



BRIEFING PAPER

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Women and the Economy

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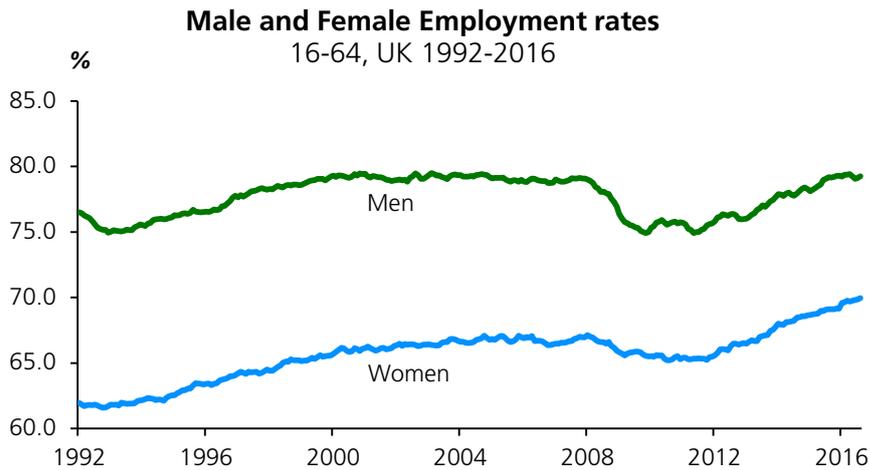
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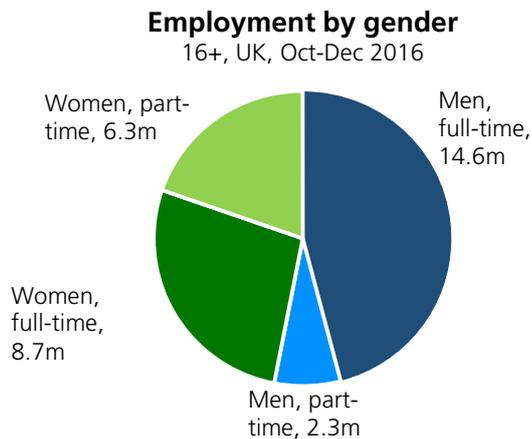
Summary

This note looks at women’s participation in the UK labour market and in business.

70.0% of women aged 16-64 were in employment in October-December 2016, the highest proportion since comparable records began in 1971. Recent increases in the rate are partly due to ongoing changes to the State Pension age for women. This compares to a male employment rate of 79.3%.



The number of women aged 16 and over working full-time was 8.7 million in October-December 2016, compared to 14.6 million men. The number of women working part-time was 6.3 million, compared to 2.3 million men.



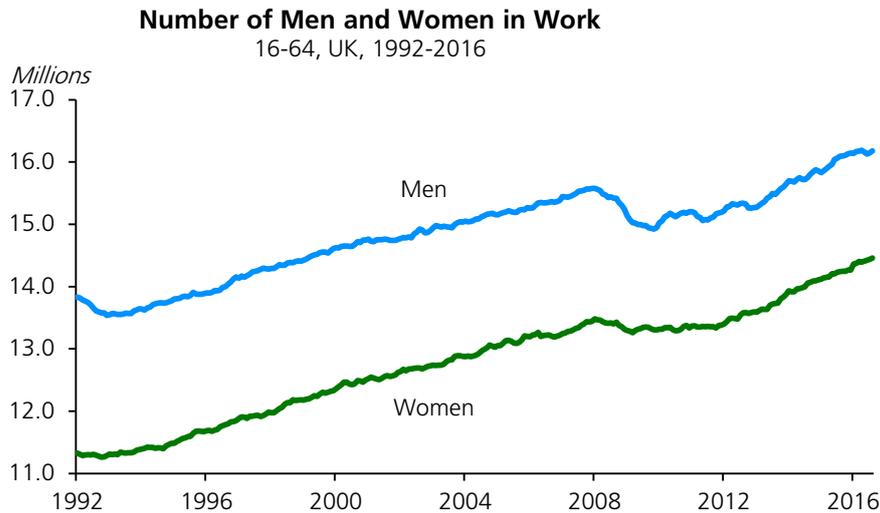
An estimated 21% of Small and Medium-sized Enterprises (SMEs) were led by women in 2015.

26% of FTSE100 directors were female in October 2015, up from 13% in 2011.

