

How Integrated Data helps... shine a light on the Gender Pay Gap



Women generally earn less than men, but why? Researchers have used the wealth of information available from Stats NZ's Integrated Data to gain empirical evidence on NZ's gender pay gap.

The Insights

Women earn less than men. In work commissioned by the Ministry for Women, researchers from Auckland University of Technology (AUT) and Waikato used multiple methods to examine the gender pay gap. They found that even after accounting for a wide range of factors, close to 80% of the gap was unexplained.

There is a glass ceiling effect in NZ. Researchers found a minimal gap between men and women for lower wages, but approximately a 20% gap at the top end. Supporting the glass ceiling theory, most of the gap for women at the higher end of wage distribution could not be explained by individual, household, and job characteristics.

Becoming a mother impacts wages more than becoming a father. In further work for the Ministry for Women, researchers from AUT and Motu show how parenthood contributes to NZ's gender pay gap.

The average woman earns 4.4% lower hourly wages as a parent than if she hadn't had children, but there was no significant effect of parenthood for men. The magnitude of this effect is greater for women who are away from paid work for longer – insignificant if returning to paid work within six months; 6.6% if returning within months 7-12; and 8.3% if taking longer than a year to return.

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For more information, go to stats.govt.nz/integrated-data or email access2microdata@stats.govt.nz

"Internationally, the Integrated Data Infrastructure (IDI) is on par with a handful of datasets," Prof Gail Pacheco, Director NZ Work Research Institute.

What integrated data makes possible

- "Stats NZ integrated data allows us to do some things not previously done. We can see over time how labour market outcomes evolve when men and women become parents." Margaret Retter, Director Policy, Ministry for Women.

Integrated data in action

Insights from Integrated Data have helped with many initiatives to help improve the gender pay gap:

- The Ministry for Women launched an employer guide with seven recommended actions for employers. They also launched an accompanying series of interviews with leading New Zealand Chief Executives and employers addressing gender and diversity in the workplace.
- The Ministry for Women's Chief Executive Renee Graham and Professor Gail Pacheco have run nationwide workshops with employer organisations and chambers of commerce.
- Professor Gail Pacheco led the first virtual gender equality 'show and tell' with Apolitical, a global policy network for governments and international organisations. She discussed the research with gender experts from the Inter-American Development Bank, Washington State University, the Mayor's Office of the City of London and the Australian Workplace Gender Equality Agency.
- The research gained national and international media attention, heightening public awareness and providing a strong call to action for government and businesses. Stats NZ, along with Ministry for Women and the State Services Commission, has now released guidelines on the measurement of the gender pay gap for organisations.