

# Family friendly policies and female progression

Robert Joyce

Panel discussion at HM Treasury Labour Market Conference

18<sup>th</sup> September 2018

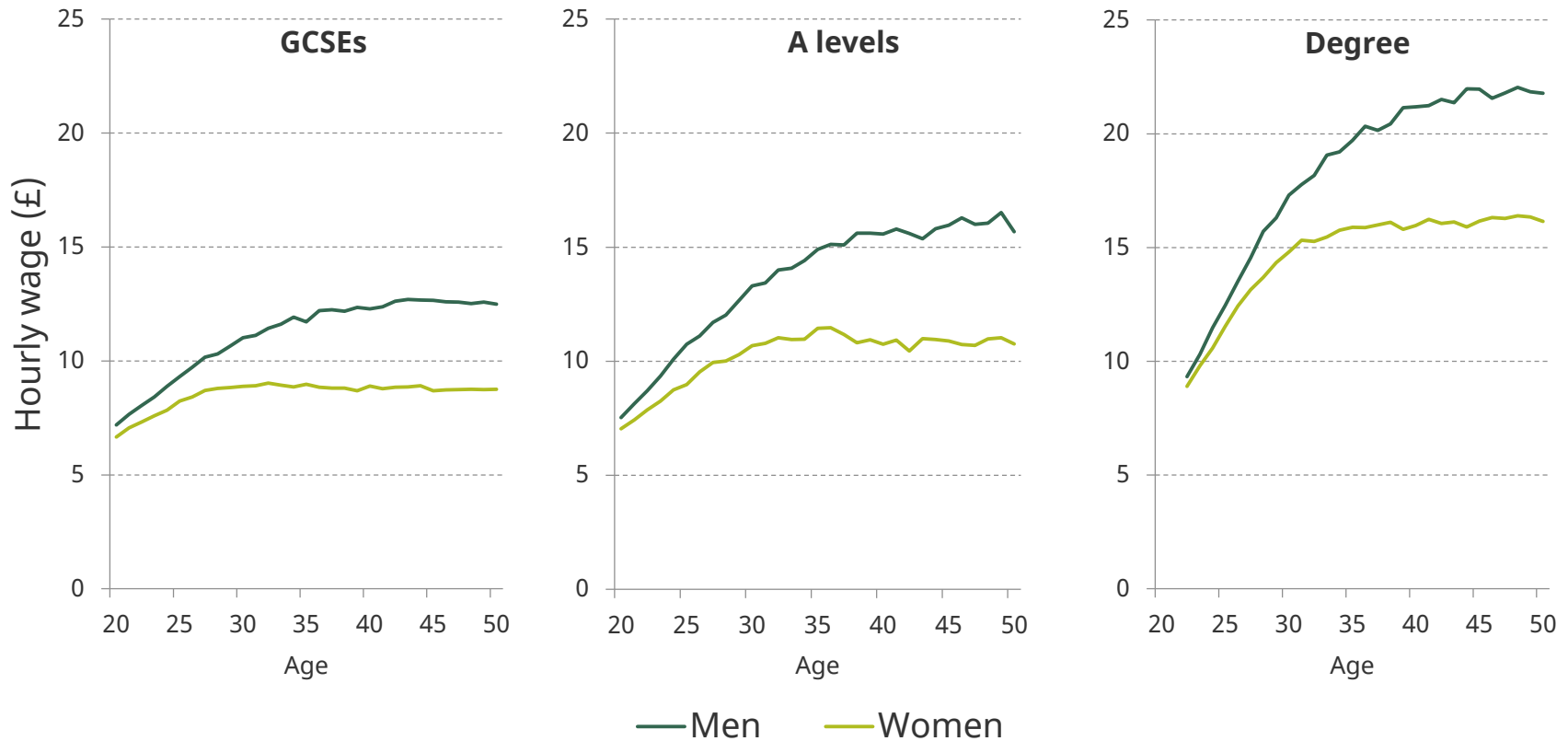
# (Lack of) progression is a huge part of the story of wage inequalities



LFS 1993Q1-2017Q2

From Figure 4 of [www.ifs.org.uk/uploads/publications/bns/BN223.pdf](http://www.ifs.org.uk/uploads/publications/bns/BN223.pdf)

