

Understanding Reductions in the Gender Wage Differential 1997-2003

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Abstract

The female-to-male hourly earnings gap in New Zealand narrowed by 4 percentage points between 1997 and 2003 – a relatively rapid rate of change. The objective of this paper is to throw light on the factors that contributed to recent reductions in the economy-wide gender pay gap, by analysing statistical data from the HLFIS-Income Survey in an exploratory manner. The paper begins by presenting descriptive information on the changes in the size and structure of the pay gap, and linking those changes to movements in the underlying male and female earnings distributions. The second part of the paper considers the impact of a number of factors that may have contributed to the improvement in women's relative earnings, including changes in the attributes of the workforce, recent patterns of job growth, and the level of the minimum wage.