



Graduating to a Pay Gap

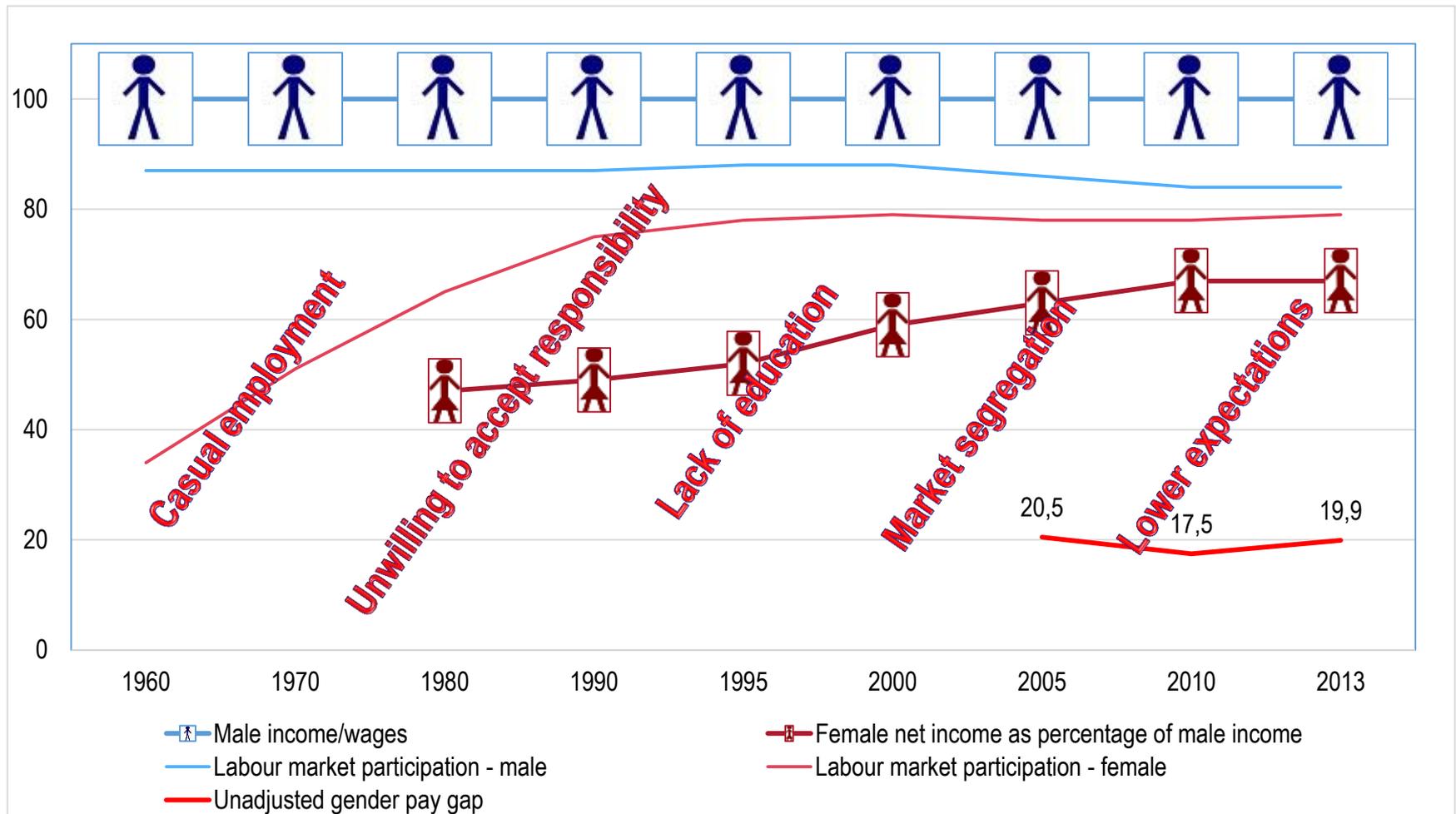
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Conference on Equal pay and Gender Equality in the Labour Market
Iceland Reykjavík Hilton Nordica Hotel 13 November 2014





Background





METHOD – *The data*

- Yearly student satisfaction surveys at the University of Iceland enquiring about destination of leavers / graduates
 - Graduates from previous calendar year
 - Cross sectional study
 - Response rate 62-69%
 - 35-42% graduate from master or doctoral programmes
 - **79-82% are in 80-100% employment**
 - N = 1,026; 308 men and 718 women

Number of respondents by year of graduation

2010 – 1,301 respondents

2011 – 1,269 respondents

2012 – 1,241 respondents





METHOD- *Variables*

- Dependent variable
 - Monthly wages for full time work
 - Wages adjusted according to wage index 2014
- Independent variables:
 - » Gender
 - » Age
 - » Occupation (ISCO-88)
 - » Faculty graduated from
 - » Overtime (number of hours worked)
 - » Sector





METHOD - *Analysis*

- Data analysis
 - *Oaxaca-decomposition* of wages with OLS regression
 - A procedure which attempts to identify the presence of labour market discrimination against a particular group or groups, women in this case. Shows how much of the difference between groups can be explained by different qualities or attributes, such as experience or education.





