



BRIEFING PAPER

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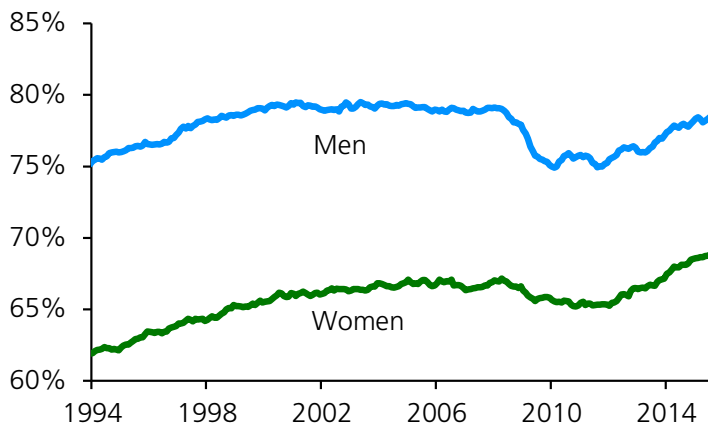
Women and the economy

By Jeanne Delebarre,
Chris Rhodes

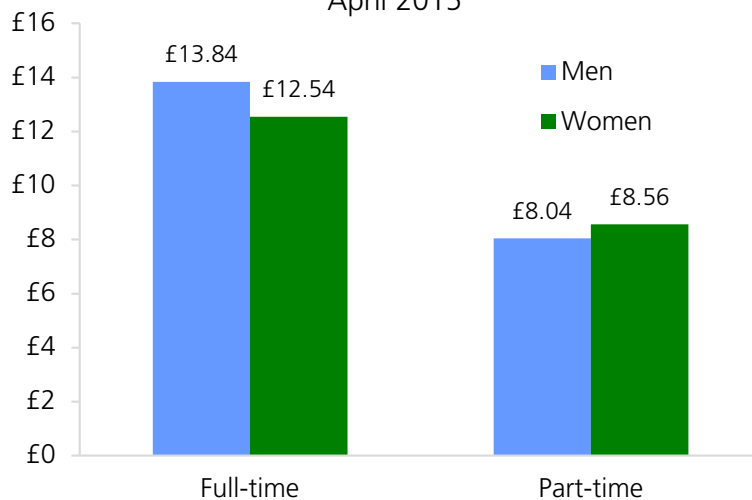
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Male and Female Employment rates
UK 1994-2015



Median hourly earnings excluding overtime
April 2015



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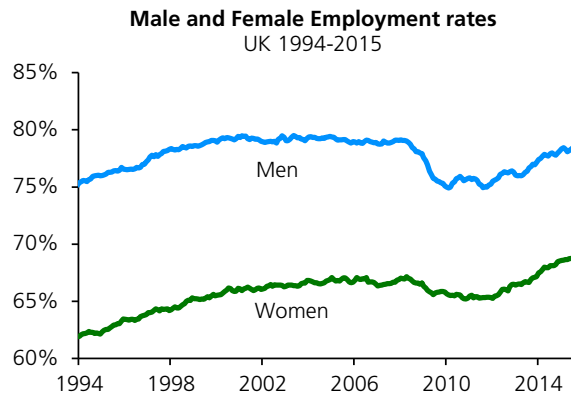
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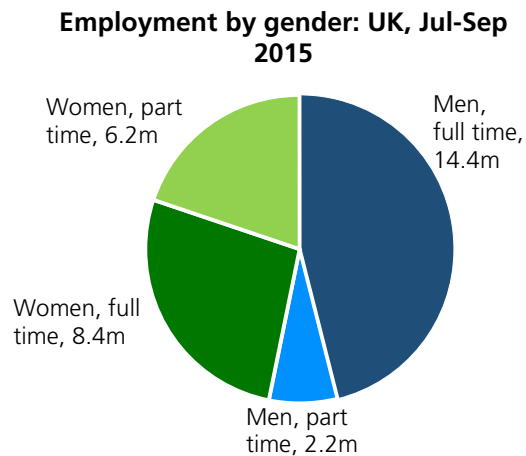
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Summary

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



69.0% of women aged 16-64 were in employment in July-September 2015, the highest proportion since comparable records began in 1971. This compares to a male employment rate of 78.5%.



