

GENDER, INCOME AND POVERTY

SUMMARY

The most common way to measure poverty is by looking at household income, which means that a man and woman living in the same household are counted either as both being in poverty, or both not in poverty. So gender breakdowns of poverty statistics often focus on single adults i.e. those who are the only adult in the household.

Among working-age single adults without children, men and women tend to have a similar risk of poverty. However, if single adults with dependent children (i.e. lone parents, the vast majority of whom are women) are included, women tend to have a slightly higher risk of poverty than men. Poverty rates among single pensioners tend to be higher for women than men.

But looking at the percentages of single women and men who are in poverty doesn't tell us the full story about gender and poverty. We need to also look at how the causes and consequences of household low income are influenced by gender, in single adult households and in couple households.

Research has suggested that, rather than women and men in couples benefitting equally from shared household income, men sometimes benefit at the expense of women. This is particularly the case in low income households.

Large numbers of women in the UK are economically dependent on partners, which makes them especially vulnerable to entering poverty in the event of separation or bereavement. Many lone parents struggle to get the Child Maintenance that they are entitled to from the non-resident parent.

Women carry out the majority of unpaid care and domestic work. Although the gap has narrowed over time, women are still less likely to be in paid employment than men. Those who are in paid employment are more likely than men to work part-time, and are paid 16% less per hour than men on average.

Women's lower earnings, higher concentration in part-time work, and greater gaps in their careers due to caring responsibilities, mean that they rely on social security for a higher proportion of their income, and that they are less able to build up pension contributions during their working life.

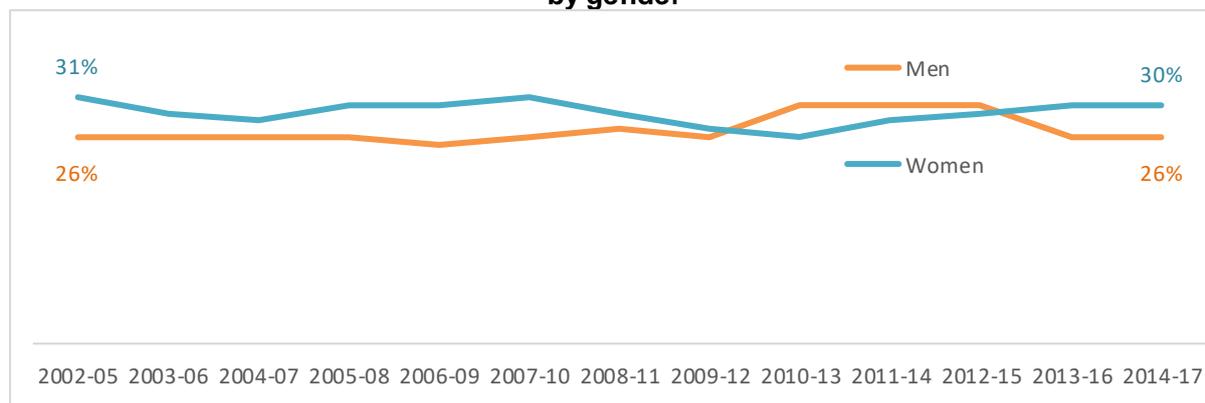
HOUSEHOLD-LEVEL POVERTY STATISTICS

The most common way to measure poverty is by looking at household income. For the poverty statistics presented below, individuals are defined as being in poverty if their household's income is less than 60% of the average UK household income¹. It's based on household income because the living standard of an individual may depend on the income of other members of the household. For example, a non-working person may live with a high earning partner, with both having a relatively high standard of living as a result. This is why eligibility for means-tested social security is usually based on the circumstances of the household you live in, rather than just your own individual circumstances.

Because poverty is measured at the household level, poverty rates for the 60% of adults who live in couple households will be similar for men and women. So gender breakdowns of poverty statistics often focus on single adults i.e. those who are the only adult in the household.

