

MINUTES

Getting Women Out of the Low-Pay Cycle and AGM

Women and Work APPG Meeting and AGM

Tuesday 23 October 2018

4.15pm-5:00pm, Committee Room 7, House of Commons

Chair: Jess Phillips MP, Co-Chair of the Women and Work APPG

Parliamentarians in attendance:

- Gillian Keegan MP
- Tracy Brabin MP
- Helen Whately MP
- Baroness Howe
- Baroness Garden of Frognal
- Baroness Uddin

Minutes

Co-Chair of the Women and Work APPG, Jess Phillips MP introduced the meeting topic, 'Getting Women out of the Low-pay Cycle'. She highlighted how the low-pay cycle affects women, and that breaking the cycle is an important issue that needs to be addressed to generate social change.

The first speaker, **Caroline Reilly from the Living Wage Foundation**, outlined the work her organisation has been undertaking to ensure that employees are paid a 'real living wage.' She explained how the 'real living wage', based on research carried out by the Foundation differs from the government's statutory minimum wage and national living wage. She said that this is because the government's 'national living wage' is not calculated according to what employees and their families need. The 'real living wage' rate is higher because it is based on independent calculations of what people actually need to get by. The ethos of the Foundation is that a "*fair day's work deserves a fair day's pay.*" She highlighted that women in particular suffer from not receiving a living wage and that nearly one third of women in the UK are still earning less than the living wage.

Caroline emphasised the importance of paying women a fair living wage because women are more likely to work in the three lowest paid types of jobs: care, retail and cleaning. However, she highlighted the progress that the roll out of the 'real living wage' has made, with over 4,500 organisations accredited in the UK. Companies and organisations such as Ikea, Heathrow Airport, National Express and Chelsea FC are now accredited living wage employers.

Caroline said that changes are needed throughout the supply chain to generate a ripple effect that would result in lasting change. She urged parliamentarians and members of the audience to be advocates for the real living wage to generate social change. She stressed

the need for employers to ensure that their employees earn a wage that meets the costs of living, rather than just the government's minimum wage. She added that 62% of workers in the UK currently earn less than the living wage: this equates to 3.4 million women and 2.1 million men. She also spoke of the benefits that come from paying a living wage: it can help with childcare and pull families out of poverty. She discussed the 'Living Wage Dividend' and pointed to research conducted by the Smith Institute which found that if just a quarter of those on low incomes saw their pay rise to the real living wage, in ten of the UK's major city regions, the pay rise would result in greater productivity and spending, and could deliver a £1.1 billion economic boost to these regions.

Jess Phillips reiterated the importance of rolling out the living wage and suggested that the 'dividend' could be reinvested into other sectors where money is needed.

The second speaker **Jocelyn Hillman OBE, Founder of Working Chance** highlighted the work of her organisation: a charity which only works with women who have criminal convictions or have grown up in the care system. She said that the two areas are often interlinked. Working Chance helps to find quality paid employment for these women, so they can care for their families.

On average, Working Chance places 200 women ex-offenders in quality paid work every year. **Jocelyn** stressed that there are pre-conceived notions of women ex-offenders, which are strengthened by TV shows and movies. She stated that, just like other women, these ex-offenders are "*strong, talented, creative with big potential*". In addition, women ex-offenders are often the main bread winners in families, which makes quality paid work even more important. She emphasised that there is a need to change mindsets about these women, both in the government and in the corporate world. In prisons, women are given training in cleaning and waitressing but these are not in line with the 21st century skills. Instead, the women need to be taught skills that are more useful and relevant to recruitment in today's workplace, for example how to write a CV and how to use Excel.

Jocelyn also spoke about the ripple effect that occurs when women ex-offenders find quality, paid work. They set an example to their children and their communities and defy stereotypes. Consequently, their children have better school attendance, they are more likely to go on to further education and less likely to turn to crime or gangs.

Jocelyn stated there was a need to educate employers not to judge women based on their convictions but rather on their skills. She highlighted that Working Chance has had many success stories with placing women, with many candidates being put on fast-track management schemes within months. She argued that if as a society we truly care about social inclusion, then attitudes need to change. She emphasised that ex-offenders need to be seen as sisters and mothers, rather than just in terms of their criminal convictions.

Jess Phillips thanked Jocelyn for introducing the work of Working Chance. She added that she supported the 'Ban the Box' campaign, arguing that it limits women by asking about criminal convictions, especially when it has nothing to do with the job. She said it is far easier to have a constructive conversation about criminal convictions once candidates have got through the interview stage, instead of them being 'barred' from the outset. She

emphasised the need to encourage all women in employment rather than giving them reasons to discourage them from being ambitious.

The third speaker, **Lydia Wakefield from the Association of Independent Professionals and the Self-Employed (IPSE)** noted that the low pay cycle particularly affects self-employed and freelance women. Whilst the gender pay gap for full time employment has been spoken about at length, self-employed women, which represent a growing sector in the UK, have been neglected. Research has shown that pay rates for the self-employed and freelancers are, on average, 16% higher for men than women. This is particularly apparent in the low pay cycle, but applies across the board. **Lydia** added that, on average, IPSE finds the lower the skill, the higher the pay gap between men and women.

Lydia stated that IPSE welcomed the delayed roll-out of Universal Credit, as the welfare scheme had created problems for the self-employed because the nature of self-employed work means that pay is often different month to month. Universal Credit does not take volatile salaries into account. She cited that, owing to Universal Credit, some people are £3,000 worse off compared to someone in full-time employment.

