

New mothers suffer a cumulative loss of income of £66,434 over the following decade

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SMF's study concluded that a woman who had her first child in 2010/11 will have suffered a cumulative income loss of £66,434 in comparison to a woman with no children whose career has progressed and wages increased during this time. These figures do not take into account the additional spending that parents face.

The data showed that, women who were aged 25-35 in 2009/10 who remained childless would have a wage increase of around 30% over the course of the following decade, whereas women who had a first child in 2010/11 were earning 10% less.

SMF reported that many parents work less often due to the high costs and limited availability of childcare. Over time, this has led to a reduction of earnings, stalled wage growth and limited career progression for new mothers. SMF found in the first three years of having their babies, women on lower wages took a 30% wage cut and women on higher wages took a 20% cut.

To avoid all forms of unlawful discrimination and promote gender equality employers should ensure that their Equal Opportunities Policy covers amongst other areas, requests for flexible working, leave for parents, pay and benefits, and terms and selection for promotions.

Employers should carefully consider flexible working requests, such as flexible start/finish times or work from home. Also, time should be taken when making promotion decisions and a record kept of how these decisions were made to avoid unconscious bias. Employers should consider how metrics are used to determine whether an employee should be promoted to ensure that mothers are not unfairly disadvantaged, e.g. by working part time.

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