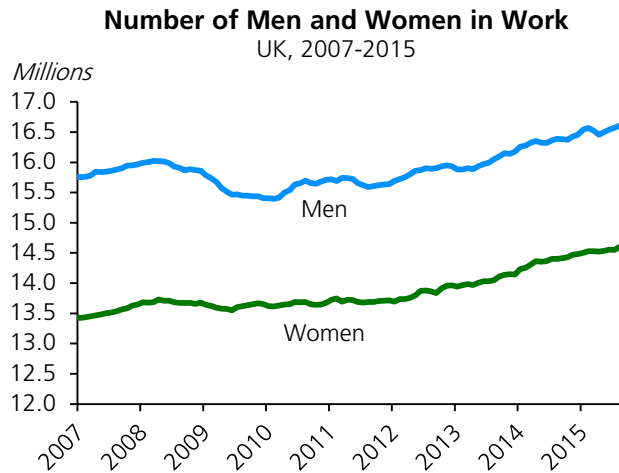
The number of women working full-time was 8.4 million in July-September 2015, compared to 14.4 million men. The number of women working part-time rose to 6.2 million in the same quarter, compared to 2.2 million men.

An estimated 20% of SMEs (around 1.1 million SMEs) were led by women in 2014.

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

1. Trends in female employment

14.93 million women were in employment in July-September 2015. The proportion of women aged 16-64 in work was 69.0%, the highest rate since comparable records began in 1971.¹

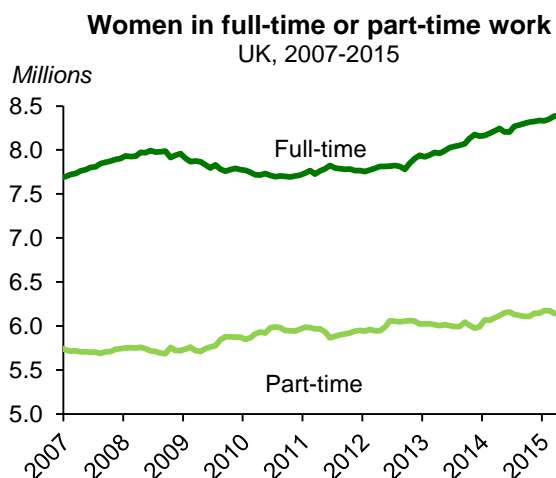


The employment rate for men aged 16-64 is higher than that for women, at 78.5% in July-September 2015. However, while the employment rate for women has now exceeded its

pre-recession level (67.1% in March-May 2008), the male employment rate remains below its pre-recession peak of 79.1% 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), but male employment on the other hand fell sharply over the second half of 2008 and 2009. This can largely be explained by higher numbers of men working in the sectors hardest hit by the recession, for example manufacturing and construction.²

1.1 Full-time and part-time work



8.42 million women worked full-time in July-September 2015, while 6.19 million worked part-time. 42% of women in employment work part-time, compared to 13% of men in employment.

Women's full-time employment declined between 2008 and

¹ All data on employment and economic activity are taken from ONS, [Labour Market Statistics, November 2015](#), except where stated otherwise.

