

March 2023



Women in Work 2023

Closing the Gender Pay Gap for good:
A focus on the motherhood penalty



Executive summary

International Women's Day 2023 is a time for us to pause and reflect on our journey towards gender equality: where we've come from, what we've learned – particularly from the pandemic – where we are today, and most importantly – what lies on the road ahead.

This year, despite a rebound following the COVID-19 pandemic, PwC's Women in Work Index did not catch up to its pre-pandemic path of progress towards equality. The impact of the pandemic on labour markets across the OECD prompted a one-time fall in the Index in 2020.¹ We've now seen the Index rebound, mostly because of increased participation of women in the labour force, along with a slight fall in the unemployment rate for women. However, the rebound was not to the level needed to put the Index back on its pre-pandemic growth trajectory. Additionally, similar improvements were evident in male participation and employment rates, suggesting that rather than any advancement towards gender equality, growth in the Index was a symptom of macroeconomic factors and general labour market recovery.

The average gender pay gap across the OECD also widened by 0.6 percentage points.² In most countries this appears to be associated with the post-COVID-19 recovery of labour markets, reversing the temporary narrowing of pay gaps we observed during the pandemic. However, eight countries on the Index now have wider pay gaps than they did before the pandemic: Slovenia, New Zealand, Estonia, Portugal, Germany, Italy, Israel, and Switzerland. The average gender pay gap across the OECD now stands at 14%, only 3 percentage points lower than it was a decade ago (17% in 2011).

The UK's gender pay gap widened four times more than the OECD average increase, and there was mixed progress across UK countries and regions. The UK fell five places on the Index in 2021 to 14th out of 33 OECD countries,³ mainly due to a 2.3 percentage point widening of the gender pay gap (now at 14.3%). On average there was a 1.2 point increase in Index score across the UK regions, on our Women in Work Regional Index. However, progress towards gender equality was not evenly distributed. Half of all UK countries and regions experienced an absolute decline in score, and the gap between the best-performing country (Northern Ireland) and worst-performing region (North East) widened. There was a 2.2 percentage point narrowing of the gender pay gap in the East Midlands, however in most countries and regions there was either no improvement, or a widening of the gap.

Women in Work Index results:^{4,5}

The Index score this year rebounded by 1.1 points to 65.5.

Female labour force participation rate up 1.3 percentage points to

70.8%

Female unemployment rate down 0.3 percentage points to

6.4%

Gender pay gap up 0.6 percentage points to

13.8%⁶

Top ranked countries:⁷



1. Luxembourg

⬆️ (up one place)



2. New Zealand

⬇️ (down one place)



3. Slovenia

⊖ (no change)

¹ Our Index includes analysis of labour market results in 33 Organisation for Economic Cooperation and Development (OECD) countries. When we refer to the OECD in this report, we are referring to these 33 countries. Please refer to the *Technical Appendix: Women in Work Index Methodology* for a full list of countries included in our analysis.

² 2021 data. Gender pay gap data for 2020 is based on the latest data available and might differ from gender pay gap figures reported in last year's report due to data revisions over the past year.

³ Change in Index rankings based on 2020 rankings published in our Women in Work Index report 2022 and do not reflect any revisions to 2020 indicator data since publication.

⁴ All data sources and references can be found in the Endnotes at the end of our main report.

⁵ PwC analysis comparing latest data (2021) to 2020 OECD and Eurostat data.

⁷ All 2020 rankings taken from PwC's Women In Work Index 2022 report and therefore do not account for any revisions to 2020 data since publication.



An 18 year old woman entering the workforce today will not see pay equality in her working lifetime. At the rate the gender pay gap is closing, it will take more than 50 years to reach gender pay parity.

If the rebound from COVID-19 has taught us anything, it is that we can't rely on economic growth alone to produce gender equality – unless we want to wait another 50 years or more. We must design and develop policy solutions that actively address the underlying causes of the inequality that exist today.

Larice Stielow, Senior Economist, PwC UK

Speeding up the historically slow progress towards gender equality requires tackling underlying harmful gender norms and expectations of women – and men – in society. A woman's primary role is still seen as being a mother and a caregiver; and a man's primary role a breadwinner.^{8,9} The pandemic highlighted – but also amplified – the existing gender inequalities in unpaid childcare, with women in 2020 spending an average of eight hours more than men caring for children every week.¹⁰

The unfair share of childcare perpetuates the 'motherhood penalty' – this is the loss in lifetime earnings experienced by women raising children, brought about by underemployment and slower career progression upon returning to work after having a child. This is observed directly as a 60% drop in earnings for mothers compared to fathers in the 10 years after the birth of a first child (as measured across six OECD countries);¹¹ and more broadly in women's lower balances of pension and retirement savings at the end of their working lives.¹²

The motherhood penalty is now the most significant driver of the gender pay gap. In 2021, the OECD found the motherhood penalty accounted for 60% of the gender pay gap across 25 European countries, with factors such as social norms, gender stereotyping and discrimination making up the remaining 40%.¹³ In Northern and Western European countries, the motherhood penalty accounted for 75% of the gender pay gap.

The increasing cost of childcare threatens to exacerbate gender inequality, pricing a growing number of women out of work. The UK in particular, has some of the highest childcare costs across the OECD, with full-time childcare for two children on average costing almost 30% of average wages.¹⁴ There is also a lack of childcare availability, with the number of childcare providers falling 10% between 2018 and 2022.¹⁵ As the cost of living rises, expenditure on childcare will be felt more acutely. With this and the gap in free childcare provision between ages one and three, more women are being priced out of work.¹⁶ For many it is more affordable to leave work than remain in employment and pay for childcare – especially for families at lower income levels. If nothing is done to improve the current situation, women's careers will be damaged permanently and more families could be pulled into poverty.¹⁷

In light of these challenges, there is an urgent need for policy solutions that address the immediate issues, as well as the underlying causes of inequality. Otherwise it is highly unlikely the Women in Work Index will return to its previous trajectory, let alone make faster progress.

Affordable childcare is critical to help alleviate the pressure on mothers and families, and reduce women's unpaid care load. This must be complemented with policy solutions that aim to redistribute unpaid childcare more equally between women and men, helping to shift underlying societal attitudes about gender roles and care over time. Redesigning parental leave policies to support a 'dual earner-dual carer model' would support families without propagating traditional gender roles that place more importance on men's labour outcomes than women's.¹⁸

Today's parental leave policies reinforce societal expectations of women's primary role as caregivers and cause direct damage to women financially, both in the short and long term. In the UK, mothers take vastly more parental leave than fathers. In 2021 on average, mothers took 39 weeks of maternity leave.¹⁹ Comparable figures on the average amount of leave taken by fathers are not readily available, but in 2018 only one in three eligible fathers took any paternity leave.²⁰ At the UK statutory level, men are only entitled to two weeks paid leave and the majority of employers provide some extended leave – but not pay.^{21,22}

¹⁸ Effective policy should also acknowledge that many families will not fit into this model and adapt to the specific needs of such families, in particular single-parent families.

²² Research on maternity and paternity leave uptake focuses on heterosexual, cisgendered relationships, and therefore may not be reflective of leave uptake or eligibility of LGBTQ parents. Most maternity leave statistics exclude non-birthing mothers.

Fathers taking more parental leave would benefit women, men, families, wider society, and employers as well.²³ We have quantified some of the expected benefits to women and society of fathers taking more parental leave. Our analysis begins to explore the potential economic and societal return on investment of moving towards a 'dual-earner dual-carer' model, which is gaining momentum across the OECD.

While the benefits of a gender equal society go far beyond what we quantify, the costs of substantially extending paid parental leave entitlement to men cannot be ignored. The high cost of Equal Paid Parental Leave is currently cited as the largest barrier to its wider implementation by employers in the UK,²⁴ and only a very small number of organisations provide any material amount of enhanced paternity leave at all. For many employers, increasing this entitlement of their own volition also comes at the expense of providing other employee benefits; and many have instead prioritised increasing maternity leave entitlement, or providing childcare or cost of living support, or other family benefits.

The UK government needs to coordinate action to overcome the affordability barrier and maximise societal benefit. Over time, widespread adoption of a redesigned parental leave policy with more paid leave for fathers, would play a critical role in shifting longer term societal expectations about gender roles for women and men. As, over time, it becomes more normal for men to take time off for childcare, instances of employment discrimination and unconscious bias against women at work would be expected to fall. Men would no longer feel excluded from parenting by societal constructs, and women in senior leadership would become the rule, not the exception.

Equal Paid Parental Leave is a leave policy that entitles each parent to a period of (adequately) paid leave from employment when a child arrives. The amount of paid leave a parent is entitled to is irrespective of their gender; and depends on their own employment status, not that of the other parent.



²³ We define an 'effective' system as one that incentivises 70%+ of men to take on average five weeks of parental leave when a child is born. Currently only around a third of men in the UK take up their statutory 2 week parental leave entitlement. Source: EMW, 2019. Less than a third of eligible men take Paternity Leave.

Based on research and evidence from a variety of international studies on the effects observed when parents increase the time spent with their children in early childhood, we have estimated the following impacts across the UK from fathers taking more paternity leave:²⁵

- An estimated additional 720,000 women in the UK would remain in full time employment (over our 20 year analysis period), contributing to an increase in lifetime earnings for women.
 - An estimated 230,000 mothers and 240,000 fathers would no longer suffer from postpartum depression (over our 20 year analysis period).
 - An estimated 66,000 children every year (10% of births) would score one grade higher in either Mathematics or English at GCSE once they reach high school age; leading to an increase in their lifetime earnings of £330m.
 - There would be follow-on benefits to wider society from improved health and educational outcomes – including £1.4 billion to the National Health Service (NHS) from reduced incidence of postpartum depression.
 - Employers would benefit from cost savings of £260 million each year in reduced recruitment and turnover, which would partially offset costs of additional leave provision.
 - Employers would also benefit in the longer term from being able to attract and retain top talent – leading in theory to a happier, healthier, and more productive workforce, and improvements to their bottom line. (Note: These benefits would not all be realised immediately, and are by nature hard to measure, and difficult to ‘prove’.)
-



We will only achieve gender equality in work when we achieve gender equality at home, and in societal attitudes and norms. For a fairer, more prosperous future for everyone, we need governments and businesses to lead the way in eliminating the motherhood penalty through effective policy solutions. **Only by designing-in equality to our future, will we succeed in closing the gender pay gap within our own lifetime.**

²⁵ The benefits estimated are based on the (implicit) assumption that they would be realised, if on average 70%+ men in the UK took around five weeks of parental leave upon the arrival of a child.

Contents

Executive Summary	1
Section 1: OECD results	6
Section 2: The UK's performance	10
Section 3: The motherhood penalty	14
Section 4: The UK's childcare affordability crisis	19
Section 5: The current parental leave system in the UK	22
Section 6: OECD success with Equal Paid Parental Leave	27
Section 7: The path to equalising paid parental leave	31
Section 8: Benefits to the UK of Equal Paid Parental Leave	34
Endnotes	44
Appendix: Women In Work Index Results	50

Section 1: OECD results



Progress towards gender equality at work is too slow in OECD countries. If progress continues at this slow pace, women entering the workforce today will not experience wage equality within their working lifetime.²⁶

PwC's Women in Work Index shows that despite some progress towards gender equality in the workplace, there is still a considerable gap between employment outcomes for men and women.

Over the last decade, the average Index score for the 33 OECD countries analysed grew 9.2 points; from 56.3 in 2011 to 65.5 in 2021. In comparison, Luxembourg, the top performer in this year's Index, improved by more than double the OECD average over the same period from 60.4 to 78.9.

Despite overall improvement in the Index, women are still in a considerably weaker position in the labour market compared to men. The gender pay gap persists; women across the OECD earned only 86.2% of what men earned in 2021. Based on this progress, it will take more than 50 years to close the gap, which means an 18 year old woman entering the workforce today will not experience pay equality within her working lifetime.²⁷

We have been monitoring and comparing labour market outcomes across the OECD through our Index for more than a decade. The Index comprises five indicators that frame our analysis and explain progression towards gender equality in the workplace:

Table 1: Women in Work Index Indicators

Indicator	Description
Female participation rate	The proportion of women of working age (15 to 64) who either have a job or are seeking work.
Participation rate gap	The difference between the female participation rate (see above) and the male participation rate.
Female unemployment rate	The number of women of working age who are seeking work as a proportion of the total female workforce. ²⁸
Female full time employment rate	The proportion of employed women who work full time.
Gender pay gap	The difference between median hourly earnings of men and women.

²⁶ Assumes that the gender pay gap shrinks in a linear fashion, based on the annual historic rate of change between 2011 and 2021. This is a simplifying assumption. In reality, the gender pay gap depends on median female and male earnings, so it will vary year on year depending on the relative growth in female versus male earnings.

²⁷ Ibid.

²⁸ The female workforce refers to all women of working age (15-64) who are either employed or are actively looking for a job.

The lasting impact of the pandemic

Despite a post-pandemic rebound of the Index in 2021, there is little evidence of any real progress towards gender equality.

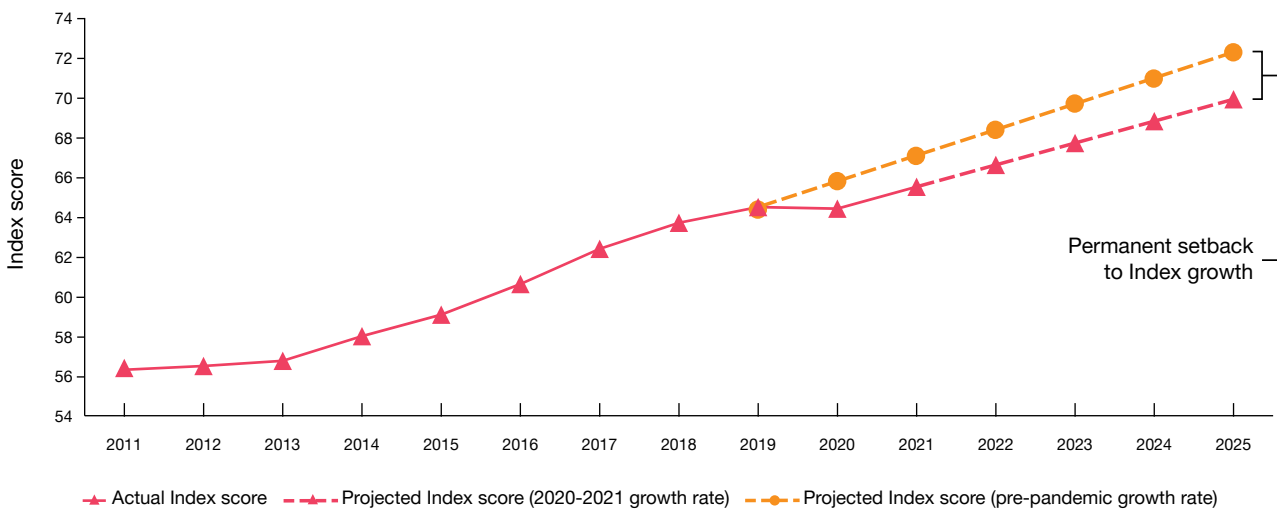
The impact of the COVID-19 pandemic on labour markets across the OECD prompted a one-time fall in the Index in 2020. Growth of the Index rebounded in 2021, although it did not catch up with its pre-pandemic growth path (see Figure 1a).

On average across the OECD, there was a 1.1 point increase in Index scores in 2021 compared to 2020, from 64.4 to 65.5 (see Figure 1b for individual country scores). In 2021, increased participation of women in the labour force explained the majority of the Index's rebound, along with a slight fall in the unemployment rate for women, from 6.7% to 6.4%. However, similar improvements were also evident in male participation and unemployment rates. This suggests the growth of both indicators is likely caused by macroeconomic factors, a symptom of labour market recovery after the pandemic – rather than any indication of advancement towards gender equality.

Compounding this result, the average gender pay gap across the OECD widened by 0.6 percentage points between 2020 and 2021, from 13.2% to 13.8%. 18 out of the 33 countries analysed in our Index had a larger gender pay gap in 2021 than in 2020.

