

Working Hours and the Persistence of the Gender Wage Gap in Western Germany

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Abstract: Despite women's rising participation in education and their increasing attachment to the labor market, both in the U.S. and in Germany women's hourly wages still remain approximately 10 percent lower than wages of similarly qualified men. Recent analyses for the U.S. suggest that this stall in the gender revolution is mainly caused by a gender specific engagement in long working hours. Returns to overwork increased during the last decades in the U.S. Given that a greater proportion of men than women overwork, these increasing overwork premiums might have counteracted an otherwise closing gender wage gap. In this article, we replicate and extend these analyses using the German Socio-Economic Panel. We use Juhn-Murphy-Pierce methods to decompose the effects of working hours on the change of the gender wage gap during the last 30 years (1985-2014). Using the example of Western Germany with a high rate of part-time employment, we are able to study not only overwork premiums but also penalties for short hours (marginal employment, part-time work). From theories on compensating wage differentials we can expect that in particular these *short* hour employments could have exacerbated the gender wage gap. Indeed, findings shows that primarily increasing proportions of women involved in (marginal) part-time work widened the gender wage gap in Western Germany. In further analyses we explore how (gender-specific) part-time penalties relate to characteristics of occupations, such as autonomy in occupational actions. Although not the main focus of our study, it is notably that in the last years of our observation period (the late 2000s), within (marginal) part-time employment we found no gender wage gaps anymore (even converted gaps, disadvantaging men). Conclusions from our work relate to the literature on family friendly work policies and their side-effects on gender inequalities in the labor market.

Keywords: Gender Wage Gap; Working Hours; Overwork Premiums; Part-Time Penalties; Trends in Gender Inequality; Decomposition Methods.

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