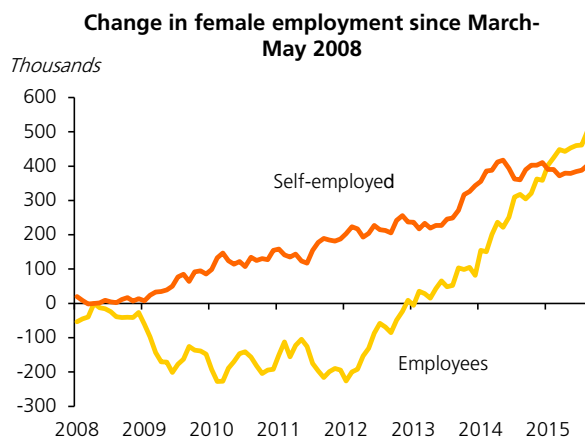
² Since 2010 there has also been a substantial reduction in the number of jobs in the *public administration and defence* sector.

2010, but part-time employment of women increased following the economic downturn. Growth in full time employment has picked up since the end of 2012.

1.2 Self-employment

Women are more likely than men to work as employees, but less likely to be self-employed. Although women make up 47% of all people in work, they comprised only 32% of self-employed people in July-September 2015:

- 1.45 million women were self-employed in July-September 2015, compared to 3.10 million men.
- 13.06 million women were working as employees in the same quarter, compared to 13.40 million men.



However there has been a large increase in female self-employment since the recession: the number of women who are self-employed is up by 38% (or 402,000) from March-May 2008. This compares to a 10% (or 293,000)

increase in the number of men who are self-employed.

Women's self-employment has generally been increasing since the economic downturn. The number of women working as employees, on the other hand, fell following the downturn but is now 4% (or 501,000) higher than its pre-recession level.

1.3 Employment by occupation

7.3% of women in employment work as managers or senior officials, compared to 12.9% for men. 20.9% of women are employed in professional occupations, slightly higher than the 18.6% of men working in these roles.

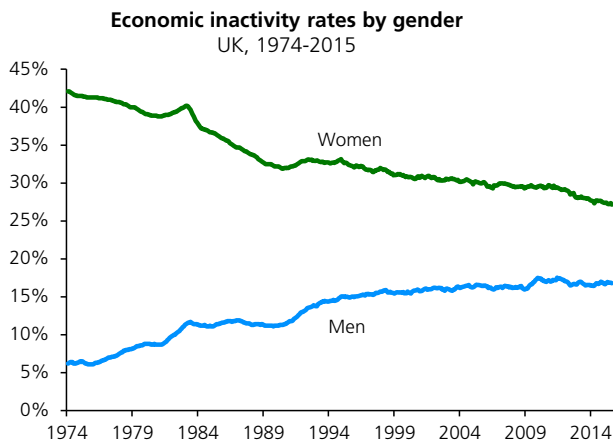
Employment by occupation and gender: UK, April-June 2015

Not seasonally adjusted



Many more women than men work in administrative and secretarial occupations and in caring, leisure & other service occupations.

1.4 Unemployment and economic inactivity



793,000 women aged 16 and over were **unemployed** at July-September 2015, compared to 957,000 men. The female unemployment rate (the proportion of the economically active population

who are unemployed) was 5.3%, compared to 5.6% for men.

Of those women currently unemployed, just under half have been unemployed for more than six months (336,000 women, or 43% of the total). By comparison, 48% of unemployed men have been unemployed for longer than six months.

5.57 million women aged 16-64 were **economically inactive** (not in work and not looking for or available for work) in July-September 2015, 27.2% of women in this age group. This includes around 1.97 million women who are inactive because they are looking after family or home.

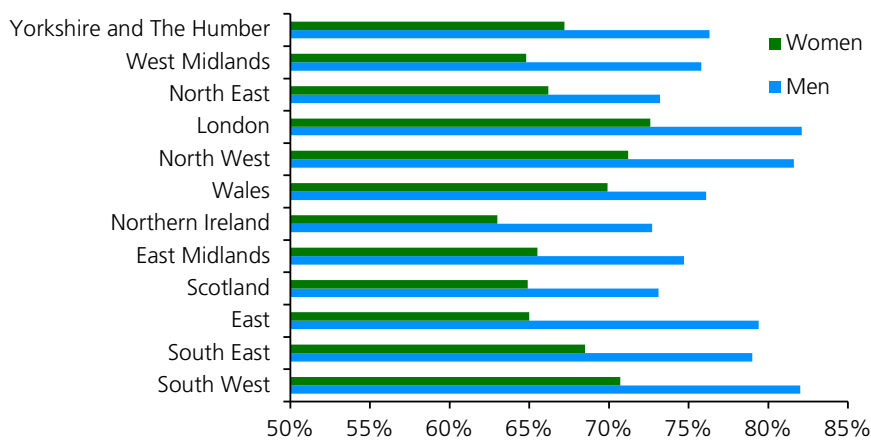
1.5 Regional differences

In the twelve months to June 2015, the employment rate for women was highest in the South West, East of England, and South East regions. It was lowest in Northern Ireland and West Midlands.³

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% point gap between the male and female employment rates, and smallest in Scotland, where there is a 6% point gap.

Regional employment rates: Year to June 2015

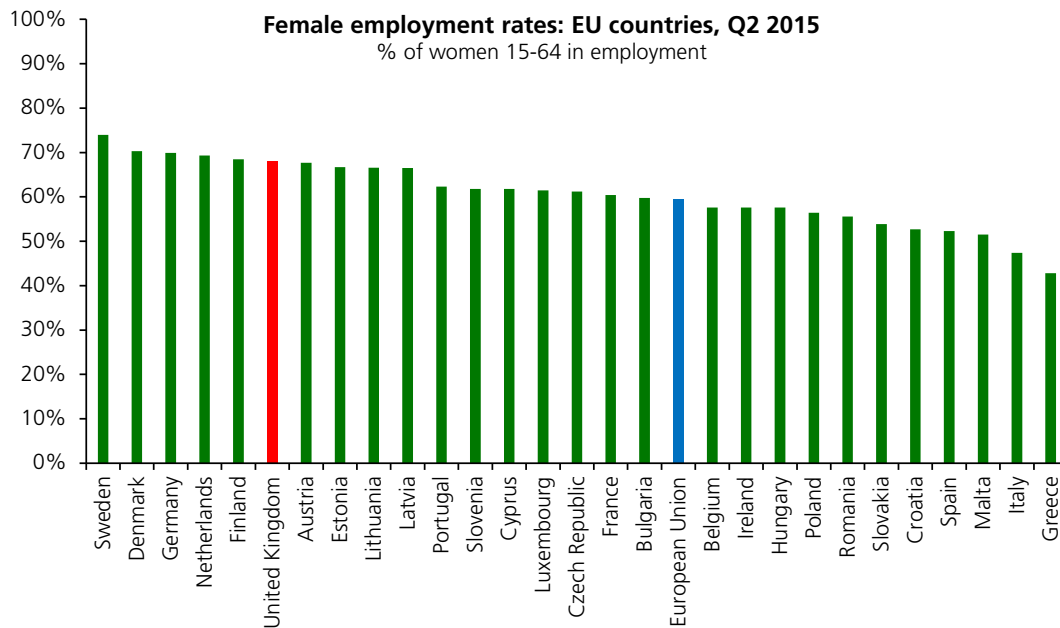
% of people aged 16-64 in employment



1.6 International comparisons⁴

Female employment rates: EU countries, Q2 2015

% of women 15-64 in employment

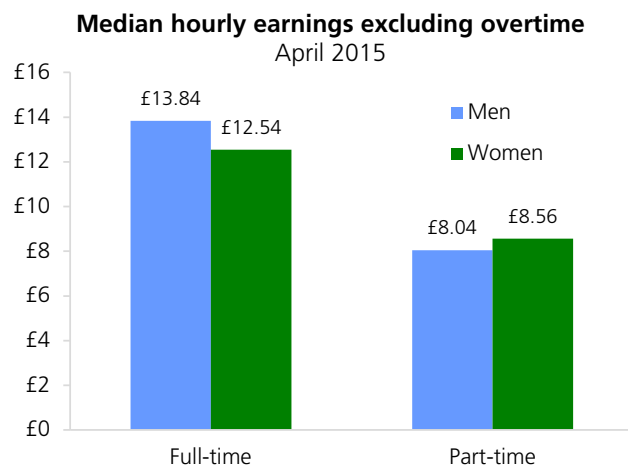


³ Source: Annual Population Survey via ONS Nomis

⁴ Source: Eurostat

In the second quarter of 2015, the UK had the 8th largest female employment rate among member states of the European Union. The UK also fared higher than the average EU rate.