The lack of adequate progress towards gender equality at work sees the economy as a whole losing out on significant gains. Our analysis shows that increasing female employment rates across the OECD to match those of Sweden (a top performer in female participation rates) would result in potential economic gains of nearly US\$5.8 trillion per annum.³⁰ There are also trillion dollar gains to be made from closing the gender pay gap. Increasing women's average wages to match those of their male counterparts across the OECD would boost female earnings by more than US\$2.3 trillion per annum.³¹

Figure 1a: Women in Work Index – OECD average score across 33 countries (actual and projected)²⁹



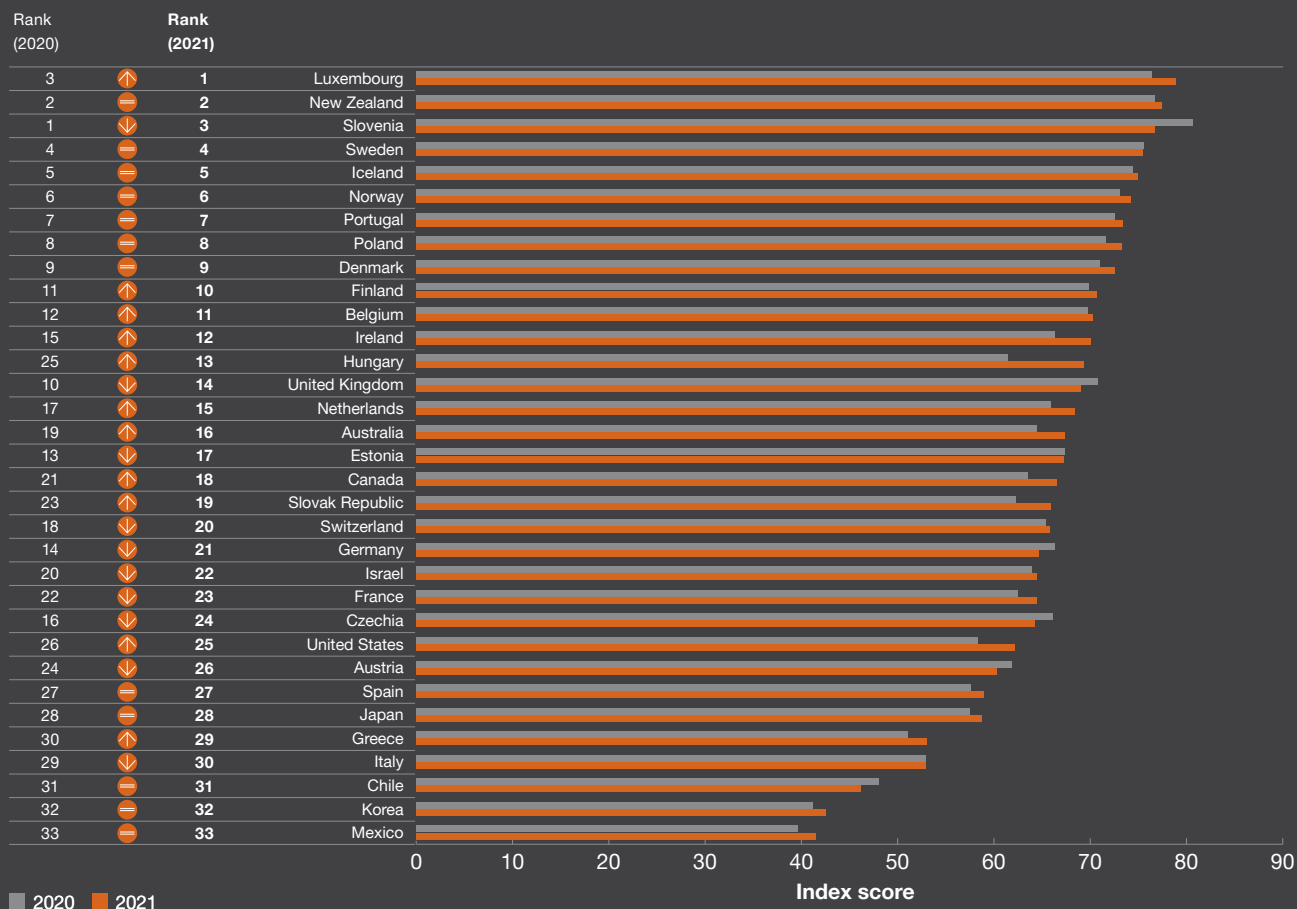
Source: PwC analysis of OECD data

²⁹ The "Projected Index score (2020-2021 growth rate)" applies a constant year-on-year increase in the Index score based on the increase between 2020 and 2021. The "Forecasted Index score (pre-pandemic growth path)" applies a constant year-on-year increase in the Index score based on the average annual increase between 2014 and 2019.

³⁰ This refers to gross economic gains per annum from boosting female employment rates to match Sweden's. Men's employment rates are assumed to be constant. Gains reported are in nominal terms.

³¹ This refers to gross economic gains per annum. Gains reported are in nominal terms.

Figure 1b: PwC Women in Work Index, 2021 vs. 2020³²



Source: PwC analysis of OECD data
 *Indicates countries where revisions to data since publication have altered their rankings by more than 2 places. Please see Technical Appendix: Women in Work Index Methodology for more information.

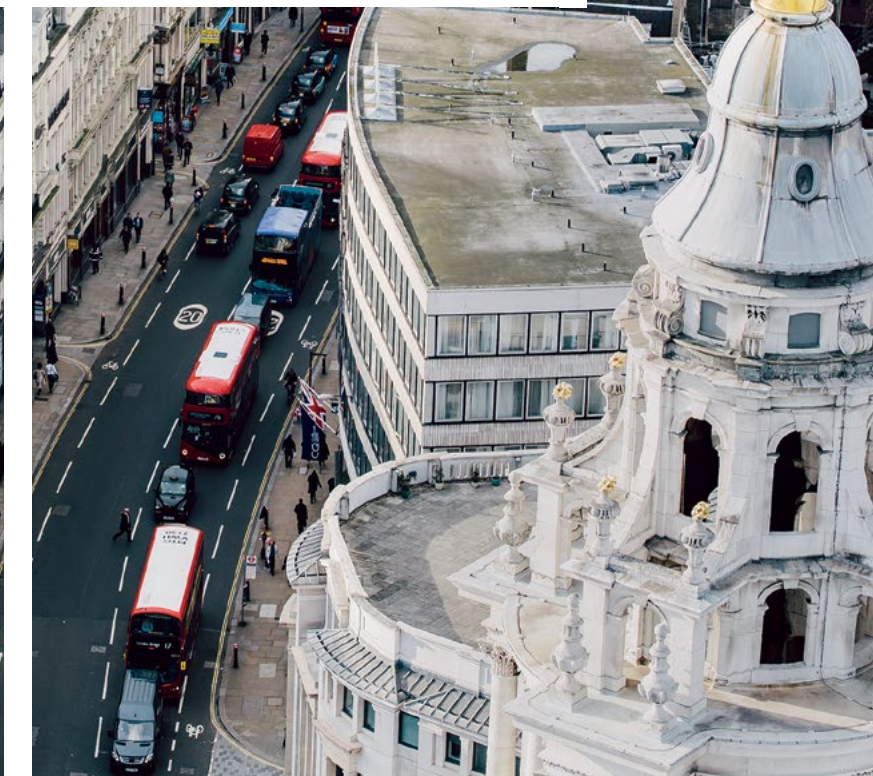
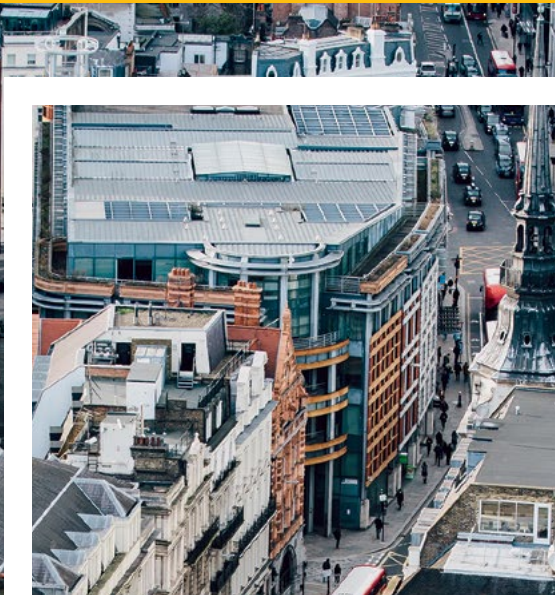
Table 2: Change in Women in Work Indicators (2021 vs 2020)

Indicator	OECD 2021 average	Change from 2020	Impact on gender equality
Female participation rate	70.8%	+1.3 pp	Positive
Participation rate gap	9.6%	-0.6 pp	Positive
Female unemployment rate	6.4%	-0.4 pp	Positive
Female full time employment rate	76.5%	+0.4 pp	Positive
Gender pay gap	13.8%	+0.6 pp	Negative

Source: PwC analysis, all data sources are listed in the Technical Appendix: Women in Work Index Methodology.

³² All 2020 rankings taken from PwC’s Women In Work Index 2022 report and therefore do not account for any revisions to 2020 data since publication.

Section 2: The UK's performance



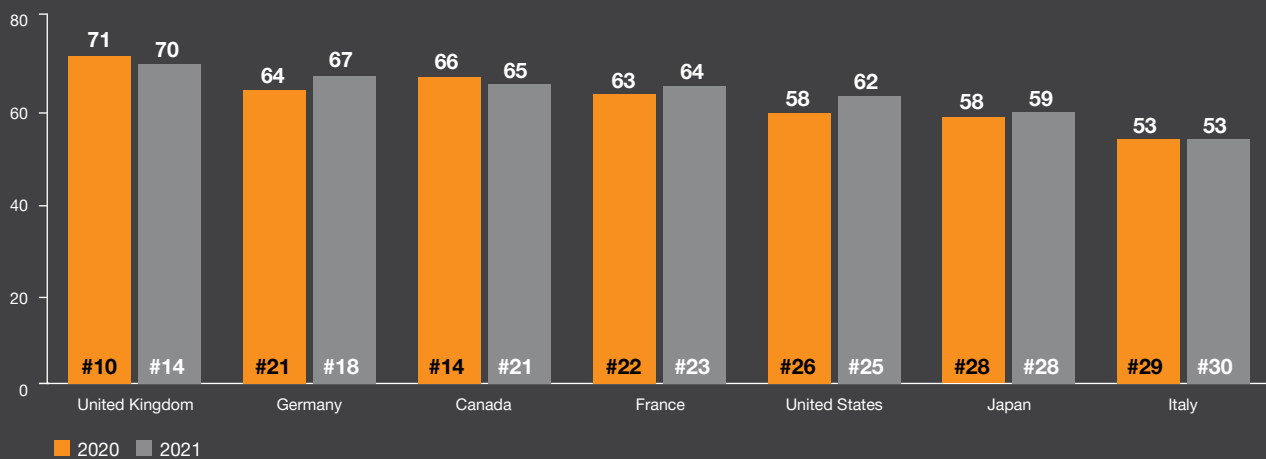
The UK dropped five places on the Index between 2020 and 2021, from 9th place to 14th place out of the 33 OECD countries analysed.³³

This was mainly due to a 2.3 percentage point widening of the gender pay gap, an increase four times greater than the OECD average.

The UK still ranks highest on the Index out of the G7 economies (Canada, France, Germany, Italy, Japan, United Kingdom, United States).

However, the gap is closing between the UK and the rest of the G7. Canada is a close second to the UK, ranking four places behind the UK, and it has increased its rank since 2020.

Figure 2a: Women in Work Index – G7 Index Scores (2020 vs 2021)



Source: PwC analysis of OECD and Eurostat data, all data sources are listed in the *Technical Appendix: Women in Work Index Methodology*

Table 3: What caused the UK's fall on the Index?

A widening gender pay gap	<ul style="list-style-type: none"> The UK reported the third largest increase in gender pay gap of all countries on the Index between 2020 and 2021, behind only Chile and Slovenia. 2.3 percentage points widening of gap (from 12% in 2020 to 14.3% in 2021). The UK gender pay gap of 14.3% is now higher than the OECD average of 13.8%.
A decline in the female labour force participation rate	<ul style="list-style-type: none"> The UK was one of four countries across the OECD in which the female labour force participation rate fell (by 0.4 percentage points: from 75.1% in 2020, to 74.7% in 2021). However, the male labour force participation rate fell by more over this period, meaning the participation rate gap closed by 0.4 percentage points this year, to 7.2 percentage points.
A marginal increase in the female unemployment rate	<ul style="list-style-type: none"> The female unemployment rate in the UK increased from 4.2% in 2020 to 4.3% in 2021.

³³ Change in Index rankings based on 2020 rankings published in our Women in Work Index report 2022 and do not reflect any revisions to 2020 indicator data since publication.

The widening gap across UK countries/regions

Our Women in Work Regional Index compares women's labour market outcomes across the UK's countries and regions. We employ the same methodology as our OECD Index, using country and regional level data from the Office of National Statistics (ONS) in the UK.

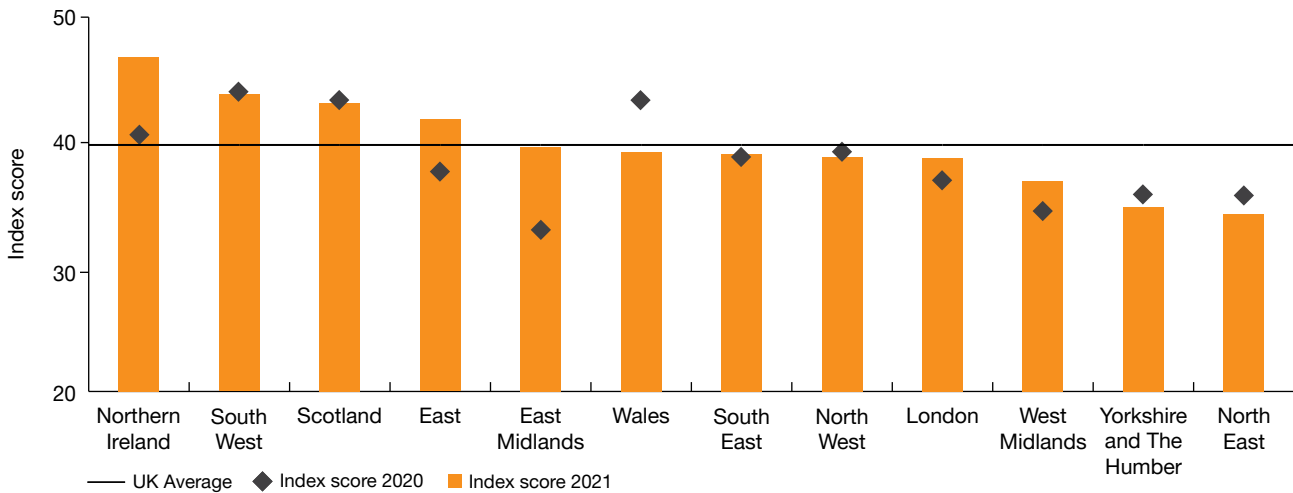
Progress on the Index across the UK's countries and regions was mixed in 2021:

- The East Midlands (+6.7 points); Northern Ireland (+6.3 points); and the East (+4.2 points) improved the most on the Index.
- Half of all countries and regions experienced an absolute decline in score.
- The gap between the best-performing country (Northern Ireland) and worst-performing region (North East) widened from 11.1 in 2020, to 12.6 in 2021.

The gender pay gap in the East Midlands narrowed by 2.2 percentage points, however in seven countries and regions there was either no improvement, or a widening of the gap.



Figure 2b: PwC's Women in Work Regional Index scores, 2021 vs 2020



Source: PwC analysis of ONS data



Deep-dive on Northern Ireland

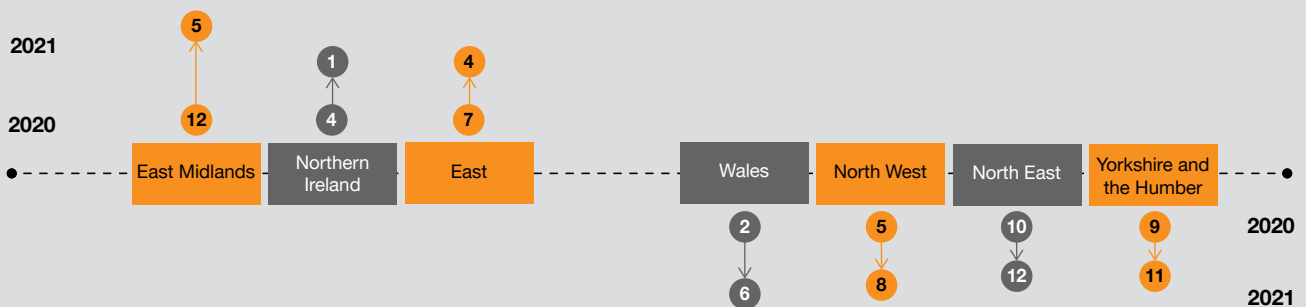
Northern Ireland was the best performer on this year's Regional Index, moving up three places from 2020, and pushing the South West out of the top spot.

Despite being the top performer, the country had the lowest female labour force participation rate on the Index. This suggests outcomes for women once they enter the labour market in Northern Ireland (in terms of pay equality and a high proportion of 'secure' full-time jobs) are better than other parts of the UK. However, a lower proportion of working age women in Northern Ireland overall are participating in the labour market to begin with.

Table 5: Northern Ireland's performance

Gender pay gap	Good performance: Northern Ireland boasts the smallest gender pay gap across the UK. At 5% it is almost only one third of the UK average gender pay gap , and significantly lower than the next best performing country on this indicator (Scotland 11%).
Full time Female Employment Rate	Good performance: Higher female full-time employment rate than most other countries and regions (the third best across the UK at 64%).
Female Participation Rate	Bad performance: It has the lowest female labour force participation rate (70%) amongst all countries/regions in the UK.
Participation Rate Gap	Good performance: The participation rate gap between men and women in Northern Ireland is 5% – only marginally higher than South West, which is the best performer on this indicator. This suggests that participation in the labour market as a whole might be the larger point of concern in Northern Ireland rather than participation of women specifically.

Figure 2c: Biggest movers in the PwC Regional Women in Work Index – changes in ranking between 2020 and 2021



Source: PwC analysis of ONS data

Section 3: The motherhood penalty



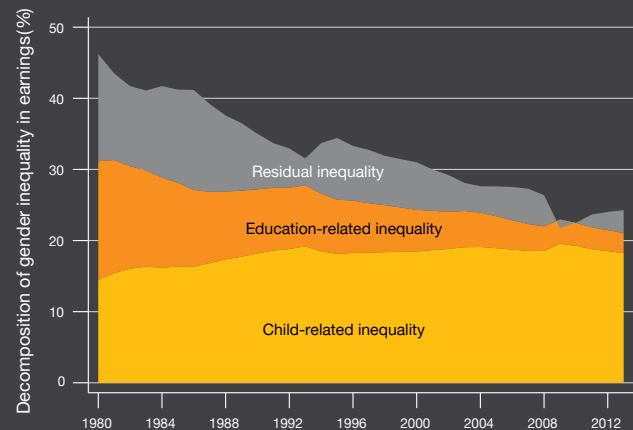
The motherhood penalty now drives the majority of the gender pay gap, as women bear most of the financial cost of having children.

The motherhood penalty is the loss in lifetime earnings experienced by women raising children. Mothers face underemployment and slower career progression upon returning to work after having a child, leading to a direct loss in earnings compared to fathers.

