

Research Briefing

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4 March 2024

Women and the UK economy



Summary

- 1 Trends in female employment
- 2 Women's earnings
- 3 Women leading businesses

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Summary

This briefing provides statistics and analysis on women's participation in the labour market and in business across the UK. It tracks trends by employment type, industry, occupation, region and country, ethnic group and disability status, as well as the gender pay gap and women leading businesses.

The data in this paper are from the Office for National Statistics (ONS) [UK labour market bulletins](#), which are released monthly, the ONS [Annual Survey of Hours and Earnings](#) and the [Department for Business, Energy and Industrial Strategy \(BEIS\) Small Business Survey](#), released annually.

Women in employment

In the UK, 16.06 million women aged 16 and over were in employment in October to December 2023, according to the ONS [UK Labour Force Survey](#). This means that [75,000 more women were employed than in the year before](#). The female employment rate was 72.1%, down from a record high of 72.4% in December 2019 to February 2020. The male employment rate was 78.1%.

There were 10.05 million women working full time, while 6.01 million were working part time. 38% of women in employment worked part-time, compared with 14% of men.

In the UK, the sectors with the most women in employment are health and social work (accounting for 21% of all jobs held by women as of September 2023), the wholesale and retail trade (12%) and education (12%). In the health and social work sector, 77% of jobs are held by women, and in education it is 70%.

How much are women paid?

Median weekly pay for female full-time employees was £629 in April 2023, according to data from the ONS [Annual Survey of Hours and Earnings](#). This compared with £725 for male full-time employees.

After adjusting for inflation, median pay for women working full time was around 2% higher than its level during the economic downturn in 2008, while median pay for men was around 11% lower.

In April 2023, the gender pay gap in median hourly pay (excluding overtime) between men and women was:

- 7.7% for full-time employees
- -3.3% for part-time employees (meaning women tended to be paid more than men)
- 14.3% for all employees

The gender pay gap for all employees is larger than either the full-time or part-time pay gaps. This is because more women than men are employed part time and part-time workers tend to earn less per hour than those working full time.

How many businesses are run by women?

Of the UK's small and medium-sized enterprises with employees, 18% were led by women in 2022, according to data from the Government's annual [Small Business Survey](#).

Men are more likely than women to be involved in 'early-stage entrepreneurial activity', which includes owning or running a business less than 3.5 years old. Around [10% of women in the UK economy were early-stage entrepreneurs \(PDF\)](#) in 2022/23, compared to around 12% of men, according to the Global Entrepreneurship Monitor. Just over [20% of all new companies were all-female led](#) in 2022.

In January 2024, [42.6% of FTSE100 and 42.1% of FTSE350 directorships were occupied by women](#). Around half of all new FTSE100 board appointments were women (47%).

1 Related Library briefings

- [UK labour market statistics](#)
- [The gender pay gap](#)
- [Business statistics](#)
- [Women in politics and public life](#)
- [Women and pensions](#)
- [Female Members of Parliament](#)

1

Trends in female employment

2 Labour market data is less reliable than usual

Between October 2023 and January 2024, the ONS only published some experimental headline labour market data, because of issues with the Labour Force Survey.

In February 2024, the Office for National Statistics (ONS) reintroduced [Labour Force Survey \(LFS\) data](#), and also reweighted the data with up to date population figures. The LFS data in Section 1 of this briefing is taken from the February 2024 release.

The ONS said that the reintroduced LFS estimates should be treated with additional caution, and that the quarterly change estimates are particularly volatile. Due to time constraints, the ONS only reweighted LFS data from July to September 2022 onwards. This means there is a break in the data for the period before and after this quarter. The ONS has remodelled data back to June to August 2011 for the headline measures (employment, unemployment and economic inactivity), but not for other measures.

The Library briefing [UK labour market statistics](#) explains these data issues further.

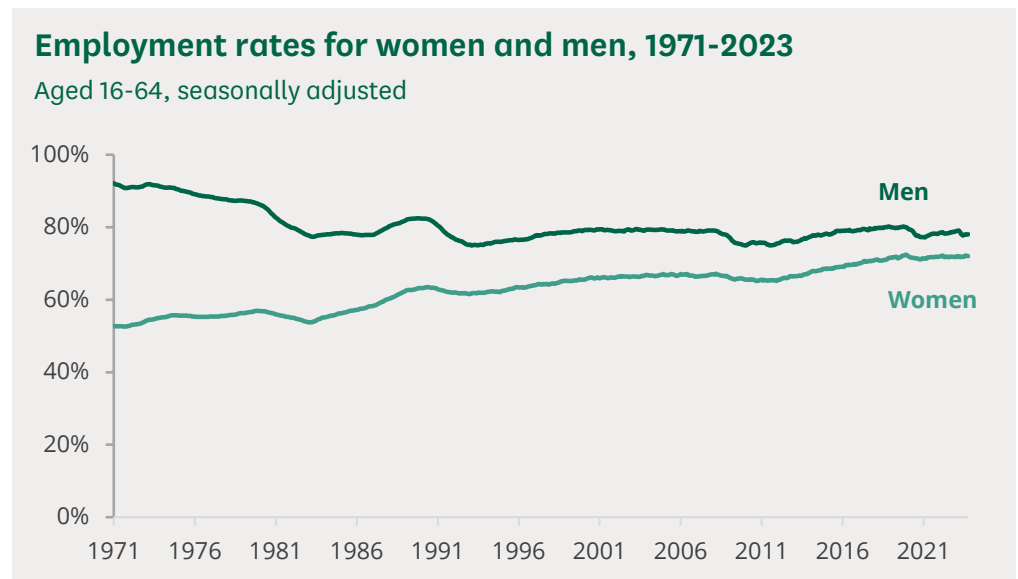
1.1

Women in work

There were 16.06 million women in the UK aged 16 and over in employment in October to December 2023. The number of women in work was 75,000 more than the same period a year before and 1.8 million more than the decade before.¹

The female employment rate was 72.1% in October to December 2023. Recent increases in the rate are partly due to changes in the state pension age for women. However, the rate has fallen slightly from a record high of 72.4%, which was seen in December 2019 to February 2020.

¹ Data in this section are from Office for National Statistics [UK Labour Force Survey](#) unless otherwise stated. Recently, the ONS Labour Force Survey has had reliability issues which means the data should be treated with caution. The Library briefing [UK labour market statistics](#) explains these issues further.



Source: Office for National Statistics (ONS), labour market bulletin, [Table A02 SA](#), 14 February 2024

The employment rate for men aged 16–64 was 78.1% in October to December 2023. The gap between the male and female employment rates was 6.0 percentage points, down from 9.8 percentage points a decade ago. The smallest gap (5.7 percentage points) was seen between February and April 2021.

1.2

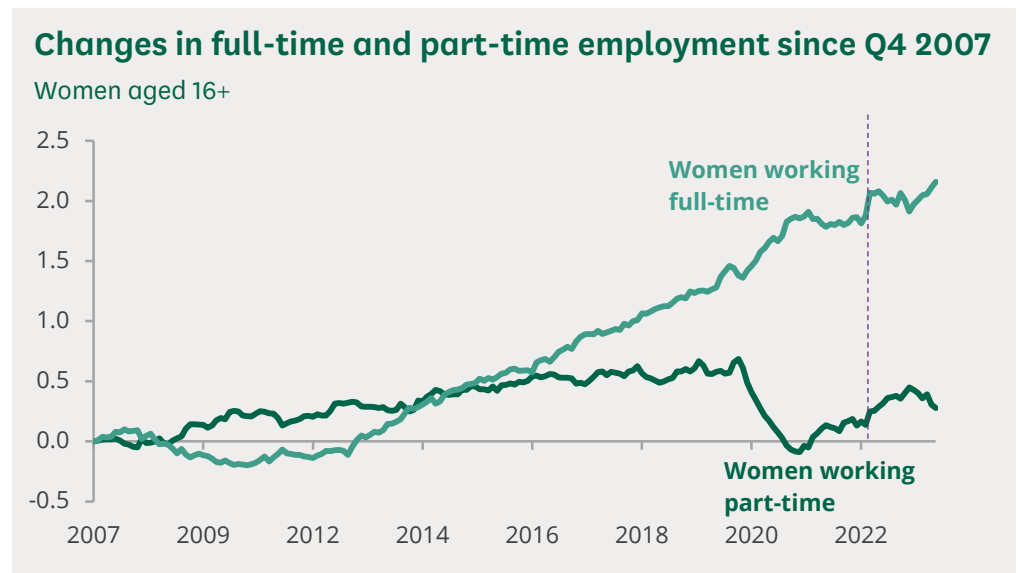
Full and part-time work

There were 10.05 million women working full time in October to December 2023, while 6.01 million were working part time.

There has been strong growth in full-time employment since the end of 2012.

