

# WOMEN AND THE LABOUR MARKET

## Briefing I: Introduction and Headline Measures

UK Women's Budget Group  
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# Summary

## Employment and Unemployment

- Men are more likely to be in paid work than women. ONS data for September to November 2023 show the employment rate in the UK is 75%. While the gender employment gap has been narrowing, the rate for women (72.1%) is still lower than it is for men (78%).
- Much of the recent increase in employment rates is made up of part time or self-employed workers who are far more likely to be in poverty than full-time employees.
- 71% of part-time workers are women, and self-employed women are more likely than men to be in insecure work and/or on low earnings.

## Age

- The employment gap is widest between the ages of 35 – 49 when 88.9% of men are employed versus 80.9% of women (a gap of 8 percentage points).
- This can be at least partially attributed to the fact that this age group is significantly more likely to have dependent children.

## Mothers of dependent children

- In recent years, the employment rate has been higher for women with dependent children than those without (77.2% versus 68.9%), whereas the reverse was true prior to 2010.

## Lone parents

- Around 67.1% of lone mothers are in employment versus 80.1% of lone fathers.

## Ethnicity

- There is a persistent ethnicity employment gap: In 2022, 77% of white people were employed versus 69% from all other ethnic groups combined.
- The employment rate was higher for women (71%) than men (67%) in the mixed ethnic group – in all other ethnic groups, the rate was higher for men than women.

## Disability

- The disability employment rate has yet to return to its pre-pandemic level, sitting currently at 53.6%. This gives an employment gap between disabled and non-disabled people of around 28.9%

## Economic Inactivity

- 25.1% of women are economically inactive compared to 18.5% of men.

### ***Economic Inactivity reasons – long term sickness***

- The most common cause of economic inactivity is long term sickness. 30.4% of economically inactive people of working age gave long term sickness as the cause.
- 2.8 million people are now out of the workforce due to long term sickness.
- Women are more likely to be economically inactive because of long term sickness than men are. 1.5 million women are out of the workforce due to long term sickness, over 200,000 more women than men.

### ***Economic Inactivity reasons – looking after family and home***

- 25.7% of working age women between the age of 16 and 64 are economically inactive due to looking after their family or home, compared to 7.1% of men.
- Among 25 to 49 year old (when people are most likely to have dependent children), 54.1% of women and just 11.9% of men were economically inactive because they were looking after their home or family

### ***Economic Inactivity and ethnicity***

- 21% of white people were economically inactive in 2022, compared with 26% of people from all other ethnic groups combined.
- The gap between men and women was biggest in the combined Pakistani and Bangladeshi ethnic group, where 48% of women and 19% of men were economically inactive – the gap was smallest in the mixed ethnic group, where 25% of women and 28% of men were economically inactive.

### ***Economic Inactivity and disability***

- There is a stark disability gap in rates of economic inactivity with 44.6% of people classed as disabled reporting that they are economically inactive<sup>[1]</sup> versus 21.9% of the general population.
- With around 30% of working age adults out of the workforce due to long term sickness, this explains much of the percentage point gap between disabled and non-disabled workers.

[1] Gov.uk (Jan 2023) [Employment of disabled people 2022](#)

# Introduction

The Office for National Statistics (ONS) releases regular updates on the UK labour market[1]. This includes key headline measures such as employment, unemployment, and economic inactivity[i]. Noting changes in the figures themselves is straightforward – rates go up or down – but the causal factors behind them are more complex.

While headline measures are useful for gaining a snapshot of the current context and how things change over time, they also mask inequalities based on characteristics such as sex, ethnicity, age and disability. To gain insight into why any changes are taking place, it is important to understand how labour market participation varies between different groups, and why any changes may be occurring.

This briefing – the first of a series – provides an overview of headline measures: employment, unemployment and economic inactivity through a gender lens. Women’s participation in the labour market is complex and varies for many reasons, including importantly, responsibilities around unpaid care. In addition, while women in general are constrained in the labour market due to their caring roles, there are also other demographic characteristics (e.g. race/ethnicity; disability; income) which also significantly influence labour market participation rates. In order to explore these impacts, we will be providing a series of briefings covering different areas of labour market participation and highlighting inequalities among different groups of women.

## Employment and Unemployment

According to the latest ONS figures for September to November 2023, the employment rate in the UK is 75%[3]. This represents the proportion of people aged between 16 and 64 who are in paid work. The rate for women (72.1%) is lower than it is for men (78%)[4]. Whilst employment rates have generally been recovering since the Covid-19 pandemic, the latest ONS reweighting of its labour market figures suggest that the employment rate is now down slightly on the previous quarter[5]. While rates do fluctuate and caution should be taken when interpreting short term changes in figures, this slight drop in the employment rate – and which groups are particularly affected – is important to monitor.