In 2014-17, 30% of single working-age women and 26% of single working-age men were in poverty (Chart 1)². The poverty gap between single working-age women and men decreases when we focus only on adults without any dependent children. In 2014-17, the poverty rate for single working-age women without dependent children was 27%, compared to 25% for single working-age men without dependent children (Chart 2). The reason for this is that 90% of lone parents are women, and the poverty rates for lone parents are higher than for single working-age adults without children. In 2014-17, 41% of lone mothers were in relative poverty (Chart 3).³

Chart 1: Percentage of single working-age adults (including lone parents) who are in poverty, by gender



¹ The measure used is called 'relative poverty after housing costs'. More details of how it is calculated are provided at <http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/IncomePoverty/PovertyMethodology>

² Poverty & Income Inequality in Scotland: 2014-17 – associated tables, published March 2018 <http://www.gov.scot/Publications/2018/03/3017/downloads>

³ Poverty & Income Inequality in Scotland: 2014-17 – Tables showing poverty rate, composition of those in poverty and numbers of those in poverty over time for various groups of the population, published March 2018 <http://www.gov.scot/Publications/2018/03/3017/downloads>

Chart 2: Percentage of single working-age adults, without dependent children, who are in poverty, by gender

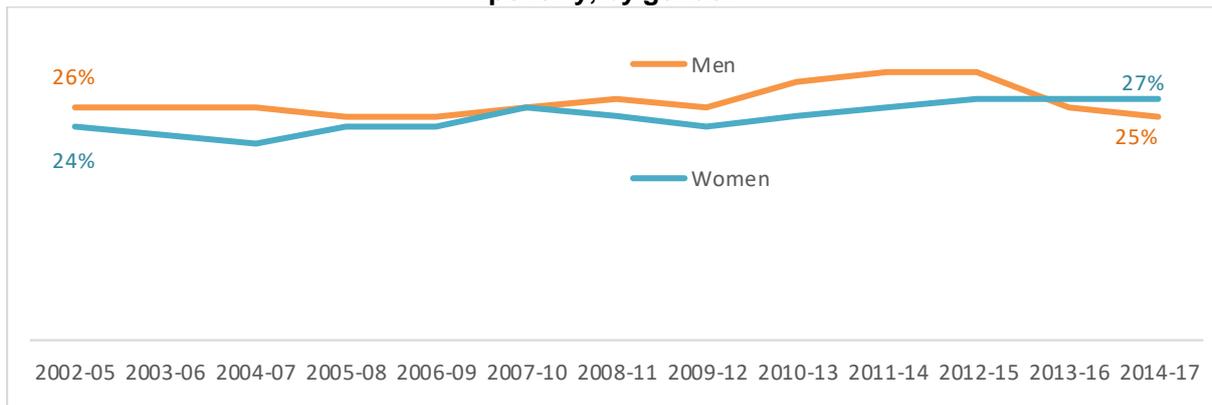
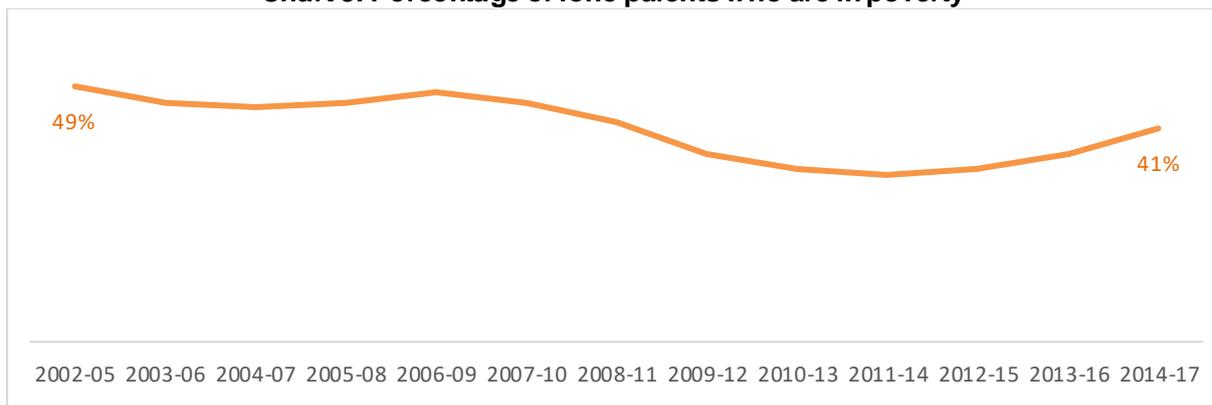
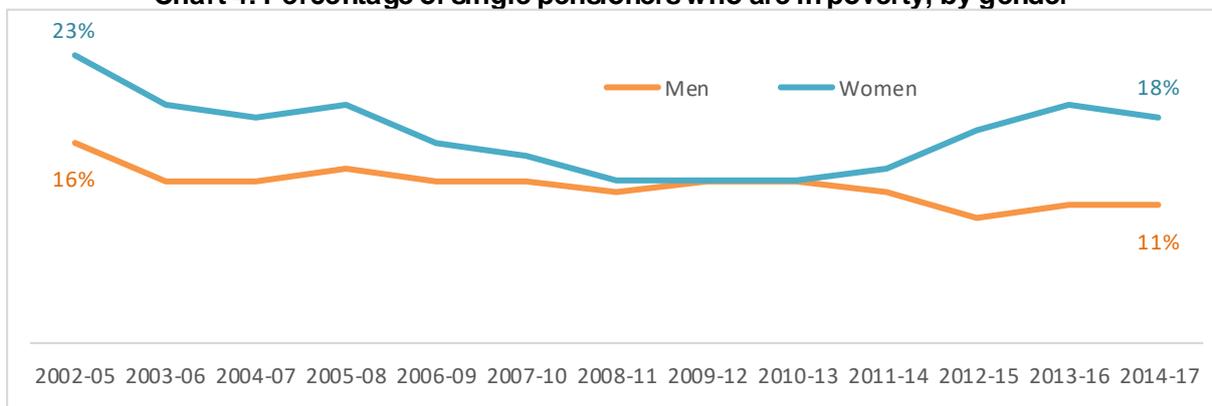


