

Hourly Earnings Inequality-Young Irish women in high-end Occupations post Financial Crisis

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Summary:

Average hourly wages for young Irish women relative to occupational averages compare poorly in a high-income EU country context both in the *Management* and *Professional* groups. Relative within-occupation wages for young women are similar to the high-income EU average for the *Associate Professional and Technicians* group (2018), though they had been more favourable on average in an Irish context pre-crisis. Overall, the relative average wages of young Irish female workers in their peer groups in two out of three 'high-end' occupational groups fell more than in any of the other nine high income EU members considered in the analysis between 2006 and 2018 and fell second furthest in the third (*Managers*).

This report examines full-time earnings of young women (under 30) relative to their young male counterparts in three broad occupational groups with tertiary education requirements and relative to the occupational averages of these groups between 2006 and 2018. We also compare the data across a selection of high-income EU countries.

All data is sourced from the [Structure of earnings survey on hourly earnings](#) from Eurostat. The data show that young Irish men have higher levels of full-time earnings across each of the three 'high-skilled' broad occupational groups as set out by the International Labour Organisation (ILO) in the International Standard Classification of Occupations (ISCO); Managers, Professionals and Associate Professionals and Technicians.

Average hourly wages for young Irish women relative to occupational averages compare poorly in a high-income EU country context both in the Management and Professional groups. Relative within-occupation wages for young women are similar to the high-income EU average for the Associate Professional and Technicians group (2018), though they had been more favourable on average in an Irish context pre-crisis. Overall, the relative average wages of young Irish female workers in their peer groups in two out of three 'high-end' occupational groups fell more than in any of the other nine high income EU members considered in the analysis between 2006 and 2018 and fell second furthest in the third (Managers).

Hourly Earnings in Occupations requiring Tertiary Qualifications (Full-time)

In this inBrief report we describe the average hourly earnings for under 30s relative to the wider average, with a special focus on young women in three of the broad occupational categories characterised by third level entry requirements, controlling for full-time workers between 2006 and 2018. *Professionals* are the highest paid group on average for example, where all jobs require at least a Bachelor's degree or equivalent.

The tables present ratios of the total mean earnings over mean earnings of those under 30 as well as mean earnings of females under 30 from 2006 to 2018 by broad occupational (ISCO) group and across a sample of high-income EU states. The data suggest that young males earn more than young females in all three broad 'high-end' occupational groups as [previously reported by NERI](#). Though relative average wages fell for younger workers across these three 'high-skilled' occupational categories between 2006 and 2018 as [reported in another NERI report](#), the data suggest that they've fallen even more for young women.

Full-time, female Managers under 30 earn 42.9% of the average hourly rate of all Managers in the Irish labour market compared to 49.9% for all under 30's in the same category (Tables 1, 2). This is down from 53.2% before the financial crisis. Other than in Belgium, the relative average hourly earnings of young Irish females in Management positions have declined more than any other country in our sample. Ireland's young female Managers rank mid-table in relative terms to their occupational peers but their earnings ratio is significantly lower than the EU average and top performers; Spain (68.2%) and France (61.6%).

Table 1 Intergenerational earnings ratio, Managers (full-time)

Mean under 30/Mean (hourly)	2006	2010	2014	2018
European Union - 28 countries	62.5%	56.4%	57.2%	58.1%
Belgium	53.9%	58.2%	56.2%	35.0%
Germany	47.3%	58.3%	52.0%	53.1%
Ireland	60.8%	53.2%	48.8%	49.9%
Spain	60.8%	66.1%	60.2%	68.2%
France	64.4%	62.3%	65.8%	61.6%
Italy		31.6%	41.1%	43.2%
Netherlands	53.4%	49.3%	50.0%	46.0%
Portugal	47.9%	35.3%	29.3%	39.4%
United Kingdom	62.4%	56.5%	56.2%	60.0%
Industry, construction and services (except public administration, defense, compulsory social security)				
Note: Estimates are for firms with 10 or more employees (about 70 percent of Irish employment) [earn ses hourly]				

Table 2 Intergenerational earnings ratio, Managers (full-time)

Mean under 30 (female)/Mean (hourly)	2006	2010	2014	2018
European Union - 28 countries	59.9%	52.1%	52.8%	53.4%
Belgium	51.8%	56.3%	50.9%	35.2%
Germany	45.4%	52.0%	49.5%	45.5%
Ireland	53.2%	52.5%	48.7%	42.9%
Spain	54.5%		58.6%	62.3%
France	65.4%	59.3%	59.7%	59.0%
Italy	27.6%	29.1%	27.5%	33.7%
Netherlands	51.9%	47.4%	46.5%	42.6%
Portugal	45.0%	36.6%	27.8%	31.7%
United Kingdom	58.1%	51.1%	52.5%	56.5%
Industry, construction and services (except public administration, defense, compulsory social security)				
Note: Estimates are for firms with 10 or more employees (about 70 percent of Irish employment) [earn ses hourly]				

The gap in average hourly earnings in the Professionals category (Tables 3, 4), between young women under 30 relative to all Professionals in the labour market widened more in Ireland than any other country in the sample by a wide margin between 2006 and 2018.

In 2019, *Professionals* were the largest of nine broad occupational groups and on average, the most highly paid, making up 24.2% of employment but 27.9% of female employment. Specifically, mean hourly earnings for young females fell in comparison to the occupational mean from 66.8% in 2006 to 59.6% in 2018. This gap in mean earnings ranks Ireland second last in this group after Italy. The EU average for young female professionals relative to their wider per groups improved in that time (from 66.7% in 2006 to 68.6%), as did the ratios in Germany, Portugal and Italy. In the United Kingdom (the best performer in this regard in the sample), female workers under 30 in the professional's category earned 72.6% of the occupational average in 2018.