[2] Office for National Statistics (Jan 2024) [Labour market overview: UK statistical bulletins](#)

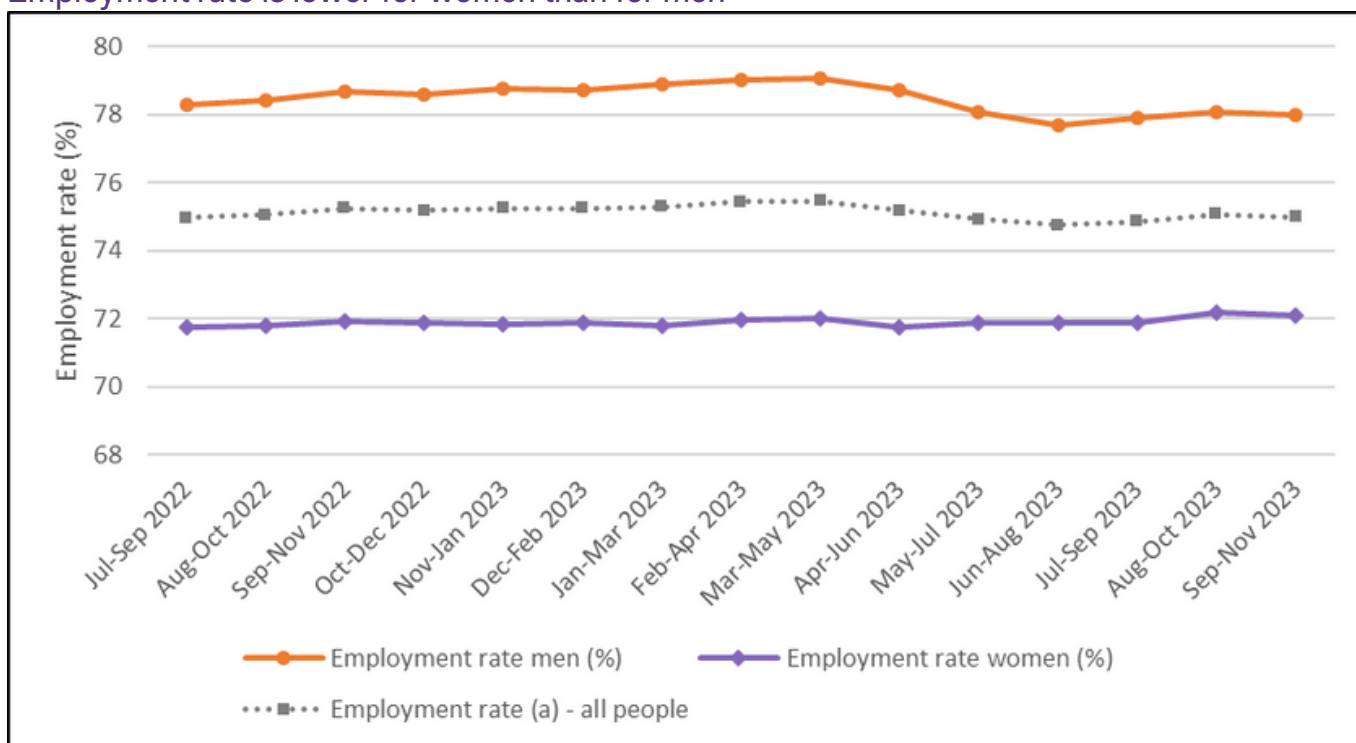
[3] Office for National Statistics (Jan 2024) [Reweighted labour force survey data summary table](#)

[4] Ibid.

[5] Office for National Statistics (Jan 2024) [Impact of reweighting on labour force survey key indicators: 2024](#)

## Figure 1: employment rate for men and women

Employment rate is lower for women than for men



Source: Employment rate for people between 16 and 64, seasonally adjusted. [ONS](#)

People classed as 'unemployed' in labour market statistics are those currently without a job, who have been actively seeking work in the past four weeks and are available to start work in the next two weeks. Rates also include those who are out of work but have found a job and are waiting to start work within the next two weeks. Unemployment went up at the height of the pandemic, before dropping steadily, and has been rising again since 2022. It now stands at 3.9% of people aged 16 and over with the rate for women at 3.7%, and men at 4.3%[6].

In general, high employment is good both for individuals and for the economy. Paid work can act as a shield against poverty, and more people paying income tax means there is more money to be (theoretically, at least) invested in public services.

However, employment figures alone can't tell us much about the prosperity and well-being of people in society. The type of sector people work in, job security, underemployment, working below skill level and low pay all hugely influence the extent to which households can afford to live. Work is no longer a guaranteed route out of poverty. Much of the recent increase in employment rates is made up of those who work part-time and/or are self-employed, with these workers far more likely to be in poverty than full-time employees[7].

71% of part-time workers are women[8], and self-employed women are more likely than men to be in insecure work and/or on low earnings[9]. Women may choose (or feel they have no choice but to take) part-time work and the flexibility that self-employment can bring so they can fit their labour market participation around unpaid care work, which is still heavily feminised in society. Part-time jobs tend to be lower paid than full-time jobs[10], contributing to the gender pay gap and widening employment inequality between men and women.

