
Women returners

**The £1 billion career break
penalty for professional
women**

PwC research in conjunction with
the 30% Club and Women Returners

November 2016



www.pwc.co.uk/womenreturners



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The £1 billion career break penalty for professional women

Foreword

The PwC Women in Work Index 2016 shows that the UK has made significant strides in improving female labour market outcomes in comparison to other OECD countries. **Despite these gains, there is still significant underutilised potential:** one such group is professional women returning from career breaks.

Many women take career breaks during the course of their professional lives for a variety of reasons, but one of the most common is to look after the home and family. Almost two million women in the UK are currently economically inactive due to caring commitments.

Many of these women want to return to work at some stage. However, the reality is that they face significant obstacles in returning to the labour market.

This is partly due to the perception among recruiters and employers that having a gap in their CV is

automatically associated with a deterioration in skills. There is also insufficient opportunities to work part-time or flexibly for high-skilled jobs.

As a result, many women returners end up in lower skilled roles than the ones they held prior to their career breaks. Our research shows that three in five returning women are likely to face this problem.

This is not only a waste of talent and opportunity, leading to significant numbers of women working below their potential. It also has serious implications for future earnings and career progression.

There is much more that businesses can do to get more women back into high quality work after a career break, such as through returnships. For example, PwC's Back to Business programme enables professional women to restart their careers after an extended break.

Addressing the career break penalty for female professionals can deliver significant economic benefits. Our research shows that achieving this could increase their annual earnings by £1.1 billion, or £4,000 per woman. This generates additional economic output of £1.7 billion annually.

Getting more senior women back into the workplace will also help businesses build stronger pipelines of potential female leaders and improve the diversity of businesses at the senior levels

We would also like to thank the 30% Club and Women Returners for their invaluable contribution to our research, and sharing their insights into their experience of helping women return to work.

We hope our analysis is a useful contribution to this debate.



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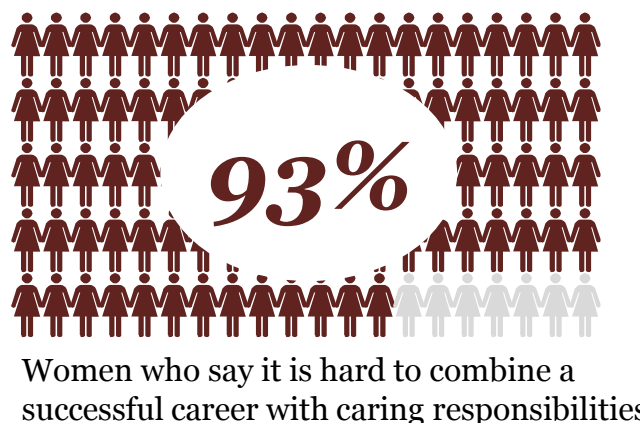
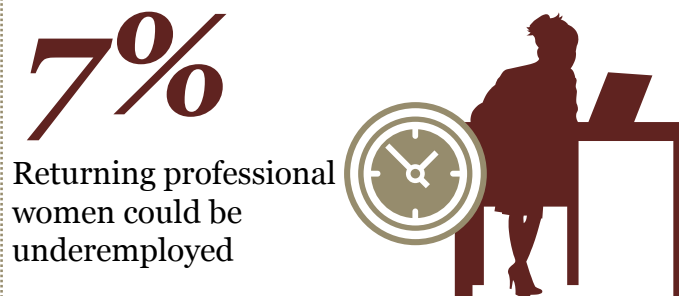
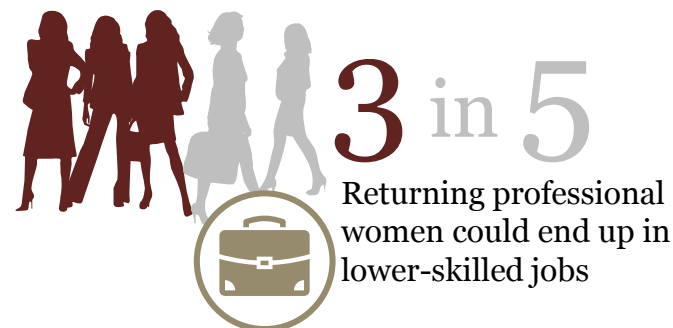
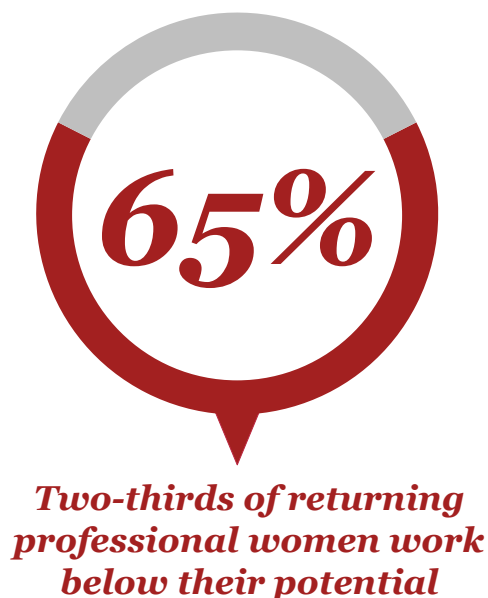
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Addressing the career break penalty experienced by professional women could deliver an annual earnings boost of £1.1 billion and additional economic output of £1.7 billion



