The Gender Pay Gap in the Republic of Ireland

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The gender pay gap should not be confused with equal pay

What is the gender pay gap?

The gender pay gap is a metric that tells us about the **difference in the earnings of males and females in the labour market** and is one of the main mechanisms used to assess the extent of gender inequalities in the labour market.

Specifically, the **gender pay gap captures the differential economic returns from paid work rewarded to females as compared to males**.

The gender pay gap should not be confused with equal pay, which refers to paying men and women differently for doing the same work. This discriminatory practice was outlawed in the Republic of Ireland by equal pay legislation in 1975.

The overall gender pay gap in hourly earnings

When we compare the hourly earnings of **all males and all females** we see that using median hourly pay that females earn 2.8% less per hour than males.

In terms of mean earnings females earn 9% less per hour than males.

Hourly

This means that in terms of **median pay**, for every **€1** a male employee earns, a female employee will earn 97.2¢.

This means that for every **€1** a male employee earns, a female employee will earn **91¢**.

What is the difference between the mean and the median and why do they provide different estimates of the gender pay gap?

MEAN

The **mean** is calculated by **adding up all the earnings** and then **dividing it by the number of people**.

MEDIAN

The **median** is calculated by **finding the earnings of the person at the middle of the distribution**.

Both measures have merit in assessing the gender pay gap.

The median provides a more stable measure of the average than the mean as it is **less affected by extreme values** and so the impact of a small number of very high or very low earners is minimised.

median provides a more stable measure of the average

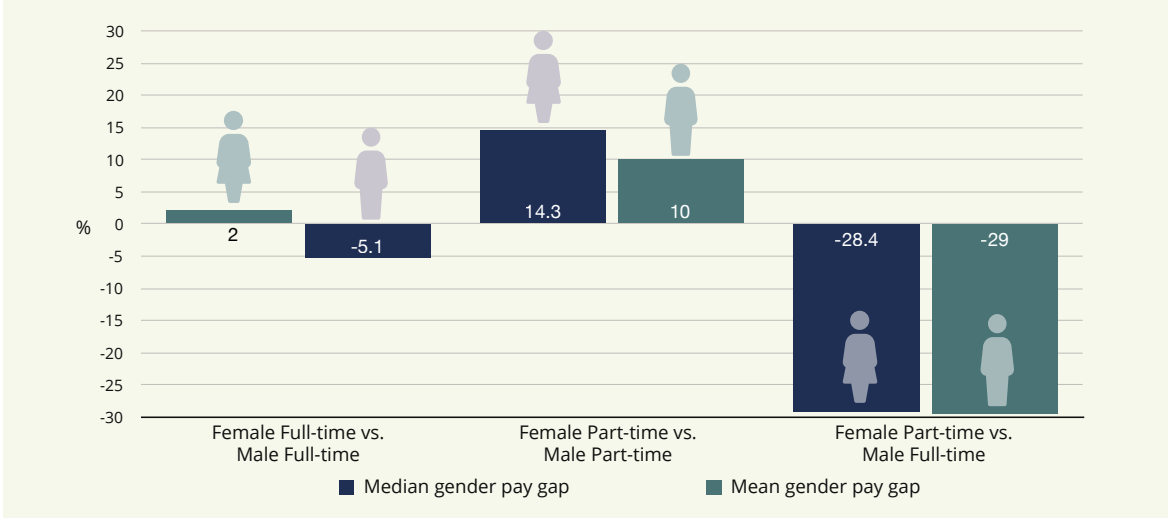
The **mean takes into consideration the whole of the earnings distribution** and allows the fact that those on very high earnings are predominantly male, and those on very low earnings are predominantly female to be taken into account.

Mean includes those on very low earnings who are predominantly female

Who are we comparing? All workers? Full-time only? Part-time only?

We can also look at the gender pay gap separately for those who are in full-time work and those in part-time work.