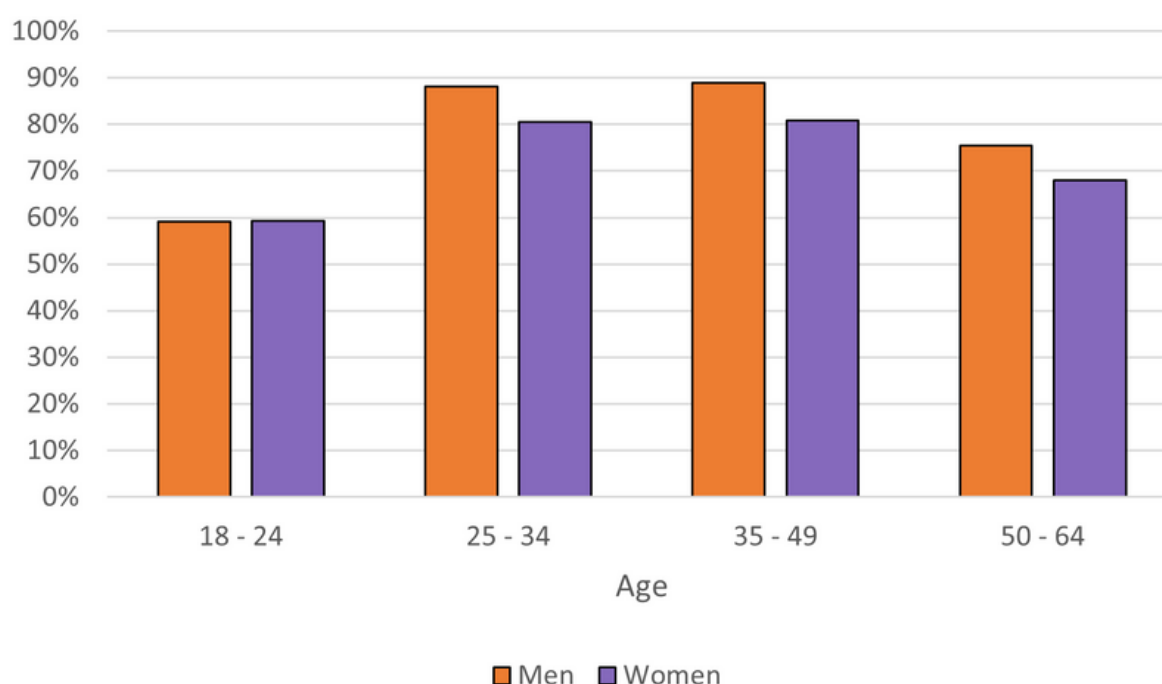
Headline employment measures also mask inequalities between different groups,. The next sections provide disaggregate employment statistics by age, parental status, ethnicity and disability, reminding us about the importance of the impact of intersectionality when understanding labour market variations among different groups of women.

## Age

The employment rate differs for men and women of different age groups, with those aged between 25 – 34, and 35 – 49 most likely to be employed. This is largely because those aged under 25 are more likely to be students and those age 50+ are more likely to be retired.

The employment rate is higher for men than for women in all age groups apart from age 18 – 24, but the gap is widest between the ages of 35 – 49 when 88.9% of men are employed versus 80.9% of women (a gap of 8 percentage points)[11]. This can be at least partially attributed to the fact that this age group is significantly more likely to have dependent children. The impact of dependent children on employment rates is examined in greater detail below.

**Figure 2: Employment rates for men and women by age group**



Source: Reweighted labour force survey summary table, [ONS](#)

[6] Office for National Statistics (Jan 2024) [Reweighted labour force survey data summary table](#)

[7] Joseph Rowntree Foundation (Jan 2024) [UK poverty 2024: the essential guide to understanding poverty in the UK](#)

[8] Nomis (Jan 2023) [Annual population survey - regional - occupation \(SOC2020\) by sex by employment type](#)

[9] Watson, E. (June 2020) [Self-employed women in the UK](#)

[10] Office for National Statistics (Nov 2023) [Low and high pay in the UK : 2023](#)

[11] Office for National Statistics (Jan 2024) [Reweighted labour force survey data summary table](#)