RESULTS



HÁSKÓLI ÍSLANDS
FÉLAGSVÍSINDASTOFNUN



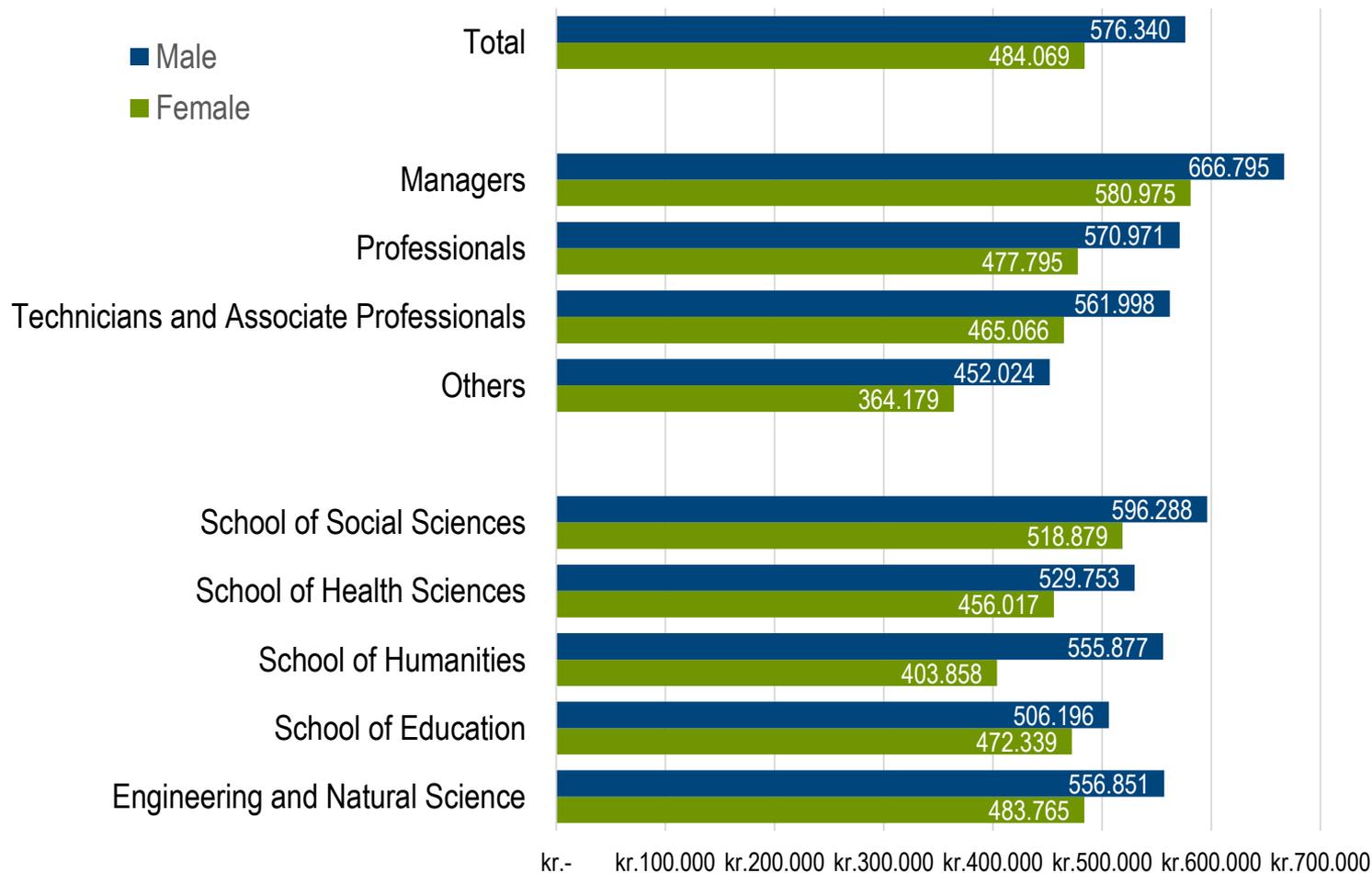
Background of men and women

		Male %	Female %
Number		308	718
Age	<i>mean</i>	36 years	38 years
23-29 years		32%	27%
30-39 years		43%	33%
40-49 years		14%	24%
50-80 years		11%	16%
Occupation			
Managers		13%	13%
Professionals		69%	68%
Technicians and associate professionals		15%	15%
Others		2%	4%
Sector			
Public sector		45%	68%
Private sector		55%	32%
Overtime	<i>mean</i>	21.7 hours	15.1 hours



