

Written evidence submitted by Young Women's Trust [RCW0005]

1. About Young Women's Trust

Young Women's Trust champions young women aged 18 to 30 on low or no pay. We're here to create a more equal world of work and raise young women's incomes. We tackle sexism and misogyny, with and for anyone who has experienced this.

We offer young women free coaching, feedback on job applications and information to help them get where they want to be.

We bring together a network of thousands of young women to support each other, build their self-belief, and have their voices heard.

We work with young women and anyone who experiences misogyny and sexism to campaign for equality in the workplace.

And our research provides insight into what young women's lives are really like, fuelling our campaigns for change.

2. Context of this response

Young women earn £5,000 on average less a year than young men of the same age. They are therefore more likely to be struggling in the cost-of-living crisis: in debt, struggling to afford the essentials and choosing between heating and eating.

This response is based on findings from Young Women's Trust's recent [cost of living report](#) with the addition of evidence from interviews to understand young women's lived experience to add context to the quantitative evidence.

The report highlights the results of a survey with a representative sample of 4,000 young women in England and Wales and a comparison group of 1,000 young men carried out between 19 June and 1 July 2023. To understand trends in young people's experiences of the cost of living we have compared this year's data with an equivalent survey carried out between 11 and 19 April 2022.

If required, we are able to arrange a more in-depth focus group with a group of young women in order for the inquiry to understand young women's lived experience of the cost of living crisis.

3. How are rising food, energy, housing, and other costs affecting women compared to men?

I've really struggled financially. I work part time but the rent is so expensive and after paying that and all other essential outgoings such as food and travel to campus, I'm completely out of money. Even though I'm entitled to the maximum student loan, it's just not enough. I'm not able to go out with friends as I can't afford to. Even if I could, none of my friends could either. We're all using our overdrafts.

Chloe

3.1. Young women are not only experiencing an ongoing deterioration of their financial situation in relation to the cost of living, but are also seeing the gap between their position and that of young men widen.

3.2. Young women continue to struggle financially

The survey shows that, for young women, the crisis is deepening with a growing number of young women saying their financial situation is uncomfortable and getting worse. Whilst a considerable number of young men continue to face financial challenges, the situation for them appears to be stabilising, with a similar proportion saying they are struggling to last year:

- 56% of young women described their current financial situation as 'not that comfortable' or 'not at all comfortable', compared to 41% of young men. This has increased from 49% of young women in 2022 and 42% of young men.
- 46% of young women told us that their financial situation has got worse over the last 12 months, compared to 31% of young men. This has increased from 38% of young women in 2022. Young men have remained consistent – last year's figure was 30%.
- 62% of young women say it's a real struggle to make their cash last to the end of the month, compared to 48% of young men. In 2022 these figures were 54% of young women and 44% of young men.
- 32% of young women have been unable to afford food or essential supplies, compared to 21% of young men. This has increased from 24% of young women in 2022 and 19% of young men.

3.3. The cost of living is leading to rising debt and forcing young women to make impossible choices

The short-term consequences of these financial struggles are clear. Young women are making impossible choices. Many young women tell us they can only afford to either heat their homes or feed themselves and their families. Huge numbers of those with children are sacrificing their own health by foregoing food so their children are able to eat.

And many young women are increasingly having to borrow money, storing up further challenges for the future:

- 27% of young women have had to choose between heating and eating, up from 23% in 2022.
- 33% are in debt all the time, compared to 23% of young men. This figure has increased from 29% in 2022.

- 31% say their level of debt has got worse over the last year, compared to 23% of young men. This figure has increased from 26% in 2022.
- 25% of young women have fallen behind on rent or bills in the last 12 months, compared to 16% of young men. In 2022 this figure was 18%.
- 39% of young women have taken on new or additional debt in the last 12 months, compared to 29% of young men. In 2022 this figure was 35%

3.4. The crisis is making young women less safe

"I stayed in the abusive relationship a lot longer because of the money situation. When I was with him, I had less issues with money because we had two full-time incomes. I realised I couldn't leave my relationship as I had no money because I was made redundant. It was really hard to save, and I didn't have much savings to help the situation I was in".

Lauren

For some young women the rising cost of living and the impact on their finances is putting them at risk. They're being trapped in jobs where they're miserable, discriminated against, or even unsafe because they can't afford to move:

- 7% of young women have put up with discrimination or harassment at work as a result of the increased cost of living, compared to 4% of young men.
- 6% of young women have taken on or stayed in work that has felt unsafe because they needed the money

4. What are the challenges for women in different types of households?

Young mums, especially young single mums are particularly affected whilst race, age and gender combine to create even greater challenges for young Black women.

4.1. Young mums

- 60% of single mums are not comfortable financially – up from 55% last year. Of our overall sample of young women, 56% were not comfortable financially.
- 41% of single mums and 37% of young women with joint childcare responsibility have been unable to afford food and essential supplies in the last 12 months – compared with 32% of young women overall.
- 69% of young single mums are filled with dread when they think about their finances. 66% of mums who are part of a couple feel like this. This compares with 58% of young women as a whole.

4.2. Race, age and gender

- 37% of young Black women have been unable to afford food or essential supplies in the last 12 months. 32% of all young women have been in this position, compared to 21% of young

men.

- 32% of young Black women have fallen behind on rent or bills in the last 12 months. 25% of all young women have been in this position, compared to 16% of young men.
- 64% of young Black women agree that it is a 'real struggle' to make their cash last until the end of the month. 62% of all young women agree with this statement, compared to 48% of young men.
- 27% of young Black women have taken a job they didn't want to because they couldn't afford not to. The figure for all young women is 21%, compared to 15% of young men.
- 17% of young Black women have claimed benefits for the first time in the last year. 11% of all young women are in this situation.