Gains from fully addressing the career break penalty for female professionals

Increase in UK economic output

£1.7 billion

Increase in female earnings

£1.1 billion



£4,000
Additional earnings per woman from addressing the career break penalty for female professionals

Gains from reducing female underemployment

14,000 additional FTEs



Key messages

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Women returners

Key findings from our analysis

Two-thirds of female professionals could be working below their potential when they return to work from career breaks

- Around 427,000 female professionals, including directors, engineers, scientists, researchers, doctors, lawyers and accountants, who are currently on career break are likely to return to the workforce in the future.
- Three in five of these professional women (or around 249,000) returning to the workforce are likely to move into lower-skilled or lower-paid roles, experiencing an immediate earnings reduction of up to a third.
- This is due to a combination of factors, including recruitment biases against the CV gap, and the lack of flexible and part-time roles available for higher-skilled jobs.
- A further 29,000 women who return to the workforce on a part-time basis will be underemployed, meaning that they would prefer to work more hours if flexible working opportunities were made more widely available.
- Taken together, two-thirds of (or around 278,000) professional women could be working below their potential when they return to the workforce.

The economic and business gains from women working at their full potential could be significant

- Addressing the incidence of occupational downgrade experienced by professional women could boost their annual earnings by £637 million.
- Increasing the hours worked by part-time working women contributes an additional 14,000 full-time equivalent (FTEs) employees to the UK workforce annually, while boosting earnings to this group by £423 million.
- Taken together, these gains boost female earnings by £1.1 billion annually, equivalent to £4,000 for each professional woman.
- The multiplier effect from the increased earnings and spending power of these women drives a further increase in output in the UK economy (beyond the increase in their incomes), leading to an overall increase in economic output of £1.7 billion.
- Our analysis does not include professional women who have taken career breaks but are currently in work, or women who remain at home but receive small amounts of paid income. Improving the labour market outcomes of these women could lead to a further increase in earnings and economic gains.

Business action is critical to addressing the career break penalty experienced by returning professional women

- Recruiters and employers need to reassess how they evaluate a candidate's potential and work to address the negative bias towards CV gaps.
- Returnships create an effective route back to mid- to senior-level professional roles, with transitional support to upskill and regain professional self-belief.
- Increasing the availability of part-time and flexible opportunities in professional roles helps widen the pool of talent businesses can access.



Detailed findings

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We estimate that around 427,000 female professionals currently on career break are likely to return to the workforce in the future