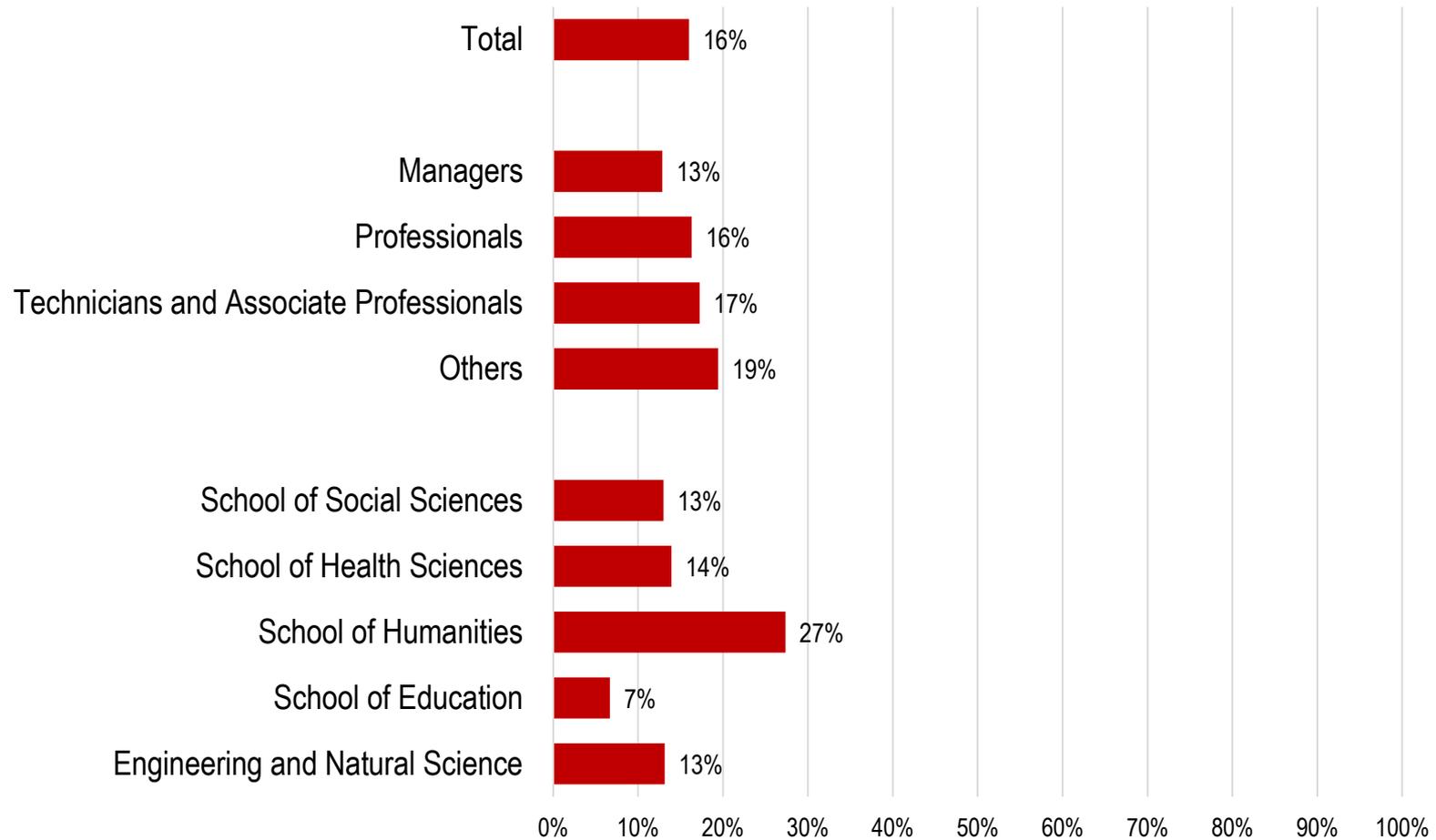


Monthly wages





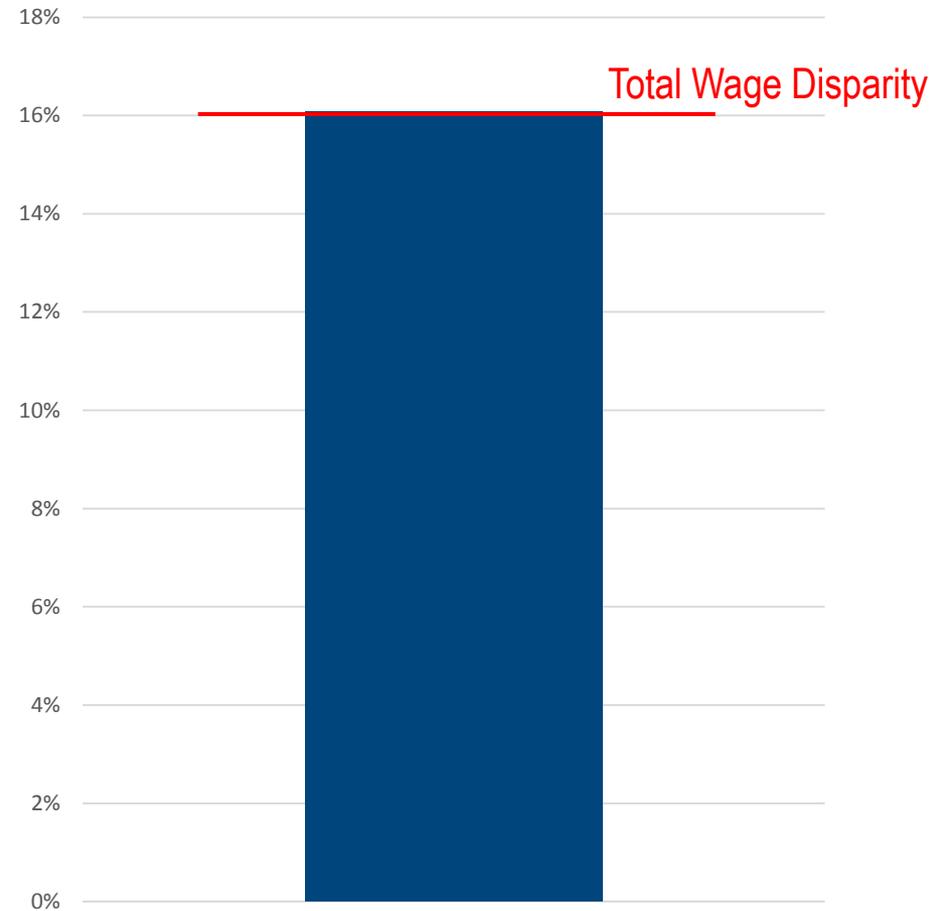