1. Trends in female employment

1.1 Women in work

14.5 million women aged 16-64 were in employment in October-December 2016. The employment rate for women of that age was 70.0%, an increase of 0.8% points from the same period in 2015.¹



The employment rate for men aged 16-64 was higher than that for women, at 79.3% in October-December 2016. The gap between men and women has fallen from 10.0% points to 9.3% points over the last year, its lowest recorded value (in the 1990's and early 2000's the gap was greater than 13% points).

The employment rates for both men and women are greater than their pre-recession levels (67.0% for women and 79.1% for men in early 2008). There was only a small decrease in the number of women in employment during the recession (although this masks some underlying changes in type of employment).

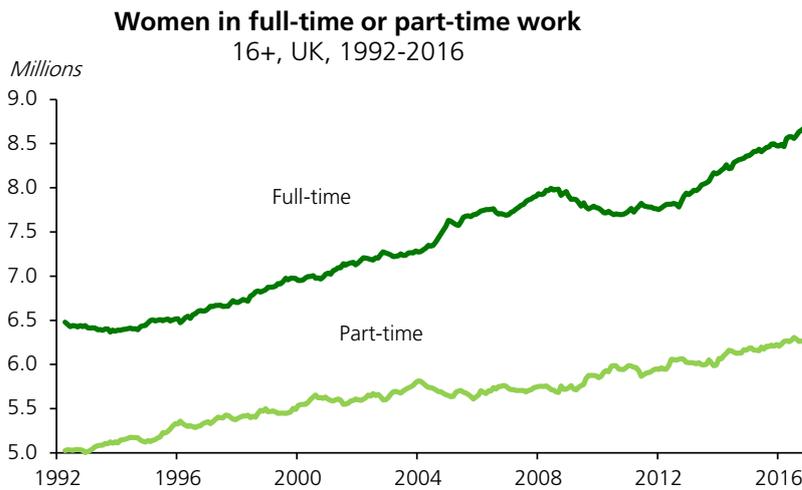
The latest female employment rate is the highest since comparable data began to be recorded in 1971.

1.2 Full-time and part-time work

8.7 million women aged 16 and over worked full-time in October-December 2016, while 6.3 million worked part-time.

In that same quarter, 42% of women in employment aged 16 and over worked part-time, compared to 14% of men.

¹ All data on employment and economic activity are taken from ONS, [Labour Market Statistics, February 2017](#), except where stated otherwise.



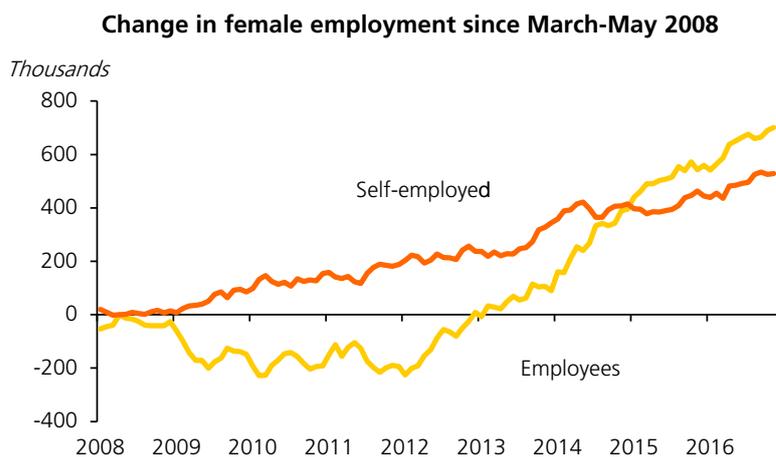
The number of women in full-time employment decreased between 2008 and 2010, but numbers in part-time employment increased following the economic downturn. Growth in full-time employment for women has picked up since the end of 2012.

1.3 Self-employment and employee work

1.58 million women aged 16 and over were self-employed in October-December 2016, compared to 3.22 million men of the same age. During that quarter, 13.26 million women were working as employees, compared to 13.57 million men.

Women are more likely than men to work as employees, but less likely to be self-employed. Although women make up 49% of all employees aged 16 and over (and 47% of all people aged 16 and over in work), they comprised only 33% of self-employed people in October-December 2016.

There has been a large increase in the number of people who are self-employed since the recession (24%), and the increase in the number of self-employed women exceeds the increase for men. The number of women who are self-employed increased by 50% (or 529,000) from March-May 2008 to October-December 2016, and this compares to a 15% (or 414,000) increase in men who are self-employed.

