



TACKLING THE GENDER PAY GAP

Megatrend: Demographic Changes
Sustainability Challenge(s): Gender Equality (SDG 5)

Demographic and social change is transforming the labor market. While population growth is slowing in the Netherlands, a billion people will be added worldwide by 2025. Population growth is shifting from Europe and East Asia to Africa and India. In the Netherlands and many other affluent countries, women and older workers will make up an increasing share of a tightening labor market. Successful companies will be able to address and empower this talent and deploy it optimally in the organization¹. How can we address the unequal distribution of income, experience, power, ambition and capacity, in a labor market that is clearly transforming, and where different groups have different needs?

A great example of disparate distribution is the gender pay gap, which continues to persist. Women earned \$0.82 for every dollar men made in 2022, regardless of the job industry, type or even years of experience². At the same time, research shows that when women join an industry in large numbers, pay goes down³. March 14th, 2023, marked how far into the year women had to work to make what white men were paid in 2022 alone. In affluent countries, lost income over the course of a career can add up to over a million dollars. Among all workers – including those who worked part-time or part of year because of COVID-19 – the gender pay gap is a shocking 23%⁴. Working to reduce this gap in the coming years would be a significant win towards Sustainable Development Goal 5: to 'achieve gender equality and empower all women and girls. Solving the gender pay gap is about more than overcoming the loss of a single paycheck. The loss of a woman's income for families can impact their ability to provide basic necessities and food (SDG 2), their ability to invest in savings or other property, as well as higher education (SDG 4) or health (SDG 3). Closing the pay gap would not just be a win for women and families. If women were paid fairly, it is estimated that we could cut the poverty rate in half and inject over \$500 billion into the economy, tying to SDG 1 (No Poverty) and SDG 8 (Decent Work and Economic Growth).

In your brainstorming, consider that a reduction of the gender pay gap would clearly drive progress against a broad-ranging set of the global Sustainable Development Goals. And we need your help to drastically accelerate our progress in this space, as according to the World Economic Forum, the global gender pay gap is estimated to take well over 100 years to close on our current trajectory⁵!

¹ PwC: <https://www.pwc.nl/nl/themes/megatrends/demografie.html>

² Forbes, The Time to Close the Gender Pay Gap is Now, January 2023.

<https://www.forbes.com/sites/forbestechcouncil/2023/01/30/the-time-to-close-the-gender-pay-gap-is-now-how-you-can-join-the-fight/?sh=a6b3c0e5244e>

³ Miller, "As Women Take Over." <https://leanin.org/equal-pay-data-about-the-gender-pay-gap>

⁴ Jessica Mason, National Partnership for Women and Families, personal communication, September 2022.

⁵ Forbes, The Time To Close The Gender Pay Gap is Now, January 2023.

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YOUR CHALLENGE

What can your company do (alone or in collaboration with other companies or organizations) in order to significantly accelerate our global progress to close the gender pay gap and make a positive impact on gender equality (SDG 5)? Think of concrete actions, ease of development and implementation, immediate and long-term sustainable results. You are encouraged to brainstorm on existing synergies which might benefit the progress towards multiple SDGs at once, as called out in the case, or others that you find relevant. Work on a solution (product, service or other) that your company could deliver, build the business case, and prove that it will work with impact!