Disparity of Monthly Wages





Decomposition

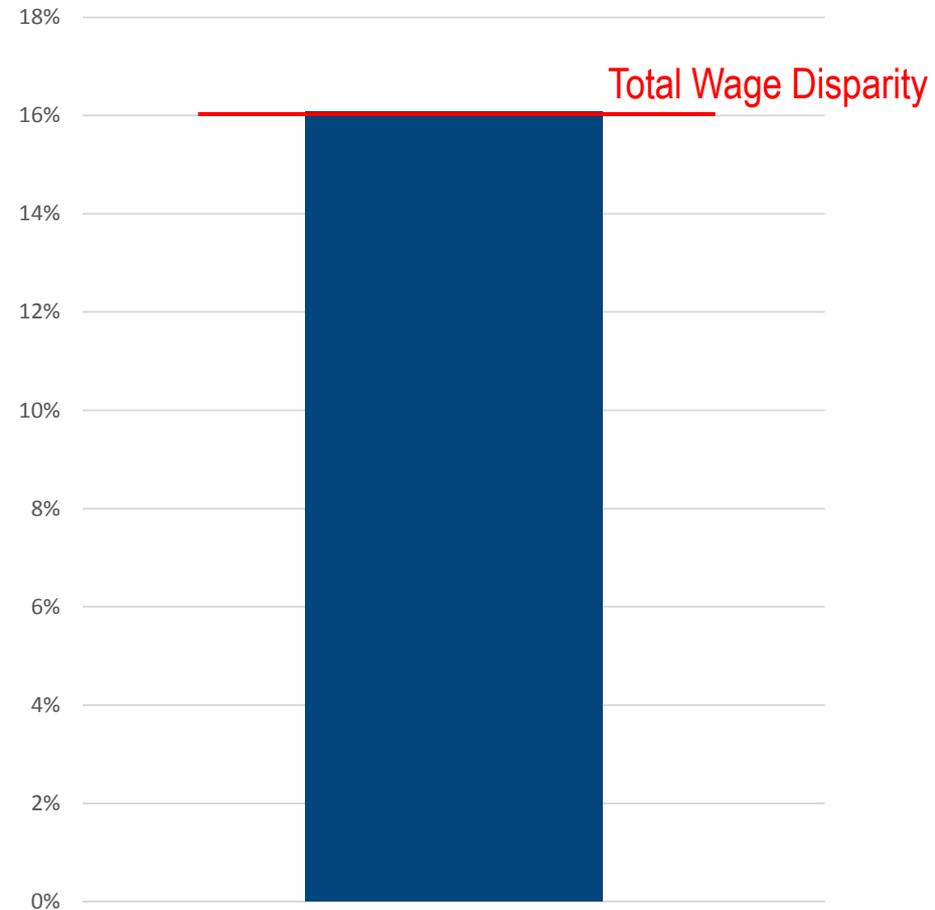
- Total Wage Disparity (16%)