Scope of our analysis

- We estimate that around 427,000 professional women are currently on care-related career breaks but are likely to return to work in the future.
- These include (1) women who are not currently looking for jobs (economically inactive) but have a preference for returning to the labour market, as well as (2) women who are currently looking for jobs (economically active).
- Our research focuses on the labour market outcomes of these professional women, who could be working below their potential when they return to the labour market.
- Our analysis does not capture the impact on professional women who have taken career breaks but are currently in work, or women who remain at home but receive small amounts of paid income. We recognise that this category could encompass a significant number of women. The results presented in this report are therefore conservative. An improvement in the labour market outcomes of these women could lead to a further increase in earnings and economic gains.
- Women on maternity leave, and women who are on career breaks but remain employed with the same employer are also excluded from our analysis.
- Our approach seeks to size the number of professional women who are currently on career breaks, and projecting their expected labour market outcomes based on existing academic studies on the experiences of women returning to work from care-related breaks, supported by survey evidence.
- Our estimates are extrapolated from a combination of findings from academic studies and surveys of female labour market preferences and work patterns. Therefore our figures should be interpreted with some caution.
- The rest of this report sets out the findings from our analysis.
- A more detailed explanation of the methodology is available in the Annex of this document.



Occupational downgrading is a reality that many women face when returning to work following their career breaks

Many returning women move into lower-skilled work due to recruitment biases against CV gaps and the lack of flexible or part-time opportunities in quality roles

- ‘Occupational downgrading’ occurs when highly qualified or highly skilled women enter into job roles for which they are overqualified.
- Some women who are returning from career breaks choose freely to take lower-level jobs or less demanding roles, retrain into other jobs (e.g. book-keeping or sales/retail roles) or become self-employed in order to attain better work-life balance. However, many others reluctantly take on lower-skilled work for the following reasons:
 - Many returning women often have to combine work with ongoing caring commitments, which necessitates part-time or flexible working. However, their opportunities are constrained by the lack of flexible or part-time roles available for higher-skilled jobs. This is underscored by the findings from a survey conducted by Timewise, which shows that only 6% of advertised roles with a salary of over £20,000 are available on a flexible basis; this shrinks to 2% for roles with a salary of over £100,000.¹
 - Women returning from career breaks face the additional difficulty of the negative bias against the ‘CV gap’ among recruiters and potential employers, who assume that the lack of recent experience is automatically associated with an erosion of skills. For example, a US study found that 23% of women cited the stigma associated with having a CV gap as a barrier to re-entering the workforce.²
- As a result, many returning women struggle to go into roles that are commensurate with their skill levels.

1) Timewise (2015).

2) US Center for Work Life Policy study (2009).

Downgrading affects the majority of returning professional women, with negative consequences for earnings

Three in five professional women returning to the workforce from career breaks are likely to move into lower-skilled roles, with adverse impacts on their earnings

Three in five professional women returning to the workforce from career breaks are likely to move into lower-skilled roles

- Findings from interviews and anecdotal evidence from Women Returners suggest that 40% of women returning to work full-time experience occupational downgrading, compared to 70% of women returning to part-time work.
- Applying these proportions to the women in our sample suggests that around three in five professional women currently on career breaks (or 249,000 women in our sample) are likely to face occupational downgrading when returning to the workforce.
- A similar survey conducted by the Resolution Foundation shows that 42% of degree holders feel they have had to take a lower skilled job from working part-time.³ Another study suggests that up to 29% of women switching from part-time to full-time work face occupational downgrading, compared to 7% of professional women who remain in full-time roles, with this incidence at least doubling for women who take career breaks.⁴

Occupational downgrading has real and adverse consequences for earnings, particularly for women taking up part-time roles

- Switching to part-time work and downgrading from a high- to low-skilled role is associated with an immediate 12-32% reduction in hourly earnings, depending on whether the woman remains with the same employer. This compares to an earnings penalty of 6.4% associated with downgrading but remaining in a full-time role.⁵ Other studies show similar findings.⁶

3) Resolution Foundation (2012).

4) Connolly and Gregory (2008).

5) In comparison to someone who is employed full-time with the same employer in a high-skilled occupation. Source: Connolly and Gregory (2009).

6) For example, Neuberger, Joshi and Dex (2011) show that working part-time is associated with a 16-32% reduction in hourly earnings.

Around two-thirds of professional women could be working below their potential when they return to the workforce

29,000 professional women returning to part-time would prefer to work longer hours but are unable to due to the lack of flexible roles

Additionally, there are women working part-time who wish to work more hours but are unable to due to the shortage of flexible roles

- Survey evidence suggests that:
 - More than a-third of working mums surveyed by Digital Mums who currently work part-time would increase the number of hours they worked if these roles were flexible.⁷
 - This is a similar proportion to the 24% of women with degree-level qualifications who are involuntarily working part-time, and would prefer to work longer hours.⁸
- We estimate that around 29,000 women in our focus sample are likely to be underemployed when they return to the workforce, based on the evidence from the Digital Mums survey.

