

# Impact of the rising cost of living on women

TUC response to Women and Equalities Select Committee call for evidence.

# Introduction

The TUC is the voice of Britain at work. We represent more than 5.2 million working people in 48 unions across the economy. More than half of trade union members in the UK are women.<sup>1</sup> We campaign for more and better jobs and a better working life for everyone, and we support trade unions to grow and thrive.

The cost-of-living crisis is another crisis that women are at the sharp end of. Like the pandemic and over a decade of austerity, it is exacerbating the existing structural inequalities women face, leaving them less insulated from its impacts. This risks not only stifling any progress towards women's economic and social equality but sending it into reverse.

While the employment rate for women has been over 72 per cent for several years now, this headline positive figure of women's increased participation in the workforce masks many of the realities of women's labour market experience. Women are more likely to be low paid, and on zero hours contracts. They are more likely to have to reduce hours and earnings to manage unpaid caring responsibilities, as well as being more likely to work in care sectors and public services that are under paid and undervalued and currently facing severe recruitment and retention crises. This further increases the pressure on women to undertake unpaid work to plug the gaps as well as the pressure on women working in those sectors. They are more likely to be the ones responsible for managing family budgets and are more likely to go without to ensure that their children or other people who rely on them have what they need.<sup>1</sup>

And these experiences compound for young women, Black and Minority Ethnic (BME) women and disabled women. The employment gaps for BME and disabled women are much wider than for white women and men on average.<sup>2</sup> The gender pay gap currently stands at 14.3 per cent, progress on closing the gap has slowed further since the pandemic and at current rates will take at least two decades to close. However, an Institute for Fiscal Studies report in 2021 showed that once adjustments for educational attainment are made, the gender pay gap has barely moved in a quarter of a century.<sup>3</sup> We also know the pay gap is much higher for disabled women (35 per cent, equivalent

<sup>&</sup>lt;sup>1</sup> See Women's Budget Group (2005) <u>cover.indd (openrepository.com)</u>, Women's Budget Group (2022) <u>The-gendered-impact-of-the-cost-of-living-crisis.pdf (wbg.org.uk)</u> and Young Women's Trust (2019) <u>One in four young mums skips meals | Young Women's Trust | Charity</u> (youngwomenstrust.org)

<sup>&</sup>lt;sup>2</sup> See TUC (2023) <u>https://www.tuc.org.uk/research-analysis/reports/jobs-and-recovery-monitor-bme-workers-2023</u> and TUC (2022) <u>https://www.tuc.org.uk/sites/default/files/2022-11/Jobs-and-pay-monitor-disability-2022.pdf</u>

<sup>&</sup>lt;sup>3</sup> Institute For Fiscal Studies (IFS -2021) <u>Barely any change to gender earnings gap in last 25</u> years once you account for increases in women's education | Institute for Fiscal Studies (ifs.org.uk)

to over £7000 per year)<sup>4</sup> and it grows throughout women's lives, leaving women facing poverty in older age and retirement with a gender pensions gap of 40.5 per cent.<sup>5</sup>

These structural inequalities expose women to greater risk when economic shocks and crises happen – as has often been said over the last few years – women are the shock absorbers of poverty.<sup>6</sup>

To tackle the cost-of-living crisis and give women greater economic independence and security government must tackle the structural inequalities faced by women across the labour market.

The TUC believes the government must act across a range of areas:

#### Pay

Government should:

- Introduce a minimum wage of £15 per hour as soon as possible.
- Enable all workers regardless of age to be eligible for the same minimum wage, removing the current lower rates for young workers.
- Task the Low Pay Commission with charting the exact path to £15.
- Extend gender pay gap reporting to organisations with 50 or more employees and a introduce a requirement for organisations to produce mandatory action plans to close their pay gaps.
- Extend pay gap reporting to ethnicity and disability.
- Remove minimum earnings thresholds from statutory entitlements such as sick pay and auto-enrolment into workplace pension schemes.
- Fund decent pay rises so that all public service workers get a pay rise that at least matches the cost of living and begins to restore earnings lost over the last decade, through fully independent pay review bodies or collective bargaining.