Decomposition

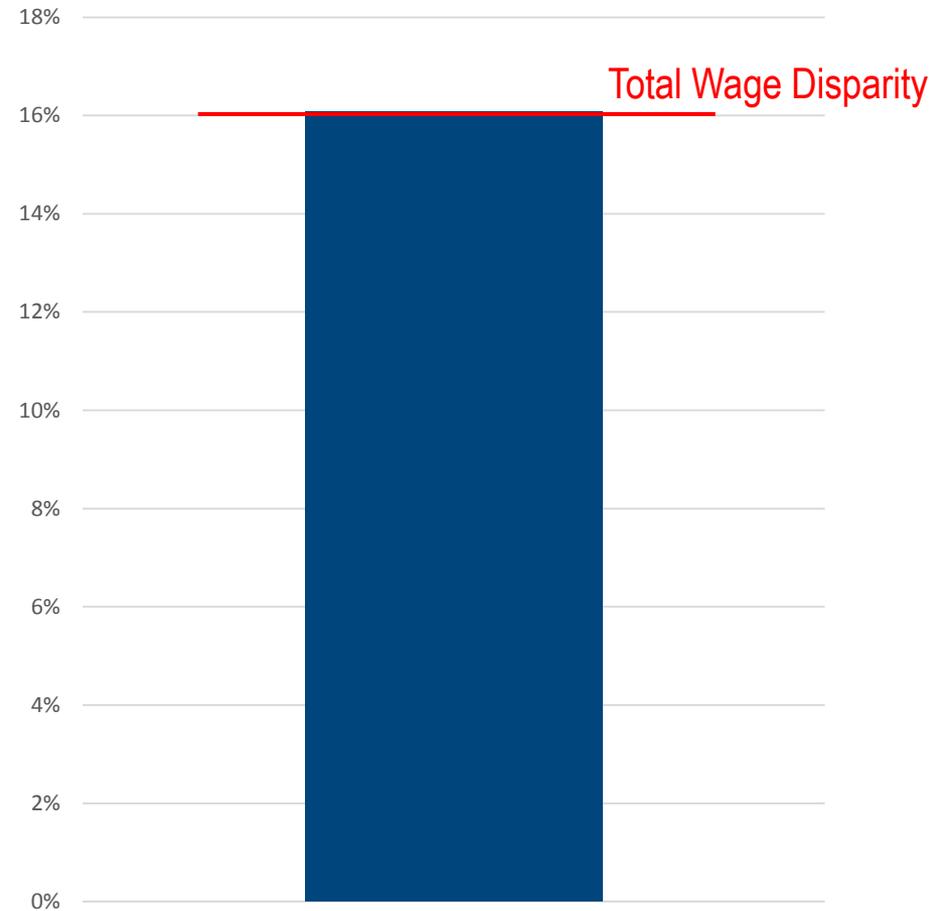
- Total Wage Disparity (16%)
 - Overtime reduces by 1%





Decomposition

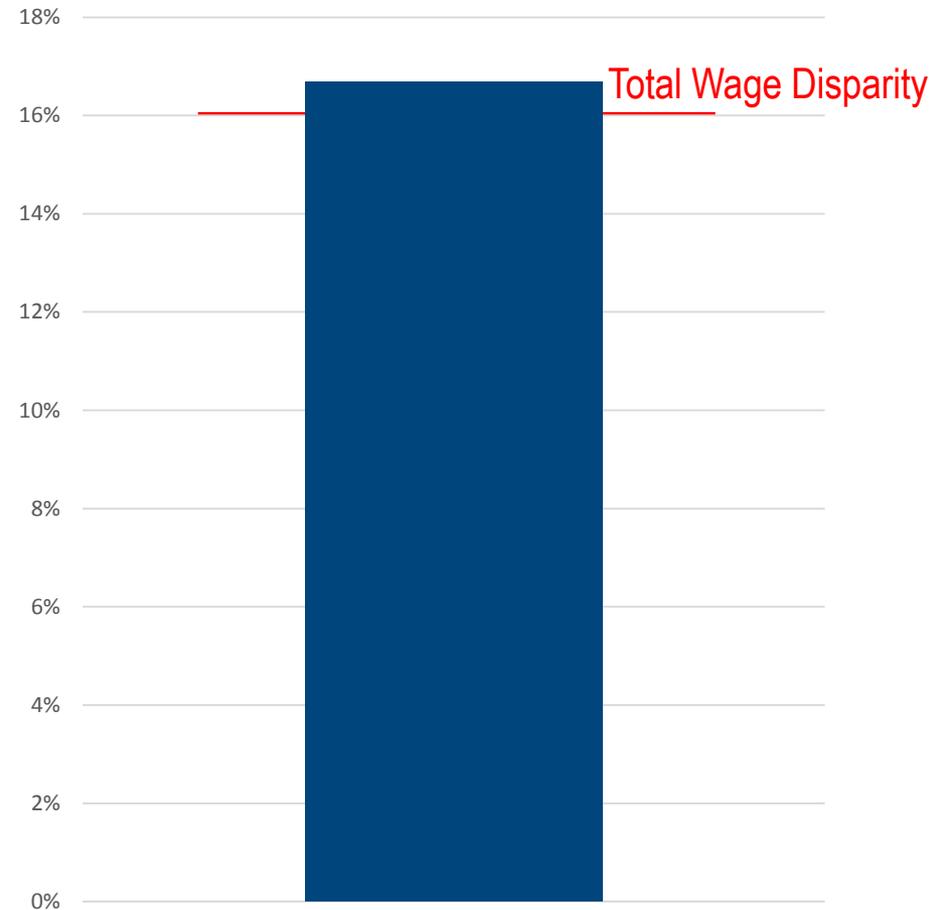
- Total Wage Disparity (16%)
 - Overtime reduces by 1%
 - Occupation reduces by 0.2%





