



The Ethnicity Motherhood Pay Penalty

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Foreword

The Ethnicity Motherhood Pay Penalty Report has added to the call for action on ensuring there is pay parity for Black, Asian and other minoritised women. There is a common thread in this research report that clearly outlines the bias and discrimination that Black, Asian and other minoritised women have to navigate through. As with the Ethnicity Pay Gap generally, bias and discrimination is shown at recruitment stage and is evident right through the lifecycle of an employment journey.

This report shows a clear negative pay pathway that ethnic mothers have to maneuver around in employment, it is no surprise to those who have been part of the #EthnicityPayGap Campaign journey, but will be a surprise to those who have not yet engaged in the conversation.

Black, Asian and other minoritised women are penalised twice, once by the gender pay gap and then by the ethnicity pay gap. This report adds another layer of concern which cannot be ignored.

Many factors that cause the Ethnicity Motherhood Pay Penalty are outlined in the report, such as unequal parent leave, bias and discrimination during pregnancy, low-quality, low paid part-time work to name just a few, fully demonstrating the situation Black, Asian and other minoritised women face.

This research report has provided evidence from the Labour Force Survey, TUC and ONS each clearly outlining the disproportionate effect the Ethnicity Motherhood Pay Penalty is having. The data provided by the empirical evidence is broad and deep and looks to explore all areas of concern to fully emphasise the concerns and challenges that Black, Asian and other minoritised women are facing.

The recommendations outlined within are far-reaching and necessary, and we encourage the government to consider the information in this report to further crystallise the need for ethnicity pay reporting and action to end pay disparity.

Dianne Greyson Founder, #EthnicityPayGap Campaign

Executive summary

Becoming a mother impacts a woman's income for the rest of her life. For Black and minoritised women, this motherhood pay penalty is compounded by existing ethnicity pay gaps and the intersection of gender-based and racial inequalities at work.

The motherhood pay penalty is the leading cause of the gender pay gap. Mothers with two children take home 26% less income than women without children, whilst fathers see a bonus – men with at least two children are paid 22% more than those without. Over the medium to long term income the mean motherhood pay penalty is around 45% compared to women who have not had children. Not surprisingly the gender pay gap between mothers' and fathers' income is also significant. An average gender pay gap of 10% in hourly pay when the first baby arrives grows to about 30% by the time the child is 20.

Penalties can start from the moment when a woman tells her employer that she is pregnant and are compounded by a system which encourages her to become the partner who takes most parental leave, restricts her ability to obtain affordable childcare and often forces her into part time work with fewer responsibilities and potential for career development. On top of this she may face discrimination and even dismissal. At each stage embedded gender stereotypes based on society's expectations that the mother will be the primary caregiver and institutional racism create barriers.

For Black and minoritised women, the effects of motherhood are compounded by existing inequalities and racism experienced throughout the career pipeline. All this can have the knock-on effect of restricting career progression while also affecting mothers' health and wellbeing and ultimately leaving them poorer in retirement. Whilst we recognize that different women will have different preferences about when and whether they return to work after having children, this cannot be considered an equally free choice to make when the circumstances are so stacked.

Our work, based on data from the Labour Force Survey and a comprehensive review of the literature, disaggregates these experiences across 8 ethnicity groups. We find that:

- The mean hourly pay of mothers of all ethnicities has been significantly lower than that of fathers every year that the survey has been carried out and the gap is not narrowing. Indeed, fathers have been earning, on average, at least a third more per hour than mothers each year this century.
- Mothers of all ethnicities -except those of Chinese and Black Caribbean heritage- experienced a
 penalty in hourly pay compared to women of the same ethnicity with no dependents. The gaps ranged
 from just over 1% for mothers of Indian and White heritage to 10% for mothers of Black African heritage and
 13% for mothers of Pakistani and Bangladeshi heritage.
- Fathers were paid consistently more per hour than men without children of the same ethnicity, ranging from 7% more for fathers of Bangladeshi and Pakistani heritage to 24% for fathers of Black Caribbean and Chinese heritage. Only fathers of Black African heritage did not have higher pay.

Whilst these figures are stark, the effect of hourly pay on the motherhood penalty is modest compared to the impact of whether a mother remains in employment and, if she does, whether she reduces her hours.

- The greatest driver of the motherhood pay penalty is the reduction in hours worked, which is often associated with poor-quality part-time work. Whilst mothers of all ethnicities move into part-time work at similar rates, there are stark differences by ethnicity in the number of mothers who leave the work force. The employment rate of white mothers is 5 percentage points lower than that of white women without children, whilst women of Indian, Black African, and Chinese heritage see penalties of up to 11 percentage points. Black Caribbean mothers see a marginal increase in employment rates compared to women without children.
- The largest difference 17 percentage points is in employment rates of mothers (38%) and nonmothers (55%) in the Pakistani and Bangladeshi group. Whilst this represents a significant increase over the economic participation thirty years earlier when only 13% of mothers in this group were in employment, the numbers remain low compared to other ethnicities.

What causes the pay gaps to occur?

Black and minoritised women face additional challenges to their career progression at every step of the way.

Bias and discrimination during pregnancy. Pregnant Black and minoritised women have a lower chance of getting an interview and of being successful at interview, whilst those in work have a greater chance of being forced out of their jobs. Many are discouraged from attending ante-natal appointments which is particularly unhelpful for ethnic minorities who already receive an inferior maternity service which is leading to inferior health outcomes. Black women are four times as likely to die in childbirth than white women and Black, Black British and Asian British babies have a 50% higher risk of perinatal mortality.

Unequal parental leave. Women of Pakistani and Bangladeshi heritage are the least likely to receive supplementary maternity pay from their employers and are amongst the groups least likely to receive any paid leave because of their employment status (either being self-employed, in temporary employment or zero hours contracts).

A lack of appropriate affordable and culturally sensitive Early Childhood Education and Care. A lack of appropriate affordable ECEC is a barrier to economic participation, with far more Black and minoritised women of child-rearing age economically inactive compared to their white British counterparts. The rates are twice as high for Black women, three times for women of Chinese heritage and six times for women of Bangladeshi heritage.

Whilst around 90% of white British parents take up free ECEC places for 3–4-year-olds, only three quarters of Black parents and two thirds of parents of Pakistani and Bangladeshi heritage do so. The reasons for this include a lack of cultural awareness and inclusivity embedded within ECEC.

A lack of flexible work. Flexible working is a pre-requisite to many mothers returning to work, but the success of a request is in the hands of the employer. Over double the proportion of mothers of Black African heritage compared to white mothers reported that they had no access to such arrangements. Black and minoritised workers are more likely to consider leaving their jobs due to lack of flexibility than white workers (32% as opposed to 21%).

Low quality, low paid part time work which inhibits career progression. The quality of part time work is often low, with almost a quarter of part time workers reporting that they have no chance of promotion at all. The problem is most acute for Black and minoritised employees who are more likely to be in lower paid work as a result of lack of career progression. A recent survey found that over half of those interviewed had not applied for promotion because of the challenges of combining work and care.

Returners re-entering jobs with lower responsibilities and experiencing discrimination and

harassment. Mothers of Black African, Pakistani, and Bangladeshi heritage find it more difficult to re-enter the job market. Those who do return to work are often viewed as less committed by their employer, are passed by for promotion and often receive harassment or negative comments from colleagues.

Self-employment providing, an often insecure, alternative for some mothers. Approximately one in seven Black and minoritised women are in insecure work such as self-employment compared to one in ten white women. Whilst self-employment can provide a degree of autonomy over the work-childcare balance, the unpredictability of pay and the lack of eligibility to certain benefits such as sick pay and maternity pay can lead to financial insecurity. Nearly a third of Black and minoritised women in insecure work say they wish to move to a permanent role.

Pay penalties lasting into old age. The motherhood pay penalty, largely driven by part time work, leaving work altogether, entering insecure work and being passed by for promotion has a major knock-on effect on a mother's funding of her old age. The average female pensioner is £7,000 poorer per year than her male equivalent. The issue is particularly acute for Black and minoritised women who suffer from an additional race pensions gap.

Recommendations

We strongly recommend the following actions to tackle the barriers to pay and progression that Black and minoritised women face when they become mothers. Taken together, the measures would empower mothers to make the most appropriate decisions for their own lives – both inside and outside work.

Given the significant variation in take up of maternity and parental leave, we call for an awareness-raising programme to inform parents from different ethnic groups of their entitlements, including a campaign in a range of languages and formats.

Appropriate, affordable Early Childhood Education and Care. Evidence from Scandinavia shows that wellfunded ECEC can reduce the long-term motherhood pay penalty. The UK Government announced plans to expand state funded ECEC from the end of maternity leave in the March 2023 Budget. Whilst this is a welcome start, the programme must be funded at the cost of delivery and delivered alongside a clear workforce strategy to address both supply and quality concerns. International evidence indicates that cultural inclusivity is central to both widening access and high-quality care.

We call for Government to:

- Embed the challenging of gender and racial stereotypes as well as cultural and religious awareness into initial and ongoing professional training for ECEC staff, in response to concerns from faith groups
- Embed cultural inclusivity and celebration into the core of the early years' curriculum
- Create outreach programmes in schools, women's organisations and mosques to raise awareness of formal ECEC
- Consider how to best meet the needs of new migrants who lack informal care networks and may be ineligible for benefits

Flexible working recognised as valuable to both employers and employees. Increased flexible working is vital to mothers who would otherwise drop out of the labour market or resort to low quality part time working, which is the most significant driver of the motherhood pay penalty. Whilst we welcome the introduction of legislation that (if passed) will give workers the right to request flexibility from day one in the job, we believe this needs to go much further.

We call for the Government to:

- Commit to an advertising duty such that employers must include reasonable flexible working options in job advertisements
- Launch public campaigns to raise awareness of the business benefits of flexibility to employers

We call for employers to:

- Ensure that flexibility is viewed as the default working practice, with advertisements offering flexible options, such as compressed hours, job sharing and working remotely.
- Ensure a transparent request process with decisions not at the behest of individual managers.
- Monitor requests for flexibility and follow through with action plans to ensure that all groups of employees are fairly treated.
- Ensure transparent promotion processes with clear criteria for promotion.