Around two-thirds of professional women returning to the workforce could be working below their potential

- Our analysis shows that around 65% of the professional women in our focus sample (or 278,000 women in total) whose potential could be working below their potential once they return to the workforce
- This includes women who are working below their skill levels, and women who are involuntarily working fewer hours than they would prefer (underemployed).

7) Report by Cebr for Digital Mums (2016).

8) Resolution Foundation (2012).

Addressing the career break penalty could help unlock the £1 billion potential of women returners

Fully utilising the potential of female professionals could generate additional earnings of £1.1 billion and economic output of £1.7 billion

- We estimate that addressing the incidence of occupational downgrade experienced by professional women returning to work could boost their weekly earnings by £13.7 million (an 18% increase), and their annual earnings by £637 million.
- Increasing the number of hours worked by part-time working women who wish to do so could increase the number of hours they work each week by 433,000, equivalent to 14,000 additional full-time equivalent (FTE) employees a year. This is also associated with an increase in earnings of around £423 million in total for these women.
- In total, this results in a boost to female earnings of around £1.1 billion, or around £4,000 per professional woman.
- The increased earnings and spending power of these women drives a further increase in output in the UK economy (beyond the increase in their incomes) as a result of the multiplier effect. We therefore estimate that the increase in income translates into a boost to UK economic output of £1.7 billion.
- Our Women in Work Index 2016 shows that increasing female labour participation more broadly could deliver economic gains of up to £170 billion to the UK.
- There is a strong business case for diversity. Diverse teams are able to make better business decisions, are more competitive and responsive to market trends, thus driving greater value for customers and shareholders.⁹
- Getting more senior professional women back into the workplace enables businesses to build a pipeline of women for leadership positions, which improves the diversity of management teams.
- There are clearly other important benefits from fully utilising the potential of returning professional women that have not been quantified. For example, the value of additional tax contributions to the Exchequer from higher female earnings, as well as the impact on reducing the level of female pensions shortfall due to greater savings accrued over the course of their working lives.

⁹⁾ See for example: Centre for Talent Innovation (2013), Deloitte (2013) and McKinsey (2007)

Challenging and addressing recruitment biases is critical to addressing the career break penalty experienced by professional women

Combating the negative bias towards CV gaps could provide professional women with a level playing field when they seek employment post-career break

- The stigma associated with having a gap in the CV is a significant contributing factor to the incidence of occupational downgrading women face when re-entering the workforce. This is supported by a US study that found that 23% of women in their focus sample cited that the negative perceptions of the CV gap was a barrier to re-entering the workforce.¹⁰ Another US study also found that managers prefer to hire a less qualified candidate over one who has been out of work for more than six months as they assume that a career gap has resulted in the deterioration of skills.¹¹
- These perceptions have an impact on earnings: A study by the IFS suggests that hourly wages of women who return to work are around 2% lower for each year they have taken out of employment, with this figure rising to 4% for women with A-level or degree-level qualifications.¹²
- Recruiters are often looking for the ‘finished article’ and they need to challenge themselves to address biases in their recruitment process to ensure highly-skilled women are able to return to work in jobs that they are qualified to undertake.
- Changing the attitude of recruiters and employers to ensure these women are given the same opportunity to be considered for employment as their counterpart who did not take a career break, is critical to overcome one of the main barriers that women face when they re-join the labour market.



10) US Center for Work Life Policy study (2009).

11) Ghayad (2013).

12) Costa Dias, Elming and Joyce, R. (2016).