37.4% of women in employment were working part-time at the end of 2023. This is down from around 45% during the 1990s and early 2000s and 42% in 2018. This is due to strong growth in full-time employment among women in the last decade. The chart below shows the change in women working full-time and part-time since Q4 2007. It shows in the last ten years women working full-time has increased quickly, with a sharper increase during the coronavirus pandemic.

The proportion of men working part-time climbed from around 7% in 1992 to 13% in 2010 and has remained at a similar level since. In October to December 2023, 14% of men in employment worked part-time.



Note: Data before the dotted line at July to September 2022 has been weighted with different population data. Q4 is October to December.

Source: ONS, [Table EMPQ1](#), 14 February 2024

1.3

Employees and the self-employed

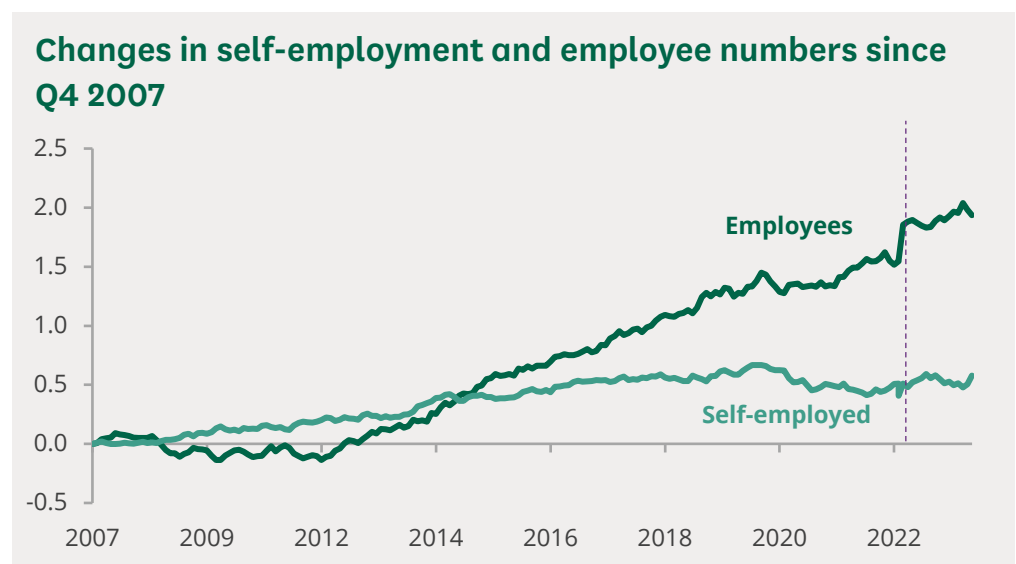
There were 14.40 million women working as employees and 1.62 million were self-employed in October to December 2023.² The number of women working as employees is around 1.7 million higher than a decade ago, while around 250,000 more women are self-employed.

Women are more likely than men to work as employees: 89.6% of women in employment were employees at the end of 2023 compared with 83.5% of men. Around 10% of women were self-employed compared with 16% of men, and women comprised 37% of all self-employed workers.

The chart below shows the change in women being employees and self-employed since Q4 2007. There was a small fall in the number of women working as employees immediately following the 2008 economic downturn, but there was an increase in self-employment. The number of employees has increased steadily since 2012 while the number of self-employed women has stayed the same or decreased.

During the pandemic, the number of female employees increased while self-employment fell. For men, falling employment levels during the pandemic were mostly due to fewer men being self-employed. The Office for National Statistics (ONS) has reported the decrease of self-employment over the pandemic is partly due to people describing themselves as employees rather than self-employed after the furlough scheme was created.³

More information can be found in the Library briefing, [Coronavirus: Impact on the labour market](#).



² Data for November 2022 to January 2023 will be [published by the ONS on 14 March 2023](#)

³ ONS, [Painting the full picture: what our statistics tell us about the labour market](#), 29 January 2021

Note: Data before the dotted line at July to September 2022 has been weighted with different population data. Q4 is October to December
Source: ONS, [Table EMP01](#), 14 February 2024

1.4

Employment by industry

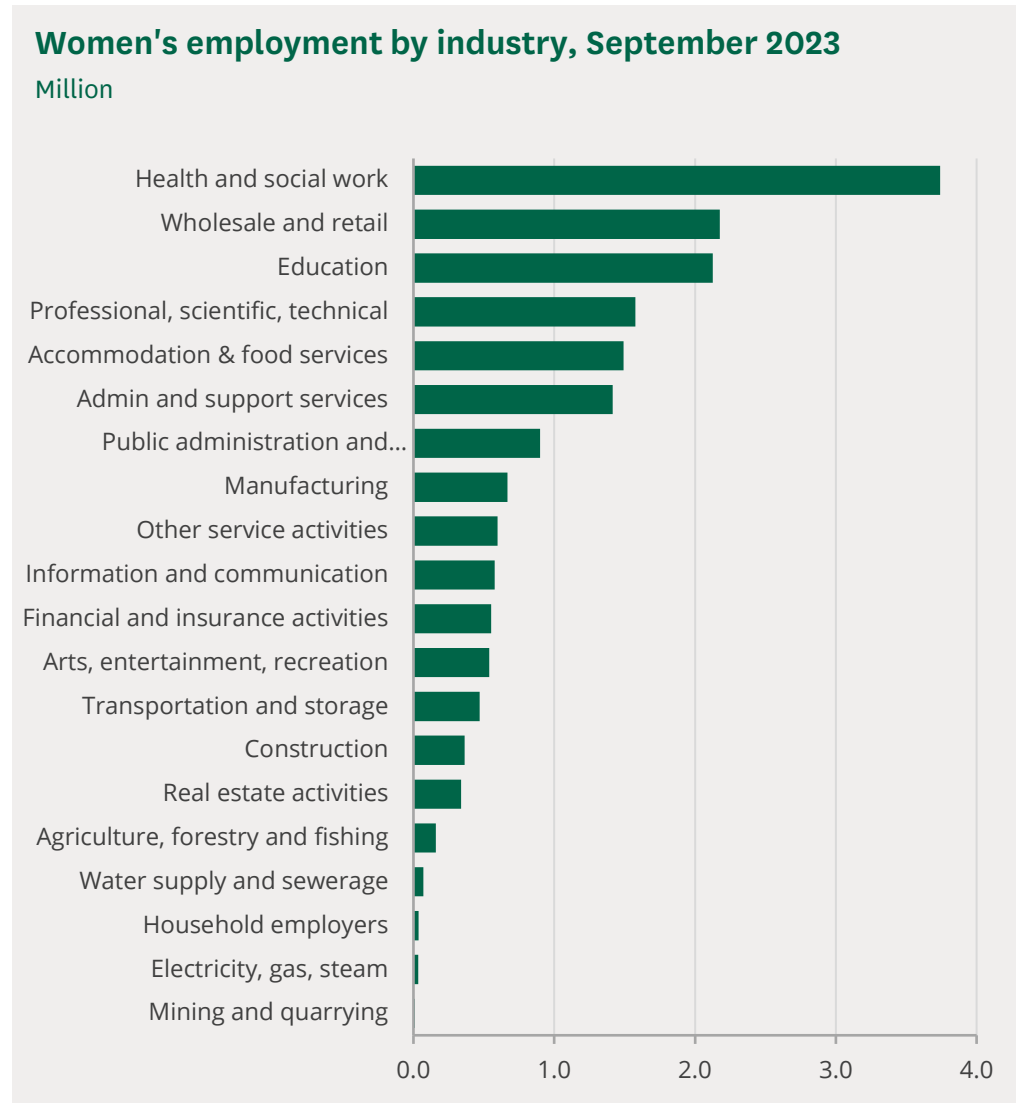
Women account for over three quarters of all jobs in the health and social work sector.

In the UK, the sectors with the most women in employment are health and social work (accounting for 21% of all jobs held by women as of September 2023), the wholesale and retail trade (12%) and education (12%).⁴

For men, the most common sectors also included the wholesale and retail trade (13% of all jobs held by men), followed by manufacturing (10%) and construction (10%).

Women hold 77% of jobs in the health and social work sector and 70% of jobs in education. Sectors where only a small proportion of jobs are held by women include construction (16%), mining and quarrying (17%) and transportation and storage (25%).

⁴ These figures are a count of jobs rather than people, since one person may hold multiple jobs.
Source: [ONS Workforce jobs series](#) via Nomis.