Pay gap reporting to identify where action is needed.

We call for Government to:

- Make ethnicity pay gap reporting mandatory for employers with 50+ employees, with a requirement for employers to publish action plans to tackle gaps.
- Set up a government-backed, business-led initiative to focus employer efforts to tackle ethnicity and gender pay gaps.

We call for employers to produce:

- Reports on ethnicity and gender pay gaps.
- Action plans to address any gaps raised in the reports. This should include a clear anti-racism action plan with built-in accountability, as well as actions to address redundancies and retention rates during pregnancy, maternity /parental leave and within six months after mother's return to work. We urge that action plans include the items below.

Action plans to retain and develop Black and minoritised working mothers. Cultural change has a major role in reducing motherhood pay penalties for women of all ethnicities.

We call for **employers** to:

Tackle recruitment bias

- Include salaries in all job advertisements and not asking salary history questions at interviews
- Provide transparent job descriptions that explicitly recognise the value of transferable experience.
- Remove names from CVs when shortlisting

Support the career progression of Black and minoritised workers

- Support and train managers to conduct appraisals that are supportive and developmental, include feedback from several colleagues, and are without gendered or racialised assumptions about individual's goals.
- Ensure that Black and minoritised mothers have equitable access to mentorship schemes and training and monitor this.
- Make progression routes explicit and well known, rather than based on informal networks

Create a culture inclusive to Black and minoritised parents

- Educate managers about the value of retaining and developing the skills of mothers in the workplace. Ensure that managers are aware of the risks of bias and stereotyping, on the grounds of both race and motherhood.
- Improve health and safety at work so women don't have to choose between their work and the health of their unborn baby.
- Set up parents' groups within organisations to enable parents to network and discuss practical solutions to the challenges they face.

Embed accountability and monitoring into action plans

- Set SMART targets to improve the proportion of mothers recruited from Black and minoritised groups at all levels from entry to senior management.
- Have a clear and transparent system for recording complaints of racial and motherhood-related harassment and report the outcomes.
- Monitor recruitment, retention and promotion statistics, report them at senior leadership meetings and embed outcomes within the performance measurement of managers.

Introduction

Becoming a mother impacts a woman's income for the rest of her life. For Black and minoritised women, this motherhood pay penalty is compounded further by existing pay gaps and the intersection of structural racism and sexism at work.

This report shows that, whilst having a child can place barriers on career and pay progression for all women, Black and minoritised women face structural inequalities because of their ethnicity. In addition to their gender, these inequalities result in pay penalties which can last throughout a mother's career, often with consequential poverty in old age.

We present new research which looks at the Government's Labour Force Survey to identify the impact of motherhood on different ethnic groups. We look at how these inequalities arise by drawing on published research which highlights the issues that mothers face in the workplace from the moment they inform an employer that they are pregnant. We provide policy recommendations, solutions and initiatives to form a pool of powerful ideas that could be used to tackle the barriers to pay progression that Black and minoritised women face when they become mothers. Taken together these measures would empower mothers to make the choices that are right for them as their circumstances change.

A note on language

This report uses the term Black and minoritised groups. The term 'minoritised', coined by sociologist Yasmin Gunaratnam, implies that 'people are actively minoritised by others rather than naturally existing as a minority'. Where a study refers to groups such BME (Black and Minority Ethnic) or BAME (Black, Asian and Minority ethnic), the relevant term is used in relation to that study.

Mindful of the nuances in the terminologies and the differences between various groups, where possible we refer to the specific ethnicities. We feel that it is important to provide disaggregated data wherever possible to be able to better understand how women from different ethnic minority groups experience motherhood pay penalties.

What is the motherhood pay penalty?

Starting a family can have a major impact on a woman's career progression, her earning potential and her ability to fund her old age. It exacerbates the pay gaps all women already face as a result of illegal pay discrimination, workplace practices, underrepresentation of women in highly paid sectors such as finance and technology, overrepresentation in undervalued sectors such as childcare and the perpetuation of pay gaps via recruitment practices such as asking salary history questions.

The **motherhood pay penalty** is a widely used term. Previous authors have used the term in different ways – often to mean the difference in pay between mothers and similar women without children and to refer to the pay difference between mothers and men, particularly fathers. We look at both in this report. The motherhood pay penalty is distinct in meaning from the **gender pay gap**, which refers to the average difference in pay between all men and all women, regardless of whether they are parents.

Most previous studies which look at the magnitude of the motherhood pay penalty treat mothers as one homogenous group, regardless of their ethnic heritage. Whilst this work provides a vital background to the challenges that mothers face, here we explore how these issues are compounded by structural racism for Black and minoritised mothers.

To provide a meaningful picture of the economic penalty paid by mothers, it is important to look at both the hourly pay of mothers and their levels of economic activity. Discussion of one of these factors, without the other, would give a misleading picture, underestimating the true impact.

How large is the motherhood pay penalty?

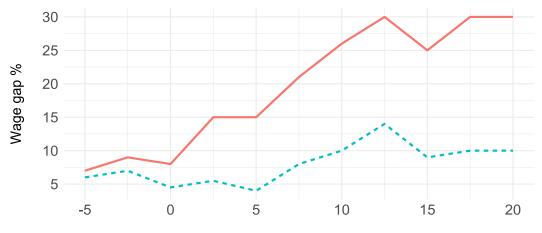
The Trades Union Congress (TUC) has looked at the hourly pay of mothers in full time work and found that there was an 11% pay gap compared with full-time working women without children. When this was adjusted for personal characteristics such as level of education, occupation and region, the pay gap reduced to 7%.¹

However, this is only part of the story. Many mothers either leave the workforce or reduce their hours in order to spend time caring for their children. This leads to significantly larger penalties, reducing income considerably. A recent study by Vagni and Breen² used The British Household Panel Survey, a survey which follows a panel of individuals over a period of years, to look at the motherhood pay penalty experienced by those who became mothers between 1995 and 2005. The average penalty experienced was a reduction of medium to long term income of 45% compared with those who had not had children.

Whilst most groups of mothers experience a pay penalty, there is evidence that its size is linked to how many children a woman has and that it may increase with successive births.³ Long career breaks or successive maternity breaks reduce a mother's ability to build her career. There is evidence that the penalty is lower in women who took a break of 12 months or less and in older women who delay motherhood until their careers are established.^{4 5}

Once a mother has experienced a pay penalty it often lasts throughout her career. The gap between mothers' and fathers' income widens over time.⁶ A report by Costa Dias et al for the IFS⁷ found that an average gender pay gap of 10% when the baby arrives grows to around 30% by the time the child is 20. This is illustrated in Figure 1.

Figure 1. Size of the motherhood pay penalty over time: wage gap between mothers and fathers since birth of the first child, controlling for other characteristics.



Years since birth of first child

Controlling for age, region, and education

-- Controlling for age, region, education, and full and part-time experience

Source: Data from BHPS 1991-2008 and Understanding Society 2009-15 presented at 2.5-year intervals (adapted from Costa Dias et. al 2018).

¹ TUC (2015) The motherhood penalty : key findings <u>Microsoft Word - The Motherhood Pay Penalty key findings in new template RS SH SB.docx</u> (tuc.org.uk)

² Vagni, G and Breen, R (2021) Earnings and Income penalties for motherhood: Estimates for British Women<u>European Sociological Review</u> 37 (5) pp 834-848_<u>https://doi.org/10.1093/esr/jcab014</u>

³ Ibid Vagni and Breen (2021)

⁴ Grimshaw, D and Rubery, J (2015) 'The motherhood pay gap : a review of issues, theory and international evidence (International Labour Office, Geneva) wcms_371804.pdf (europa.eu)

⁵ *Ibid* World Economic Forum (2022)

⁶ Jones, L (2019) 'Women's progression in the workplace' (Government Equalities Office) <u>Women's Progression in the Workplace (kcl.ac.uk)</u>

⁷ Costa Dias, M, Joyce, R, and Parodi, F (2018) 'Wage progression and the gender wage gap : the casual impact of hours of work (Institute for Fiscal Studies) <u>BN223.pdf (ifs.org.uk)</u>

The fatherhood bonus

There is evidence that whilst women's pay often decreases with motherhood, men's pay appears to increase with fatherhood⁸, a so-called 'fatherhood bonus'. Men's wages tend to grow rapidly in their late 20s and 30s whilst women's wages reach a plateau.⁹ Men with two children are paid on average 22% more than men without children. By contrast, women with two children take home 26% less than women without children.¹⁰

The gender and ethnicity pay and employment gaps

Regardless of whether they are parents, Black and minoritised women face multiple inequalities from both gender and ethnicity structural disadvantages, which affect every stage of the career pipeline from school onwards.^{11 12} Recent Government statistics¹³ show that the employment rate for men is higher than for women in every ethnic group. However, the impacts of these inequalities are not homogenous. The effects vary greatly between ethnic groups.¹⁴

Figure 2 shows the level of employment of men and women in different ethnic groups. The largest gender employment gap occurs for people of Pakistani and Bangladeshi heritage. In this group, 43% of 16–64-year-old women were in employment compared to 72% men of Pakistani and Bangladeshi heritage. At the other end of the spectrum, the smallest gaps between employment rates in men and women with mixed-race heritage (62% of women in employment compared to 66% of men) and white British (73% of women in employment compared to 78% men).

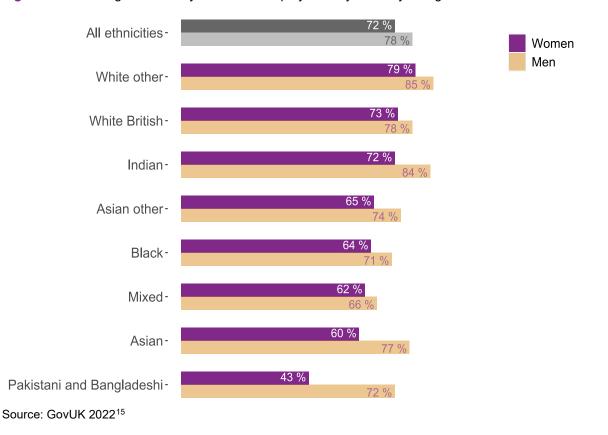


Figure 2. Percentage of 16–64-year-olds in employment by ethnicity and gender.