Chart 3: Percentage of lone parents who are in poverty



Poverty rates tend to be higher for female single pensioners than for male single pensioners. In 2014-17, 18% of female single pensioners and 11% of male single pensioners were in poverty (Chart 4).

Chart 4: Percentage of single pensioners who are in poverty, by gender



Limitations of household-level poverty statistics

Many recognise that it's too simplistic to rely on household poverty statistics to look at the gendered nature of poverty. We need also to examine the ways in which the causes and consequences of household low income, for single adults and couples, are influenced by gender.

INCOME WITHIN HOUSEHOLDS

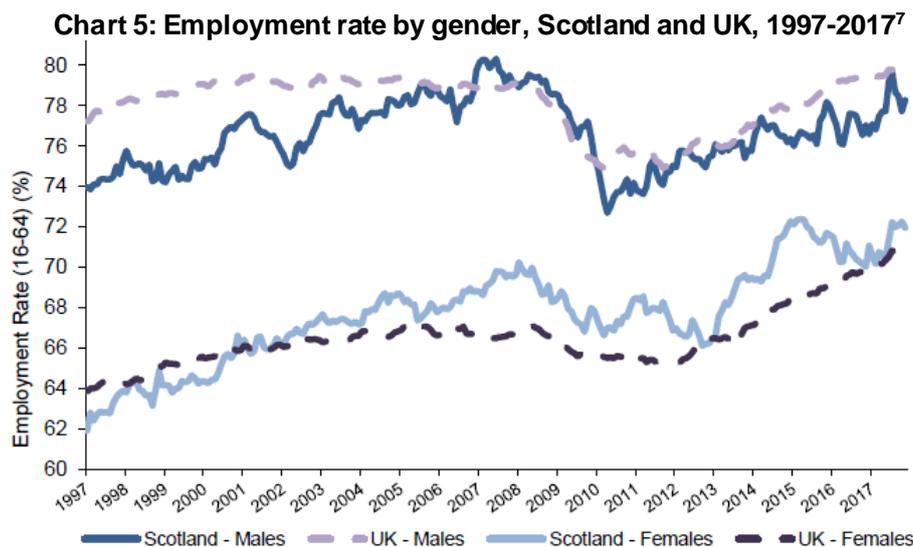
As the official publication *Households Below Average Income* notes, 'Research has suggested that, particularly in low income households, the assumption with regard to income sharing is not always valid, as men sometimes benefit at the expense of women from shared household income'⁴. There is some evidence of lone parents feeling better off having left their partner, despite a lower income, because they are now in control of their own resources.

Women, particularly mothers, tend to bear the responsibility of managing the limited resources in low income families, and often go without themselves to make money stretch. Men living in poverty, on the other hand, tend to be particularly affected by shame at their perceived failure to provide financially for their family.

Large numbers of women in the UK are financially dependent on partners⁵. This makes them especially vulnerable to entering poverty in the event of separation or the loss of a partner, particularly if they do not have the experience and skills to obtain quality paid work. Many lone parents struggle to get the Child Maintenance that they are entitled to from the non-resident parent.⁶ Financial dependence can also limit women's chances of escaping domestic abuse.