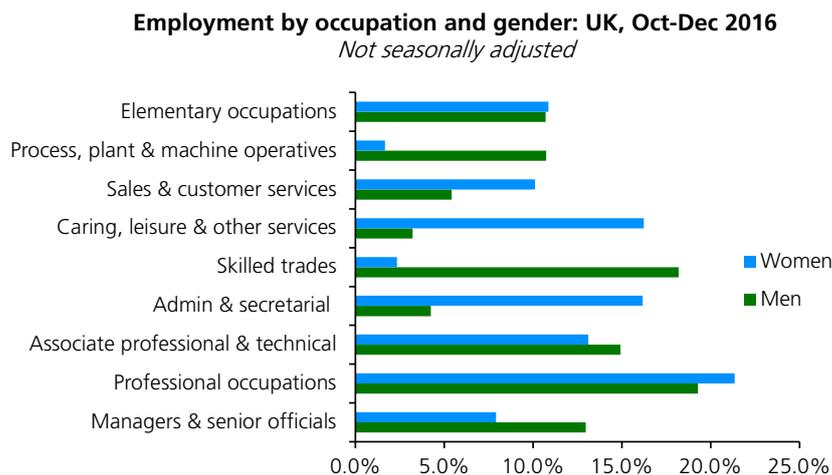


The number of women who are self-employed has been increasing since the economic downturn. The number of women working as employees, on the other hand, fell following the downturn but is now 6% (or 701,000) higher than its pre-recession level.

Over the last year the number of self employed females increased by 4.3%, compared to an increase of 1.2% in the number of female employees. There was also an increase in the number of self employed males (by 1.9%) but the number of male employees stayed at almost the same level.

1.4 Employment by occupation

In October-December 2016, 7.9% of women in employment worked as managers or senior officials, compared to 13.0% for men – the number of female managers/senior officials has increased by 25% over the last five years. 21.4% of women were employed in professional occupations in October-December 2016, slightly higher than the 19.3% of men working in these roles.

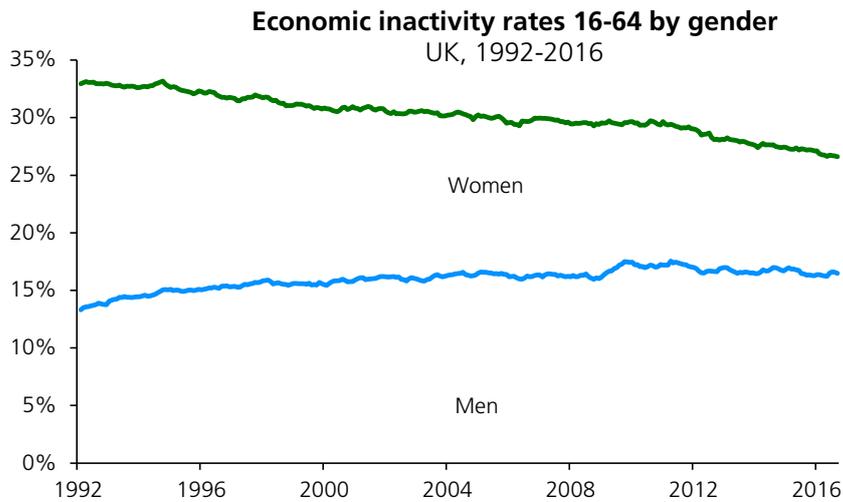


Many more women than men work in administrative and secretarial occupations and in caring, leisure and other service occupations. They were much less likely to work in process, plant and machine operative occupations or in skilled trades (only 4% of women did so in October-December 2016, compared to 29% of men).

1.5 Unemployment and economic inactivity

5.50 million women aged 16-64 were **economically inactive** (not in work and not looking for or available for work) in October-December 2016, which is 26.6% of women in this age group. This includes around 1.96 million women who were inactive because they were looking after family or home that quarter.

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720,000 women aged 16 and over were **unemployed** at October-December 2016, compared to 877,000 men.

The female unemployment rate (the proportion of the economically active population who are unemployed) was 4.6%, compared to 4.9% for men.



Of those women currently unemployed, 38% have been unemployed for more than six months (271,000 women). By comparison, 43% of unemployed men have been unemployed for longer than six months.

