The Gender Pay Gap and what is needed to eliminate it. Appendix 2: Detailed Data on Age[[1]](#endnote-1).

It has been said that the gender pay gap is close to zero for women aged under 40, and higher for women over 40. Defining the pay gap as median gross hourly pay for full time women and men across the UK as a whole, this can be seen as accurate in figure A2.1.

# A2.1: Movement between full time and part time working by age

However, it is not the case for part time women and to understand this apparent cliff edge at age 40 for full time women it is necessary to consider the movement of women in and out of part time working and the longer term consequences of periods of part time working and/or temporary absences from the labour market altogether[[2]](#endnote-2).

There is evidence that women leave the labour market (relative to men) between ages 30 to 39 years, but the much bigger effect is the movement between full time and part time working. This is shown in figure A2.2, where the data have been scaled to the number of full time men to eliminate the effects of time on overall workforce levels. Clearly, women returning to work post age 40 are largely returning part time. This is emphasised in figure A2.3 showing the % of working women who work part time; this increases between ages 30 and 39 years, when the relative number of women working is also at its lowest, then increases again between ages 40 and 49 years, maintaining this level at higher ages.

The part time gender gap in gross hourly pay is thus a significant contributor to the inequality of working women, undermining the claim that the pay gap for women under 40 has been “all but eliminated”. However, this in itself, does not explain the increase in the pay gap for those women who continue or return to full time work in their 40’s.

The affect aging has on pay can be seen in distributions for different age ranges (figure A2.4 for example). Whilst the pay of part time women doesn’t change much and the pay of full time women over 40 stays much the same as both full time women and full time men under 40, the pay of men over 40 shows significant increase, which is more at the higher end of the pay distribution.

# A2.2: Movement between full and part time by occupation and age

To understand the causes further it is necessary to examine the data for different occupations, as discussed in Appendix 1. There it is shown that the most common occupation for full time men is ‘Managers, Directors and Senior Officials’, and this is also the third most common for full time women. It is also an occupation which exhibits both a relatively high pay gap and relatively high pay levels for women (see figure A1.1). The numbers employed in this occupation by age are shown in figure A2.5; there is a big rise (43%) in the number of full time men between the age ranges 30-39 and 40-49, whereas the rise for full time women is much smaller (18%).

Furthermore, the proportion of women part time workers is much smaller than the UK average in all age groups (see figure A2.6). The proportion of full time workers who are women declines between the age ranges 30-39 and 40-49 and the proportion of women who are part time rises.

This change in proportions working in the occupational group occurs at the same time as the pay for full time men shows a significant increase. Figure A2.7 illustrates the point. Part time women between ages 30 and 39 earn roughly the same as those between 40 and 49, and both earn less than full time men and women. On the other hand, full time women earn less than full time men whatever their age within these ranges. The full time median gross hourly pay gap increases between the two age ranges because men’s pay increases very substantially and that of women does not. The effect is even greater at the higher end of the pay distributions.

These figures for the most senior jobs in the economy contribute significantly to the overall full time hourly pay gap phenomenon that above age 40 it increases substantially. More men than women are employed in these jobs (by more than a factor of two) and there is significant disparity between the pay rates for male and female full time workers, particularly in the higher age range. In addition, the very low proportion of part time jobs in these higher paid occupations helps drive the much higher gross hourly pay gap for part time women; this is exacerbated by the pay gap between part time and full time employees which is found even in these senior roles.

The occupation which employs both most full time women and most part time women is the ‘Caring Professional Services Occupations’ group. The total number of women exceeds the number of full time men in the senior group discussed above ((1707k v 1420k). It is dominated by part time women (55% of all women employed) and has a much lower median gross hourly pay (£8.43 v £17.73 for full time women). Furthermore, the number of women employed in this occupation increases substantially between the age ranges 30-39 and 40-49 as shown in figure A2.8.

The increase in the total number of full time women (by 44%) in these jobs above the age of 40 has a significant impact on the full time pay gap. The total number of women employed full time in the economy shows a smaller increase (11%), meaning that women must be moving from higher paid employment into lower paid over this period, even when able to work full time. (Note however that ‘full time’ may have a different meaning for women and men as the average hours worked are lower for the former.)

# A2.3: Impact of pay gaps between occupations by age

From the lists of top jobs by employment numbers in Appendix 1, it is also instructive to look at the sales occupations. These fall into two quite separate classifications: Sales, marketing and related associate professionals; and Sales occupations. The first is relatively well paid and employs both full time women and full time men. The second is very poorly paid and employs a high proportion of part time women and significant numbers of part time men (see figure A1.2 of Appendix 1). Data for the ‘associate professionals’ in sales are not dissagregated by age in the published ONS table; this group is a significant subset of a wider group of associate professionals which is used here for the comparison.

Figure A2.9 shows that the pay gap between the two groups of ‘sales occupations’ and ‘associate professionals (including sales)’ is much higher than the pay gaps within either of them.

The figure also shows that the ‘within occupation’ pay gaps tend to increase with age, that the full time pay gap is higher for the associate professionals group than it is for sales occupations at all ages and that the part time pay gap is even higher.

All of these factors affect the full time pay gap variation by age because of the reducing proportion of full time women and increasing proportion of part time women employed in the higher paid group (figure 2.10).

# A2.4: Conclusions on impact of age

1. Occupation has a much bigger impact on pay gaps than does age within an occupation.
2. The movement of women between occupations as they age has a big impact on the pay gap because they tend to move into lower pay sectors. This appears to be the case even for women who continue, or return to, work full time.
3. Women also tend to move into part time work as they age, which has a double effect both because part time work is generally less well paid within occupations and because the occupations where part time work is available are generally in low paid sectors.
4. Within occupations, the full time pay gap increases with age because women’s pays grows more slowly than that of men. Age thus amplifies the more general effect that the higher the full time pay the fewer the full time women.

1. See Table 20.5a of <http://www.ons.gov.uk/ons/rel/ashe/annual-survey-of-hours-and-earnings/2014-provisional-results/2014-provisional-table-20.zip> [↑](#endnote-ref-1)
2. There are special circumstances relating to workers under age 22 years and above 60 years relating to education and retirement and the rest of this appendix focuses on the age ranges between 22 and 59. [↑](#endnote-ref-2)