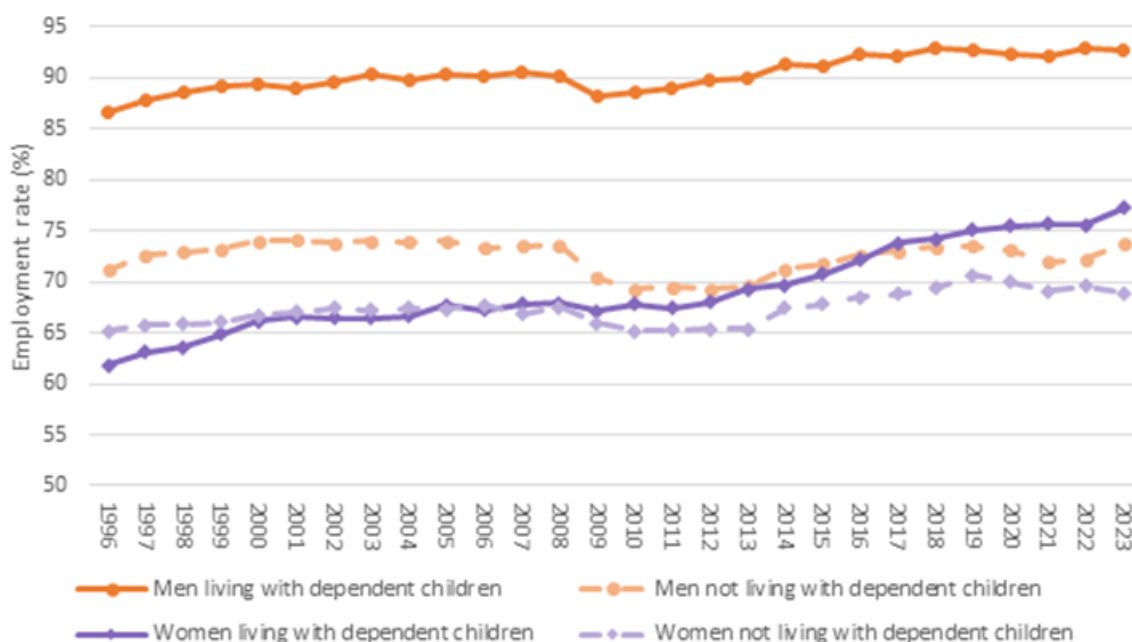
## Mothers of dependent children

In recent years, the employment rate has been higher for women with dependent children than those without (77.2% versus 68.9%), whereas the reverse was true prior to 2010[12]. The reasons for this are likely to be complex, but higher rates of inactivity are at least partly expected for those without dependent children as they are more likely to fall into one of two age groups. First, they may be younger and therefore more likely to be inactive due to being in education. Second, they may be older, therefore more likely to be inactive due to retirement or poor health. Women in older age groups are also more likely to have caring responsibilities for other adults [13] which may limit their workforce participation. Women now also tend to have children later in life, having spent more years in work, so may have greater labour market attachment prior to having children than in previous years.

There is, however, a significant motherhood pay penalty, in which working mothers experience lower pay compared to men, and women without children. This will be examined in greater detail in a future briefing, but the pay gap between mothers and fathers increases by approximately 21% between the birth of the first child, and the child's twentieth birthday[14].

### Figure 3: employment rate for men and women, with and without dependent children

Women with children have a higher employment rate than women and men without children.



Source: [ONS](#) employment rate for April to June for each year

[12] [Office for National Statistics \(Aug 2023\) Employment rates for men and women living with and without dependent children in the UK: Table Q](#)

[13] [Office for National Statistics \(Feb 2023\) Unpaid care by age, sex and deprivation, England and Wales: Census 2021](#)

[14] [Francis-Devine, Brigid \(Nov 2023\) The gender pay gap](#)

