Written evidence submitted by Chwarae Teg

Response to the Women and Equalities Committee’s inquiry into:

Gender Pay Gap for Women over 40

Chwarae Teg is a Welsh organisation working to build a Wales where women achieve and prosper. We do this by working with women to broaden their horizons and build their confidence and skills, and by working with employers to create modern workplaces that gain success through harnessing everyone’s contribution. We also work with influencers, educators and decision makers to build a society that values, supports and benefits women and men equally.

Introduction

The gender pay gap is particularly marked for women over 40, and this group faces distinct barriers to entering or progressing in employment. The key policies already announced by the UK Government to address the gender pay gap take an important first step in raising awareness, increasing transparency and facilitating dialogue around the issue. However, further steps need to be taken to ensure an understanding of the causes of the gender pay gap, including those specific to women over 40, and measures introduced to tackle these.

Suggested further steps are discussed in more details below:

Key Messages

- Current measures are effective in raising awareness and increasing transparency around the gender pay gap, but data needs to be disaggregated by age to understand distinct barriers for women over 40.
- Future proposals should start addressing the root causes of the issue for women over the age of 40.
- Care responsibilities, lack of flexible working and limited access to training all currently act as barriers to recruitment, retention, promotion and training for women over 40 in the labour market.
To close the gender pay gap, we need to make sure the right infrastructure is in place to enable women to work and have access to quality, well paid and flexible employment.

1. How effective will the Government’s proposals announced so far be in reducing the gender pay gap faced by women aged over 40?

1.1 Every company with more than 250 employees being required by law to publish the difference between the average pay of their male and female employees.

- This proposal is effective in obligating companies to be transparent regarding pay and any pay differences.
- However, unless the data is also disaggregated by age, it will not provide a picture of the situation for women over 40.
- It also only represents a first step in transparency, as small and medium sized enterprises now employ over 15 million people in the UK. Traditional women’s employment, associated with low pay – clerical, cleaning, catering, caring and cashiering – are often found in SMEs also. It is important therefore that in time, this proposal is slowly rolled out to smaller companies.
- This proposal also currently relies on companies taking voluntary action to address any gender pay difference identified. Without a thorough understanding of the cause of the gap, which may differ from company to company, this could be a difficult and time consuming task, which they may choose not to undertake.

1.2 New steps to compel larger employers to publish bonus information by gender.

- We welcome the fact that the government has recognised the role of bonuses as contributor to the gender pay gap, as one of the least transparent methods of payment.
- Men are also more likely to be working in job roles associated with bonuses. Some of the widest pay gaps are found in sectors such as finance and banking, with female bankers earning up to 40% less than male bankers.²

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¹ Federation of Small Businesses (2015)
² Commission for Employment and Skills (2015) Opportunities and outcomes in education and work: Gender effects
- While we welcome the proposal to compel companies to publish this information, we believe it should be incorporated into companies’ obligation as part of their core gender salary reporting. Otherwise a full and transparent picture of the situation won’t be compiled.

1.3 Gender pay reporting rules being extended to include the public sector, as well as private and voluntary organisations.

- This proposal is effective in initiating a cross sector approach to addressing the gender pay gap.
- Women account for around two thirds of public sector employees\(^3\) therefore it’s important that measures are evolving to include this sector.
- However, simply reporting on gender pay gaps will not, in itself, reduce the difference. Data must be used by government and the relevant organisations to identify the causes of the pay gap, and look to tackle these.

2. Are there changes to these proposals that would help to reduce the gender pay gap for this group more quickly or effectively?

The changes below suggest specific improvements to the current proposals to support their aim of increasing transparency in pay:

- In order to address the pay gap specifically for women over 40, all the measures above should require the relevant data to be disaggregated and reported by age as well as gender.

- Measures should start going beyond reporting, to looking at the root causes of the pay gap and identifying the distinct differences that exist for women under and over 40.

- Measures should also go beyond identifying differences in wage, to tackling perceptions around the value of women’s work and careers traditionally undertaken by women.

\(^3\) IFS (2014) The public sector workforce: past, present and future
Transparency, however, only forms part of the picture, which is why we’ve outlined further measures below that address and tackle the root causes of the gender pay gap for women over 40. It’s important to remember that measures introduced to address the pay gap for women under 40 will also have a knock on effect for this age group, as will initiatives to encourage girls into non-traditional female roles.

3. What could be done to improve the position of women aged over 40 regarding recruitment, retention, promotion and training?

There are a number of areas, not addressed by the current policies, which we see as major contributors to the gender pay gap for women over the age of 40.

