



Women, work and poverty in Scotland: What you need to know

1. Introduction

Poverty in Scotland is gendered. Women are more likely to be living in poverty than men. Women also find it harder to escape poverty and are more likely to experience persistent poverty than men.

The gender pay gap is a key factor in women's higher levels of poverty. Tackling women's inequality in the labour market is therefore critical to overcoming women's experiences of poverty.

In line with the multiple labour market barriers experienced by different groups of women, there is a particularly high risk of poverty among black and minority ethnic women, disabled women and refugee and asylum-seeking women.

2. Poverty in Scotland has a female face

The gender pay gap is a significant contributor to women's poverty

The **gender pay gap** is the difference between men and women's average hourly pay, and is the key indicator of women's labour market inequality.

The gender pay gap is caused by a range of complex, inter-related factors including **occupational segregation** (where men and women do different types and levels of work), lack of flexible working opportunities and discrimination in pay and grading structures.

- Women are paid on average 15% less per hour than men.¹

Women are more likely to be economically dependent than men

Financial dependence and poverty are both primary risk factors that diminish women's and children's resilience when experiencing **domestic abuse** and can prevent women from leaving an abusive partner.

- 89% of women experience financial abuse, as aspect of coercive control, when experiencing domestic abuse.²

¹ Close the Gap (2017) *Gender Pay Gap Statistics Working Paper*

² Refuge (2008) *What's yours is mine: The different forms of economic abuse and its impact on women and children experiencing domestic abuse.*

Women's poverty is inextricably interlinked with child poverty

Women continue to have **disproportionate responsibility for caring** for children, sick people, disabled people and older people. Where women's disposable income is reduced, spending on children decreases. Mothers' earnings are therefore a crucial factor in child poverty.

Women also tend to be '**poverty managers**' and will often shield their families from poverty by going without food, clothing or warmth themselves.

- 91% of lone parents are women. The poverty rate after housing costs for lone mothers is 37% and women make up 95% of lone parents receiving Income Support.³

Women have limited access to resources

The extent of women's poverty, and therefore child poverty, is masked by household statistics, which wrongly assume an equal distribution of household income. Women have fewer **financial assets** and less access to occupational pensions than men. Black and minority ethnic women, disabled women and refugee women face additional barriers to accessing economic resources.

- Two-thirds of pensioners living in poverty across the UK are women.⁴

3. Why are women more likely to experience poverty than men?

Women and work

Women's inequality at work is a key contributor to women's higher rates of poverty.

Women comprise the **majority of low paid workers**, and work that is seen as "women's work", such as cleaning, care and retail, is **systematically undervalued** in the labour market. Women are more likely than men to have caring responsibilities and therefore face the additional pressure of finding work that allows them to **balance earning with caring**. This sees women further concentrated into low paid and insecure work, as most part-time work is found in the lowest paid jobs and sectors.

- The gender pay gap means women in Scotland are paid on average 15% less per hour than men, and women working part-time earn on average 32% less than men working full-time.⁵
- Two-thirds of workers earning less than the living wage are women.⁶

³ Engender (2017) *Engender Submission of Evidence on the Child Poverty (Scotland) Bill to the Scottish Parliament Social Security Committee*

⁴ Women's Budget Group (2016) *A Cumulative Gender Impact Assessment of Ten Years of Austerity Policies*

⁵ Close the Gap (2017) *Gender Pay Gap Statistics Working Paper*

⁶ Poverty Alliance *Why is the Living Wage Important?*

- Women make up 75% of the part-time workforce and 42% of employed women work part-time compared to 13% of men.⁷
- Women are twice as likely to give up paid work in order to care and provide 70% of unpaid care in Scotland.⁸
- Women's employment is increasingly precarious, contributing to women's higher levels of in-work poverty. For example, women account for 55% of employees on zero-hour contracts.⁹
- Almost half (48%) of mothers on low to middle incomes take a lower-skilled part-time job on their return to work after having children.¹⁰

These factors mean that women experience higher rates of in-work poverty than men and that paid work is not a guaranteed route out of poverty for women.

Women and social security

Women are **twice as dependent on social security than men** and have therefore been disproportionately affected by social security changes and 'welfare reform'. These changes have put women at a **greater risk of deeper and sustained poverty**. Social security should be an important anti-poverty measure for women, but this is not currently the reality.

- Over the decade of austerity from 2010 to 2020, 86% of net 'savings' raised through cuts to social security will come from women's incomes.¹¹
- By 2020, women who are lone parents will experience an estimated loss of £4000 per year, a 20% drop in living standards and a 17% drop in disposable income.¹²
- Across the UK, £1bn will be cut from carers' incomes between 2011 and 2018 and Carer's Allowance is currently set at the lowest rate for any income replacement benefit.¹³
- 72% of households that had their Housing Benefit capped are lone parents.¹⁴

⁷ House of Commons Library (2018) *Women and the Economy Briefing Paper*

⁸ Engender (2015) *A Widening Gap: Women and Welfare Reform*

⁹ ONS (2017) *Labour Force Survey: Zero Hours Contracts Data Tables*

¹⁰ V Alakeson (2012) *The Price of Motherhood: Women and Part-time Work*

¹¹ Women's Budget Group (2016) *The impact on women of the 2016 Budget: Women paying for the Chancellor's tax cuts*

¹² Women's Budget Group (2016) *A Cumulative Impact Assessment of Ten Years of Austerity Policies*

¹³ Carers UK (2014) *Caring and Family Finances Inquiry: Carers Struggling with Alarming Levels of Hardship*

¹⁴ Department for Work & Pensions (2018) *Benefit Cap Data to February 2018*



Close the Gap works in Scotland on women's labour market participation. We work with policymakers, employers and unions to influence and enable action that will address the causes of women's inequality at work.

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