The motherhood penalty is the most significant driver of the gender pay gap, according to a 2021 OECD study.³⁴ The study found the motherhood penalty accounted for:

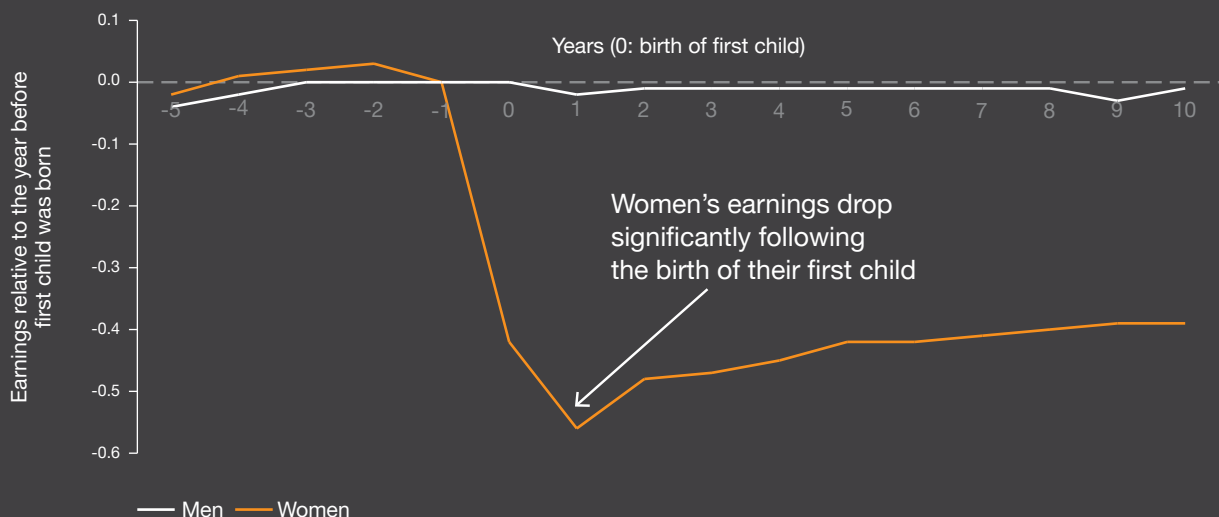
- **60% of the gender pay gap across 25 European countries.** Meanwhile other factors such as social norms, gender stereotyping, and discrimination make up the remaining 40%.³⁵
- **75% of the gender pay gap in Northern and Western European countries,** indicating efforts to narrow this gap so far in these advanced economies (for example through pay transparency or anti-discrimination legislation) have done about as much as they possibly can. Addressing the underlying causes of the motherhood penalty is the remaining lever for policymakers to target real and material change.

Figure 3a: Child-related gender inequality versus education-related gender inequality – decomposition of gender inequality in earnings in Denmark



Source: Kleven et al. 2019. Children and Gender Inequality: Evidence from Denmark. (p199) Available [here](#).

Figure 3b: Average change in earnings by gender after the birth of a first child across six OECD countries*



Source: Child Penalties across Countries: evidence and explanations, 2019. Available [here](#).
*Data is an average of Austria, Denmark, Germany, Sweden, UK and USA

Evidence from six OECD countries shows women's earnings were up to 61% lower than men's in the 10 years after the birth of their first child.³⁶

In contrast, research shows fathers face no such drop in earnings and often enjoy a 'fatherhood bonus'. For example, a study by the Trades Union Congress (TUC) in the UK found that by the age of 42, full-time employed fathers earned 21% more than men with similar backgrounds who did not have children.³⁷

Mothers also earned less than women of the same age without children. The same study found mothers employed full-time in the UK earned 7% less than women in full-time employment with similar backgrounds who did not have children by the age of 42.³⁸

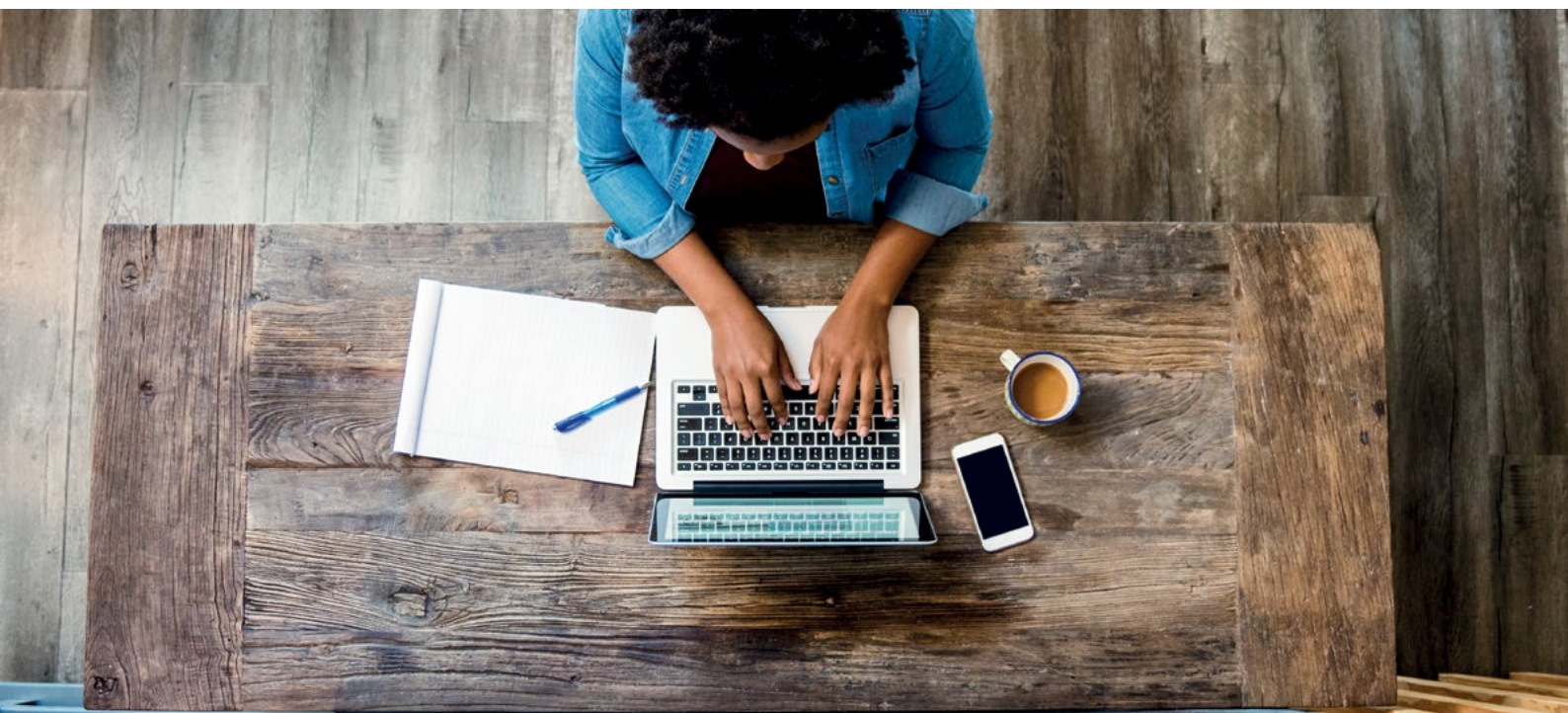
The motherhood penalty not only impacts women in work today, but is also transferred to women of future generations. A 2019 study based in Denmark found women whose mothers worked significantly fewer hours than their fathers faced larger motherhood penalties themselves, in the form of lower earnings after having children – compared to women whose mothers and fathers worked similar hours.³⁹ These findings are consistent with other research demonstrating gender identity is shaped by the gender roles of one's parents in childhood, and impacts later labour force decisions.⁴⁰



Denmark case study: The motherhood penalty accounts for more of the gender pay gap today than it did 30 years ago

The motherhood penalty accounted for 40% of the gender pay gap in 1980, according to a 2019 study in Denmark. By 2013, it had become the dominant driver of the gap, doubling to 80% – while the significance of other drivers reduced, and the overall gender pay gap declined.⁴¹ The study highlighted the persistence of the motherhood penalty – which stubbornly remained despite progress made in other areas – such as the narrowing of the difference in educational outcomes between women and men, and an increase in the number of anti-discrimination policies.

³⁶ Austria, Denmark, Germany, Sweden, the UK and the US; in Kleven et. al, 2019. Child Penalties across Countries: Evidence and Explanations. Available [here](#).





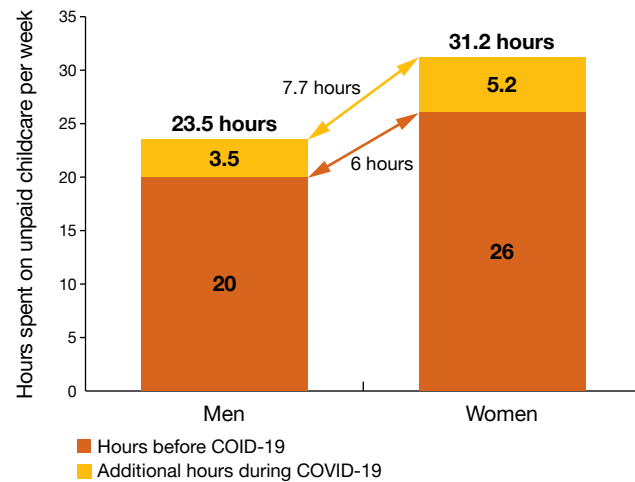
The burden of the ‘second shift’

The motherhood penalty stubbornly remains because women are still seen by society as primarily responsible for caregiving.

Women take on more unpaid childcare than men in almost every country in the world.⁴² Data from 16 countries found on average, women spent 31 unpaid hours every week caring for children in 2020, eight hours more than the average man.⁴³ This ‘second shift’ is almost as much as an extra full time job.

The pandemic amplified gender inequalities in unpaid childcare, with women taking on an even greater share of an already unequal load. Working mothers across the OECD were nearly three times as likely as fathers to take on the majority of additional unpaid childcare.⁴⁴ This forced more women than men to leave the workforce or reduce their hours of paid work, because they did not have enough hours in the day to complete all of the demands placed on them.

Figure 3c: Average hours per week spent on unpaid childcare by gender, before and during COVID-19



Source: PwC analysis taken from UN Women, 2020. [Whose time to care? Unpaid care and domestic work during COVID-19.](#)

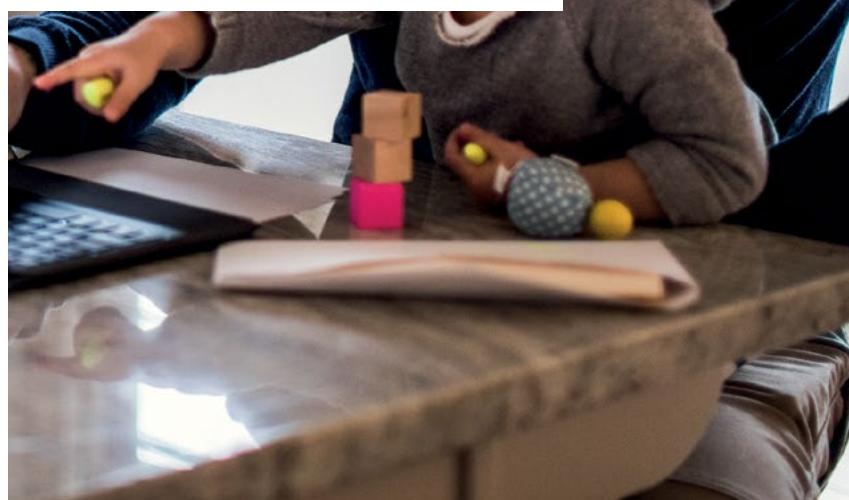
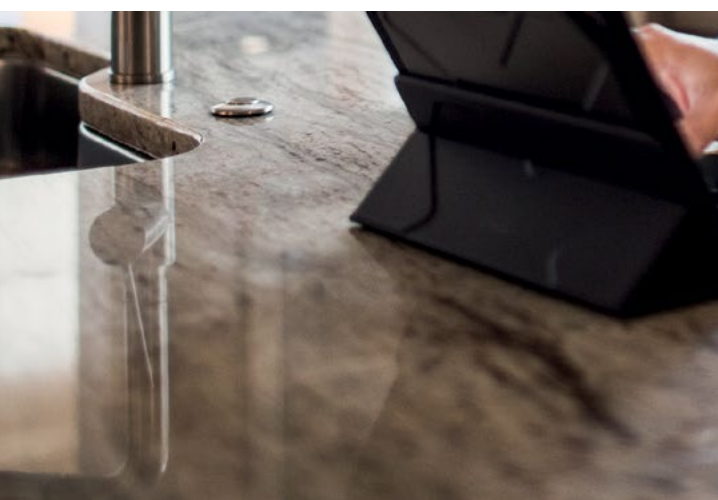
This issue was not caused by the pandemic. Instead, the pandemic highlighted the importance of equality in the home to a broader audience. The link between women’s unpaid labour and gender equality received greater **recognition** by the public, with dedicated reporting on the issue in the mainstream media.⁴⁵

How gender norms and gender roles lead to the motherhood penalty and gender pay gaps:

- **Underemployment:** Women have to reduce their working hours or leave work in order to make time to care for their children.⁴⁶ Often they move to insecure work in order to get the flexibility they need, therefore missing out on key employment rights and protections.⁴⁷
- **Reduced productivity while at work:** The pandemic and the growth of remote working highlighted that it is women, more often than men, who are left to look after children at the same time as working, leading to interruptions and distractions that men don't have to deal with.⁴⁸
- **Lower rates of promotion and progression when returning to work after having a child:** After childbirth, women are less likely to move up the career ladder than men once they have returned to work.⁴⁹
- **Discrimination / bias in hiring and other employer decisions:** In the UK, a 2016 survey found up to 77% of working mothers have faced discriminatory experiences at work.⁵⁰ The systemic nature of this discrimination often stems from a 'maternal wall bias' where colleagues assume that women will be less competent at their job once they start raising children.⁵¹ This bias is unlikely to go away until it becomes accepted that fathers are just as likely to have primary responsibility for childcare as mothers.



Section 4: The UK's childcare affordability crisis

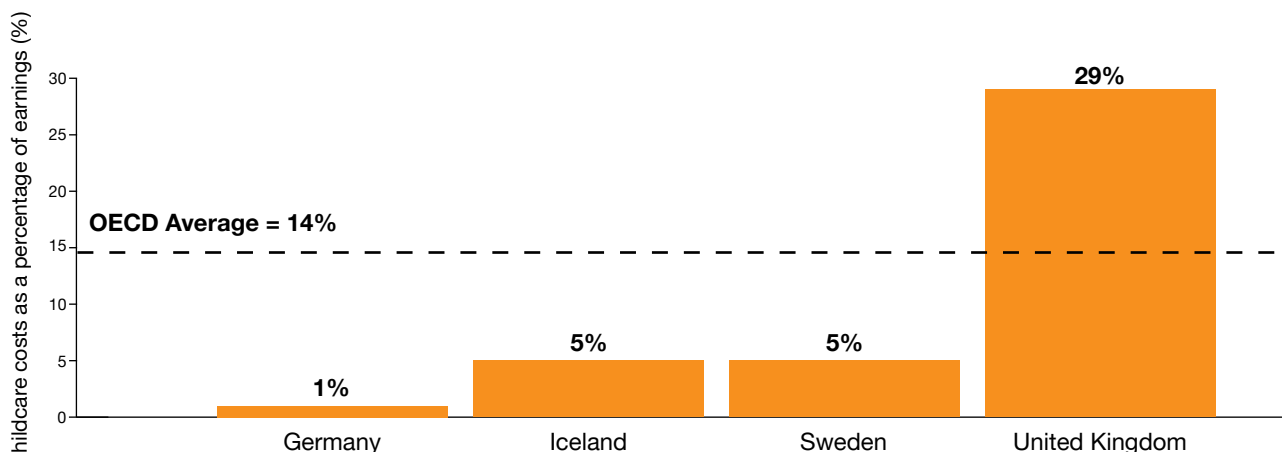


The increasing cost of childcare in the UK threatens to exacerbate the motherhood penalty by pricing a growing number of women out of work

In the UK, there is currently a one to two year gap between the end of parental leave and the beginning of free childcare. During this time, parents above a certain income threshold are not entitled to any government-provided childcare support. Currently, fully funded childcare hours are only offered to three and four year olds (and some two year olds) during term time.⁵² The Scottish and Welsh governments have, however, confirmed their intention to expand provision of free childcare to one and two year olds in the next few years.^{53,54} Similar options are being considered by HM Treasury, but no commitment has been made.⁵⁵

This means most working parents earning above a certain income must pay for childcare once they return from parental leave. In 2021, the UK reported one of the highest childcare costs relative to average incomes across the OECD.⁵⁶ On average, full time childcare for two children costs 30% of income for a couple both working full time – one parent earning two thirds of average wage and the other earning average wage.⁵⁷ In Germany, for an equivalent couple, childcare costs amount to just 1% of income.

Figure 4a: Net childcare costs as a percentage of income for parents using full time childcare facilities for two children* (where one parent earns average wage and one parent earns 67% of average wage), 2021



Source: PwC analysis of OECD data on net childcare costs for parents using childcare facilities. Available [here](#).

*Data shows net cost of childcare after any benefits designed to reduce the gross childcare fees. Childcare benefits can be received in the form of childcare allowances, tax concessions, fee rebates and increases in other benefit entitlements.

Since 2015, childcare costs in the UK have risen dramatically, while income growth has slowed. Average nursery costs per week rose by more than 20% between 2015 and 2022,⁵⁸ while average weekly earnings rose by 14% (both in nominal terms).⁵⁹

Rising costs have come amid declining availability of providers. Between 2018 and 2022, there was a 10% fall in the number of childcare providers.⁶⁰ A 2021 survey by the Centre for Progressive Policy found one in two mothers in the UK struggled to find affordable childcare.⁶¹

As a result, increasing numbers of women are choosing to leave the workforce after parental leave or reduce their paid work hours to care for their children. In March 2022, the Women's Budget Group estimated that 1.7 million women were prevented from taking on more hours of paid work due to unaffordable childcare,⁶² contributing to the motherhood penalty experienced by working mothers.

For low income families, childcare costs can 'price out' parents from the labour market. High childcare costs and the withdrawal of Universal Credit means for some mothers it is more costly to go back to work than it is to stay at home, impacting mothers' financial independence and pulling more families into poverty by limiting their earnings.⁶³ The IPPR found mothers with a partner in work could see effective marginal tax rates of up to 130% to work more than 25 hours per week once the cost of childcare and changes to benefits and taxes have been factored in.⁶⁴

The provision of affordable childcare is therefore an important tool in reducing the motherhood penalty. PwC research has found that expansion of free childcare in England results in a positive and significant impact on both labour market participation and employment rates in the immediate years following the policy change. The analysis suggests further expansions of the free childcare offering could generate further increases in the size of the labour force, with work becoming a more cost effective decision for households.⁶⁵

⁶⁵ The full report is a forthcoming publication by the PwC Economics team in Spring 2023, please contact siobhan.prendiville@pwc.com for further details



Section 5: The current parental leave system in the UK



Today's parental leave policies reinforce societal expectations of women's primary role as caregivers, and cause direct damage to women financially both in the short and long term.

A lack of affordable childcare contributes to the motherhood penalty by forcing many women to leave work to care for children. However, the inequalities driving the motherhood penalty begin earlier than this – through the structure of parental leave policy. In most OECD countries, parental leave policies incentivise women to take more time to care for their children after birth compared to men,⁶⁶ setting expectations and patterns around childcare that persist throughout adolescence. From the outset then, men and women are impacted differently by parental leave and childcare policies that interact with each other as part of a wider family support system.

It also means that by taking the majority of parental leave after birth, women's careers and earnings potential are impacted – all of which contributes to the motherhood penalty.

Early years impact: women lose out financially as soon as they take time off for children.

In most OECD countries, statutory parental leave entitlement is significantly longer for women than for men.

- **Comparing overall entitlement to paid leave at the statutory level (far below full income):** Mothers are legally entitled to an average of 19 weeks of statutory paid *mother-specific* leave across OECD countries, with the rate of pay varying by country.⁶⁷ This compares to just two weeks of statutory paid father-specific leave.⁶⁸

Time out from work when a child is born puts women at an immediate direct career disadvantage compared to men in the short-term. This is observed through:

 <p>A drop in earnings while on maternity leave.</p>	<p>The majority of OECD countries provide payments that replace around 50% of previous earnings for mothers. Payment rates are lowest in Ireland and the UK, where less than one-third of gross average earnings are replaced by the maternity benefit.⁶⁹</p>
 <p>Loss of experience, training, and promotion opportunities while on leave.</p>	<p>A 2019 study by the UK government found that in the five years after childbirth, half as many women move to a job with a higher occupational status compared to men (13% vs 26%).⁷⁰</p>
 <p>Women leaving the workforce altogether, particularly those with less education.</p>	<p>The same study showed less-educated women are half as likely to go back to work full-time after childbirth compared to women with degrees.</p>

Longer term impact: Women taking more parental leave leads to them taking the role of ‘primary carer’ across a child’s life, reinforcing the unfair share of care, and propagating gender norms across generations.

- **It sets long-term expectations between parents that women will do more childcare.** The expectations set during the initial months of a child’s life influences the distribution of unpaid childcare undertaken for the rest of that child’s adolescence. A German study found that fathers who take paternity leave continue to do a larger share of childcare and housework for at least the first six years of their child’s life, compared to fathers who don’t take leave.⁷¹
- **It influences children’s understanding of gender roles.** Daughters whose mothers provided most of the childcare are more likely to also provide most of the childcare when they have children.⁷² Perceptions of gender identity are formed during childhood and help explain the persistence of the gender pay gap intergenerationally.⁷³

Throughout this report we have used ‘mothers’ when considering Maternity Leave and ‘fathers’ when considering Paternity Leave, in line with the research referenced and data available to us in conducting our own analysis. We note that this is not a perfect substitution and acknowledge that it may not fully reflect the gender identity of the populations eligible for either maternity leave or paternity leave under current parental leave systems in the UK.



How the UK's Shared Leave policy falls short

The UK's Shared Parental Leave Policy has failed to increase paternity leave rates; only a third of fathers take any leave at all.

On average, new mothers in the UK took 39 weeks of maternity leave in 2021. Two out of five mothers took more than 39 weeks.⁷⁴ Comparable figures on the average amount of leave taken by fathers are not readily available, but according to HM Revenue and Customs (HMRC), in 2018 only one in three eligible fathers took any paternity leave.⁷⁵ Part of the reason for this discrepancy is the vastly different level of entitlement to paid leave between mothers and fathers, both from the UK Statutory Parental Leave policy, and from enhanced leave schemes provided by employers.

Eligible employees are guaranteed Statutory Parental Leave, although the entitlements are very different between parents:

- **Mothers:** 54 weeks total. Weeks 1-6 at 90% pay (no cap), weeks 7-39 capped pay (max £156.66 per week), weeks 40-54 no pay.
- **Fathers:** 2 weeks total. Weeks 1-2 capped pay (max £156.66 per week).⁷⁶

This puts the UK statutory rate of pay at among the lowest in Europe.⁷⁷

If two parents used their maximum statutory entitlement and earned the UK average weekly wage (£613 in 2022),⁷⁸ the mother would be eligible for **27 times** the length of leave as the father, and receive **£8,500** of pay during her leave, compared to just **£310** for the father.⁷⁹

Most employers enhance parental leave for employees, to provide additional leave and/or pay to parents beyond statutory entitlements. Almost three quarters of private sector organisations offered enhanced maternity leave in 2022, while just under two thirds of organisations offered enhanced paternity leave.⁸⁰

Mothers at most organisations receive full pay for six weeks or more, with 12 or 13 weeks the norm, and then receive Statutory Parental Pay after this period. Fathers normally receive full pay for only two weeks.⁸¹ Entitlements vary widely between organisations and some companies offer much more generous parental leave policies than the norm.

These 'standard' enhanced policies can even deepen the inequality between mothers and fathers. If the same two parents earning an average weekly wage were entitled to the type of enhanced parental leave policies as described above, the mother would be entitled to **27 times** the leave and receive over **£11,600** compared to just **£1,200** for the father.

Table 5: Parental leave and pay entitlements for a mother and father, both earning the 2022 UK average weekly salary⁸²

	Statutory Parental Leave		Example 'normal' Enhanced Parental Leave ⁸³	
	Mother	Father	Mother	Father
Total weeks	54	2	54	2
Total pay	£8,500	£310	£11,600	£1,200

In 2015, the UK Government introduced a Shared Parental Leave scheme, aiming to encourage fathers to take more parental leave. Under this policy, a mother is allowed to share 50 (out of 52) weeks of her maternity leave entitlement with the father of the child, and he can take this leave at the same or a different time.⁸⁴ In 2019 this policy had an estimated uptake of just 2-8% of eligible fathers.⁸⁵ Although in theory many parents can now share their leave equally, in practice this is not happening.

⁷⁶ The mother's leave entitlement applies to mothers who gave birth to their child. Non-birthing mothers are entitled to 52 weeks of leave.

⁸³ i.e. Mothers: 100% pay for 12 weeks, statutory pay for, Fathers: 100% pay for 2 weeks.

Why the uptake of Shared Parental Leave is so low

1. Lack of affordability: Using Shared Parental Leave is too costly for families, and often more costly than using maternity leave. The change to UK law only guarantees the right to sharing parental leave paid at the statutory level. This flat rate only reimburses 25% of the average 2022 UK weekly earnings.⁸⁶ Many employers offer enhanced maternity leave but **not** Enhanced Shared Parental Leave and so in these cases, the mother would only receive full income if she took maternity leave and did not share her leave.

Even when the mother's employer offers Enhanced Shared Parental Leave, families where the father earns more than the mother could still lose out.

A father's full income will only be reimbursed if **his** employer also offers Enhanced Shared Parental Leave. If he is not offered Enhanced Shared Parental Leave then he will only be reimbursed the mother's lower income for any leave taken, losing his higher income over this time.

In both of these cases the family is financially worse off when the mother chooses to share her leave, rather than taking all the maternity leave herself. This is of heightened concern to UK families at the moment due to cost of living pressures and the ongoing childcare crisis.

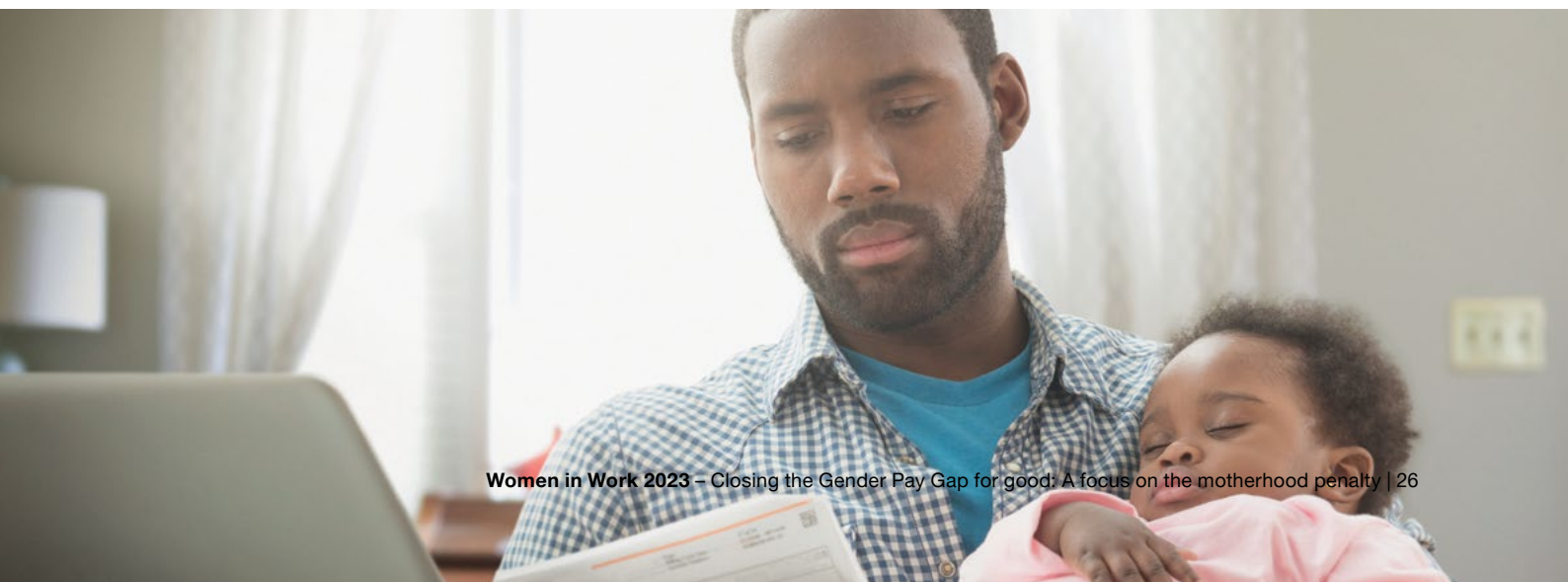
2. Lack of provision of independent paid leave entitlements: The amount of leave the father takes relies on the mother giving that leave up. Under the current policy, additional weeks of leave for the father come at the cost of fewer weeks of leave for the mother. This bakes the idea of 'sacrifice' into the design of the policy and disincentivises fathers from taking away a mother's time with a child. Also, the current policy makes fathers dependent on the mother's entitlement – if the mother is not eligible for Shared Parental Leave, then the father also loses out.

3. Transferability: Fathers face no cost for not taking paternity leave. Apart from the first two weeks of statutory maternity and paternity leave, in most policies parental leave is transferable between the father and mother. This is in contrast to a non-transferable 'use it or lose it' policy, which imposes a cost on fathers for not using their leave and therefore increases paternity leave uptake.

Many parents also fall outside eligibility for any type of paid parental leave. According to the Women's Budget Group, 28% of the workforce do not have access to paid paternity or maternity leave, as they are self-employed or have been with their employer for less than 26 weeks.⁸⁷

To summarise the current situation for fathers in the UK:

- While some employers offer generous parental leave policies to both mothers and fathers, most private sector companies offer vastly more leave and pay to mothers on parental leave compared to fathers.
- Theoretically this leave could be shared between parents but **the vast majority of mothers do not share their leave.**
- Many employed fathers do not receive enhanced paternity leave and therefore are only entitled to very low rates of Statutory Parental Pay and Statutory Parental Leave.
- A significant proportion of fathers do not qualify for any paid leave at all.
- The outcome of this is that fathers take far less parental leave than mothers in the UK.



Section 6: OECD success with Equal Paid Parental Leave



Equal Paid Parental Leave policies implemented by OECD governments have been successful at increasing fathers' uptake of parental leave. Lessons from the experience of OECD countries are important to inform effective policy design and implementation.

What is Equal Paid Parental Leave?

Equal Paid Parental Leave is a leave policy that entitles each employed parent to a period of (adequately) paid leave from employment when a child arrives. The amount of paid leave a parent is entitled to is irrespective of their gender; and depends on their own employment status, not that of the other parent.

Which OECD countries offer Equal Paid Parental Leave, and is it working?

Policies have already been implemented in OECD countries including Iceland, Sweden and Germany. These policies have led to increased uptake rates of leave for fathers, and participation rates in the workforce for women.

In Sweden and Iceland, 90% of fathers took their parental leave (as of 2018).⁸⁸ These OECD countries have also been consistent top performers on our Women in Work Index. For example, Iceland reported the highest female labour force participation rate across the OECD in 2021 at 82%, followed closely by Sweden at 81%.

What is on offer

- Iceland:** Both parents are entitled to paid leave from childbirth, irrespective of their gender. The total allowance is 24 weeks for each parent, paid at 80% of the parent's average salary. A maximum of six weeks of leave can be transferred to the other parent.⁸⁹
- Sweden:** Both parents are entitled to 34 weeks of leave in total. 28 weeks are paid at 80% of income and six weeks are paid at 180 SEK per day (around £14). This policy is partly transferable: each parent can transfer up to 21 weeks to the other parent, but 13 weeks (at 80% pay) are non-transferable.⁹⁰
- Germany:** Both parents are entitled to three years of leave after childbirth, of which 24 months can be taken up until the child's eighth birthday. One year is paid at 65% of net earnings up to €1,800/month and this is non-transferable. If parents both take at least two months of leave each they are entitled to an additional two months of paid leave. Single parents are entitled to 14 months of paid leave.

Table 6: Key features of Statutory Parental Leave policies and estimated paternal uptake in four OECD countries

	'Use it or lose it**	'Adequate rate of pay***	Independent leave entitlement	Estimated uptake rate***
Iceland	☑	☑	☑	85% ⁹¹ to 90% ⁹²
Germany	☑	☒	☑	6% ⁹³
Sweden	☑ (38% non transferable)	☑	☑	90% ^{94,95}
UK	☒	☒	☒	2-8% ^{96,97}

Source: PwC analysis of various sources, listed in endnotes.

*Use it or lose it: the amount of non-transferable weeks must be at least 50%.

**Adequate rate of pay: assumes at least 80% of the individual's salary.

*** Estimated uptake: percentage of eligible fathers taking leave for any period of time.

⁹⁷ This figure is an estimate of how many eligible couples have used shared parental leave in the UK.

Successful policies have the following three key features:

1. Affordability: Parental Leave is paid at an adequate rate to incentivise uptake. The statutory rate of pay is high enough for both parents to find it financially viable to take time off. This incentivises the higher earning parent, which is most often the father, to also take time off.

2. Provision of independent paid leave entitlements: The father has his own entitlement to leave, that is not dependent upon what the mother is entitled to. Every parent (regardless of gender or birthing/non-birthing) is given their own leave entitlement that does not depend on the employment circumstances of the other parent. This means leave taken by the non-birthing parent does not reduce the leave entitlement of the birthing parent (and vice-versa).

3. Non-transferability: At least some of the individual leave entitlement is 'use it or lose it': For example, if a father does not take the parental leave he is entitled to, it cannot be taken by the mother (it is non-transferable to the other parent), and he simply loses the leave altogether. This incentivises all parents to take leave when a child arrives. This feature can be particularly important – for example, in Iceland, prior to the implementation of non-transferable days in 2001, fathers averaged 39 days of leave. In 2008, with the non-transferable quota, this number rose to 103 days.⁹⁸

Lessons to be learned from OECD successes

Successful Equal Paid Parental Leave systems incentivise fathers to use it, and fit in more broadly to well-designed childcare infrastructure that promotes gender equality. Sweden, Iceland and Germany have brought in Equal Paid Parental Leave gradually over the last 50 years, through incremental changes in policy. Below are some specific considerations for UK policymakers based on these countries' experiences.

1. Design parental leave policies that support the 'dual earner-dual carer model'.

- Parental leave supports families without propagating traditional gender roles that place more importance on men's labour market outcomes than women's.
- Parental leave policies, and broader family policies, in most Nordic countries – including Iceland and Sweden – are designed with the purpose of supporting a dual earner-dual carer family model. These policies are orientated towards families where both parents participate in the labour market and also share unpaid care responsibilities at home.⁹⁹
- Reforms to family policies in Germany over the past two decades, such as moving towards non-transferable paid paternity leave, constitute a shift towards this model.¹⁰⁰



2. Implement staged changes to improve parental leave policies.

- Implementing Equal Paid Parental Leave policies will not happen overnight. OECD countries that have implemented these policies have achieved their current policy state through continuous improvements. For example, when Iceland first introduced an Equal Paid Parental Leave policy in 2000, it provided a total of nine months to parents (with three months non-transferable leave for each parent and three months shared parental leave). Since then, the Icelandic government has implemented a step-by-step increase to expand total duration to 12 months and increase the non-transferable quotas available for each parent.¹⁰¹
- Gradual improvements can also address aspects other than duration, such as eligibility and incentive mechanisms. The German government has also continued to improve its Equal Paid Parental Leave offering after a landmark reform in 2007. For example, it introduced an extra four months of benefit payments for parents if both parents worked between 25 and 30 hours per week. This was intended to incentivise mothers to work more hours per week and fathers to use more of their parental leave provision.¹⁰²

3. Provide additional specific support to low-income families.

- Parents earning low incomes often face the brunt of unpaid childcare duties given they are least likely to be able to afford childcare and will also be more severely impacted by reduced pay during parental leave.
- Parental leave and broader childcare system policies should consider income inequalities and the needs of mothers, fathers, and families on low incomes specifically. For example, one of the German government's reforms to its 2007 Equal Paid Parental Leave policy was to provide family benefits to parents who reduce their weekly working time to 30 hours per week or less, capped at 67% of net income earned in the year before birth. For low-wage earners, the benefit provided is 100% of previously earned income, and is a minimum of 300 euros.¹⁰³ Unemployed parents also receive a minimum of 300 euros as part of this benefit. Nuances in policies that address existing income inequalities are crucial to ensure that lower-income parents aren't excluded from the benefits of such policies.

