

The Gender Earnings Rift Assessing Hourly Earnings Distributions of Males and Females using Structured Additive Distributional Regression

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Paper Abstract:

This paper reconsiders the old issue of gender related discrimination with respect to labour earnings. Rather than employing a labour definition based on payment, we employ an activity based definition based on Margaret Reid's Third Party Criterion. Moreover, we assesses discrimination on the grounds of full conditional wage distributions using Structured Additive Distributional Regression instead of just their conditional means. Examining earnings discrimination with respect to gender in Germany in 2013, we find that gender wage discrimination is greatly exacerbated if considered in such a framework, as women are faced not only with a lower expected pay, but also with a more unequal distribution as well as a higher workload of unpaid activities. Thus we find that pecuniary discrimination is not confined to a wage gap in the region of 21% as found using a conventional approach but rather constitutes an earnings rift between 46% and 61% depending on the degree of aversion of inequality considered.