Decomposition

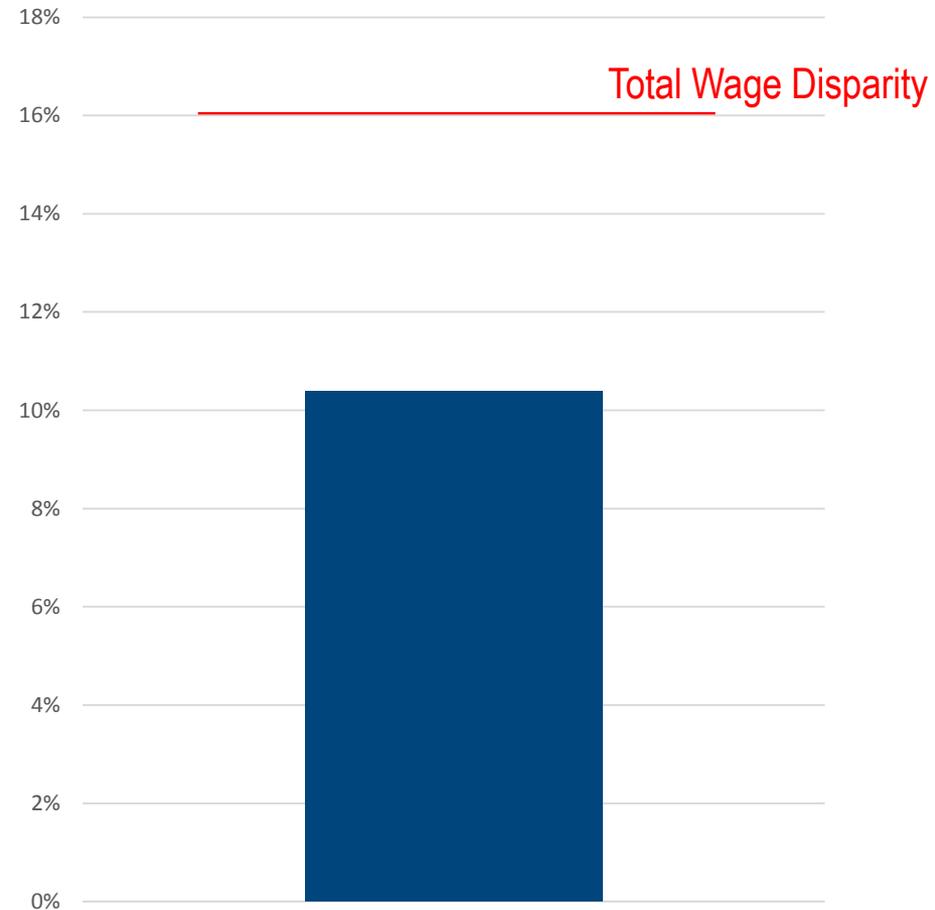
- Total Wage Disparity (16%)
 - Overtime reduces by 1%
 - Occupation reduces by 0.2%
 - Age increases by 1.8%





Decomposition

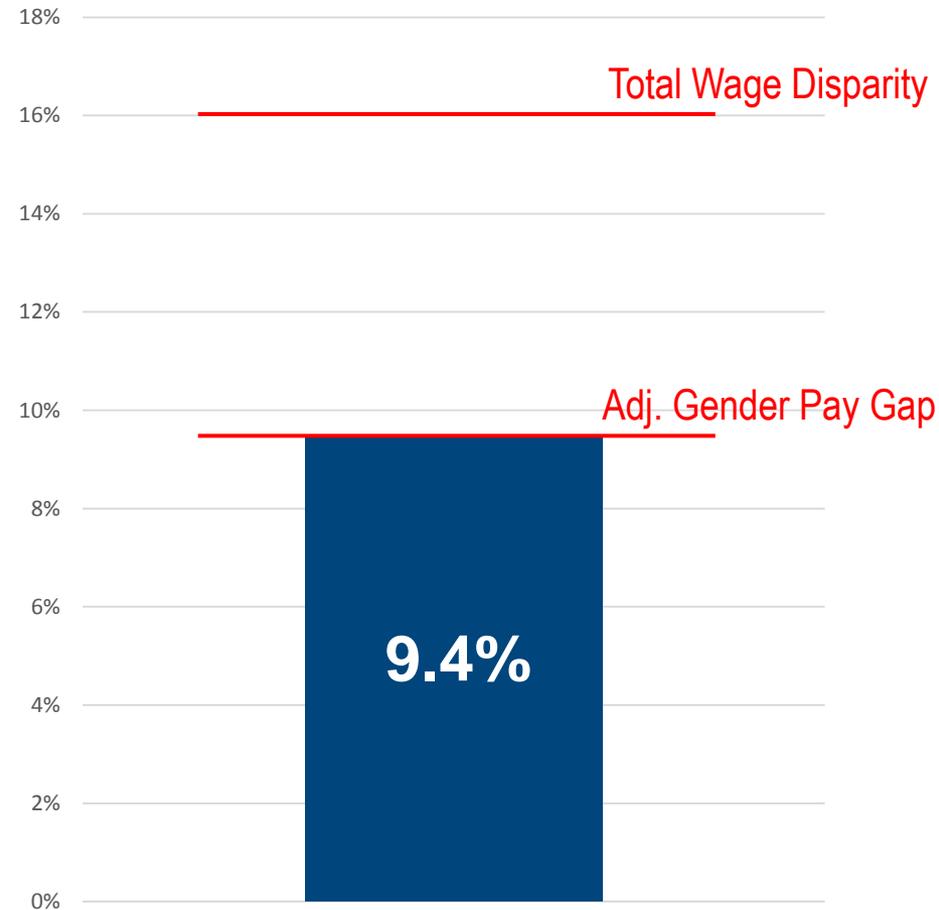
- Total Wage Disparity (16%)
 - Overtime reduces by 1%
 - Occupation reduces by 0.2%
 - Age increases by 1.8%
 - Faculty reduces by 6.3%





