

**GETTING TO
EQUAL
2017**

**CLOSING THE
GENDER PAY GAP**

THE PERSISTENT PAY GAP

For women in the workforce, one challenge often clouds the future: the gender pay gap is as wide as ever.

Women are a vital resource in the race to fill the global demand for talent, but they remain woefully underrepresented in the workforce and continue to earn less than men. As the gender pay gap closes at a glacial pace, it robs women, families and communities of income, skills and education and deepens social inequality.

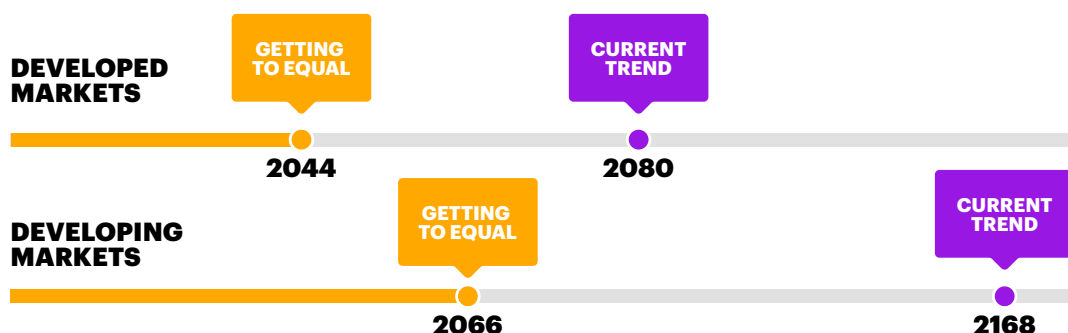
Now, new research from Accenture finds that today's female university students in developed markets could be the first generation in history to see the gender pay gap close in their professional lifetimes—if this Class of 2020 makes strategic choices and gains more digital skills, and if businesses, governments and academia provide crucial support.

The close in developed markets could come in 2044—36 years earlier than previously estimated. In developing markets, female university undergrads could see the close in 2066—more than 100 years earlier.

The report flags a clear risk, however: the choices that young women undergrads are making now are setting them up to enter the workforce with fewer digital skills, less mentoring advice and lower interest in pursuing high-paying jobs, compared with their male peers.

Getting to Equal 2017, which builds on Accenture's 2016 research about closing the gender gap in the workplace, reveals that a woman earns an average \$100 for every \$140 a man earns.

Time to close the pay gap



Source: Getting to Equal 2017, Accenture

Adding to this imbalance is the fact that women are much less likely than men to have paid work (50 percent and 76 percent, respectively). This contributes to a hidden pay gap that increases the economic inequities between women and men.

Based on the hidden pay gap, our research shows that for every \$100 a woman earns, a man earns \$258. Since women are usually responsible for the bulk of unpaid work, such as child care and housekeeping, the effects of the hidden pay gap for them are immense.

In defining substantive progress that can be made by 2030—a reasonable and achievable milestone within today's grasp—this new report identifies three powerful equalizers to help close the pay gap between women and men:

- **Digital Fluency:** The extent to which people use digital technologies to connect, learn and work.
- **Career Strategy:** The need for women to aim high, make informed choices and manage their careers proactively.
- **Tech Immersion:** The opportunity for women to acquire greater technology and stronger digital skills to advance as quickly as men.

The potential impact is profound. Combining these three equalizers would reduce the pay gap by 35 percent worldwide and add \$3.9 trillion to women's income by 2030.

These are the key findings of our report, which uses unique Accenture Research modelling to show how various factors can impact the progress to close the pay gap. The analysis includes a global survey of 28,000 women and men, including undergraduates, along with published data.

Our report identifies a powerful approach to help young women, businesses, governments and academia close the pay gap and make the future workforce an equal workforce.



Globally, women are much less likely than men to have paid work...

Source: ILO Women at Work, Trends 2016

...which contributes to a hidden pay gap: For every \$100 a woman earns, a man earns \$258

Source: Getting to Equal 2017, Accenture

DIGITAL FLUENCY IGNITES

The power to reduce the pay gap 21% worldwide by 2030

Digital Fluency is the single most critical factor in closing the pay gap because it ignites the chances of more women getting paid work.