Source: ONS, [Workforce jobs](#) series via Nomis

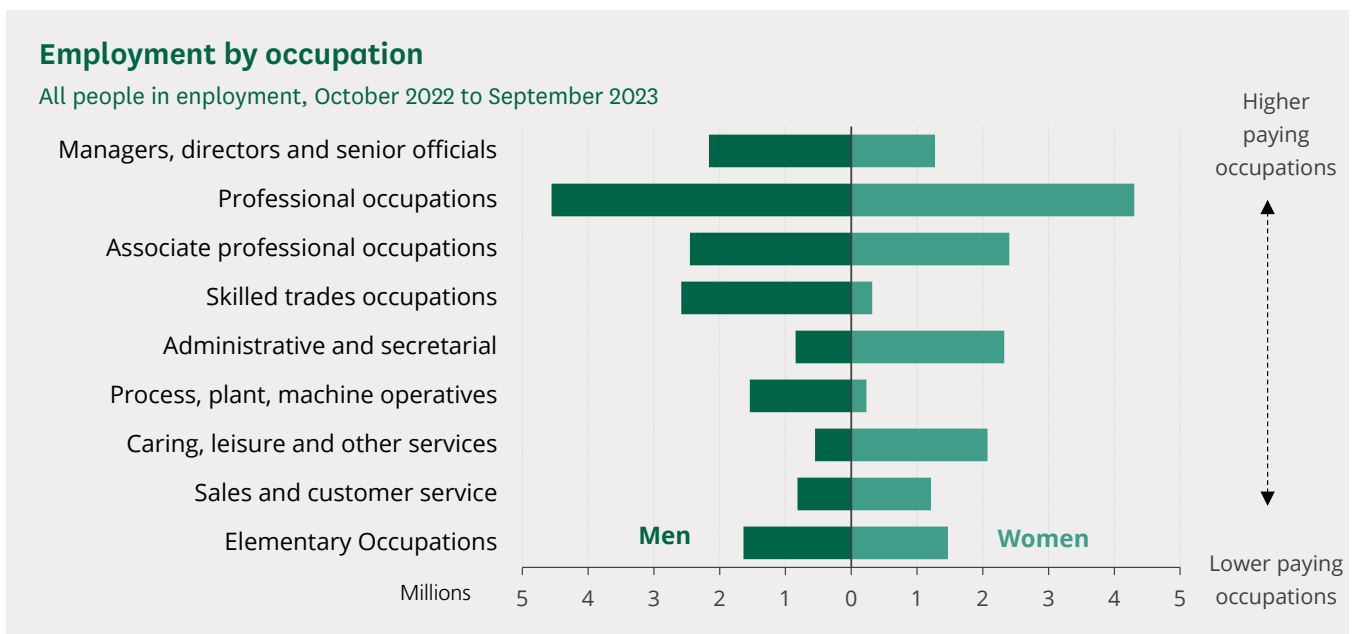
1.5 Employment by occupation

Occupations are classified into nine broad categories (shown in the chart below).⁵

28% of women in employment worked in ‘professional occupations’ (such as engineers, doctors and nurses, teachers, accountants and lawyers) in October 2022 to September 2023, compared with around 27% of men.

A higher share of men than women were working as managers, directors or senior officials, with 13% of men in these roles compared with 8% of women.

Men were also more likely than women to be working in ‘skilled trades’ and as process, plant or machine operatives. Women were more likely than men to be working in administrative and secretarial occupations; caring, leisure and other services occupations; and in sales and customer service occupations.

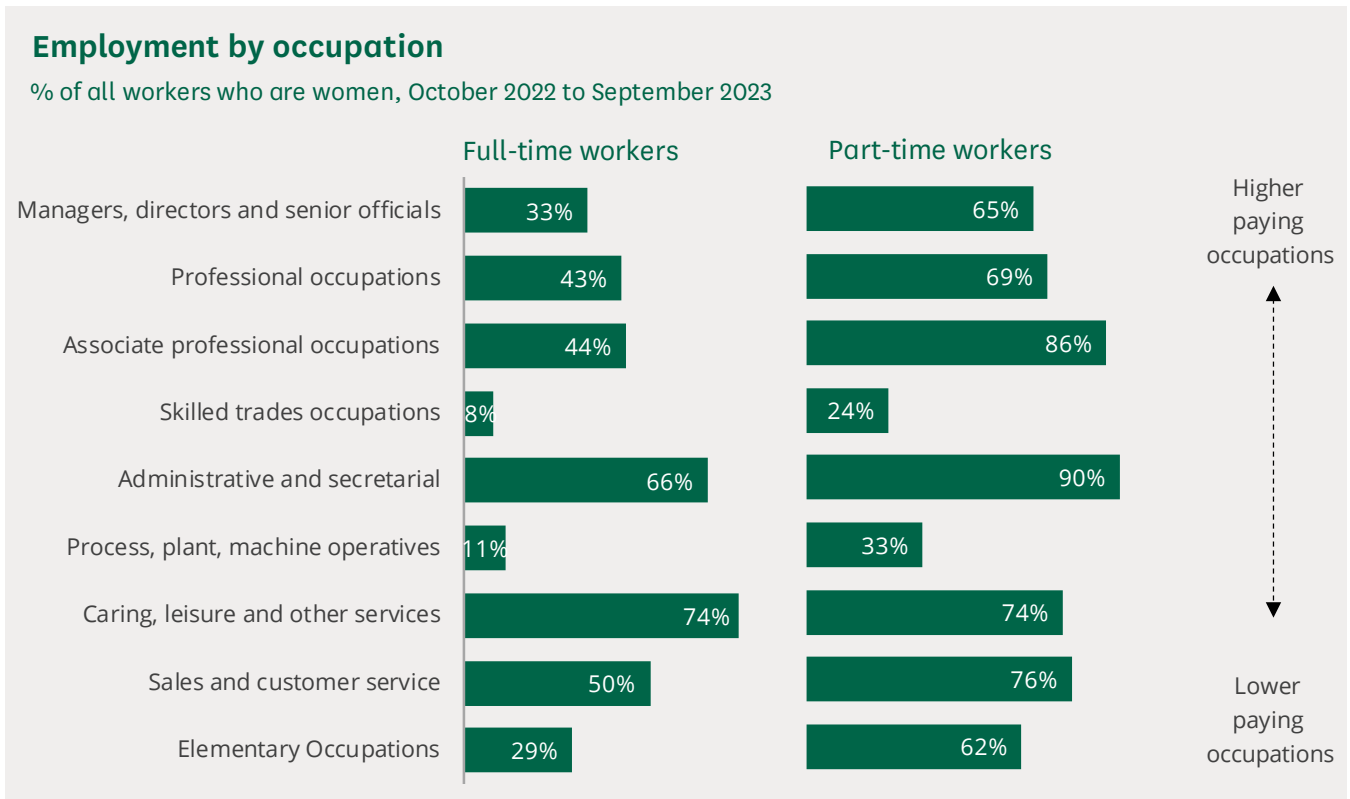


Note: Occupations ranked based on median hourly pay (excluding overtime) for employees as of April 2023.

Source: ONS, Employment by status and occupation via [Nomis](#) and [Annual Survey of Hours and Earnings](#) via Nomis

⁵ ONS, Employment by status and occupation via [Nomis](#)

Across these occupation groups, women were more likely than men to work part time. For both men and women, the share of workers who work part time was highest in the lowest-paid occupations:



Note: Occupations ranked based on median hourly pay (excluding overtime) for employees in April 2023.

Source: ONS, Employment by status and occupation and [Annual Survey of Hours and Earnings](#) via Nomis.

1.6

Regional differences in women’s employment

Women’s employment rate was highest in the South West (76%) and South East (75%) of England in the 12 months to September 2023. It was lowest in the East Midlands (69%) and the North East of England (70%).

Women aged 16–64 were less likely than men to be in employment across all countries and regions of the UK. The gap between the male and female employment rates ranged from 4 percentage points in Scotland and the North East, to 12% points in the East Midlands.