2. Earnings and the gender pay gap



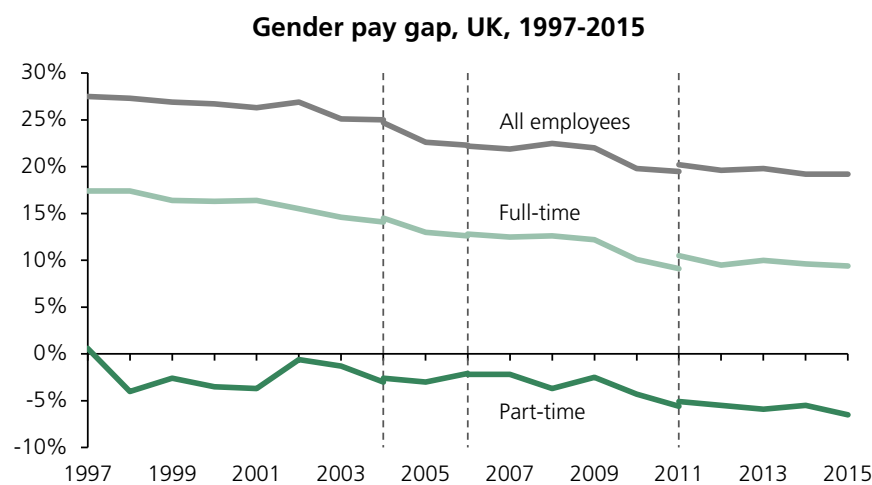
Female employees working full-time tend to earn less than their male counterparts; the difference in men and women’s median full-time hourly earnings fell to 9.4% in April 2015, from 9.6% in April 2014. However,

median hourly earnings for part-time employees were 6.5% higher for women than for men in April 2015.⁵ (The median is the point at which 50% of employees earn more and 50% earn less.)

The gender pay gap for all employees (full-time and part-time) was 19.2%. This is higher than the 9.4% pay gap for full-time employees, reflecting the fact that 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. Since 2002, the part-time pay gap has widened, with women earning more than men.

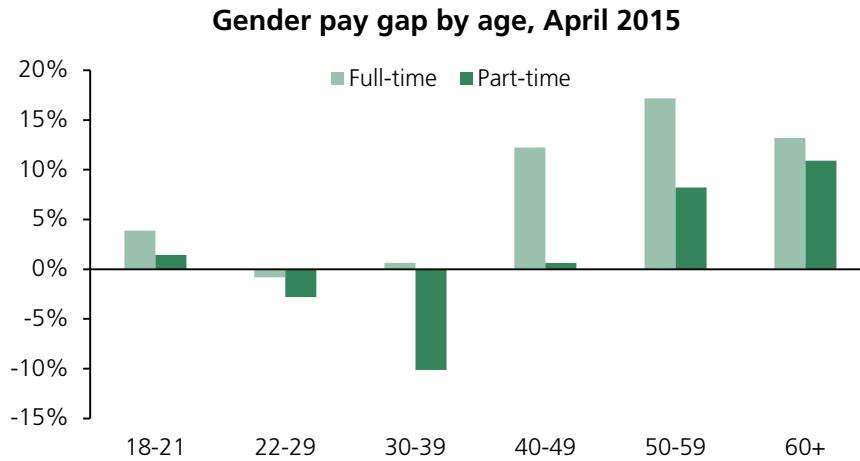


Dashed lines indicate breaks in the series in 2004, 2006 and 2011

⁵ Earnings data are from ONS, [Annual Survey of Hours and Earnings, 2015 Provisional Results](#)

2.2 The gap varies with age

In April 2015, there was little difference between median earnings in full-time jobs for men and women aged 18-39. However there was a large gap in median pay for men and women aged 40 and over.



