

Not having it all: How motherhood reduces women's pay and employment prospects

by Jessica Woodroffe
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Summary

How does motherhood reduce pay?

Becoming a parent marks the start of the great divide between women's and men's pay. Motherhood has a direct and dramatic influence on women's pay and employment prospects, and typically this penalty lasts a lifetime. Mothers are far more likely than fathers to take time out from paid work, or to work part-time, in order to care for their children. They are, for example, nine times as likely as fathers to arrange not to work during school holidays.¹

The motherhood pay penalty starts with women's loss of income when they leave paid work to give birth and care for their children. Even a short break then also reduces *future* earnings, as women will have lost out on relevant experience, training and promotion. For each year she is absent from the workplace a mother's future wages will reduce by four per cent.²

When they return to work, many mothers find part-time jobs are the only way to combine employment with childcare. It is these women who experience the largest pay penalty. To find a part-time job they usually have to accept a post at a lower grade, with less security and prospects than in previous jobs, or in a sector with low pay.

Many mothers also face discrimination from employers, who assume they will be unreliable or unable to cope with the demands of the job. This discrimination extends to women without children too, with some employers regarding all women of childbearing age as potential liabilities.

A cycle exists where mothers' traditional caring roles lead them to leave paid work or to work part-time, which leads to lower remuneration, which reinforces domestic gender roles so that it makes financial sense for fathers rather than mothers to work full-time. This cycle is not inevitable; mothers in countries where labour markets are organised differently face a lower pay penalty.

The purpose of this report is not to argue that mothers should be in paid work. Instead the argument is that those mothers who choose or need to be in paid work should be able to do so without a pay penalty.

What needs to change?

New policy responses are needed. One goal must be to reduce the penalty mothers pay for their absence from the workplace. Women who want to return to work should have much more

¹ *Labour market statistics*, Office for National Statistics, <http://www.statistics.gov.uk/pdfdir/imsuk0509.pdf>, May 2009.

² W. Olsen & S. Walby, *Modelling Gender Pay Gaps*, Equal Opportunities Commission, 2004.

Summary

Continued

support through, for example, training and mentoring combined with appropriate childcare. This new focus must work alongside a continued and enhanced protection for women's jobs while they are on maternity leave.

A revolution in part-time working is the second goal. Women should be able to return to their old, or equivalent, jobs, but working fewer hours. Those in part-time work need better training and chances of promotion. And the low pay in female-dominated sectors, where so many mothers work part-time, needs to be addressed.

Tackling the high pay penalty of motherhood is central to achieving women's equality at home and in the workplace. Four areas stand out as priorities:

- Provide mothers with support to return to jobs at their previous skill levels;
- Enforce and extend the law on maternity rights;
- Create substantially more part-time work in higher paid occupations;
- Tackle the low pay that exists in sectors primarily employing women.

Introduction

“There is one factor that above all leads to women’s inequality in the labour market – becoming mothers.”³

Nearly four decades after the introduction of the Equal Pay Act, the gap between women’s and men’s average pay is still 17.1% for those working full-time, and 22.5% when part-time workers are included.⁴ The gap is even larger for women working part-time and for ethnic minority women in particular.⁵

The causes of the gender pay gap are a complex web of prejudice and the undervaluing of women’s work, which have created a labour market in which women fare worse. The gap is partly as a result of occupational segregation, with women working in low paid sectors, and partly the result of straightforward discrimination, where women are paid less than men for doing work of equal value.⁶ But a sizeable proportion of the gap is the penalty that motherhood imposes on women’s paid and unpaid work.

Motherhood leads women to remove themselves, or be removed, from the paid workplace. This reduces their chances to gain relevant skills and experiences and so reduces future employment prospects and pension entitlements. But even when they return to paid work, mothers pay a high price. Many mothers, by choice or by compromise, work part-time. This move to part-time work means a move to lower pay, less job security, lower training and skills development and fewer prospects.

The purpose of this report is not to argue that mothers should be in paid work. There is too strong an assumption in much public policy that paid employment is the only rational choice, particularly for women living in poverty and lone mothers.⁷ This assumption ignores both the high level of responsibility many women carry for caring and household work, and the lack of affordable, appropriate and adequate childcare. Instead the argument is that those mothers who choose or need to be in paid work should be able to do so without a pay penalty.

This report starts by quantifying the motherhood pay penalty. It then looks at the two main causes of the motherhood penalty: firstly at absence from the labour market, and secondly at changing work patterns, followed by the impact on women without children. The policy implications are then considered focusing particularly on the need to mitigate the negative impact of mothers’ absence from the labour market, and the need to revolutionise part-time working.

³ *Fairness and Freedom: The Final Report of the Equalities Review*, Pg 66, Cabinet Office, 2007.

⁴ S. Conn, *Labour costs*, Economic and Labour Market Review 3/2, 2009.

⁵ L. Platt, *Pay gaps: the position of ethnic minority women and men*, Equal Opportunities Commission, 2006.

⁶ Equal Pay Campaign homepage ‘equal pay campaign’: <http://www.fawcettsociety.org.uk/index.asp?PageID=23>, The Fawcett Society, 2009.

⁷ z. moosa with J. Woodroffe, *Poverty pathways: ethnic minority women’s livelihoods*, The Fawcett Society, 2009.

2. The size of the motherhood pay penalty

Becoming a parent significantly impacts on women's wages. The motherhood pay penalty has been estimated to reduce average earnings by one fifth.⁸ Being a mother of a child under 10, and particularly being a lone mother, has a larger impact on employment prospects than any other factor including disability, age and race.⁹ For ethnic minority women this means a double level of discrimination.