## Lone Parents

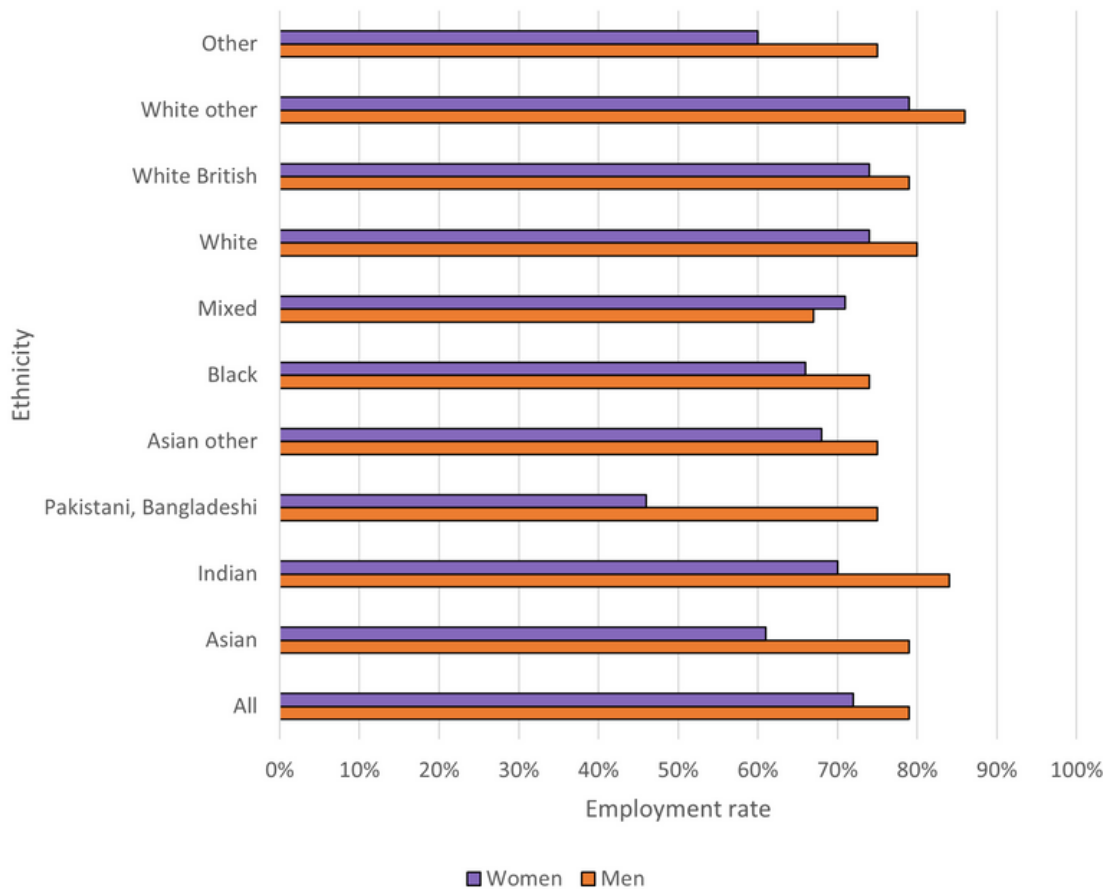
Lone parent status may affect employment decisions and opportunities in various ways, particularly because there is no second partner with whom to share childcare or domestic responsibilities. Both male and female lone parents are less likely to be employed than coupled parents, but the gap between men and women is significant.

Around 67.1% of lone mothers are in employment versus 80.1% of lone fathers[15]. The reasons for this are complex but can likely be at least partly explained by the fact that women's earnings tend to be significantly lower than men's on returning to the workforce after having children. Around 2.5 million lone-parent families are lone mother families, making up around 84% of lone-parent families in the UK[16].

## Ethnicity

Between 2004 and 2022, the UK employment rate rose in every ethnic group, with the biggest increase being in the combined Pakistani and Bangladeshi ethnic group (44% to 61%). There is, however, a persistent ethnicity employment gap.

**Figure 4: Employment rates of men and women from different ethnic groups**



Source: Ethnicity facts and figures: employment, [gov.uk](https://www.gov.uk)

[15] Office for National Statistics (July 2022) [Families and the labour market, UK: 2021](#)

[16] Office for National Statistics (May 2023) [Families and households in the UK: 2022](#)



In 2022, 77% of white people were employed versus 69% from all other ethnic groups combined. The employment rate was higher for women (71%) than men (67%) in the mixed ethnic group – in all other ethnic groups, the rate was higher for men than women.

The biggest gap between men and women was in the combined Pakistani and Bangladeshi ethnic group, where 75% of men and 46% of women were employed[17]. TUC analysis found that BAME women bear the brunt of unemployment with an unemployment rate nearly three times that of white women (8.1% versus 2.8%)[18].

There are also large differences in employment rates among Black and ethnic minority groups, highlighting the importance of disaggregating ethnic groups beyond separating the binary groups of 'white' and 'BAME'. These figures suggest that there are additional and significant barriers and inequalities for women of colour in the labour market – including structural racism. There is currently no mandatory ethnicity pay gap reporting system in the UK.

## **Disability**

The employment rate for disabled people fell more rapidly during the Covid-19 crisis than for non-disabled people (1.9% compared with 1.1%) and at the end of 2020 disabled people were 2.5 times more likely to be out of work than non-disabled people[19].

The disability employment rate has yet to return to its pre-pandemic level, sitting currently at 53.6%. This gives an employment gap between disabled and non-disabled people of around 28.9%[20].

A recent TUC study highlighted how disadvantages in the labour market for disabled people are exacerbated for women and BAME groups. Their research found that the employment gap between disabled women and non-disabled men was 32.6 percentage points and that the gap between disabled BAME workers and non-disabled white people is 34.7 ppt, which was higher than the overall disability employment gap (28.4 percentage points)[21]. Once again this demonstrates the importance of taking into account intersectionality when exploring labour market data.

[17] Gov.uk (Dec 2023) [Ethnicity facts and figures: employment](#)

[18] Trades Union Congress (Oct 2020) [BME women and work](#)

[19] Office for National Statistics (Aug 2023) A08: [Labour market status of disabled people](#)

[20] Office for National Statistics (Aug 2023) A08: [Labour market status of disabled people](#)

[21] Trades Union Congress (Nov 2020) [Disability pay and employment gaps 2020](#)

# Economic Inactivity

The term 'economic inactivity'[i] describes people of working age not in employment who have not been seeking work within the last four weeks and/or are unable to start work within the next two weeks.