3.1 Care

i. Caring responsibilities are a particular issue for older women. Of all the carers in the UK over half are over 50 and they are disproportionately female\(^4\).

ii. At the same time, women of this age are more likely to be in work now than in the past, meaning they’re having to balance a number of responsibilities. The employment rate of older women increased from 58% in 2003 to 70% in 2008.\(^5\)

iii. An emerging trend highlighted by the IPPR is that of sandwich caring i.e. older people having to care for elderly or unwell parents or partners while also providing childcare support looking after grandchildren. This risks putting even greater pressure on older women which could result in greater numbers dropping out of the labour market.

iv. More needs to be done to support women with current care responsibilities to maintain quality employment, and support those returning to work. Measures proposed by the government to reduce

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\(^5\) IPPR (2013) “The Sandwich Generation: Older women balancing work and care”
the gender pay gap for women over 40 need to show more recognition of the position of care in the issue.

Recommendations

New models of child and elder care should be explored and ensuring universal access to these services must be a top priority to ensure that older women do not continue to be disadvantaged by unequal caring responsibilities.

3.2 Lack of flexible working/Predominance of part-time work

i. A woman’s position of carer first and earner second is resulting in a high number taking on part-time, and consequently low paid or low quality work in order to find the flexibility to balance responsibilities.

ii. In Wales, women hold 80% of all the available part time jobs\(^6\), and nearly half of women over 50 work part time\(^7\) in the UK. But part time jobs are 3 times more likely to pay under the Living Wage\(^8\) than full time roles.

iii. An emphasis on ‘anytime, anywhere’ availability, at an employer’s discretion, and traditionally linear career paths is ‘clearly not compatible’\(^9\) with employee’s other responsibilities and demands outside work.

iv. A study from 2009 showed that over half of older unemployed women needed flexible arrangements to move back into work compared to just over a third of men.\(^10\)

v. For women in low to middle income households, a group that faces particular barriers to the workplace\(^11\), flexibility can be particularly difficult to access with schemes often being more readily available at senior levels.

vi. Adopting truly flexible working arrangements also reduce the chance of employees having to drop out of the labour market entirely when care responsibilities arise unexpectedly.

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\(^6\) WAVE (2014) Working Patterns in Wales: Gender, Occupations and Pay  
\(^7\) TUC (2014) Age Immaterial  
\(^8\) KPMG (2015) Living Wage research  
\(^9\) Institute of Leadership and Management: ‘Ambition and gender at work’  
vii. Ensuring that employers explore modern working practices that can offer staff greater flexibility to deliver for the business is critical to tackling the issues that older women face when accessing the labour market.

**Recommendations**

The Government should highlight the business benefits of modern working practices to employers promoting the new extended right to request flexible working, sharing best practice and encouraging all employers to explore how modern working practices can work for them and their employees.

### 3.3 Access to training

i. Access to training is vital for many older workers, particularly in the current climate where many have been made redundant after years of working in the same company or role.

ii. Women have been hit particularly hard by redundancies in the public sector following cuts to public spending and older workers have found it harder to re-enter the workforce than any other age group.  

iii. Women who return to work after a period of caring for a relative may also need to upskill or reskill to find quality employment.

iv. Evidence shows that older women are less likely to receive training with 51% of those aged over 65 saying they had received no training in the last 3 years compared to 32% across all age groups.

v. Accessing training can be particularly difficult for those that work part time. Training held outside their usual hours or off-site at hard to reach locations can be especially problematic for women that work part time.

vi. For some older workers greater support to develop the skills required to compete in modern recruitment processes and to remain relevant in a modernising workplace would be invaluable.

**Recommendations**


13 Close the Gap (2014) “Older women in the workplace – The benefit of experience: older women’s access to skills development and training”

14 Ibid
The Government should ensure that all employers are aware of their responsibilities to provide equal access to training for all employees and encourage them to explore more flexible ways to deliver training to better enable those working part time or with caring responsibilities to access it.

The Government should explore what specialised training would best enable older workers to compete in the modern work environment and in modern recruitment processes and ensure that this widely available. The different training needs of men and women should also be considered.

**Conclusion**

Despite some progress, the gender pay gap still persists and is particularly marked for older women.

While we welcome initiatives taken so far by the Government to increase transparency around pay and gender, it’s now imperative that these are used as a platform for further change, and part of a broader set of solutions to eradicate the gender pay gap.

The causes of the gender pay gap for women over the age of 40 are strongly linked to the barriers they face in returning to work after a period of caring, or in maintaining quality employment while juggling care responsibilities. Measures along the lines of those we’ve recommended above could be introduced to address these barriers, and improve the position of these women in the workforce.

**4 December 2015**