

Thank you all for joining me. My name is Elizabeth Wynn, I'm the Equality and Diversity Manager at the Babraham Institute, and today I'm going to be talking about equal pay and pay gaps. These are two different things but they're often misunderstood and people don't get the difference between them. The reason I chose to cover this topic this month, is because the 18th was the UN's International Day for Equal Pay and even there in their information, they weren't always clear when they were talking about equal pay versus pay gaps. So it seems worth providing some information to clarify this. I'm going to start by talking about the difference between these two things, then looking at the state of pay gaps currently, then talking about the causes of pay gaps, and finally, what is being done and can be done to minimise pay gaps.

Starting with a definition of equal pay. Equal pay in the UK is defined legally in the Equality Act of 2010 and it states that 'an individual can claim equal pay when he or she, compared with someone of the opposite sex, is employed in like work, work that is rated as equivalent and work of equal value'. This was, the Equality Act replaced the Equal Pay Act of 1970 in this regard. If you haven't seen it, I recommend the film *Made in Dagenham*, which is a great film that covers the original strike action that led to the Equal Pay Act being created. Even though the Equality Act defines nine protected characteristics, things like gender, ethnicity, disability, religion, for some reason, the part relating to equal pay only specifies someone of the opposite sex. I'm pretty sure this is an oversight. I think we would all agree that it's morally wrong to pay someone different amount for the same job based on ethnicity. But technically, it is legal. I'm sure if a case were ever brought to court, there would quickly be precedent set to prevent that. To illustrate the difference between, or to illustrate what equal pay means, we can just think of this figure. Men and women being paid equal amounts for the same job.

Moving on to pay gaps. A pay gap is the difference between median hourly earnings between categories. Thinking about men and women again, thinking about the category of gender, we can illustrate it like this. This figure has 11 men and 11 women, but because they aren't distributed equally between the different pay bands, because men are over represented at higher pay bands, the median hourly earnings, the difference between their salaries if you will, means that on average, men are earning more than women.

Pay gaps can apply to differences between any categories but gender pay gaps are one of the most talked about. In the UK, gender pay gaps have been closing. So the 2019 data showed that for full time employees, there is a gender pay gap of 8.9%. And this is the number which is normally talked about: looking at full time employees. However, if you combine full time and part time, you actually get a much larger pay gap of 17.3%. Considering about 25% of employees in the UK work part time, that's not insignificant. So I think it's pretty disingenuous to present the pay gap in the UK as 8.9%.

Looking at the gender pay gap just at the Babraham Institute, we report this, since 2017 it's been a legal requirement for all employers over a certain size to report their gender pay gaps. You'll notice, this only goes to 2018. That's because of COVID. There was a delay in analysing and reporting more recent pay gaps. Our numbers will be published very soon, I've been talking to our HR, and this updated information will be coming out soon. And the good news is that our median, and mean, pay gaps have continued to decrease. Probably the main reasons for this is we have been recruiting more women to group leader positions. And we've also been reducing the disparity in promotion rates. So now, that's resulted in more women receiving promotions, bringing that in line with that the number of men receiving promotions. And those are two factors which have helped reduce our gender pay.

As I said, gender pay gaps are the ones which are most studied, most reported on. However, other pay gaps exist. Sorry, I forgot a slide. Not moving on to ethnicity or disability pay gaps yet.

Factors that influence the gender pay gap. These are factors that the government has identified. So age: for under 40s the gender pay gap for full time employees is close to zero. I was really surprised when I learned this when I was doing research for this talk. I think the reason for this can be entirely, or almost entirely, put down to children. The average age that a woman in the UK has her first child is 31. So if you think that in her 30s, many women will be taking maternity leave, they'll be going back to work part time perhaps, and they might have more than one period of maternity leave. And all of this, I think then becomes a noticeable effect once you hit your 40s.

Working patterns: women are much more likely to work part time than men.

Occupation: men and women tend to be employed in different fields. This is called occupational segregation. And these five C's, cleaning, catering, caring, cashiering and clerical work, are fields which are dominated by women, mostly employ female employees. And these are some of the lowest paid sectors of work.

Region: the gender pay gap varies by the countries in the UK, but also regions within those countries. And England has the worst gender pay gap in the UK.

Also business size: larger employers tend to have bigger pay gaps. This makes sense to me because if you have a small company which only has three pay bands you have a smaller range in which to have gender pay gap. Whereas if you've got a big company with like 10 pay bands, they're just more space to have a disparity in which rank employees are in.