5. What long-term effects will the rise in the cost-of-living have on equalities for women?

"I'm grateful for what I do have but my view of where I'll be in 5 years time has drastically changed. I can't help but worry about the future and what might be expected of me in terms of supporting my family."

Shanti

In addition to the short-term impacts, we are increasingly concerned about the scarring effects the current crisis could have on a generation of young women. The toll on young women's mental health is already evident and with increasing debt and an inability to save we are likely to see growing levels of inequality. As the situation stabilises for young men we are also likely to see these inequalities become further entrenched with young women's future prospects and aspirations taking a significant hit.

5.1. The crisis is taking a huge toll on young women's health and mental health

- 40% of young women say their mental health has got worse 40% in the last 12 months, compared to 27% of young men.
- 21% say the crisis means they have been unable to take the time off they needed for their health or wellbeing, compared to 14% of young men

5.2. Fewer young women than young men are able to save

"It's a constant winding road to survive and I can't put roots down anywhere. I claim ESA and have taken a small cleaning job, alongside my online yoga teaching, whilst I continue to look for other roles. I manage to get by but it's very hard to save"
Isabella

The inability to save sets young women's future financial prospects back even further, and means they're less likely to have any sort of financial safety net:

- 42% of young women aren't able to put aside a little cash each month. of young men are currently 30% in the same situation.

5.3. Young women are losing hope for the future

- 24% say their future prospects have got worse over the last 12 months, a rise from 19% in 2022.
- 35% say their hopes for the future have got worse, up from 31% in 2022.

5.4. The cost of living is limiting young women's options

"I'm in a real catch 22 as there could be work for me in London and I could be with my partner - but the types of work on offer don't position me as a good rental candidate and I wouldn't be accepted."

Isabella

It's keeping many young women stuck in jobs they don't enjoy – preventing them from fulfilling their aspirations:

- 30% of young people have stayed in a job they didn't enjoy because they couldn't afford to leave, compared to 23% of young men
- 21 % had taken a job they didn't want because they couldn't afford not to, compared to 15% of young men.
- 20 % had put off changing careers, compared to 16% of young men.

6. How effectively is the Government's cost of living response helping women to meet the costs of essentials?

The cost of living payments delivered through the benefits system have, on the evidence from our survey not been sufficient to avert the crisis or prevent many young women from going without the essentials.

We have seen an increasing number of young women relying on benefits and despite the government support, those who are in receipt of benefits are the most likely to be struggling financially.

Significantly, government support has not been sufficient to prevent the gap between the financial situations of young women and young men from widening.

In addition, there has been too little recognition that the reason young women are faring worse in the cost of living crisis is because of the underlying inequality in income that they face. On average, a young woman earns around £5,000 less than a young man of the same age.

This is down to many factors, including:

- Young women being in lower paid jobs and industries
- Women being able to undertake fewer hours of paid work after having children
- Direct discrimination

6.1. More young women this year than last year are claiming benefits for the first time

- 11% of young women have claimed benefits for the first time in the last year. Last year, 9% said this was the case.

6.2. Young women who receive benefits are much more likely to be struggling during the cost of living crisis

- 86% of young women in receipt of benefits agree that the cost of living has made things financially difficult for them, compared to 79% of young women overall.
- 39% of young women in receipt of benefits say their standard of living has got worse over the last 12 months, compared with 32% of all young women.
- 72% of young women in receipt of benefits say that they are 'filled with dread' when they think about their household finances, compared with 58% of young women as a whole
- 53% of young women in receipt of benefits are not able to put a little cash aside each month to save, compared to 42% of all young women.
- 81% of young women in receipt of benefits told us that it would be a big financial problem if they had to replace a large item such as a fridge or a washing machine, compared to 68% of all young women.
- 75% of young women in receipt of benefits agree that it is a 'real struggle' to make their cash last until the end of the month, compared to 62% of young women overall.

6.3. Benefits aren't providing young women who rely on them with enough money to live on

- 58% of benefits do not think that the benefits they receive provide them with enough income to live comfortably, compared to (42%) of young men.
- 67% of young women with a long-term physical health condition and 66% of young women with a long-term mental health condition

7. What could the Government Equalities Office do to ensure the Government's cost-of-living measures respond to any inequalities women face?

Young Women's Trust are calling on the government to recognise both the short-term and longer-term interventions that young women need. Additional support is needed now to help young women deal with the immediate effects of the financial crisis. However, action must also be taken to tackle the underlying structural challenges that have made young women more vulnerable to the impacts of the cost of living crisis in the first place.

7.1. In the short term, to help young women who are struggling right now, we need:

- The government to go further in the forthcoming extension to the National Living Wage, so that 18-20 year olds receive it too.
- Increased support through the benefits system, through an Essentials Guarantee which makes sure the basic rate of Universal Credit is always enough to cover the costs of essentials.
- The government to listen to the voices of young women as they create policies to respond to the cost of living crisis.

7.2. The underlying causes need to be addressed by both Government and employers through:

- **Fair and equal pay** - including transparency about salaries in job adverts, and robust action to address pay gaps.
- **Tackling the barriers to work for young women** - including increasing the availability of affordable, flexible childcare; more inclusive recruitment processes; and better rights to flexible working.
- **More support for young women to progress at work** - including transparent career paths and routes to promotion.
- **Better job security** - with a limit on the use of zero hours contracts unless it is the employee's choice, and a guaranteed minimum number of hours per week.
- **Action to tackle discrimination in the workplace** - with more robust reporting mechanisms and more support for young women to challenge discrimination.

November 2023