Source: ONS, [Annual Population Survey](#) via Nomis

1.7

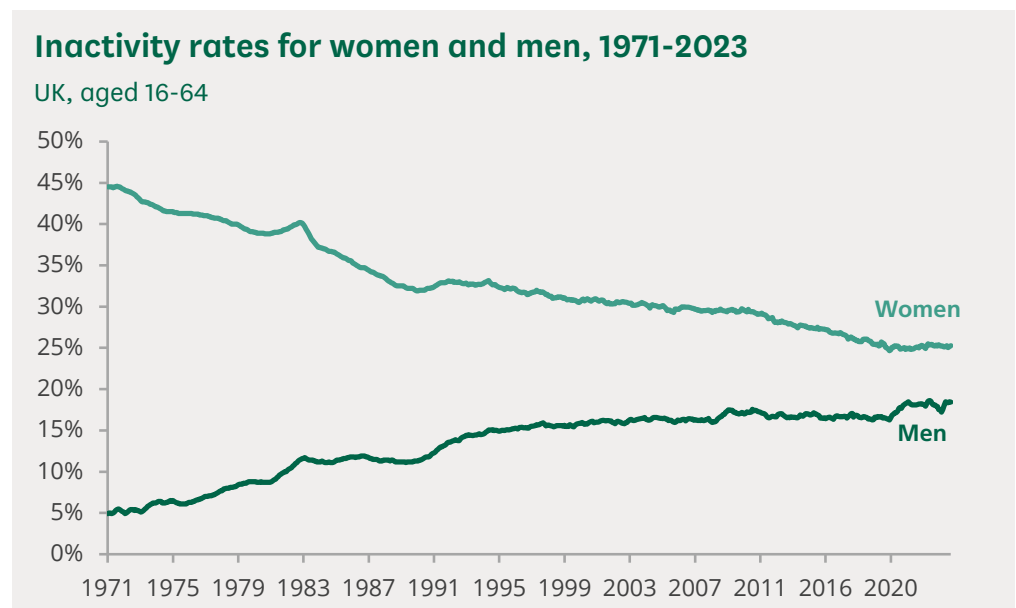
Unemployment and economic inactivity

People who are not in work can either be unemployed (looking for and available for work) or economically inactive (not looking for or available for work).

There were 582,000 women aged 16 and over **unemployed** in October to December 2023, compared with 737,000 men. The unemployment rate for women was 3.5%, less than the unemployment rate of 4.1% for men.

5.44 million women aged 16–64 were **economically inactive** in October to December 2023, which is 25.3% of women in this age group. There were 3.84 million men aged 16–64 who were inactive (18.4%).

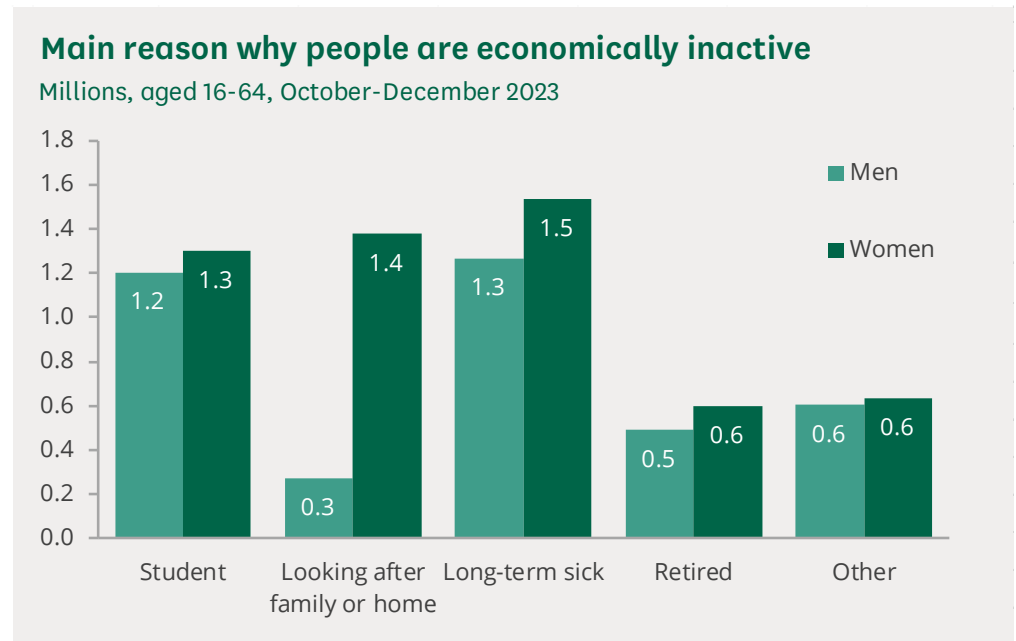
There were large falls in the inactivity rate of women over the 1970s and 1980s before a more gradual decline over the 1990s and 2000s. The rate has been falling more quickly again since 2010 due in part to increases in the state pension age for women.



Source: ONS, UK labour market bulletin, [Table A02](#), 14 February 2024

As the chart below shows that 1.38 million women were economically inactive in October to December 2023 because they were looking after their family or home.

1.30 million women were inactive because they were studying, and 1.53 million were inactive due to being long-term sick. Long-term illness is now the most common reason for people being inactive. The Library Insight [How is health affecting economic inactivity?](#) provides more information.



Source: ONS, Labour market bulletin, [Table INAC01](#), 14 February 2024

Economic inactivity has increased since the beginning of the coronavirus pandemic and organisations like the Resolution Foundation have recommended the Government reform childcare to allow women to enter the labour market as a way of addressing this.⁶

In the 2022 Autumn Statement, the Chancellor announced a review of ‘issues holding back workforce participation’.⁷ The Government is expanding its free childcare scheme from April 2024. The Library briefing [Help with childcare costs in England](#) provides more detail.

⁶ Resolution Foundation, [Post-pandemic participation, Exploring labour force participation in the UK, from the Covid-19 pandemic to the decade ahead](#), 21 February 2023

⁷ Gov.UK, [The Autumn Statement 2022 speech](#), 17 November 2022, Gov.UK, [The Autumn Statement 2022 speech](#), 17 November 2022

1.8

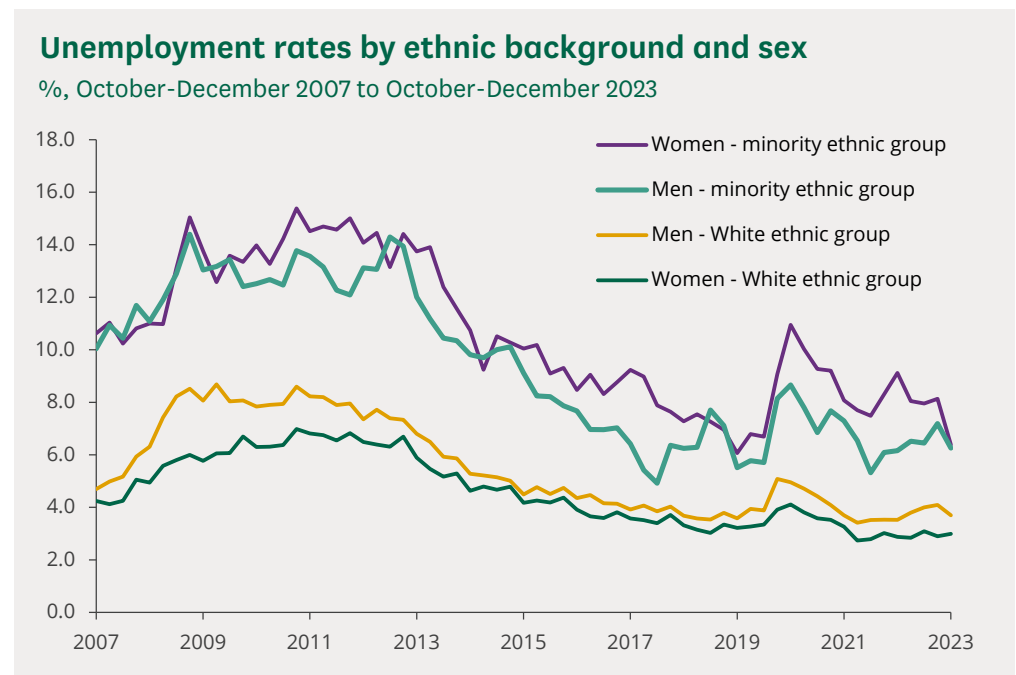
Labour market status by ethnic group

As outlined in Box 2, the latest labour market data is less reliable than usual. Data on labour market status by ethnic group is particularly unreliable, so this section provides information on overall trends instead specific figures, which are likely to be inaccurate.

Unemployment

Unemployment rates are lower for people from White ethnic groups than for minority ethnic groups. Men from a White ethnic group have a higher unemployment rate than women from a White ethnic group, whereas women from minority ethnic groups have a higher unemployment rate than men.

Until 2019, unemployment for men and women in minority ethnic groups mostly fell more rapidly than for people from White ethnic groups, which meant the gap between White ethnic groups and minority ethnic groups was shrinking. The pandemic widened the gap again: the chart below shows a sharp increase in unemployment for men and women from minority ethnic groups in 2020. Women from a minority ethnic group are more likely to be unemployed than any other group.



Source: ONS, Table A09, [Labour market status by ethnic group](#), 14 February 2024

Notes: Minority ethnic background includes all people stating their ethnicity as 'Mixed', 'Indian', 'Pakistani', 'Bangladeshi', 'Chinese', 'Black/African/Caribbean' or 'Other'.

Employment and economic inactivity

Employment rates for men are consistently higher than for women across all ethnic groups, and the gender gap is larger for people in minority ethnic groups.

Men have higher employment rates partly because rates of economic inactivity (people not in work and not looking for work) are usually higher for women than men.