As I said, these are some of the main factors that the government, that the Office for National Statistics has identified. However, when they look at the amount of pay gap that can be explained by these factors, it actually only adds up to about 35% of the difference in gender pay gap, the difference in the median difference in salaries. So there's clearly a lot more factors that must be contributing to the gender pay gap.

Now moving on to other pay gaps. Ethnicity pay gaps are another one which we have data on. So this covers about six years of ethnicity pay gaps in the UK. There's a lot of variation here, but the current difference between white and all other ethnic groups is only about 2.5%, a much smaller number than the gender pay gap. But there is a lot of variation between different ethnic groups. If you break this down, you can see that some groups, for example, Pakistani and white-and-black-African mixed, earn quite a bit less than white British people on average. However, white Irish, Chinese and Indian groups earn more. There is also a difference in the gender pay gap within these groups. I'm not going to go into it, but for example, Pakistani and mixed white-and-black-Caribbean have practically no gender pay gap. And Chinese people, on the other hand, have a much larger than average gender pay gap. This is an example of why it's important to look at the intersectionality of data in order to have a fuller picture and understanding of what's happening.

Disability pay gaps is another category that is measured. You can see that these add up to quite a significant amount. And what is particularly noticeable in this graph to me, is that there isn't a change happening in this. The other pay gaps we saw a downward trend. These are really stable.

I know that in America, for example, there are some groups which are exempt from earning minimum wage. And horrifically, disabled people are one of those groups. There is no minimum wage that you need to pay disabled people in the, in America. So I wanted to investigate if there are any groups in the UK that don't have to meet the legal minimum wage. And there's only one group

and that's prisoners who on average earn £2 per hour for any labour they're employed in. Just an interesting fact there. I'm pretty sure prisoners aren't included in pay gap calculations though.

These are the three categories that the government collects data on in terms of pay gaps. There are of course many other categories which might have pay gaps. For example, trans people, people have different religions. However, data isn't collected on those so we can't definitively say that those exist or how large they are or any trends within them.

Moving on now to causes of the gender pay gap. As we know the gender pay gap is the most studied so I'm talking specifically about causes of the gender pay gap now. Some of these might apply to other categories as well. And I'm going to be talking about things which are sort of different from the ones the government identified and calculated that add up to 35% of the explained gender pay gap.

First of all, more men are in senior roles. That pyramid diagram I had, or pyramid illustration I had, earlier on is a really good way to illustrate that. It's also worth noting, though, that the occupation with the largest gender gap is manager, with women earning 23% less than men. So even when women reach senior levels, they are underpaid compared to men.

Occupational segregation and how work is valued. When I was researching this talk, I came across a suggestion on how to minimise gender pay gaps which said, choose your occupation carefully. So essentially, it was suggesting that women should choose not to go into these lower paid roles, like caring and catering. Which is not going to solve any gender pay gaps, because we need people in those roles, we can't get rid of those caring and cleaning roles. Society is always going to need those. So it's more about how work is valued. The fact that these essential and important roles for society to function are valued so lowly.

And the fact of the matter is that roles which are female dominated become less valued. As opposed to the other way round. It's not that women choose to go into lower valued careers. There's a really pronounced and obvious effect, that when a career, a sector reaches a tipping point where it becomes more female, the pay goes down. A well-known corollary of this is that, is computer science. When computing, programming first became a thing, first became a career, it was female dominated. When these sort of calculations were all done by hand, it was viewed as a female role, something very similar to clerical work. Then mechanical and electronic computers came in that could do these calculations much faster and more accurately. And because women were already in that sector, they were the first programmers. But as the field of computer programming became more male dominated, it suddenly became much more prestigious and paid better. And the opposite does happen when a sector becomes more female dominated.

Working part time and unpaid work. Women are much more likely than men to work part time. And this often results in less chances for career progression, unfortunately. And women also take on the bulk of unpaid work. And because women do so much work that they aren't being paid for, that means they do less work which is paid for overall.

Finally, unequal pay. Unequal pay is illegal but just because something is illegal, doesn't mean it doesn't happen. And it can be difficult to, for employees to realise when they're being paid unequally.

Finally, I'm going to move on to how to minimise pay gaps. Some of these suggestions are things which individuals can do some are things which companies or even governments can do. But that doesn't necessarily mean it's not relevant to you, you can suggest to your employer or write to your

MP about making changes which will minimise pay gaps. Some of these are going to be specific to gender pay gaps, but some are more broadly relevant.

[Cat meows.]

