
Chair of the UK Statistics Authority, Sir Michael Scholar KCB

Baroness Prosser of Battersea
Chair, Women and Work Commission
Government Equalities Office
Eland House
Bressenden Place
LONDON
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7 August 2009

Dear Baroness Prosser

REPORT OF THE WOMEN AND WORK COMMISSION *SHAPING A FAIRER FUTURE*

I am writing in relation to the final report of the Women and Work Commission (WWC) on *Shaping a Fairer Future* published on 29 July, and the associated media comment.

The Foreword to *Shaping a Fairer Future* includes a short discussion of the differences between the earnings of women compared with men. It notes that “women are still paid, on average, 22.6 per cent less per hour than men”. This measure is described in a footnote as the “overall median gender pay gap”.

On 11 June I wrote to the Minister for Women and Equality, the Rt. Hon. Harriet Harman QC MP to express concern over the way in which the 22.6 per cent figure had been used in a Government Equalities Office Press Release. In the view of the Statistics Authority this particular estimate, when used on its own without qualification, risks giving a misleading quantification of the gender pay gap. The analysis underpinning this view has been published on the Authority website as a Monitoring and Assessment (M&A) note on the gender pay gap.¹

The Foreword to *Shaping a Fairer Future* helpfully presents estimates for both an overall gender pay gap (22.6 per cent) and a full-time gender pay gap (12.8 per cent). This goes some way towards ensuring that readers understand the difference between these two estimates. However, it would have been clearer had these two estimates been presented alongside each other and accompanied by some explanation of the differences between the two measures. As it stands, the 22.6 per cent figure appears in the Foreword more as a headline estimate of the gender pay gap, while the 12.8 per cent estimate is presented in a different context, to show how the gap widened between 2007 and 2008.

¹ The letter and M&A note can be found at the following link:
<http://www.statisticsauthority.gov.uk/reports---correspondence/correspondence/letter-from-sir-michael-scholar-to-harriet-harman-qc-mp-11-june-2009-and-m-a-note.pdf>

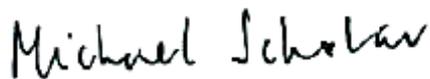
It would be an easy mistake for a casual reader to conclude from the Foreword that if the overall gender pay gap stands at 22.6 per cent and the full-time gender pay gap stands at 12.8 per cent, then the part-time gender pay gap must be considerably greater than 22.6 per cent. Indeed, the Foreword appears to confirm just such a conclusion when it states that 'pay gaps are even greater for part-time workers (39.9 per cent)'. The casual reader would be surprised to learn then that median hourly earnings of women and of men (excluding overtime) are very close, with women's median pay actually being slightly higher than men's (by 3.4 per cent).

While the Foreword to *Shaping the Future* refers to 39.9 per cent as an estimate of the pay gap for part-time workers, it does not explain what this is a measure of. Looking at the numbers presented in the Authority M&A note, 39.9 per cent appears to be a measure of the difference between the median hourly earnings of part-time women compared with full-time men. The M&A note looked at a similar measure presented by the Equalities and Human Rights Commission (based on mean rather than median earnings) and concluded that such a comparison needs particularly careful presentation and justification if it is not to mislead. If this comparison is indeed the basis for the 39.9 per cent estimate, I am disappointed that it should have appeared in the Foreword to *Shaping the Future* without any explanation.

There has been some discussion between the Office for National Statistics and GEO on the presentation of women's earnings. The National Statistician has agreed to look at the way the gender pay gap is presented in ONS statistical bulletins. This will inform the content of the relevant ONS statistical bulletin, due for publication in November 2009. Pending that further work, I would recommend that the analysis presented in the Authority's M&A note should be taken into account in the preparation of official statements concerning the gender pay gap.

I am copying this letter to Ms. Harman and to the National Statistician, Dame Karen Dunnell.

Yours sincerely

A handwritten signature in black ink that reads "Michael Scholar". The signature is written in a cursive, slightly slanted style.

Sir Michael Scholar KCB