The Library briefing [Unemployment by ethnic background](#) provides further breakdowns by ethnic group and gender.

1.9 Labour market activity by disability status

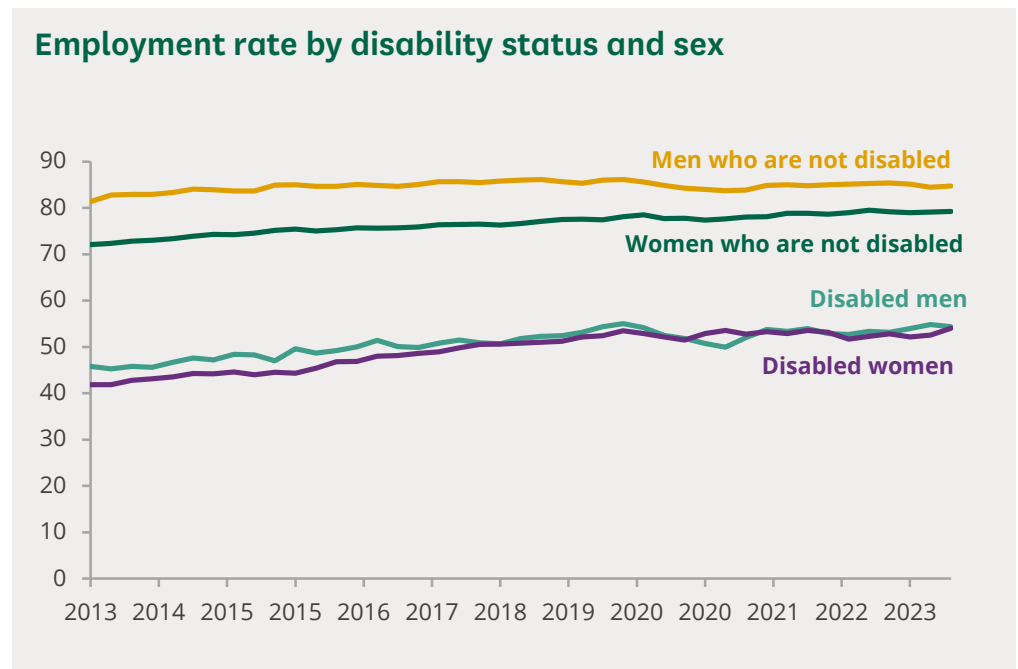
As outlined in Box 2, the latest labour market data is less reliable than usual. Data on the employment rates of disabled people is particularly unreliable, so this section provides information on overall trends instead specific figures, which are likely to be inaccurate.

As shown in the chart below, the gap in the employment rate between disabled women and women who are not disabled is large. Disabled women also have a considerably higher rate of economic inactivity (they are much more likely to be not in work and not looking for work).⁸

Employment rates are similar for disabled women and disabled men. For the most part, since 2013, disabled men are slightly more likely to be unemployed than disabled women, and disabled women have a slightly higher inactivity rate than disabled men.

For more information, see the Library briefing, [Disabled people in employment](#).

⁸ The data use the Government Statistical Service Harmonised Standard Definition of Disability. The 'Important note' tab in the ONS dataset [AQ8: Labour market status of disabled people](#) explains this definition.



Source: ONS, [Labour market bulletin, Table A08](#), 14 February 2024

Note: Government Statistical Service Harmonised Standard Definition of Disability.

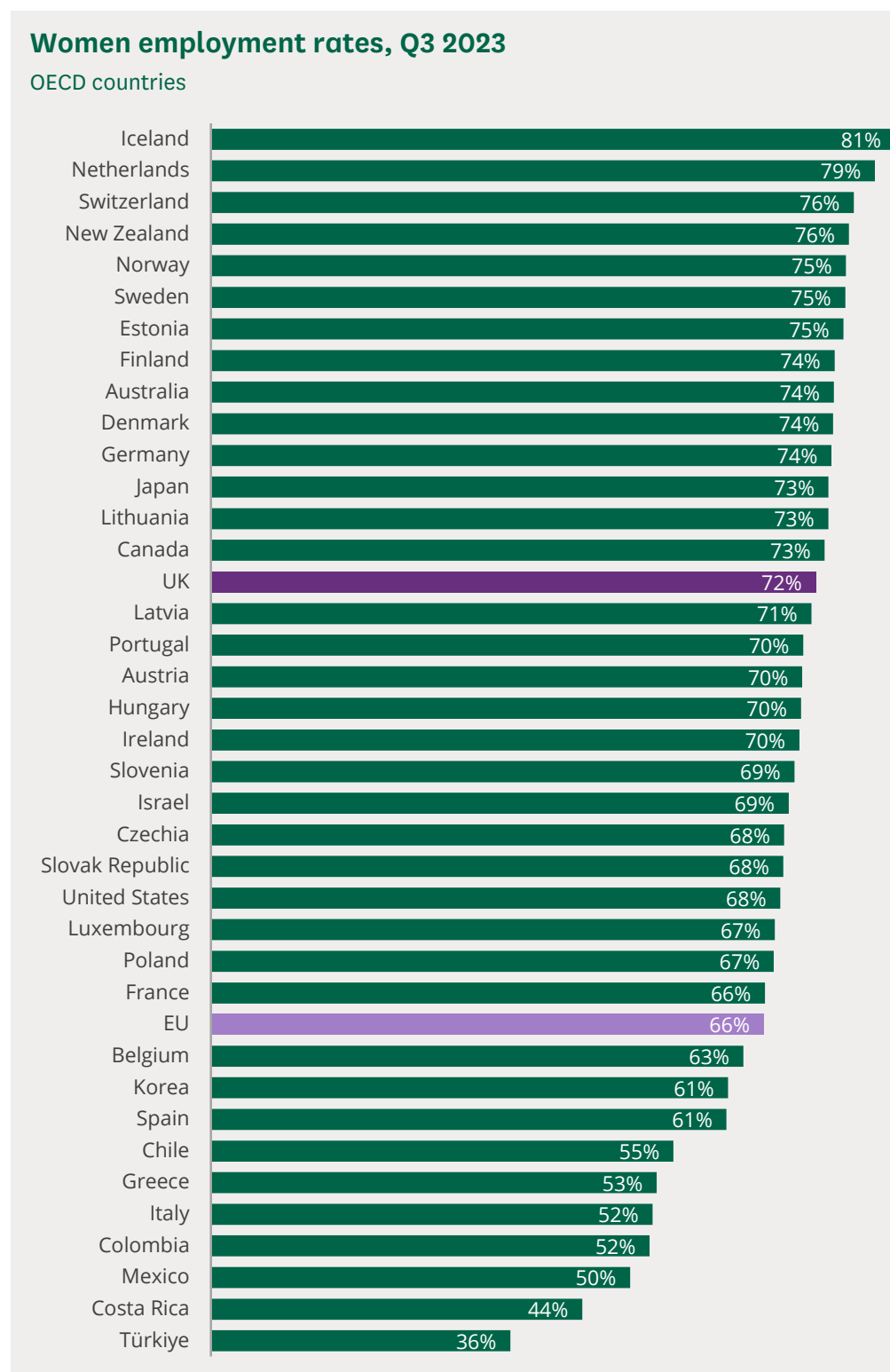
1.10

International comparisons

The employment rate for women in the UK was 71.9% in July to September 2023, compared with 65.7% in the EU27.

Iceland had the highest female employment rate at 81.3%, followed by the Netherlands at 78.9%.⁹

⁹ Organisation for Economic Co-operation and Development (OECD), [Short-term labour statistics](#).



Source: Organisation for Economic Co-operation and Development (OECD), [Short-term labour statistics](#). Q3 is July to September.

Note: Rate is % of women aged 15-64 in employment; seasonally adjusted.

Figures are published by OECD and therefore may differ from what is published elsewhere in this briefing.