Be transparent about pay. This is the most suggested thing for minimising pay gaps and one of the most powerful tools. So for example, I earn bit under 35,000. The reason for this is it lets you find out unequal pay. It lets you find out how much you're making, how that compares to other people. And allows you to fight for more equal pay, it gives you the necessary information to back that up. And it's actually better for companies and employees when these things are clear. Workplaces where, that are very transparent about pay have happier employees. This is also something that governments can do. In a lot of, maybe all of, the Scandinavian countries, everyone's salary and tax records are available to everyone. And those are the countries in Europe which have the smallest gender pay gaps.

There is one caveat about that. And that's don't disclose your current salary at interviews when you're applying for a new job. I'm going to give you an example of how this could further or perpetuate pay gaps. So say you have equally qualified candidates, a man and a woman. And the employer asks, 'How much do you currently make?' The man says, 'I make 45,000', the woman says, 'I make 40,000'. The employer, without meaning to, without consciously deciding to be discriminatory, could think to themselves, well, in order to give a competitive salary offer, we would probably need to pay the man 50,000, we would probably need to pay the woman 45,000. As an example. I feel that it's very common in the UK for job openings to display a salary range, except when you get to higher levels or senior positions. So what I would recommend you do, is if a job position which has an advertised salary asks you your current salary, say I've seen what the role is advertised at and I'm happy with that range. If they don't have an advertised range, I'd recommend asking about that. 'What sort of compensation are you looking at providing for this role?' And then again, once you know that information, you can say, 'I'm happy with that, that sounds reasonable to me', or maybe name a figure within that range. I realise I'm being a bit contradictory here. I'm saying talk about your pay with everyone apart from anyone who might interview you in future. But until we move to a system where pay is much more transparent, I still advise not talking about your current salary to employers.

Make it a cultural norm for women to negotiate salaries. Here I'm not saying women need to negotiate for salaries more. Research by the Lean In Foundation shows that women negotiate salaries at interview, at promotions as much as men; however, they are less likely to get them and they are viewed more negatively when they negotiate. So this isn't about changing women. This is about changing company culture to not penalise women for this.

Reduce bias in recruitment, promotion and reward policies so that there's less likely to be unconscious bias which disadvantages people from marginalised groups. A way to do this is various training to reduce unconscious bias or having transparent and standardised policies for these procedures.

Encourage men to take paternity leave and more caring responsibilities. This suggestion is obviously specific to gender pay gaps. There are a lot of reasons why in male-female couples who have a child, that the man is much more likely to take less leave. There's physical considerations: recovering from birth and breastfeeding potentially. There are financial reasons: if the man makes more, as he is more likely to, then the couple would be taking a bigger financial hit if he takes more time off. And there are also cultural expectations about who does the caring in a relationship, who is responsible,

or more naturally suited perhaps, to caring for a newborn. There isn't much we can do about the physical aspect of it. However, the financial aspect, this is going to be a reinforcing thing. If more men take paternity leave, which is going to contribute to closing the gender pay gap, then it will be a financial, it won't be such a financial disincentive for men to take paternity leave. And we also as a culture need to work towards changing our attitudes around who is responsible for caring. I don't personally have children, so maybe people with children will tell me that I'm completely wrongheaded when I say this, but I know a lot of family and friends and even colleagues where the woman in the couple has taken a full year off. And they talk about how much they love it, how much they enjoy getting that opportunity to bond with their children. And also, frankly, a lot of them say it's nice to have a break from work. And I know some of the men in these relationships. And I think, you know, wouldn't they love to have this opportunity to bond with their child and to have a break. So, as I said, we can't change the physical aspects, but I think there's a lot of scope to change the cultural aspects and that's something we need to be working towards.

Ensure flexible working remains an option. Flexible working is something which really benefits women in particular, it helps them maintain their careers through like career breaks or part time working. There have been a lot of negative effects of the pandemic on women financially, women are more likely to be furloughed as an example. However, one really obvious benefit has been flexible working has become much more of a norm. So I think going forward, we need to make sure that flexible working continues to be an option.

[I realise it's a little past half past now. So if anyone needs to shoot off, please feel free to do that. Not rude.]

Another suggestion: take part in campaigns. There are a lot of organisations that their mission is to reduce pay gaps, so you can get involved with them. Perhaps you donate to them, perhaps you get involved in campaigns they run.

And finally: join a union. Unions are a really powerful force for ensuring equal pay.

That is everything I wanted to talk about. Thank you very much for attending.