#### **Insecure work**

Government should:

- Ban the use of exploitative zero hours contracts.
- Enable workers to have a contract based on their regular hours.
- Require employers to pay workers for shifts cancelled with no appropriate notice.

<sup>&</sup>lt;sup>4</sup> TUC (2022) Jobs and pay monitor - disabled workers | TUC

<sup>&</sup>lt;sup>5</sup> TUC (2023), <u>The gender pensions gap | TUC</u>

<sup>&</sup>lt;sup>6</sup> Women's Budget Group (2022), <u>The Income Crisis: a Gendered Analysis - Womens Budget</u> <u>Group (wbg.org.uk)</u>

- Ensure all workers including agency workers, zero hours contract workers and casual workers, should be entitled to the same floor of rights currently enjoyed by employees.
- Introduce a new single and broad 'worker' definition in UK employment law. The new worker test should determine access to all statutory rights. The government should establish a commission, comprised of representatives of the social partners and employment lawyers, to advise on and devise the new 'worker' definition.

### **Universal credit**

Government should:

- Remove the five-week wait for first payment of Universal Credit.
- Remove the benefits cap and the two-child limit in universal and legacy benefits.
- Increase the value of child benefit.
- Remove the No Recourse to Public Funds restrictions.
- Improve the adequacy of benefits, they should be set at a rate equivalent to at least 80 per cent of the national living wage.

## **Caring responsibilities**

Government should:

- Overhaul shared parental leave so that it is a day one individual right for both parents and paid at a liveable rate.
- Improve maternity and paternity pay and make them day one rights for all workers regardless of employment status/ contract.
- Introduce a statutory right to 10 days paid carers leave.
- Introduce a day one right to flexible working and an advertising duty that would mean all jobs must be advertised as flexible up front unless the employer can show that the unavailability of flexible working is a proportionate means of achieving a legitimate aim.
- Invest in the care workforce, starting with workforce strategies to deliver better pay and conditions and clear progression pathways collectively bargained, to tackle the recruitment and retention crises in social care and childcare and early years.

Alongside government action to ensure everyone has legal rights and access to decent work employers can also look at reviewing their own practices.

Actions employers should take include:

• Not using exploitative zero hours contracts and ensuring workers have contracts that reflect their regular hours.

- Paying workers a real living wage, ensuring pay structures are transparent and ensuring pay keeps pace with inflation and the cost-of-living.
- Reporting on the gender pay gap regardless of whether the organisation is required to or not, extending reporting to ethnicity and disability and developing action plans to close those gaps.
- Having enhanced workplace policies such as parental leave, carers leave and flexible working to ensure these types of leave are normalised and renumerated at adequate levels.
- Advertising jobs as flexible upfront.
- Introducing measures to support victim-survivors of domestic abuse including paid leave and help with legal and financial costs. An example of this type of policy has been introduced recently by Kellogs.<sup>7</sup>
- Recognising trade unions in the workplace to enable worker representation in all discussions relating to workplace policy, pay, terms and conditions.

# The challenges women face and the impact of the cost-of-living crisis

#### Low pay

In 2022, almost 3.5 million workers (12.2 per cent of the workforce) earned less than the Living Wage Foundation's Real Living Wage, which recently rose to £12 an hour and £13.15 an hour in London. Women are overall more likely to be paid less than the Real Living Wage – In 2022 14 per cent of women earned below this figure, compared to nine per cent of men. Part-time workers are most likely to be low paid, with over 26.3 per cent of men and women working part-time earning less than the Real Living Wage.<sup>8</sup> It is important to note that women are almost three times more likely to work part-time compared to men.<sup>9</sup>

Similarly, wages have been floundering for over a decade, analysis of the latest Annual Survey of Hours and Earnings data (ASHE) shows that the average worker would be  $\pm 125$  a week better off had pay increased since 2010 at the same pace as between 1997 (when ASHE records began) and 2010.<sup>10</sup>