2 Women's earnings

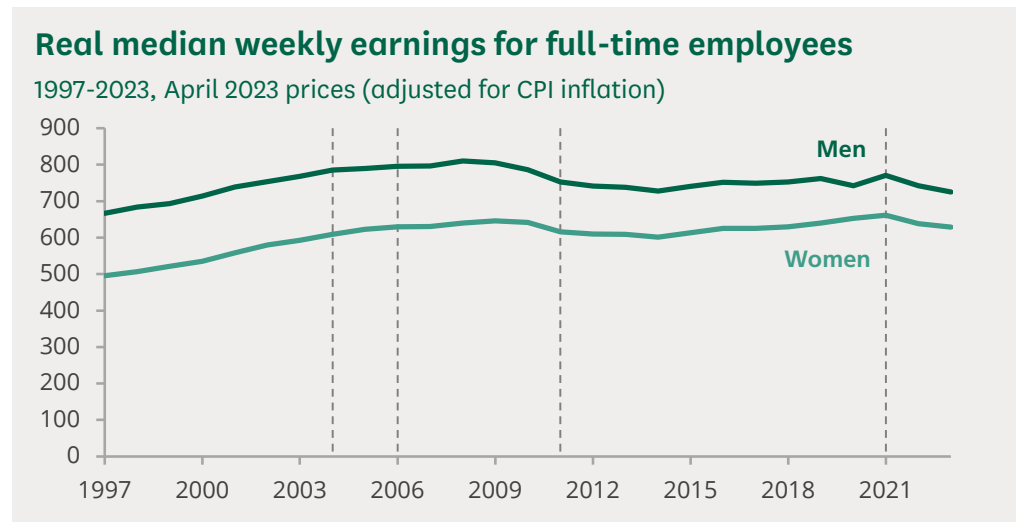
2.1 Trends in average pay

According to the Office for National Statistics (ONS), median weekly earnings for female employees working full time were £629 at April 2023, compared with £725 for male full-time employees.¹⁰ The median is the point at which half of people earn more and half earn less.

Median weekly pay for female full-time employees in 2023 was around the same as its 2008 level, after adjusting for inflation.

After adjusting for inflation, average earnings decreased for both men and women following the economic downturn in 2008, although in the immediate aftermath average pay for men fell more sharply.

In 2023, real median pay for female full-time employees was around 2% lower than its 2008 level, while median pay for men was around 11% lower. The Library briefing [Average earnings by age and region](#) provides more data on women's earnings.



Source: ONS, [Annual Survey of Hours and Earnings](#), 2023

¹⁰ ONS Annual Survey of Hours and Earnings [Table 1](#)

2.2

The gender pay gap

The gender pay gap measures the difference between average (median) hourly earnings of men and women, usually shown by the percentage men earn more than women.

Part of the difference between men and women’s weekly earnings can be attributed to hours worked, so the gender pay gap is usually measured by hourly pay.

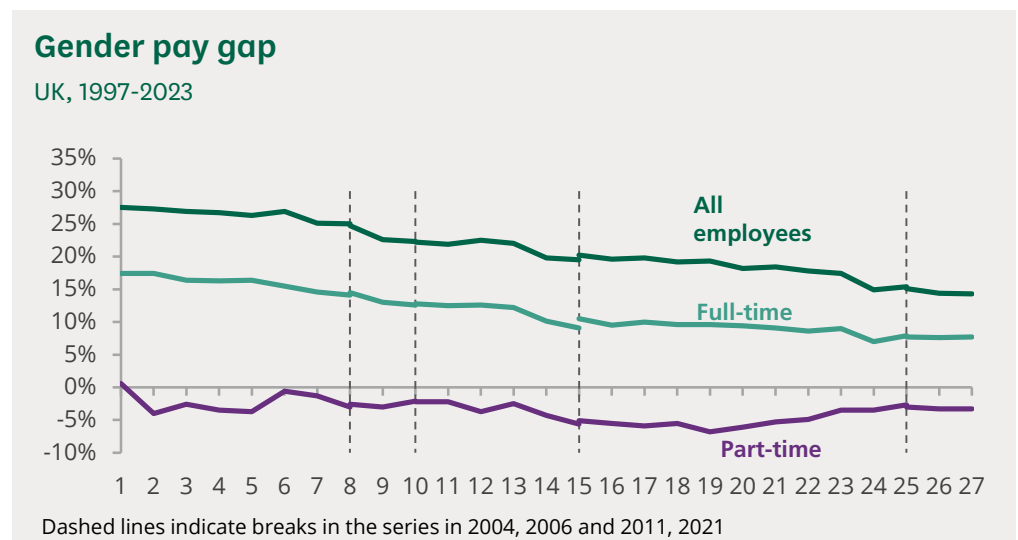
In April 2023, the gender pay gap in median hourly pay (excluding overtime) between men and women was:

- 7.7% for full-time employees
- -3.3% for part-time employees (meaning women tended to be paid more than men)
- 14.3% for all employees¹¹

The gender pay gap for full-time employees has decreased from 17% in 1997 to 7.7% in 2023.

The gender pay gap for all employees is larger than either the full-time or part-time pay gaps. This is because a much higher share of women than men are employed part time and part-time workers tend to earn less per hour than those working full time.

There has broadly been a downward trend in the full-time pay gap since 1997 and the overall pay gap has also decreased. The part-time pay gap has widened since the early 2000s.



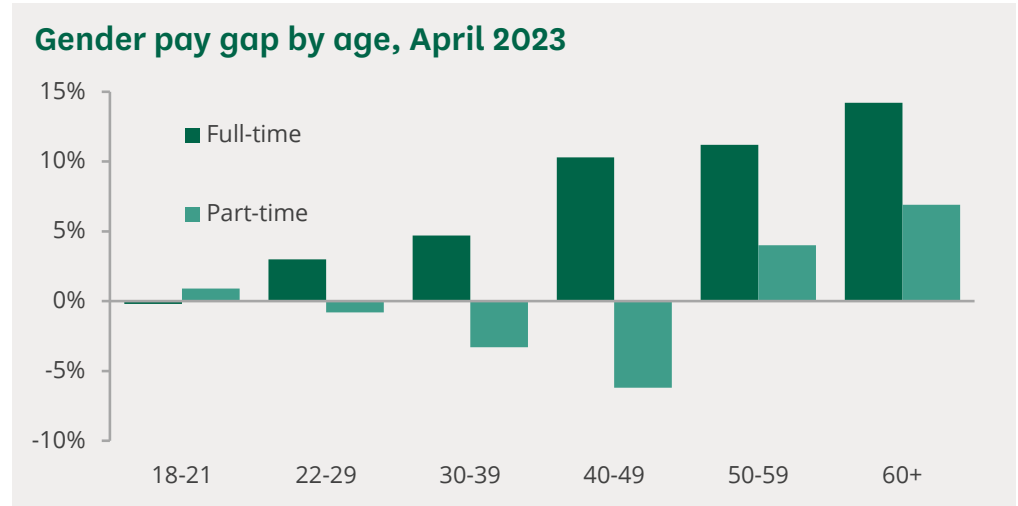
Source: ONS, [Annual Survey of Hours and Earnings](#), 2023

¹¹ ONS Annual Survey of Hours and Earnings, [Table 1](#) ONS Annual Survey of Hours and Earnings , [Gender pay gap](#)

2.3

The gender pay gap varies with age

The gender pay gap is small or negative for employees in their 20s or 30s but widens considerably for older age groups.



Source: ONS, [Annual Survey of Hours and Earnings](#), 2023

One reason for the age differences in the pay gap is generational differences: younger workers have higher levels of educational attainment on average and may be more likely to work in higher paying industries or occupations.

Another explanation is that factors affecting women's employment and earnings opportunities become more evident when women are 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.

Motherhood and the gender pay gap

Analysis by the Institute for Fiscal Studies (IFS) finds that most of the gender pay gaps can be traced to 'child penalties', or parenthood. It finds the average earnings of men are almost completely unaffected by parenthood, but women's earnings fall sharply when they become parents and then stabilise at a much lower level with little growth.

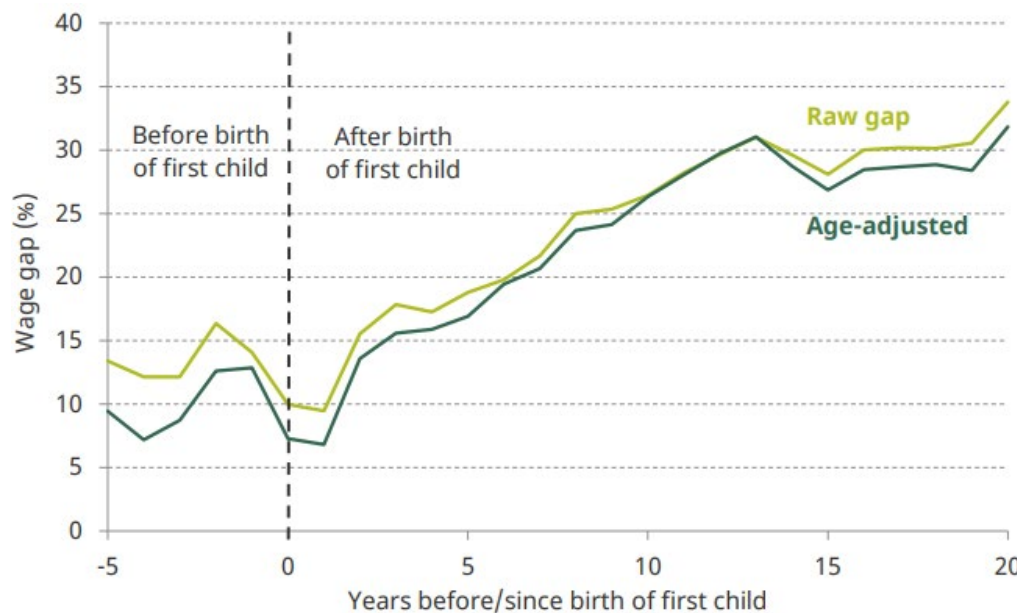
The IFS finds that seven years after the birth of a first child, women's earnings are on average less than half of men's.¹² Between 1991 and 2015, the pay gap (based on mean hourly earnings¹³) between mothers and fathers was around

¹² Institute for Fiscal Studies, [Women and men at work](#), 6 December 2021

¹³ The rest of this paper looks at the gender pay gap based on median hourly pay.