PAID WORK

Hours worked



⁴ Goode et al (1998) *Purse or Wallet? Gender Inequalities and the Distribution of Income in Families on Benefits*. JRF/Policy Studies Institute. Cited in *Households Below Average Income (HBAI) Quality and Methodology Information Report, 2015/16*.

⁵ National Equality Panel (2010) *An Anatomy of Economic Inequality in the UK*, Report of the NEP, London: Government Equalities Office and Centre for Analysis of Social Exclusion, London School of Economics, referred to in the UK Women's Budget Group Briefing on Poverty in the UK

⁶ <https://www.gov.uk/government/collections/statistics-on-the-2012-statutory-child-maintenance-scheme>

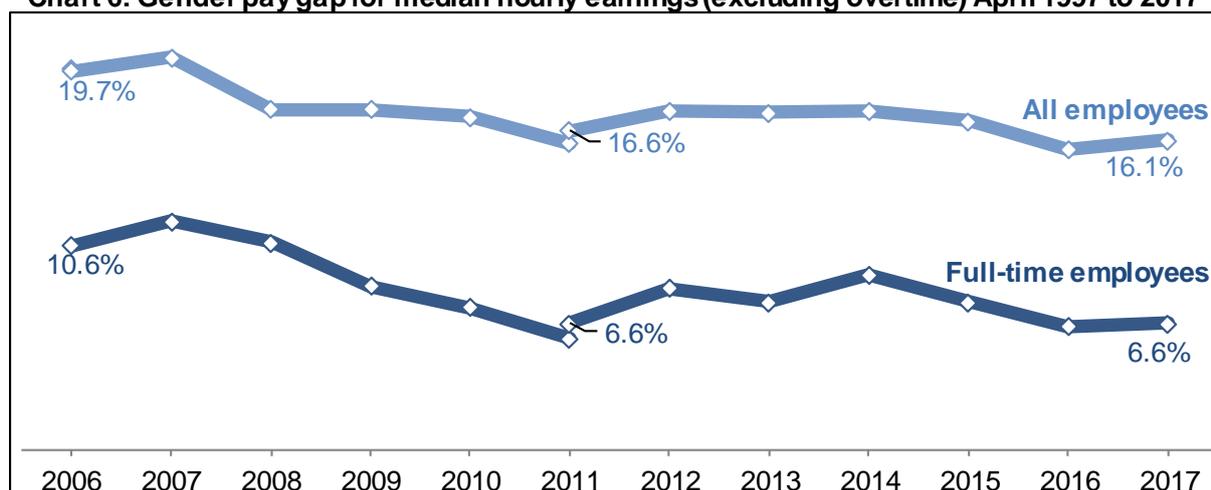
⁷ <http://www.gov.scot/Resource/0053/00530696.pdf>

Although the gap has narrowed over time, women are still less likely to be in paid employment than men (Chart 5). In Oct-Dec 2017, 77.6% of men were in paid employment, compared to 71.3% for women⁸. Women are also more likely to work part-time. In 2017, 76% of part time workers were female, and 24% were male⁹.

Hourly pay – the gender pay gap

The gender pay gap is defined as the difference between men’s and women’s average hourly earnings, as a percentage of men’s average hourly earnings. In 2017, the gender pay gap in Scotland was 6.6%, based on median hourly earnings of full time employees only. If we widen this to look at all employees (full time and part time), the pay gap in 2017 was 16.1% (Chart 6).¹⁰

Chart 6: Gender pay gap for median hourly earnings (excluding overtime) April 1997 to 2017



There is a well-recognised issue with women being over represented in job sectors often referred to as the 5 C’s: caring, cashiering, catering, cleaning and clerical. These sectors have historically low pay, low progression and low status, but can often provide more flexible hours making them a practical option. In 2011, around five times more women than men worked in ‘Caring, leisure and other service occupations’ and four times more women worked in ‘Administrative and secretarial occupations’¹¹. However, this does not explain all of the gender pay gap, as there are also gaps between men and women’s average hourly pay within sectors and occupations¹².