<sup>&</sup>lt;sup>7</sup> USDAW (2023), USDAW - Kellogg's new policy for employees impacted by domestic abuse is welcomed by Usdaw

<sup>&</sup>lt;sup>8</sup> <u>https://www.livingwage.org.uk/employee-jobs-below-real-living-wage-2022</u>

<sup>&</sup>lt;sup>9</sup> TUC (2023) Jobs and recovery monitor - gender and pay | TUC

<sup>&</sup>lt;sup>10</sup> TUC (2023) Unprecedented wage squeeze is "mark of Tory failure", says TUC | TUC

# Zero hours contracts and insecure work

There are currently 1.18 million workers employed on zero-hours contracts. These contracts are characterised by low pay, variable hours and fewer rights and protections for workers. BME workers are significantly overrepresented on zero-hours contracts compared to white workers (5.7 per cent compared to 3.2 per cent). And BME women are the most disproportionately affected group and are nearly three times as likely to be on zero-hours contracts as white men (6.8 per cent compared to 2.5 per cent). White women are also significantly more likely than white men to be on zero-hours contracts (4.0 per cent compared to 2.5 per cent).<sup>11</sup>

Zero- hours contracts are not new. But their use has increased over the last decade. In 2011 around 190,000 were on zero-hours contracts and now well over a million are.

When it comes to insecure work<sup>12</sup> in general, we have seen an increase over the last decade, and while men are more likely to be in insecure work, the increase of insecure work has been more significant for women – increasing by 1.5 percentage points for women compared to 0.8 percentage points for men.<sup>13</sup>

Recent research from the Work Foundation and UNISON highlights the impact of insecure employment on women. Women in insecure jobs are significantly more likely than men in insecure jobs to indicate they are struggling to get by. Nearly one in three women (32 per cent) say they are struggling to get by compared to less than one in four men (23 per cent). Insecure work appears to disproportionately impact the mental health of women – 16 per cent of women in insecure jobs say they experienced poor mental health, compared to 11 per cent of men. This compares with 10 per cent for men and 11 per cent for women in secure jobs.<sup>14</sup>

Research from the Work Foundation at Lancaster University also found that disabled women were more likely to be in severely insecure work (30.2 per cent in comparison to 25 per cent of non-disabled women) and Black women also experience higher rates of insecure work than Black men and white women.<sup>15</sup>

## **Universal credit**

<sup>13</sup> TUC (2023), <u>Insecure work in 2023 | TUC</u>

<sup>&</sup>lt;sup>11</sup> TUC (2023) <u>BME women far more likely to be on zero-hours contracts | TUC</u>

<sup>&</sup>lt;sup>12</sup> TUC defines insecure work as those on zero-hours contracts, agency, casual and seasonal workers (but not those on fixed-term contracts) and the low-paid self-employed who miss out on key rights and protections that come with being an employee and cannot afford to provide a safety net for when they are unable to work.

<sup>&</sup>lt;sup>14</sup> Work Foundation and UNISON (2023) <u>Limiting Choices: Why people risk insecure work -</u> <u>Lancaster University</u>

<sup>&</sup>lt;sup>15</sup> Work Foundation (2022), <u>New study shows working women at sharp end of cost of living crisis</u> with 26% trapped in severely insecure work - Lancaster University

The TUC has long campaigned on the need to address persistent policy failures in the design of Universal Credit. Not only is the support it offers inadequate, but the delivery isn't working. Last year we produced '<u>A replacement for Universal Credit</u>'. In this report we looked at the key problems with Universal Credit. We also highlight potential solutions within each area.<sup>16</sup>

Women are more likely to be in receipt of Universal Credit, making up 57 per cent of recipients, so the inadequacy of the support and the issues with deliverability disproportionately impact women. However, in addition to these overall issues, women face specific issues in the new benefit system. The way in which Universal Credit works means that it is claimed and assessed on a household basis; couples must claim jointly, and they receive their benefit as a single payment. This has huge implications for financial independence, especially for women, and even more so for those who are experiencing domestic abuse. as it reduces their financial autonomy and poses an additional barrier to escaping domestic abuse.<sup>17</sup>

Work allowances in Universal Credit, the amount that can be earned before the taper rate is applied, also plays a crucial role in helping to increase hours and income for those in work. Work allowances do not apply to everyone. First earners in a household may use up the one work allowance that is allowed per household, including couples, 'second earners' may find that all their earnings are immediately subject to the taper. The second earner is more likely to be a woman, who are disproportionately affected.

