

Briefing



Equal pay day 2024 – tackling the gender pay gap.

A briefing setting out the causes of the gender pay gap and actions to tackle it.

Introduction

The TUC brings together more than 5.5 million working people across our 48 affiliated unions. Around 57 per cent of trade union members are women.

The gender pay gap currently stands at 14.3 per cent and at current rates will take at least another 20 years to close.¹ The gap compounds throughout women's lives leading to a pension gap of 40.5 per cent.² While the pay gap develops throughout women's careers and particularly widens if a woman becomes a mother, research from the Young Women's Trust highlights that the income gap between men and women is there right from the start of women's careers with young women on average earning a fifth less than men of the same age³.

There are many drivers of the pay gap ranging from socio-cultural and structural to workplace practice, to policy interventions. Closing the gap will require effort and measures from government, employers, unions, and wider civil/ society. Below we set out TUC analysis of the pay gap as well as main drivers of the gap and specific recommendations to tackle the pay gap [and relatedly equal pay] as well as some broader recommendations.

TUC research and drivers of the pay gap

TUC analysis of pay data shows⁴ that:

- The gender pay gap is 14.3 per cent, meaning the average woman must work 52 days (nearly two months) before she starts getting paid in comparison to the average man.
- Women aged between 50 and 59 have the highest pay gap (19.7%) and work the equivalent of 72 days for free, until Monday 11 March 2024. Disabled women face the highest pay gap at 35 per cent in comparison to non-disabled men, equivalent to £7144 a year.⁵
- The pay gap varies by sector – the highest pay gap is in finance and insurance (27.9 per cent). Even in female dominated sectors like education the pay gap is high at 21.3 per cent.
- 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.⁶

The division of care

A key driver of the pay gap is the division and undervaluing of care work, whether unpaid or paid. Women still undertake most caring responsibilities in many families whether that is for children or adults. Women who want to undertake paid work outside the home often have little choice but to reduce their hours or leave the labour market entirely. Women are more likely to work part-time, and TUC research found that women are 7 times more likely to be out of the labour market due to caring responsibilities, equivalent to 1.46 million women in comparison to 230,000 men.⁷ This rises

1 [TUC: Gender pay gap means women work first two months of the year unpaid | TUC](#)

2 Gender Pensions Gap report.pdf (tuc.org.uk)

3 The Income Gap: The scale and causes of pay inequality for young women in the UK | Young Women's Trust | Charity (youngwomenstrust.org)

4 [TUC: Gender pay gap means women work first two months of the year unpaid | TUC](#)

5 Jobs and pay monitor - disabled workers | TUC

6 Jobs and recovery monitor - gender and pay | TUC

7 [TUC: Gender pay gap means women work first two months of the year unpaid | TUC](#)

to 12 times more likely for Black and Minority Ethnic women.⁸ Reducing hours or leaving the workforce entirely to undertake unpaid care exacerbates the pay gap by reducing women's earnings and reduces their access to progression opportunities. In many two parent households where both parents work, it can become a cycle where the lower earner is the one who reduces hours or drops out of the labour market because of caring responsibilities: in most relationships this is a woman.

The social care and childcare and early years workforces are predominantly female workforces, they are chronically underpaid and undervalued. Years of austerity and the underfunding has created a severe recruitment and retention crisis.⁹ There is not the workforce to deliver the services required and it is women who are expected to plug the gaps when formal provision is underfunded and stretched beyond capacity.

Occupational segregation

As with paid care work, occupational segregation often means that many of the sectors that have a higher proportion of women workers are undervalued, low paid and insecure. For example, during the pandemic women were twice as likely to be employed in a key worker occupation, with BME women more likely to be frontline workers. Our analysis showed that 2.1 million of these key workers were earning the minimum wage or less, and 1 in 9 were in insecure work.¹⁰ More recently, we have shown that 15.7% of BME women are in insecure work.¹¹

Family support and statutory entitlements

Supporting families to share caring responsibilities more equitably is key to closing the gap. While there are a range of rights and entitlements for parents and carers, there are clear issues that must be addressed particularly around affordability and them not being a day one right for all workers.

