WBG Background Briefing - General Election 2024

Background

This briefing provides some key statistics and information on women's economic inequality in the UK along with some suggested questions for parliamentary candidates. We may update this briefing periodically, if you have suggested additions please get in touch with us at press@wbg.org.uk

Unpaid work is the root cause of women's economic inequality. Women carry out 50% more unpaid work than men on average¹. As a result, women are more likely to be economically inactive, in low-paid, part-time or precarious forms of work. They are more likely to be poor², have lower levels of savings and wealth than men³. Women are therefore less prepared to face economic shocks and thus are more likely to be dependent on social security and public services^{4 5}. This is particularly true for Disabled women, single mothers and Black and Minority Ethnic women⁶.

Cost of living crisis

Inflation is now at 2.3%. But the cost of living crisis is still with us. Falling inflation doesn't mean that prices are coming down, just that they are going up more slowly. And the costs of some key goods and services have gone up by more than inflation. Over the two years from April 2022 to April 2024 food prices rose by 22.5%.⁷ Average private rents increased by 8.9% in the year to April 2024.⁸ The average cost of a part-time childcare place for a child under two increased by 7.4%.⁹

Women are disproportionately impacted by the cost of living crisis because they earn less than men and are less likely to have savings, their caring responsibilities mean they are less able to take on additional work to meet extra costs etc.

If you win the election, what will you do to tackle the cost of living crisis?

Feminist green transition

The greater barriers to financial security that face women makes them disproportionately vulnerable to the costs of climate change. These could include inflated gas bills; rising food

¹ ONS, (2023), Time use in the UK: 23 September to 1 October 2023,

² WBG (2018) The Female Face of Poverty

³ WBG (2023) Why taxation of wealth is a feminist issue

⁴ WBG (2021) <u>Household debt, gender and Covid-19</u>

⁵ WBG (2019) <u>Triple Whammy: the impact of local government cuts on women</u>

⁶ WBG and the Runnymede Trust (2017) <u>Intersecting inequalities: The impact of austerity on Black and Minority Ethnic women in the UK</u>

⁷House of Commons Library (2024) <u>Research Briefing: Rising cost of living in the UK</u>

⁸ ONS (2024) Private rent and house prices, UK: May 2024,

⁹ Coram Family and Childcare (2024) Childcare Survey 2024

prices because of floods or droughts; paying for household repairs after a flood; or being unable to work on days their children's school is closed because of a heatwave.

Responding to both the economic and climate crises will require urgent action to transform our economy and society, ensuring gender equality is at the heart of strategies to tackle climate change. This means committing to both structural change to how we shape the economy, and systemic change to how we live our lives.

How will you ensure a gender-inclusive green transition?

Local government

The IFS has warned that local government, and other 'unprotected' departments could face spending cuts of between 1.9 and 3.5% during the next parliament under current spending plans.¹⁰

Both the Conservatives and Labour have committed to 'fiscal rules' that debt should be falling by the end of five years. If they stick to these rules, they will either have to raise taxes, or cut spending on public services.

Local government is already in crisis. Core spending in 2024/25 will be 23.5% lower than in 2010/11¹¹. A recent survey of local government leaders found 74 councils reporting that it was likely or very likely they would effectively be bankrupt in the next five years.¹²

Women are more likely than men to rely on local services, more likely to work in local government and more likely to have to increase unpaid work to fill the gaps when services are cut.

If you win the election, what will you do to ensure local services are properly funded?

Social care

1.6million people over 65 in the UK have unmet care needs¹³. There are approximately 3 million women and 2 million men providing unpaid care in the UK.¹⁴ People living in the most deprived areas also showed a higher percentage of 50 or more hours per week of unpaid care (4.0%) compared with those living in the least deprived areas (1.9%). Almost half (48.6%) of unpaid carers reported at least one adverse health effect of providing care. Female unpaid carers were more likely than male unpaid carers to report adverse health effects of caring.¹⁵

If you win the election, what action will you take to ensure everyone has their care needs met and that unpaid carers are properly supported?

¹⁰ IFS (2024) Public finances and the 2024 general election

¹¹ Local Government Association (2024) <u>LGA statement on Budget 2024</u>

¹² Local Government Information Unit (2024) The State of Local Government Finance in England 2024

¹³ Age UK (2023) State of Older People's Health and Care 2023

¹⁴ ONS (2021) Unpaid care by age, sex and deprivation, England and Wales: Census 2021

¹⁵ ONS (2024) Unpaid care expectancy and health outcomes of unpaid carers, England: April 2024

Early Education and Childcare

High quality early education and childcare has a significant impact on child development and life outcomes. But the poorest families do not benefit - just 20% of the poorest third of families are eligible for the existing 30-hour offer for three- and four-year-olds. In many parts of the country childcare is hard to find - 1.5 million children in England are living in a childcare desert with an average of three children for every one place and just 6% of local authorities have enough provision for children with SEND. And childcare is expensive - the average annual cost for a full-time nursery place for a two-year-old in England was £14,501 in 2023.¹⁶

If you are elected what will you do to ensure that that all children can access inclusive, high-quality provision that is affordable for their parents, that funding is fair and sustainable and that the early years workforce has the investment it needs?