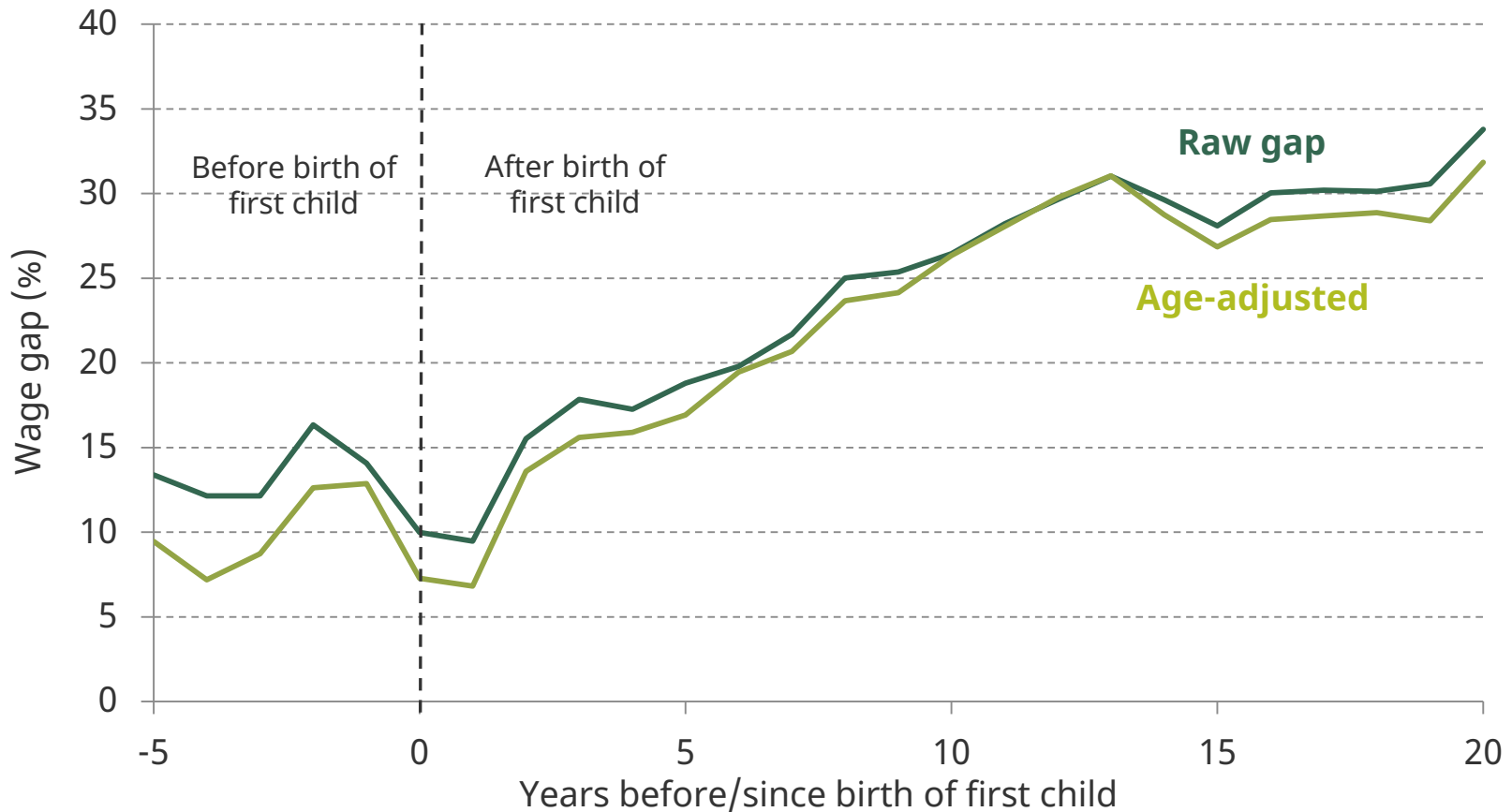
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# When it comes to the gender gap, the (extended) period after childbirth is key