Lydia said a key measure for success with freelancers and the self-employed is training: women who are self-employed are required to pay for this training themselves, rather than an employer meaning that they have to take a day off work to obtain training - losing a day's pay. She stressed the need for funding for training to support those who wish to start their own businesses, and that training and education was of particular importance to women hoping to break the low-pay cycle. This can even be in terms of knowing how to set and increase their rates; significantly more women than men have not increased their rates over a long period of time. Due to the nature of self-employed and freelance work, she recommended that the government does more to encourage online training, which is far more flexible. One way that the government can do this would be to signpost trusted online training sources and encourage greater use of them.

Lydia pointed out that a low income not only impacts a woman's current situation, but also her future situation. She stated that self-employed women are more likely to report that they have not saved and their reason for not saving is due to lower rates of pay. As a result, they are not able to put savings into a pension fund. IPSE has found that women are also more likely to be concerned about saving, however, there is a vicious cycle in which women cannot break the low pay cycle and therefore cannot save for later life. Therefore, **Lydia** stressed the need for more flexible pension schemes that do not penalise early pay outs. She also called on the government to make more free and straight forward financial advice available. **Lydia** suggested that for women working for themselves or freelancing, the way to break out of the low-pay cycle is to gain skills. By doing so, they are able to charge higher rates and save money. IPSE has found that as women gain skills, the pay gap between men and women becomes smaller.

Q&A

Ornella Nsio from the **Recruitment and Employment Confederation** asked **Lydia** about IPSE's findings on the impact of the IR35 tax on women.

Lydia responded that there has been a significant impact, but that no research had been conducted as to its particular impact on women, and this would be a welcome avenue for further research. **Ornella** agreed that IR35 was having an impact and stated that the Recruitment and Employment Confederation had found members were leaving the public sector and moving into the private sector because of it.

Women and Work APPG Co-Chair, Gillian Keegan MP asked why the public and private sectors would be different in this regard, as IR35 was put in place to close a loophole to ensure those who are self-employed paid tax. **Ornella** replied that IR35 had not been announced in the private sector yet and stressed that nurses who work for agencies have been particularly affected by it.

Shadow Education Minister, Tracy Brabin MP stated that many actors have been affected by minimum income floor and that as a result, many people with talent were leaving the industry as the volatile nature of salaries made it too expensive. She stated that the minimum income floor affects so many industries. She also urged parliamentarians to support her Ten Minute Rule Bill on shared parental leave as currently only 2% of fathers take it.

A member of the audience asked if there were any plans to address the issue of asking what a women's previous or current salary was on job application forms.

Jess Philips replied that whilst this was an issue of pay transparency, it often acted as a barrier to women as women may not get higher paid jobs if their existing salary is low. The questioner also pointed out that if a woman was not currently in employment then it was a difficult question to answer. **Jess** said that this question was not permitted in Boston, USA and that it would be interesting to look at the progress that had been made in Boston to see whether this could be beneficial for the UK. The questioner noted that even if a woman does not answer the question, a reference letter from her employer will very often state her current salary, which limits women in negotiating salaries with new employers.

AGM

Jess Philips thanked the audience for their questions and the speakers for their answers. She then convened the AGM.

Officers elected:

- Jess Philips MP, Co-Chair
- Gillian Keegan MP, Co-Chair.
- Tracy Brabin MP, Officer
- Deidre Brock MP, Officer
- Kirstene Hair MP, Officer
- Baroness Prosser, Officer
- Baroness Uddin, Officer
- Baroness Burt of Solihull, Officer
- Baroness Goudie, Baroness Garden of Frognal, Officer

Non-Parliamentarian attendees

Gill Thomas	Royal Academy of Engineering
Monica Stancu	Royal Academy of Engineering
Teresa Boughey	Jungle HR
Rachel Starkings	University of Sussex
Poppy Asker	N/A
Maia Appleby Melamed	N/A
Eva Herman	Oxfam
Nicola Jeffryes	Young Women's Trust
Victoria Crow	Young Women's Trust
Cilla Casey	Young Women's Trust
Jennifer Allerton	Young Women's Trust
Mark Gale	Young Women's Trust
Nicole Dulieu	Young Women's Trust
Thea Roberts	Essity UK LTD.
Leah Glover	Dept. Work and Pensions
Miranda Cochrane	Zurich Insurance
Florence Marks	Zurich Insurance
Samantha Eustance	Zurich Insurance
Caitlin Holmes	Zurich Insurance
Connor Stevens	Learning and Work Institute
Kath Moore	Women Into Construction
Alice Devlin	Government Equalities Office
Amrit Gill	Department of Education
Alexi Ozioro	BESA
Ammerance Ozioro	N/A
Angela Richardson	Conservative Women's Organisation
Liz Revie	Skanska
Seena Shah	Conservative Young Women
Caroline Reilly	Living Wage Foundation
Jyoti Rambhai	IPSE
Keith Jones	Institution of Civil Engineers
Isabelle Coombes	PICTFOR
Josie Betts	PICTFOR
Lizzie Flew	Child Poverty Action Group
Allegra Chatterjee	Behavioural Insights Team
Leonie Nicks	Behavioural Insights Team
Fiona Alfred	The Association of Women in Property
Lenny Rolles	University of Sussex
Ornella Nsio	Recruitment and Employment Confederation
Issy Mason	Young Women's Trust