

What About **Women?**



ELECTION 2010 - WHAT ABOUT WOMEN?

THE ECONOMY – TAX AND PUBLIC SPENDING BRIEFING



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The Economy

What About Women is a Fawcett led coalition of over forty organisations and thousands of individual women and men that have come together for the General Election to ask the political parties ‘*what about women?*’

Purpose of this briefing

This briefing gives some background information on the issues behind the *What About Women* questions on the **economy**. It also includes a number of policy options from Fawcett and other *What About Women* campaign partners working on the economy. Links to further information can be found at the end of this briefing along with details of our partner organisations.

Women are not a homogeneous group and women’s economic situation will depend on a wide range of factors including social class, ethnicity, age, sexual orientation, disability, religion and caring responsibilities.

The questions

Women play a vital role in our economy. Decisions on the economy, in particular on tax and public spending, will have a major impact on women’s incomes and wider lives.

- **How will the policies you propose on tax and benefits impact on women’s incomes and wider economic position?**
- **How will you ensure that any cuts on public spending do not impact disproportionately on women – especially the most vulnerable?**
- **How will you ensure that women’s contribution to our economy – both paid and unpaid - is both properly supported and valued?**

Some key issues for women

Both overall economic inequality and women’s economic inequality are high in the UK¹. Women are more likely to be employed in low paid, part-time work, more likely to head a single parent household, likely to have less financial assets and more likely to live in poverty, especially in older age. At the same time, women’s unpaid labour is worth tens of billions of pounds to the economy every year – unpaid carers (the majority of whom are women) contribute £87 billion a year. Women in work and business also contribute billions to our economy and its growth and are critical to its success.

The recession has made life more difficult for all of us, but a growing body of evidence shows that the recession has had a particular impact on women - women are almost 10% more likely than men to think that the recession has had a negative impact on their family,² in recent months women’s unemployment has risen whilst men’s has dropped³. Women who lose their jobs are less likely than men to have savings so become dependent on benefits more quickly. At the same time, cuts to public service are more likely to impact on women than men, as women tend to be more reliant on public services⁴.

¹ Richard Wilkinson and Kate Pickett, *The Spirit Level*, Penguin 2009.

² Ipsos MORI, Political attitudes: Gender analysis, February 2010.

³ ONS, Statistical Bulletin, Labour Market, February 2010

⁴ NHS IC Trends in Consultation rates in General Practice 1995-2009 and Dft Public Transport Gender Audit <http://www.dft.gov.uk/pgr/inclusion/women/ptgenderaudit?page=2>

Why consider the impact on women of tax and benefits policies?

Traditionally, economists look at how changes in welfare systems impact on household income; this means that impacts on women's individual incomes are often hidden. Any changes in tax, tax credits and benefits policy will impact differently and often disproportionately on women, especially during vulnerable periods of their lives, such as motherhood and old-age. Women are more likely than men to be dependent on benefits and more likely to be living in poverty.

- *On average, women have just over a 40% worse chance of being poor than men, 29% compared to 22%.⁵*
- *On average, benefits and tax credits comprise one fifth of women's income and less than one tenth of men's.⁶*
- *The risk of poverty is higher among young people than among the adult population as a whole, and young women are more likely to experience poverty than young men.⁷*
- *Women's median net individual income is £180 per week, less than two-thirds of the median for men, £231 per week.⁸*
- *Lone parent families are more likely to live in poverty and there are more female heads of lone parent families – 0.9 million women compared to 0.1 million men.⁹*
- *40 % of ethnic minority women live in poverty.¹⁰*

Tax and benefits systems can play a key role in tackling inequality and women's poverty. Benefits and pension systems based around the model of a full time male breadwinner leave many women, particularly those with caring responsibilities, at risk of poverty. Women who take time out of paid work to care for children or other relatives or friends are likely to pay the price of poverty in old age.