The combination of less full-time and more part-time employment experience and more interruptions in employment due to caring work is calculated to account for 21% of the total gender pay gap. By this calculation, the motherhood penalty comprises a greater proportion of the gender pay gap than occupational segregation.¹⁰

The Gender Gap by Family Status¹¹

	Average hourly gross wage				Gender wage gap: average female wage as percentage of average male wage	
	Women		Men		All workers	Full-time workers
	All workers	Full-time workers	All workers	Full-time workers		
No children	£7.62	£7.88	£8.35	£8.41	91.3	93.7
With children	£7.19	£7.96	£10.78	£10.77	66.6	73.9
Children left	£7.04	£7.70	£9.85	£9.79	71.5	78.6

The pay gap is usually calculated using hourly pay. A comparison of weekly earnings between men and women reveals a far larger pay penalty because of the number of women who work part-time, most of them mothers. Women's weekly (rather than hourly) earnings are on average only 53% that of men's.¹²

⁸ H. Davies, H. Joshi, K. Rake & R. Alami, *Women's Incomes over the Lifetime: a report to the Women's Unit*, Cabinet Office, 2000.

⁹ R. Berthoud & M. Blekesaune, *Persistent Employment Disadvantage*, Research Report 416, Department for Work and Pensions, 2007.

¹⁰ *Modelling Gender Pay Gaps*, op cit.

¹¹ Statistics taken from: P. Brewer & G. Paull, *Newborns and*

new schools: critical times in women's employment, Research report 308, Pg 77, table 6.1, Department for Work and Pensions, 2006.

¹² The weekly average (median) total individual income for all women in Great Britain in 2003/04 was £161. This was 53% men's individual incomes which stood at £303 per week. Statistics from National Statistics (2009): <http://www.statistics.gov.uk/cci/nugget.asp?id=1189>

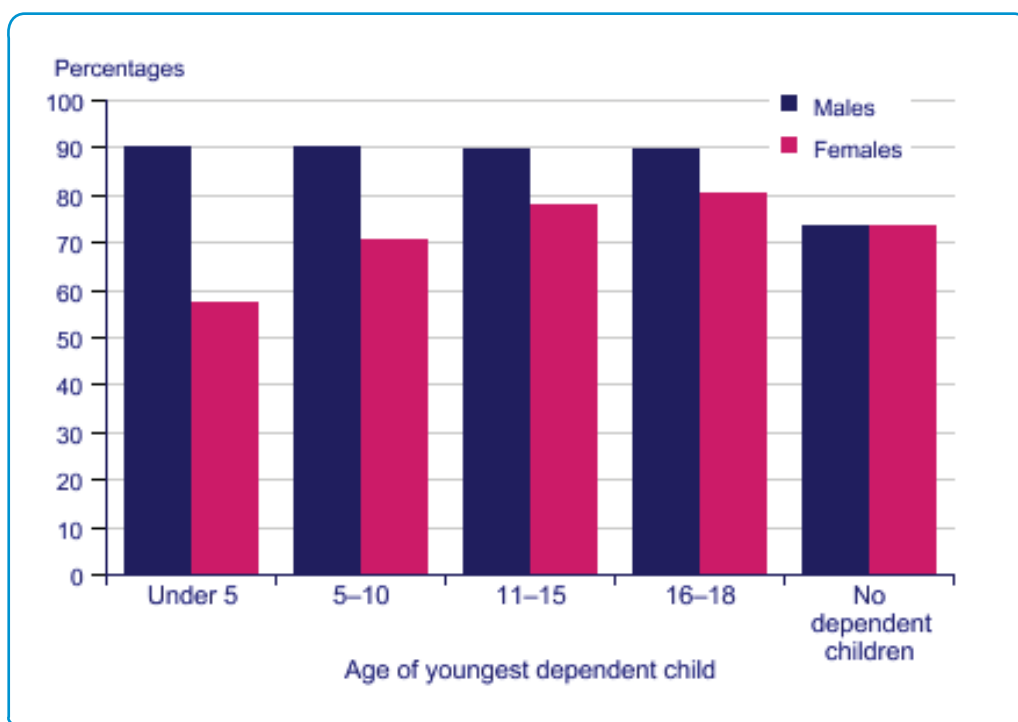
3. Mothers' absence from the labour market

“Taking time out of the labour market to have children is one of the main reasons that women earn less than men.”¹³

Women leave paid work when they become mothers. Before becoming parents, men and women are equally likely to be employed, but childbirth marks the start of a great divide which continues even after children have left home and does lasting damage to women’s careers.

Only about half (57%) of all mothers with children under five will be in paid work, compared to nine-tenths of fathers. For lone mothers this trend is even more striking, with only a third of those with children under five in employment.¹⁴ Women from ethnic minorities are also more likely to leave paid work for longer, especially Black lone mothers.¹⁵

Employment rates: by age of youngest dependent child, 2008, UK¹⁶



Surprisingly, mothers are also likely to leave their jobs when children, particularly their last, start primary school (16% in one study). This is a period of great change with some mothers starting work and others leaving.¹⁷

¹³ *Shaping a Fairer Future*, The Women and Work Commission, 2006.

¹⁴ *Labour market statistics*, May 2009, op cit.

¹⁵ *Newborns and new schools*, op cit.

¹⁶ *Work and Family, Employment rates: by age of youngest dependent child, 2008, UK*, National Statistics Online: <http://www.statistics.gov.uk/cci/nugget.asp?id=1655>

¹⁷ *Newborns and new schools*, op cit.

3. Mothers' absence from the labour market

Continued

As children get older the number of mothers in paid work increases gradually. Two fifths of mothers with children under 11 and one fifth of mothers with children in secondary schools are not in paid work.¹⁸ Even when children leave home, only three quarters of mothers will be in paid work.¹⁹

The group of mothers who never return to work is not represented in much of the research which looks specifically at pay, and therefore at women who at some point return to work. The experiences of those women who have their children before they have really entered the workforce are also not always captured. This is most likely to be the case for low income or Bangladeshi and Pakistani mothers.²⁰

The impact of mothers' absence from the labour market

- For each year of absence from employment for child and family care, hourly wages decrease by one per cent (so four per cent relative to permanent employees).
- Interruptions to employment due to caring work account for 14% of the gender pay gap.²¹

Absence from the labour market has an immediate impact on women's income by removing their earnings, but even maternity leave or short absences will have a lifetime impact on pay. (There has been conflicting research on whether the length of absence from paid work makes a difference to subsequent wages.²²)

There is a pay penalty even for those mothers who return to work full-time. Partnered women with no dependant children earn an average nine per cent less than men. For mothers working full-time with two children at home, the gap rises to 21.6%.²³ (Mothers working part-time experience a substantially larger gap as is shown in the following sections).