⁸ Quarterly Labour Market Briefing – February 2018: Employment Patterns
<http://www.gov.scot/Resource/0053/00531997.pdf>

⁹ Quarterly Labour Market Briefing – February 2018: Employment Patterns
<http://www.gov.scot/Resource/0053/00531997.pdf>

¹⁰ <http://www.gov.scot/About/Performance/scotPerforms/indicator/paygap>

¹¹ Equality Evidence Finder - Gender and Labour Market
<http://www.gov.scot/Topics/People/Equality/Equalities/DataGrid/Gender/GenLab>

¹²

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/understandingthegenderpaygapintheuk/2018-01-17>

By definition, both the woman and man in a male/female couple household in poverty are counted as living in poverty. So they will not be contributing to assessed gender differences in poverty. But this does not mean that gender issues are irrelevant here. More women entering the labour market has driven up the average of household incomes, as more households have 'second earners'. This means that it is now harder for one earner couples to rise above the poverty threshold (which is based on average household incomes). And research on a range of EU countries has found that while women are more likely to live in 'in work' poverty due to their own employment situation (low pay, part-time hours, etc.), men are more likely to do so because of their family situation (including having a partner with no income of her own). This shows how gender issues contribute to the existence of poverty, not just for women, but for the men living with them, too.¹³

UNPAID WORK

Household income measurement fails to acknowledge the contribution of unpaid domestic work to the household. Time use studies confirm that, despite increasing participation in paid employment, women still spend more time than men in unpaid activities, with the result that they have longer workdays.

Women in Scotland spend on average more time on domestic work (222 minutes) than paid work (113 minutes). In comparison, men spend more time on paid work (184 minutes) than on domestic work (130 minutes). If paid and domestic work are combined, women spend 21 minutes more on average per day on work¹⁴.

Women carry out the majority of unpaid care work. Care brings many positive rewards: to the woman who cares, to the child, to the household unit, and to society more generally. However, it reduces the time and energy that mothers have available for paid work, limiting their choices in terms of career and work location. Time out for caring also creates specific barriers when women want to re-enter the paid labour market.

People with a greater family care burden (such as lone parents, or households with a large number of children, and/or who need to care for elderly people) are at high risk of poverty. Mothers with partners have noticeably higher rates of participation in the labour force compared to lone mothers. Mothers with partners are able to share responsibility, as well as to contribute to household income, whereas lone mothers are less able to provide even a single source of income.

¹³ Ponthieux, S. (2010) 'Assessing and analysing in-work poverty risk', in A.B. Atkinson and E. Marlier (eds.) *Income and Living Conditions in Europe*, Eurostat Statistical Books, Luxembourg: Publications Office of the EU: 307-328, referred to in the UK Women's Budget Group Briefing on Poverty in the UK

¹⁴ Scottish Data from the 2014/15 Time Use Study (forthcoming Scottish Government publication). Domestic work includes time spent on housework; gardening and pet care; construction and repairs; shopping and services and household management; and childcare of own children

INCOME FROM SOCIAL SECURITY AND PENSIONS

As a result of lower income from earnings and their care role, women tend to rely on social security for a higher proportion of their income. Lone parents rely on social security for nearly half (49%) of their income.¹⁵ Recent work by the UK Women's Budget Group provides an assessment of the disproportionately negative impact of recent changes in UK welfare policy on women¹⁶.

Women's lower earnings, higher concentration in part-time work and greater gaps in their careers due to caring responsibilities, often mean they build up fewer pension contributions during their working life. The average man receives a weekly state pension of £153.86, while women get £125.98¹⁷. Changes in care credits for time spent on childcare and eldercare have lessened the impact of women's caring roles on their state pensions. However, the Women's Budget Group reports that the gains for women were offset by the Coalition government's raising of the State Pension Age (set to reach 66 by October 2020, which is nearly six years earlier than planned in 2007), which has left many women with insufficient time to adjust retirement plans.¹⁸

In 2012-14, about three quarters of men but only half of women aged 65-74 received payments from private pensions, including survivor pensions. The average amount of wealth held in these private pensions was £162,400 for men and £73,900 for women¹⁹.

¹⁵ Family Resources Survey (FRS) data in Tackling Child Poverty Delivery Plan – Annex 2 - Further Technical Information 28 Mar 2018 <http://www.gov.scot/Publications/2018/03/2539/downloads>

¹⁶ Women's Budget Group press release (2017) <https://wbg.org.uk/wp-content/uploads/2017/11/pre-budget-press-release-nov-2017-15-11.pdf>

¹⁷ <https://www.which.co.uk/news/2018/04/revealed-the-state-pension-gender-pay-gap/>

¹⁸ <https://wbg.org.uk/wp-content/uploads/2017/11/pensions-pre-budget-nov-2017-final.pdf>

¹⁹ ONS (2015) Private pension wealth, Wealth in Great Britain, 2012 to 2014 <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/compendium/wealthingreatbritainwave4/2012to2014/chapter6privatepensionwealthwealthinggreatbritain2012to2014>