10% before the birth of their first child, but widened to a gap of around 30% by the time the child is aged 13.¹⁴

Gender pay gap by time to and since birth of first child



Note: Wage gap based on mean hourly pay. The age-adjusted series takes account of the fact that a small part of the gap is due to age differences: men tend to be slightly older than women when their first child is born. Figures exclude people in the bottom 2% of hourly wages.

Source: IFS [BN223](#), Figure 5

3 Claudia Goldin’s Nobel Prize winning work on women’s labour market participation

Claudia Goldin won the 2023 Nobel Prize in Economics for “for having advanced our understanding of women’s labour market outcomes.”¹⁵

The Royal Swedish Academy of Sciences article [History helps us understand gender differences in the labour market](#) (PDF) provides a summary of Goldin’s work.¹⁶

Goldin’s books and articles include:

¹⁴ Monica Costa Dias, Robert Joyce and Francesca Parodi, [Wage progression and the gender wage gap: the causal impact of hours of work](#), IFS Briefing Note BN223, 5 February 2018, Figure 5. Note the IFS analysis uses data from the British Household Panel Survey for 1991-2008 and the Understanding Society survey for 2009-2015, rather than the ONS Annual Survey of Hours and Earnings. Therefore the IFS figures may differ from those presented elsewhere in this paper.

¹⁵ The Nobel Prize, [Press release](#), 9 October 2023

¹⁶ LSE, What Claudia Goldin taught economics about women, labour markets and pay gaps, 13 November 2023 provides another summary of Goldin’s work

Understanding the Gender Gap: An Economic History of American Women, 1990. This tracks women's labour force participation since the 1790s.

[The Quiet Revolution That Transformed Women's Employment, Education, and Family](#), 2 May 2006. This discusses how the contraceptive pill changed women's labour force participation.

Career and Family: Women's Century-Long Journey toward Equity, October 2021. This covers the history of women's choice between work and family, as well as how the nature of modern work and the coronavirus pandemic shapes that choice.

Part-time experience leads to less growth in earnings than full-time experience. Women are more likely than men to work part-time.

Effect of full-time and part-time work

The gradual widening in the pay gap between mothers and fathers after the arrival of the first child is reflected in a widening gap in the amount of time spent in the workplace. Many mothers leave employment for a time after the birth of the first child (this is observed for mothers across all education levels but is particularly pronounced for the lowest-educated) while many others move from full-time to part-time work. Both effects result in a loss of labour market experience among mothers which accumulates over time.

The amount that men and women work part time tells us more about the widening of the pay gap following the birth of a first child, than looking at the time mothers spend out of employment. According to the IFS, extra years of experience make almost no difference to a woman's wages if she works part time.¹⁷

What else might cause an increase in the pay gap after having children?

As noted above, time spent in full-time work only explains half of the increase in the pay gap between mothers and fathers during the twenty years following the birth of their first child. Other factors include women being less likely to successfully bargain for higher wages within a given firm, and more likely to enter 'family-friendly' occupations over high-paying ones.¹⁸

Caring responsibilities may also constrain the length of time that people can spend travelling to work. A wide "gender commuting gap" opens in the years following the birth of the first child, which evolves over time in a very similar way to the gender pay gap between mothers and fathers (shown in the chart on page 16). Nevertheless, this does not necessarily mean that the gender pay gap is caused by a gender commuting gap: it is possible that both could

¹⁷ Monica Costa Dias, Robert Joyce and Francesca Parodi, [Wage progression and the gender wage gap: the causal impact of hours of work](#), IFS Briefing Note BN223, 5 February 2018 – p16

¹⁸ Research summarised in Monica Costa Dias, Robert Joyce and Francesca Parodi, [Wage progression and the gender wage gap: the causal impact of hours of work](#), IFS Briefing Note BN223, 5 February 2018 – p3.

arise from another factor, such as women needing more flexibility in their work.¹⁹

The IFS also discuss the potential effect of parental leave and childcare policies on the gender pay gap among parents.²⁰

This is discussed in greater depth in the Library briefing, [The gender pay gap](#).

2.4 Low pay

Increases to minimum wage rates since 2016 have reduced rates of low pay. In 2022 9.0% of employees were low paid (paid less than two-thirds of the median wage), compared to 20.7% in 2015.²¹ In 2024, the minimum wage is expected to reach 66% of median earnings, which will mean that people paid the minimum wage will no longer be considered low paid.²²

The fall in low pay has been larger for women. In 1970, 45% of women were low paid compared to 12% of men. In 2022 7.6% of women and 10.5% of men were low paid.

This is because women are more likely than men to be working in jobs paying the National Minimum Wage (NMW). The Low Pay Commission estimated that around 6.4% of female employees aged 25 and over were paid at the relevant **minimum wage** rate in April 2022, compared with just under 4.4% of male employees aged 25 and over.²³ The National Living Wage (the NMW rate for workers aged 23 and over) was set at £9.50 an hour between April 2022 and April 2023. From April 2024 the NLW will be £11.44 and apply to people aged 21+.

Gaps between men and women in low hourly pay are closing quickly. According to the Resolution Foundation, a think tank focussing on living standards, in 1997 31% of women were on low hourly pay, compared with 14% of men. In 2021, this rate had fallen to 15% (compared to 11% of men). Women still make up the majority of workers on low hourly pay (61% in 2021). The gap in low weekly pay is much larger, because more women work part time: in 1997, 46% of women were on low weekly pay, and this fell to 36% in 2021.²⁴

¹⁹ Robert Joyce and Agnes Norris Keiller, [The 'gender commuting gap' widens considerably in the first decade after childbirth](#), IFS Observation, 7 November 2018.

²⁰ Institute for Fiscal Studies, [Women and men at work](#), 6 December 2021

²¹ Resolution Foundation, [Low Pay Britain 2023](#), 19 April 2023

²² Low Pay Commission, [Low Pay Commission summary of evidence 2023](#), 21 November 2023

²³ Low Pay Commission, [2022 Report](#), Figure 3.3

²⁴ Resolution Foundation, [Low pay Britain 2022](#), 25 May 2022

Women are more likely than men to remain in low-paid work over the long term.

Previous research by the Resolution Foundation, looked at the extent to which people in low-paid jobs are able to move into higher-paid work or remain “stuck” in low pay (where low pay is defined as having earnings below two thirds of median hourly pay).²⁵

Low-paid women were more likely than men to be stuck, although the risk of remaining in low pay is lower than it was in the 1980s. Excluding those who leave the data parameters over the following decade, the proportion of women getting stuck fell from 48% in 1981–1991 to 30% in 2006–2016.

²⁵ Resolution Foundation, [Workertech and low pay](#). An overview of research on low-paid workers in the UK, 19 July 2021

3 Women leading businesses

3.1 Female-led small and medium-sized enterprises (SMEs)

In 2022, 18% of small and medium-sized enterprises (SME) employers were led by women (meaning that they were either led by one woman or by a management team that is majority female), according to the Government's annual [Small Business Survey](#).²⁶ This is a one percentage point fall compared to 2021, and similar to figures since 2015.

The proportion of SMEs with no employees that were owned or led by women was higher, at 20% in 2022, around the same as in 2021 and 2020.²⁷

Examining only SMEs with employees, women-led businesses were most likely to be in the health and social care (44%), education (34%), other services (29%) and accommodation and food service (28%) sectors.²⁸ The “other services” sector includes businesses such as hair and beauty salons, sports facilities and funeral homes.

3.2 Female-led start-ups

In 2022, [just over 20% of all new companies were all-female led](#), up from 17% in 2018, according to the 2023 Rose Review Progress Report.²⁹ Women in the UK established over 150,000 new companies in 2022 – more than twice as many as in 2018.³⁰

The [Alison Rose Review of female entrepreneurship](#) was a Treasury-commissioned review which began in 2018, looking at the barriers faced by women starting and growing a business.³¹ The first review report, published in March 2019, stated that “up to £250 billion of new value could be added to the

²⁶ DBT, [Small business survey \(employers\)](#), 31 August 2023, data table 30.