In the three months to November 2023, economic inactivity in the UK was estimated to be 21.9%<sup>[22]</sup>. Women tend to have higher rates of economic inactivity than men, largely due to unpaid caring responsibilities and an earlier retirement age.

While unemployment is lower for women, their economic inactivity rates are significantly higher than men's (25.1% versus 18.5% respectively<sup>[23]</sup>). This is partly due to caring responsibilities.

As with employment figures, it is important to take an intersectional approach when understanding economic inactivity data. Reasons for economic inactivity help us to better understand why there are such pronounced differences (and inequalities) between women and men and different groups of women and men.

There are two main reasons for economic inactivity:

## ***Economic Inactivity reasons – looking after family and home***

One of the key differences in rates of economic inactivity by reason between men and women – both historically and in the present context – has been because of caring responsibilities. Figures for the last quarter of 2023 estimate that 25.7% of women between the age of 16 and 64 were economically inactive due to looking after their family or home, compared to 7.1% of men<sup>[24]</sup>.

Caring labour is heavily feminised, still predominantly takes place within the home as opposed to the labour market and is therefore devalued in terms of its economic contribution to society. In addition, the early years and childcare and adult social care sectors in the UK are still wholly inadequate in terms of affordability and availability. These factors significantly constrain the ability of women who are carers to participate in paid employment. Whilst the gap between men and women is slowly closing over time (largely due to a decrease in the number of women economically inactive for this reason), the difference remains stark.

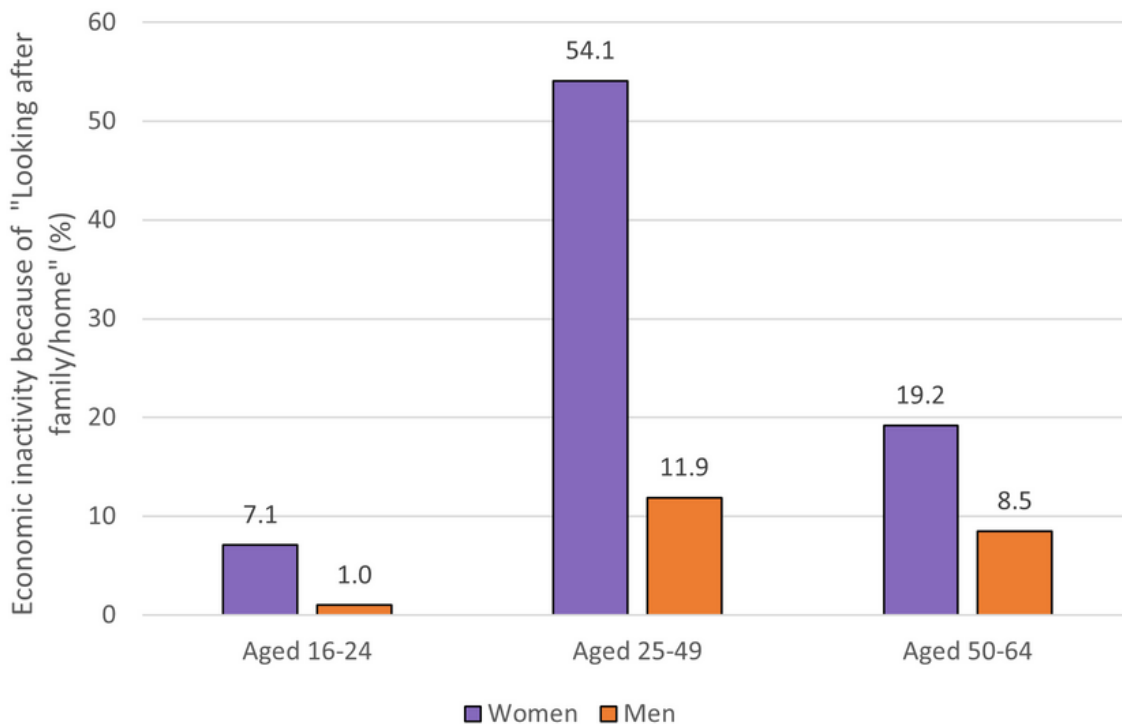
[22] Office for National Statistics (Jan 2024) [Reweighted labour force survey data summary table](#)

[23] Ibid.

[24] Ibid.

Most recently, of those who were economically inactive and aged between 25 and 49 (when people are most likely to have dependent children), 54.1% of women and just 11.9% of men gave the reason that they were looking after their home for family[25].