- *Single parents continue to receive low rates of child maintenance: just over half of families where there is a non resident parent have an arrangement for child maintenance in place but only 68 % of these families receive any maintenance.¹¹*
- *Occupational and personal pensions for women averaged only £54 per week, compared to £87 for men.¹²*
- *Approximately 2.1 million pensioners are living in poverty, around 2/3 of these are women.¹³*

⁵ Gordon et al, *Poverty and Social Exclusion in Britain*, Joseph Rowntree Foundation, 2000, p.23.

⁶ *Who Benefits?: A gender analysis of the UK benefits and tax credits system*, Fawcett Society, April 2006.

⁷ C., Gordon, D. and Levitas, R. (eds) (2006) 'Poverty and Social Exclusion in Britain, the millenniumsurvey', Bristol, The Policy Press. Data on YWCA briefing No Frills, <http://www.ywca.org.uk/downloads/resources/briefings/nofrills.pdf>

⁸ John Hills et al. *An anatomy of economic inequality in the UK: report of the national equality panel*, Government Equalities Office, London 2010.

⁹ The Poverty Site 2009, <http://www.poverty.org.uk/07/index.shtml>

¹⁰ Fawcett Society, *Poverty Pathways: ethnic minority women's livelihoods*, June 2009.

¹¹ www.gingerbread.org.uk

¹² National Equality Panel, *An Anatomy of Economic Inequality in the UK*, 2010.

¹³ Age Concern England's Political Bulletin December 2008.

Office for National Statistics, 'Inequalities and poverty in retirement,' <http://www.statistics.gov.uk/ccii/nugget.asp?id=2352>, 27 Jan 2010.

Tax and benefits policies that do not take account of gender inequality may fail to meet their target. For example, income within households is not always shared equally among family members so it matters not only how much money a family receives but who receives it; money received by mothers is more likely to be spent on children than money received by fathers.¹⁴

Why consider the impact of public spending cuts on women?

Women consistently rate public services such as education and health as a higher voting priority issue than men.¹⁵ Public services are important to everyone, but women are particularly affected by cuts in public services, as workers and as users of services.

- *65% of workers in the public sector are women.*¹⁶
- *As carers, women also make up a greater proportion of users of public services, so any reduction in state provision will have a greater impact on them.*¹⁷
- *Women's unpaid work already fills many gaps in public services, if these are cut then women may have to do more unpaid work, reducing the time available for paid work and risking tipping them further into poverty.*
- *Carers UK's most recent research reveals that nearly two thirds of carers spend their own money to support the people they care for.*¹⁸

Women's services, which could reduce pressure on general services elsewhere, are already sparse and under-funded.

- *1 in 5 women's organisations has closed down in the last three years.*¹⁹
- *In September 2008, there were only 50% of the specialist independent ethnic minority women's-led organisations across the UK that existed five years ago.*²⁰
- *In 2008, Rape Crisis centres across England and Wales received just £3.5m.*²¹

Why support and value women's contribution to the economy?

Unpaid work such as caring is overwhelmingly carried out by women and is a vital contribution to the economy. Unaffordable private care options undermine businesses that may unnecessarily lose skilled staff, especially women, who can no longer afford to work, however flexible their employer.

¹⁴ Jackie Goode, Claire Callender and Ruth Lister, *Distribution of income within families receiving benefits*, 31 March 1998, <http://www.jrf.org.uk/sites/files/jrf/spr468.pdf>

¹⁵ Political Attitudes, Gender Analysis, IPSOS/MORI 2010

¹⁶ *The Economic & Labour Market Review*, published by the Office for National Statistics in 2007 (taken from http://www.train2grow.co.uk/images/pdf/Women_and_Work_Final.pdf)

¹⁷ NHS IC Trends in Consultation rates in General Practice 1995-2009 and Dft Public Transport Gender Audit <http://www.dft.gov.uk/pgr/inclusion/women/>

[ptgenderaudit?page=2](#)

¹⁸ *Carers in crisis*. (2008). Carers UK, London.

¹⁹ Not just bread, but roses too: Funding to the women's voluntary and community sector in England 2004 - 07, Women's Resource Centre, March 2009.