Measures such as the benefit cap and the two-child limit also disproportionately impact women and their children. Research<sup>18</sup> by the TUC, IPPR and Child Poverty Action Group showed the huge difference targeted help could make:

- Increasing child benefit by £20 a week (per child) would reduce child poverty by 500,000 by 2023/24 and lift 700,000 people out of relative poverty across the UK.
- Removing the 2-child limit and the benefit cap would lift 300,000 children out of poverty by 2023/24, and 400,000 people overall.

Taken together these policies would lift 1.2 million out of poverty and provide a substantial boost to the incomes of the poorest families.

#### **Care work**

Women are more likely to have to juggle unpaid caring responsibilities with paid work, often leaving women having to reduce hours and often sidelined for pay and progression opportunities. Women make up three quarters or part-time workers and it

<sup>&</sup>lt;sup>16</sup> TUC (2022), <u>A replacement for Universal Credit | TUC</u>

<sup>&</sup>lt;sup>17</sup> Women's Aid (2018), <u>Womens-Aid-Briefing-on-Universal-Credit-November-2018-Short-</u> <u>Version.pdf (womensaid.org.uk)</u>

<sup>&</sup>lt;sup>18</sup> IPPR (2022) <u>Boost child benefit by extra £20 and ditch benefit limits to lift 900,000 children</u> from poverty, ministers urged | IPPR

is estimated 1.7 million women are prevented from taking on more hours of paid work due to issues around affordability and availability of childcare and early years provision.<sup>19</sup>

For some women it means leaving the workforce altogether, TUC analysis shows that women are seven times more likely to be out of the labour market due to caring responsibilities than men, this rises to 10 times more likely for women in their 30s and 12 times more likely for Black and Minority Ethnic (BME) women in comparison to their white male counterparts.

The impact of women having disproportionate responsibility for unpaid care work is being exacerbated by the crises facing our social care and childcare and early years sectors<sup>20</sup>. The cost of childcare has skyrocketed over the last decade, TUC analysis of Coram Family and Childcare Trust data in 2022 found that the cost of full-time childcare for parents with children under two has increased by nearly £3000 a year in England, since 2013. Rising from £11,285 in 2013 for a family with a child under two to £14,226 in 2021 - an increase of 26 percent.<sup>21</sup> Recent research has shown that 1 in 10 mothers of children under four have quit their jobs due to childcare issues, and more than twice that have considered doing so.<sup>22</sup>

The government announcement to extend the entitlement of funded hours to parents with children from the age of nine months is a welcome acknowledgement that more needs to be done to improve provision and reduce the barriers women face, however across the sector there have been significant concerns raised about the quality and deliverability of more hours when the sector is already significantly underfunded<sup>23</sup> and facing a severe recruitment and retention crisis.

New research from the Early Education and Childcare Coalition (of which the TUC is a member) has found that over half (57 per cent) of nursery staff are considering leaving the sector altogether, often citing low pay, poor conditions, and lack of recognition for the work that they do and the education they provide. These findings reflect the experiences shared by childcare and early years workers with the TUC in our Care Workforce Strategy.<sup>24</sup> Alongside this, the analysis from the Early Years and Childcare Coalition suggests that the government expansion of funded hours will require 50,000 new workers in 2024 and again in 2025 to deliver the policy.<sup>25</sup>

<sup>&</sup>lt;sup>19</sup> Women's Budget Group (2022), <u>https://wbg.org.uk/wp-content/uploads/2022/03/Childcare-and-gender-PBB-Spring-2022-1.pdf</u>

<sup>&</sup>lt;sup>20</sup> Known as care sector and care workforce hereafter.

