

#EqualPay50 lessons: teachers' glossary

Please use this glossary to familiarise yourself with some of the key definitions and concepts covered in the lesson series. For a comprehensive overview of equal pay, please read our [briefing for campaigners](#).

Bias - A prejudice in favour of or against one thing, person, or group compared with another in a way that's considered to be unfair. Biases can be **conscious (explicit)** - characterised by overt negative behaviour such as physical and verbal harassment or through conscious exclusion. Whereas **unconscious (implicit) bias** is much more common and often at odds with people's own personal values. This includes unconscious stereotypes and beliefs about groups of people and favouring people who look like you and/or share your values. This could include assuming that the doctor being referred to is definitely a man, making assumptions about someone before meeting them based on their name, or simply trusting people like yourself more than people who are different.

Disability pay gap - The difference between the average hourly pay of disabled and non-disabled people, usually expressed as a percentage. In 2019, the TUC reported the disability pay gap to stand at 15.5% - meaning that disabled workers, on average, earn £3,000 less per year than their non-disabled counterparts.¹ There is currently no requirement for companies to report this information.

Ethnicity pay gap - The difference between the average hourly pay of Black and minority ethnic (BAME) people and white people, usually expressed as a percentage. Companies who calculate their ethnicity pay gap often choose breakdown the differences in pay between white workers and different ethnic groups (e.g. Black African, Bangladeshi, Chinese), as there are often large disparities in average pay within the "BAME" category. For instance, in 2018, on average, Chinese employees earned 30.9% more than White British employees, while employees from the Bangladeshi ethnic group earned 20.2% less than White British employees.² There is currently no requirement for companies to report this information.

Equal pay - Paying men and women the same wage for the same work; a legal right in the UK since the passage of the **Equal Pay Act (1970)**. Despite the Act being in place for over 50 years, companies continue to pay unfairly

¹ Trades Union Congress (2019) [Disability Pay Gap Day: disabled people work 2 months of the year for free, says TUC](#)

² Office for National Statistics (2019) [Ethnicity pay gaps in Great Britain: 2018](#)

and, as a result, there are still around 29,000 equal pay claims brought forward each year.³

In law, companies must pay men and women the same wage for:

- a. doing the same (or similar) work
- b. doing work that has been rated as “equivalent”, or in the same grade
- c. doing work of “equal value”, where jobs might be different but require a similar level of skill.

It wasn't until 1982, as a result of a judgement by the European Court of Justice, that the Act was amended to incorporate the concept of *equal value* (in 1983). This might include, for instance, paying a school cook and a refuse collector the same wage, based on an evaluation of the knowledge, skill, responsibility, mental/physical effort, etc. required to perform the job.

The Equal Pay Act has since been superseded by the **Equality Act (2010)**.

Equal Pay Day - The day in the year after which women effectively start to work for free, as a result of the gender pay gap. This date is calculated using statistics from the Office for National Statistics' Annual Survey of Hours and Earnings (ASHE), and is based on the mean pay gap for full-time workers. In 2019, this day fell on 14th November.

Gender pay gap - The difference between the average hourly pay of men and women* (in the country or within a company), usually expressed as a percentage. In 2019, the gender pay gap stood at 17.3%.⁴ Factors such as part-time working, caring responsibilities, a lack of women in senior roles, different educational opportunities, the undervaluing of jobs and sectors traditionally dominated by women, *and* the phenomenon of unequal pay all contribute to this figure. Unlike unequal pay, it is not unlawful for companies to pay women less than men on average, although it might suggest that the company has procedures or practices that either directly or indirectly discriminate against women, which is also unlawful.

Companies with over 250 employees are mandated to report their gender pay gap each year (however, reporting has been suspended for 2020 as a result of the Coronavirus pandemic). Companies are also required to report their **gender bonus gap**, which is the difference between average bonus pay between men and women within a company.

The gender pay gap and equal pay are often conflated, and this is something we are keen to avoid in our lessons. Read the [Fawcett Society's explainer](#) for more information.

³ The Guardian (2020) [29,000 claims a year despite 50 years since Equal Pay Act](#)

⁴ Office for National Statistics (2019) [Gender pay gap in the UK: 2019](#)

A note on gender diversity - The Equality Trust's campaign and this series of lessons on equal pay and the gender pay gap are bound by both the legal and reporting framework on gender pay. The categories "male" and "female" are the only legal categories recognised in law and reported through both company and ONS gender pay gap data, and are therefore the focus of our campaign. Trans men and trans women who have undergone a legal transition are included in gender pay data referring to the "male" and "female" categories, however, we know that many trans people are not legally categorised as the gender they self-identify with (this could be either as a trans man or woman, or genderfluid, non-binary, etc). The recent legal decision that non-binary people are protected by the Equality Act, in the case of an employee suffering discrimination at Jaguar Land Rover, may well see the binary nature of individuals' "legal sex" change in the coming years.⁵