One possible reason why the pay gap should predominantly affect older workers may be generational differences. The gender pay gap for older age groups may decrease as the younger workers age through the labour market (since 1997 there have been large falls in the pay gap for workers aged 30-39 and 40-49). Another reason could be factors affecting the pay of women only become evident in their 40s.

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

3. Women in business

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

3.1 Female-led SMEs

In 2014, 20% of SMEs in the UK were majority led by women. This is two percentage points higher than in 2012 and equates to around 1.1 million SMEs.

Business at least partially led by women accounted for 38% of all SMEs in 2014, around 2.0 million SMEs.

Examining only SMEs with employees, women-led SMEs are under-represented in the manufacturing and construction sectors (accounting for only 7% and 8% of business respectively), but account for 43% of businesses in the combined public administration, education, health and defence sector.

It is estimated that in the UK women-led SME businesses contribute about £75 billion to economic output (16% of the UK SME approximate GVA total).⁶

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.⁷

In 2014, the TEA rate (the proportion of working aged people involved in TEA) in the UK was 11%. By gender, the TEA rate in the UK was 14% among women and 8% among men.⁸

Using these data we can estimate that 35% of TEA in the UK was accounted for by women in 2014. In the US, 40% of TEA was accounted for by women.⁹

The same source can be used to compare female entrepreneurship in different countries. The following chart shows the difference between male and female TEA rates in selected countries – the TEA gender gap. A positive gender gap means that the male TEA rate is higher than the female rate. A negative gender gap means that the female TEA rate is higher than the male TEA rate.

In the UK, the TEA gender gap was 6.3, above the rate in many of the UK’s competitor countries, such as the US (5.3), France (2.7) and Germany (2.6).

⁶ BIS, *Small Business Survey 2012: businesses led by women and ethnic minorities*, 2013, p 2. Output is Gross Value Added.

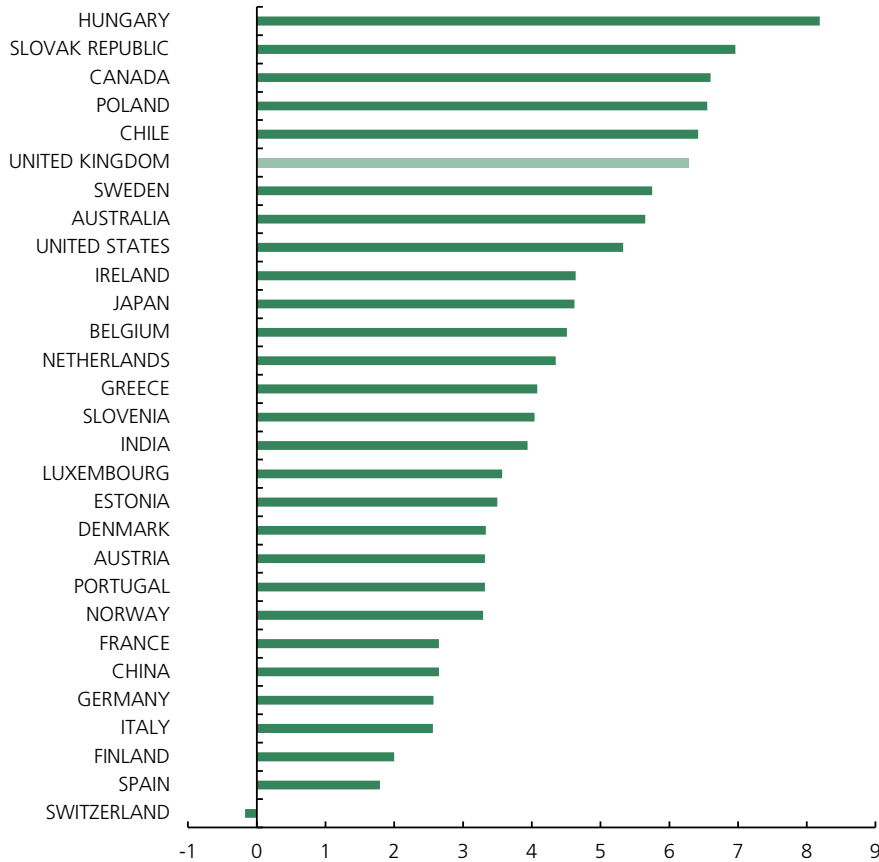
⁷ Global Entrepreneurship Monitoring Consortium, *Global 2014 Monitoring Report*, January 2015, p 12