When women enter the workforce, economies grow. But globally, women do the lion's share of unpaid work, which contributes significantly to the hidden pay gap. Tasks like cooking, cleaning and family care—more amplified and time-consuming

in developing markets—continually prevent women from closing the pay gap with men.

Digital Fluency advances pay equality. Our research shows that across developed and developing markets, Digital Fluency's potential impact is life-changing: nearly 100 million women would be added to the paid workforce, with almost two trillion dollars of additional income, while cutting decades off the pay gap—all by 2030.

The impact of Digital Fluency



Source: *Getting to Equal 2017*, Accenture

Young women in the Class of 2020 recognize Digital Fluency's value as a stepping stone to better education and employment, benefiting from the flexibility they gain by accessing online courses, networking through social media and collaborating with classmates. In developing markets, Digital Fluency powers mobile banking and money transfers, for example, both vital to helping women participate more successfully in local markets.

Interestingly, our research shows that 84 percent of female undergrads believe the pay gap either doesn't exist or will close within 20 years—a sharp contrast to the reality of a gap that will exist for another 131 years unless interventions like those outlined in this report are activated.

Our research also shows that the choices women undergrads are making now in

university about courses and careers are affecting the ability to reduce the pay gap. Those decisions are causing women undergrads to trail their male peers, who are strategically upskilling and choosing classes critical to boosting their future earning power.

Early adopters of new technology, for example, are overwhelmingly male at the undergrad level—63 percent versus 45 percent female. And when it comes to continuously learning important new digital skills, our research shows that male undergrads again outperform female undergrads, 53 percent to 44 percent.

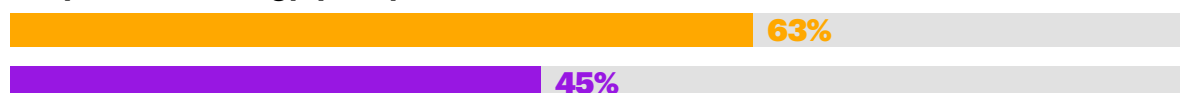
The message to young women, educators, employers and governments is clear: Digital Fluency is vital, internet access is fundamental, and helping women make smart choices to obtain paid work is essential in closing the gender pay gap.

Actions and attributes that affect work and pay

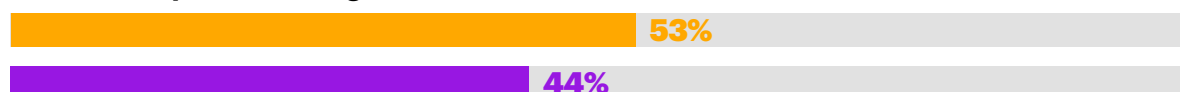
Take coding/computing course



Adopt new technology quickly



Continuously learn new digital skills



Undergrad men Undergrad women

Source: Getting to Equal 2017, Accenture

CAREER STRATEGY TRANSFORMS

The power to reduce the pay gap 9% worldwide by 2030

Digital alone will not close the pay gap.

Our research identifies several non-digital factors that can help women earn more and advance farther—a Career Strategy that encourages them to aim high, make informed choices, and manage their careers proactively.

That strategy—if backed by employers and governments providing much-needed support and inspiration for women in the workforce—has the power to transform women's lives and further narrow the pay gap by 2030.

The non-digital factors we identified as having the greatest impact on increasing women's pay and progression center around the choices they make about the jobs they take.

Company size

Women's salaries increase with company size at every career level.

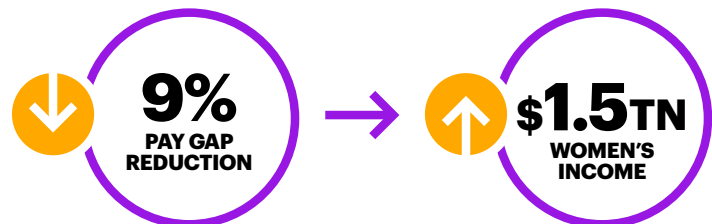
Full-time work

Women's hourly pay increases almost 41 percent when working full time.

Family-friendly practices

Women's chances of working in high-paying industries increase 12 percent if they have flexible working hours and support to grow their careers.

The impact of Career Strategy



Source: Getting to Equal 2017, Accenture

We also identified several actions and attributes that affect work and pay once young women are in a job, including proactive career management, aspiration to be promoted to a leadership position, and having a mentor, along with having confidence and ambition.

