.

Young women can have dual responsibilities of adult and childcare for example with care for parents disproportionately falling on daughters. National data comparing 2000 to 2015 saw the average daily amount of adult care provided rise by 67 percent for women under 30. In comparison, average adult care daily provision time fell by 49 percent for men under 30 in the UK between 2000 and 2015.²⁶

Moreover, a considerable proportion of young women classed as ‘Economically Inactive’ would like to be in paid employment, either at present (29 percent) or at some point in the future (86 percent), suggesting that the current labour market and support structures are not suitable to combine with caring responsibilities.

In Young Women’s Trust’s peer research, a huge 93 percent of the young women surveyed wanted to be in paid employment, however many felt stuck in unpaid work or actively prevented from accessing economic autonomy.²⁷

2.1 Economic abuse

Some young women who undertake a lot unpaid work for others and therefore have restricted economic freedom themselves, sadly do so from being forced by abusive partners or family members. Young Women’s Trust peer researchers heard from a number of young women facing this form of economic abuse:

‘I faced a lot of emotional and physical abuse associated with these unpaid tasks when they weren’t done or I refused to do them.’

Contributor, Young Women’s Trust ‘Valuing Young Women’s Unpaid Work’ Report

Young women face particular risks in relation to others limiting or restricting their access to finances or paid work.

One study found that a third of young women under 30 had faced economic abuse of some form including a partner taking benefits or wages or being prevented from keeping or getting a job. Three quarters of those who had experienced economic abuse had children.²⁸

3. Impact of inequality on young women’s lives

The added difficulties that young women face in the labour market, including career stereotyping, pregnancy and maternity discrimination, the gender pay gap and sexual harassment in the workplace, combined with disproportionate caring responsibilities and inadequate systems of care support, all have an impact on the lives of young women and the economic inequality that they face.

²⁶ ONS (10 November 2016) Changes in the value and division of unpaid care work in the UK: 2000 – 2015 (<https://bit.ly/2vi2GTo>)

²⁷ Young Women’s Trust (4 March 2020) *Valuing Young Women’s Unpaid Work* (<https://youngwomenscount.org/>)

²⁸ YWCA (2008) *Young women and financial abuse* (not available online, provided by <https://survivingeconomicabuse.org/>)

3.1 Poverty

Over a third (37 percent) of young women aged 18-30 face a 'real struggle' to make their cash last until the end of the month. For those facing intersecting forms of discrimination such as young women of colour, young disabled women, and those with caring responsibilities, this struggle is even more pronounced. Over half of young mums (51 percent) in our survey say they struggle to get by month-on month, and a third say they are in debt 'all of the time'.²⁹ Unsurprisingly, young women are not optimistic about their financial futures with only a third expecting to be debt-free by the time they are 40.

Young Women's Trust research with mothers aged under 25 found a worrying picture of high numbers of young women struggling financially, socially, and emotionally, and experiencing discrimination. 61 percent of mothers aged 16-24 said that they were only just managing financially. Nearly half (46 percent) regularly missed meals in order to provide for their children and a third admitted to being worried about the financial situation in their household. A quarter (27 percent) of young mums currently used foodbanks or had used them in the past. Half of young mums skipped meals at least once a week (50 percent) to provide for their children with this rising to two thirds (64 percent) of those on Universal Credit, showing the financial strain the benefit is putting on young women.³⁰

One in 10 young women with a disability or long-term condition had used a food bank in the last year.³¹

3.2 Housing

Housing affordability for young women is a serious problem. Young women in the 18-21 age group do not earn enough to afford an average-priced home in England. 18-21 year-old women earn £7,970 a year on average whereas the median rent in England is £8,280 (£690 per month). In comparison, median rents absorb 71 percent of 18-21 year-old men's earnings (£11,595 annual earnings). Renting is unaffordable for women aged 22-29, with median rent absorbing 43 percent of their earnings, compared to 35 percent for 22-29 men (£19,137 and £23,529 respective median wages).

Under current welfare rules, most young women under 35 can only claim housing benefit for a room in a shared house. For young women, including those who have experienced mental ill health or any form of violence against women and girls, sharing mixed private accommodation with strangers of different ages can be unsafe and a re-traumatising experience. Specific groups of women such as young women of colour, disabled or LGBT women can also face additional discrimination in these settings.³²

For young mums with non-resident children, the shared room rate prevents them from finding large enough accommodation to be housed together. The fact that many landlords refuse to rent to people on benefits combined with lack of affordability pushes young

²⁹ Young Women's Trust (4 December 2019) Young women facing constant financial struggle (<https://bit.ly/32rAxFH>)

³⁰ Ibid.