⁸ Yu, W and Hara, Y (2021) 'The motherhood penalties and fatherhood premiums: effects of parenthood on earnings growth within and across firms' <u>Demography</u> 58 (1) pp247-272

⁹ Ibid Costa Dias et al (2018)

¹⁰ Corfe, S (2020) The parenthood penalty? Exploring gender, family and pay in London (Social Market Foundation) <u>The parenthood penalty?</u> Exploring gender, family and pay in London - Social Market Foundation. (smf.co.uk)

¹¹ Gyimah, M, Azad, Z, Begum, S, Kapoor, A, Ville, L, Henderson, H and Dey, M (2022) 'Broken Ladders: The myth of meritocracy for women of colour in the workplace (Fawcett Society)

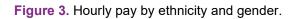
¹² Dey, M, White, C and Kaur, S (2021) Pay and Progression of Women of Colour: a Literature review (Fawcett Society)

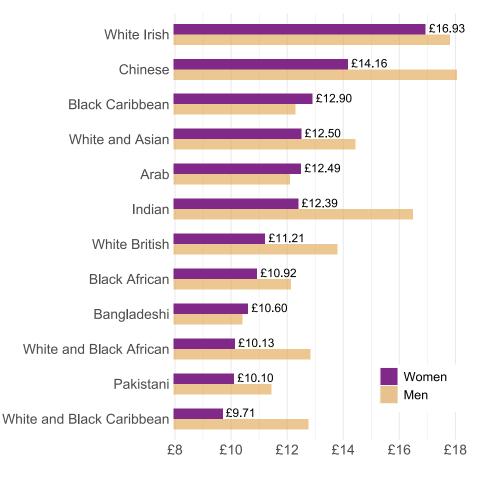
¹³ GOV UK website (2022) Work, pay and benefits -employment by ethnicity and gender <u>Employment - GOV.UK Ethnicity facts and figures</u> (<u>ethnicity-facts-figures.service.gov.uk</u>)

¹⁴Womens Budget Group (2021) Gender Pay Gap Briefing Gender-Pay-Gap-briefing.pdf (wbg.org.uk)

¹⁵ *ibid* GOV UK (2022)

Figure 3 demonstrates that gender pay gaps vary greatly by ethnicity. ONS data¹⁶ shows that women in all but three ethnic groups experience a pay gap compared to men of the same ethnicity. The three exceptions were between men and women of Arab, Black Caribbean, and Bangladeshi heritage but, even in these groups, the women were only paid marginally more per hour than men of the same ethnicity, and generally less than men in other ethnic groups.





Source: 2019 ONS data for England and Wales.¹⁷ Data shows median hourly pay. Annotations are shown for women's pay.

¹⁶ Office of National Statistics (2020) Ethnicity Pay Gaps

¹⁷ Ibid ONS (2020)

Findings from the Labour Force Survey: The ethnicity motherhood pay penalty

Motherhood pay penalties exacerbate the effects of racial inequalities as well as gender inequalities.¹⁸ Whilst mothers of all ethnicities experience penalties, there is clear evidence that some ethnic groups have higher motherhood pay penalties than others. To understand this further, we have carried out new research to provide insight on the motherhood pay penalty experienced by different ethnic groups over the last two decades. The Labour Force Survey (LFS) was used to examine employment and earnings in England and Wales, throwing new light on the changing nature of the inequalities facing mothers from different ethnic backgrounds.

The LFS is particularly useful for this work because it samples households to record employment and pay data for regular national statistical bulletins of UK labour market activity. The dataset used for this work is very large, consisting of several million records spanning a period of almost 30 years (from 1992 to 2020) enabling trends to be observed over time. The survey captures additional characteristics of household members such as age, sex, parental status and ethnicity, enabling researchers to drill down further to establish working patterns and pay of groups within the population.

Our work examines both pay and the level of economic engagement, two of the most important elements that make up the pay penalty, for mothers of a wide range of ethnicities. This enables comparisons to be drawn with the level of economic activity and pay of fathers and men and women without dependent children.

How do mothers' and fathers' hourly pay differ by ethnicity?

The first step in the analysis was to examine the degree to which gender and parenthood have influenced hourly pay since the LFS began the quarterly collection of earnings data almost thirty years ago. The results are shown in the graph in Figure 4. Men have received higher pay per hour than women in every year of the survey. There is also clear evidence that fathers experience a pay bonus compared to men without children.

The hourly pay of mothers of all ethnicities has been significantly lower than that of fathers over the last thirty years. Indeed, as Figure 4 shows, fathers have been earning at least a third more than mothers each year this century and the gap is not narrowing.

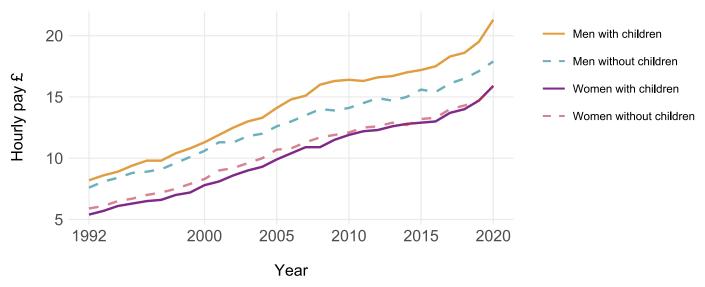


Figure 4. Hourly pay (£) by gender and dependent child status.

Source: LFS respondents aged 25 to 55 by gender and dependent child status 1992-2020. Data shows mean hourly pay.

¹⁸ Florian, S.M (2018) Racial variation in the effect of motherhood on women's employment : temporary or enduring effect <u>Social Science Research</u> 73, pp80-91

In Table 1 a negative figure for a parental pay gap demonstrates that women with dependent children in their household earn less than those without dependent children in their household. By controlling for factors such as age, education and long-term illness, we found that hourly pay penalties affected mothers of all but two ethnic groups in the data. The gap in hourly pay between mothers and women without dependent children ranges from just over 1% for mothers of Indian heritage and white mothers to 10% for mothers of Black African heritage and 13% for mothers of Pakistani and Bangladeshi heritage. The exceptions are mothers of Chinese and Black Caribbean heritage who receive higher average hourly pay than women of the same heritage without children (8% and 3% more respectively).

At the same time, the LFS data show that the hourly pay rates of fathers aged 25-55 have been consistently higher than for men without children, and the gap has been increasing over time. This bonus applies to fathers of almost all ethnicities again after controlling for other factors such as age, education and long-term illnesses. The fatherhood bonus varies in magnitude from 7% for fathers of Bangladeshi and Pakistani heritage to 24% for fathers of Black Caribbean and Chinese heritage. Only one group of fathers, those of Black African heritage, do not have a bonus.

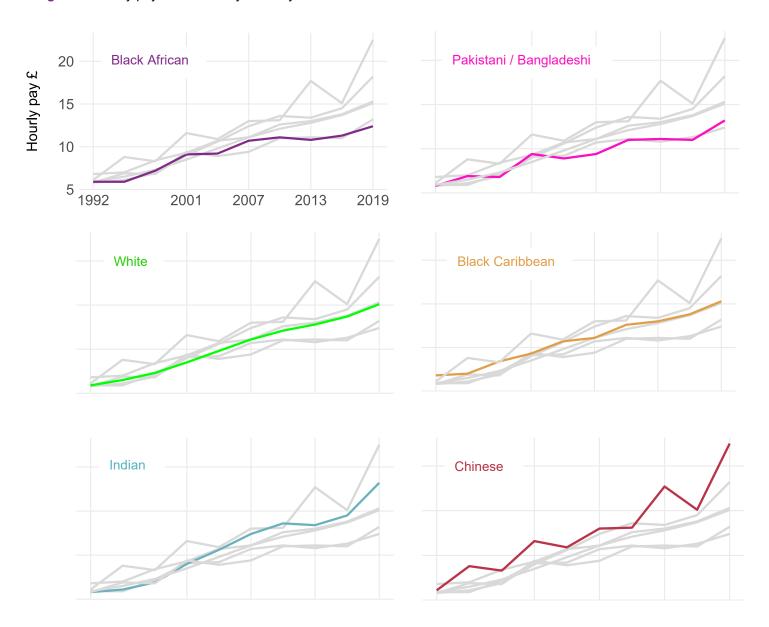
Table 1. Hourly pay by ethnicity, gender and dependent child status, controlling for age, education, marital status, nativity, disability, and region.

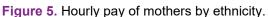
	Hourly pay (£)		
	Households with dependent children	Households with no dependent children	Parental Pay Gap (%)
Women			
White	14.3	14.5	-1
Black Caribbean	14.5	14.1	3
Black African	11.6	12.8	-10
Indian	13.9	14.1	-1
Pakistani/Bangladeshi	12.1	13.7	-1
Chinese	16.6	15.3	8
Men			
White	19.5	16.8	16
Black Caribbean	16.5	13.3	24
Black African	12.5	12.9	-4
Indian	18.1	15.3	18
Pakistani/Bangladeshi	14.1	13.2	7
Chinese	20.1	16.2	24

Source: Labour Force Survey (LFS). LFS data is weighted by weights provided by LFS. Data refer to mean hourly pay for men and women in the main ethnic groups resident in England and Wales at the time of survey (2016-2020). The findings in this table refer to estimated wage rates (net effects) after controlling for the effects of age, education, marital status, nativity, disability (limiting long-term illness), and region.

The level of hourly pay received by mothers varies by ethnicity. Figure 5 shows the hourly pay of mothers over time. For the last 15 years, mothers of Chinese and Indian heritage have been earning more per hour on average than mothers in other groups. In the two-year period 2019-2020, the most recent years included in the analysis, their mean rates of hourly pay were £22.50 and £18.20 per hour respectively. Mothers of Black Caribbean and White heritage lag behind (£15.30 per hour and £15.10 per hour) but the lowest hourly pay was received by mothers of Pakistani / Bangladeshi and Black African heritage (at £13.20 per hour and £12.40 per hour).