<sup>&</sup>lt;sup>21</sup> TUC (2022), <u>A new deal for the childcare sector | TUC</u>

<sup>&</sup>lt;sup>22</sup> BBC News (2023), One in ten others quit work over childcare, <u>One in 10 mothers with under-</u><u>fours quit work over childcare, says charity - BBC News</u>

<sup>&</sup>lt;sup>23</sup> TUC (2022), <u>A new deal for the childcare sector | TUC</u>

<sup>&</sup>lt;sup>24</sup> TUC (2023) <u>A strategy for the care workforce | TUC</u>

<sup>&</sup>lt;sup>25</sup> Early Years and Childcare Coalition (2023), INSERT LINK

Similarly, in social care there are currently 165,000 vacancies (up 55,000 or 52% since 2020/21) and an estimated 400,000 people leaving their jobs in social care 2021/22<sup>26</sup>. Projections suggest that up to 627,000 extra social care staff will be needed between 2018/19 and 2030/31 to improve services and meet need, an expansion of 55 per cent.<sup>27</sup> This staffing crisis is leaving millions without access to the care they need - Age UK identified 1.5 million older adults with unmet social care needs in 2021, estimating this will rise to 2.1 million by 2030 if government fails to act.<sup>28</sup>

#### **Public sector pay**

The recruitment crises in the care sector are mirrored across the public sector. This has multiple impacts on women. As evidenced above they are the ones who are more likely or expected to plug the gaps when formal provision is not available, women are also more likely to rely on public services themselves and are also more likely to work in them. Over three quarters of the NHS workforce and three quarters of teachers in the education sector are women.<sup>29</sup>

In social care, working class women from Black and migrant backgrounds are overrepresented in the workforce. 81 per cent of care workers and senior care workers are women, and 25 per cent are BME (compared to 15 per cent across all workers). The number of migrant social care workers is growing rapidly, largely due to care workers being added to the shortage occupation list in 2022 – in 2022/23 70,000 international care workers were recruited, up 50,000 from the previous year. In childcare, it is younger women from working class backgrounds that are overrepresented in comparison to the wider labour market. 99 per cent of early education childcare assistants and practitioners are women, and 41 per cent are under 30.<sup>30</sup>

Real terms cuts to public sector pay over the last decade mean public sector pay is worth £207 a month less than in 2010, given women make up most of the workforce, these cuts have had a disproportionate impact on women working in those sectors. TUC research in 2022 showed that one in five children living in key worker households were living in poverty.<sup>31</sup>

<sup>&</sup>lt;sup>26</sup> Skills for Care (2022) <u>The state of the adult social care sector and workforce in</u> <u>England</u>.

<sup>&</sup>lt;sup>27</sup> Health Foundation (2021) <u>Health and social care funding projections 2021.</u>

<sup>&</sup>lt;sup>28</sup> Age UK on unmet care needs <u>https://www.ageuk.org.uk/latest-</u>

press/articles/2019/november/the-number-of- older-people-with-some-unmet-need-for-carenow-stands-at-1.5-million/

<sup>&</sup>lt;sup>29</sup> <u>Gender in the NHS infographic | NHS Employers</u> and <u>School teacher workforce - GOV.UK</u> <u>Ethnicity facts and figures (ethnicity-facts-figures.service.gov.uk)</u>

<sup>&</sup>lt;sup>30</sup> TUC (2023) <u>A strategy for the care workforce | TUC</u>

<sup>&</sup>lt;sup>31</sup> <u>1 in 5 key worker households have children living in poverty | TUC</u>

## **Parental rights**

Statutory entitlements to maternity, paternity and shared parental leave (SPL) are vital to support new parents, however in the UK we have some of the lowest entitlements in terms of pay and length of leave versus comparable countries.<sup>32</sup> Further these rights are not available to all workers from day one in the job.