1.6 Regional differences

In the twelve months to September 2015, the employment rate for women was highest in the South West, South East and East of England. It was lowest in Northern Ireland.²

In all UK countries and regions, the employment rate for women was lower than for men. The gap is largest in London, where there is a 14%

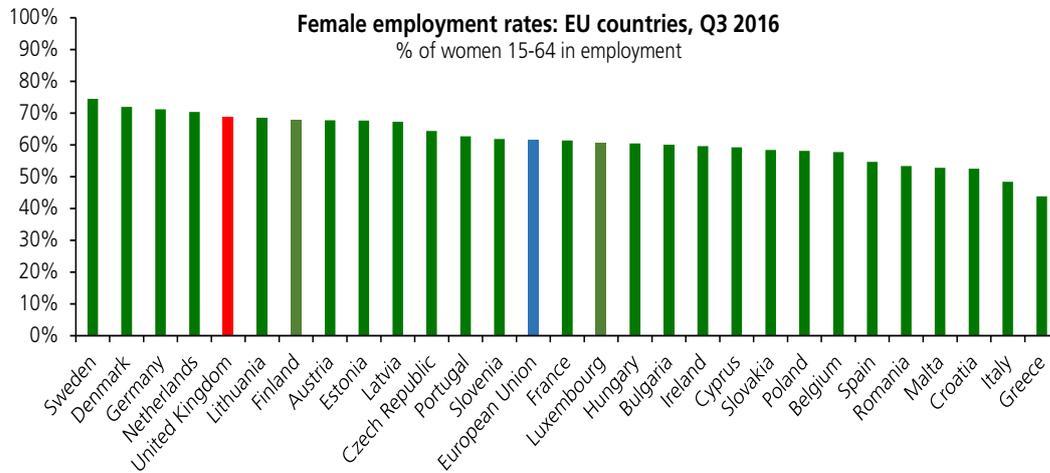
² Source: Annual Population Survey via ONS Nomis

point gap between the male and female employment rates, and smallest in the North East and Wales, where there is a 7% point gap.



1.7 International comparisons ³

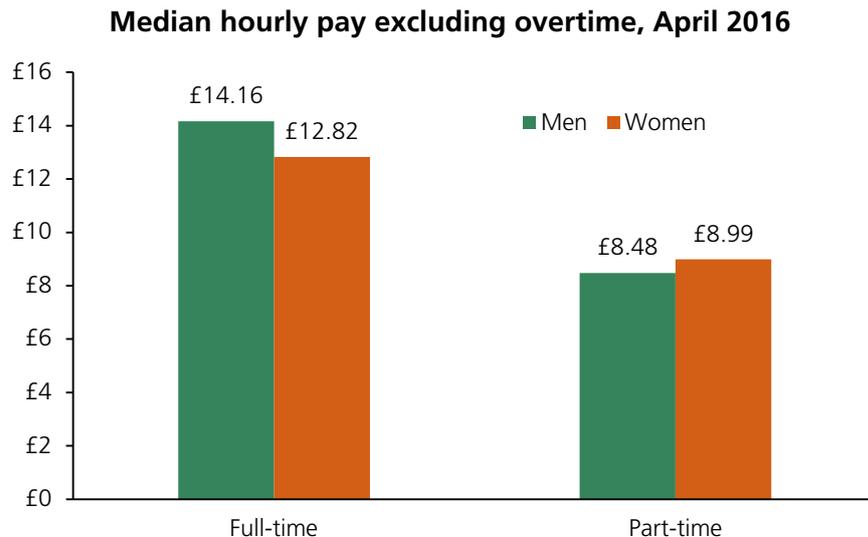
In the third quarter of 2015, the UK had the 5th largest female employment rate among member states of the European Union.



³ Source: Eurostat

2. Earnings and the gender pay gap

On average, female employees working full-time are paid less per hour than male full-time employees. At April 2016, median full-time hourly earnings (excluding overtime) were 9.4% less for women than for men. However, median hourly earnings for part-time employees were 6.0% higher for women than for men.⁴ (The median is the point at which half of people earn more and half earn less.)