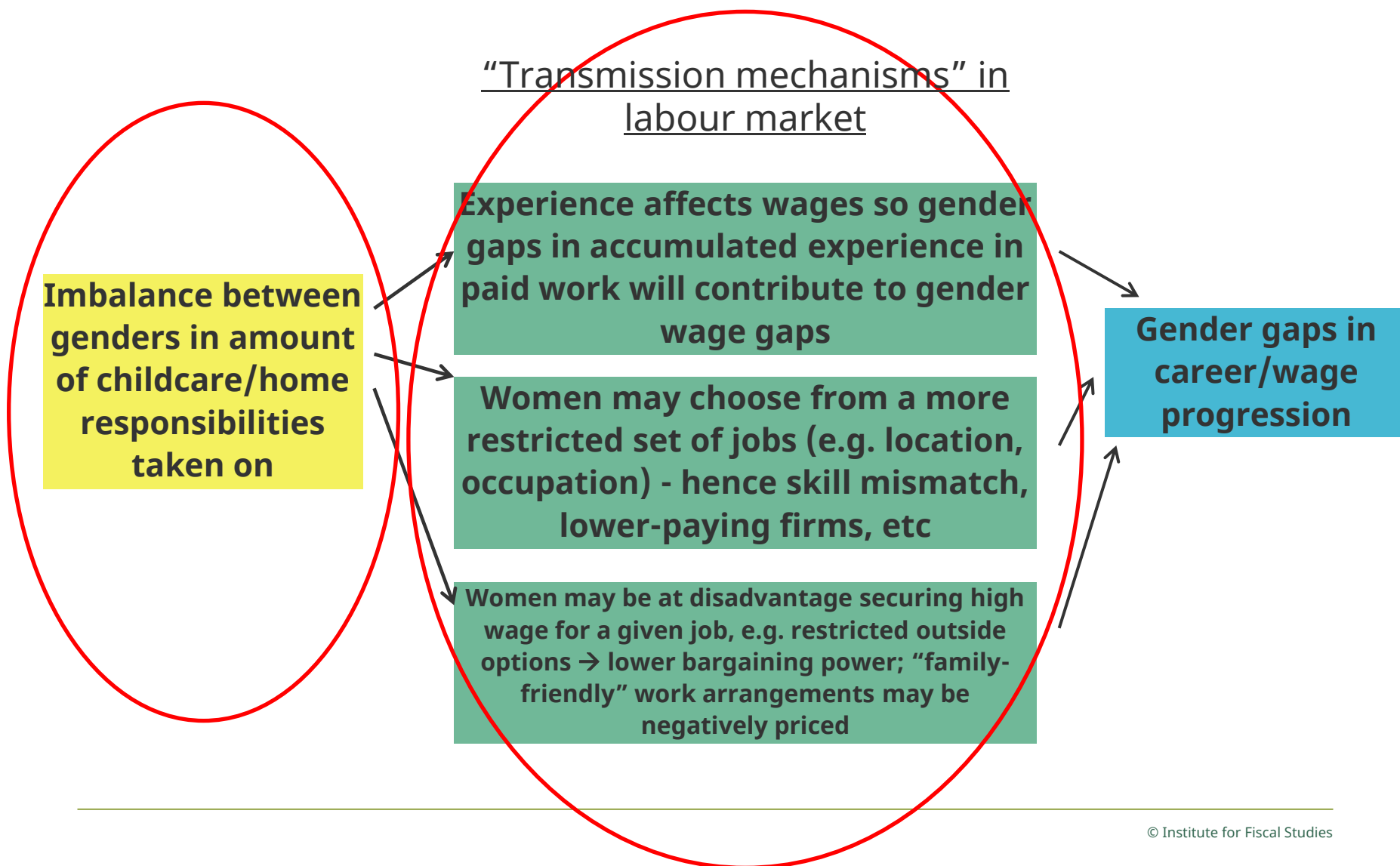


BHPS 1991-2008 and Understanding Society 2009-15.

From Figure 5 of [www.ifs.org.uk/uploads/publications/bns/BN223.pdf](http://www.ifs.org.uk/uploads/publications/bns/BN223.pdf)

# (A) framework for thinking about this

NOT exhaustive!



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## “Transmission mechanisms” in labour market

Imbalance between  
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responsibilities  
taken on