While absent from the workplace, women will not be building up work experience, training or recognised skills (the new skills they will be learning as a parent may well be valuable but are seldom recognised). They may also have missed out on a promotion opportunity while on maternity leave. This leaves them at a disadvantage when competing for new jobs or future

¹⁸ *The report: equality between women and men*, The European Commission, 2008.

¹⁹ *Newborns and new schools*, op cit.

²⁰ *Moving on up? Bangladeshi, Pakistani and Black Caribbean women and work*, Equal Opportunities

Commission, 2007.

²¹ *Modelling Gender Pay Gaps*, op cit.

²² *Newborns and new schools*, op cit.

²³ S. Conn, *Labour Costs*, Economic and Labour Market Review, Vol. 3, No. 2, February 2009, p.52.

3. Mothers' absence from the labour market

Continued

promotions. Each year an estimated 440,000 women lose out on pay or promotion as a result of pregnancy.²⁴

Employers' prejudice plays a role. Mothers are perceived by some employers as less reliable; others assume that a woman will want another child and so don't promote or hire her. Employers still appear to feel justified in asking women about their family status, particularly if they are from an ethnic minority. 14% of all white women and nearly a quarter of ethnic minority women have been asked about their plans for children in an interview, or asked what their family thinks of them working.²⁵

In an attempt to argue that legislation has gone too far, Lord Alan Sugar, the Government's new business tsar, voices what many business people appear to believe: "If someone comes into an interview and you think to yourself there is a possibility that this woman might have a child and therefore take time off, it is a bit of a psychological negative thought."²⁶

Why mothers aren't in the paid workforce

Redundancy

At its most extreme, maternity leave can lead to redundancy. Even before the recession, the Equal Opportunities Commission (EOC) estimated that 30,000 women a year lost their jobs as a result of becoming pregnant.²⁷ The Alliance Against Pregnancy Discrimination in the Workplace has documented the increase in pregnancy related redundancies which some law firms and help-lines are witnessing, suggesting that employers are using the recession as an excuse to break the law.²⁸ That women are more likely to be in sectors with lower job security makes this increase in redundancies even harder. If they have been in post for less than two years they are not entitled to redundancy payments. If they do find another job, the earnings of these women are an average five per cent lower than they would otherwise have been, with the lowest paid suffering the highest pay penalties.²⁹

²⁴ *Greater expectations: final report of the EOC's investigation into discrimination against new and expectant mothers in the workplace*, Equal Opportunities Commission, 2005.

²⁵ S. Botcherby, *Pakistani, Bangladeshi and Black Caribbean women and employment survey: aspirations, experiences and choices*, Equal Opportunities Commission, 2006.

²⁶ *Britishness classes? Children need to learn enterprise: Sir Alan Sugar sets Rachel Sylvester and Alice Thomson straight on schools, women and work*, Daily Telegraph, 2.6.2008

²⁷ *Greater expectations: final report of the EOC's investigation into discrimination against new and expectant mothers in the workplace*, Equal Opportunities Commission, 2005.

²⁸ J. Woodroffe with E. Higham, *Alliance Against Pregnancy Discrimination in the workplace briefing*, The Fawcett Society, 2009.

²⁹ T. Hogarth and P. Elias, *Pregnancy Discrimination at Work: Modelling the Costs*, Working Paper Series No 39, pp 16-17, Equal Opportunities Commission, 2006.

3. Mothers' absence from the labour market

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Choice and compromise

Some women will make a positive choice to remove themselves from paid work to take care of their children. For others it is a compromise; the best option given the lack of adequate, affordable childcare, and hence a rational decision once take-home pay and childcare costs are compared.

Many mothers would like to work but can't find the kind of jobs they need given their new responsibilities. Black mothers have the least access to flexible jobs.³⁰ The Equality and Human Rights Commission (EHRC) found in their 2009 survey that a quarter of all women who are not in paid work put their unemployment down to the lack of flexible or part-time work available.³¹

For others, the 'choice' not to be in employment is a function of deeply held family values. Pakistani and Bangladeshi mothers are especially likely not to be in paid work once they have children. A study of Pakistani and Bangladeshi women found that most women said they didn't want to work when their children were young, and did so only out of financial necessity.³² While this appears to be partly as a result of preference, some research has found a desire among younger women in these groups to balance child care with their desire to be in paid work. There is emerging evidence that these women may not be in paid work as they are facing additional discrimination in the workplace because they are Muslim.³³

Women move jobs after childbirth

Women frequently move to new employers when they return from having a baby. There are two main reasons for this. Firstly, many of these women had no security of employment when they left. Female-dominated occupations are likely to have less job security, and ethnic minority women are especially likely not to have access to maternity leave and rights.³⁴ Those women who have already taken breaks because of children are also less likely to be entitled to any maternity rights based on length of employment. Secondly, mothers move in order to find a job which works with their new responsibilities.

These moves are not a planned choice between wages and different working patterns.³⁵ Women lose bargaining power when they become mothers. They may appear less attractive prospects to employers who have prejudiced notions of, for example, how reliable they will be. They may

³⁰ *Poverty pathways: ethnic minority women's livelihoods*, op cit.

³¹ *Working better: meeting the changing needs of families, workers and employers in the 21st century*, Equality and Human Rights Commission, 2009.

³² A. Aston, H. Hooker, R. Page & R. Willison, *Pakistani and*

Bangladeshi women's attitudes to work and family, Research Report 458, Department for Work and Pensions, 2007.

³³ *Fairness and Freedom: The Final Report of the Equalities Review*, Cabinet Office, 2007.

³⁴ *Ethnicity and patterns of employment and care*, Equal Opportunities Commission, 2007.

³⁵ *Newborns and new schools*, op cit.

3. Mothers' absence from the labour market

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also have less knowledge of the workplace in general and the opportunities on offer. They even have less support under Government schemes for finding work. At the same time their requirements will be greater, so the pool of viable employment options smaller.