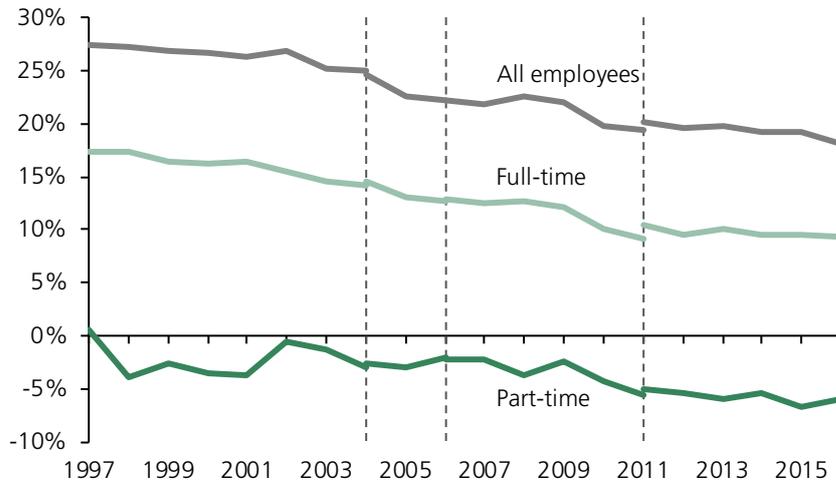
The gender pay gap for all employees (both full-time and part-time) was 18.1%. Counter-intuitively, this overall pay gap is higher than the 9.4% gap for full-time employees and the -6.0% gap for part-time employees. This is because more women than men work part-time and part-time workers tend to earn less than full-time workers.

2.1 The gender pay gap has reduced over the past 15 years

Broadly speaking there has been a downwards trend in the full-time pay gap since 1997 and the overall pay gap has also decreased over the period. The part-time pay gap has widened since the early 2000s, with women earning more than men.

⁴ Earnings data are from ONS, [Annual Survey of Hours and Earnings, 2015 Provisional Results](#)

Gender pay gap, UK, 1997-2016

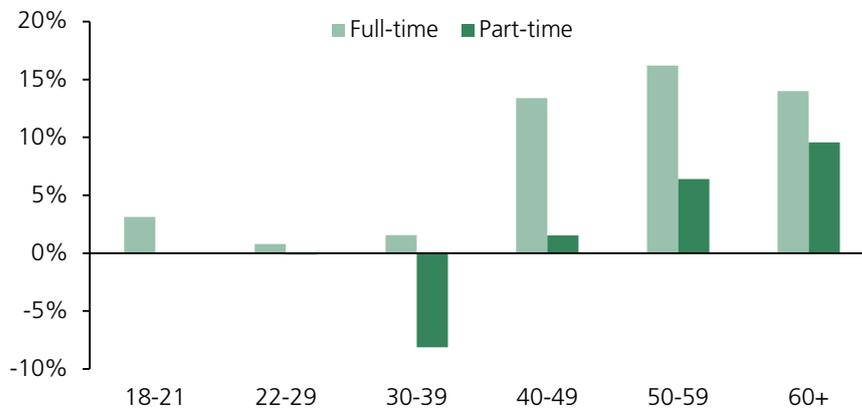


Dashed lines indicate breaks in the series in 2004, 2006 and 2011

2.2 The gap varies with age

The gender pay gap varies markedly by age. The gap is small or negative for employees in their 20s or 30s. For older age groups, the gap widens considerably (although less so for part-time employees).

Gender pay gap by age, April 2016



One reason for the age differences in the pay gap may be that factors affecting women’s employment and earnings opportunities become more evident among women aged in their 30s and 40s. For example, time spent out of the labour market to care for children or elderly relatives could affect future earnings when a person returns to work. Similarly, the need to balance work with family commitments and the availability of flexible working practices may restrict individuals’ employment options. Another explanation is generational differences: the group of younger workers may have some different characteristics to older workers, for example with regard to educational attainment.

For further information on the gender pay gap, see the [Library's standard note](#).

3. Women leading businesses

Various sources are used in this section to provide an indication of female business leadership in the UK.

3.1 Female-led SMEs

In 2015, 21% of SMEs in the UK were majority led by women (defined as controlled by a single woman or having a management team of which a majority were women). There were fewer women-led businesses in medium-sized businesses (15%), compared to small and micro businesses (both 21%).

Women-led businesses were most likely to be found in pre-primary education (92%), social work without accommodation (65%), hairdressing/beauty treatments (61%), primary education (47%), residential care (46%) and other education (43%).