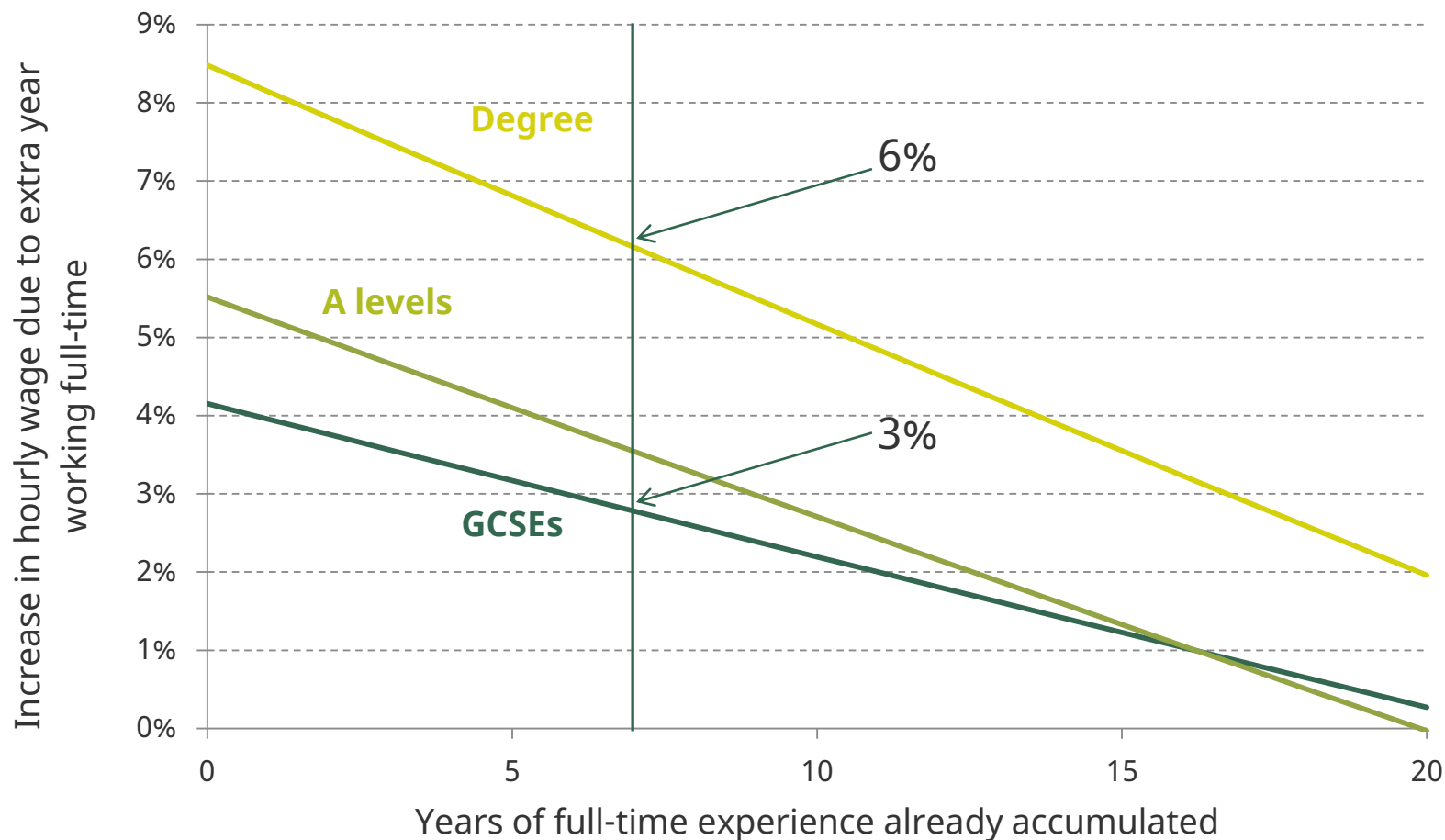
Experience affects wages so gender  
gaps in accumulated experience in  
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Women may choose from a more  
