

Measuring the Gender Pay Gap

**Joint UNECE/WBI Workshop on
National Gender Statistics Training Programmes
Geneva, 9-10 October 2008**

Objectives

- Learn how to calculate estimates of the Gender Pay Gap
- Gain knowledge about the different types of employment-related income data used to calculate the GPG and their impact on the estimates and interpretation of the indicator
- Identify ways to improve the national availability of employment-related income data

Agenda

Introduction

1. Multimedia presentation: Gender Pay Gap – Definitions, measurement approaches and interpretation

2. Activity: GPG Measurement Approaches – How data choices affect the estimates of the GPG and its interpretation

3. Activity: National Assessment of data needs – Identifying the key national gender issues in employment-related income and defining the data requirements. What can we do to improve the availability of indicators on GPG in our countries?

Activity: GPG Measurement Approaches

Task: Calculate the Gender Pay Gap using the different employment-related income statistics provided in the two examples included below. Work on your own for 10 minutes, then discuss with your group the effects that using the various employment-related income statistics have on the estimates of GPG.

The data provided are real national official employment-related income statistics for two countries from the UNECE region.

Remember, the general formula to calculate the Gender Pay Gap is:

$$[(W_m - W_f) / W_m] * 100$$

Where

W_m = Men's average income from employment

W_f = Women's average income from employment

- **Example 1.**

Table 1. Employment-related income statistics, Household-based survey 2004

	Gross			Net		
	Both Sexes	Female	Male	Both Sexes	Female	Male
Income from Employment	81066	65643	96543	63483	51998	75007
Income from Paid Employment	82168	65826	99434	64576	52343	77500
Total cash remuneration	81306	65392	98119	63938	52022	76527
Wages and Salaries	...	...	...	...	...	...
Cash bonuses and gratuities	...	...	...	...	...	...
Remuneration in kind and services	863	434	1315	638	321	973
Profit related pay	...	...	...	...	...	...
Social security benefits*	...	...	...	...	...	...
Income from Self Employment	17214	15884	17884	10443	9538	10899
Profits/remuneration of owner-managers	...	...	...	...	...	...
Social security benefits*	...	...	...	...	...	...

*Refers to employment-related social security benefits

Metadata

Total cash remuneration includes profit related pay. Remuneration in kind and services includes only remuneration for company car (from 2007 more types of income in kind will be collected). Employment related social security benefits will be collected from 2007. It is not possible to distinguish between Wages and Salaries, Cash bonuses and gratuities and Profit related pay. Survey covers income derived from informal employment.

Additional breakdowns available

Age, years of seniority in employment, sector of activity, educational attainment, and occupation.

- **Example 2**

Table 2. Average gross wages and salaries, Annual Survey of Hours and Earnings, 2006

	Number of jobs (thousand)	Hourly	Weekly	Annual	Annual Incentive Pay
Male	11'965	14.44	546.8	30'655	2'722
Full-time	10'624	14.64	592.0	32'692	2'967
Part-time	1'341	10.64	188.3	11'551	...
Female	11'761	11.37	335.1	17'775	743
Full-time	6'863	12.10	453.0	23'858	1'147
Part-time	4'898	9.24	169.9	9'187	174

Metadata

Data refer to pay for all employee jobs. Hourly wages exclude overtime; weekly wages include overtime.

WRITE YOUR ANSWERS HERE:

Estimates of the GPG

	Hourly	Weekly	Annual
Total			
Full-time			
Part-time			

GROUP DISCUSSION:

- How does measurement type (hourly, weekly, annual) affect the estimates of the GPG?
- What is the effect of including/excluding part-time workers in the calculation of the GPG?

Activity: National Assessment of Data Needs

Task: Conduct an assessment of the data that your country needs in order to produce quality indicators of the GPG for policy use. In conducting the assessment, consider the following:

- What are the key gender issues related to employment-related income that are of policy concern in your country?
- What is the employment situation in your country (i.e. share of self-employment, informal employment, part-time employment)?
- Are irregular payments, bonuses, annual incentive pays, etc an important component of income in your country?
- What types of GPG measures are most appropriate for your country?
- What type of data is already available in your country? What are the main data sources?
- Could you produce the GPG measures with the available data?
- What would you need to do to improve the data available in your country in order to produce the appropriate estimates of the GPG.

Work on your own for 10 minutes, then share your assessment with your group.

WRITE YOUR ANSWERS HERE:

1. Key national gender issues related to employment-related income:

2. National employment and income situation:

3. Appropriate types of GPG measures to address national needs:
