Equal pay and pay gaps

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Equal pay

• The Equality Act 2010 states that an individual can claim equal pay when she or he, compared with a comparator of the opposite sex, is employed in:

  • **Like work:** Which means work that is the same or broadly similar, regardless of whether the job title is the same.
  
  • **Work rated as equivalent:** Which means work that has been rated as equivalent under a job evaluation scheme.
  
  • **Work of equal value:** Which means work that requires the same levels of effort, skill, knowledge and responsibility.
Equal pay

- The Equality Act 2010 states that an individual can claim equal pay when she or he, compared with a comparator of the opposite sex, is employed in like work which is of equal value and rated as equivalent.

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Equal pay vs pay gaps

Pay gap
• Difference between median hourly earnings between categories
Gender pay gaps

Pay gap

• Difference between the median hourly earnings

The gender pay gap in the UK workforce
Gender pay gap for median gross hourly earnings

Note: Excluding overtime
Source: Office for National Statistics
## Gender pay gaps

<table>
<thead>
<tr>
<th>Difference between pay and bonuses for men and women at the Babraham Institute</th>
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<tbody>
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<td>Mean¹</td>
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<td>Hourly Fixed Pay (April 2018)</td>
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<td>Bonus Pay (April 2018)</td>
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¹ Mean: the percentage difference in average pay between male and female employees
² Median: the percentage difference in the middle value pay between male and female employees
Factors that influence the gender pay gap

• Age: for under-40s, the gender pay gap for full-time employees is now close to zero

• Working patterns: women are much more likely to work part-time

• Occupation: men and women tend to be employed in different fields
  • 5 Cs – cleaning, catering, caring, cashiering and clerical work

• Region: the gender pay gap is larger in England than Northern Ireland, Scotland, and Wales

• Business size: larger employers have bigger gender pay gaps
Factors that influence the gender pay gap

Figure 13: The overall explained part and its components expressed as a percentage of the difference between log hourly earnings of men and women, UK, 2017

Source: Office for National Statistics
Ethnicity pay gaps

Figure 1: The hourly median pay gap between White and the ethnic minority group has narrowed to the smallest since 2012

Pay gap between the White group and the ethnic minority group, England and Wales, 2012 to 2019

Source: Office for National Statistics - Annual Population Survey (APS)

Median hourly pay and pay gap, 17 ethnic groups, England and Wales, 2019
Disability pay gaps

Percentage difference in median pay between disabled and non-disabled employees for different types of impairments, UK, 2018

Source: Office for National Statistics – Annual Population Survey
Causes of the gender pay gap

• More men are in senior roles
  • The occupation with the largest gender gap is manager with women earning 23% less than men

• Occupational segregation and how work is valued
  • When a sector becomes female dominated, pay drops

• Working part time and unpaid work

• Unequal pay
How to minimise pay gaps

• Be transparent about pay
  • Don’t disclose your current salary at interviews
• Make it a norm for women to negotiate salaries
• Reduce bias in recruitment, promotion and reward policies
• Encourage men to take paternity leave and more caring responsibilities
• Ensure flexible working remains an option
• Take part in campaigns
• Join a union
Discussion time
Further reading

• Understanding the difference between 'equal pay' and 'gender pay gaps'

• UK gender pay gap datasets from ONS

• Understanding the gender pay gap: definition and causes

• Causes of gender, disability, and ethnic pay gaps

• Closing Gender Pay Gaps: 12 Solutions for Pay Equality

• Fair Pay Campaign