



Overview of ABS Data Sources

statistics for informed

decision making

Session outline

- The main ABS data sources that can be used in the measurement and analysis of gender comparisons of earnings
- Estimates based on these sources:
 - ▶ what does the data say (and not say)
 - ▶ different approaches to measurement
- Fitness for use:
 - ▶ advantages and limitations of these sources
 - ▶ things to be aware of when choosing the most appropriate source and analysing the data

Key data sources

- Business surveys:
 - ▶ more reliable \$ estimates as the data are obtained from employers' payrolls
 - ▶ composition of earnings (ie ordinary time and overtime earnings)
 - ▶ better industry estimates

- Household surveys:
 - ▶ socio-demographic characteristics
 - ▶ employment characteristics
 - ▶ ...but, less robust \$ estimates

Key data sources

- Business surveys:
 - ▶ Average Weekly Earnings (AWE)
 - ▶ Employee Earnings and Hours (EEH)

- Household surveys:
 - ▶ Employee Earnings, Benefits and Trade Union Membership (EEBTUM)

Average Weekly Earnings (AWE)

- Quarterly business survey
 - ▶ collected at business not individual level
 - ▶ long time-series (1983 onwards)

- Limited detail:
 - ▶ Full-time adults, All employees
 - ▶ Ordinary time, Total earnings

- Excludes amounts salary sacrificed:
 - ▶ analytical series including salary sacrifice to be released in 2009

Employee Earnings and Hours (EEH)

- Two-yearly business survey
 - ▶ collected at the individual employee level
 - ▶ distributional data (ranges, deciles, medians...)

- Earnings by employment characteristics
 - ▶ Full-time or part-time status
 - ▶ Hours paid for (hourly earnings)
 - ▶ Permanent, fixed-term, casual
 - ▶ Managerial, Non-managerial
 - ▶ Method of setting pay (Award, CA, IA)
 - ▶ Occupation

Employee Earnings, Benefits and Trade Union Membership (EEBTUM)

- Annual household survey (supplement to LFS)
 - ▶ provides distributional data (medians, etc...)

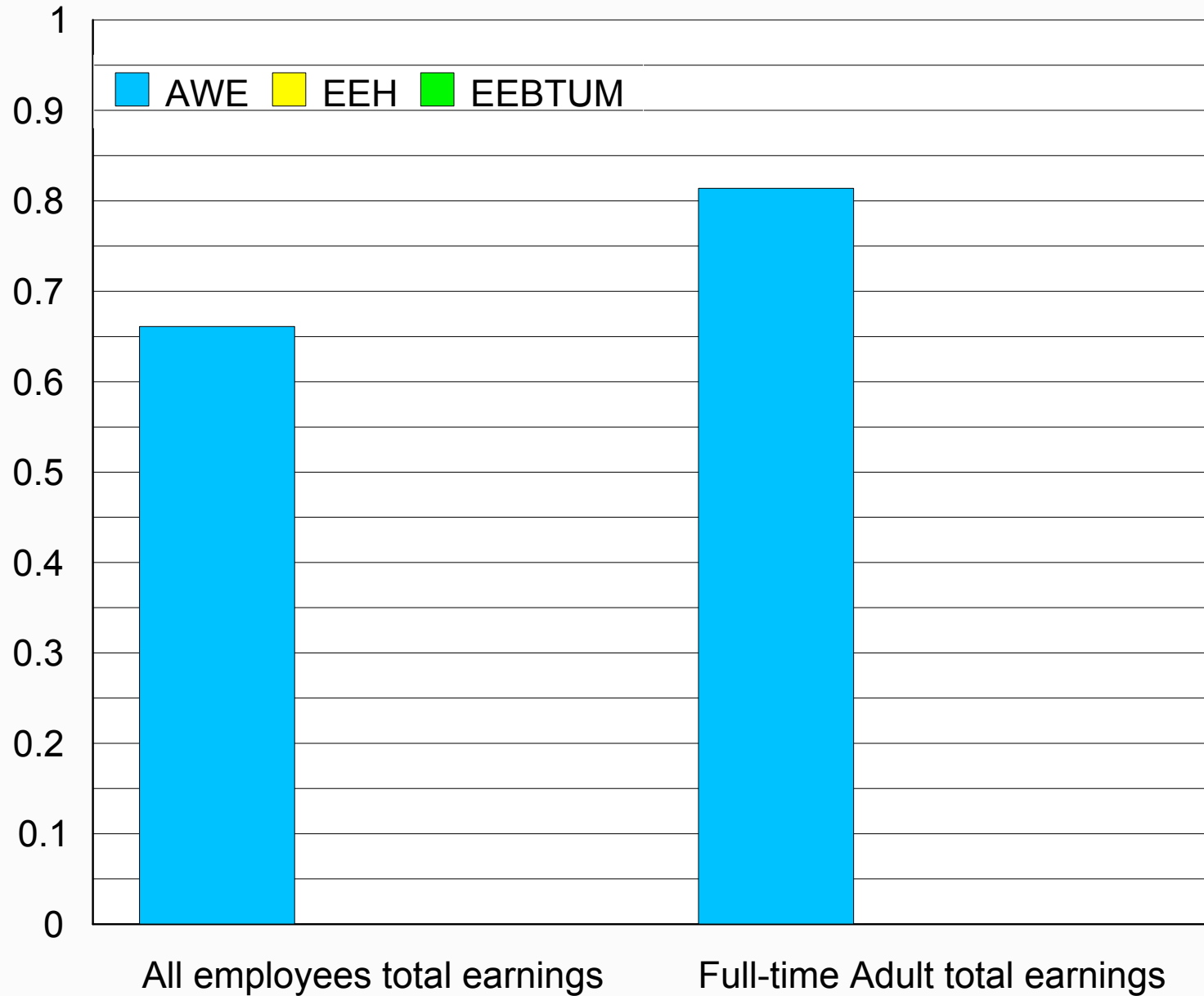
- Earnings by socio-demographic and employment characteristics:
 - ▶ Full-time or part-time status
 - ▶ Hours worked (hourly earnings)
 - ▶ Age, Relationship in household, Marital status
 - ▶ Geography, Country of birth, Period of arrival
 - ▶ Occupation
 - ▶ Leave entitlements, whether casual
 - ▶ Tenure