²⁰ Imkaan, *A Matter of Life and Death: the loss of specialist services for BAMER women and children experiencing violence*, Imkaan, June 2008.

²¹ The crisis in Rape Crisis: A survey of Rape Crisis (England and Wales) centres. Women's Resource Centre and Rape Crisis (England and Wales), March 2008.



- *Three quarters of claimants of Carer's Allowance (the main benefit for carers) are women.*²²
- *Mothers do three quarters of childcare during the week and two thirds during the weekend.*²³
- *The economic value of the contribution made by carers in the UK is equivalent to £166,000 per minute.*²⁴
- *The economic value of the contribution of carers at £87 billion per year is considerably **more** than the annual cost of all aspects of the NHS audited in 2006/7 as £81.678bn.*²⁵
- *Carer's Allowance is just £53.10 per week for at least 35 hours caring. This is equivalent to just £1.52 per hour.*²⁶

Gender equality has been recognised as a prior condition for sustainable growth, employment, innovation and competitiveness, yet men continue to dominate the top positions in our major businesses.²⁷ At the current rate of change, gender parity will not be achieved in all of the UK's boardrooms until 2225. The UK is failing to get talented women into these top positions. Whilst women make up over half the workforce in some areas, they are consistently under-represented in small businesses and entrepreneurial activities with only 15% of businesses with employees being led by women and with two men to every one woman starting new businesses²⁸.

- *Women make up 47% of those active in labour market but only 28% of the self-employed in the UK, and just 15% of the UK SME businesses are majority women-led*
- *There are 12.2% women directors on the FTSE 100 boards.*²⁹
- *There are 8.1% women directors on FTSE 100 banks.*³⁰
- *It is estimated it will take 73 years before equal numbers on FTSE 100 boards are achieved.*³¹
- *The introduction of female quotas in Norwegian boardrooms saw women's representation rise from 6% to 44% over six years.*³²
- *In the Finance Sector, men make up 66% of Managers and Senior Officials and women make up 73% of administrative and secretarial support.*³³

²² Women and Caring briefing, Carers UK, 2009, www.carersuk.org

²³ The Equalities Review: Interim Report for Consultation http://www.pfc.org.uk/files/Equalities_Review-Interim_Report.pdf.

²⁴ "Valuing Carers – Calculating the Value of Unpaid Care) Carers UK and University of Leeds, 2007 .<http://www.carersuk.org/Professionals/ResearchLibrary/Profileofcaring/1201108437>

²⁵ "Valuing Carers – Calculating the Value of Unpaid Care) Carers UK and University of Leeds, 2007 .<http://www.carersuk.org/Professionals/ResearchLibrary/Profileofcaring/1201108437>

²⁶ *Carers in crisis*. (2008). Carers UK , London.

²⁷ II European Women in Power Summit, *Cadiz Declaration*, 2010.

²⁸ BERR Enterprise: *Unlocking the UK's Talent – 2008 and The Government's Response to the Women's Enterprise Task Force*, November 2009 <http://www.berr.gov.uk/files/file53444.pdf>

²⁹ Cranfield University School of Management, *The Female FTSE Board Report 2009*.

³⁰ Government Equalities Office, *Increasing diversity on public and private sector boards*, October 2009.

³¹ *Sex and Power Report*, EHRC, September 2008.

³² *Breaking the Mould for Women Leaders: could boardroom quotas hold the key?* Fawcett Society, October 2008.

³³ H. Metcalf & H Rolfe, *Employment and earnings in the finance sector: A gender analysis*, Research Report 17, National Institute of Economic and Social Research, EHRC, Spring 2009.

Policies that could make a difference

Policies proposed by Fawcett and other *What About Women* campaign partner organisations to create an economy that better values and supports the contribution of women include:

Tax and benefits

- Fully consider and report on the different impact policies will have on men and women when drawing up new tax policies and every other aspect of a budget, and apply the Gender Equality Duty to the budgeting process.
- Invest more in benefits and tax credits to reach the poorest families and ensure they meet an acceptable minimum income standard.
- Make the tax and benefit system more progressive.
- Make sure that the Child Maintenance and Enforcement Commission promotes a culture of payment and enforces maintenance payment effectively.