²⁷ DBT, [Small business survey \(no employees\)](#), 31 August 2023, data table 29.

²⁸ DBT, [Small business survey \(employers\)](#), 31 August 2023, data table 30.

²⁹ Alison Rose Review of female entrepreneurship, [Progress Report 2023](#), 22 February 2024 page 6. A company is a business that has been incorporated at Companies House under the Companies Act 2006.

³⁰ Alison Rose Review of female entrepreneurship, [Progress Report 2023](#), 22 February 2024, page 6.

³¹ HM Treasury, [The Alison Rose Review of Female Entrepreneurship](#), 8 March 2019.

UK economy if women started and scaled new businesses at the same rate as UK men”.³² Annual progress reports are published each year.

Around [10% of women in the UK economy were early-stage entrepreneurs](#) in 2022/23, compared to around 12% of men, according to the [Global Entrepreneurship Monitoring](#) survey (a consortium of international academic institutions that run a global annual survey of entrepreneurship activity).³³ This includes owning or running a business that is less than three-and-a-half years old. This means that around 2 in 5 entrepreneurs in the UK were women (44%), up from around 1 in 3 in 2018/19.³⁴ The proportion of female entrepreneurs in the UK was higher than in France and Germany, but lower than in the United States.³⁵

The GEM found that the proportion of new businesses that transition to established businesses (operating for more than three-and-a-half years) is lower for female-led businesses than male-led businesses. The GEM reported that 4.1% of females in 2022 were ‘established business owners’ compared to 8.9% of males – a gap of 4.8 percentage points.³⁶

3.3 Women on boards

In January 2024, [42.6% of FTSE100 directorships were occupied by women](#) and around half of all new FTSE100 board appointments were women (47%).³⁷ Nearly three-quarters of all FTSE100 Boards have at least 40% women on their boards – the current voluntary target set by the [FTSE Women Leaders Review](#) (discussed further below).³⁸

In January 2024, 41.8% FTSE250 directorships and 42.1% of FTSE350 directorships were held by women.³⁹

³² HM Treasury, [The Alison Rose Review of Female Entrepreneurship \(PDF\)](#), Executive Summary page 6, 8 March 2019.

³³ The GEM reports on the ‘total early-stage entrepreneurial activity’ (TEA) rate, which is the percentage of the working-age adult population (aged 18–64) who are early-stage entrepreneurs. The GEM reported a 9.7% TEA rate for females and a 12.4% TEA rate for males. Global Entrepreneurship Monitor, [UK Report 2022/23 \(PDF\)](#), page 18.

³⁴ House of Commons Library calculation based on GEM TEA rates. Global Entrepreneurship Monitor, [UK Report 2022/23 \(PDF\)](#), page 18.

³⁵ Global Entrepreneurship Monitor, [UK Report 2022/23 \(PDF\)](#), page 18.

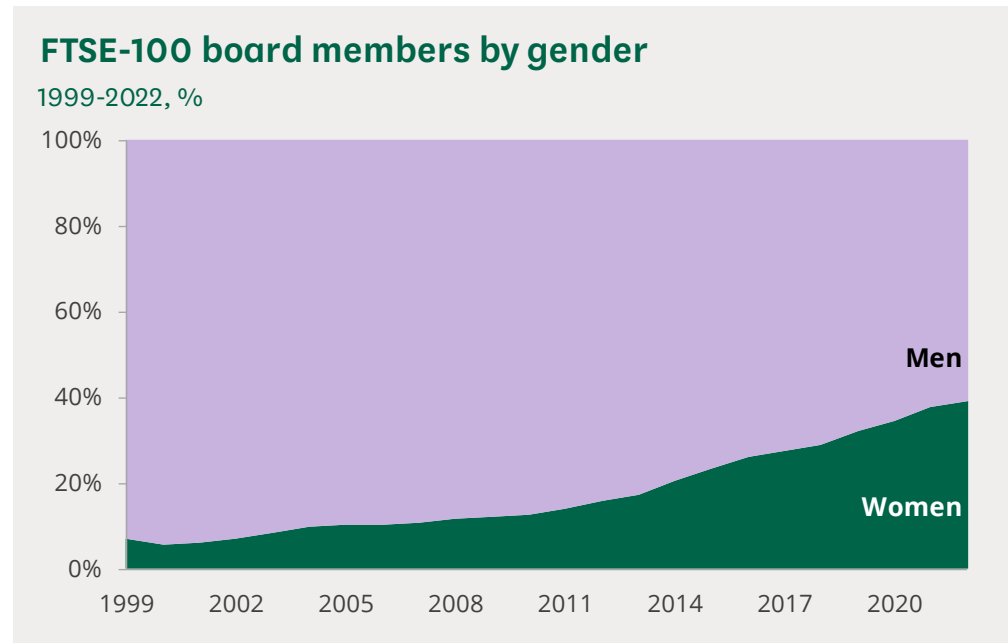
³⁶ Global Entrepreneurship Monitor, [UK Report 2022/23 \(PDF\)](#), page 18-19. The Established Business Owner (EBO) rate is the proportion of the adult population that is currently an owner-manager of an established business (operating for more than three and half years).

³⁷ There were 445 women serving on FTSE 100 Boards out of a total of 1044 directorships. FTSE Women Leaders, [FTSE Women Leaders Review 2024 \(PDF\)](#), February 2024, page 15.

³⁸ FTSE Women Leaders, [About Us](#), accessed 27 February 2024.

³⁹ FTSE Women Leaders, [FTSE Women Leaders Review 2024 \(PDF\)](#), February 2024, Appendix page 48.

The following chart shows how the proportion of women on FTSE100 boards has increased steadily since 1999 with more significant increases in recent years.



Source: Cranfield University, [Female FTSE Board Report](#), 2022 and House of Commons Library

Women on boards: targets

A government backed voluntary 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](#).⁴⁰ In October 2015, it was announced that this target had been met, and that 26% of FTSE100 board members were women.⁴¹

Building on the work of Lord Davies, in 2016 the Government commissioned the [Hampton-Alexander Review on FTSE women leaders](#), which reported each year from 2016–2021 on women representation at FTSE 350 firms. In 2016 the Hampton-Alexander Review recommended that FTSE 350 companies should aim for a minimum of 33% representation of women on their boards and in their senior leadership positions (Executive Committee and Direct Reports) by 2020.

The final [Hampton-Alexander report \(PDF\)](#) was published in February 2021. It reported that FTSE 350 Boards met and exceeded the 33% target on average (220 or 65% of companies met the target). The target for women in FTSE350

⁴⁰ Lord Davies of Abersoch and BIS, [Women on boards](#), February 2011, pg. 4

⁴¹ BIS, [Women on boards: 5 year summary \(Davies review\)](#), 29 October 2015.

leadership roles however fell short of the target, with 85 companies (30%) achieving the target.⁴²

The Hampton-Alexander Review has been succeeded by the [FTSE Women Leaders Review](#). This review has set new voluntary targets, including that FTSE 350 companies should reach:

- 40% representation of women on FTSE 350 Boards and leadership teams (Executive Committee and Direct Reports) by the end of 2025; and
- FTSE 350 companies should have at least one woman in a key leadership role (Chair or Senior Independent Director role on the Board and/or one woman in the Chief Executive Officer or Finance Director role) by the end of 2025.⁴³

The Cranfield School of Management, [Female FTSE Board Reports](#), provide further statistics on female representation on FTSE 100 and FTSE 250 company boards including commentary on the voluntary approach to representation targets.

3.4 Women in business – Further reading

The [Fawcett Society report Sex & Power 2022](#) is a biennial publication that provides a breakdown of women's representation in politics, business and the arts, and provides analysis of the challenges facing women of colour.

The annual [Investing in Women Code annual reports](#), now published by the British Business Bank, provide data on bank financing and venture capital applications led by women.⁴⁴

The British Business Bank report [Alone Together: entrepreneurship and diversity in the UK](#), published in October 2020, examines the effect of ethnic and economic background as well as gender and place on entrepreneurial opportunities and outcomes. It reports that female businesses owned by women experience significantly lower median turnover than those owned by men.

The [Diversity Beyond Gender report](#), published in November 2020, looks at venture capital investment according to race, gender and educational background over the past 10 years. The report was published by Extend Ventures (business, research and financial experts aiming to diversify access to finance).

⁴² Hampton-Alexander Review, [FTSE Women Leaders, February 2021](#) (PDF), page 10.

⁴³ FTSE Women Leaders, [Recommendations & Progress](#) [accessed 18 November 2022].

⁴⁴ British Business Bank, [Investing in Women Code Annual Report 2023](#), 7 June 2023; British Business Bank [Investing in Women Code Annual Report 2022](#), 28 June 2022; HM Treasury, [Investing in Women Code Annual Report 2021](#), 19 April 2021.

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