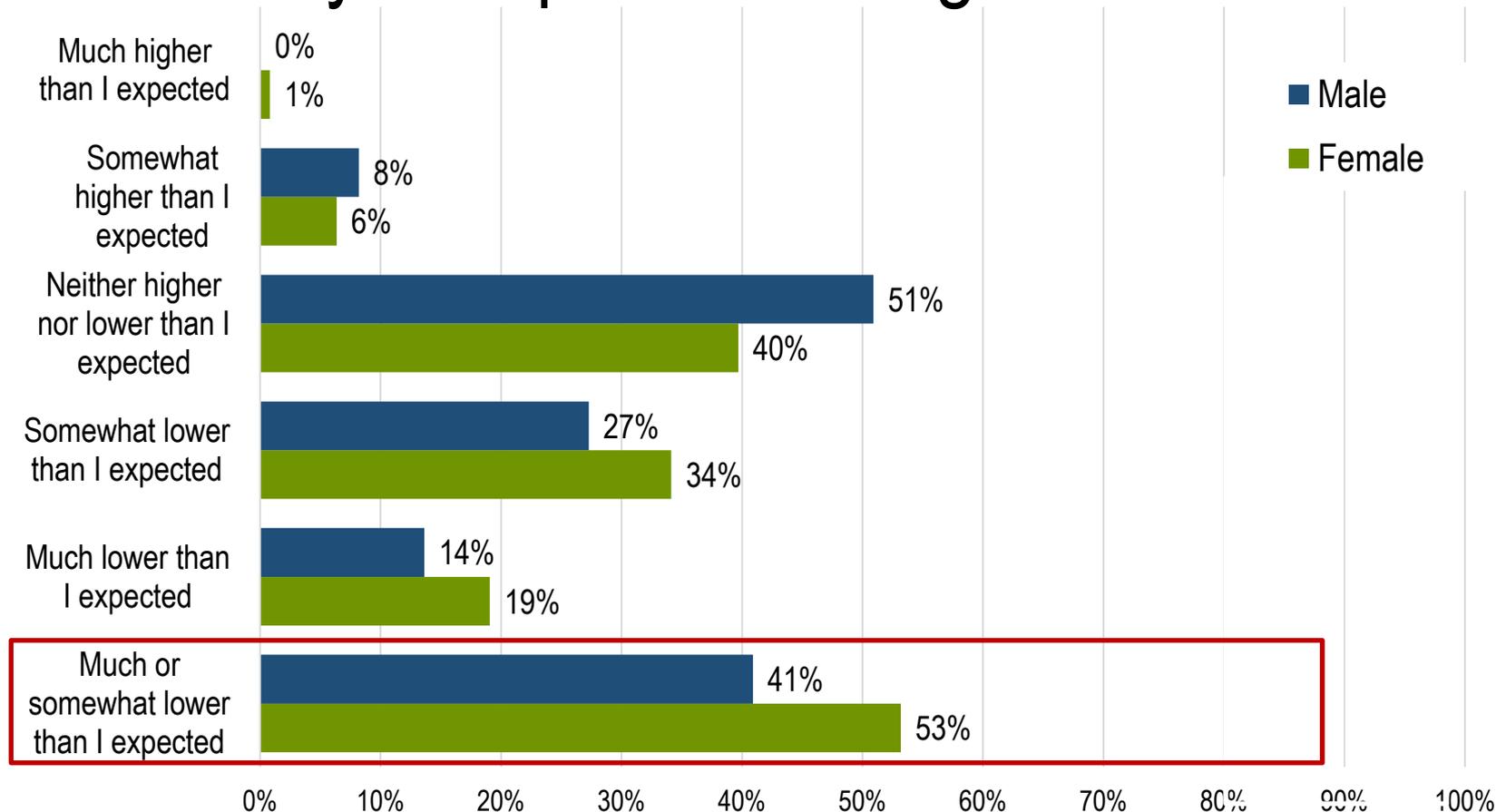
Decomposition

- Total Wage Disparity (16%)
 - Overtime reduces by 1%
 - Occupation reduces by 0.2%
 - Age increases by 1.8%
 - Faculty reduces by 6.3%
 - Sector reduces by 0.9%