Introducing returnships could help these women transition back to the workforce and enable businesses to access a pool of experienced talent

Returnships create an effective route back to professional roles, with transitional support to upskill and regain professional self-belief

- Although these women acquire important skills while on career breaks, such as organisational and project management skills, many women struggle to articulate these skills using corporate language, and their broader application to professional settings.
- These programmes help women to transition effectively back to work by providing a route back to mid- to senior-level professional roles, filling the CV gap with recent experience and providing transitional support to upskill, regain professional self-belief and rebuild networks.
- For example, PwC's paid 16-week return to work scheme, 'Back to Business', aims to challenge our recruitment process so that highly skilled women who have taken a career break are able to restart their careers at the right level. The programme is designed to help the transition back into the workplace and offers women the chance to work on client projects, improve their skills and expand their professional network.

- These return to work schemes have launched across various sectors. For example, J.P Morgan launched the second intake of its 'ReEntry Programme' in 2016, which is an 18 week paid non-rotational programme consisting of networking, on-the-job training, skills sessions and learning and development opportunities. 'Vodafone ReConnect' launched in 2016 offers a six months transition programme supporting women to restart their careers in the industry.

“It is easy to assume that people haven't developed during their career break, but the different learning experiences during this time really do matter. Back to Business is a great experience and a real bridge into returning to work.”

PwC's 'Back to Business' programme participant



Making quality part-time or flexible roles more widely available could provide more opportunities for returning women

Increasing the availability of part-time and flexible opportunities helps widen the pool of professional talent businesses can access

- The undersupply of part-time opportunities in higher-skilled and professional roles is an important contributing factor to the occupational downgrading women face.
- Flexible working can take different forms: it can mean time flexibility (e.g. enabling employees to flex their working hours around other responsibilities), spatial flexibility (e.g. enabling employees to work outside the office) or greater autonomy more generally for employees to determine their work patterns.
- Increasing the availability of quality part-time or flexible roles can help address this demand gap. It would also help mitigate the risk of occupational downgrading, while widening the pool of talent that businesses can access.
- Businesses need to challenge their recruitment processes to ensure that they are not overlooking talented women. For example, at PwC we advertise vacancies as flexible by default. Working Families suggests using a strapline 'Happy to Talk Flexible Working' alongside vacancies, or companies could advertise that roles are 'open to applications from people who have taken a career break'.







