



OPINION PIECE: Does the gender wage gap arise from discrimination?

In time for World Women's Day on 8 March IZA World of Labor will publish an opinion piece by the economist Solomon Polachek and author of "The Economics of Earning's" (Cambridge University Press) looking at the reasons behind the gender wage gap. The opinion piece is based on latest research which Polachek summarized in an earlier [IZA World of Labor Report](#). The theme World Women's Day this year is: *Women in the Changing World of Work: Planet 50-50 by 2030*. IZA World of Labor provides reports and latest research on issues around gender inequality on their [Gender Divide page](#).

Please find below a shortened version of Polachek's opinion piece in advance of publication.

Does the gender wage gap arise from discrimination? By Solomon W. Polachek

Women earn less than men. In the US the gap is approximately 22%. Among OECD countries the gap averages 15%. One might argue this indicates rampant discrimination. But the story is far more complicated.

Many women earn more than men, and for those that earn less, the gap is not uniform. For 55–64 year olds in the US the gap is close to 25%, yet for 16–24 year olds the gap is just 5%. For single-never-marrieds the gender gap is about 5%, but for married men and women the pay gap is almost 23%. Children exacerbate the gap between 2% and 10% per child, and the gap is even bigger when children are spaced widely apart. In contrast, the median salary for full-time young single women in a number of metropolitan areas exceeds men's by over 8%.

These same patterns persist across most countries. The gender wage gap for marrieds is between 3 and 30 times greater compared to singles. Similarly children widen the gap.

Perhaps the explanation isn't gender discrimination, but lifetime work commitment. [...] many women still drop out to raise children. Studies indicate many are hesitant to work long hours. In short, single men and women accumulate experience at roughly similar rates, but married women accumulate far less labor market experience than married men. One cannot overemphasize the importance of work continuity. Dropping out is costly. Earnings power depreciates up to 5% for each non-work year. [...]

Over the last century female lifetime work increased dramatically, while male lifetime work has declined moderately. Concomitant with this gender work convergence is a decline in the gender earnings gap from approximately 70% in the early 1800s to the current 22% in the US. Similar patterns hold in other countries.

Policies consistent with promoting greater female lifetime work effort have reduced the gender wage gap. One such policy is making day care more available. An analysis by the OECD finds smaller gender wage gaps in countries with greater day care enrollment. Lower marginal tax rates that encourage greater participation of women in the labor force would work in the same direction.



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Notes for editors:

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The site offers relevant and succinct information on topics including diversity, migration, minimum wage, youth unemployment, employment protection, development, education, gender balance, labor mobility and flexibility among others.

Established in 1998, the Institute of Labor Economics (www.iza.org) is an independent economic research institute focused on the analysis of global labour markets. Based in Bonn, it operates an international network of about 1,300 economists and researchers spanning more than 45 countries.