While the equal pay legislation itself only protects "men" and "women", there are other forms of pay discrimination (e.g. sexual orientation, disability, ethnicity), reflecting other strands of discrimination in society, and these are governed by direct or indirect discrimination legislation. Although there is a lack of data or research into pay disparities experienced by LGBTQI+ people, we do know that trans and gender non-conforming people experience high levels of discrimination, violence, exclusion and abuse.⁶ The Equality Trust believes that, based on what we do know about trans peoples' experiences, the likelihood is that trans people also routinely experience pay discrimination, and our work aims to make the right to equal pay a reality for everyone, regardless of gender.

Gini coefficient - A measure of statistical dispersion intended to represent the income inequality (or, less frequently, wealth inequality) within a country. The **coefficient** ranges from 0 (or 0%) to 1 (or 100%), with 0 representing perfect equality and 1 representing perfect inequality. The UK's Gini is 0.35.

Inequality - A broad term that refers to the different opportunities, outcomes and circumstances experienced by different people within a society. Inequalities can be social, economic, or political, and are often interlinked.

Income inequality is the difference between how much is earned by the highest paid people in a society, compared to the lowest paid people.

Wealth inequality refers to the disparity between how much some people own or *inherit*, compared to others. **Gender inequality** refers to the various disadvantages that (predominantly) women face as a result of their gender. This includes, for example, pay discrimination, fewer educational or

⁵ The Guardian (2020) [Gender-fluid engineer wins landmark UK discrimination case](#)

⁶ Stonewall and YouGov (2018) [LGBT in Britain: Trans Report](#)

professional opportunities, lack of representation, experience of violence, etc. **Race inequality** is the different outcomes and opportunities experienced by Black, Asian and Minority Ethnic people, for instance, through higher rates of poverty and incarceration, lack of representation, lower levels of pay and unequal health outcomes.

People experience a range of inequalities in a number of ways (e.g. race, gender identity, sexual orientation, disability, age, class), and these often intersect with one another. For instance, someone who is a working class, white woman may experience inequalities based on her class, gender and income, while a middle class, gay Black man is likely to experience inequalities as a result of his race and sexual orientation.

Find more information on:

- [defining and measuring income, pay and wealth inequality](#)
- [how inequality affects individuals, society and the economy](#)

Pay ratio - A calculation that can be produced to compare the salary of a company's CEO (or highest paid employee) with the average salary or lowest employee's salary within the company. New legislation came into force in January 2019 mandating companies with more than 250 employees to publish the pay ratio between their CEO and "average" employees. Analysis by The Equality Trust in 2020 found that the average CEO took home 90 times the salary paid to a senior teacher, 186 times the salary paid to a carer and 212 times the salary earned by a minimum wage worker.⁷

Tax - Tax is a compulsory contribution towards the state, mandated by the government on workers' income and business profits, or added to the cost of goods, services, and transactions (e.g. VAT). Tax revenue is used by governments to build roads, railways, bridges, hospitals and schools, to pay teachers, doctors and nurses, and the cost of the welfare system. Taxes can be paid by individuals on a person's income (how much money someone earns), or wealth (how much money a personal owns - e.g. through family wealth, inheritance). **Corporation tax** refers to the tax paid by companies on their profits. **Capital gains tax** is a tax on the profit when you sell something that has since increased in value (e.g. you bought a painting for £5,000 and sold it for £25,000 - so you will pay CGT on the £20,000 profit).

The term **progressive taxation** refers to a tax system that levies a higher rate of tax (e.g. a higher proportion of income/wealth) to the richest people or companies, and a lower proportion to those who have the least. This acts

⁷ The Equality Trust (2020) [Fat Cat FTSE CEOs creamed off 212 times more than a minimum wage worker](#)

as a form of redistribution from the wealthiest to the poorest within a country.

Trade unions - A trade union is a group of employees who join together to maintain and improve their conditions of employment, through collectively bargaining/fighting for better pay and conditions for all workers, political campaigning and industrial action (e.g. striking). Trade unions have been central actors in the fight for equal pay.

Unpaid care work - Unpaid care work refers to all unpaid services provided within a household for its members, including care of persons (e.g. childcare, elderly parents/relatives, disabled people) and housework (e.g. cleaning, cooking). These activities are considered work, because theoretically one could pay a third person to perform them.⁸

- Unpaid = the individual performing this activity is not remunerated.
- Care = the activity provides what is necessary for the health, well-being, maintenance, and protection of someone or something.
- Work = the activity involves mental or physical effort and is costly in terms of time resources.

⁸ OECD Development Centre (2014) [Unpaid Care Work: The missing link in the analysis of gender gaps in labour outcomes](#)