When we look at the gender pay gap in hourly pay separated out into full-time and part time employment, **the picture becomes more complicated**.



As shown in the chart above in 2018 **median hourly female full-time pay was 2% more than the male equivalent. Mean hourly female pay was 5.1% less** than the male equivalent.

For those in **part-time employment we see that the gap not only widens but actually works the other way around** whereby females earn more per hour on average than males. This is often referred to as a **'reverse gender pay gap'**.

Specifically, there is a **reverse median hourly gender pay gap of 14.3%**, and a **reverse gap of 10% in mean hourly pay**.

Despite part-time male hourly earnings being lower than part-time female hourly earnings it remains that overall female hourly earnings are lower than average male hourly earnings because not only is the **hourly pay rate for part-time employment much lower than the pay rate for full-time employment**, but also because **females are much more likely to work part-time than males**.

When we compare the earnings of part-time female workers to full-time male workers we see **a gap of over 28% in median hourly earnings, and a gap of 29% in mean hourly earnings**. Some argue the importance of this measure because it **captures at once both the inferiority of part-time earnings as compared to full-time earnings and the much higher likelihood of females to work part-time compared to males**.

What about the gender pay gap based on weekly or annual pay?

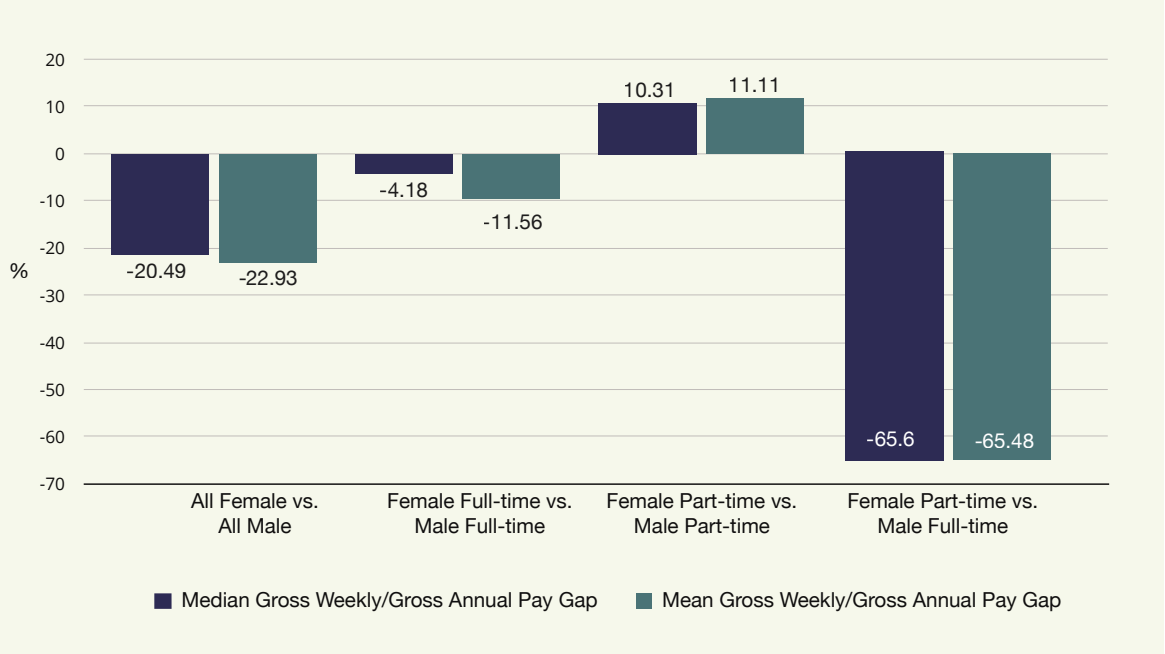
We can also look at the size of the gender pay gap based on longer time periods.