Tackling Poverty

- Establish a regional living wage to end in-work poverty.
- Abolish youth rates of national minimum wage and instead apply adult minimum wage to all workers to help avoid young people falling into a cycle of poverty.
- Commit to end child poverty by 2020.
- Use statistics to reveal the full-extent of women's poverty, by calculating poverty on the basis of individual, not household income, which masks the true level of women's poverty.
- Target young women with financial support to engage in education, in order to limit risks of unemployment and poverty.

Women and public spending

- Protect front-line services for those who need them most, particularly women who are more likely to be single mothers.
- Take action to ensure a sustainable funding strategy for the specialist violence against women voluntary sector.
- Take account of the impact of public spending cuts on the burden of women's unpaid work.

Valuing women's paid and unpaid contribution

- Roll out gender-disaggregated data collection and breakdown to ensure women's contribution to the economy is fully recorded.
- Benefit sanctions should not be imposed on lone parents with children aged below seven years who do not take steps towards finding employment.
- Push forward on reforms to personal accounts, pensions and national insurance contributions to ensure that those who are not making regular national insurance contributions currently are able to support themselves in later life.
- Increase carers' allowance to the same rate as a basic state pension and provide access to tax credits for family carers.
- A benefit system which acknowledges unpaid caring work – those caring for children should have greater access to benefits, and tax credits should be made available to family carers.
- Provide support for business women through mentoring and networking.
- Use procurement channels to incentivise businesses to increase representation of women leaders.
- Remove barriers that prevent self employed women and women entrepreneurs from accessing knowledge and finance vital to success of small and medium sized businesses.

Article 13 of the UN Convention on the Elimination of All Forms of Discrimination Against Women states that:

'States Parties shall take all appropriate measures to eliminate discrimination against women in other areas of economic and social life in order to ensure, on a basis of equality of men and women, the same rights, in particular:

(a) The right to family benefits'

Further information and resources:

[The Fawcett Society](#)

www.fawcettsociety.org.uk

[Engender](#)

www.engender.org.uk

[Wales Women's National Coalition](#)

<http://www.wales-womens-national-coalition.org.uk/>

[The Equality Trust](#)

<http://www.equalitytrust.org.uk/>

The Fawcett Society, *Are women bearing the burden of the recession?*, March 2009.

Diane Elson, *Budgeting for Women's Right: Monitoring Government Budgets for Compliance with CEDAW*, Unifem, May 2006.

[Gingerbread](#)

www.gingerbread.org.uk/policy

http://www.gingerbread.org.uk/portal/pls/portal/!PORTAL.wwpob_page.show?_docname=524170.pdf

[Manifesto to End Child Poverty](#)

http://www.cpag.org.uk/publications/extracts/CPAG_manifesto_0309.pdf

[Engaging and Empowering Women in Poverty, Women's Budget Group, July 2008](#)

<http://www.jrf.org.uk/publications/engaging-and-empowering-women-poverty>

[Women's Budget Group](#)

<http://www.wbg.org.uk/>

[Child Poverty Action Group](#)

<http://www.cpag.org.uk/>

http://www.cpag.org.uk/publications/extracts/CPAG_manifesto_0309.pdf

http://www.cpag.org.uk/info/briefings_policy/StopInWorkPoverty.pdf

Fawcett Society, *Poverty Pathways: ethnic minority women's livelihoods*, June 2009.

[Oxfam Paper and Reports on Gender](#)

<http://www.oxfam.org.uk/resources/policy/gender/index.html>

Prof. Ruth Lister, Loughborough University

Links to further information and resources can be found on the *What about Women* pages of the Fawcett Society website www.fawcettsociety.org.uk/whataboutwomen