These attributes are stronger in women who progress further and faster than other women—but they're even stronger in men. And in this area, female undergrads are once again trailing males. More male than female undergrads aspire to be in senior leadership positions—51 percent versus only 41 percent.

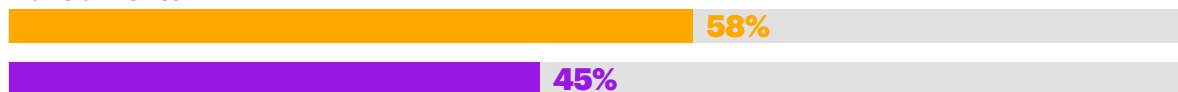
More than half of male undergrads—58 percent—have a mentor who provides guidance, while only 45 percent of female undergrads have the same kind of career advantage.

And 40 percent of male undergrads are much more likely to choose their area of study based on jobs they believe will ultimately pay them the most money, while only 27 percent of women show the same financial focus.

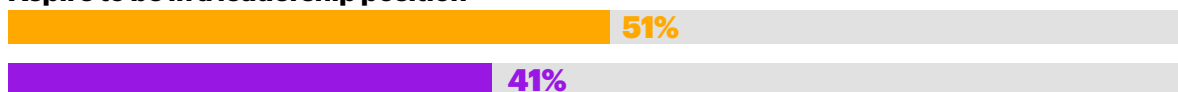
If men and women had these attributes equally, our research shows, the impact on closing the pay gap would be accelerated and significant.

Actions and attributes that affect work and pay

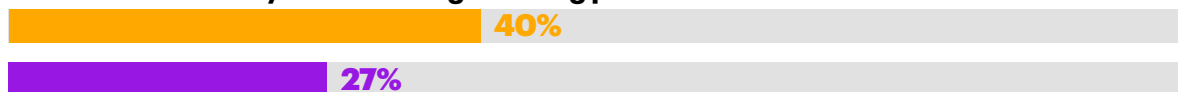
Have a mentor



Aspire to be in a leadership position



Choose area of study that offers high earning potential



■ Undergrad men
 ■ Undergrad women

Source: *Getting to Equal 2017*, Accenture

TECH IMMERSION ACCELERATES

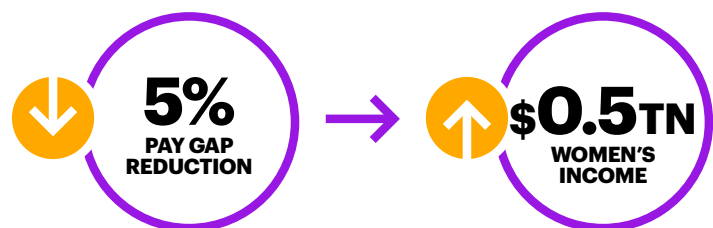
The power to reduce the pay gap 5% worldwide by 2030

Our research shows that while young women undergrads spend more time online than their male peers, they don't immerse themselves deeper in the STEM and digital skills necessary to advance as quickly as men in the workforce.

Tech Immersion accelerates women's ability to level the playing field with their male peers, turbocharging earning potential through full-time work and more senior roles in high-paid industries. Tech Immersion can help reduce the pay gap by 2030 while increasing opportunities that change the course of lives.

Our research shows that earning a STEM subject degree increases a woman's chances of working in a high-paying industry in the developed markets by 19 percent. Additionally, we found that 37 percent of women who reach senior management positions, for example, studied STEM or computer science and used their digital experience to advance in the workplace.

The impact of Tech Immersion



Source: Getting to Equal 2017, Accenture

But our research also reveals that male undergrads are twice as likely as females to pursue computer science or engineering. And while 68 percent of female undergrads have taken a class in computing or coding, undergrad males once again surpass them at 83 percent.

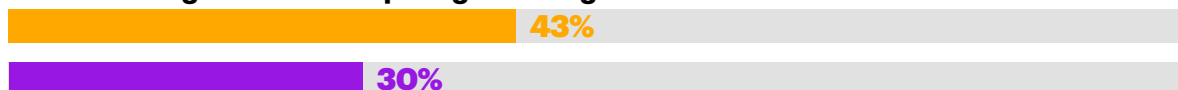
Though there is a clear lack of women in fields such as IT and software, not every young woman wants to graduate into a STEM career. But broader experience in science and math domains can open careers in fast-growth sectors with higher paid work such as civil engineering, urban design, medical research, healthcare and aerospace.