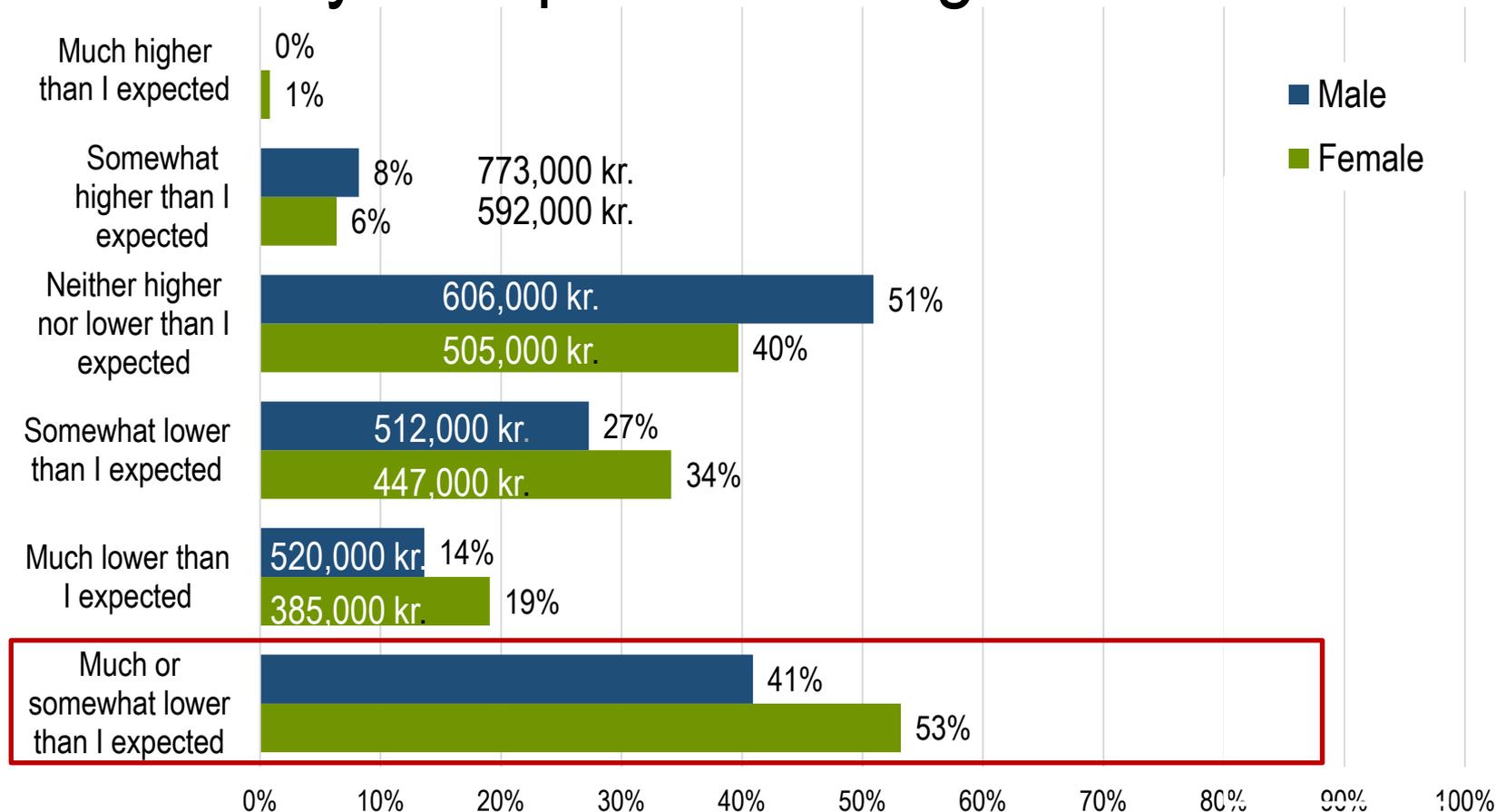


Is your salary higher, lower or about the same as you expected after graduation?





Is your salary higher, lower or about the same as you expected after graduation?





Summary – conclusion

- Female graduates from the University of Iceland in 2010-2012 earn on average 16% less than male graduates.
- After controlling for age, occupation, faculty graduated from, overtime and sector a difference of 9.4% remains.
- Belonging to the same occupation group and having the same type of university degree from the same subject is not a guarantee for equal pay for men and women.
- Is it fair to pay one person less than another because s/he does not make as strong demands? Where is the responsibility of the employer?