**Figure 5: economic inactivity because of "Looking after family/home" by age and sex**



Source: [Nomis](#), Oct 2022 - Sept 2023

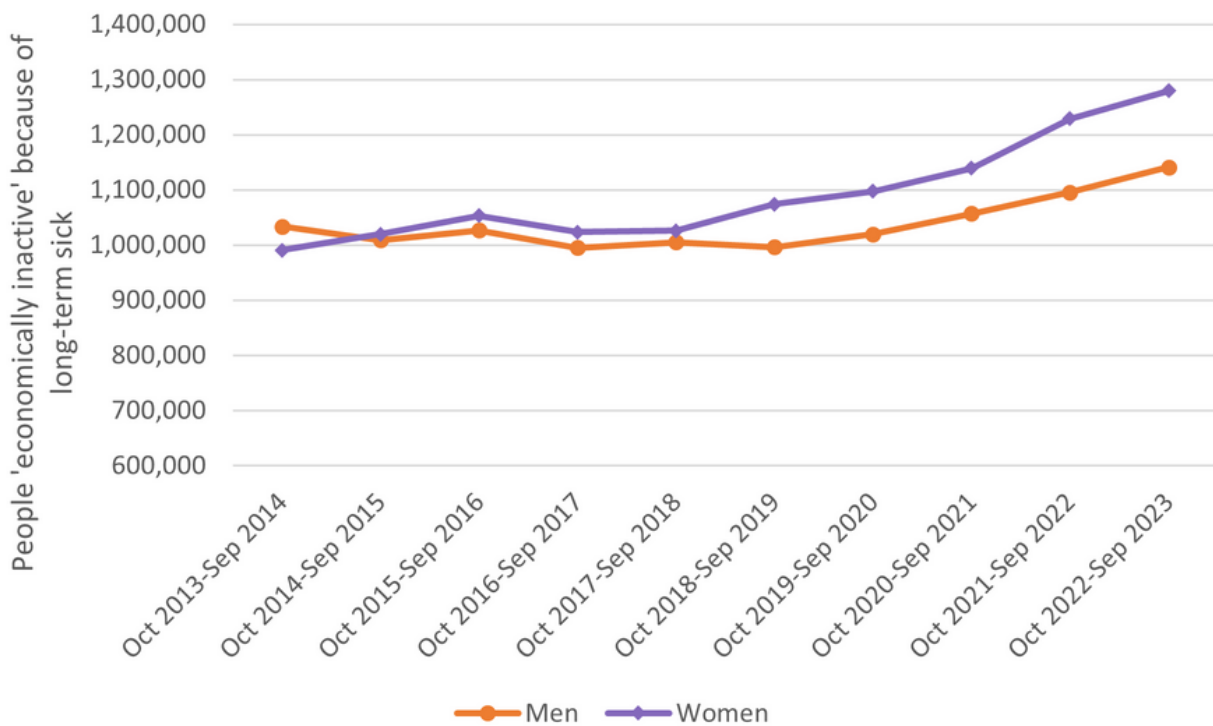
### ***Economic Inactivity reasons – long term sickness***

The most recent ONS figures suggest that 2.8 million people are now out of the workforce due to long term sickness. Long-term ill health has been rising across the working-age population, most notably since the onset of the coronavirus pandemic. Of people who reported that they were economically inactive in the three months to November 2023, 30.4% gave long term sickness as the reason, making this the most common cause of economic inactivity for those aged between 16 and 64.

Whilst overall economic inactivity has been falling for women for the last three decades (mostly because of a decline in numbers reporting inactivity due to looking after their family or home), there is a concerning trend in larger numbers of women becoming inactive due to long-term sickness. Today, an estimated 1.5 million women are out of the workforce due to long term sickness, over 200,000 more women than men. Increases in inactivity due to ill health for men were predominantly triggered by the onset of the Covid-19 pandemic in 2019, with a particularly alarming increase in mental health problems for men aged 16 – 24. However, this trend for women has been taking place in all age groups since 2014.

[25] [Nomis \(Jan 2024\) Annual population survey - regional - economic inactivity by reasons](#)

**Figure 6: economic inactivity**



Source: [Nomis](#)

The reasons behind the rise in female economic inactivity due to long term sickness require further research and understanding. A recent in-depth study looking at the rise in long-term sickness in the UK called for an investigation into the long-term ill health factors that have driven the rise in women’s inactivity to determine if there is a shortfall in care and diagnosis for female-specific illnesses[26]. It noted a particular lack of support for women experiencing severe symptoms of the menopause[27], even though the Government Equalities Office has estimated an average of £7.3 million is lost in menopause-related work absences annually[28].

Further, women have a higher rate of sickness absence than men, with rates for women being almost double that of men in the 35 - 49 age bracket[29]. It is worthwhile noting that there are strong correlations between those who provide unpaid care and poor health[30], and people reporting inactivity due to poor health who previously worked for low pay[31]. Women are over-represented in both groups, which requires exploring further.

The significant increase in economic inactivity rates due to long term sickness highlights how it is difficult to have a healthy economy without a healthy population. Although more research

[26] Society of Occupational Medicine (Sept 2023) [Understanding recent trends in ill health-driven fallout from the UK labour market](#)

[27] Ibid.