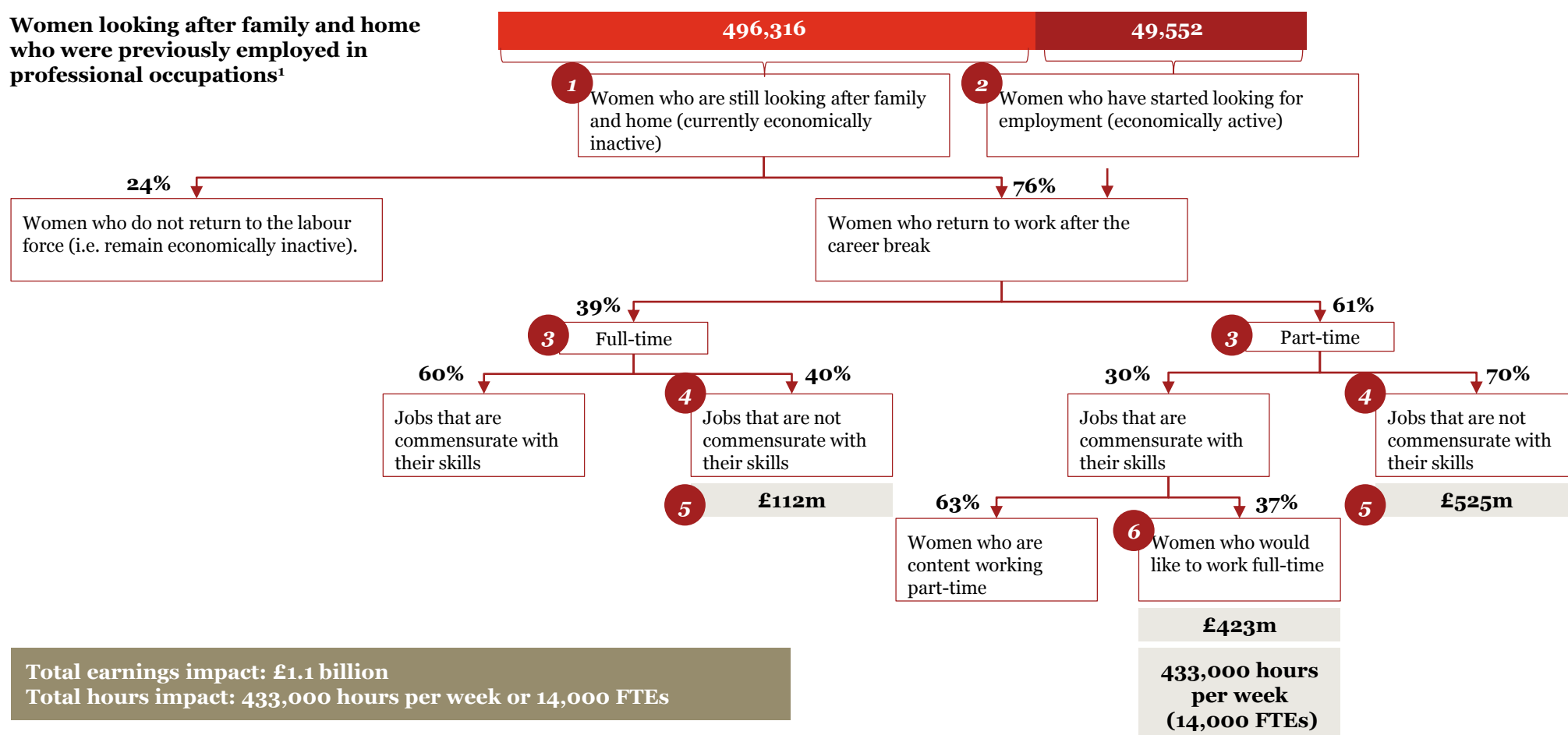
Technical annex

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Estimating the number of women who could be working below their potential following their career break

The figure below summarises the approach used to estimate: (1) Number of professional women currently on career breaks who plan to return to work in the future (economically inactive) and (2) number of women who are currently looking for work following a career break (economically active). Of the women who return to work, the (3) number of women who return to work full-time or part-time and (4) the incidence of occupational downgrading and (5) its impact on earnings. Of the part-time working women who do not experience occupational downgrading, we estimate the (6) number of women who wish to work full-time and the impact of increasing the number of hours worked by this group of women. Further explanation on the assumptions used is provided in the rest of this section.

Women looking after family and home who were previously employed in professional occupations¹



¹ This includes associate professional and technical occupations, professional occupations and managers, directors and senior officials.

Summary of data points underpinning our analysis

Area	Finding	Source
Professional women who are economically inactive	<ul style="list-style-type: none"> • 1.95 million women are not in employment for reason of looking after family and home 	Office for National Statistics, Labour Force Survey (2016 Q2)
	<ul style="list-style-type: none"> • 25.4% of women were previously employed within the associate professional and technical occupation category and above (i.e. 496,316). 	UK Data Service, Labour Force Survey (2016 Q2)
Professional women who are currently economically active	<ul style="list-style-type: none"> • 6.7% of unemployed women have started looking for employment but were previously economically inactive (i.e. looking after family and home) and their last job was within the associate professional and technical occupation category and above. 	UK Data Service, Labour Force Survey (2016 Q2)
% of women who would like to return to work	<ul style="list-style-type: none"> • 76% of women (aged 28-40) who are currently not working would like to return at some stage 	PwC (2014)
Type of work that women return to	<ul style="list-style-type: none"> • 39% of mothers return to work full-time (i.e. 30 hours or more) and 61% returned to work part-time (below 30 hours per week) after maternity leave. 	Department for Work and Pensions (2011)
% of women who return to jobs that are not commensurate with their skills	<ul style="list-style-type: none"> • 40% of women returning to work full-time experience occupational downgrading, compared to 70% of women returning to part-time work. • This is supported by evidence from studies including Connolly and Gregory (2008). 	Interviews and anecdotal evidence from Women Returners
% of women working part-time who would like to work more hours	<ul style="list-style-type: none"> • 37% of working mums would increase the number of hours they worked each week if they could work flexibly. 	Report by Cebr for Digital Mums (2016)
Earnings impact	<ul style="list-style-type: none"> • Downgrading as a result of moving from full-time to part-time work results in an earnings penalty of around 12-32%. • The earnings reduction of downgrading while working in a full-time role is 6.4%. 	Connolly and Gregory (2009)

Estimating the number of professional women currently on career breaks who are likely to return to the workforce

Our approach seeks to size the number of professional women who are currently on career breaks, and projecting their expected labour market outcomes based on existing academic studies on the experiences of women returning to work from care-related breaks, supported by survey evidence.