Just when they need it most, mothers are likely to have less access than men to the back to work schemes linked to Jobseeker's Allowance (JSA). Entitlement based on National Insurance (NI) contributions excludes women who earn below the NI lower earnings level or who have had too many breaks to have made sufficient contributions. At the same time, income based JSA is assessed on family income, so mothers with working partners may not qualify. As a result, many women won't have registered as unemployed and so will not get help from the New Deal programmes and other back to work support. Train to Gain, apprenticeship schemes and other continuing education provision are also not well tailored to returning mothers.³⁶

Oxfam has documented the way in which women need longer and more practical support to get into work, particularly around the need to find affordable childcare and local jobs. Too often women are offered low-paid, low-skilled jobs which don't cover their childcare costs and have no potential for career progression.³⁷

³⁶ K. Rake, *Are women bearing the burden of the recession*, The Fawcett Society, 2009.

³⁷ *From getting by to getting on: women's employment and local regeneration programmes*, Oxfam/RENEW North West, November 2007.

4. Mothers' new working patterns

“The lack of flexible working and high quality fairly paid part-time work means that women work below their skill level and experience a considerable part-time penalty.”³⁸

Mothers change the way that they work as well as the employer that they work for. They change the number of hours they work, the level that they work at and the security of their employment. This move to part-time, insecure and non-supervisory posts will have life-long effects on wages.³⁹

As with those women who stop work altogether after childbirth, the reasons for changing working patterns will be a complex web of choice and necessity. There will be positive choices to take a job which allows more time with children. But for many more women there will be compromises to find a job where the hours fit with other responsibilities given a lack of appropriate, affordable childcare or participation by fathers. Mothers may also be looking for work which is closer to home; an important factor when having to pay for childcare for travelling time, or needing to fit a job into the hours between 9am and 3.30pm.

Mothers are just as motivated as fathers to be in paid work in order to sustain a career, and a third of all women identified personal development and fulfilment as an important factor in deciding to work. In *Working Better* the EHRC concludes that it is the lack of options around leave and flexible working which forces mothers into making difficult choices.⁴⁰

Less than half of parents feel it is possible to meet the requirements of their children and those of their jobs, and only a third of parents feel they had a genuine choice about whether to spend time with their children or work.⁴¹ Nearly one-third of parents with a dependant child have left or been unable to take up a job because of their caring responsibilities.⁴² Lack of affordable childcare is often cited as a problem for women trying to move from part- to full-time jobs.⁴³ Finding appropriate childcare has been identified as a particular problem for many ethnic minority women.⁴⁴

These shifts in employment patterns also take place when children start school and childcare becomes more complicated, with many of those who had previously been able to afford formal provision switching to the free care provided by families or friends.⁴⁵

There are three main ways in which working characteristics change, of which part-time work is the most significant. The impact on wages of working at lower levels or in less secure jobs is not surprising, but what is really striking is the impact on hourly wages of working part-time.

³⁸ *Closing the gender gap: an update report on TUC women's conference 2008*, TUC, 2008

³⁹ G. Paull, *The impact of children on women's paid work*, Institute for Fiscal Studies 24/7, 2006

⁴⁰ *Working better*, op cit.

⁴¹ Ibid.

⁴² *Enter the time-lords: transforming work to meet the future*, Equal Opportunities Commission, 2007

⁴³ *Oxfam GB's response to: 'A new deal for welfare: Empowering people to work'*, Oxfam, February 2006.

⁴⁴ *Ensuring Equality in childcare for black and minority ethnic families: a summary paper*, Daycare Trust, 2008.

⁴⁵ *Newborns and new schools*, op cit.

4. Mothers' new working patterns

Continued

The prevalence of part-time working among mothers

Flexible and part-time working is critical for mothers. A survey by the EHRC found flexibility is 'important' or 'very important' to 88% of mothers when looking for a new job.⁴⁶ In another survey by the EOC over 90% of all women said flexible working conditions were important, with ethnic minority women more likely to grade them as 'very important'.⁴⁷

Flexibility is a loose term covering a range of different working options. For most mothers it is actually part-time work, rather than flexible nearly full-time work, that they are looking for. Half of all mothers in full-time work will move to part-time work after the birth of a child, and a fifth of all mothers will do the same when their child enters primary school. The numbers of men doing the same is tiny.⁴⁸

As a result, women are nearly four times as likely to work part-time as men. Despite the lower numbers of women in employment, they make up three quarters of all part-time workers.

Women and men in part-time and full-time employment 2008⁴⁹

	Full-time jobs	Part-time jobs	Percentage in employment who work part-time
Women	7.8 million (36%)	5.7 million (76%)	42%
Men	13.9 million (64%)	1.8 million (24%)	11.5%

This is not simply because mothers have more access to flexible working arrangements than fathers. Fathers are half as likely as mothers to be able to do their job part-time, but only a tenth will take up this opportunity.⁵⁰ The reasons for part-time employment are different too. Of those men who do work part-time, nearly half are studying or looking for full-time work, whereas 79% of female part-timers didn't want a full-time job.⁵¹

⁴⁶ *Working better*, op cit.

⁴⁷ *Pakistani, Bangladeshi and Black Caribbean women and employment survey*, op cit.

⁴⁸ *Newborns and new schools*, op cit.

⁴⁹ *Labour market statistics*, op cit.

⁵⁰ S. Dex & K. Ward, *Parental care and employment in early childhood*, Working Paper Series No 57, Equal Opportunities Commission, 2007.

⁵¹ *Labour market statistics*, op cit.

4. Mothers' new working patterns

Continued

Part time working continues long after children enter school. Even 30 years after birth, only 60% of working mothers are in full-time employment, compared to nearly 100% of working fathers.⁵²

There is a less stark division with flexi-working, which may be allowing some mothers to continue to work full-time. About a third of mothers and a fifth of fathers with dependant children use some kind of flexible working arrangement. The biggest difference is in term-time working – where mothers are nine times as likely as fathers to make arrangements so that they do not work during the school holidays.⁵³

Access to flexible working arrangements varies by type of job and by ethnicity. The types of working arrangements (such as flexible working, nine day fortnights and term time working) with potentially less damaging impacts on pay are more available in higher paid roles. Black mothers have least access to these options.⁵⁴ Figures on flexi-working do not yet reveal what impact this has on pay, but it is likely to be much less than the part-time premium.