4. Consider the overall policy and societal landscape, and the long term gains from gender equality, to overcome short term affordability constraints.

- In Iceland, the increase from nine to 12 months of total paid parental leave was initially revoked due to a new coalition government coming to power and deeming the law to be unaffordable in 2012. Following this setback, the government appointed an independent committee in 2014 to address the expansion of parental leave duration and compensation.¹⁰⁴ This led to the successful expansion of the policy to what it is today.
- At the same time, the Icelandic government also set up a separate committee aimed at increasing the capacity of preschools so that childcare is available once parental leave ends.

Section 7: The path to equalising paid parental leave



The cost of Equal Paid Parental Leave policies is the largest barrier to wider implementation by employers

Governments and employers should work together to overcome affordability barriers – even a small increase in provision of paid paternity leave is a positive step in the right direction.

Almost three quarters of private sector organisations in the UK offered enhanced maternity leave in 2022, while just under two thirds of organisations offered enhanced paternity leave.¹⁰⁵ For most employers, enhanced paternity leave is still just two weeks of paid leave.¹⁰⁶ While there are some UK employers that go far beyond the UK statutory requirements, the high cost of Equal Paid Parental Leave is currently cited as the largest barrier to its wider implementation by employers in the UK.¹⁰⁷

Currently in the UK, where employers offer enhanced parental leave benefits (beyond statutory) to mothers and/or fathers, it is the employer that bears the cost of the additional salary payments. A change in policy to ‘effectively double’ current provision of paid parental leave for many employers, is not a small undertaking, and would result in increased financial and economic costs to employers.¹⁰⁸ These costs would be considerable for many employers, and will vary between companies based on factors such as size, industry, business model and workforce demographics.¹⁰⁹ Small businesses that need staff to be directly replaced could find the additional costs prohibitive.

Implementation of any nationwide increase in paid paternity leave would therefore depend on both the Government and employers finding a solution affordable for both. Currently, businesses are able to claim back 92% of Statutory Parental Leave payments, while small businesses can claim 103% of payments if they qualify for Small Employers Relief. The issue is that these payments are too low to incentivise individuals – fathers – to take the leave.

For many employers, increasing this entitlement of their own volition also comes at the expense of providing other employee benefits; and many have instead prioritised increasing maternity leave entitlement, or providing childcare or cost of living support, or other family benefits.

Direct costs to employers

The main costs of extending existing paternity leave policies for employers include:

- **Additional salary cost** – the cost of paying for replacement staff during parental leave. A survey of FTSE 350 companies found the increased cost to cover staff on leave was the largest negative impact of parental leave policies, with 36% of companies reporting this to be of moderate to major significance.¹¹⁰
- **Operational and business planning costs** – such as the cost of arranging additional staff cover during parental leave and of making changes to the design of parental leave policies.
- **Administrative costs to amend systems and processes** – this includes those associated with both employees who are taking more parental leave, remaining staff and the replacement employee(s).
- **Increased pressure on remaining staff** – employees taking more parental leave could result in higher workload and stress for remaining employees if the employee is not replaced. This may have indirect effects on the performance and productivity. More than one in five FTSE 350 companies surveyed found this negative impact to be of moderate to major significance.¹¹¹

¹⁰⁸ Simplifying assumption: Most UK employers provide only 2 weeks of paid leave to fathers currently, and 12-13 weeks paid leave to mothers on average. With a 50/50 male/female workforce split, UK employers could see Equal Paid Parental Leave as effectively doubling the salary cost of their parental leave provision, because the number of employees entitled to it effectively doubles. In reality, we would not see an 100% uptake of leave by fathers straight away, and for many employers, the costs of the additional leave would not necessarily be a direct financial cost to the business annually, if employees on parental leave are not directly replaced.



A gradual increase in fathers' paid leave entitlement is a step in the right direction

If employers begin to introduce even incremental increases in paid parental leave for fathers, this will have a positive effect on gender equality. A handful of UK employers across the retail, financial services, consumer goods, and telecommunications industries are leading the way on Equal Paid Parental Leave, with generous policies providing paid leave to all parents irrespective of gender. A much broader set of UK employers recognise the need for expanding their parental leave offering, and are taking smaller but important steps to extend their current paid leave offering. Nearly half of respondents from a 2022 survey of senior decision makers in organisations across the UK would support extending statutory paternity leave and pay.¹¹²

A transition to gender neutral terminology and parental leave offerings such as Equal Paid Parental Leave offerings will help to resolve the challenges which may currently be experienced by transgender and non-binary parents trying to access gendered parental leave offerings. Such offerings will also have wider benefits for inclusion, such as for single parent households and same gender couples.

Benefits to employers would help to partially mitigate costs of extending leave

Our benefits analysis (in the next section) includes quantification and discussion of some of the benefits employers could expect to realise from providing more paid paternity leave. Savings would accrue to employers in reduced recruitment and turnover costs, when more women return to work sooner after maternity leave. This would help to partially mitigate the costs of providing additional leave for fathers.

In the longer term, payoff to employers that introduce Equal Paid Parental Leave – or even more paid paternity leave – could be more substantial. Employers (and particularly those who are first movers) would benefit from greater ability to attract and retain top talent. Working for a socially responsible employer that prioritises gender equality and provides supportive family benefits is attractive to everyone, not only mothers and fathers. In theory this will lead to a happier, healthier, and smarter workforce – boosting productivity, and improving financial performance in the long run. These benefits are however more challenging to measure, and difficult to ‘prove’.

Section 8: Benefits to the UK of Equal Paid Parental Leave



An effective Equal Paid Parental Leave system has the potential to benefit women, men, children, and wider society¹¹³

It could also contribute to a happier, healthier, more productive, and more prosperous workforce, bringing benefits to employers too.

Here, we present the findings from our economic analysis of the potential benefits of implementing Equal Paid Parental Leave in the UK. Our core hypothesis is that by moving from shared parental leave to Equal Paid Parental Leave (on a nationwide basis), UK fathers would take more parental leave. Our analysis demonstrates how this would, in turn, lead to benefits for women, families, society, and employers. This shift in behaviour would enable women to return to work sooner, and in the longer term drive a change in ingrained societal attitudes about gender roles and childcare. This would help to speed up progress towards gender equality, reduce the motherhood penalty, and narrow the persistent gender pay gap.

Our economic analysis

We examine how an increase in the length of parental leave taken by fathers would result in benefits for individuals, society, and employers in the UK. It includes quantifying and monetising some of these identified benefits over a 20 year time period, assumed from 2023 to 2043.¹¹⁴ It is based on the (implicit) assumption that these benefits would be realised, if on average 70%+ of men in the UK took around five weeks of parental leave upon the arrival of a child.^{115,116} The ‘five week’ number is not an exact science, but is based on our research and examination of a range of international studies that examine the effects of parents spending more time (of varying lengths) with their children in early childhood.^{117,118,119} We took the results from across this range of studies and applied them to the number of new mothers, fathers, and children in the UK each given year, making our own assumptions where needed.¹²⁰

Overall, the quantified benefits are a conservative estimate, as they only include a subset of all benefits identified, and are in many instances likely to accrue over a longer period of time than 20 years. Benefits would also likely be larger if men were to take substantially more than five weeks parental leave (e.g. 39 weeks – the same as the average mother in the UK), however globally there is very limited empirical evidence to support a robust analysis of this scenario.¹²¹

Summary of impacts quantified:

Based on the methodology outlined above, we have estimated the following impacts from fathers taking more paternity leave:

- An additional 720,000 women in the UK would remain in full time employment (over our 20 year analysis period), contributing to an increase in lifetime earnings for women.
- An additional 230,000 mothers and 240,000 fathers would no longer suffer from postpartum depression (over our 20 year analysis period).
- An additional 66,000 children every year (10% of births) would score one grade higher in either Mathematics or English at GCSE once they reach high school age; leading to an increase in their lifetime earnings of £330m.
- Follow-on benefits to wider society from improved health and educational outcomes – including ~£1.4 billion to the National Health Service (NHS) from reduced incidence of postpartum depression.
- Cost savings for employers of ~£260 million each year in reduced recruitment and turnover, which would partially offset costs of additional leave provision.

¹¹³ We define an ‘effective’ system as one that incentivises 70%+ of men to take on average five weeks of parental leave when a child is born. Currently only around a third of men in the UK take up their statutory 2 week parental leave entitlement. Source: EMW, 2019. Less than a third of eligible men take Paternity Leave.

¹¹⁴ A 20-year analysis period was chosen as our core scenario for quantifying and monetizing a set of comparable benefits that are expected to accrue to different stakeholders. Because we have not quantified all possible benefits and costs, a 20 year analysis period is illustrative only of the potential level of benefits that are expected to arise over that time period. In reality, it is possible that the benefits of implementing Equal Paid Parental Leave would be experienced much further into the future, beyond a 20 year time horizon.

¹¹⁵ The five weeks of parental leave is calculated as the average length of leave taken across all of the different academic studies which are used to calculate the impact of parental leave on mothers, fathers and children.

¹¹⁶ Currently in the UK the majority of fathers (two-thirds) take no paternity leave and so for this reason in our modelling of benefits we look at the impact associated with fathers increasing the length of their leave. Fatherhood Institute, 2022. Available [here](#).

¹²⁰ We assumed that some of the benefits would be realised from the first year (e.g. mother and father mental health improvements), and others would take time before they were realised (e.g. improvements in child’s education). Further detail on assumptions is provided in our Technical Appendix: *Benefits and Costs of Equal Paid Parental Leave*.

Table 7: Benefits of fathers taking more parental leave



¹²² The five weeks of parental leave is calculated as the average length of leave taken across all of the different academic studies which are used to calculate the impact of parental leave on mothers, fathers and children.

¹²³ Fathers may experience a reduction in their lifetime earnings as they spend more time out of the workforce and more time on childcare responsibilities. Our analysis does not account for this potential loss in lifetime earnings. A reduction in fathers lifetime earnings may contribute towards rebalancing the gender pay gap.

An effective Equal Paid Parental Leave policy would deliver broad benefits, creating a happier, healthier and richer society in the UK

Mental health



At least **230,000** mothers



and **240,000** fathers

would no longer suffer from postpartum depression in the UK up to 2043



Society benefits:
£1.4bn
cost savings to NHS

Female workforce



Over **720,000** additional women would remain in full-time employment over a 20 year period



Employer benefits:
£260m
Annual savings from reduced recruitment and labour turnover costs



Quantified benefits of fathers spending more time taking care of their children in the early years

Education standards



66,000 children born in 2023 would score one higher grade in Maths or English GCSE

Or around **10%** of children born in 2023;

This would lead to an increase of **£330m** in lifetime earnings for these children.

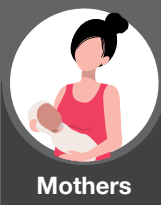


Society benefits:
£180bn
cost savings to society

Methodology note:

Our analysis covers a 20 year period from 2023 to 2043. Our scenario assumes 70% of fathers will take 5 weeks of leave from 2023, with uptake increasing to 90% by 2043.

Stakeholders impacted



Our findings in detail: Benefits for Women in the UK

Women's lifetime earnings would increase over time, helping to close the persistent gender pay gap. If fathers in the UK took more parental leave, an estimated additional 720,000 women in the UK would remain in full-time employment (over a 20 year analysis period).¹²⁴

This result is based on research that finds that when paternity leave policies are introduced by governments, mothers on average see employment rates 2.9 percentage points higher 2 to 3 years after giving birth, relative to non-mothers.¹²⁵

If we included women who currently work part time or reduced hours to care for children in the analysis, this number would be higher.¹²⁶ Our Index results show that in 2021, the proportion of employed women in the UK who work full time fell by half a percentage point.¹²⁷ With the UK ranking 28th (out of 33 OECD countries) on this metric, more women in full-time employment would improve the UK's overall ranking and performance on the Index.

A more equitable distribution of parental leave between women and men has the potential to go beyond increasing participation of mothers in the workforce. As it becomes normalised for both parents to take time off to care for children, instances of discrimination and unconscious biases against women at work that influence recruitment or promotion decisions would fall, helping to further counteract the 'motherhood penalty'.¹²⁸

If women took less time out of the workforce, it would increase the retention of knowledge and skills and further influence promotion decisions. This would improve career progression outcomes for **ALL women** and over time there would be more women in senior leadership positions. More women in the workforce and better career progression would also increase average female earnings, (all else equal) narrowing the gender pay gap.¹²⁹

Health: The benefits to women of fathers contributing more to childcare extend beyond the financial, to improved health and wellbeing.

Evidence shows unpaid domestic work and childcare is linked to greater mental health difficulties and decreased quality of life.¹³⁰ Studies find the presence of the father in the immediate period of time following a child's birth acts as a key contributor towards supporting the mothers' mental health. Specifically, this is found in reducing the risk of the mother suffering from postpartum depression.¹³¹ Postpartum depression is found to lead to a lack of mother-child bonding, difficulty breastfeeding, and slower emotional development of the child. It currently affects one in 10 mothers in the UK.^{132,133}

Our analysis finds that if fathers in the UK were to take more leave, at least 230,000 mothers in the UK would no longer suffer from postpartum depression (over a 20 year analysis period).

Postpartum depression is not the only health issue likely to improve for women. Stress and loneliness are among the critical challenges mothers experience. Research shows that both fall as fathers take on more childcare responsibilities. One notable study finds that mothers, especially working mothers, more commonly experience increased levels of stress from parenthood due to the double shift of work and household/care work; and this reduces as fathers increase their time and support in the initial weeks of the child's birth.¹³⁴

¹²⁴ This is based on a study assessing the effect of the introduction of paternity leave policies by governments across 10 European countries, on mothers' employment rates. The length of paternity leave introduced varied across countries, with a maximum of up to 8 weeks in Germany. The study found that on average, paternity leave led to mothers' employment rate increasing by 2 percentage points after 2-3 years and 7.8 percentage points after 8 years of giving birth, relative to non-mothers.

¹²⁷ The proportion of all female employees who work full-time.



Benefits for men and children in the UK

If fathers in the UK took more parental leave, it would improve their mental health; as well as in their children's overall life outcomes in the longer term.

Women are not the only ones who benefit from men taking more parental leave. There are health and wellbeing benefits for both mothers and fathers, and also children. All family members would experience a reduction in mental health illnesses, and an improvement in wellbeing from better inter-parental relationships and stronger father-child/family bonding. Children would also benefit from better educational attainment and improved behavioural outcomes.^{135,136,137,138,139}

Mental health and wellbeing

Our analysis shows fathers in the UK also benefit from improved mental health and wellbeing if they took more parental leave. Fathers who take on a greater share of childcare responsibilities experience improvements in overall wellbeing, as well as a boost in job satisfaction, improved work-life balance, and fewer work-family conflicts.¹⁴⁰

If fathers took more parental leave in the UK, we estimate in our analysis that at least 240,000 fathers would no longer experience postpartum depression (over a 20 year period).

Currently in the UK, one in 10 fathers suffer from this (a similar rate to women). This decreases to one in 13 when fathers take up longer periods of leave.^{141,142,143} Our research and analysis finds that increasing paternity leave will impact fathers' mental health as much as the impact on their partners. Paternity leave gives fathers an opportunity to spend time with their newborn children and help to care for them, creating a sense of satisfaction and fulfilment in their lives. Activities such as infant feeding and skin to skin contact, as well as having time to adjust to being a parent reduces stress levels and the likelihood of developing postpartum depression.¹⁴⁴

¹⁴³ The analysis conducted to calculate the reduction in postpartum depression amongst fathers relies on a different set of data points and academic research papers than for the calculation around the reduction in postpartum depression for mothers. For this reason, they are not like for like and we approach comparing the impact on mothers to the impact on fathers with caution.

Children benefit from less parental conflict, and greater bonding with their fathers.

Fathers who take on a greater share of childcare responsibilities are more likely to benefit from reduced levels of conflict and improved relationship satisfaction with their partners.¹⁴⁵ This has important benefits for children, as well as parents. Parental conflict is linked to an increased risk of child mental health conditions, with studies showing higher rates of anxiety, depression, behavioural problems, academic problems, physical health problems, and social and interpersonal problems: which significantly affect long term life chances.¹⁴⁶

Studies also find fathers who take extended leave at their child's birth assume a greater role in their child's upbringing and development throughout their life, triggering benefits well into the future, specifically for children.¹⁴⁷ Children whose fathers are more involved in the initial weeks of their lives and further throughout their formative years are found to experience improvements to their educational performance. In particular, a child's cognitive development is found to accelerate, which is linked to improvement in educational attainment.¹⁴⁸

Educational attainment

If fathers took more parental leave, more than 66,000 children every year (c. 10% of the total births) would score one grade higher in either Mathematics or English at GCSE. Educational attainment is a key determinant of lifetime earnings and with further analysis we can quantify the extent to which lifetime earnings increase as a result of improved GCSE grades.¹⁴⁹

Our analysis finds that the estimated improvement in GCSE grades would lead to an average increase in lifetime earnings of £330m for children every year.

Studies show the involvement of both fathers and mothers in a child's early years extend beyond educational outcomes, to improvements in a child's ability to empathise, and reduced aggressive tendencies.¹⁵⁰ More equitable household structures are proven beneficial to a child's emotional development, and in turn influence their behaviour and attitudes, particularly towards education and schooling.¹⁵¹



Benefits for UK society

The benefits of an effective Equal Paid Parental Leave system would extend beyond the family unit to wider society. The policy has the potential to influence the systemic evolution of gender roles, creating a more equal society for the next generation.

The impact of a more equitable parenting structure could affect whole-scale change in societal attitudes about gender roles. For fathers, the involvement in the care of their children from birth opens the doors to further involvement throughout their child's life. This offers a glimpse of how traditional gender roles could evolve over time.

