

Gender pay gap persists through the ages

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A new study examining gender disparities in the Australian labour market has found female graduates earn less than their male counterparts - and the gender pay gap widens dramatically the older women are at the time of graduation.

The study, based on 11 years of Graduate Destination Survey data, was carried out by Assistant Professor Ian Li from The University of Western Australia's School of [Population Health](#), and Professor Paul Miller of Curtin University's School of Economics and Finance.

The researchers found that, on average, recent female graduates earned five per cent less than comparable male graduates. However, the gap was more modest than that experienced in the wider workforce, suggesting

education could be used as a tool to protect against discrimination.

Dr Li said the study showed that older female graduates were more vulnerable to wage disparity.

The gender wage gap was around 4.5 per cent for graduates aged 35 and below, but from then on the female disadvantage widened dramatically. Females aged 36 to 40 years earned six per cent less than their male counterparts; those aged 46 to 50 years earned eight per cent less; and female graduates age more than 56 earned 13 per cent less.

"So while the gender wage gap is relatively small - two to three per cent - among graduates in their early 20s, it can be quite substantial for those who graduate at an older age," Dr Li said. "The gap is a substantial 19 per cent for graduates at the (retirement) age of 65 years."

The authors said the results provided some support for the 'glass ceiling' found in other studies. However, this could be attributable to the lack of information on the actual career pathways of those in the sample.

"We used the age of the graduates to estimate labour market experience - this would not capture breaks in the careers of the graduates, particularly for females," Dr Li said.

Professor Miller said the kind of age-related disparity in the earnings outcomes of men and women shown in the study could reflect the uneven playing field in Australian society, where women shoulder a disproportionate share of household chores and child care.

"This can have a cumulative, detrimental impact on the pay they can command in the labour market," Professor Miller said. "In this situation, addressing the gender [pay gap](#) actually requires major social reform based around meaningful shared care arrangements for children, and

gender balance in the way household tasks are undertaken."

The pair also looked at whether male or female graduates were more susceptible to being overeducated - where workers hold qualifications in excess of job requirements.

The study found more male graduates were over-educated compared to female graduates, despite the larger proportion of female graduates in Australia.

It also found that most earnings penalties associated with over-education were the same for both genders, and that those earnings penalties made negligible impacts on the gender wage gap.

"This suggests that higher education is favourable to females and could be a way to close the gender wage gap," Dr Li said.

The study - Gender Discrimination in the Australian Graduate Labour Market - was published in the *Australian Journal of Labour Economics*.

Provided by University of Western Australia

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