Comparison of sources

- How do these three sources stack-up?
- Are they telling the same story?

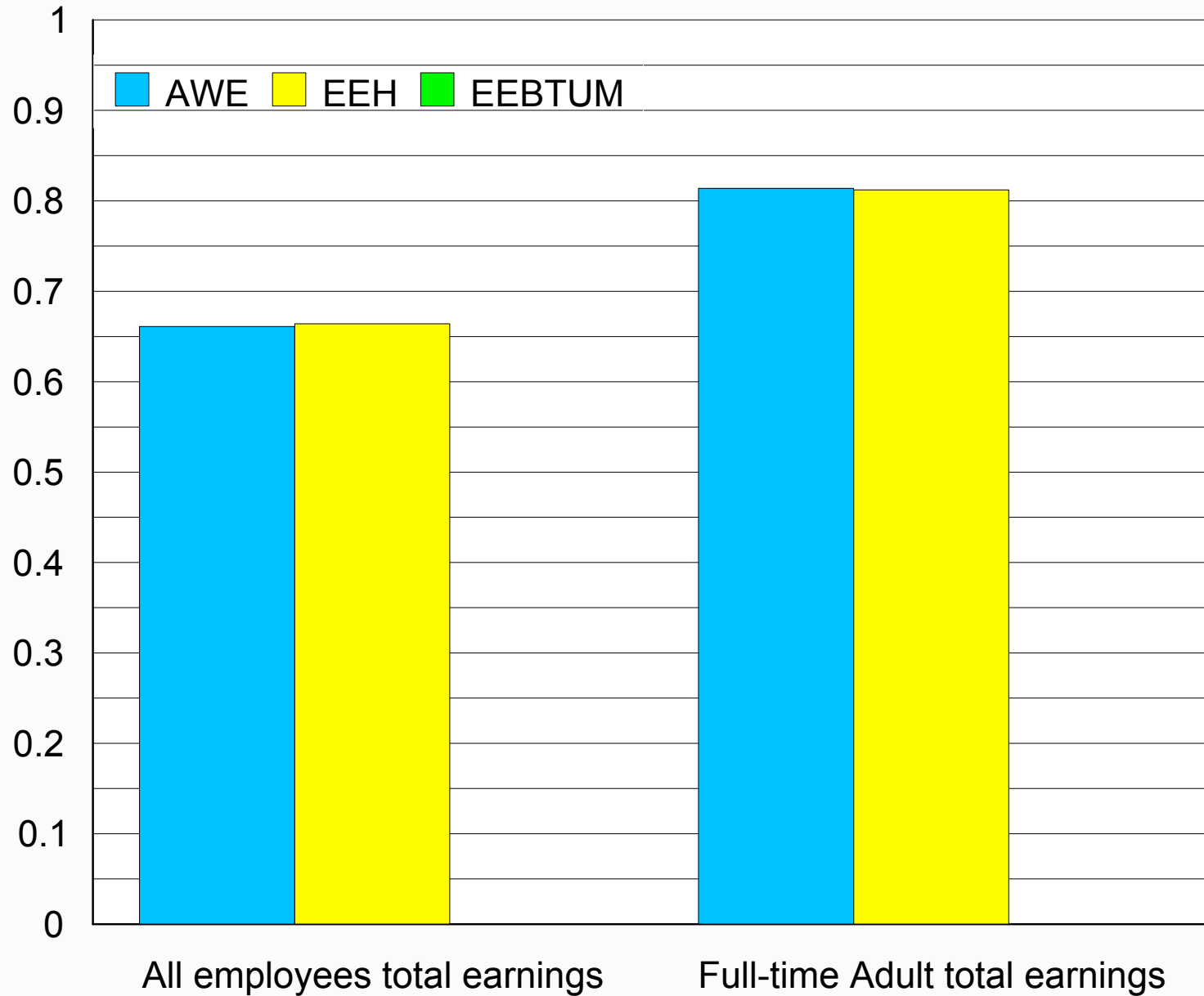
Gender wage gap: Ratio of female \$ to male \$