restricted set of jobs (e.g. location,  
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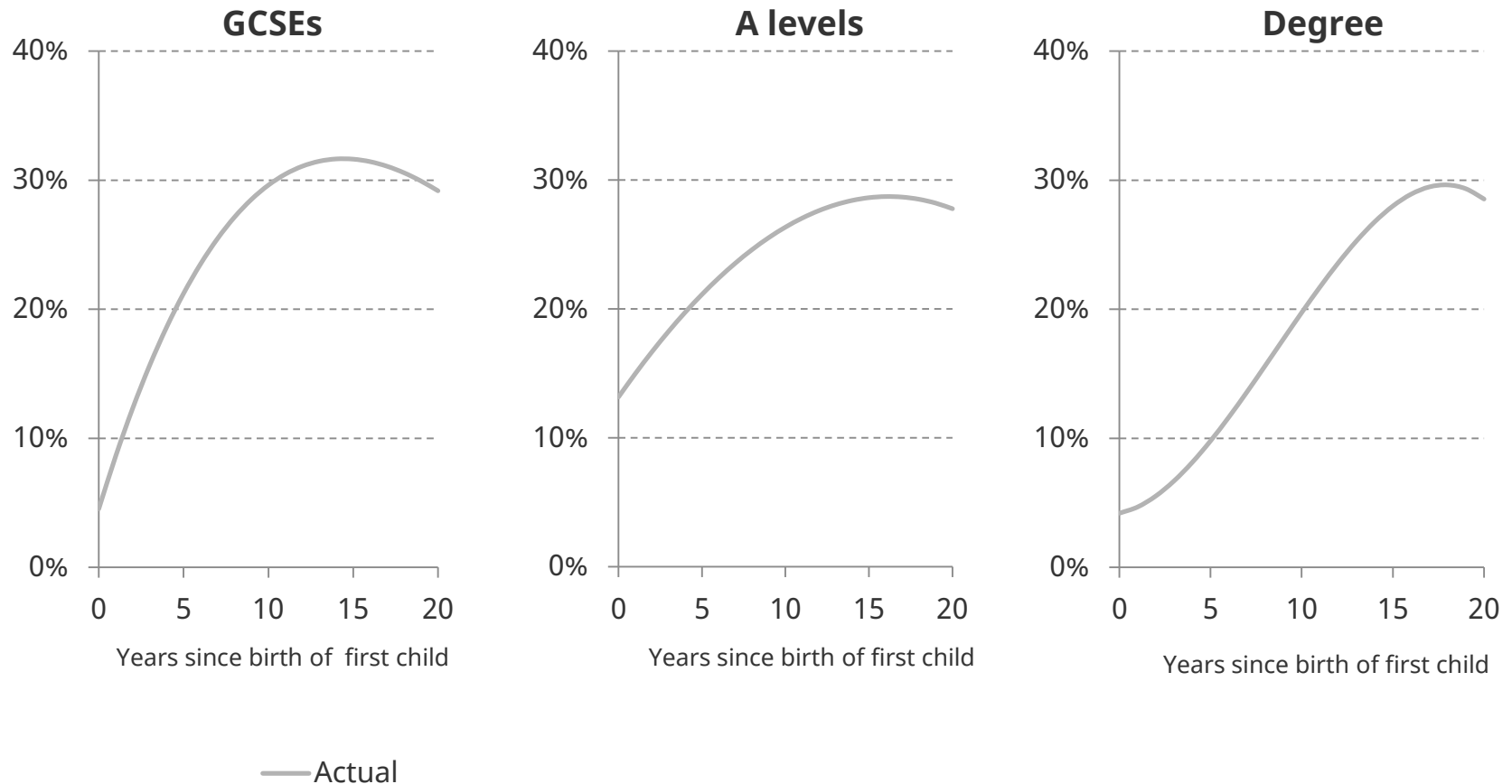
# Full-time experience has big causal effect on wages – especially for the higher educated