For example, evidence suggests children in households with working mothers are less likely to align with long-standing gender norms regarding household tasks. Sons are found to be more likely to spend time caring for family members and daughters less time completing housework.¹⁵² The shifts in the expectations and attitudes of children exemplify the intergenerational impacts of an Equal Paid Parental Leave policy solution.

Cost savings to wider society in the UK

There would be follow-on benefits to wider society from improved health and educational outcomes.

If fathers took more parental leave it would benefit everyone in society, beyond the immediate family unit. Better health, educational, relationship, and child behavioural outcomes would reduce demand for critical public services, leading to cost savings in providing these services.

As part of our analysis we have estimated some of the cost savings to the National Health Service (NHS), social services, local authorities, schools, and the police.

Fewer cases of postpartum depression

Fewer cases of postpartum depression would lead to less demand for mental health services.¹⁵³

Our analysis finds that the reduction in the incidence of mothers' and fathers' postpartum depression would result in a cost saving of £1.4 billion to the NHS (over our 20 year analysis period).

Currently, the treatment and support required for each case of postpartum depression costs the NHS £23,000 on average.¹⁵⁴ The reduction in the severity of postpartum depression will lead to a drop in this average cost, with cost savings most likely to be realised by the specialist units which deal with more complex cases.^{155,156}

Better behaved children

Research points to the wider benefits and potential cost savings that would come from improved behaviour of children. Studies find joint parental leave reduces aggressive tendencies and improves a child's emotional intelligence – features which are linked to improved participation in school, and a reduction in the number of children suspended or expelled. Children who are excluded from school are:

- Twice as likely to be in the care of the state.
- Four times more likely to have grown up in poverty.
- Seven times more likely to have a special educational need.
- 10 times more likely to suffer recognised mental health problems.
- More likely to go to prison, severely affecting their long term prospects.¹⁵⁷

The Institute for Public Policy Research (IPPR) estimates the cost to society of each expelled child is £370,000 (over their lifetime), taking into account loss of education, increased provision of benefits (including housing and loss of taxation), average healthcare costs, and criminal justice costs.¹⁵⁸ If fewer pupils were expelled, it would reduce the strain across a number of public services, resulting in cost savings to many, including local authorities, schools, social services, healthcare, and policing.¹⁵⁹

Benefits to Employers

Short term cost savings for employers

We estimate that if more women stayed in full-time employment (as per our analysis), employers in the UK would save a minimum of £260 million each year in reduced recruitment and turnover costs.¹⁶⁰

This includes:

- Savings in advertising jobs – for example through LinkedIn and recruitment agencies.
- Reduced costs of unfilled positions – with data suggesting it can typically take 48 days to fill a role in the UK.
- Reduced administrative and legal fees to onboard a new employee.
- Mitigating against new recruits quitting – with research showing up to 43% leave their role within 90 days.^{161,162,163}

These savings will be higher for more senior jobs where costs to replace employees are significantly larger, especially when recruiting agencies are used.^{164,165} This is also a conservative benefit estimate as it excludes benefits that are not as easily monetised, such as those that would arise from preventing the loss of knowledge and productivity as new recruits take time to get up to speed.

¹⁶⁰ Recruitment costs include advertising costs and turnover costs include vacancy cover, redundancy costs, recruitment/selection, training and induction costs.



Long term benefits for employers

Employers who lead the way in introducing Equal Paid Parental Leave are making a real and measurable commitment to gender equality in society. While more difficult to quantify, there is research and evidence available that shows this is likely to pay off for employers in the longer term with a financial impact on their bottom line through the following benefit pathways:

- **Employers would benefit from greater representation of women in senior roles.** Equal uptake of parental leave by men and women allows women to return to their jobs sooner. Additionally, if men and women are both perceived to be equally likely to take time off to care for children, this will also help erode biases against women of childbearing age in the workplace. Both these factors would boost the longevity of women's careers and increase the number of women in senior roles. Increased gender diversity on boards would improve business performance since it allows for new insights from varied skill sets and backgrounds.¹⁶⁶
- **Employers would benefit from more productive, happy workforces.** Aviva, one of the first UK employers to offer equal paid parental leave to their employees, found that introducing this policy brought significant gains for productivity and work culture. Fathers returned to work with fresh perspectives that changed the way they approached interpersonal relationships and client problems.¹⁶⁷ A better, more inclusive work culture would help companies attract top talent and foster a workforce that celebrates evolving and diverse perspectives. This will ultimately boost productivity, making it a win-win policy for both employees and employers.
- **Employers would benefit from reputational gains including attracting top talent.** Customers, employees and the public are placing more value on companies that effectively champion good environmental, social, and governance (ESG) outcomes, including promoting gender equality in the workplace. A PwC survey found that 61% of the UK public held employers responsible for improving gender equality.¹⁶⁸ Employers who offer Equal Paid Parental Leave are signalling their commitment to gender equality. This is likely to differentiate them in the competition for talent. This is particularly the case for attracting younger talent. Recent polling of UK adults by Vodafone found more than half of 18–34-year-olds would be more likely to apply for a job if they knew the employer had good parental leave policies.¹⁶⁹ Meanwhile, a study by Indeed, the global job listings website, found the number of UK-based jobs offering enhanced parental leave have doubled between 2021 and 2022. The number of postings mentioning Shared Parental Leave also doubled.¹⁷⁰ Therefore, employers who remain behind the curve in this policy offering risk losing out on skilled talent.

Endnotes



Endnotes (1/5)

1. Our Index includes analysis of labour market results in 33 Organisation for Economic Cooperation and Development (OECD) countries. When we refer to the OECD in this report, we are referring to these 33 countries. Please refer to the *Technical Appendix: Women in Work Index Methodology* for a full list of countries included in our analysis.
2. 2021 data. Gender pay gap data for 2020 is based on the latest data available and might differ from gender pay gap figures reported in last year's report due to data revisions over the past year.
3. Change in Index rankings based on 2020 rankings published in our Women in Work Index report 2022 and do not reflect any revisions to 2020 indicator data since publication.
4. All data sources and references can be found in the Endnotes at the end of our main report.
5. PwC analysis comparing latest data (2021) to 2020 OECD and Eurostat data.
6. PwC analysis using OECD and Eurostat data, all data sources are listed in the *Technical Appendix: Women in Work Index Methodology*.
7. All 2020 rankings taken from PwC's Women In Work Index 2022 report and therefore do not account for any revisions to 2020 data since publication.
8. Research on societal norms about gender roles focus particularly on heterosexual, cisgender relationships, with limited research conducted on how societal expectations of gender roles are applied to LGBTQ relationships. Research has found that LGBTQ relationships tend to have a more equal distribution of childcare between partners. See next footnote for a list of sources.
9. Families and Work Institute, 2015. Available [here](#). Brewster, 2016. Gender Roles, Comparative Advantages and the Life Course: The Division of Domestic Labor in Same-Sex and Different-Sex Couples, 2016. Available [here](#). Swedish Institute for Social Research, 2020. Available [here](#).
10. Based on data from 16 countries, reported in UN Women, (2020). [Whose time to care? Unpaid care and domestic work during COVID-19](#).
11. Austria, Denmark, Germany, Sweden, the UK and the US; in Kleven et. al, 2019. *Child Penalties across Countries: Evidence and Explanations*. Available [here](#).
12. OECD, 2021. *Towards Improved Retirement Savings Outcomes for Women*. Available [here](#).
13. OECD Economics Department Working Papers, 2021. *Sticky floors or glass ceilings? The role of human capital, working time flexibility and discrimination in the gender wage gap*. Available [here](#).
14. OECD, 2021. *Net childcare costs*. Available [here](#).
15. DfE, 2022. *Childcare and Early Years Provider Survey*. Available [here](#).
16. Women's Budget Group, 2022. *Childcare and Gender*. Available [here](#).
17. IPPR, 2022. *Towards A Childcare Guarantee*. Available [here](#).
18. Effective policy should also acknowledge that many families will not fit into this model and adapt to the specific needs of such families, in particular single-parent families.
19. Maternity Action, 2021. *Shared Parental Leave: the marathon continues*. Available [here](#).
20. EMW, 2019. *Less than a third of eligible men take Paternity Leave*. Available [here](#).
21. Women's Budget Group, 2021. *Maternity, paternity and parental leave*. Available [here](#).
22. Research on maternity and paternity leave uptake focuses on heterosexual, cisgendered relationships, and therefore may not be reflective of leave uptake or eligibility of LGBTQ parents. Most maternity leave statistics exclude non-birthing mothers.
23. We define an 'effective' system as one that incentivises 70%+ of men to take on average five weeks of parental leave when a child is born. Currently only around a third of men in the UK take up their statutory 2 week parental leave entitlement. Source: EMW, 2019. *Less than a third of eligible men take Paternity Leave*. Available [here](#).
24. ABRDN, 2022. *A Woman's Place. Survey results: FTSE 350 companies' parental leave policies*. Available [here](#).
25. The benefits estimated are based on the (implicit) assumption that they would be realised, if on average 70%+ men in the UK took around **five weeks** of parental leave upon the arrival of a child.
26. Assumes that the gender pay gap shrinks in a linear fashion, based on the annual historic rate of change between 2011 and 2021. This is a simplifying assumption. In reality, the gender pay gap depends on median female and male earnings, so it will vary year on year depending on the relative growth in female versus male earnings.
27. Ibid.
28. The female workforce refers to all women of working age (15-64) who are either employed or are actively looking for a job.
29. The "Projected Index score (2020-2021 growth rate)" applies a constant year-on-year increase in the Index score based on the increase between 2020 and 20201. The "Forecasted Index score (pre-pandemic growth path) applies a constant year-on-year increase in the Index score based on the average annual increase between 2014 and 2019.
30. This refers to gross economic gains per annum from boosting female employment rates to match Sweden's. Men's employment rates are assumed to be constant. Gains reported are in nominal terms.

Endnotes (2/5)

31. This refers to gross economic gains per annum. Gains reported are in nominal terms.
32. All 2020 rankings taken from PwC's Women In Work Index 2022 report and therefore do not account for any revisions to 2020 data since publication.
33. Change in Index rankings based on 2020 rankings published in our Women in Work Index report 2022 and do not reflect any revisions to 2020 indicator data since publication.
34. OECD Economics Department Working Papers, 2021. Sticky floors or glass ceilings? The role of human capital, working time flexibility and discrimination in the gender wage gap. Available [here](#).
35. Ibid
36. Austria, Denmark, Germany, Sweden, the UK and the US; in Kleven et. al, 2019. *Child Penalties across Countries: Evidence and Explanations*. Available [here](#).
37. TUC, 2016. *The Motherhood Pay Penalty*. Available [here](#)
38. Kleven et. al, 2019. *Child Penalties across Countries: Evidence and Explanations*. Available [here](#).
39. Ibid
40. See Olivetti et al (2013), [Mothers, Friends and Gender Identity](#); Morrill et al. (2013), [Intergenerational links in female labor force participation](#); Halpern et al. (2016), [Parents' Gender Ideology and Gendered Behaviour as Predictors of Children's Gender-Role Attitudes](#); Fernandez et al. (2004), [Mothers and Sons: Preference formation and female labor force dynamics](#).
41. Kleven et. al, 2019. *Children and Gender Inequality: Evidence from Denmark*. Available [here](#).
42. UN Women, 2020. [Whose time to care? Unpaid care and domestic work during COVID-19](#).
43. UN Women, 2020. 'The COVID-19 pandemic has increased the care burden, but by how much?' [Accessed Feb 2023]. <https://data.unwomen.org/features/covid-19-pandemic-has-increased-care-burden-how-much-0>
44. UN Women, 2020. [Whose time to care? Unpaid care and domestic work during COVID-19](#).
45. See for example: [Guardian](#) (16th Sep 2022), [CNN](#) (1st April 2021), [New York Times](#) (17th May 2021)
46. Institute for Fiscal Studies, 2021. *The career and time use of mothers and fathers*. Available [here](#).
47. Florisson and Gable 2022. *The Gender Gap: Insecure work in the UK*. Available [here](#).
48. Institute for Fiscal Studies, 2020. *How are mothers and fathers balancing work and family under lockdown?* Available [here](#).
49. UK Government, 2019. *Women's Progression in the Workplace*. Available [here](#).
50. BEIS, 2016. *Three in four working mothers say they've experienced pregnancy and maternity discrimination*. Available [here](#).
51. Forbes, 2018. *Before Breaking The Glass Ceiling, Women Must Climb The Maternal Wall*. Available [here](#).
52. UK Gov, '30 hours free childcare'. [Accessed Feb 2023] <https://www.gov.uk/30-hours-free-childcare#:~:text=You%20can%20get%2030%20hours,this%20is%20something%20they%20offer>.
53. Scottish Government, 2022. 'Best Start - strategic early learning and school age childcare plan 2022 to 2026' [Accessed Feb 2023] <https://www.gov.scot/publications/best-start-strategic-early-learning-school-age-childcare-plan-scotland-2022-26/>.
54. Welsh Government, 2022. 'Phased expansion of Early Years Provision' [Accessed Feb 2023] <https://www.gov.wales/phased-expansion-early-years-provision>
55. Guardian, 2023. 'Treasury considering huge expansion of free childcare in England.' [Accessed Feb 2023] <https://www.theguardian.com/politics/2023/feb/10/treasury-considering-huge-expansion-free-childcare-england>
56. OECD, 2021. *Net childcare costs*. Available [here](#).
57. Ibid
58. Family and Childcare Trust (London Datastore), n.d. 'Average Childcare Costs in London' [Accessed Feb 2023] <https://data.london.gov.uk/dataset/average-childcare-costs-in-london>.
59. [ONS, 2023. 'EARN01: Average weekly earnings' \[Accessed Feb 2023\]](#)
60. DfE, 2022. *Childcare and Early Years Provider Survey*. Available [here](#).
61. Centre for Progressive Policy, 2021. *Boosting mothers' employment and earnings through accessible childcare*. Available [here](#).
62. Women's Budget Group, 2022. *Childcare and Gender*. Available [here](#).
63. IPPR, 2022. *Towards A Childcare Guarantee*. Available [here](#).
64. The Institute for Public Policy Research, 2022. *Towards a childcare guarantee*. Available [here](#).
65. The full report is a forthcoming publication by the PwC Economics team in Spring 2023, please contact siobhan.prendiville@pwc.com for further details
66. OECD Family Database, 2022. PF2.1. *Parental leave systems*. Available [here](#).
67. Ibid
68. Ibid

Endnotes (3/5)

69. Ibid
70. Government Equalities Office, 2019. *Employment pathways and occupational change after childbirth*. Available [here](#).
71. Tamm, 2018. *Fathers' Parental Leave-Taking, Childcare Involvement and Mothers' Labor Market Participation*. Available [here](#).
72. Kleven et. al, 2019. *Child Penalties across Countries: Evidence and Explanations*. Available [here](#).
73. See Olivetti et al (2013), [Mothers, Friends and Gender Identity](#); Morrill et al. (2013), [Intergenerational links in female labor force participation](#); Halpern et al. (2016), [Parents' Gender Ideology and Gendered Behaviour as Predictors of Children's Gender-Role Attitudes](#); Fernandez et al. (2004), [Mothers and Sons: Preference formation and female labor force dynamics](#).
74. Maternity Action, 2021. *Shared Parental Leave: the marathon continues*. Available [here](#).
75. EMW, 2019. *Less than a third of eligible men take Paternity Leave*. Available [here](#).
76. The mother's leave entitlement applies to mothers who gave birth to their child. Non-birthing mothers are entitled to 52 weeks of leave.
77. Women's Budget Group, 2021. *Maternity, paternity and parental leave*. Available [here](#).
78. ONS, 2023. *Monthly Wages and Salaries Survey*. Available [here](#).
79. PwC analysis, weekly average salary taken from ONS, 2023. *Monthly Wages and Salaries Survey*. Available [here](#).
80. Pregnant then Screwed, 2022. *Enhanced maternity pay*. Available [here](#).
81. Ibid
82. PwC analysis, weekly average salary taken from ONS, 2023. *Monthly Wages and Salaries Survey*. Available [here](#).
83. i.e. Mothers: 100% pay for 12 weeks, statutory pay for, Fathers: 100% pay for 2 weeks.
84. Gov.uk. *Shared Parental Leave and Pay*. Available [here](#).
85. HC Deb 14 March 2019, vol 656, col 513. Available [here](#).
86. ONS, 2023. *Monthly Wages and Salaries Survey*. Available [here](#).
87. Women's Budget Group, 2021. *Maternity, paternity and parental leave*. Available [here](#).
88. MenCare; European Parliament, 2018. *The need for fully paid, non-transferable parental leave: Leaving inequality behind and giving our children the care they need*. Available [here](#).
89. European Commission, 'Iceland – Pregnancy and childbirth', *European Commission* [Accessed February 2023]. Available [here](#).
90. European Commission, 'Sweden – Parental benefits and benefits related to childbirth', *European Commission*. [Accessed February 2023]. Available [here](#).
91. Nordic Council of Ministers, 2019. *State of Nordic Fathers*. Available [here](#).
92. MenCare; European Parliament, 2018. *The need for fully paid, non-transferable parental leave: Leaving inequality behind and giving our children the care they need*. Available [here](#).
93. Ibid
94. Ibid.
95. Nordic Council of Ministers, 2019. *State of Nordic Fathers*. Available [here](#).
96. Question for Department for Business, Energy and Industrial Strategy, 2021. Available [here](#).
97. This figure is an estimate of how many eligible couples have of used shared parental leave in the UK.
98. International Network on Leave Policies and Research, 2014. *10th International Review of Leave Policies and Related Research 2014*. Available [here](#).
99. Institute for Futures Studies, 2005. *Swedish parental leave and gender equality*. Available [here](#).
100. European Foundation for the Improvement of Living and Working Conditions, 2015. . *Germany: Family benefit rule changes encourage parents to share childcare duties*. Available [here](#).
101. Leave Network, 2017. Available [here](#).
102. European Foundation for the Improvement of Living and Working Conditions, 2015. *Germany: Family benefit rule changes encourage parents to share childcare duties*. Available [here](#).
103. Leave Network, 2017. Available [here](#).
104. Ibid
105. Pregnant then Screwed, 2022. *Enhanced maternity pay*. Available [here](#).
106. Ibid
107. ABRDN, 2022. *A Woman's Place. Survey results: FTSE 350 companies' parental leave policies*. Available [here](#).