Women-led SMEs are under-represented in the sectors of transport (11%), finance / real estate (12%), info-comms (13%), construction (13%) and manufacturing (14%).⁵

3.2 Female start-ups

Estimates have been made of the proportion of women involved in “total early stage entrepreneurial activity” or TEA. TEA includes the owning or running of any business that is less than 3 and a half years old.⁶

In 2015, the TEA rate (the proportion of working aged people involved in TEA) in the UK was 7.1%. This is above the rate in Germany (4.7%) and below the rate in the US (11.9%).⁷

By gender, the TEA rate in the UK was 4.7% among women and 9.5% among men. In Germany, the female TEA rate is 3.3%, and in the US it is 9.2%.⁸

3.3 Women on boards

A target that FTSE100 boards should have a minimum of 25% female representation by 2015 was set in the 2011 report by Lord Davies of Abersoch, [Women on boards](#).⁹

In October 2015, it was [announced](#) that this target had been met, and that 26% of FTSE100 board members were female.

There are now zero all-male boards in the FTSE 100, down from 21 in 2011. In the FTSE 250, there are now 15 all male boards, down from 152 in 2011.¹⁰

⁵ BIS, [Longitudinal Small Business Survey Year 1 \(2015\): SME employers, May 2016](#), p 31

⁶ Global Entrepreneurship Monitoring Consortium, [UK profile 2015](#), 2016

⁷ *Ibid*, p44

⁸ *Ibid*, p46

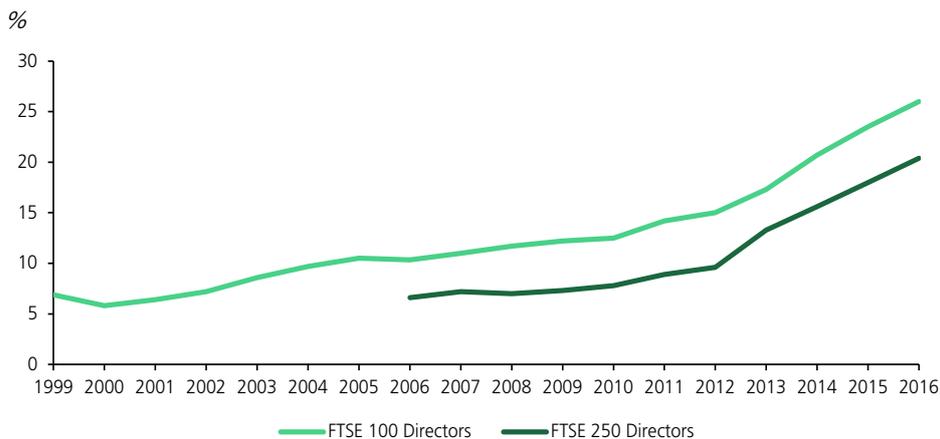
⁹ Lord Davies of Abersoch and BIS, [Women on boards](#), February 2011, p 4

¹⁰ Lord Davies of Abersoch and BIS, [Five year summary report](#), October 2015, p 34; Sealy et al., Female FTSE Board Report 2016, July 2016, p 1

Lord Davies' report states that against his target, Unilever and Marks and Spencer were the best performing boards in October 2015, with female representation of 50% and 42% respectively.¹¹

The chart below shows that the proportion of female directors of FTSE 100 companies experienced slow growth between 2000 and 2012, and has been increasing rapidly since – reaching 26% in 2016. In the FTSE 250 – the next 250 largest companies after those in the FTSE 100 – 20% of company directors were women in 2016, up from 13% in 2013.

Female directors at FTSE 100 and FTSE 250, 1999-2016



Source: [Sealy, et al., Female FTSE 100 reports, Women on Boards: Taking Stock of where we are](#)

In his *Five year summary report*, Lord Davies set a new target that at least one third of all directors on FTSE 350 companies should be women by 2020.

As of June 2016, the percentage of companies with at least one third of female directors was 19% for the FTSE 100 and 16% for the FTSE 250.¹²

¹¹ *Ibid*, p 13

¹² Sealy et al., Female FTSE Board Report 2016, July 2016, p 1

4. Further reading

- House of Commons Library Standard Note, [Women around the world: International Women's Day 2017](#)
- House of Commons Library Standard Note, [Women in Parliament and Government](#)
- House of Commons Library Standard Note, [Women in Public Life, the Professions and the Boardroom](#)
- House of Commons Library Standard Note, [Women Members of Parliament: Background Paper](#)
- House of Commons Library Standard Note, [The gender pay gap](#)

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