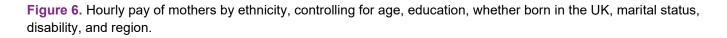
However, this data does not demonstrate the full picture, as it does not control for important factors including age, marital status, disability and region which may vary significantly between ethnic groups.

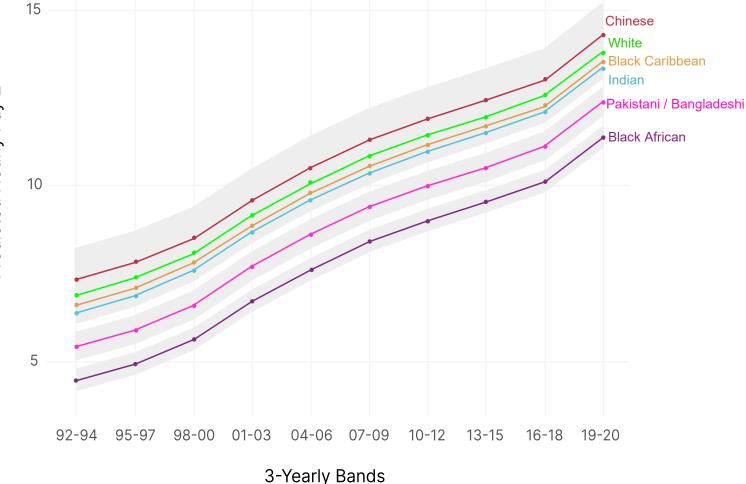




Source: LFS respondents 1992-2020. Data points show three-yearly bands. All axes represent the same scales.

Figure 6 shows that when the data is modelled to control for age, education, marital status, disability (including long term illness) and region, differences in hourly pay by ethnicity persist, although it becomes clear that mothers of Black African heritage have a greater penalty than in the unadjusted data. This suggests that they face particularly challenging conditions in the workplace. Indeed, similar analysis of women without children and of men also highlights hourly pay penalties to those of Black African heritage, suggesting that the challenges may be related to structural racism.



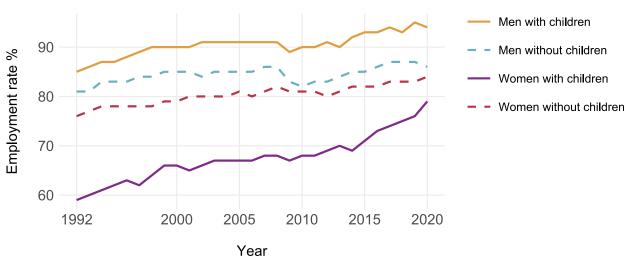


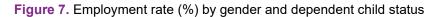
Source: Analysis of LFS data from 1992 - 2020, controlling for the effects of age, education, whether born in the UK, marital status, disability (including limiting long term illness) and region. Grey ribbons indicate 95% confidence intervals.

But hourly pay is only part of the story, looking at the level of economic activity and the number of hours worked, gives a much more accurate picture.

How does the economic engagement of mothers differ by ethnicity?

Our analysis shows that mothers aged 25-55 had consistently lower levels of employment throughout the three decades of data than fathers and compared with both women and men with no dependent children. This is shown in Figure 7.





Whilst there was an increase in workforce participation of mothers from 59% in 1992 to 79% in 2020 reflecting the trend towards smaller families and shifts in societal norms of gender roles over this period, their employment rates still lag behind women without children and men in the same age group. In stark comparison, 94% of fathers in this age group were in employment in 2020. There has been an increase in employment levels of mothers of all ethnicities over time, but entrenched differences remain (Figure 8).

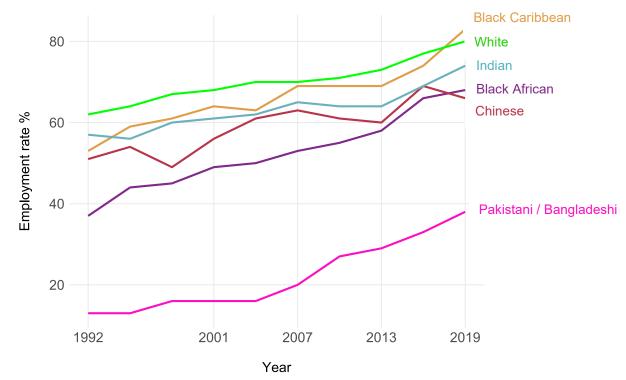


Figure 8. Employment rates of mothers, by ethnicity.

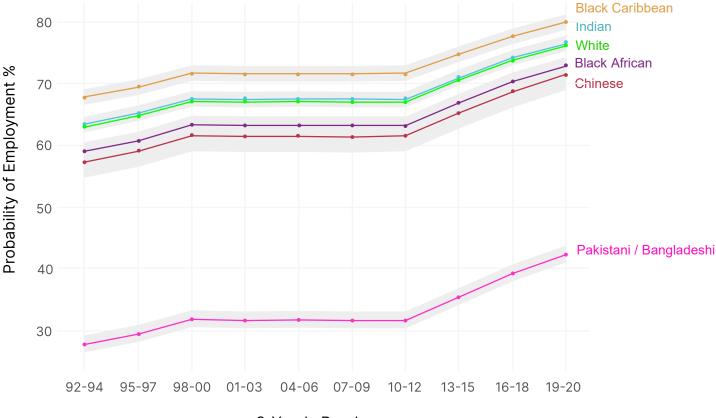
Source: LFS respondents aged 25-55, 1992-2020.

Source: LFS data 1992-2020. Data shows three-yearly bands.

Employment rates of white mothers were consistently the highest of any group in each year until they were exceeded by mothers of Black Caribbean heritage in the most recent data which showed that 83% were in employment. Rates were a little lower for mothers of Indian heritage (74%), Black African heritage (68%) and Chinese heritage (66%). By far the lowest employment rates were among mothers of Pakistani and Bangladeshi heritage. In these groups only a little over a third of mothers were employed (38%). This is a large increase over the participation in 1992, when only 13% mothers of Pakistani and Bangladeshi heritage were in employment, but the percentage employed remains very low compared with mothers of other ethnicities.

Figure 9 shows clear differences in the probability of being employed of mothers of different ethnicities after controlling for other factors.

Figure 9. Probability of employment of mothers by ethnicity, controlling for age, whether born in the UK, education, marital status, disability, and region.





Source: Analysis of LFS data from 1992 - 2020, controlling for the effects of age, whether born in the UK, education, marital status, disability (including limiting long term illness), and region.

A comparison of the employment rates of mothers with those of women without children, and with men, shows that motherhood reduces the employment levels of women in all ethnicities and exacerbates the differences of employment levels which are known to exist between ethnic groups and between women and men.

Motherhood is associated with a reduction of employment levels for women in most ethnic groups. The data shows that motherhood has the smallest impact on the employment levels of white women (a 5 percentage point reduction, from 85% for women with no children compared to 80% for mothers). Larger impacts are shown in Indian (6 percentage points; from 80% for women without children to 74% for mothers), Black African (10 percentage points; from 78% to 68%) and Chinese (11 percentage points; from 77% to 66%) groups. Black Caribbean mothers see a small increase (3 percentage points; from 80% for women without children to 83% for mothers).

The largest difference between employment rates of mothers (38%) and women without children (55%) is in the Pakistani and Bangladeshi group. The low participation of non-mothers compared with men in the group (92% for men with dependent children) shows that whilst motherhood has a significant effect, it is part of a much bigger trend for women in this group. Even after the other confounding factors such as age, education, marital status and long-term illness are controlled for, the probability of employment of this group is significantly lower than in any other.

What does the literature tell us about the ethnicity motherhood pay penalty?

Our review of the available literature shows that the underlying causes of the pay gaps that mothers face can be traced back to the moment that a pregnant woman applies for a job or tells her employer of her new status. It continues through unequal access to parental leave and, if she is able to return to work, throughout her subsequent career with knock on effects on her ability to fund her retirement.

At each stage, the motherhood-related barriers faced by Black and minoritised women are compounded by existing ethnicity pay gaps and the intersection of structural racism and sexism, presenting challenging hurdles to progressing careers.

Bias and discrimination during pregnancy

The Equality Act 2010, Section 18, prohibits discrimination during pregnancy, but there is ample evidence that it occurs – both for women applying for a job and for those already in work when they become pregnant. Pregnant Black and minoritised women are doubly disadvantaged in the job application process. Research has shown that, on average, ethnic minority applicants have to send 60% more applications than white British people before they were successful.¹⁹

On top of this, being pregnant reduces the chances of success still further. Disclosing pregnancy at an interview has been shown to reduce a candidate's chance of success. In a survey by The Equality and Human Rights Commission (EHRC) 77% of pregnant women who were unsuccessful at interview put their lack of success down to their pregnancy.²⁰ Discrimination appears to be widespread. In a later survey, two thirds of employers said that pregnancy should be disclosed at the interview stage and almost half said that a woman should work for an organisation for at least 6 months before having children.²¹ Indeed, a woman does not even need to be pregnant at the interview to be discriminated against. In some cases, it is sufficient to simply be of childbearing age. The EHRC found that a third of private sector employers thought that it was reasonable to ask women about their plans to have children during recruitment.²²

For those women in jobs, their career is often put in jeopardy when they inform their employer that they are pregnant. The EHRC and The Department of Business, Innovation and Skills (BIS)²³ estimate that 11% of mothers are forced out of their jobs by pregnancy (equivalent to 54,000 women a year). This takes many forms. Some women feel forced out when health and safety concerns make them choose between staying in their job and the health of their unborn baby. This is a particular issue for women from Black and minoritised backgrounds who are more likely to be working in environments that they consider to be unsafe.²⁴

A pregnant employee has a statutory right to attend ante-natal appointments. However, pregnant women have reported that an estimated 10% of employers discourage ante-natal appointments during worktime.²⁵ This is a particular problem in the male-dominated agriculture, fishery and mining sector where 27% of employers thought it was unreasonable for employees to take time off for antenatal appointments, but also in the female dominated hotel and restaurant sector where 23% employers took this view.