Endnotes (4/5)

108. Simplifying assumption: Most UK employers provide only 2 weeks of paid leave to fathers currently, and 12-13 weeks paid leave to mothers on average. With a 50/50 male/female workforce split, UK employers could see Equal Paid Parental Leave as effectively doubling the salary cost of their parental leave provision, because the number of employees entitled to it effectively doubles. In reality, we would not see an 100% uptake of leave by fathers straight away, and for many employers, the costs of the additional leave would not necessarily be a direct financial cost to the business annually, if employees on parental leave are not directly replaced.
109. Government Equalities Office, 2020. What motivates employers to improve their Shared Parental Leave and pay offers? Available [here](#).
110. ABRDN, 2022. *A Woman's Place. Survey results: FTSE 350 companies' parental leave policies*. Available [here](#).
111. Ibid
112. CIPD, 2022. Employer focus on working parents. Available [here](#).
113. We define an 'effective' system as one that incentivises 70%+ of men to take on average five weeks of parental leave when a child is born. Currently only around a third of men in the UK take up their statutory 2 week parental leave entitlement. Source: EMW, 2019. Less than a third of eligible men take Paternity Leave. Available [here](#).
114. A 20-year analysis period was chosen as our core scenario for quantifying and monetizing a set of comparable benefits that are expected to accrue to different stakeholders. Because we have not quantified all possible benefits and costs, a 20 year analysis period is illustrative only of the potential level of benefits that are expected to arise over that time period. In reality, it is possible that the benefits of implementing Equal Paid Parental leave would be experienced much further into the future, beyond a 20 year time horizon.
115. The five weeks of parental leave is calculated as the average length of leave taken across all of the different academic studies which are used to calculate the impact of parental leave on mothers, fathers and children.
116. Currently in the UK the majority of fathers (two-thirds) take no paternity leave and so for this reason in our modelling of benefits we look at the impact associated with fathers increasing the length of their leave. Fatherhood Institute, 2022. Available [here](#).
117. Chatterji, Markowitz, 2012. Family Leave After Childbirth and the Mental Health of New Mothers. Available [here](#).
118. Barry, Gomajee et al, 2023. Paternity leave uptake and parental post-partum depression: findings from the ELFE cohort study. Available [here](#).
119. Cools et al, 2015. Causal Effects of Paternity Leave on Children and Parents. Available [here](#).
120. We assumed that some of the benefits would be realised from the first year (e.g. mother and father mental health improvements), and others would take time before they were realised (e.g. improvements in child's education). Further detail on assumptions is provided in our *Technical Appendix: Benefits and Costs of Equal Paid Parental Leave*.
121. Maternity Action, 2021. *Shared Parental Leave: the marathon continues*. Available [here](#).
122. The five weeks of parental leave is calculated as the average length of leave taken across all of the different academic studies which are used to calculate the impact of parental leave on mothers, fathers and children.
123. Fathers may experience a reduction in their lifetime earnings as they spend more time out of the workforce and more time on childcare responsibilities. Our analysis does not account for this potential loss in lifetime earnings. A reduction in fathers lifetime earnings may contribute towards rebalancing the gender pay gap.
124. This is based on a study assessing the effect of the introduction of paternity leave policies by governments across 10 European countries, on mothers' employment rates. The length of paternity leave introduced varied across countries, with a maximum of up to 8 weeks in Germany. The study found that on average, paternity leave led to mothers' employment rate increasing by 2 percentage points after 2-3 years and 7.8 percentage points after 8 years of giving birth, relative to non-mothers.
125. Johanne Bacheron, 2021. The impact of paternity leave on mothers' employment in Europe. Available [here](#).
126. Government Equalities Office, 2019. *Employment pathways and occupational change after childbirth*. Available [here](#).
127. The proportion of all female employees who work full-time.
128. Maternity Action, 2023. Pregnancy Discrimination. Available [here](#).
129. European Parliament, 2022. Understanding the gender pay gap: definition and causes. Available [here](#).
130. Seedat and rondo, 2021. Women's wellbeing and the burden of unpaid work. Available [here](#)
131. Natàlène Séjourné, 2012. Effect of paternity leave on maternal postpartum depression. Available [here](#).
132. Slomian J, Honvo G, Emonts P et al., 2019. Consequences of maternal postpartum depression: A systematic review of maternal and infant outcomes. Available [here](#).
133. NHS, 2022. Overview - Postnatal depression. Available [here](#).
134. Hochschild and Machung, 1989. *The Second Shift: Working Parents and the Revolution at Home*. Available [here](#).
135. Richard Petts, 2019. Fathers' Paternity Leave-Taking and Children's Perceptions of Father-Child Relationships in the United States. Available [here](#).

Endnotes (5/5)

136. UCL, 2019. Timing of parents' split matters for children's mental health, new research reveals. Available [here](#).
137. Barry et al, 2023. Paternity leave uptake and parental post-partum depression: findings from the ELFE cohort study. Available [here](#).
138. Petts et al, 2020. If I [Take] Leave, Will You Stay? Paternity Leave and Marital Stability. Available [here](#).
139. Cools et al, 2015. Causal Effects of Paternity Leave on Children and Parents. Available [here](#).
140. Ladge et al. 2015. UPDATING THE ORGANIZATION MAN: AN EXAMINATION OF INVOLVED FATHERING IN THE WORKPLACE. Available [here](#).
141. Horsager-Boehrer, Robyn, 2021. 1 in 10 dads experience postpartum depression, anxiety: How to spot the signs. Available [here](#).
142. NHS, 2018. Partners of new mums with mental illness set to get targeted support on the NHS. Available [here](#).
143. The analysis conducted to calculate the reduction in postpartum depression amongst fathers relies on a different set of data points and academic research papers than for the calculation around the reduction in postpartum depression for mothers. For this reason, they are not like for like and we approach comparing the impact on mothers to the impact on fathers with caution.
144. Barry et al, 2023. Paternity leave uptake and parental postpartum depression: findings from the ELFE cohort study. Available [here](#).
145. Petts et al, 2020. If I [Take] Leave, Will You Stay? Paternity Leave and Marital Stability. Available [here](#).
146. Harold et al, 2016. WHAT WORKS TO ENHANCE INTER-PARENTAL RELATIONSHIPS AND IMPROVE OUTCOMES FOR CHILDREN. Available [here](#).
147. Tamm, 2018. *Fathers' Parental Leave-Taking, Childcare Involvement and Mothers' Labor Market Participation*. Available [here](#).
148. Government Equalities Office, 2021. Shared care, father's involvement in care and family well-being outcomes. Available [here](#).
149. Department for Education, 2021. GCSE attainment and lifetime earnings. Available [here](#)
150. MenCare, 2018. The need for fully paid, non-transferable parental leave. Available [here](#).
151. Econstor, 2010. A flying start? Long term consequences of maternal time investments in children during their first year of life. Available [here](#).
152. MenCare, 2018. The need for fully paid, non-transferable parental leave. Available [here](#).
153. Bauer et al, 2018. The costs of perinatal mental health problems. Available [here](#).
154. LSE, PSSRU, 2014. The costs of perinatal mental health problems. Available [here](#).
155. LSE, PSSRU, 2014. The costs of perinatal mental health problems. Available [here](#).
156. NHS, 2023. Mental Health Services. Available [here](#).
157. Institute for Public Policy Research, 2017. Breaking and the link between school exclusion and social exclusion. Available [here](#).
158. Ibid
159. Greater Manchester Combined Authority, Cost Benefit Analysis. [Accessed in February 2023]. Available [here](#).
160. Recruitment costs include advertising costs and turnover costs include vacancy cover, redundancy costs, recruitment/selection, training and induction costs.
161. Resources for Employers, 2023. What is time to fill? KPIs for recruiters. Available [here](#).
162. Work Institute, 2019. 2019 Retention Report. Available [here](#).
163. Talent Insight Group, 2023. The Cost of Recruitment. Available [here](#).
164. CIPD, 2009. Annual survey report 2009: Recruitment, retention and turnover. Available [here](#).
165. Talent Insight Group, 2023. The Cost of Recruitment. Available [here](#).
166. Noland, M et al., 2016. *Is Gender Diversity Profitable? Evidence from a Global Survey*. Available [here](#).
167. Aviva, 2019. Equal parental leave: why it's good for employers too. Available [here](#).
168. PwC, 2022. 'Targeting gender equality'. [Accessed Feb 2023]. Available [here](#).
169. Vodafone, 2022. Lost Connections: Supporting parents and caregivers in the workplace. Available [here](#).
170. People Management, 12 August 2022. Employers twice as likely to offer enhanced parental leave compared to last year, Available [here](#)
171. PwC Women in Work Index analysis 2023.
172. Change in Index rankings based on 2020 rankings published in our Women in Work Index report 2022 and do not reflect any revisions to 2020 indicator data since publication.
173. PwC Women in Work Index analysis 2023.
174. Ibid

Appendix: Women in Work Index results

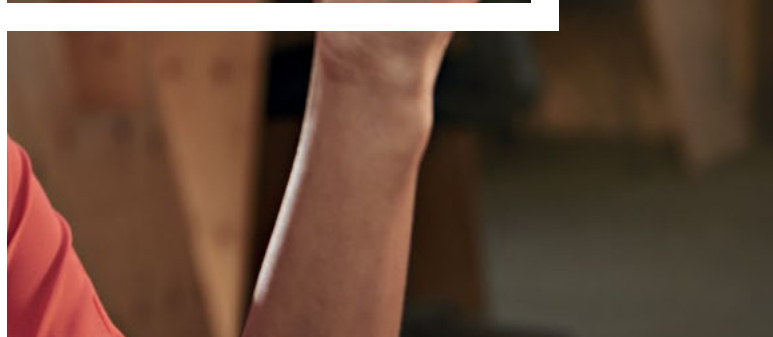
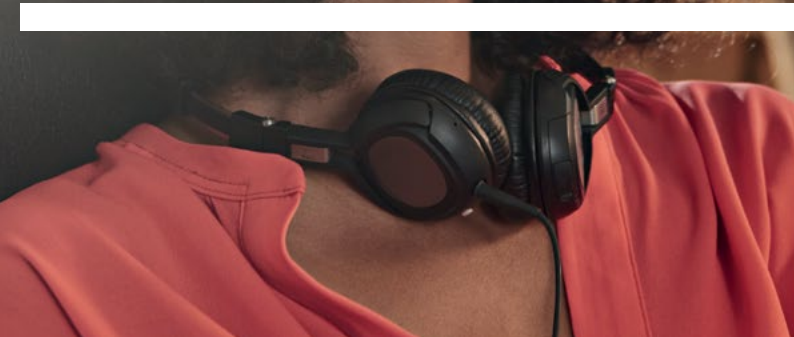
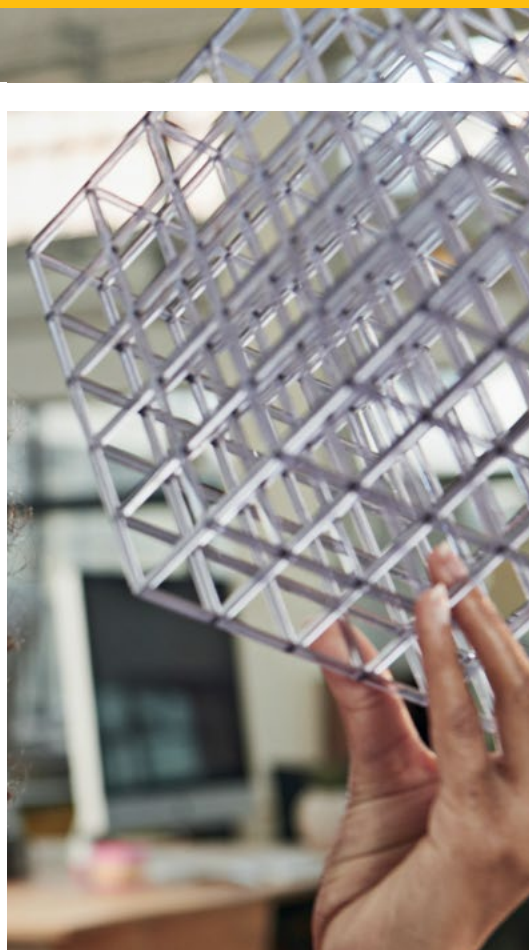
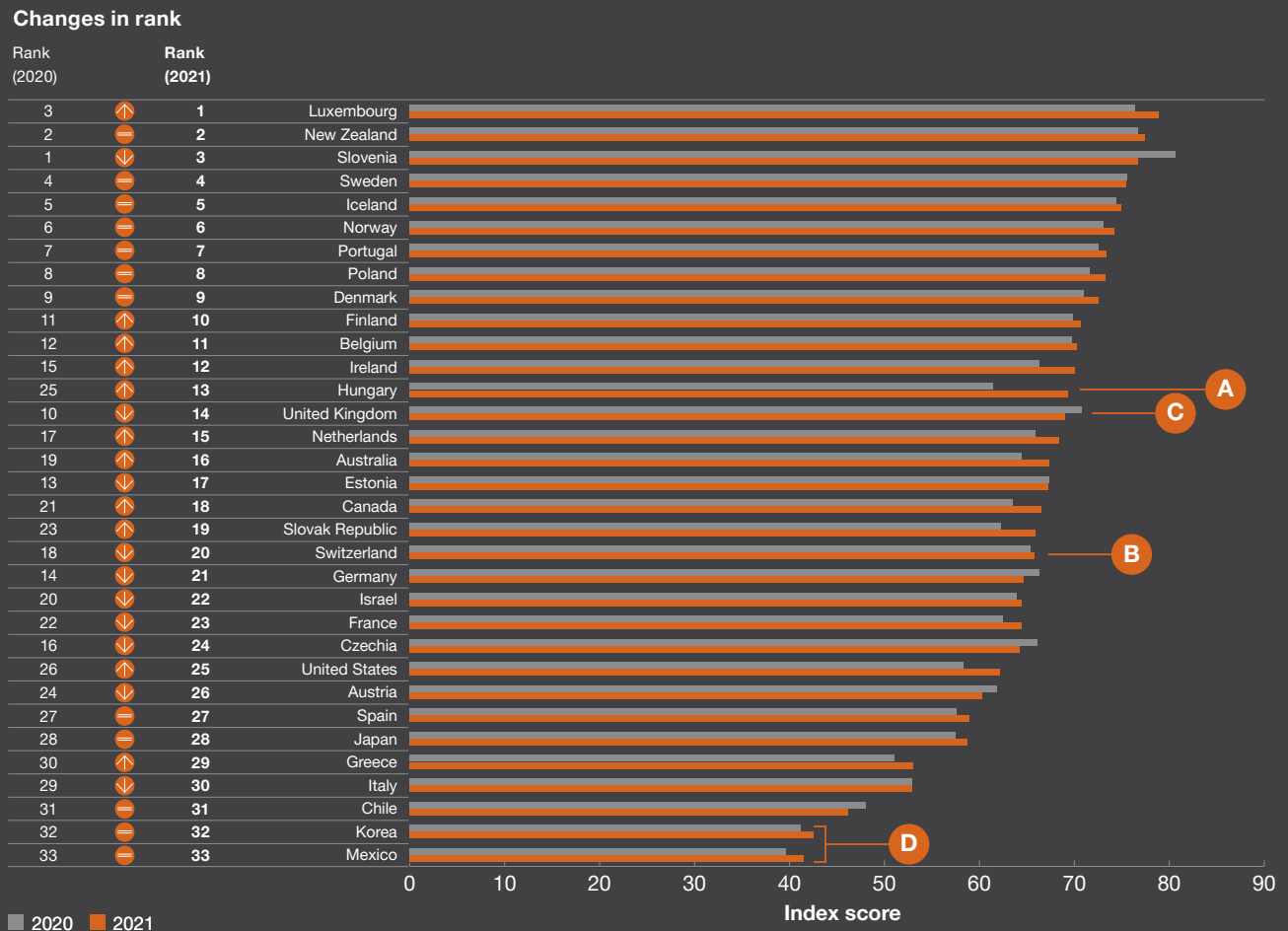


Figure A1: PwC Women in Work Index, 2021 vs. 2020¹⁷¹

The best performing countries in 2020 continue to occupy the top spots on our 2021 Index.



Source: PwC analysis of OECD data, all data sources are listed in the Technical Appendix: Women in Work Methodology

The top five best performers on the Index in 2021 remain unchanged from 2020, with some small movements within this.¹⁷² This year Luxembourg took the top spot on the Index, followed by New Zealand, and with Slovenia in third place. Between 2020 and 2021:

A Hungary showed the largest improvement in its absolute Index score. The country also had the biggest improvement in rank, climbing 9 places on the Index from 22nd to 13th place. This was due to absolute improvements across all five underlying indicators.

C The UK dropped five places on the Index, from 9th to 14th. The UK's absolute Index score also decreased. A widening gender pay gap, decline in the female participation rate, and rising female unemployment rate all contributed to this decrease.

B Switzerland reported the largest drop in rank, falling six places from 14th place to 20th. This was driven by a widening gender pay gap, an increase in the female unemployment rate, and a drop in the share of employed women working full time.

D Mexico and Korea remain at the bottom of the Index in 2021, ranking 32 and 33 of the 33 OECD countries analysed. Mexico reported the lowest female labour force participation rate, as well as the widest gap between male and female participation rates. Nevertheless, both countries' absolute Index scores increased between 2020 and 2021.

¹⁷¹ PwC Women in Work Index analysis 2023.

¹⁷² Change in Index rankings based on 2020 rankings published in our Women in Work Index report 2022 and do not reflect any revisions to 2020 indicator data since publication.

Top three performers in the index

Luxembourg, New Zealand and Slovenia remained in the top three. Luxembourg took the top spot this year while Slovenia slipped to third place.