From Figure 11 of [www.ifs.org.uk/uploads/publications/bns/BN223.pdf](http://www.ifs.org.uk/uploads/publications/bns/BN223.pdf)

# So what might gender hourly wage gap be without the detrimental impact of PT work on wage progression?

Institute for  
Fiscal Studies

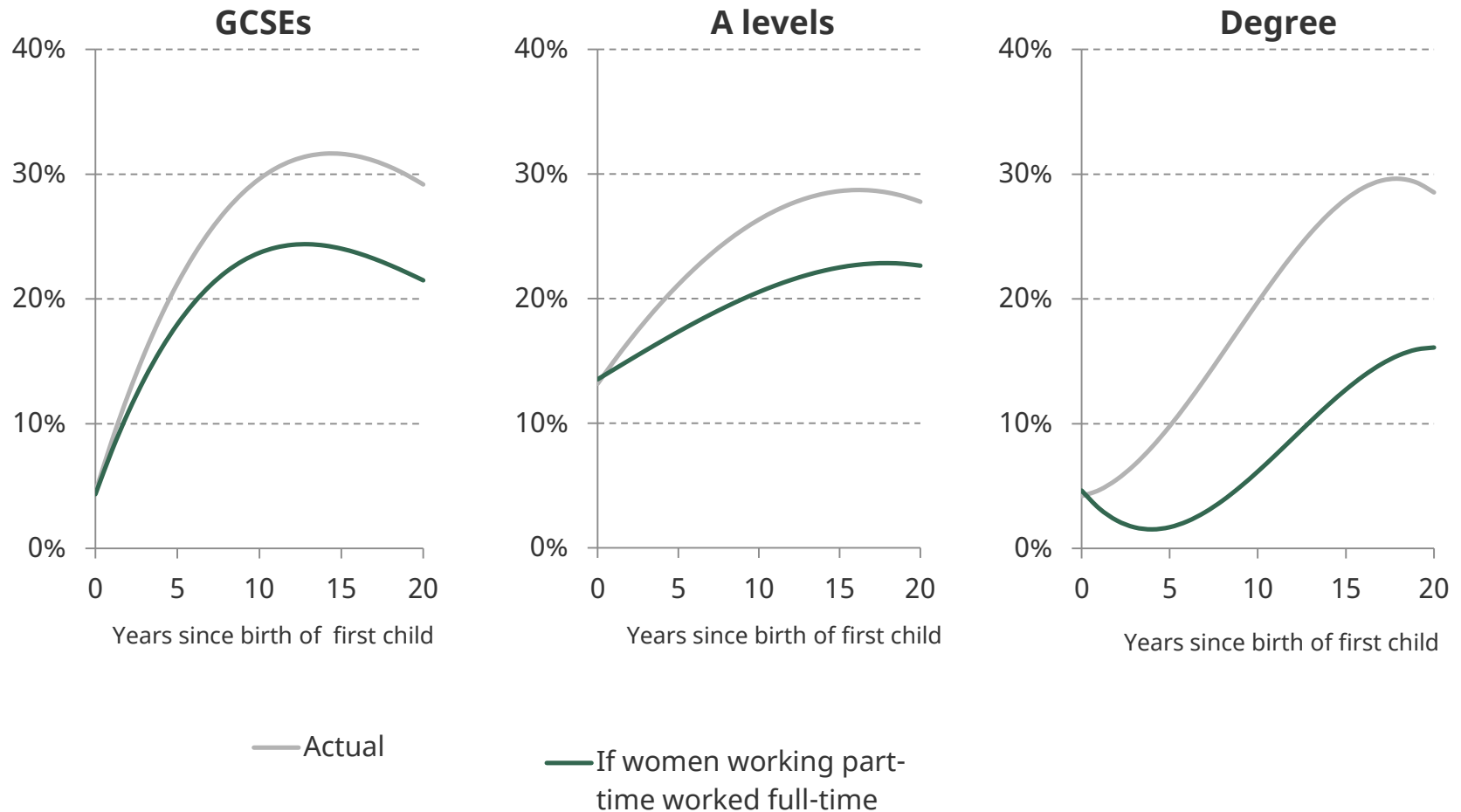


From Figure 12 of [www.ifs.org.uk/uploads/publications/bns/BN223.pdf](http://www.ifs.org.uk/uploads/publications/bns/BN223.pdf)



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# Should be priority to understand why part time experience brings such little wage uplift

## Many possible reasons, including:

- Lack of access to training
- Less opportunity for informal interaction / networking
- Constraints on build-up of skill in low-hours jobs
- Labour market for part-time workers less competitive

**Appropriate policy response will depend on the underlying drivers**

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# After childbirth, women start moving to jobs closer to their home (and men don't)



# Scope for this to have important implications for wage gap

**Essentially makes the local labour market 'more local' for women than men, which might mean:**

- Lower likelihood of finding the highest-paying firms
- Lower likelihood of finding a good match for one's skills
- Bargaining power implications if employers know that outside options are drawn from a smaller set

**We're working on this!**

**Policies: note potential relevance here of i) remote working ii) anything that makes commuting quicker, and iii) anything that makes occupations and high-paying firms less geographically concentrated...**

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# 'Family friendly' working arrangements and wages

## The Goldin/Bertrand argument:

In some work, but not all, flexible working patterns inhibit productivity (depends on the nature of the work)

So there may be tradeoffs, at least in short term, in that the arrangements prevent career interruptions but incur wage penalty (Blau and Kahn, 2016, present some (correlational) evidence of this across countries)

Gender wage gap across occupations **and** over time correlates strongly with nature of production process/technology (the pharmacy example)

## So they would say that changes in technology and firm organisational practices are key

Is there anything government should/could do to stimulate this? Does workplace culture lag behind technological frontier? Are there important tipping points when flexible working becomes commonplace enough that firms have to reorganise the way they work and this reduces the wage penalty?

# Finally – tax credits / universal credit

## Appropriate design may depend on things we're still learning:

- These transfers help determine the relative financial incentives to doing part-time vs full-time vs no work
- Increasing evidence that part-time work is much, much worse for your *future* wages – have we factored this in to tax credit design?
- Tax credits also change the trade-off between closer, less well-paid jobs and further away but better-paid jobs: does this affect people's choices? With what implications?