Estimates of the gender pay gap **based on weekly, monthly or annual earnings is often much larger than estimates based on hourly earnings.**

The **rationale for basing the gender pay gap on these longer time periods is that we get closer to understanding the true reality of gendered differences in the economic returns for paid work for males and females.**

This is important because as Lips (2003) points out:

'When a woman applies for a mortgage or a car loan, she is not asked about her hourly income. The income statistic that affects whether or not she gets the loan, and indeed what kind of life she is able to afford, is her annual income.'



What size is the gender pay gap in your job?

Headline figures for the gender pay gap can mask significant differences across different employment types.

It is important to bear in mind in interpreting these results that each estimate represents only the raw gap, in that it is made by adjusting for differences in that characteristic, but without controlling for differences in other characteristics.

These estimates make what is known as a 'partial adjustment' to the overall gender pay gap.

Occupation	**Male** € per hour (mean)	**Female** € per hour (mean)	**Mean gender pay gap** %
Managerial, Directors, Senior Officials	29.83	27.74	-7.01
Professional	31.69	29.61	-6.56
Associate Professional & Technical	25.56	23.69	-7.32
Administrative & Secretarial	21.51	19.21	-10.69
Skilled trades	17.78	14.31	-19.52
Caring, Leisure & Other service	16.42	15.01	-8.59
Sales & Customer service	13.85	12.67	-8.52
Process, Plant & Machine	15.99	14.20	-11.19
Elementary	20.90	12.53	-40.05
Industry			
Agriculture, Forestry, Fishing, Electricity, Water	21.74	15.16	-30.27
Manufacturing	20.88	18.61	-10.87
Construction	17.38	17.69	1.78
Wholesale, Retail & Transportation	19.08	13.74	-27.99
Accommodation & Food	12.86	13.71	6.61
Information, Comms, Financial, Insurance & Real Estate	28.33	26.57	-6.21
Professional, Technical, Scientific, Administration	21.55	17.88	-17.03
Public admin, Health, Education	29.96	24.24	-19.09
Arts, Entertainment & Recreation	16.58	17.86	7.72
Other service activities	17.61	14.55	-17.38

Occupation	Males earn more than females in all occupations. The gap in earnings is largest for those in 'Elementary' occupations were females earn 40% less than males in the same occupation. In 'Skilled trades' occupations female mean hourly earnings were 19.5% below that of males. Females in 'Caring, leisure and other service' occupations also earned considerably less than males in the same occupations with a gap of 8.6% using mean hourly earnings.
Industry	Looking across a breakdown of major industries it is clear that female median hourly earnings are considerably lower than males across the majority of industries. Using mean hourly earnings, it is only in the 'Arts, Entertainment and Recreational services' sector and the 'Construction' sector where female earnings are higher than male earnings. The gender pay gap was largest in the 'Agriculture, Forestry, Fishing & Electricity' sector where female median hourly earnings were 30% below that of males. There was also a large gap in earnings between males and females employed in the 'Wholesale, Retail & Transportation' sector where female median hourly earnings were 27.9% below that of males.

How does individual or family circumstances affect gender differences in pay?

The overall gender pay gap can disguise widely varying gender pay gaps between different categories of workers.

	Male € per hour (mean)	**Female** € per hour (mean)	**Mean gender pay gap** %
Age			
15-24	11.25	12.47	10.84
25-49	22.67	20.42	-9.93
50-64	26.28	22.61	-13.97
65+	20	19.98	-0.10
Educational qualifications			
Degree or higher	28.66	25.96	-9.42
Below Degree	19.12	16.39	-14.28
No Qualifications	16.05	12.84	-20.00
Marital status			
Single	16.2	17.4	7.41
Married/Civil Partnership	25.85	22.14	-14.35
Separated/Divorced/ Widowed	23.59	19.99	-15.26
Dependent children			
Adults & No children in household	21.37	20.66	-3.32
1 adult and 1+ children u18	14.27	18.29	28.17
2 adults and 1-3 children u18	24.03	21.11	-12.15
Other households with children u18	21.29	17.77	-16.53