Table 3. Intergenerational earnings ratio, Professionals (Full-time)

Mean under 30/Mean (hourly)	2006	2010	2014	2018
European Union - 28 countries	70.7%	69.7%	71.9%	72.6%
Belgium	69.6%	70.4%	70.4%	72.6%
Germany	63.4%	65.7%	64.1%	66.3%
Ireland	67.3%	68.8%	76.2%	61.6%
Spain	70.3%	69.6%	69.3%	68.4%
France	68.9%	63.5%	66.4%	65.3%
Italy	51.2%	56.0%	49.4%	55.5%
Netherlands	67.6%	67.1%	63.5%	65.5%
Portugal	61.3%	59.5%	59.3%	63.4%
United Kingdom	75.6%	74.0%	75.2%	74.8%
Industry, construction and services (except public administration, defense, compulsory social security)				
Note: Estimates are for firms with 10 or more employees (about 70 percent of Irish employment) [earn ses hourly]				

Table 4. Intergenerational earnings ratio, Professionals, Female (Full-time)

Mean under 30 (female)/Mean (hourly)	2006	2010	2014	2018
European Union - 28 countries	66.7%	67.1%	68.7%	68.6%
Belgium	72.7%	71.9%	71.6%	71.8%
Germany	57.2%	60.5%	58.9%	61.2%
Ireland	66.8%	71.9%	76.3%	59.6%
Spain	69.3%	68.3%	68.0%	67.0%
France	63.1%	60.0%	62.3%	61.5%
Italy	53.2%	58.6%	52.0%	57.1%
Netherlands	66.0%	67.8%	65.4%	66.0%
Portugal	60.8%	58.6%	58.1%	61.2%
United Kingdom	74.2%	74.0%	74.2%	72.6%
Industry, construction and services (except public administration, defense, compulsory social security)				
Note: Estimates are for firms with 10 or more employees (about 70 percent of Irish employment) [earn ses hourly]				

For young female Associate Professionals and Technicians, the ratio of average earnings relative to the average hourly earnings of the occupational group as a whole have also declined more in Ireland than any other country in the sample and this gap has widened more for women than men since 2006 (Table 5, 6). This group makes up between 11 and 12% of Irish employment both for men and women.

In 2006, the average hourly compensation for a young female in this group was 77.8%, dropping to 70.8% by 2018, widening the gender pay gap in this age group from 0.5 pp's to

2.5 pp's in the same period. The EU average ratio of earnings of young women to the wider occupational group was similar in 2018 relative to 2006 and improved in Germany, Spain and the UK during this period. Despite the large decline in relative wages in Ireland, earnings for young Irish female workers in this group compared to their peers compare favourably in a high-income EU context.

Table 5. Intergenerational earnings ratio, Associate Prof's and Technicians (Full-time)

Mean under 30/Mean (hourly)	2006	2010	2014	2018
European Union - 28	74.4%	70.7%	73.4%	75.2%
Belgium	79.1%	75.0%	71.6%	72.0%
Germany	57.7%	59.0%	63.5%	65.0%
Ireland	78.3%	68.5%	71.3%	73.2%
Spain	70.4%	73.3%	69.5%	71.9%
France	79.7%	81.1%	79.2%	81.4%
Italy	73.0%	71.6%	80.3%	76.6%
Netherlands	71.9%	71.9%	68.1%	69.1%
Portugal	68.0%	86.6%	64.3%	71.8%
United Kingdom	81.1%	75.0%	77.9%	80.1%
Industry, construction and services (except public administration, defense, compulsory social security)				
Note: Estimates are for firms with 10 or more employees (about 70 percent of Irish employment) [earn ses hourly]				

Table 6. Intergenerational earnings ratio, Associate Prof's and Technicians, Female (Full-time)

Mean under 30 (female)/Mean (hourly)	2006	2010	2014	2018
European Union - 28	71.0%	66.2%	69.1%	70.9%
Belgium	78.0%	74.5%	72.7%	72.0%
Germany	54.4%	51.8%	58.9%	59.7%
Ireland	77.8%	70.0%	69.0%	70.8%
Spain	65.8%	69.7%	66.9%	68.7%
France	78.2%	77.6%	76.1%	76.9%
Italy	70.5%	72.7%	68.8%	67.3%
Netherlands	68.9%	69.9%	65.7%	68.3%
Portugal	67.7%	64.4%	64.5%	66.3%
United Kingdom	77.4%	72.6%	76.1%	78.7%
Industry, construction and services (except public administration, defense, compulsory social security)				
Note: Estimates are for firms with 10 or more employees (about 70 percent of Irish employment) [earn ses hourly]				

Conclusion

Full-time average hourly earnings for young Irish women relative to their peers fell most between 2006 and 2018 in two out of the three broad 'high skill' occupational groups out of nine high-income EU member states considered in the analysis here; *Professionals* and *Associate Professionals and Technicians*. Together they make up 40% of employment among Irish women. Relative wages fell for young Irish women by the second most out of nine in the *Manager* category. The intergenerational earnings gap that widened in this time was driven disproportionately by young Irish women. Earnings for young Irish female *Professionals* are second lowest relative to their occupational peers out of nine high-income EU countries and among the lowest in the *Manager* group.

References

Nugent, C. (2020) Hourly Earnings Inequality in high-income EU countries and the UK, NERI report