The impact of part-time work on wages

Working part-time has serious implications for women's wages. The problem is not just that part-timers' weekly earnings are lower - although this is obviously true and obviously a problem. It is also because the hourly rates for part-timers are low.

Hourly rates, full- and part-time jobs, 2008 (mean average)⁵⁵

Full-time	Part-time	Difference
£14.53	£10.17	30%

⁵² *Newborns and new schools*, op cit.

⁵³ *Labour market statistics*, May 2009. op cit.

⁵⁴ *Parental care and employment in early childhood*, op cit.

⁵⁵ *2008 Annual Survey of Hours and Earning*, Office for National Statistics, <http://www.statistics.gov.uk/pdfdir/ashe1108.pdf> Pg 12, November 2008.

4. Mothers' new working patterns

Continued

Part-time work not only has low pay but also low prospects for promotion or moving on to a higher skills level with another employer, compounding its impact on the gender pay gap. The gap in hourly earnings between full-time men and part-time women is 36.6%.

Gender pay gaps, 2008 (mean average of hourly pay)⁵⁶

Full-time pay for men	Full-time pay for women	Part-time pay for women	Full-time gender pay gap	Part-time gender pay gap
£15.54	£12.88	£9.85	17.1%	36.6%

A decade of working part-time rather than full-time will reduce women's relative hourly wages by a third. There is an assumption that experience in work will increase wages over time. But experience in part-time employment actually leads to a decrease in hourly earnings over time, and certainly a decrease in relative wages.⁵⁷

- For each year in full-time employment hourly wages increase by three per cent
- For each year of part-time employment hourly wages decrease by one per cent (so four per cent relative to full timers).⁵⁸

The part-time penalty as a growing component of mother's low pay was identified a decade ago, when it was calculated to make up 59% of the 'family gap' (the difference in wages between mothers and childfree women).⁵⁹

A comparison of EU countries confirms the impact of part-time working on the gender pay gap. Those countries with higher gaps tend to show either high levels of occupational segregation or, like the UK, high levels of part-time working among women.⁶⁰ This is partly a result of the culture of long hours in the UK which increases the need for mothers to work part-time. The type of part-time work in the UK is also part of the problem where women work short hours, compared for example to the Netherlands where part-time working is common but with longer hours and less penalty.

⁵⁶ *ibid.*

⁵⁷ *Modelling Gender Pay Gaps*, op cit.

⁵⁸ *ibid.*

⁵⁹ Joshi et al, *The distribution of the costs of children*, paper presented at AEA meeting, New York, January 1999; H. Joshi & P. Paci, *Unequal pay for women and men: evidence from*

the British Birth Cohort Studies, 1998.

⁶⁰ *Key figures on equality between women and men at work in relation to the gender pay gap*, Employment, Social Affairs and Equal Opportunities website, The European Commission: <http://www.ec.europa.eu/social/>

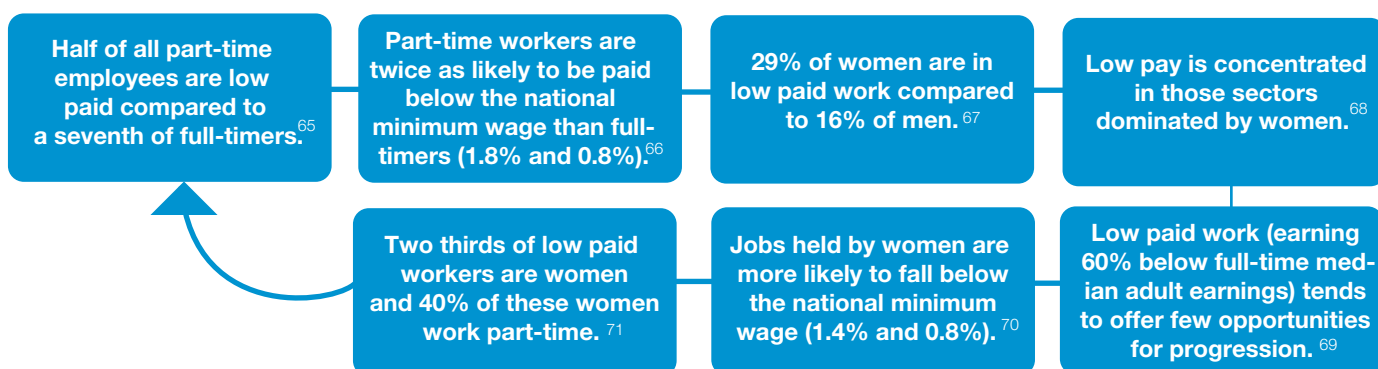
4. Mothers' new working patterns

Continued

Another survey of seven industrialised countries found the UK had the highest motherhood pay penalty, primarily because more mothers work part-time, and because of the low wages for part-time work compared to other countries.⁶¹ These international comparisons demonstrate that the pay penalty is not inevitable. Countries where labour markets are organised differently have a smaller pay gap.

Why part-time pay is low pay

Part-time work is more likely to be available in lower paid jobs; for example in catering, caring, and retail and in the low-skill occupations in any sector.⁶² It is also more likely to be available in smaller, less unionised firms where wages and conditions are weaker.⁶³ Women working part-time are also less likely to get promotion, have less access to training, and are more likely to be made redundant, all of which will adversely affect their future earnings. It is the interaction between low pay, part-time work, and occupational segregation which really hits mothers hard. Women go into low paid sectors because part-time work is available. These sectors are then more likely to stay low paid as they have more women in them.



⁶¹ S. Harkness & J. Waldfogel, *The family gap in pay: evidence from seven industrialised countries*, CASEpaper 29, 1999.

⁶² H. Davies, H. Joshi, K. Rake & R. Alami, *Women's Incomes over the Lifetime: a report to the Women's Unit*, Cabinet Office, 2000.

⁶³ *The distribution of the costs of children*, op cit; H. Joshi & P. Paci, *Unequal pay for women and men: evidence from the British Birth Cohort Studies, 1998*; *Closing the gender gap: an update report on TUC women's conference 2008*, Pg 13, TUC, 2008.