²² *Ibid* EHRC (2018)

¹⁹ Stasio, D and Heath, A (2021) 'Are employers in Britain discriminating against ethnic minorities? Centre for Social Investigation, University of Oxford

²⁰ EHRC (2016) Pregnancy and maternity-related discrimination and disadvantage <u>Our projects | Equality and Human Rights Commission</u> (equalityhumanrights.com) ²¹ EHRC (2018) New research looking at employer views towards accessed and the second secon

²¹ EHRC (2018) New research looking at employer views towards pregnant women and new mothers <u>Our projects | Equality and Human Rights</u> <u>Commission (equalityhumanrights.com)</u>

²³ EHRC and Department of Business, Innovation and Skills (2015) Pregnancy and maternity discrimination: research findings Pregnancy and maternity discrimination research findings | Equality and Human Rights Commission (equalityhumanrights.com)

²⁴ Pregnant then screwed Support for Black, Asian and minority ethnic women - Pregnant Then Screwed

²⁵ *Ibid* EHRC and Department of Business, Innovation and Skills (2015)

Missing vital appointments is a risk to all mothers but is particularly dangerous to Black and minoritised women who have been found to receive a dangerously inferior maternity service, leading to inferior health outcomes. Black women are four times more likely to die in pregnancy or childbirth than white women and Black, Black British and Asian British babies have a 50% additional chance of perinatal mortality²⁶, even without being discouraged from attending appointments by their employer.

Others are forced out in reorganisations²⁷ or simply dismissed.²⁸ Young mothers are particularly susceptible to dismissal. Adams' work for the EHRC found that rates of dismissal were almost double for younger women, with as many as 20% forced out of their jobs.²⁹

Unequal parental leave

Black and minoritised mothers make up a large proportion of the 28% of British workers who are not entitled to any form of paid parental leave because of their employment status or length of service. It is not available to the self-employed, those on zero-hour contracts or involved with temporary or agency work. Men and women of Pakistani heritage are amongst the groups of lowest eligibility for any paid paternity and maternity leave, reflecting high levels of self-employment and in the employment in the insecure distribution, hotels and restaurant sector.^{30 31} Further, levels of parental leave pay received by those who are eligible varies greatly between ethnic groups.

Analysis of the Millennium Cohort study for EHRC found that Pakistani and Bangladeshi mothers in paid employment were the least likely to receive supplementary maternity pay from their employers. Only 2 in 5 received supplementary pay over and above the statutory requirement compared with over half of white and Black mothers.³²

Within a household, a mother will most frequently be the partner who takes a break after parenthood, putting her career on pause. However, there is convincing evidence that many fathers would be prepared to play an increased role in childcare if appropriate parental leave were available. Research by the Fawcett Society³³ shows that 41% of fathers believe that they did not take enough time off after the birth of their child and 71% believe that men who take time off work to look after a baby should be entitled to the same pay and leave as women.

Whilst shared parental leave was introduced in 2015, allowing 50 weeks leave to be taken between both parents, take up has been very low. Recent figures from the Department of Business, Energy and Industrial Strategy³⁴ show it is only being used by 2% of new parents. However, research in Europe shows that fathers tend to make use of well paid, non-transferable parental leave entitlements.³⁵ In Quebec, Canada properly paid leave for fathers was ring fenced a number of years ago, and the uptake from men compared with the rest of Canada increased dramatically, with 93% fathers taking paternity leave, parental leave or a combination of the two.^{36 37} However, fathers' use of shared or transferable entitlements is much more limited.³⁸ It is not surprising therefore that the UK policy has seen a low uptake of its shared benefits system.³⁹

²⁶MBRRACE-UK 'Perinatal mortality Surveillance MBRRACE-UK Perinatal Surveillance Report 2020.pdf (ox.ac.uk)

²⁷ Rankin, J (2015) Workplace discrimination: when a pregnant pause becomes more long term The Guardian June 12th

^{28 28} Brearley, J (2022) 'The motherhood penalty :how to stop motherhood being the kiss of death to your career' (Simon and Schuster, UK)

²⁹ Adams, L et al (2015) Pregnancy and maternity-related discrimination and disadvantage (EHRC) <u>Pregnancy and Maternity-Related Discrimination</u> and <u>Disadvantage</u> (publishing.service.gov.uk)
³⁰ Aldrich, M et al (2017) Inequalities in access to paid maternity leave and flexible work (PDE) in a service.gov.uk

³⁰ Aldrich, M et al (2017) Inequalities in access to paid maternity leave and flexible work (PDF) Inequalities in access to paid maternity leave, paternity leave and flexible work (researchgate.net)

³¹ Womens Budget Group (2021) 'Maternity, paternity and parental leave Maternity-paternity-and-parental-leave.pdf (wbg.org.uk)

³² Ibid EHRC and the Department of Business, Innovation and Skills (2015)

³³ Olchawski, J (2016) Parents and Care : striking the balance (Fawcett Society) Download.ashx (fawcettsociety.org.uk)

³⁴ Department of Business, Energy and Industrial Strategy (2023)

 ³⁵ Castro-Garcia, C and Pazos-Moran, M (2016) 'Parental leave policy and gender equality in Europe <u>Feminist Economics</u> 22(3) pp 51-73
 ³⁶ World Economic Forum (2022) How to reduce the motherhood penalty and the gender pay gap<u>How to reduce the motherhood penalty and the</u>

gender pay gap | World Economic Forum (weforum.org)

 ³⁷ Statistics Canada (2021) Family matters: parental leave in Canada <u>The Daily — Study: Family matters: Parental leave in Canada (statcan.gc.ca)</u>
 ³⁸ Haas, L and Rostgaard, T (2011) Fathers rights to paid maternity leave in Nordic Countries <u>Community , work and family</u> 14 (2) pp177-195
 ³⁹ Ibid Women's Budget Group (2021b)

For many families with opposite-gender parents, it is more economical for the mother to take maternity leave than for the father to take paternity / co-parenting leave. For those who are entitled, statuary paternity / co-parental leave is only £172.48 a week or 90% of average weekly wage if it is lower, which is generally less than maternity pay and is often less than the cost of living. If paternity or co-parental leave is taken, mothers effectively give two weeks of their maternity leave to their partners. For women in some ethnic groups, these economic realities are compounded by stereotypes or cultural expectations to leave the job market.⁴⁰ For others who chose to take a career break while their children are young, it is important that the job market and childcare provision make it easy to return to the job market in future if they so wish.

A lack of appropriate and affordable Early Childhood Education and Care

A study of the parenting penalty in London by the Social Market Foundation⁴¹ observed that considerably more Black and minoritised women aged between 35-45 (the age at which many women are raising school-aged children) were economically inactive compared to white British women.



Whilst 9% of white British women in this age group were out of the job market, this is dwarfed by the proportions in other ethnic groups. The proportion of economically inactive women was approximately 16% for Black women, 25% for women of Chinese heritage, 46% for women of Pakistani heritage and 53% for women of Bangladeshi heritage,

The reasons for the economic inactivity are complex but the literature suggests that the availability of affordable childcare and cultural approaches to childrearing are contributing factors.

Dale et al. ⁴² links higher employment levels among mothers of Black Caribbean heritage with a cultural norm of women taking on the dual role of parent and breadwinner. However, Reynolds⁴³ deconstructs some of the discourse around this, including the stereotype of women of Caribbean heritage as "do-it-all superwomen". She highlights that in the UK, work has historically been central to Black women's lives – with many Caribbean women recruited to work in the UK by the Government after WW2.

At the other end of the spectrum, mothers of Pakistani and Bangladeshi heritage see much lower employment levels. Whilst this is changing over time with younger generations increasingly wanting to work outside the home⁴⁴, structural barriers to employment remain, particularly from employers who stereotype mothers of Pakistani and Bangladeshi

⁴⁰ The Youth Foundation and Mayor of London (LDA) (2008) 'Valuing family, valuing work: British Women and the Labour Market

⁴¹ Ibid Corfe, S (2020)

⁴² Dale, A, Lindley, J and Dex, S (2006) Perspective on ethnic differences in Women's Economic Activity in Britain <u>Sociological</u> Review 22(3) pp323-337

⁴³ Reynolds, T (2005) 'Caribbean mothers: identity and experience in the UK' (Tuffnell Books, London)

⁴⁴ Bhopal, K (2009) 'Identity empathy and otherness: Asian women, education and dowries in the UK' Race Ethnicity and Education, 12 (1) pp27-39

heritage.^{45 46} These findings are reflected in analysis of the Millennium Cohort Study for the Equal Opportunities Commission⁴⁷ which found that 2 in 5 mothers of white, Indian and Black Caribbean heritage had a continuous employment pattern from pregnancy until the child is 3, compared to 1 in 14 (7%) of mothers of Pakistani or Bangladeshi heritage.

A recent survey by the Fawcett Society⁴⁸ indicated that over a third (35%) of women would like to work more paid hours than they do. Women from Black, Asian, mixed and other minoritised backgrounds were significantly more likely to want to work more hours (43%) than white women (32%). Lack of affordable childcare was quoted as the main barrier for 22% of the sample. Childcare costs are particularly high in London, leading to women's higher levels of non-participation in the workforce than in many other areas of the UK.⁴⁹

These findings are all reflected by the Millennium Cohort Study for the Equal Opportunities Commission⁵⁰ which shows that Black and White mothers in work are more likely to use formal childcare than working mothers of Pakistani and Bangladeshi heritage, who rely more heavily on grandparent care. Whilst take up of places of free Early Childhood Education and care (ECEC) places is around 90% for white British parents, only three quarters of Black parents and two thirds of parents of Pakistani and Bangladeshi heritage do so.⁵¹

International evidence indicates that cultural inclusivity is central to both widening access and high-quality

care.⁵² Whilst more up to date research on this issue is critical to understand the reasons behind lower take-up in the current UK context, a Department of Trade and Industry (DTI) study⁵³ from 2004 found only 16% of the Muslim women sampled used formal childcare with many citing the faith of the childcare provider as a deterrent. The faith background, cultural awareness and attitudes of the childcare provider was highly influential in their choice of childcare provider. The vast majority of the Muslim women sampled who intended to return to work (90%) said that they would rely on informal childcare from family members. Whilst informal childcare from family members works for many, it lowers the chances of older women becoming economically active themselves.

