

# Empirical evidence of the gender pay gap in NZ

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## Disclaimer

Access to the data used in this study was provided by Statistics New Zealand under conditions designed to give effect to the security and confidentiality provisions of the Statistics Act 1975.

The results presented in this study are the work of the authors, not Statistics NZ.

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- How do the results change if we switch to propensity score matching?
- How does the gap differ across the wage distribution?

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- 40 to 80 percent explained, based on a 15% pay gap.

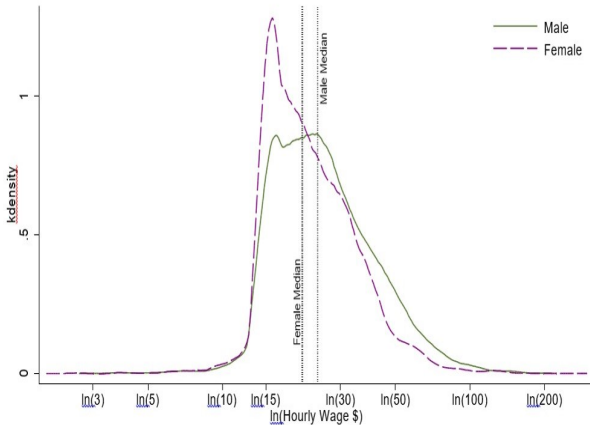
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- 40 to 80 percent explained, based on a 15% pay gap.
- By 2003, Dixon shows that the wage gap had fallen to 12.8%

# Data

- Income Survey in 2015.
- Working age population aged 16 to 64.
- Trimmed outliers in hourly earnings and removed self employed.
- Final sample = 6,834 males and 6,903 females.

# Wage Distribution



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  - in 2015: 22.5% males and 30.5% females

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  - Household characteristics.

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**Table:** With and without correction

	Original	Corrected for females	Corrected for males	Corrected for both
Explained	2.15%	2.15%	2.46%	2.46%
Unexplained	10.56%	18%	2.10%	9.54%
Total gap	12.71%	20.14%	4.56%	12%

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- Matching like with like.
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- Total gap = 12%; Explained is 4.27% and Unexplained is 7.73%
- The explained component has risen a little, but the majority of the gap is still unexplained.

## Distributional differences

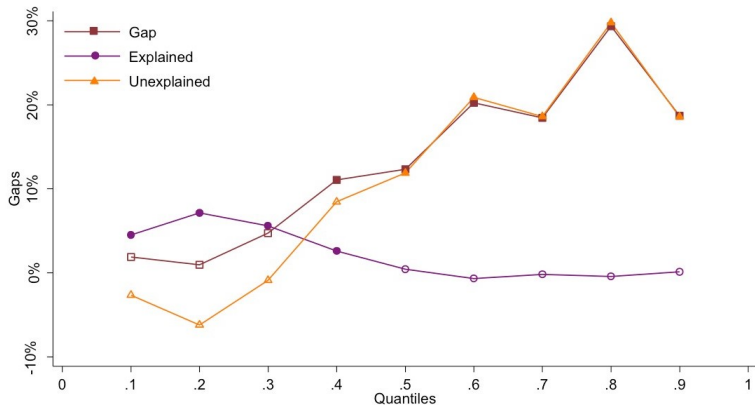


Figure: Quantile regression

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- Regardless of approach undertaken the majority of the gap remains unexplained.
  - This result persists after correcting for selection bias.
- The size of the gap depends heavily on the location in the wage distribution.
  - Strong evidence pointing to a glass ceiling effect in NZ

## Actions for employers

The Ministry has produced a booklet which serves as the starting point for employers who want to know if they have a gender pay gap and what to do about it.

[http://women.govt.nz/documents/  
closing-gender-pay-gap-actions-employers](http://women.govt.nz/documents/closing-gender-pay-gap-actions-employers)

# Thank You

Thank you very much for your time.

Full report is available at:

[http://women.govt.nz/work-skills/income/  
gender-pay-gap/research](http://women.govt.nz/work-skills/income/gender-pay-gap/research)

Also, email [gail.pacheco@aut.ac.nz](mailto:gail.pacheco@aut.ac.nz)