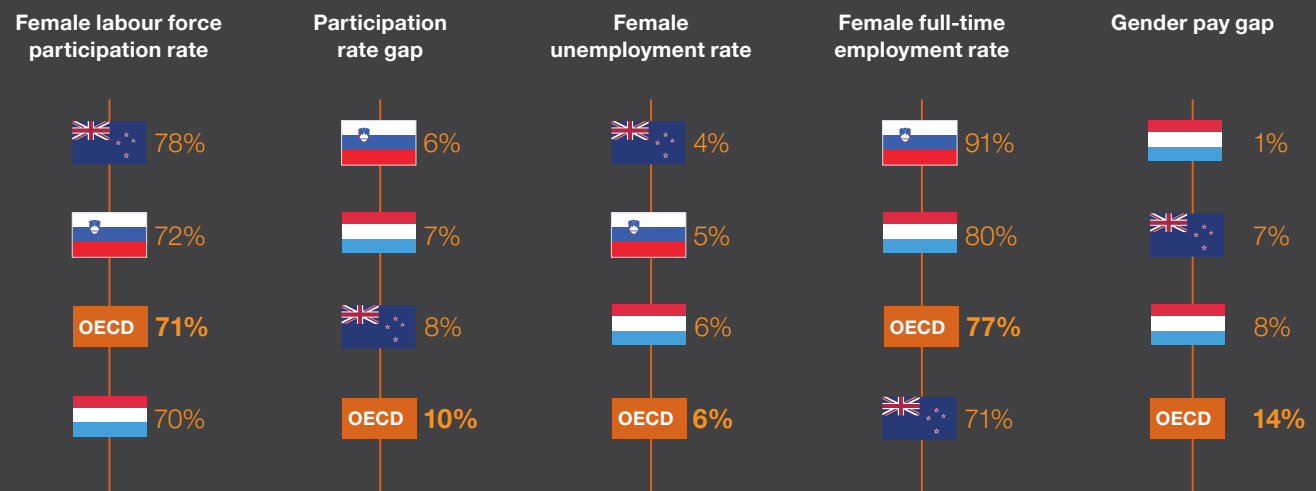
	1  Luxembourg	2  New Zealand	3  Slovenia
Main strength	<ul style="list-style-type: none"> The country boasts the smallest gender pay gap of the 33 OECD countries analysed. It also reported a relatively low participation rate gap (6.5%) compared to the rest of the OECD (9.6%). 	<ul style="list-style-type: none"> Consistently strong performance across all five indicators. Specifically, its high female participation rate (77.5%), low female unemployment rate (4.1%) and a relatively narrow wage gap (6.7%) contributed to its high Index score. 	<ul style="list-style-type: none"> Slovenia has one of the highest female full-time employment rates across the OECD (90.9%). It also boasts a narrow participation rate gap (5.8%), and a relatively low female unemployment rate (5.4%).
Summary of the key changes between 2020 and 2021	<ul style="list-style-type: none"> Index score: increased by 2.5 points from 76.4 to 78.9. This was driven by improvements across all five indicators. Its gender pay gap narrowed even further from 0.7% to 0.5%. 	<ul style="list-style-type: none"> Index score: increased by 0.7 points from 76.7 to 77.4. This was driven by improvement in its female participation rate (which increased by 1.4 percentage points), combined with a narrowing participation rate gap. Its female unemployment rate also fell by 1.1 percentage points. 	<ul style="list-style-type: none"> Index score: fell by 4 points from 80.7 to 76.7. This was the largest drop in absolute Index score across the OECD and was primarily driven by a widening of the gender pay gap and the participation rate gap. Nevertheless, Slovenia continues to outperform most other countries on the majority of indicators, so its relative position on the Index did not decline significantly.

Figure A2: 2021 performance of the top three on each metric against OECD average



Source: PwC analysis of OECD data, all data sources are listed in the Technical Appendix.

*Each year the OECD updates the labour force data for all countries and so all comparisons made with 2019 Index scores use the updated data. Last year, the Index reported New Zealand in 3rd place and Slovenia in 4th, however using the updated 2019 data, New Zealand ranks in 4th and Slovenia ranks in 3rd.

The UK's performance

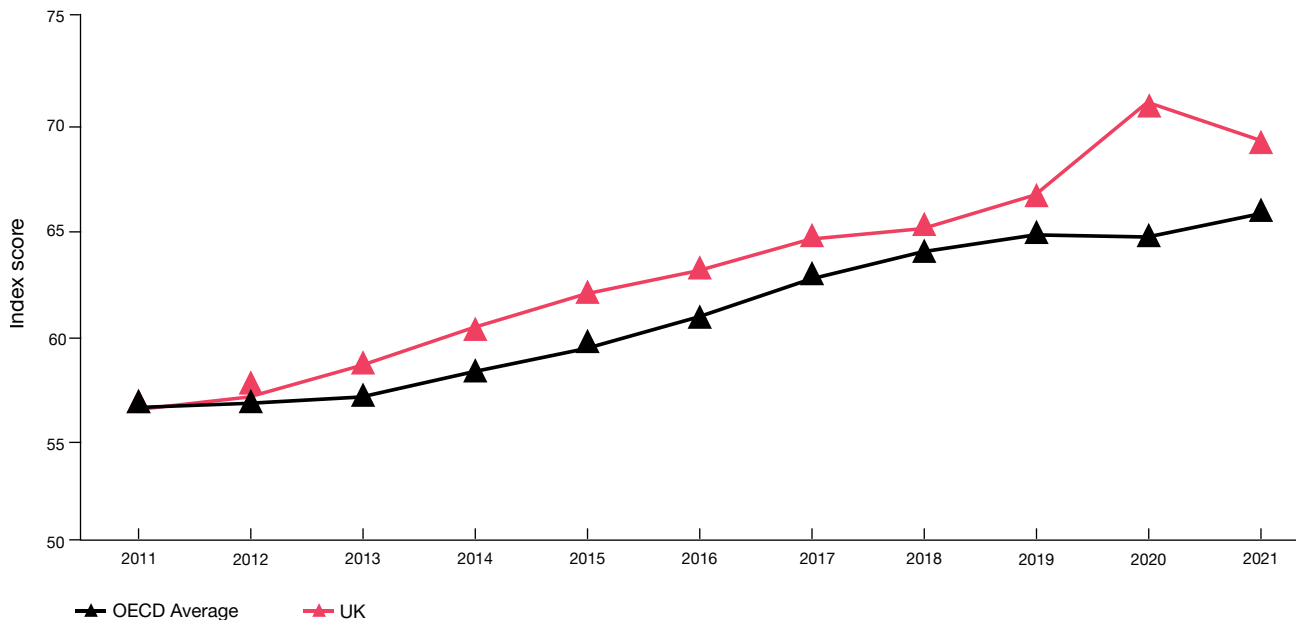
The UK dropped five places on the Index between 2020 and 2021, from 9th place to 14th place out of the 33 OECD countries analysed.

The UK's Index score decreased by 1.8 points between 2020 and 2021, from 70.8 to 69.0. This was driven primarily by a widening gender pay gap. By contrast, the average Index score across the OECD increased over this period by 1.1 points. The UK's score (69.0) is still above the OECD average score (65.5).

The average Index score across the OECD increased over this period by 1.1 points. Nonetheless, the UK's score (69.0) is still above the OECD average score (65.5) in this year's Index.

The UK still ranks highest on the Index out of the G7 economies (Canada, France, Germany, Italy, Japan, United Kingdom, United States). However, the gap is closing between the UK and the rest of the G7. Canada is a close second to the UK, ranking four places behind the UK, and it has increased its rank since 2020.

Figure A3: Women in Work Index: UK vs OECD Average¹⁷³



Source: PwC analysis of OECD data, all data sources are listed in the Technical Appendix: Women in Work Methodology

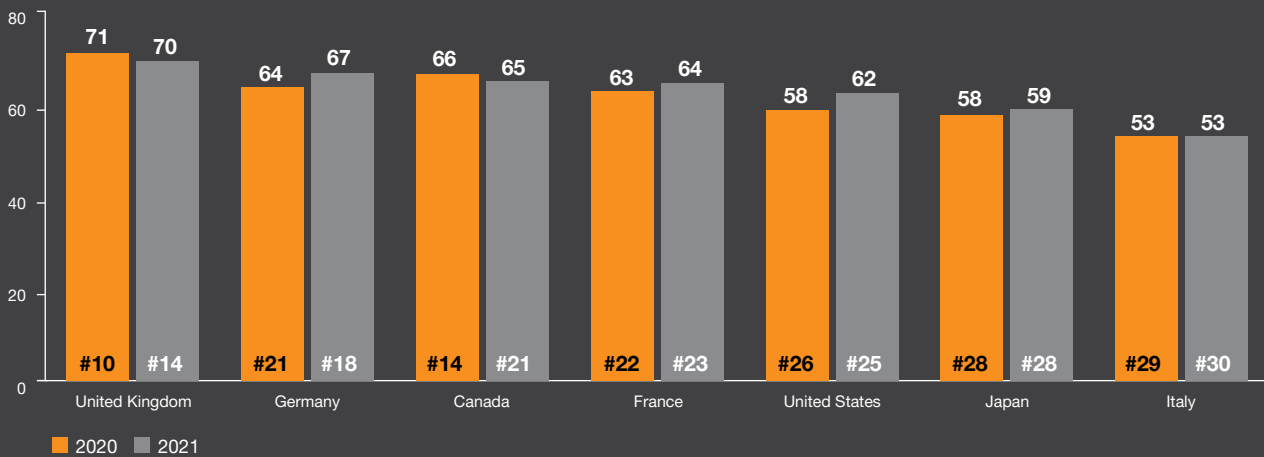
¹⁷³ PwC Women in Work Index analysis 2023.

What caused the UK to drop four places in 2021?

- A decline in the female labour force participation rate.** The female participation rate fell by 0.484 percentage points from 75.1% in 2020, to 74.7% in 2021. The UK was one of four countries across the OECD to see a fall in the female participation rate, alongside Switzerland, Germany and Estonia. The male labour force participation rate also fell in the UK over this period (more than the female rate), meaning the participation rate gap closed by 0.4 percentage points this year, falling from 7.6% in 2020 to 7.2% in 2021.

- A widening gender pay gap.** There was a rebound in the size of the UK's gender pay gap this year, after it temporarily narrowed between 2019 and 2020 with the impact on wages and employment caused by the COVID-19 pandemic. The UK reported the third largest increase in gender pay gap of all countries on the Index between 2020 and 2021, behind only Chile and Slovenia. The UK's gender pay gap widened by 2.3 percentage points, from 12% in 2020 to 14.3% in 2021. This means it is now higher than the OECD average gender pay gap of 13.8%. While the average gender pay gap widened across the OECD over this period as well, the increase in the UK's gender pay gap was four times the average increase.
- A marginal increase in the female unemployment rate.** The female unemployment rate in the UK increased from 4.2% in 2020 to 4.3% in 2021.

Figure A4: Index score comparison: UK against G7 Countries (2020) Ranks show the country's index performance within the OECD¹⁷⁴



Source: PwC analysis of OECD and Eurostat data, all data sources are listed in the *Technical Appendix: Women in Work Index Methodology*

¹⁷⁴ PwC Women in Work Index analysis 2023.

Overall regional performance:

There has been much movement in the Index between the different regions between 2020 and 2021. Northern Ireland, South West and Scotland remain in the top four from last year, while Wales drops to sixth place.

Between 2020 and 2021:

- The average Regional Index score in the UK increased by 1.2 points on the Index. However, not all regions reported an improvement in absolute Index score between 2020 and 2021.
 - The absolute Index score for six out of 12 regions (North East, North West, Scotland, South West, Wales, and Yorkshire and the Humber) fell between 2020 and 2021.
 - The remaining six regions (Northern Ireland, South East, East, London and the West Midlands) experienced a larger absolute increase in their Index score, therefore driving the average UK index score up from 2020.
- The gap in Index score between the worst-performing and best-performing regions widened from 11.1 in 2020 to 12.6 in 2021. This shows that any progress made towards gender equality at work was not evenly distributed across regions.
- Northern Ireland has taken the top spot from the South West which moves into second place in this year's Index.

Large movements:

Biggest improvers:

	2020	2021	Change in rank
East Midlands	12th	5th	+7
Northern Ireland	4th	1st	+3
East	7th	4th	+3

East Midlands' improved performance is driven by:

- A significant narrowing of the gender pay gap from 19% in 2020 to 16% in 2021.
- The region's share of employed women in full-time roles also increased from 59% in 2020 to 61%
- The participation rate gap between men and women also narrowed from 9% in 2020 to 6% in 2021. However, the female labour force participation rate did not change over this time, suggesting that the gap narrowed as a result of men's participation rate falling as opposed to progress in female participation.

Largest decline:

	2020	2021	Change in rank
Wales	2nd	6th	-4
North West	5th	8th	-3
North East	10th	12th	-2
Yorkshire and the Humber	9th	11th	-2

Wales experienced the largest decrease in terms of absolute Index score as well as the largest fall in rankings between 2020 and 2021, this was due to:

- This was due to marginal deterioration seen across the majority of indicators.
- The participation rate gap increased from 5% in 2020 to 8% in 2021. The female labour force participation rate remained at 73% over this time, suggesting that workers returning to the labour market in Wales post the pandemic were mainly men.
- The female unemployment rate also increased marginally over this period while the share of employed women working in full-time roles fell slightly.

Top 3 performers in this years Index:

Northern Ireland ranks #1 among the regions in the UK, overtaking the South West which has been the top-performing region for three years consecutively up until this year. The South West drops into second place, while Scotland remains unchanged from last year.

	2021 Index Ranking	Change from 2020
1	Northern Ireland	⬆️ Moved up 3 places
2	South West	⬇️ Dropped 1 place
3	Scotland	⚖️ Same as 2020

2020 Regional Index:

1. South West
2. Wales (dropped to sixth place in 2021)
3. Scotland

2

South West

Main strength

- **2nd on the Index.**
- South West ranks 1st in the regional index for the lowest participation rate gap (5.5%), and 2nd for the female participation rate (77%) and unemployment rate (3.2%)
- It comes in last place for the share of females in full time employment (59%), and has one of the largest gender pay gaps across the UK (16%).

Summary of the key changes between 2020 and 2021

- **Index score:** decreased by 0.2 points.
- The main drivers behind the South West's decline in this year's index was a fall in the female participation rate combined with a wider participation rate gap and gender pay gap.
- The South West did however experience improvements in the unemployment rate and the female full time employment rate.

1

Northern Ireland

Northern Ireland boasts the smallest gender pay gap across the regions, that is close to just a third of the UK average gender pay gap

Main strength

- **1st on the Regional Index.**
- Top performer in the Regional Index for unemployment rate (3.1%) and gender pay gap (5%)
- Second best in the Regional Index for participation rate gap (5%) and full time employment rate (64%).

Summary of the key changes between 2020 and 2021

- **Index score:** increased by 6.3 points.
- This was driven by improvement in its female participation rate, participation rate gap, full time employment rate and the gender pay gap.
- The only indicator to worsen from 2020 to 2021 was the unemployment rate which increased by 0.3 percentage points.

3

Scotland

Main strength

- **3rd on the Index.**
- Relatively strong performance across all five indicators.
- Specifically, it boasts a low female unemployment rate (3.4%) and a relatively high female full time employment rate (63%). Its relatively narrow wage gap (11%) and participation rate gap (6%) also contributed to its high Index score.

Summary of the key changes between 2020 and 2021

- **Index score:** decreased by 0.2 points.
- The main drivers behind the Scotlands absolute decline in this year's index score was a fall in the female participation rate combined with a wider participation rate gap and gender pay gap.
- Scotland did however experience improvements in the unemployment rate and the female full time employment rate.

For more information about this report,
please contact our team

Authors



Larice Stielow
Senior Economist,
PwC UK
E: l.stielow@pwc.com



Tara Shrestha Carney
Senior Economist,
PwC UK
E: tara.shrestha.x.carney@pwc.com



Freddie Martin
Senior Economist,
PwC UK
E: frederica.martin@pwc.com



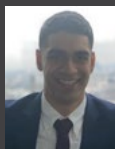
Divya Sridhar
Economist,
PwC UK
E: divya.x.sridhar@pwc.com



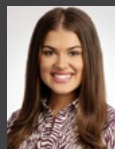
Alisha Kapoor
Impact Assessment Lead,
PwC UK
E: kapoor.alisha@pwc.com



Priyanka Kanani
Gender and Sustainability
Specialist, PwC UK
E: kanani.priyanka@pwc.com



Nabil Taleb
Economist,
PwC UK
E: nabil.taleb@pwc.com



Ellie Golden
Economist,
PwC UK
E: ellie.golden@pwc.com



Eve Pearman
Diversity, Equity and
Inclusion Specialist, PwC UK
E: eve.pearman@pwc.com



Emma Thelwell
Report Editor,
PwC UK
E: emma.thelwell@pwc.com

Sponsoring partner



Zlatina Loudjeva
Partner, PwC UK
E: zlatina.d.loudjeva@pwc.com

Many thanks to Anna Packford, Lynsey Gardiner, Tatham Crawford-Lennox, Sarah Churchman, Anne Hurst, Olivia Jervis, Jasmine Sherratt and Nick Del Giudice for their contribution to this report.

Our Economics practice in the UK offers a wide range of services covering market reform in a range of industry sectors (including energy, water, media and telecoms, financial services, health and government services); competition policy, disputes and other investigations; economic, social and environmental impact analysis; financial economics; fiscal policy and macroeconomics. This practice forms part of Strategy&, PwC's strategy consulting business.

For more information about our Economics services please visit:

www.pwc.co.uk/economics

Our Women in Work Index is one of a series of macroeconomic publications produced by our Economics practice. Please take a look at our other recent publications at the links below:

Global Economy Watch

https://www.pwc.com/gx/en/research-insights/economy/global-economy-watch.html?WT.mc_id=cs_gx-hero-home_Economy

UK Economic Outlook: Predictions for the year ahead 2023

<https://www.pwc.co.uk/ukeo>



www.pwc.co.uk

At PwC, our purpose is to build trust in society and solve important problems. PwC is a network of firms in 156 countries with over 295,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com/uk.

This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

© 2023 PricewaterhouseCoopers LLP. All rights reserved. PwC refers to the UK member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

SPS Design RITM10739191 (02/23).