A study by The Youth Foundation / Mayor of London⁵⁴ found that 90% of the Muslim women that they interviewed who hadn't yet had children, but plan to, stated their preference to take a career break, raise their children at home and to return to work after their children entered nursery. They intended to rely on a family member to help with childcare, ensuring that their child was raised in line with their cultural expectations for language, religion and diet. There is an increasing trend for Muslim mothers, particularly amongst second generation migrants, to take a career break rather than a permanent withdrawal from the job market. A high proportion of Muslim women aspire to combine work and childcare, particularly when their children are of school age.^{55 56}

Informal childcare is less straightforward for first generation migrants, many of whom are separated from members of their extended family who would otherwise provide care and often lack recourse to publicly provided care as newly arrived immigrants and often face barriers of language and digital connectivity. The arrangements of this group can often be complicated and ad hoc⁵⁷, restricting the opportunities for mothers to work.

⁴⁵ Evans, S.L and Bowlby, S (2000) 'Crossing boundaries: racialised gendering and labour market experiences of migrant women in Britain <u>Women's International Studies Forum</u> 23 (4) pp461-474

⁴⁶ Aktar Baz, S (2020) 'Pakistani and Bangladeshi Muslim lone mothers: exploring lived experiences, intersectionality and support provided by South Asian women's organisations (PhD thesis)

⁴⁷ EOC (2007) 'Ethnicity and patterns of employment and care' Fathers and the modern family (ucl.ac.uk)

⁴⁸ Fawcett Society website (2022)

⁴⁹ Ibid Corfe, S (2020)

⁵⁰ Ibid EOC (2007)

⁵¹ Butler, V (2013) Female Unemployment : Black, Pakistani and Bangladeshi heritage women

⁵² Ville, L, Marren, C, Rose, J, Parsons, S and Bazeley, A (2022) 'Childcare and early education systems: a comparative literature review of liberal welfare states (Fawcett Society)

⁵³ DTI (2004) Diversity and difference : minority ethnic mothers and childcare

⁵⁴ Ibid The Youth Foundation and Mayor of London (2008)

⁵⁵ Dale, A (2007) Ethnic differences in the labour market: a life cycle perpective

⁵⁶ Ashton et al (2007) 'Pakistani and Bangladeshi women's attitudes to work and family (Department of Work and Pensions)

⁵⁷ Datta, K, McLwaine, Evans, Y, Herbert, J, May J and Wills, J (2010) 'A migrant ethic of care?' Feminist Review 94, pp93-116

A lack of flexible work

Flexible working is a pre-requisite for many mothers who wish to return to work, particularly those who struggle to find affordable childcare.



Employees have had the right to request flexible working since 2014 and whilst there was a trend towards flexible working during the COVID-19 pandemic and recent changes to legislation will enable employees to request it from day one, it is not an option which is available to all. A culture of long hours and presentism which conflicts with external responsibilities persists in many work environments, making it difficult for mothers to progress their careers whilst caring for children.⁵⁸ The UK works the longest hours in Europe and, despite a mover towards flexible working during the pandemic, many employees still say they have to sit at their desk for long hours in order to be promoted.⁵⁹

Under current legislation, the onus is on the employee to request flexible working once they have a job, rather than it being a default position and advertised within a job description. So ultimately the success of a flexible working application is dependent on the approach of the employer. This can be a problem for some ethnic minority mother returners as many are less likely to be supported by their employers.⁶⁰

A recent survey by Leckie et al for McAlpine and MotherPukka⁶¹ found that 42% employees would be uncomfortable about asking for job flexibility in an interview. When mothers do request it, they are often turned down. A study for the TUC and MotherPukka⁶² reported that approximately half of mothers had their request rejected or largely turned down. In many cases this prohibits mothers returning to their previous roles, meaning that they have to choose between not returning to the workplace and taking a job with less hours, less responsibility and often less job security.

Analysis of the Millennium Cohort for the EHRC showed that Black African mothers were the least likely to be offered flexible working at the point when their child was 9 to 10 months old; 19% reported that they had no access to such arrangements compared to 7% of white mothers.⁶³ At the same time, fathers face challenges

⁵⁸*Ibid* Jones, L (2019)

⁵⁹ *Ibid* World Economic Forum (2022)

⁶⁰ *Ibid* EHRC (2016)

⁶¹ Leckie, C, Munro, R and Pragnell, M (2021) 'Flexonomics : the economics and fiscal value of flexible working (report for McAlpine and MotherPukka)

⁶² TUC and MotherPukka (2021)'Half of working mums do not get the flexibility they ask for' <u>Half of working mums don't get the flexibility they ask</u> for <u>TUC survey | TUC</u>

⁶³ Ibid EOC (2007)

when they consider flexible working. Leckie's survey found that fathers' requests for flexible working were refused twice as often as mothers', making it less likely that a father can share the childcare responsibilities.⁶⁴

A desire for flexibility leads many Black and minoritised mothers to change career. Research by Business in the Community (BITC), The Prince's Responsible Business Network and Ipsos UK⁶⁵, found that Black and minoritised workers are more likely to leave their jobs because of lack of flexibility than their white counterparts. In their poll of 5,444 workers one in three (32%) ethnic minority workers had left or had considered leaving a job due to lack of flexibility compared to 21% of white workers. This was a particularly an issue for low income and shift workers.

Many move into occupations that offer flexible work in preference to higher paying options.⁶⁶ ⁶⁷ This is often insecure and lower paid and further exacerbates career pay penalties.

A large proportion of mothers move into part-time work

In 2021 the Women's Budget Group⁶⁸ reported that 66% of women who were working full time before motherhood reduced their hours after they had become mothers. This is an increase from the 55% of returners reported by the TUC six years earlier.⁶⁹

Prior to parenthood, there are only small differences between the rates of part-time work between men and women. When the first baby arrives, a substantial proportion of women transition to part-time work, whilst there is only a marginal effect on men's work patterns.⁷⁰ ⁷¹ Government figures⁷² show that part-time work is high amongst women of all ethnicities (Figure 10).

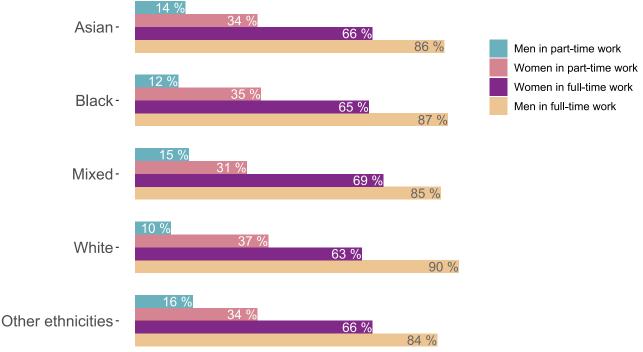


Figure 10. Employed adults (aged 16-64) in full time and part-time work by ethnicity and gender

Source: GOV UK website (2022), Annual Population Survey. Respondents decide if they are in part time or full time employment.

⁶⁴ *Ibid* Leckie et al (2021)

⁶⁵ Mayne, M (2022) 'Ethnic minority workers more likely to quit over flexibility than white counterparts' People Management

⁶⁶ *Ibid* Costa Dias et al (2018)

⁶⁷ *Ibid* Grimshaw and Rubery (2015)

⁶⁸ *Ibid* Womens Budget Group (2021)

⁶⁹ *Ibid* TUC (2015)

⁷⁰ Ibid Costa Dias (2018)

⁷¹*Ibid* Jones (2019)

⁷² GOV UK website (2022) 'Ethnicity facts and figures – full and part-time employment <u>Full time and part-time employment - GOV.UK Ethnicity facts</u> and figures (ethnicity-facts-figures.service.gov.uk)

Part-time jobs are often lower paid and inhibit career progression

Evidence from the British Household Panel Survey shows that part-time work is a major driver of the motherhood pay penalty.⁷³ Costa Dias et al estimate that part-time work alone accounts for approximately half of the pay gap by the time a child reaches 20.⁷⁴ The problem is most acute for Black and minoritised employees who are more likely to be in lower paid work.

The penalty of reduced hours is larger for mothers who take career breaks, than for those returning to their original jobs directly from maternity leave.^{75 76} The issue has a disproportionate effect on Muslim women who have taken longer breaks, opting for informal childcare within the family unit over a lack of inclusive ECEC.⁷⁷

The impact of part-time work persists throughout a career. By the time the first child is 20, mothers will have, on average, spent ten years less in full time work than non-mothers.⁷⁸ Those entering part-time work are significantly disadvantaged with regards to pay progression compared to full time workers. While the average full-time worker would be expected to see wage progression year on year, the part-time worker, who is often restricted to poor quality work with little prospect of progression, will see virtually no growth.⁷⁹ This is particularly marked in highly educated women who would otherwise expect to see significant wage progression.⁸⁰

The recent survey by Business in the Community (BITC), The Princes Responsible Trust and Ipsos⁸¹ UK found that 50% of Black and minoritised employees had not applied for promotion because of the challenges of combining work and care. Warren and Lyonette⁸² found that almost a quarter of part-time workers said they had no chance of promotion at all. This issue is particularly acute for Black and minoritised women, many of whom report that they are already blocked from promotion by race and gender discrimination.⁸³

Returners experience discrimination and harassment

Those who return to the job market after career breaks often find that they face discrimination at job application stage, and therefore generally suffer higher penalties than those who return to the same employer straight from maternity leave.⁸⁴ This may result in lower wages for the rest of the woman's working career.⁸⁵

The problem is particularly acute amongst certain ethnic groups including mothers of Black African, Pakistani and Bangladeshi heritage who have been shown to have problems returning to the job market after breaks in employment.⁸⁶ Fewer than half of Pakistani or Bangladeshi heritage who return to work, return to the same employer, compared to two thirds of women of Indian heritage and Black Women.⁸⁷

An EHRC survey found that almost half of employers thought it was reasonable to ask women if they have young children during the recruitment process.⁸⁸ There is evidence that those who are believed to be mothers are less likely to get positions, and those who are, are offered lower salaries.⁸⁹ For Black and minoritised women, who often face discriminatory questions and tokenism at interviews,⁹⁰ the hurdles can be insurmountable.

