

WAGE GAP WIDENS WITH AGE

Introduction

Office for National Statistics (ONS) survey of annual hours and pay for 2013 has revealed that men earn 45 per cent more than women at the age of 49.

Historical position

The gender pay gap has decreased since the 1970s but the disparity between what men and women take home today still differs dramatically after the age of 30.

Figures show that in 1975 16 to 18 year olds of both sexes were paid similar sums but this changed after the age of 18 with men earning more than women at every age group. At that time the biggest percentage pay gap was for 38 year olds, with male employees receiving on average 61 per cent more than their female counterparts.

Current position

The situation changed in 2013, with virtual wage parity between the sexes lasting until around the age of 30.

However, after this milestone men start to out earn women until the difference peaks at 45 per cent when employees hit the age of 49. The ONS believes part of the explanation for the gap could be due to the so-called 'cohort effect'. As factors such as

gender discrimination legislation and changes to the UK economy, labour market, social attitudes and school achievements come into play they will have had the greatest impact on the younger age groups of women.

Over time ONS expects the gender pay gap would start to fall for older workers as well.

Job disparities

ONS points out that these figures do not take account of the different jobs that women and men do or the occupations in which they are employed. Women are far more likely to work part-time if they leave the workforce to start a family and then return looking for more flexible employment. The data shows that median part time gross hourly earnings are 36% less than the earnings of full time employees.

At the same time 88% of male employees work full time, whereas only 58% of female employees do so – and the gender pay gap for full time employees (excluding overtime) has increased from 14.8% in 2012 to 15.7% in 2013.

Women are also more likely to work in administration and caring roles, which are less well paid than the skilled trade jobs historically done by men.

In addition, men are paid more in overtime, shift premia, bonuses and commission than are women, which may well be related to the types of work undertaken by the two genders.

Gender, age and pay

While the ONS data is encouraging for the 18-39 age groups – the pay gap being less than 5% throughout – the position is more problematic at both young and old extremes.

For the 16-17 age group there is a pay gap of over 15%. Similar gaps re-appear in the age groups from 40-59, with the differential falling back slightly for the over 60s, to 13%.

CIPD advice

In response to the report the Chartered Institute of Personnel Development (CIPD) has advised employers to examine whether the way they reward and recognise employee achievements, values and behaviours reflects the needs of the business rather than bias and prejudice, deliberate or not. In addition, they say employers should review their recruitment and development policies and practices as well as promotion criteria.

Reps action

Management grade reps in Network Rail continue to be fully involved in negotiating a new, equality proofed pay and grading system.

Reps in other companies can request gender pay data. Once supplied that data may indicate the need for further discussion on the question of pay disparities.

Reps may wish to discuss with their regional organisers whether it would be useful to produce a survey of members to identify whether there are any age specific issues within the workplace that are causing concerns or frictions.

Acknowledgements and further information

More information on this and other employment law matters is available from:

- Val Stansfield, Employment Rights Adviser at stansfieldv@tssa.org.uk or 020 7529 8046
- TSSA members' helpdesk at helpdesk@tssa.org.uk or 0800 3282673

The full survey is available from www.ons.gov.uk