TUC research showed that more than half (53 per cent) of families struggle when dads or partners take paternity leave and one in five don't take any paternity leave at all with lack of affordability being the biggest barrier. This compounds for self-employed workers who are not entitled to any statutory paternity leave and for low-income households. Nearly nine in 10 (86%) of parents where the household income is over £60,000 take statutory paternity leave provided by their employer, but this falls to twothirds (65%) of dads/partners with a household income under £25k and only one in three self-employed dads or partners take any leave when their child is born.<sup>33</sup>

Similarly, the government's own evaluation of Shared Parental Leave, found that take up was low, and that one of the biggest barriers was affordability of the scheme.<sup>34</sup>

Not only does the low rate of pay and lack of access to parental rights increase the financial precarity families face at a crucial time, but it also reinforces the burden of care falling to women and the gender pay gap.

Previous TUC research has also shown that one in three flexible working requests are turned down, and our research into mothers' experiences of flexible working showed that nine in ten mums who worked flexibly would find it hard or impossible to work without it. However, the same research showed that 31 per cent of mums had not asked for any flexible working and 36 per cent had only asked for some of the flexibility they needed. Mothers told us that they were concerned that asking for flexibility would have negative consequences for their careers or the request would be turned down. More than four out of five mothers who worked flexibly said they had experienced discrimination and disadvantage as a direct result of working flexibly.<sup>35</sup>

## In work poverty

The consequence of low, stagnating pay, insecure precarious work and inadequate social security, is a rise in poverty, including in work poverty.

Households Below Average Income (HBAI) data shows that relative poverty increased by one million to reach 14.4 million or 22% of the population for 2021/22. The majority of those in poverty (54%) are in a working household, this is 7.8m people.

<sup>&</sup>lt;sup>32</sup> UK in the relegation zone for decently-paid maternity leave in Europe, warns TUC | TUC

<sup>&</sup>lt;sup>33</sup> TUC (2023), <u>1 in 2 families struggle financially when dads take paternity leave – TUC poll | TUC</u>

<sup>&</sup>lt;sup>34</sup> Shared Parental Leave (SPL) evaluation - GOV.UK (www.gov.uk)

<sup>&</sup>lt;sup>35</sup> TUC (2021) Denied and discriminated against | TUC

The mantra that work provides a secure route out of poverty is increasingly untrue, and there are 1.5 million more people in poverty in working households since 2010.

Child poverty increased by over 300,000 to 4.2m, this figure is 29% of all children. Over two thirds (71%) of children in poverty are in working households. Since 2010/11 around 900,000 more children in a working household are in poverty, increasing from 2.1m to 3million. The data also shows 800,000 children have used a foodbank in the last 12 months. <sup>36</sup>

The continued cost-of living crisis will exacerbate this with absolute low income set to rise in 2023/2024 and child poverty set to reach its highest levels in 2027/28 since 1998/99.<sup>37</sup>

# The impact of the cost-of-living crisis and rising poverty

The impact of the cost-of-living crisis and rising destitution has far reaching consequences including rising food insecurity, a higher incidence of domestic abuse and declining women's health. Shockingly, life expectancy for women in the most deprived parts of the UK is now the lowest of OECD countries bar one.<sup>38</sup>

Foodbanks in the Trussel Trust network in the year to April 2023 distributed three million food parcels, the most parcels distributed in a single year and a rise of 37 per cent on 2021/22. While women account for 51 per cent of the population, they account for 57 per cent of those experiencing food insecurity. Nearly a quarter (23%) of households with dependent children experience food insecurity compared to 11% of those without.<sup>39</sup> This rises to nearly half (48%) of single adults living with children – 90 per cent of single parent households are headed up by women.<sup>40</sup> And research from the Young Women's Trust finds that almost a third of young women are unable to afford food or essential supplies, this is an increase of a quarter in comparison to 2022.<sup>41</sup>

Data from Bloody Good Period suggests that nearly a quarter of women in the UK or their families struggle to afford period products, and one in five who cannot afford period products are using coping mechanisms such as using toilet roll or sponges.<sup>42</sup>

<sup>&</sup>lt;sup>36</sup> HBAI data (2023) https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2022

<sup>&</sup>lt;sup>37</sup> Resolution Foundation (2023), Living Standards Outlook, <u>The Living Standards Outlook 2023</u> • <u>Resolution Foundation</u>