VAWG services

1 in 4 women and 1 in 18 men have experienced rape or sexual assault as an adult.¹⁷ 93% of victims of coercive control are female.¹⁸ But specialist services to support victims/survivors of VAWG are underfunded. Over 60% of referrals to refuges supporting women in England in 2022-23 were declined.¹⁹ There are 14,000 survivors on the Rape Crisis waiting list.²⁰ Migrant women with no recourse to public funds face higher risks of returning to violent perpetrators, destitution, or deportation if they cannot access vital services. VAWG services are facing a cliff edge of funding – with funding from central government uncertain after 2025, and local authorities already cutting back on funding local services.

If you are elected, what will you do to ensure sustainable long term funding for vital VAWG services, including specialist by and for services for Black and minoritised women?

Employment and Pay

Women are more likely to be 'economically inactive' (neither in work, nor looking for work) than men. 25.1% of women are economically inactive compared to 18.5% of men. 21 1.5 million women are out of the workforce due to long term sickness, over 200,000 more women than men. 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.

¹⁶ Early Education and Childcare Coalition (2024) <u>Rescue and Reform: A Manifesto to Transform Early Education and Childcare in England</u>

¹⁷ ONS (2023), Sexual offences prevalence and victim characteristics, England and Wales

¹⁸ ONS (2020) <u>Domestic abuse in England and Wales overview: November 2020</u>

¹⁹ Women's Aid (2024) The Domestic Abuse Report 2024: The Annual Audit

²⁰ Rape Crisis England & Wales (2023) Summary of Member Centre 2021 - 2022 Rape and Sexual Abuse Support Fund

²¹ WBG, February 2024, Women and the Labour Market, https://wbg.org.uk/analysis/women-and-the-labour-market/

The gender pay gap is 14.3 per cent among all employees, and 7.7% among those working full time²². Women aged between 50 and 59 have the highest pay gap of any age group. (19.7%). Disabled women face the highest pay gap at 35 per cent in comparison to non-disabled men. Since 2011 the pay gap has been closing by only 0.4 percentage points a year – at current rates it will take until 2044 to close the gap.²³

The gender earnings gap is even bigger than the gender pay gap. Men's average annual earnings were 29% higher than women's in 2023.²⁴

If you are elected what action will you take to close both the gender pay gap and the gender earnings gap?

Social security

Women are more likely than men to rely on social security for a larger proportion of their income because on average they have lower earnings, lower savings and less assets, and greater (unpaid) caring responsibilities.

Recent intersectional analysis carried out by WBG found that the poorest women in the UK will have lost on average 26% (£3,348 per year) of their income from cuts to social security since 2010. The analysis also found that black women (Black African, Black Caribbean and Black British women), across all income groups, lose on average £2,498 per year, compared to white men, across all income deciles, who lose on average £990 per year. lone parents lose nearly £7,000 per year, on average. And disabled women also significantly lose out - by £2,553 per year on average.

The benefit cap (2016) limits how much social security many people can claim depending on their circumstances.²⁶ Benefits are clawed back via Universal Credit (UC) or Housing Benefit. 73% of households that are UC capped are single parents²⁷ (who are predominantly women).

Women have been disproportionately affected by the cuts to disability benefits, both as claimants and as carers. ²⁸ 59% of unpaid carers are women (60% among those caring for more than 50 hours per week). ²⁹ Almost 73% of people who receive Carer's Allowance are women. ³⁰

²²ONS, Gender pay gap in the UK: 2023,

https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2023

²³ TUC, 2024, Equal pay day 2024 – tackling the gender pay gap, https://www.tuc.org.uk/research-analysis/reports/equal-pay-day-2024-tackling-gender-pay-gap

²⁴ ONS, Annual Survey of Hours and Earnings 2023, ASHE table 1.

https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/allemployeesashetable1

²⁵ WBG (2024) Who bears the brunt?

²⁶ GOV.UK Benefit cap

²⁷ DWP. Stat-Xplore (2024) <u>Benefit cap: UC point in time caseload by family type. Nov 2023.</u>

²⁸ WBG (2018) <u>Disabled Women and Austerity</u>

²⁹ ONS (2023) <u>Census 2021</u>. Unpaid care.

³⁰ Calculated from <u>DWP StatExplore:</u> CA cases in payment, Table 1: Gender, as of November 2023.

If you are elected, what would you do to ensure that social security provides effective protection to those who needed, especially women and the people they care for?

Tax

Fair taxation is the means by which individuals and companies can make their proportionate financial contribution to a well-functioning society.

The UK raises less than similar European countries from income taxes and social security contributions (15% of national income, compared with an average of 20% across G7 countries and 25% in Scandinavia).³¹

The Marriage Tax Allowance and the Higher Income Child Benefit Charge make one partner's tax liability depend on the other's income, thereby undermining the right to independent taxation, an important contribution to women's equality. They should be abolished.

A wealth tax of 1% to 2% on assets over £10 million could raise up to £22 billion per year.³²

A wholesale reform of the tax system – including how it taxes inheritances, wealth, capital gains, property, earnings and profits and the use of tax allowances – is needed to make it more progressive, less open to abuse and better able to contribute to the funding of public expenditure.

If you are elected, would you reform our tax system and tax wealth to raise more revenue and fund public services?

³¹ M. Conte, H. Miller and T. Pope, (2019) <u>How Do Other Countries Raise More in Tax than the UK?</u> IFS Report R160,

³² Tax Justice UK (2023) Six wealth tax policies that could raise £50 billion