⁶⁴ *Are women bearing the burden of the recession?*, op cit.

⁶⁵ G. Cooke & K. Lawton, *Working out of Poverty*, Institute of Public Policy Research, 2007.

⁶⁶ *Closing the gender gap: an update report on TUC women's conference 2008*, Pg 13, TUC, 2008.

⁶⁷ C. Dobbs, *Patterns of pay: results of the annual survey of hours and earning 1997 – 2008*, Economic and Labour Market Review 3/3, 2009.

⁶⁸ K. Lawton, *Nice Work If You Can Get It: Achieving a sustainable solution to low pay and in-work poverty*, Institute of Public Policy Research, 2009.

⁶⁹ *Are women bearing the burden of the recession?*, op cit.

⁷⁰ *Patterns of pay: results of the annual survey of hours and earning 1997 – 2008*, op cit.

⁷¹ *Working out of Poverty*, op cit.

4. Mothers' new working patterns

Continued

Mothers downgrade jobs when they return to work

“Our research shows that women are not actively choosing to squander their talent, education or skills when they move into part-time employment. Nevertheless this is the price many seem to pay when they move into part-time work.”⁷²

Mothers downgrade when returning to work after childbirth, with many not making full use of their skills or experience. Usually they do this as it is the only way to get part-time or flexible work, a job nearer home, or because they can no longer work evenings or weekends. This has an obvious and direct impact on wages.

The evidence of downgrading is unequivocal. A third of all mothers in one study moved from a supervisory to non-supervisory role after childbirth, with lone mothers most likely to make this downward move.⁷³ In another survey of part-time workers, just over half had previously had jobs with more management responsibility or which required higher skills.⁷⁴ Women ‘returners’ are more likely to take positions on lower grades if they are moving employers as well as jobs.⁷⁵

The result is not just lower pay, but a waste of women’s abilities. The Women and Work Commission found that women were working below their capabilities. They emphasised the difficulties women still face in finding a job which matches their skills when they have to reduce their working hours in order to care for children.⁷⁶ More recently, the EHRC concluded that more than half of part-time workers are working below their potential as the only way to combine paid employment and caring responsibilities.⁷⁷

There are also other reasons why women seek part-time jobs. The intensity of work and inflexible demands of senior jobs can make some mothers feel they must work below their skill level. For other women, a loss of confidence after maternity leave will be the cause. In some cases, skills can become obsolete after breaks from the workplace,⁷⁸ and new skills learnt as mothers are seldom recognised as transferable.

⁷² Grant, Yeandle and Buckner, *Working Below Potential: women and part time work*, Sheffield: Centre for social inclusion, Sheffield Hallam University, 2006.

⁷³ *Newborns and new schools*, op cit.

⁷⁴ D. Darton & K. Hurrell, *People working part-time below their potential*, Equal Opportunities Commission, 2005. See also *Sex and Power*, Equality and Human Rights Commission, 2008.

⁷⁵ A. Manning & B. Petrolongo, *The Part-time pay penalty for women in Britain*, *The Economic Journal* 118, 2008.

⁷⁶ *Shaping a Fairer Future*, Women and Work Commission, 2006.

⁷⁷ *Working better*, op cit.

⁷⁸ S. Yeandle, *Local labour markets and the gender pay gap*, Paper to the European Sociological Association Interim Conference, Lisbon, 2006.

4. Mothers' new working patterns

Continued

Mothers have to accept less secure jobs

As well as moving to part-time jobs requiring lower skills, mothers also move into less secure employment on returning to work. This is unlikely to be by choice and must be as a result of lower bargaining power and the need to get work which is more childcare friendly.

Mothers with newborns or children starting school are twice as likely to move from permanent to temporary work as other women, and three times as likely as men.⁷⁹ Although they make up less than half the paid workforce, women make up 54% of the 1.4 million workers on temporary contracts.⁸⁰

Home-working can be the only way to find child-friendly employment. 90% of home-workers are women and half are ethnic minority women.⁸¹ The low pay and poor conditions are accepted by some mothers in the absence of anything better.

⁷⁹ *Newborns and new schools*, op cit.

⁸⁰ *Are women bearing the burden of the recession?*, op cit.

⁸¹ *Homeworking: Women & Ethnicity. How labour market discrimination limits employment options*, Briefing Paper No 7,

National Group on Homeworking, May 2008; *Made at Home: British homeworkers in global supply chains*, Oxfam Briefing Paper 63, Oxfam, May 2004.

5. The impact on women without children

The motherhood penalty has an impact even for women without children. The most glaring one is the bias of employers against women of childbearing age (now spanning three decades), who fear all women will soon become mothers. Few employers view men of likely childbearing age in the same way – not expecting them to alter their working patterns when they become fathers.

The Women and Work Commission cited a survey revealing that over two-thirds of recruitment agencies had been asked by clients to avoid hiring pregnant women or those of childbearing age.⁸² Recruitment specialists HireScores found that over 80% of employers would like to ask female applicants about their plans for a family.⁸³ Ethnic minority women are particularly likely to be asked such questions.⁸⁴ Employers aren't afraid to act on this too. Half of all employers take into account the chances of a new member of staff becoming pregnant when considering them for a post.⁸⁵

Lord Sugar voices what many employers appear to think about employing women: "If they are applying for a position which is very important, then I should imagine that some employers might think 'this is a bit risky'. They would like to ask, 'are you planning to get married and to have any children?' ... you're not allowed to ask so it's easy - just don't employ them."⁸⁶

The impact extends to girls' and women's own expectations. They may put less priority on their formal training and employment if they think they will soon start a family, instead spending time gaining the skills they think they will need as mothers.

⁸² *Shaping a Fairer Future*, op cit.

⁸³ *Maternity Leave is a job issue*, Weekend Financial Times 21/22.3.09.

⁸⁴ *Poverty pathways: ethnic minority women's livelihoods*, op cit.

⁸⁵ *British Bosses Running Scared of Natasha Kaplinski Style*

Pregnancies, Employment Law Advisory Service, 2008.
⁸⁶ *Britishness classes? Our children need to learn enterprise: Sir Alan Sugar sets Rachel Sylvester and Alice Thomson straight on schools, women and work*, Daily Telegraph, 9.2.08.

