

## **Gendered Income Inequalities in the UK: A Comparison Across Ethnic Groups**

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Individual income inequalities between men and women are substantial and persistent. However, apart from certain analyses in relation to specific groups such as older men and women, the analysis of gendered income inequalities focuses predominantly on labour income, rather than on individual incomes from all sources. Gendered inequalities in earned income are widely reported and accepted as indicative of wider gendered social structures. The role of unequal division of child-rearing responsibilities in helping to perpetuate labour market inequalities is also extensively analysed and widely recognised. However, a focus on women's labour income relative to men's may miss much of the complexity of how inequalities between men and women intersect with inequalities among different groups of men and women. First, a focus on labour income fails to consider all those who are not participating in the labour market. Second, comparisons between all men and all women (or even between equivalently qualified men and women) can disguise the extent to which gendered inequalities are more or less pronounced at different points on the income distribution. Moreover, the reference point, which men provide the most relevant comparison for adducing gendered inequalities is salient for the interpretation of their impact on overall economic well-being. It may be little consolation for poor women that they face relatively little gendered income inequality, while there may also be little connection between the impact of the gendered inequalities they face and those of high-earning women who are nevertheless surrounded by - or partnered with - even higher earning men. Both are worthy of attention, but they may have different impacts on well-being as well as different policy implications.

We illustrate these points by an analysis of ethnic differences in income inequalities in the UK and by exploring inequalities across the distribution, as well as at the mean. The UK's ethnic groups provide predefined categories of men and women to compare with each other, and the stark differences in income, earnings, and employment across ethnic groups as well as in demographic and fertility profiles, makes it meaningful to analyse them as separate groups for the purposes of exploring gendered income inequalities. Focusing on overall individual income of men and women we show the extent to which different gender inequalities are differently patterned across ethnic groups, and how these individual income inequalities relate to group mean and median individual incomes and to the overall distribution of incomes - within men and within women - for these ethnic groups.

Given the very different overall income distributions experienced by different ethnic groups, we also investigate gendered inequalities at different parts of the income distribution. Given the very particular distribution of women's individual incomes, with women from some groups having particularly large proportions of zero incomes, we use women's household income distribution to distinguish different levels of overall economic well-being and explore the patterns of individual

income inequalities across ethnic groups at different points on distribution of household income. Once again, we evaluate gender inequalities in individual income by comparison with both men from the same group at the same level of household income and with the partners of women who are economically better and worse off at the household level. We also repeat the descriptive analysis introducing a simple set of controls for age and family structure. This enables us to infer the extent to which differences in income inequalities across groups are linked to differences in demographic and fertility/marital status profiles.

The paper enables us to draw some conclusions about the extent to which gendered inequalities are, or are not, more significant for the better off 'groups' within the UK, and the consequent implications for policy addressing women's economic well-being. We illustrate these policy implications by simulating changes in individual incomes of men and women so as to eliminate gendered income inequality for each ethnic group and computing changes in poverty rates for men and women in these groups. That is, it is sometimes argued that targeted gender equality initiatives are more salient at the top of the distribution, while initiatives that affect the incomes of both men and women are more relevant for women with lower incomes; however the implications of the latter for the perpetuation or mitigation of gender inequalities remains relatively unexplored.

For the analysis we use 8 recent years pooled of UK Family Resources Survey data. This provides us with sufficient sample sizes to carry out ethnically differentiated analysis. Given the relatively small sample sizes, there is little scope for assessing the evolution of income inequalities over time, though for some analysis we make a simple distinction between the first four years of data and the second four years. The data contain a measure of derived measure of individual income, which can also be broken down into its constituent parts, to test the sensitivity of the conclusions to incorporating or excluding particular components of income, e.g. some welfare benefit income, which may risk being more arbitrarily allocated to particular household members in multi-person households. We operationalize income inequality as the absolute gap for illustrative purposes, as well as, in line with pay gap analysis, the proportion of men's income that women's income makes up. We also decompose individual income into the between- and within-sexes components, to assess the extent to which greater gender equality would reduce the levels of individual income inequality for each group.