And just gaining additional exposure in technology—from website or app design, taking a training course in programming, or working in a tech-related field—can measurably accelerate a woman’s career and pay.

Like other smart investment decisions, the choices young women make in adding depth to their tech skill sets during their undergraduate and working years will compound over time, becoming even more valuable later in their careers. Every woman who increases her earnings is helping reduce the pay gap.

Actions that accelerate career and pay

Took a training course in computing or coding



Worked for a digital/IT company



Built or launched an app, website or similar



Started an online business



Fast-track Other

Source: Getting to Equal 2017, Accenture

WOMEN ON THE FAST-TRACK

Are some women taking advantage of all three equalizers?
The answer, according to our research, is a resounding “yes.”

Women on the fast-track can provide a road map for other women just entering the workforce.

Fast-track women, who comprise a fifth of our study sample, typically reach manager level within five years and lead their peer group in terms of advancement in the workplace. At the senior manager level, 41 percent studied STEM or computer science at some point during their undergraduate or working years, and they continue to hone those skills.

Career Strategy is key for them, and they manage jobs and salaries adeptly, ensuring they have mentors, advocates and other support necessary to advance to senior positions.

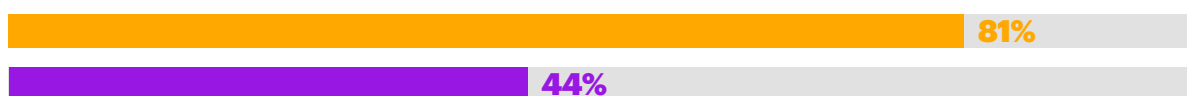
Fast-track women also understand the connection between full-time work and increased pay, and they overwhelmingly work full-time. Of those we surveyed, 94 percent are full-time workers. And 74 percent benefit from flexible schedules, including flextime or a compressed week, made manageable by telecommuting.

Actions and attributes that drive fast-track women

At the top/aspire to be promoted



Have a mentor



Continuously learn new digital skills



■ Fast-track ■ Other

Source: Getting to Equal 2017, Accenture

MOTHERHOOD AND THE WORKPLACE

Perhaps surprisingly, the results of our study give mothers reasons to be optimistic about their prospects in the workforce.

We found that motherhood does not necessarily slow a woman's career progression. In fact, 82 percent of fast-track women are mothers.

Of course, the responsibilities of parenthood still fall predominantly on women: fully 72 percent of mothers have taken three or more months off work to raise a family, versus just 33 percent of fathers. And 91 percent of mothers who are employed report that they have primary childcare responsibility outside of working hours.

But we found that higher Digital Fluency, more ambition and better workplace support all help mothers advance their careers. Mothers over the age of 39 are more likely to have been promoted more often than non-mother peers their same age.

And when they return to work, mothers are more likely to juggle commitments by using digital. Sixty-one percent say it increases their access to information, 50 percent use it to better prepare for important meetings, and 49 percent say digital gives them control over when and where they work as well as helping to quickly find expertise and advice.

Eighty percent of mothers who fit the fast-track category admit they were less ambitious when their children were young, and 66 percent say they've traded some degree of pay for greater flexibility. But they overwhelmingly keep pace with digital skills—67 percent of fast-track mothers take part in continuous learning and report that they are often the first to try new tech devices and services.

Working mothers cite benefits of digital

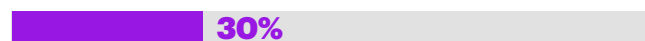
More control over when and where I work



Manage my non-work commitments



Reduces need to travel for work



Children No children

Source: Getting to Equal 2017, Accenture

LET'S CLOSE THE PAY GAP TOGETHER

The gender pay gap has remained an intractable problem for too long. Our research shows that globally, 55 percent of women who want salaried work can't find a suitable job.

In an environment of intense skills shortages, the pay gap holds back not just women, but business and economic growth. The skills shortage and the pay gap must be solved together.