Age	There is a general trend for females to earn less than males per hour during the middle working age years. It is worth noting that these are the same years in which females are likely to bear children and thus have career interruptions as a result. When looking at the gendered gap in earnings using mean pay rather than median pay, we see that mean hourly earnings of females compared to males between the ages of 15- 24 are actually significantly higher, but beyond this, females earn significantly less than males, with the gap generally widening with age. For example, mean female earnings are almost 10% beneath that of mean male earnings between the ages of 25-49. Between the ages of 50-64 mean female earnings are almost 14% beneath that of mean male earnings.
Educational Qualifications	There exists a substantial gap in hourly earnings between males and females at each educational level. Irrespective of level of educational attainment males earn more per hour than females. The gap is widest amongst those with no qualifications where median female hourly earnings are 20% below that of male earnings. Whilst the gap is much smaller amongst those with below degree level qualifications female median hourly earnings are 14% less than males. For those with degree or above level qualifications females earn 9% less than their equivalent males.
Marital Status	Focusing on the gendered gap in earnings in terms of marital status we see that single females earn just over 7% more than single males per hour. These trends are entirely reversed for those who are either married or in a civil partnership and for those separated/ divorced/widowed whereby not only do such males earn more than females irrespective of whether we look at the gap in earnings using median or mean earnings, but the gap is significantly wider. Specifically, the hourly earnings of males who are married/civil partnership are 14.4% higher using mean earnings. These data suggest that there is a considerable 'marriage premium' for male earnings and a 'marriage penalty' for female earnings. This 'marriage premium' in earnings is a well-documented fact in previous research for male earnings, with a number of competing theories seeking to explain it.
Household composition	It is worth noting that the hourly earnings of both males and females in households with dependent children are higher than the earnings of males and females in adult only households with no children. However, despite females in adult households with dependent children earning more per hour than females in adult only households with no dependent children, the pay premium for having children in the household is significantly larger for males. In terms of the gender pay gap, the effect of this is that compared with having no children where female hourly earnings are 3.3% below that of males, female earnings in households with 1-3 children are 12% than males in the same households. This gender pay gap between males and females in households with children reaffirms findings of a 'motherhood penalty' for females as found in previous research.

Appendix: Data and Methods

This report summarises findings from a NERI Working paper and are based on data from the 2017 EU-SILC survey. EU SILC is a survey that the Central Statistics Office (CSO) has undertaken every year since 2004 and it focusses on particular on income and living conditions. It's part of an EU-wide programme which allows policymakers to make comparisons across member states. The primary focus of the Survey on Income and Living Conditions (SILC) is the collection of information on the income and living conditions of different types of households in Ireland, in order to derive indicators on poverty, deprivation and social exclusion.

Information is collected continuously throughout the year with household interviews being conducted on a weekly basis. The income reference period for SILC is the 12 months immediately prior to the date of interview. Therefore, the income referenced spans the period from January 2016 to December 2017. In 2017, the achieved sample size was 5,029 households and 12,612 individuals. Given however that this study is focused on estimating the size of the gender pay gap for those in employment the sample was restricted to those aged 15 years or more and in employment. This results in a final sample of 3,086 individuals.

The SILC sample is a multi-stage cluster sample resulting in all households in Ireland having an equal probability of selection. A design weight is assigned to each household which is calculated as the inverse proportion to the probability with which the household was sampled. For SILC, the probability of the selection of a household is based on two elements; the probability of the selection of a block and the probability of selection of a household within that block. The design weights were calculated separately for each wave. In accordance with Eurostat recommendation, CALMAR was used to calculate the household cross-sectional weights. Benchmark information was used to gross up the data to population estimates. The weight variable used in all of the current analysis is coded in the technical report as 'euroweight' (ISSDA, 2019).

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