⁷³ *Ibid* Vagni and Breen (2021)

⁷⁴ Ibid Costa Dias et al (2018)

⁷⁵ Ibid Vagni and Breen (2021)

⁷⁶ Gangl, M and Ziefle, A (2009) 'Motherhood labour force behaviours and women's carers Demography 46 pp341-369

⁷⁷ Ibid The Youth Foundation and Mayor of London (2008)

⁷⁸ IFS (2018) 'Wage Progression and the gender pay gap' <u>Wage progression and the gender wage gap: the causal impact of hours of work |</u> Institute for Fiscal Studies (ifs.org.uk)

⁷⁹ Ibid Jones (2019)

⁸⁰ Ibid IFS (2018)

⁸¹ *Ibid* Mayne (2022)

⁸² Warren, T and Lyonette, C (2018) 'The good, bad and very bad part-time jobs for women' <u>Good, Bad and Very Bad Part-time Jobs for Women?</u> <u>Re-examining the Importance of Occupational Class for Job Quality since the 'Great Recession' in Britain - Tracey Warren, Clare Lyonette, 2018</u> (sagepub.com)

⁸³ Ibid Gyimah et al (2022)

⁸⁴ *Ibid* Gangl and Ziefle (2009)

⁸⁵ *Ibid* Grimshaw and Rubery (2015)

⁸⁶ Li, Y and Heath, A (2020) ^{(Persisting disadvantages : a study of labour dynamics of ethnic unemployment and earning in the UK 2009-2015) Journal of ethnic and migration studies 5 pp857-878}

⁸⁷ *Ibid* EOC (2007)

⁸⁸ *Ibid* EHRC (2018)

⁸⁹ Misra, J and Strader, E (2013) 'Gender inequalities in advanced countries: the role of parenthood and policies' <u>Journal of international affairs</u> 67 (1) pp27-41

⁹⁰ Ibid Gyimah et al (2022)

It is very common for mothers to return to a different role or a role with less responsibilities than they had before their pregnancy⁹¹ and to be viewed as less committed by employers.⁹² A study by EHRC⁹³ found that a third of employers thought that women returners were 'generally less interested in career progression'.

Similarly, returners working flexible hours are often treated less favourably by employers. A survey by the TUC and MotherPukka⁹⁴ found that 86% of such mothers reported they experienced discrimination at work. Furthermore, Black and minoritised women have been shown to be more likely to be passed by for promotion.⁹⁵ Many face an unpleasant and threatening atmosphere in the workplace, a problem that the UN / EU viewed as reflecting implicit biases and social norms in society against working mothers (UN / EU). This even occurs in countries like Sweden, Denmark and Norway, countries which are generally viewed as having a more liberal approach to childcare.⁹⁶ The problem appears to be widespread in the UK with around 20% of returning mothers reporting harassment or receiving negative comments from colleagues.⁹⁷

Again, the problems are particularly acute for Black and minoritised groups. The Fawcett Society's recent study 'Broken Ladders'⁹⁸ found that 75% of women of colour experienced racism in the workplace and 61% felt they had to change some aspect of themselves to fit in with the prevailing culture. Mothers, in particular, often face challenges from being excluded from after-hours socialising which is the norm in many workplaces, because of the need to return home for childcare.

Returning to a job with less responsibility, particularly after a career break can mean that a woman can lose the opportunity to accumulate valuable experience to progress her career. The problem can be particularly acute for graduates where skill depreciation can be a particularly important issue. Recent research by Gosling⁹⁹ has shown that the gender pay gap for highly educated women has widened since the 1970s. Lack of experience and skill depreciation can account for up to two thirds of the pay gap for graduates by the time the child is 20.¹⁰⁰ This is a stark statistic given that mothers are now more highly educated than fathers.¹⁰¹

The size of the career penalty experienced also appears to be related to whether motherhood comes early or late in a woman's career. There is evidence that women who have children young have a higher motherhood pay penalty over their careers.¹⁰² Early motherhood can curtail education and hinder acquisition of skills. Delayed motherhood can reduce this effect, giving time to develop skills and experience.¹⁰³

¹⁰³ Ibid Florian (2018)

⁹¹ EHRC (2015) Pregnancy and maternity related discrimination and disadvantage <u>Pregnancy and Maternity-Related Discrimination and</u> <u>Disadvantage (publishing.service.gov.uk)</u>

⁹² Ibid Misra and Strader (2013)

⁹³ Ibid EHRC (2018)

⁹⁴ Ibid TUC and MotherPukka⁹⁵ Ibid Gyimah et al (2022)

⁹⁶ Ibid World Economic Forum (2022)

⁹⁷ Ibid EHRC and BIS (2016)

⁹⁸ Ibid Gyimah et al (2022)

⁹⁹ Gosling, A (2022) Why women are no better off having a baby now than in the 1970s<u>Why women are no better off having a baby now than in the</u> <u>70s - School of Economics - University of Kent</u>

¹⁰⁰ Costa Dias, C, Joyce, R and Parodi, F (2020) 'The gender pay gap in the UK : Children and experience in work <u>Oxford Review of Economic</u> <u>Policy Full_text_PDF_final_published_version_.pdf (bris.ac.uk)</u>

¹⁰¹ Ibid Gosling (2022)

¹⁰² Ibid Grimshaw and Rubery (2015)

Self-employment provides some mothers with an alternative

Self-employment can offer an alternative to returning to a non-supportive workplace. Li and Heath¹⁰⁴ describe how self-employment within certain ethnic communities enables members of some minoritised groups, notably those of Bangladeshi, Pakistani and Chinese heritage, to avoid unemployment. However, such work may offer little in the way of income or career progression in the mainstream labour market.¹⁰⁵

Recent work by the TUC¹⁰⁶ reported that one in seven Black and minority ethnic (BME) women (14.6%) are in insecure work, such as self-employment, compared to one in ten white women. The associated financial insecurity can be a source of stress and anxiety and may lead to the same issues of racism and antimotherhood bias faced in the workplace.¹⁰⁷

For self-employed workers starting a business, raising capital can be an issue. The UK's ethnic minority population makes up 14% of the population, but only 1.7% of venture capital investments were provided to ethnic minority businesses to seed, early and late stage between 2009 and 2019. Those who charge their services by the hour often report that they are expected to work for very low rates or for free.¹⁰⁸ Not surprisingly, therefore, the TUC found that nearly a third of BME women in insecure work said that they would prefer a permanent role.¹⁰⁹

The unpredictability of their take home pay makes it difficult to plan financially and lose out on basic benefits such as sick pay and maternity pay.

Black and minoritised mothers were penalised during the COVID-19 pandemic

In addition to all the structural barriers and discriminations inherent in the job market, mothers, particularly Black and minoritised mothers, were penalised further during the COVID-19 pandemic. The IFS reported that you were 45% more likely to be made redundant if you were a mother.¹¹⁰

The discrimination occurs from pregnancy onwards. In a survey of 20,000 mothers, 11% said that they had been, or expected to, be made redundant. Of these 53% said that they thought that pregnancy was a factor in the redundancy decision. This figure rose to 67% for BME women.¹¹¹

During lockdown, BAME mothers were furloughed at a much higher rate (48%) than white mothers (33%).¹¹² Around 20% of mothers lost hours or were made redundant.¹¹³

¹⁰⁴ Ibid Li and Heath (2020)

¹⁰⁵ Clark, K and Drinkwater, S (2000) 'Pushed out or pulled in? Self-employment in ethnic minorities in England and Wales Labour Economics (7) pp 603-628

TUC (2020) 'BME women and work: TUC equality briefing'

¹⁰⁷ *ibid* Dey at al (2021)

¹⁰⁸ Ibid Gyimah et al (2022)

¹⁰⁹ Ibid TUC (2020)

¹¹⁰ Ibid IFS (2022)

¹¹¹ Ibid Womens Budget Group (2021b) ¹¹² Ibid Dey et al (2022)

¹¹³ WBG, Fawcett Society, NI Women's Budget Group, Women's Equality Network Wales, Close the Gap and Engender (2021) 'Pushed to more precarity : the uneven impact of lockdown on mothers and low income parents' General-parents-FINAL-VERSION.pdf (wbg.org.uk)

The pay penalties can last into old age

Recent research has shown that the gender pensions gap – the inequality between men and women's pensions - is more than twice the size of the gender pay gap, with an average woman pensioner £7,000 per annum poorer than her male equivalent. A large proportion of this gap arises directly from the motherhood pay penalty.¹¹⁴ The combination of low pay, reduction on hours, poor salary progression, insecure employment and often redundancy can have a massive effect on a mother's ability to accumulate financial assets and retirement benefits to fund her old age.¹¹⁵

Added to this, mothers from ethnic minorities face an ethnicity driven pensions gap. The Runnymede Trust's The Colour of Money report¹¹⁶ identified that households of Black African and Bangladeshi heritage had 10 times less wealth than white British people. This includes lower levels of private pensions and assets.

Inequalities result from unequal accrual of pension entitlements throughout the mother's career. This is generally a product of mothers' lower state pension entitlements and lower contributions to workplace pensions which are typically linked to years worked and the pre-retirement pay levels. This can be a problem for all mothers, but the issue is particularly acute for mothers of those ethnicities that were most disadvantaged by the motherhood pay penalty throughout their careers, such as those of Pakistani or Bangladeshi heritage.

Many will not be entitled to join pension schemes because of the insecure nature of their work or because they are out of the scope of workplace pensions because they earn less than £10,000 per annum, the threshold at which autoenrollment kicks in. Others will lose the ability to accumulate pensions by needing to change jobs regularly or by being made redundant.¹¹⁷ For those in final salary pension schemes, the reduction in career pay progression and a move towards part-time working to fit with caring responsibilities can have a massive effect on their entitlement at retirement compared with fathers.

As a consequence, many mothers, especially those in those ethnic minorities which have suffered the greatest motherhood pay penalties throughout their working life, face an uncertain old age, often blighted by poverty.