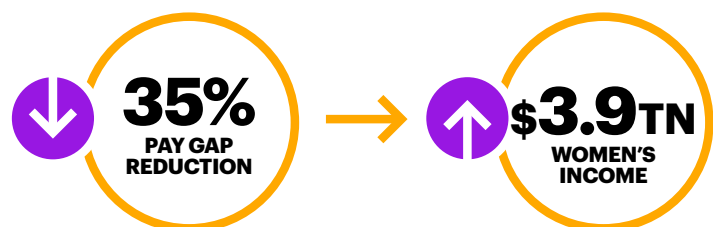
Each of the three equalizers we identified in this report contributes to closing the pay gap. But applied together, greater levels of Digital Fluency, more proactive approaches to Career Strategy and deeper Tech Immersion can have a transformational impact. These equalizers can cut 102 years off the pay gap in developing markets and 36 years in developed markets. Globally, by 2030, they can reduce the pay gap by 35 percent, boosting women's income by \$3.9 trillion.

Business, government and academia all have an important role to play in closing the gender pay gap. Collaboration among these organizations is key to providing the right opportunities, environments and role models to lead the way for change.

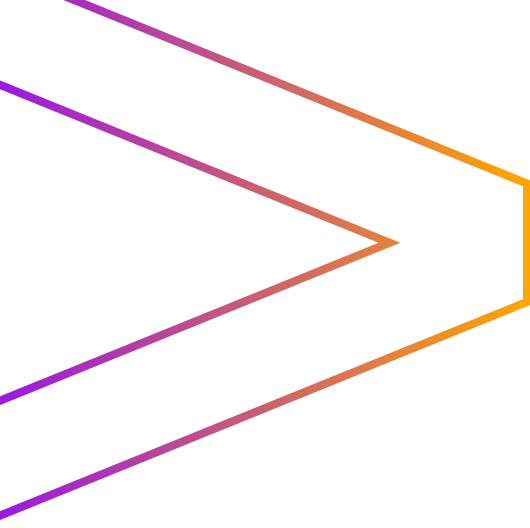
Colleges and universities must raise awareness with female undergrads about the impact of academic choices on future workforce pay and advancement. Governments, for their part, must deliver on making high-speed internet access a basic right of every citizen, especially in developing markets where no other single action will do more to get women working.

And businesses must provide the tools for female employees to succeed and grow, including lifelong learning, mentorship programs, flexible hours, and transparency and benchmarking around salaries. Companies that create supportive work environments are better able to attract new women recruits while encouraging high-performing women to stay—dynamics that are increasingly recognized as competitive differentiators.

The impact of Digital Fluency + Career Strategy + Tech Immersion



Source: *Getting to Equal 2017*, Accenture



In a digital era where skills are not only in short supply but constantly changing, flexible workplaces will be essential so that workforces stay adaptive and relevant. Business leaders and policy makers must recognize that without taking action, they will be going against the grain of broader, unstoppable forces that are transforming the world of work.

Not only is digital technology changing the nature of work and reshaping organizations, but a demographic revolution is playing its part. For the first time, five generations are participating in the workforce, shifting working cultures as people demand greater flexibility, more project-based employment, freelance experiences and increased autonomy.

Enabled by new digital technologies, the future workforce will create an environment more conducive to the needs of women and better placed to level the playing field with men.

The critical steps necessary to encourage greater female participation in the workforce and enable career advancement should be clear to businesses, academia, governments and policy makers.

Gender equality is an essential element of an inclusive workplace, and it extends to pay. Today's female undergraduates have the greatest chance of closing the gender pay gap within their lifetimes. Together with the Class of 2020, we must seize this opportunity.

METHODOLOGY

Accenture surveyed more than 28,000 women and men, including undergraduates, in 29 countries. The sample included equal representation of men and women, representing three generations (Millennials, Gen X and Baby Boomers) across all workforce levels at companies of varying size. The margin of error for the total sample was approximately +/- 0.6 percent.

Survey data was analyzed using econometric modelling to identify drivers of pay equality and career advancement and then combined with published data on education, employment, leadership and research from the World Bank, the OECD, World Economic Forum and the UN to then explore the potential impact of measures to improve equality. The pay gap calculations are based on Accenture's economic model, which takes into account the lower percentage of women than men in paid work.

Countries included in the full study were Argentina, Australia, Austria, Brazil, Canada, Denmark, Finland, France, Germany, Greater China (includes Hong Kong and Taiwan), India, Ireland, Italy, Japan, Mexico, Netherlands, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, United Kingdom and United States. Indonesia, Malaysia, Philippines, Saudi Arabia, and United Arab Emirates also participated in the survey.

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