This section sets out the approach we use to:

- (i) Estimate the number of women who are on care-related career breaks, and, of these women, those who are likely to return to work that is not commensurate with their skill level, or would like to work more hours than they currently do; and
- (ii) Quantify the earnings and economic impact of these women moving to jobs that are more aligned to their skills and preferences for longer working hours, in terms of earnings.

1. Number of professional women currently on career breaks who plan to return to work in the future (economically inactive)

- The starting point of our analysis is to quantify the number of working-age women (between the ages of 16 and 64) who are on career breaks and were previously employed within the associate professional and technical occupation category and above.
- 1.95 million women in the UK are economically inactive for reason of looking after family and home in the UK according to the Labour Force Survey (ONS, 2016 Q2). 25% of these women (496,000) were previously employed within the associate professional and technical occupation category and above.¹
- Of these women, some eventually return to the labour force and others would choose not to for various reasons, e.g. personal preferences.
- Of the women currently on career breaks, we estimated the proportion of this who are likely to return. A survey by Project 28-40 shows that 76% of women

(aged 28-40) who are currently not working would like to return to work at some stage. We assume that this proportion applies more generally to women who have taken time off work to look after family and home.

- This is comparable to the following estimates:
 - A study by the US Centre for Work Life Policy (2009) of 2,700 women who took career breaks shows that 74% of women re-joined the workforce after a career break.
 - Results from a survey of 1,600 women by Cebr for Digital Mums (2016) suggest that 68% of stay at home mums would be willing to return to work if they had access to flexible working.
 - Arun et al. (2004) conducted a panel study of 3,300 Australian women and concluded that of the women who took long child-related career breaks, 70% plan to return to work.

2. Number of women who are currently looking for work following a career break (economically active)

- Data from the Labour Force Survey (ONS, 2016 Q2) suggests that 6.7% of women who are currently unemployed were (1) previously economically inactive (for reason of looking after family and home) and (2) previously employed in professional occupations. This gives an estimate of around 50,000 professional women who are currently looking for work following a career break.
- Therefore, the total number of professional women who are currently, or previously taken career breaks and are expected to return to work as of 2016 Q2 is estimated to be 427,000. We assume these women either return to work either as an employee or become self-employed. These women are the focus of our present analysis.
- The analysis excludes women on maternity leave, and women who are on career breaks but remain employed with the same employer.

¹ UK Data Service, PwC analysis

Estimating the labour market outcomes of women who return to work from career breaks (1/2)

3. Number of women who return to work full-time or part-time

- A survey conducted by the Department for Work and Pensions (2011) of 2,000 mothers found that 39% of mothers return to work full-time (i.e. 30 hours or more) while 61% returned to work part-time (less than 30 hours per week) after maternity leave.
- Although the above estimate applies to those returning from maternity leave, it is consistent with the results of a US Center for Work Life Policy study (2009) which showed that 40% of women who returned to the workforce following a career break returned to full-time roles.
- We applied these proportions to the number of women who are expected to return to the workforce following a career break to obtain an estimate of the number of women returning to part-time and full-time jobs.

4. Incidence of occupational downgrading

- Occupational downgrading occurs when highly skilled women return to roles that are below their skill or occupational level.
- Evidence suggests that women returning from career breaks or changing their work patterns are at risk of occupational downgrading.
- Interviews and anecdotal evidence from Women Returners suggests that around 40% of women returning to work full-time in the UK experience downgrading, compared to 70% of women returning part-time. We apply this incidence of downgrading to women entering full-time and part-time work.
- This means that around 249,000 women are likely to face occupational downgrading.

