New report shows income inequality within couples is increasing in Germany

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The partner pay gap (PPG) refers to the difference in the wages between cohabiting partners, most often husbands and wives.

A new article based on joint research by Dr. Vanessa Gash (pictured) from City, University of London's Department of Sociology, together with Professor Martina Dieckhoff from the Europa-Universität Flensburg, Professor Antje Mertens from the Berlin School of Economics and Law, and Dr. Laura Romeu Gordo from the German Centre of Gerontology, shows that PPG has been a consistent trend since the mid-1990s.

Using longitudinal data for former East Germany and for former West Germany, spanning a time period from 1992 until 2016, the researchers examined the PPG among dual-earner couples. They examined, inter alia, how the gap has developed over time, and whether inequalities vary between East and West Germany.

The article seeks to draw attention to the economic inequalities among dual-earning heterosexual couples—a field in which there is scant previous research.

Much research has been done around the gender pay gap but much less about inequality dynamics within households, i.e. pay differences between partners.

The study examines the PPG, its development over time and the reasons behind these developments.

Some of the article's key findings are:

- Women are not equal contributors to household labour income. In dual-earner couples, women's contribution lies between 35-45%.
- These inequalities are more pronounced in West Germany than in East Germany
- There are statistically significant declines in women's financial contributions among dual-earner couples in both East and West Germany.
- These declines are in part driven by the changing employment conditions of dual-earning households.

Overall, the study suggests strong and persistent earnings inequalities among dual-earner couples, which appear strikingly robust to institutional change.

The authors write: "Policies and institutional change may have been successful in increasing dual earning, but we have found little impact on the economic inequality, which exists within dual-earner couples".

In their view, the partner pay is driven—to a substantial extent—by 'income effects', with the man's high income diverting their female partners from pursuing a career or full-time employment as well as by the constraints that high-earning men's jobs impose on their female partner's pursuit of a career.

The constraints, needs and opportunities inherent within a couple context and the resulting joint decisions and labour market behaviour are central drivers of the partner pay gaps observed in the study.

According to the authors: "The persisting and marked economic inequalities within dual-earner couples are important findings in and of themselves. But they are especially relevant given that we know these inequalities increase women's likelihood to (further) reduce their working hours, or to exit the labour market altogether."

The study uses data from the period 1992 to 2016, a sample size of over forty thousand couples (11,554 from East Germany; 31,629 from West Germany), and selects dual-earning cohabiting heterosexual couples of 'prime working age', excluding those below 25 and above 54 years.

More information: Martina Dieckhoff et al. Partnered women's contribution to household labor income: Persistent inequalities among couples and their determinants, *Social Science Research* (2019). DOI: 10.1016/j.ssresearch.2019.102348

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