⁸ *Ibid*, pp 36 and 86

⁹ These data assume that there is the same number of male and female people of working age.

TEA Gender Gap, percentage points, selected countries, 2014

Gender gap is the difference between the male and female TEA rates



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](#).¹⁰

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 FTSE100, down from 21 in 2011. In the FTSE350, there are now 15 all male boards, down from 152 in 2011.¹¹

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.¹²

The following chart shows how the proportion of women on FTSE100 boards has increased steadily since the late 1990s with more significant increases in recent years.¹³

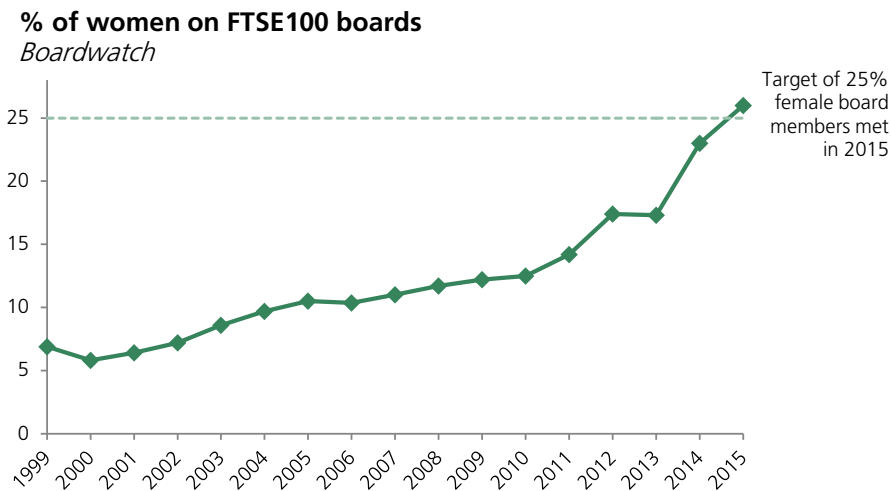
¹⁰ Lord Davies of Abersoch and BIS, [Women on boards](#), February 2011, p 4

¹¹ Lord Davies of Abersoch and BIS, [Five year summary report](#), October 2015, p 34

¹² *Ibid*, p 13

¹³ Sealy et al., Female FTSE 100 reports, Women on Boards: 6-months monitoring report, Professional Boards Forum BoardWatch

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In his [Five year summary report](#), Lord Davies set new a target that all FTSE350 companies should have a least one third female representation on their boards by 2020. In October 2015, 22% of board level positions in FTSE350 companies were held by women.¹⁴

Further information and statistical analysis of female representation in various professions is contained in the House of Commons Library Briefing Paper, [Women and the economy](#).

¹⁴ Lord Davies of Abersoch and BIS, [Five year summary report](#), October 2015, p 28

4. Further reading

- House of Commons Library Standard Note, [International Women's Day 2015](#)
- 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, [The gender pay gap](#)
- House of Lords Library Note, [Women's Economic Empowerment](#)

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