[28] UK Parliament (July 2022) [Menopause and the workplace](#)

[29] Office for National Statistics (April 2023) [Sickness absence in the labour market](#)

[30] Public Health England (March 2021) [Caring as a social determinant of health](#)

[31] Office for National Statistics (Nov 2022) [Half a million more people are out of the labour force because of long-term sickness](#)

in this area is needed, it is likely that an ageing population combined with the long-term effects of cuts to public services – resulting in inadequate adult social care and long NHS waitlists – are at least partly linked to increasing rates of economic inactivity due to poor health in the UK.

### ***Economic Inactivity and Ethnicity***

As with employment, there is an ethnicity gap in rates of economic inactivity. 21% of white people were economically inactive in 2022, compared with 26% of people from all other ethnic groups combined[32].

There are also large differences between ethnic groups. For example, the highest rate of economic inactivity for women was in the combined Pakistani and Bangladeshi ethnic group (48%) – the lowest rate was in the white ‘other’ group (18%). The gap between men and women was biggest in the combined Pakistani and Bangladeshi ethnic group, where 48% of women and 19% of men were economically inactive – the gap was smallest in the mixed ethnic group, where 25% of women and 28% of men were economically inactive[33]. Once again, the variation in these figures shows the need for intersectional analysis with labour market data so that differences and inequalities can be better understood and factored into policymaking.

### ***Economic Inactivity and Disability***

There is a stark disability gap in rates of economic inactivity with 44.6% of people classed as disabled reporting that they are economically inactive[34] versus 21.9% of the general population[35]. With around 30% of working age adults out of the workforce due to long term sickness, this explains much of the percentage point gap between disabled and non-disabled workers. Disabled people are more likely than non-disabled people, however, to report that they are economically inactive but would like a job (21% versus 13% respectively)[36].

Whilst the above suggests that policies aiming to support more disabled people into the workforce would be beneficial, benefits sanctions have been found to be ineffective as a means of improving employment outcomes[37]. In addition, measures that do not address the deeper issues faced by disabled people are unlikely to be successful. Inflexible work practices, lack of access to specialised equipment, and discrimination are all common barriers to employment reported by disabled people[38].

[32] Gov.uk (Dec 2023) [Ethnicity facts and figures: economic inactivity](#).

[33] Ibid.

[34] Gov.uk (Jan 2023) [Employment of disabled people 2022](#)

[35] Office for National Statistics (Jan 2024) [Reweighted labour force survey data summary table](#)

[36] Gov.uk (Jan 2023) [Employment of disabled people 2022](#)

[37] Department for Work and Pensions (2018) [The impact of benefit sanctions on employment outcomes](#)

[38] Holland, P., Carson C., Florisson, R. (Nov 2023) [There are many reasons disabled people can't just work from home - threatening to cut their benefits won't fix the wider problems](#)

## Conclusion

This briefing has aimed to shed light on the intricacies of women's participation in the labour market and the complexities underlying headline statistics. While headline figures provide a snapshot of economic trends, they mask disparities among various demographic groups, including by sex, ethnicity, age, and disability. By recognizing the complexities of women's participation in the workforce and addressing structural inequalities through meaningful Equality Impact Assessments<sup>[39]</sup>, policymakers can foster a more inclusive and equitable labour market for all.

Women's engagement in paid work is influenced by a blend of voluntary choices and compelled circumstances. Analysis of labour market statistics by different characteristics underscores a need to understand the context behind inequalities, and to recognise that – perhaps for women especially – broader labour market policy is not divorceable from other policy areas. For example, the effect on women's economic inactivity by the double whammy of caring responsibilities and rising ill health shows that there cannot be a strong labour market without strong social infrastructure. Investment in key public services is required to address lengthy NHS waitlists and inadequate social care and early years and childcare infrastructure.

Future briefings in this series will examine the key factors behind labour market inequalities in greater depth: unpaid care; part-time work; how age, ethnicity, disability, and lone parent status affect women's progression opportunities in myriad ways. Some will delve deeper into aspects of paid work which are typically under researched and under reported: self-employment; insecure contracts; the way in which whole sectors of the British economy are coded male or female. This deeper analysis will inform a series of policy recommendations to address and rectify key inequalities within the UK labour market.

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[39] The UK Women's Budget Group (March 2020) [Equality Impact Assessments](#)

[i] Due to recent sampling problems with its Labour Force Survey, the ONS advises caution when interpreting short-term changes in headline rates. It recommends using them as part of their suite of labour market indicators alongside Workforce Jobs, claimant count data and Pay As You Earn Real Time Information (PAYE RTI) estimates. The key purpose of this briefing is to analyse longer term trends and mark key differences between men and women, but it should be noted that some uncertainty exists regarding the accuracy of exact figures.

[ii] 'Economic inactivity' is a value-laden term that assumes that caring or other unpaid work does not contribute to the economy. Whilst we use the term 'economic inactivity' in this briefing (as it still used in national labour market statistics), we strongly believe that paid employment is not the only means of actively contributing to the economy.