TUC research has shown that:

- The UK has one of the lowest rates of pay for statutory maternity pay in Europe.¹²
- One in two families struggle when dads take paternity leave and one in five dads or partners can't afford to take paternity leave at all.¹³

Take up of Shared Parental Leave (SPL) is very low and has been as low as one per cent of eligible families.¹⁴ The government recently published its own evaluation of SPL and found that among eligible couples, only one per cent of mothers took SPL and five per cent of fathers. They also found that affordability was one of the biggest barriers.¹⁵

There are issues with other statutory entitlements that have a disproportionate impact on women, for example the minimum earnings thresholds in statutory sick pay¹⁶ and auto-enrolment into

⁸ [TUC: BME women 12 times more likely than men to be out of the labour market due to caring commitments | TUC](#)

⁹ A strategy for the care workforce | TUC

¹⁰ Key workers report | TUC

¹¹ <https://www.tuc.org.uk/research-analysis/reports/insecure-work-2023>

¹² UK in the relegation zone for decently-paid maternity leave in Europe, warns TUC | TUC

¹³ 1 in 2 families struggle financially when dads take paternity leave – TUC poll | TUC

¹⁴ TUC calls for overhaul of shared parental leave | TUC

¹⁵ [shared-parental-leave-evaluation-report-2023.pdf](#) (publishing.service.gov.uk)

¹⁶ Sick pay that works | TUC

workplace pensions schemes¹⁷ which often exclude women in low paid jobs and/ or working part-time. New in-work conditionality requirements also risk penalising women in part-time jobs rather than providing access to proper support and help to progress.

Normalising flexible working in all its forms for all workers is also essential. While recent legislation to introduce a right to request flexible working is a step in the right direction, TUC research shows that 1 in 3 requests are turned down.¹⁸

Pay transparency

Gender pay gap reporting has been vital in identifying the scale and the extent of the problem, but organisations reporting on their pay gaps is not enough on its own. There must be clear actions from organisations to address the gaps and recognise where they intersect with other forms of discrimination and workplace practices that lead to pay discrimination such as a lack of pay transparency¹⁹ and not having pay structures that reflect equal pay for work of equal value.

17 Gender Pensions Gap report.pdf (tuc.org.uk)

18 One in three flexible working requests turned down, TUC poll reveals | TUC

19 One in five workers are banned from discussing their pay, TUC poll finds | TUC

TUC Recommendations

Below we set out recommendations directly related to strengthening pay gap legislation and reporting as well as broader recommendations to address the drivers of the gender pay gap.

Pay gap legislation and reporting

- Require employers to produce action plans on how they will close their pay gaps.
- Extend reporting for all employers with more than 50 employees organisations with less than 250 employees.
- Extend pay gap reporting requirements to ethnicity and disability.
- End pay secrecy clauses and introduce requirements to carry out pay transparency measures such as equal pay audits and ending salary history in job applications.

It is essential that the government acts to fully retain equal pay protections that will be undermined by the impact of the Retained EU Law (Revocation and Reform) Act 2023 from January 1.

It is also worth reflecting on the EU Pay Transparency directive and the work the ETUC has done to shape that legislation and strengthen the voice of unions and collective bargaining in tackling the gender pay gap when thinking about how we might strengthen UK reporting and measures to tackle the gap.²⁰

Alongside measures to strengthen pay gap reporting and legislation, we must tackle the gender inequalities within our labour market.

Broader recommendations

- Introduce a minimum wage of £15 an hour as soon as possible which all workers would be eligible for.
- Increase statutory maternity pay, maternity allowance and paternity pay equivalent to the real living wage as a day one right for all workers, regardless of employment status.
- Support self-employed workers by paying maternity allowance at an equivalent rate for first 6 weeks as earning-related rates for Statutory Maternity Pay.
- Overhaul shared parental leave and pay, with an individual entitlement for both parents, and paid at a liveable rate as a day one right for all workers, regardless of employment status.
- Make flexible working a genuine legal right from the first day in a job. People should have the right to work flexibly from day one, unless the employer can properly justify why this is not possible, regardless of employment status.
- Require employers to include possible flexible working option in all job adverts and give successful applicants a day one right to take up any of those options.
- Introduce 10 days paid carers leave as a day one right for all workers, regardless of employment status.

²⁰ [Directive - 2023/970 - EN - EUR-Lex \(europa.eu\)](#), [Pay transparency in the EU - Consilium \(europa.eu\)](#), [Parliament backs stronger gender pay transparency directive | ETUC](#)

- Ban the use of zero-hours contracts.
- Government should develop official metrics of the gender pensions gap. A statutory requirement should be introduced for government report to annually on the scale of the gap and produce an action plan to reduce it.
- The lower earnings limit that lets employers make no pension contributions on the first £6,240 of a worker's income should be removed. The £10,000 earnings threshold that excludes many low paid workers being automatically enrolled into a workplace pension scheme should be phased out.
- Universal, flexible, high-quality childcare should be available to all from the point at which paid maternity or parental leave ends.
- Government must work with unions and employers to tackle widespread insecure work and poverty pay in social care.