<sup>&</sup>lt;sup>38</sup> Guardian (2022), <u>'Shock absorbers of poverty': women's lives cut short by their unequal</u> position in society | Inequality | The Guardian

<sup>&</sup>lt;sup>39</sup> Trussell Trust (2023) Hunger in the UK - The Trussell Trust

<sup>&</sup>lt;sup>40</sup> Single parents facts and figures | Gingerbread

<sup>&</sup>lt;sup>41</sup> Young Women's Trust (2023), <u>Our new research shows the cost of living crisis is hitting young</u> women harder | Young Women's Trust | Charity (youngwomenstrust.org)

<sup>&</sup>lt;sup>42</sup> Bloody Good Period, <u>MENSTRUAL EQUITY RESEARCH | Bloody Good Period</u>

Research from Women's Aid found that two thirds of victim-survivors they spoke to said that the cost-of-living crisis was being used by their abuser as a tool for coercive control, using it to justify further restrictions or access to money.<sup>43</sup> The crisis is also having an impact on service delivery and being able to support people fleeing domestic abuse. At the start of 2023, more than half (59 per cent) of Women's Aid members said they were relying on charitable reserves to cope with the crisis, and two thirds said that if the crisis continued without intervention, it would stop them from being able to offer support to victim-survivors, this rose to 85 per cent for specialist services for Black and Minortised women.<sup>44</sup>

# **Recommendations**

Below we set out a series of recommendations for government and employers. As we have demonstrated in our evidence it is the structural barriers women face in the labour market and economy more broadly and a lack of an adequate safety net that expose women to greater risk when economic shocks and crises happen – as has often been said over the last few years – women are the shock absorbers of poverty.<sup>45</sup>

To tackle the cost-of-living crisis and give women greater economic independence and security government must tackle the structural inequalities faced by women across the labour market.

The TUC believes the government must act across a range of areas:

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Government should:

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- Remove minimum earnings thresholds from statutory entitlements such as sick pay and auto-enrolment into workplace pension schemes.

<sup>&</sup>lt;sup>43</sup> Women's Aid (2022), <u>With the cost of living crisis preventing women from fleeing abuse, the</u> government must act now to support survivors. - Women's Aid (womensaid.org.uk)

<sup>&</sup>lt;sup>44</sup> Women's Aid (2023) <u>The cost of living crisis is pushing domestic abuse services to breaking</u> <u>point - Women's Aid (womensaid.org.uk)</u>

<sup>&</sup>lt;sup>45</sup> Women's Budget Group (2022), <u>The Income Crisis: a Gendered Analysis - Womens Budget</u> <u>Group (wbg.org.uk)</u>

• Fund decent pay rises so that all public service workers get a pay rise that at least matches the cost of living and begins to restore earnings lost over the last decade, through fully independent pay review bodies or collective bargaining.

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- Not using exploitative zero hours contracts and ensuring workers have contracts that reflect their regular hours.
- Paying workers a real living wage, ensuring pay structures are transparent and ensuring pay keeps pace with inflation and the cost-of-living.
- Reporting on the gender pay gap regardless of whether the organisation is required to or not, extending reporting to ethnicity and disability and developing action plans to close those gaps.
- Having enhanced workplace policies such as parental leave, carers leave and flexible working to ensure these types of leave are normalised and renumerated at adequate levels.
- Advertising jobs as flexible upfront.
- Introducing measures to support victim-survivors of domestic abuse including paid leave and help with legal and financial costs. An example of this type of policy has been introduced recently by Kellogs.<sup>46</sup>
- Recognising trade unions in the workplace to enable worker representation in all discussions relating to workplace policy, pay, terms and conditions.

Please contact Nikki Pound, Policy Officer for Women, TUC, <u>npound@tuc.org.uk</u> for any queries.

<sup>&</sup>lt;sup>46</sup> USDAW (2023), <u>USDAW - Kellogg's new policy for employees impacted by domestic abuse is</u> <u>welcomed by Usdaw</u>