6. The policy implications

The motherhood pay penalty has a dramatic effect on women's pay and employment prospects. It impacts not only on women themselves, but also on their families, with a strong correlation between mothers' income and child poverty. Women's absence from the labour market, and the under-utilisation of their skills when they return, also has a negative impact on employers and on the economy – accounting for a loss of between 1.5 per cent and two per cent of GDP.⁸⁶ The imperative for new policy responses is clear.

Policy responses to mothers' absence from the labour market

Improvements in the law on maternity leave and pregnancy discrimination have meant an increase in the number of women returning to their old jobs within a year.⁸⁷ This is vital and welcome, and it is important that these laws are rigorously enforced. However, more still needs to be done for those women who don't have maternity rights, many of whom are ethnic minority women or women in low paid jobs.

But there is another challenge. The focus of public policy has largely been on how to reduce women's absence from the labour market.⁸⁸ There has not been enough attention on how to reduce the *impact* of their absence, so allowing women to choose how long this break should be. Attempts to achieve women's equality in the workplace have run the risk of devaluing women's caring work. This has been made worse by the mixed messages mothers receive; on the one hand encouraged back to work while at the same time told of the benefits of breastfeeding.

It is not clear how many of the mothers who return back to their former employers in the first year after giving birth would have liked to spend longer taking care of their children but decided they could not afford to lose their jobs. That mothers have the choice to return is crucial, but for many what appears to be choice is still tainted with compromise, made under constrained circumstances.

Policy needs to be rooted in the real choices and rational decisions that women make for themselves and their families. Where women want to spend more time looking after their children they should be allowed to do so without penalty. The real challenge is how best to ensure that women's employment status is protected when they return to the labour market.

⁸⁶ *Shaping a Fairer Future*, op cit.

⁸⁷ S. Dex & K. Ward, *Parental care and employment in early childhood*, Working Paper Series No 57, Equal

Opportunities Commission, 2007.

⁸⁸ *Poverty pathways: ethnic minority women's livelihoods*, op cit.

6. The policy implications

Continued

Women should have a real choice about if and when they want to return to work:

- *Adequate, affordable childcare*
The Women and Work Commission identified the need for quality, locally-delivered childcare that suits a variety of work patterns. The need for such care is particularly acute for ethnic minority women.⁸⁹ The Daycare Trust recommends extending free entitlement to early years education to 20 hours a week for 48 weeks of the year, and further investigation into care at atypical hours and during school holidays.⁹⁰
- *Shared parenting and housework*
Maternity, paternity and parental leave should all be increased, without trading one form of leave for another. The Working Better report recommends offering ‘families 80 weeks of well paid leave in the first five years, providing genuine choice,’ and to extend the right to request flexible working to all employees.⁹¹
- *A benefit system which acknowledges unpaid caring work*
The Government’s Welfare Reform agenda should focus less on the need to get parents into paid work. Single parents in particular should not risk cuts in their benefits if they cannot show that they are actively seeking work. Instead, those caring for children should have access to benefits, and tax credits should be made available to family carers.

There should be much more help for mothers returning to work:

- *Support with job applications and training for returning mothers*
The Government should take forward the recommendations of the Women and Work Commission on providing more support for ‘women returners’ and developing its New Deals, especially for lone parents.⁹² Access to support for getting back to work should be based on childcare responsibilities not just Jobseeker’s Allowance claims. Childcare provision needs to be available to support mothers seeking paid work as well as ones in paid work.

⁸⁹ *Shaping a Fairer Future*, op cit.

⁹⁰ *Childcare nation? Progress on the childcare strategy and priorities for the future*, Daycare Trust, October 2007.

⁹¹ *Working better*, op cit.

⁹² *Shaping a Fairer Future*, op cit.

6. The policy implications

Continued

Schemes like 'Women Like Us' in London, which provide support specifically for returning mothers, provide a positive example.⁹³ In addition to matching employers and employees they provide training and, crucially, confidence building support sessions.

A number of Oxfam projects have demonstrated the value of listening to what women themselves want and the proposals they provide. Participants in the 'Get Heard' project in London explained the value of a 'one stop shop' where pre-employment support and mentoring is available in Family Centres alongside the provision of child-care. Another group in East Manchester identified public transport as a key area in need of reform so that mothers could drop their children at school and do the shopping as well as getting to work. In Thornaby, Cleveland, self employment was seen as a good option for women wanting to work from home to be able to fulfil caring responsibilities. Employment initiatives therefore need to include start-up capital which is essential if poorer women are to pursue this option, but which is seldom available.⁹⁴

- *Women shouldn't lose their jobs because of pregnancy*
The laws protecting pregnant women and new mothers from discrimination in the workplace should be actively enforced by the Department for Business, Innovation and Skills (BIS), as proposed by the Alliance Against Pregnancy Discrimination in the Workplace.⁹⁵ This protection should be extended to the many women, particularly low income and ethnic minority women, who are not covered by the legislation. The Equalities Review recommends guidance for the private sector to deal with discrimination against women who have or are likely to have children.⁹⁶

Policy responses to mothers' changing working patterns

A revolution in part-time work is needed. Without this, the link between motherhood and reduced pay will not be broken. Both the low pay and, crucially, the low prospects of part-time work will need to be addressed. The answer must be to provide quality part-time jobs. This means making part-time options available in higher paid jobs, and improving the pay and prospects of part-time work in lower paid jobs.

⁹³ Women like Us website:

<http://www.womenlikeus.org.uk/home.aspx>

⁹⁴ K. Escott, *From getting by to getting on*, Centre for Education Research and Social Inclusion, Sheffield

Hallam University and Oxfam, 2007.

⁹⁵ *The Alliance Against Pregnancy Discrimination in the Workplace briefing*, op cit.

⁹⁶ *Fairness and Freedom*, op cit.

6. The policy implications

Continued

Flexi-working (including slightly reduced hours and working term-time only) appears to be allowing some women to keep their higher status jobs after having children. But this is largely a solution for women who were already higher paid, who earn enough to make paid childcare affordable and, in many cases, who have partners who also work flexibly and share childcare. Extending flexible working to the employees in lower paid jobs who currently have least access to these forms of working is important. But for many mothers part-time working – particularly during school hours – is the only option.