¹¹⁴ The Peoples Pension (2019) 'The gender pensions gap: Tackling the motherhood penalty' <u>Gender-pension-gap-report 2019.pdf</u> (thepeoplespension.co.uk)

¹¹⁵ ibid Florian (2018)

¹¹⁶ Runnymede Trust (2020) 'The colour of Money' <u>Runnymede Trust report: The Colour of Money - Equally Ours</u>

¹¹⁷ Ibid The People's Pension

Conclusions and recommendations

The motherhood pay penalty has a massive effect on the lifetime income of mothers from Black and minoritised groups, and is compounded by the existing ethnicity pay gap. Whilst motherhood has an impact on hourly pay, the biggest effects are on whether the mother remains in employment and, if she does, how many hours she works and whether she returns to high quality employment. A move to poor-quality part-time work, or insecure self-employed work, can affect not only the mother's income but the ability to build up her career.

Consequently, many mothers find themselves in a negative spiral of entering lower paid work often in a less supportive of discriminatory environment with less work flexibility, which, when coupled with high childcare costs make taking a significant career break more attractive.

Most of the research on the motherhood pay penalty treats mothers as one homogeneous group but our research, and a review of the literature to look at the underlying causes of penalties, reveal that there are marked differences in the penalties faced by ethnicity.

The most stark effect is seen in the employment levels of mothers of Pakistani and Bangladeshi heritage which have been considerably lower than for mothers from other ethnic groups. Previous research shows that a large proportion of mothers from all backgrounds wish to work more hours to avoid the pay penalty. We strongly recommend a series of measures which would help them achieve this. Taken together the measures would give mothers equal access to the workplace and empower them to make the most appropriate choices for themselves. Without change, the choices Black and minoritised women make around parenting and work will never be truly free.

Affordable, appropriate and culturally sensitive Early Childhood Education and Care (ECEC)

UK ECEC fees are currently the highest in the OECD and 1.7 million mothers are prevented from taking on more hours of paid work due to issues with accessing childcare. This costs the UK around £28 billion in lost economic output each year.¹¹⁸

Access to affordable ECEC is key to enabling mothers to return to the workplace. At its best, it enables mothers to return to full time or flexible work, minimising the risk of developing large motherhood pay penalties. It can also enable women who would otherwise not be able to afford to work, to go back part-time or increase their working hours.

Evidence from Scandinavia shows that women return to the workforce in higher numbers, and the motherhood pay penalty is lower than in those countries with less generous childcare. Scandinavian women take less time out when their children are small and there is a smaller knock on effect on their long term pay.¹¹⁹

In its March 2023 budget, the UK Government announced an expansion of ECEC from the end of maternity leave investment in wrap around care and incentives for new childminders. Whilst this is a welcome start, the programme must be funded at the point of delivery and implemented alongside a clear worksforce strategy to address both supply and quality issues. The Womens Budget Group estimate that there is a funding shortfall of £5.2 billion in 2025/26.¹²⁰ We urge the Government to outline how they plan to plug the funding shortfall.

¹¹⁸ Womens Budget Group (2023) 'Spring Budget 2023: Gender and early education and childcare' <u>Spring Budget 2023: Gender and Early</u> Education and Childcare - Womens Budget Group (wbg.org.uk)

¹¹⁹ Kleven, H et al (2019) 'Children and gender inequality: evidence from Denmark' <u>American Economic Journal</u>11(4) pp181-209 ¹²⁰ Ibid Womens Budget Group (2023)

International evidence indicates that cultural inclusivity is central to both widening access and high-quality care. We recommend **that Government**:

- Create outreach programmes in schools, women's organisations and mosques to raise awareness of formal ECEC
- Embed the challenging of gender and racial stereotypes as well as cultural and religious awareness into initial and ongoing professional training for ECEC staff, in response to concerns from faith groups
- Embed cultural inclusivity and celebration into the core of the early years curriculum
- Consideration of how to best meet the needs of new migrants who lack informal care networks and may be ineligible for benefits

Flexible work recognised as valuable for employers and employees alike

The adoption of flexible working is an important means of reducing the motherhood pay penalty for women of all ethnicities. It enables mothers to stay in the workplace and progress in their jobs.

It is vital that the opportunity of flexible working is offered to all, and becomes the norm, so that mothers avoid the risk of occupational downgrading and the associated pay penalties of leaving their employment or moving into low-quality part-time work.

We welcome recent legislation that (if passed) will give workers the right to request flexibility from day one in their job. Whilst this is a positive change, this is simply not enough to shift the dial. Instead, we are calling for more comprehensive reforms which normalise the uptake of flexible work and in doing so expand labour market opportunities. The responsibility needs to shift from the employee, who currently has to request flexibility when in post, to the employer who should include job flexibility in job advertisements, enabling a potential employee to assess whether the job is suitable for them.

We call for the Government to:

- Commit to an advertising duty such that employers have to include reasonable flexible working options in job advertisements.
- Launch public campaigns to raise awareness of the business benefits of flexibility to employers.

We call for **employers** to:

- Ensure that flexibility is viewed as the default working practice, with advertisements including flexible working options, such as compressed hours, job sharing and working from home.
- Ensure a transparent process with decisions not at the behest of individual managers which can increase the likelihood of discrimination against Black and minoritised mothers who often feel unsupported by their employer.
- Monitor flexible work requests to ensure that all groups of employees are fairly treated. Follow through with action plans if inequalities are identified.
- Ensure transparent promotion processes with clear criteria for promotion, so that mothers (particularly Black and minoritised mothers) with flexible working patterns are not discriminated against when it comes to career progression.

Pay gap reporting

Gender and ethnicity pay gap monitoring is an important tool for the Government and employers to identify equality issues that need action. While the current system facilitates transparency, we need transparency to make sure that employers are taking evidence-based steps to close the gaps:

We call for Government to:

- Make ethnicity pay gap reporting mandatory for employers with 100+ employees.
- Require employers to publish action plans to tackle gaps.
- Set up a government-backed, business-led initiative to focus employer efforts to tackle ethnicity and gender pay gaps.

We call for **employers** to produce:

- Reports on ethnicity and gender pay gaps.
- Give employees the right to know the outcomes of the pay gap reviews so they know whether they are being discriminated against
- Action plans to address any gaps raised in the reports. Where appropriate, this should include actions to address redundancies and retention rates during pregnancy, maternity /parental leave and within six months after mother's return to work. We urge that action plans include the items below.

Employer action plans to retain and develop Black and minoritised working mothers

Whilst legislation to improve job flexibility is a massive step forward, the benefits to the mother and her employer will not be fully realised if the culture of the organisation is hostile to the changes. Employers must create a culture which actively encourages mothers from Black and minoritised backgrounds in the workplace. We call for **employers** to create anti-racism action plans with in-built accountability, in combination with measures to support parents of all genders to carry out their work. They should:

Tackle recruitment bias, with a particular focus on senior roles where Black and minoritised women are most under-represented.

- Include salaries in all job advertisements and not asking salary history questions at interviews
- Provide transparent job descriptions that explicitly recognise the value of transferable experience.
- Remove names from CVs when shortlisting.
- Ensure that interview panels reflect the organisation's actual diversity.
- Provide guidance or information sessions to explain what is required of applicants.

Support the career progression of part-time and flexible workers at all levels in the organisation, to ensure that returning mothers of Black and minoritised backgrounds are not impeded in their career development.

- Support and train managers to conduct appraisals that are supportive and developmental, without gendered or racialised assumptions about individual's goals.
- Broaden appraisals to include 360 degrees feedback from colleagues so that the appraisal is not reliant on one individual.
- Provide on-going support to improve the ability of leaders to talk about race and motherhood.
- Conduct annual audits to track how training budgets are spent and whether race or parenthood are factors in who has access to courses.
- Make progression routes explicit and well known, rather than based on informal networks.
- Ensure that Black and minoritised mothers have equitable access to mentorship schemes.

Create a culture inclusive to Black and minoritised parents, where family responsibilities are valued alongside work successes.

- Ensure that Black and minoritised women returners feel welcome and valued within the organisation.
- Move away from a presentism culture, leading by example from the top of the organisation.
- Support men and women to work flexibly or part-time, making it a less gendered issue, with senior managers leading by example.
- Educate managers about the value of retaining and developing the skills of mothers in the workplace. Ensure that managers are aware of the risks of bias and stereotyping, on the grounds of both race and motherhood.
- Improve health and safety at work so women don't have to choose between their work and the health of their unborn baby.
- Set up parents' groups within organisations to enable parents to network and discuss practical solutions to the challenges they face.

Embed accountability and monitoring into action plans.

- Set SMART targets to improve the proportion of mothers recruited from Black and minoritised groups at all levels from entry to senior management.
- Have a clear and transparent system for recording complaints of racial and motherhood-related harassment and report the outcomes.
- Monitor recruitment, retention and promotion statistics, report them at senior leadership meetings and embed outcomes within the performance measurement of managers.

Appendix

Strengths and weaknesses of the approach

The LFS is an established reliable national time-series database. It is a particularly useful survey for examining ethnicity motherhood pay penalties because it asks for employment and pay data as well as information about household composition including dependents, gender, age, disability and, crucially, ethnicity. The size and composition of the survey are a major strength of the work. This study concentrates on data for England and Wales, and so does not provide insight into the economic situation of mothers in the other home nations.

As with all surveys which report pay, there may be a small degree of response bias amongst participants. This, however, is not viewed to be significant and is unlikely to change the conclusions drawn by researchers.

Our literature review draws on research from the UK but includes some international studies for benchmarking purposes. Wherever possible, the most up to date official statistics are used. Literature on the motherhood pay penalty generally treats mothers as a homogenous group. There is considerably less available literature on causes of ethnicity motherhood pay penalties. Again, we have taken as much data from up-to-date reports as we can but, as so few exist, we have drawn on papers published over the last two decades. We are conscious that society is constantly evolving as new migrants and second and third generation Black and minoritised groups join the workplace.

The Fawcett Society is the UK's leading membership charity campaigning for gender equality and women's rights at work, at home and in public life. Our vision is a society in which women and girls in all their diversity are equal and truly free to fulfil their potential creating a stronger, happier, better future for us all.



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