

Media Release: **Gender Wage Gap**

Embargoed until 11:30 pm, Tuesday 17 June, 2014

Graduate Gender Wage Gap Analysis Released

Graduate Careers Australia's (GCA) latest study, which investigates the gender wage gap within the 2013 Australian graduate labour market, suggests that much of the earnings gap between new male and female graduates was determined by field of education choices often made prior to university enrolment.

The study, *An analysis of the gender wage gap in the Australian graduate labour market, 2013*, was based on data collected from GCA's annual Graduate Destination Survey (GDS¹), which gathers employment outcomes data from recent graduates of all Australian universities, as well as a number of non-university higher education providers.

Major findings from the analysis suggested that when the field of education, personal, enrolment and occupational characteristics of male and female graduates were taken into account, overall males' starting salaries were 4.4 per cent higher than those for females.

The study emphasised that later earnings potential was driven by many factors. The analysis highlighted the overall wage gap favouring males as being due, in part, to an over-representation of males in fields of education that typically had higher starting salaries, such as Engineering. Alternatively, females outnumbered males when it came to Humanities, which was ranked at the lower end of the salary distribution.

Edwina Lindsay (GCA Research Associate and principal author of the study) stressed that, while some of the 4.4 per cent gender wage gap might potentially be explained by inequalities in some workplaces, it could also likely be explained if additional information not captured within the GDS was available.

She also noted that in the later years of females' careers, males' earnings can grow at a greater rate. While these later salary differences can be related to field of education choices, many factors unrelated to the graduate's university years, such as age and experience, come into play.

Ms Lindsay also said that when occupational outcomes for recent male and female graduates were compared, few significant differences were found. When 22 of the most common occupations entered by new graduates were examined, only the salaries for registered nurses and primary school teachers were found to differ significantly, in favour of males.

Before controlling for these key earnings determinants, an aggregate gender wage gap of 9.4 per cent was found and the report suggests that this aggregate gap could be narrowed if females were given more information about career choices and opportunities at school with encouragement to consider training for occupations that are often traditionally thought of as male roles. These included training and occupations in the areas of Science, Technology, Engineering and Mathematics (often referred to as STEM subjects).

These figures were based on the responses of new bachelor degree graduates aged less than 25 and in their first full-time employment in Australia and, as such, are not necessarily representative of the wider Australian work force.

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¹ The GDS is a component of the Australian Graduate Survey (AGS). More than 109,000 graduates responded in 2013.