Strengthening the rights of women to move between full and part-time work without losing their current jobs is seen as key by Manning and Petrolongo in a recent report. They advocate this move having made an initial assessment that the current initiatives like the Part-Time Workers Regulations (2000) and the Right to Request Flexible Working (2003) have failed to remove the part-time penalty.⁹⁷

Increasing the availability and, crucially, the take up of flexible working options for fathers will also ultimately help reduce the motherhood pay penalty.

Whatever form of paid work mothers choose, they should be able to get the jobs they are qualified for, and be paid accordingly.

- *Women able to work full-time, flexi-time or part-time in the job that they are qualified for – without incurring the part-time penalty.*

The Women and Work Commission recommends increasing the supply of high quality flexible jobs for both men and women and that the Department for Business, Enterprise & Regulatory Reform (now BIS) funds initiatives to promote quality part-time work in a variety of sectors.⁹⁸

Conditions should be improved in the low paid jobs where so many mothers work.

- *Increased and enforced minimum pay*

More protection is needed for short-term and low paid workers, and an increased and better enforced minimum wage, especially in London.⁹⁹ The Government should take forward the recommendations of the Women and Work Commission on setting targets to get women, especially ethnic minority women, back into sustainable jobs

⁹⁷A. Manning & B. Petrolongo, *The Part-time pay penalty for women in Britain*, *The Economic Journal* 118, 2008.

⁹⁸ *Shaping a Fairer Future*, op cit.

⁹⁹ Fair Pay Network, www.fairpaynetwork.org

6. The policy implications

Continued

and on targeting enforcement of the minimum wage to sectors employing large numbers of women.¹⁰⁰

- *Improved protection, training and prospects*
Greater employment protection for vulnerable workers, many of whom are women and particularly ethnic minority women, is essential. Homeworkers should be granted full employment rights to prevent employers exploiting uncertainty over their employment status. The way in which piece rates result in a failure to meet the minimum wage should be examined.

The Institute for Public Policy Research recommends that additional support be given to low paid workers to stay in work, and progress.¹⁰¹ In particular this will require training for part-time workers that fits around childcare responsibilities.

¹⁰⁰Shaping a Fairer Future, op cit.

¹⁰¹K. Lawton. *Nice Work If You Can Get It*, op cit.

7. Conclusion

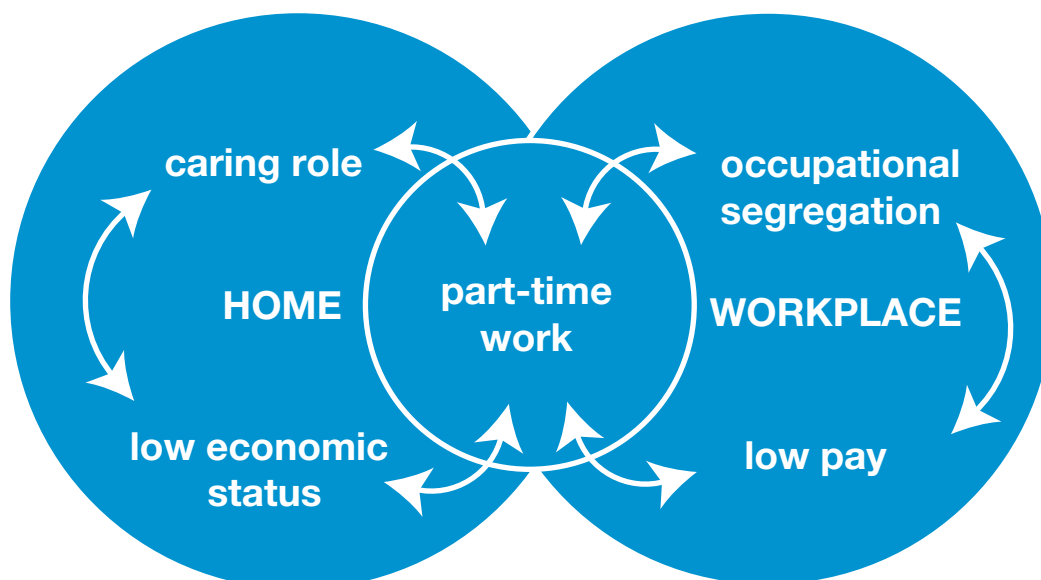
Motherhood has a profound impact on women's wages. This pay penalty occurs primarily because mothers are absent from the workplace while they have children, and because when they do return they change their working patterns, particularly by working part-time.

Figures for the gender pay gap are based on hourly wages. Combining the annual loss of earnings while women are out of paid work, and the weekly reduction through working part-time, will reveal just how profound an impact motherhood will have on women's income for the rest of their lives. Of course paid work doesn't only provide income; mothers without jobs also experience a loss of personal development, of career fulfilment and of status in society.

This motherhood penalty lies ultimately in the unequal gender division of labour and the undervaluing of what is traditionally seen as women's work. The differences in paid work stem from mothers' primary responsibility for child care. For some women this is a positive choice, but for many others there is a compromise arising from the lack of shared responsibility for children, the lack of appropriate childcare, and the lack of decent child-friendly jobs.

A cycle exists where mothers' increased caring roles lead to a decrease in work status due to absence from work or part-time work. This leads to a reduction in pay and promotion prospects. These lower employment rewards reinforce gender roles in the home where it appears to make economic sense for the fathers to work full-time.

This individual cycle overlaps with the workplace cycle where the undervaluing of women's work has led to occupational segregation, part-time work and low pay.



7. Conclusion

Continued

The result is the stark and lifelong impact that becoming a mother has on most women's earnings. By choice, by compromise, and by necessity many women want to work once they have had children, but they want or need jobs which fit with their childcare.

The challenge for the policy makers is to adapt to these new ways of working: to reduce the impact that women's absence has on their employment prospects; to revolutionise part-time work to increase its status, pay and prospects; and to tackle the poor conditions of the low paid sectors where so many women work. Only then will mothers be able to find jobs which fit with their skills and aspirations as well as with their children.