³¹ Ibid.

³² Young Women's Trust (14 May 2019) Housing Benefit and Age Discrimination (<https://bit.ly/392poh0>)

women to areas away from their support networks (including informal childcare arrangements), making it harder for women to combine paid and unpaid work.³³

Young women facing multiple disadvantage and homelessness are also unable to access specialist supported accommodation in most parts of the UK. Only around 7 percent of homelessness services are women-only, and there are even less specifically for young women.³⁴ Despite huge demand for women's refuges, because of severe cuts to local government funding since 2010, refuges are forced to turn women away every day.³⁵

3.3 Mental health

Economic inequality has a toll on young women's mental health. A third of all young women and half of those with a disability or long-term health condition say they are 'filled with dread' when thinking about their household finances. Half of young women reported being worried about how much their job pays and this rose to 61 percent for young women of colour. Over a third (37 percent) of young women on the lowest or no pay reported having depression, the highest group for young women in the survey.³⁶

Young women's mental health cannot be seen in isolation from the context of sexism and broader structural inequality. 64 percent of young women surveyed see sexism as a major problem in the UK. A recent study by UCL and Young Women's Trust found that young women aged 16-30 were the age group of women most likely to experience sexism, with the impact on their mental health even greater than older women. They experienced higher rates of sexism than other ages at school/work, on public transport, in taxis, and on the street, with 82 percent of those who had experienced sexism having faced street harassment.³⁷

Young women who had experienced sexism (including attacks or threats) were five times more likely to experience depression than those that hadn't, and even four years later they still reported greater psychological distress.³⁸

The other issues which young women reported to have most affected their mental health were relationships (54 percent), work (53 percent) and financial worries (53 percent), followed by family conflict (50 percent). These percentages were all higher for young women than for young men. Although broad categories, this indicates a complexity of causal factors, which for young women often includes past abuse or relational trauma³⁹ as well as their lack of economic equality.

³³ Young Women's Trust (14 May 2019) Housing Benefit and Age Discrimination (<https://bit.ly/392poh0>)

³⁴ Homeless Link (March 2017) Supporting women who are homeless (<https://bit.ly/2v8GPhh>)

³⁵ Women's Budget Group and Women's Resource Centre (2018) Life-Changing and Life-Saving: funding for the women's sector (<https://bit.ly/2PxV6YH>)

³⁶ Young Women's Trust (10 October 2019) Young Women's Mental Health in Crisis (<https://bit.ly/39808Gg>)

³⁷ Young Women's Trust (27 November 2019) Impact of Sexism on Young Women's Mental Health (<https://bit.ly/3ce91Qy>)

³⁸ Ibid.

³⁹ Agenda (January 2016) Hidden Hurt: Violence, Abuse and Disadvantage in the Lives of Women (<https://bit.ly/37Yxypm>)

4. Recommendations for inclusion in the budget

- Invest in open-minded and fair careers advice in schools and colleges so that girls and young women are supported to shape their own futures
- Provide free year-round childcare and do more to enable parents who work irregular hours or are in education and training to access flexible childcare
- Rebalance caring responsibilities by increasing support for parents to share it, and increased paternity leave on a 'use it or lose it' basis, both paid at an adequate rate to ensure take up.
- Flexible working to be available for all by default.
- Back up words with action by investing in enforcement action on maternity and pregnancy discrimination.
- Value and invest in sectors including childcare and social care that employ many young women, often on low pay with little chance of progression
- Ensure pay gap reporting (for all sizes of organisations), along with action plans and advertising all jobs with salary details
- Invest in mental health services with a specific understanding of young women's needs and the impact of Sexism
- Paid leave for those experiencing violence against women and girls and those at risk of homelessness (as in New Zealand and Australia).

If you'd like more information on Young Women's Trust research, email esther.sample@youngwomenstrust.org or visit www.youngwomenstrust.org. For more information on Women's Budget Group research, email sara.reis@wbg.org.uk or visit www.wbg.org.uk.

Young Women's Trust is a feminist organisation working to achieve economic justice for young women. We give economic power to young women by raising their voices, challenging sexist stereotypes and rebuilding workplaces free from discrimination.

Women's Budget Group is an independent not-for-profit feminist economics organisation made up of individuals from academia, NGOs and trade unions monitoring the impact of government policies on women.