- This is corroborated by evidence from the following studies:

- A study by Connolly and Gregory (2008) using panel data of 15,000 British women show that:
 - Up to 6.7% of highly skilled women who are in full-time employment experience occupational downgrading. This could manifest in various ways, including reduced chances of promotion and opportunity to engage in interesting work.
 - Up to 29% of women who switch from full-time employment to part-time work change to an occupation where the average qualification level is below that of their previous full-time job.
 - The incidence of downgrading is at least double for women who have taken time off work
- A study by Cebr for Digital Mums (2016) based on a survey of 1,600 women show that 64% of respondents felt that their skills and experience had been compromised in some way when looking for suitable roles.
- Similarly, a study by the Resolution Foundation (2012) of 1,610 women found that 36% of high-earning women have had to take a lower skilled job by working part-time, than they would have if they worked full-time.

Estimating the labour market outcomes of women who return to work from career breaks (2/2)

5. Impact of occupational downgrading on earnings

- Connolly and Gregory (2008) conclude that moving to part-time work and downgrading equates to an earnings reduction of 12%. If this is coupled with a change in employer, this results in a reduction in earnings of 32%. We applied the mid-point of these estimates to women currently working part-time and are expected to be downgraded. The same study showed that the impact of downgrading on earnings while remaining employed on a full-time basis was 6.4%.
- The hourly wage estimates for full-time and part-time work for women in professional occupations used in this analysis are £18.80 and £16.60 respectively (ONS LFS 2016 Q2).
- Applying these estimates to hourly earnings yields a cost of £637 million in lost earnings due to the effect of downgrading.
- This is in line with estimates from:
 - Manning and Petrongolo (2008), which found female graduates who previously worked full-time and return to work part-time suffer a pay penalty of 20.7%.
 - Neuberger, Joshi and Dex (2011), which show that the negative impact on earnings from part-time working is 16-32% depending on whether there has been a switch in employers, compared to those who have worked full-time and stayed with the same employer.

6. Impact of increasing the number of hours worked by women who return to part-time employment

- A study by Cebr for Digital Mums (2016) show that 37% of working mums would increase the number of hours they worked each week if they could work flexibly.
- This assumption is applied to the group of women working part-time in roles that are commensurate with their skills.
- We assume that these women currently work, on average, 15 hours per week. Increasing the number of hours they work to 30 hours per week (i.e. full-time employment) could equal an additional 433,000 additional hours of work each week (equivalent to 14,000 FTEs). This is equivalent to an additional £423 million of earnings per annum.

Estimating the impact of earning on economic output and multiplier effects

Approach used to estimate economic impacts

- Fully recognising and rewarding the potential of returning professional women is associated with an increased in earnings of around £1.1 billion.
- This increase in earnings are also likely to be associated with economic impacts, i.e. part of the increase in output in the wider economy is driven by the additional earnings being spent by these women. This is often referred to as the 'induced' contribution. The total economic impact is estimated by applying a Type II multiplier of 1.52 obtained from the UK Input-Output model to earnings. This results in a total boost to economic output of £1.7 billion, of which £586 million is the 'induced' contribution.

Other limitations and assumptions

- Although there is a wealth of literature on the impact of motherhood on employment patterns and preferences, our research highlights an important gap in existing research on the labour market outcomes of women returning from career breaks more generally. This is especially the case for (1) the impact of career breaks on working patterns (e.g. part-time vs full-time work), and (2) the impact of career breaks on the incidence of occupational downgrading. These areas provide avenues for further research.
- The analysis does not take into account preferences of some women who willingly downgrade to jobs below their skill levels. For example, the BMRB survey shows that around 6% of working-age women report doing lower-skilled work because it is less demanding and stressful (Grant et al., 2005). However, this group represents a fairly small proportion of the female working-age population.
- Some women who work part-time following career breaks may also switch back into working full-time later on in their careers (e.g. when their children get older). This helps to improve the earnings trajectory compared to working part-time, but does not mitigate the immediate earnings impact from switching to part-time work following breaks.
- We have not quantified the wider costs of increasing the number of hours worked, e.g. the cost of childcare and the potential changes to partners' work patterns in order to accommodate these changes.
- We assume an elasticity of zero when estimating the effect of increasing female labour supply on overall employment and wages. This takes into account the counteracting effects of labour supply and demand elasticities: an increase in wages makes it more expensive for employers to hire more workers, however higher earnings also incentivise potential workers to seek employment.

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