May 2006 (Aug for EEBTUM)



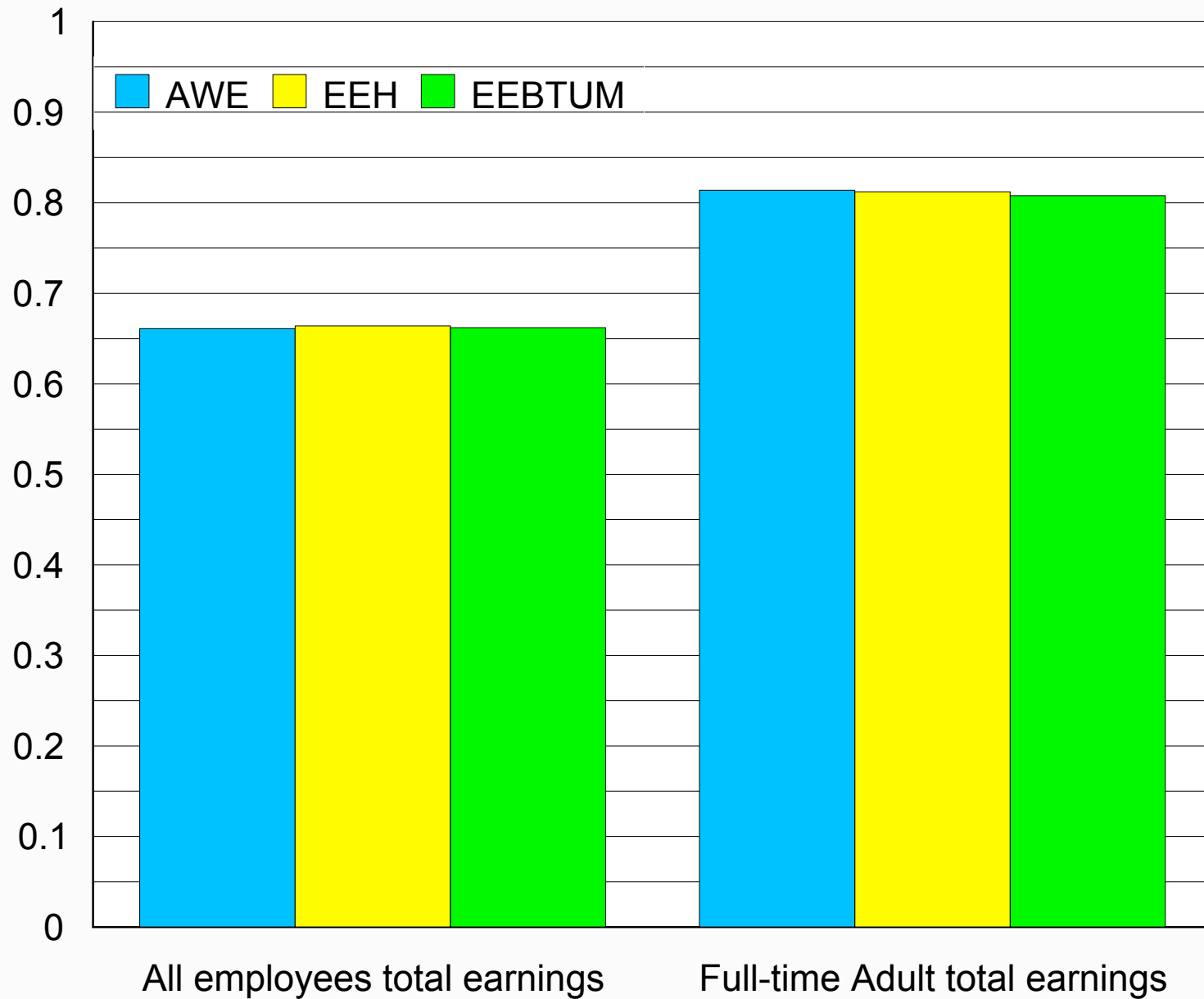
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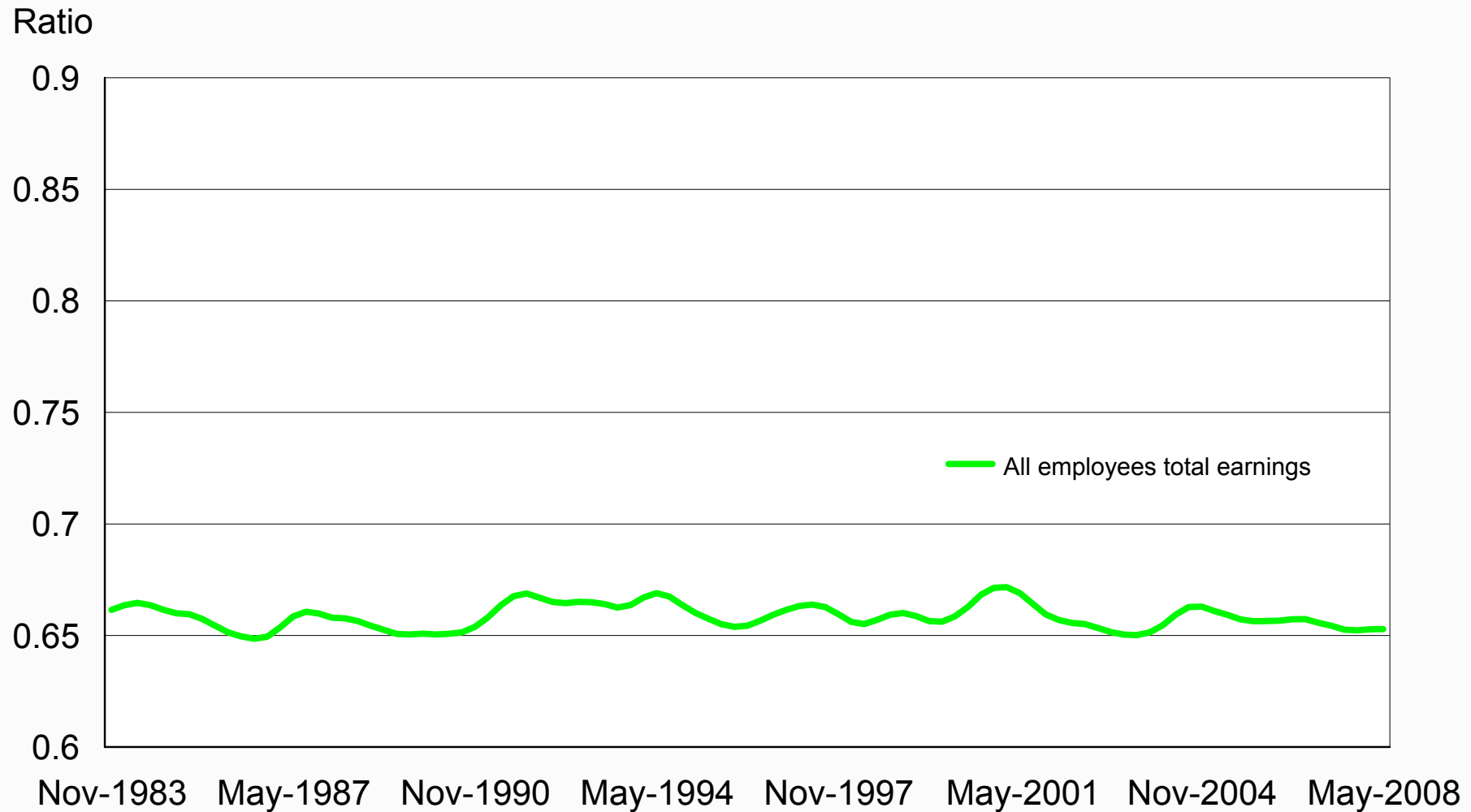
Comparison of sources

- Which source do I use?
 - ▶ depends on the analysis you are undertaking

- How have things changed over time?
 - ▶ AWE has a long time series (1983 onwards)
 - ▶ but EEH (1974) and EEBTUM (1975) also go a long way back (on an annual or two-yearly basis), but not strictly designed as time series

- What other factors need to be considered?

Gender wage gap (AWE)



Source: Average Weekly Earnings, Australia, May 2008, Trend (6302.0)

Compositional factors

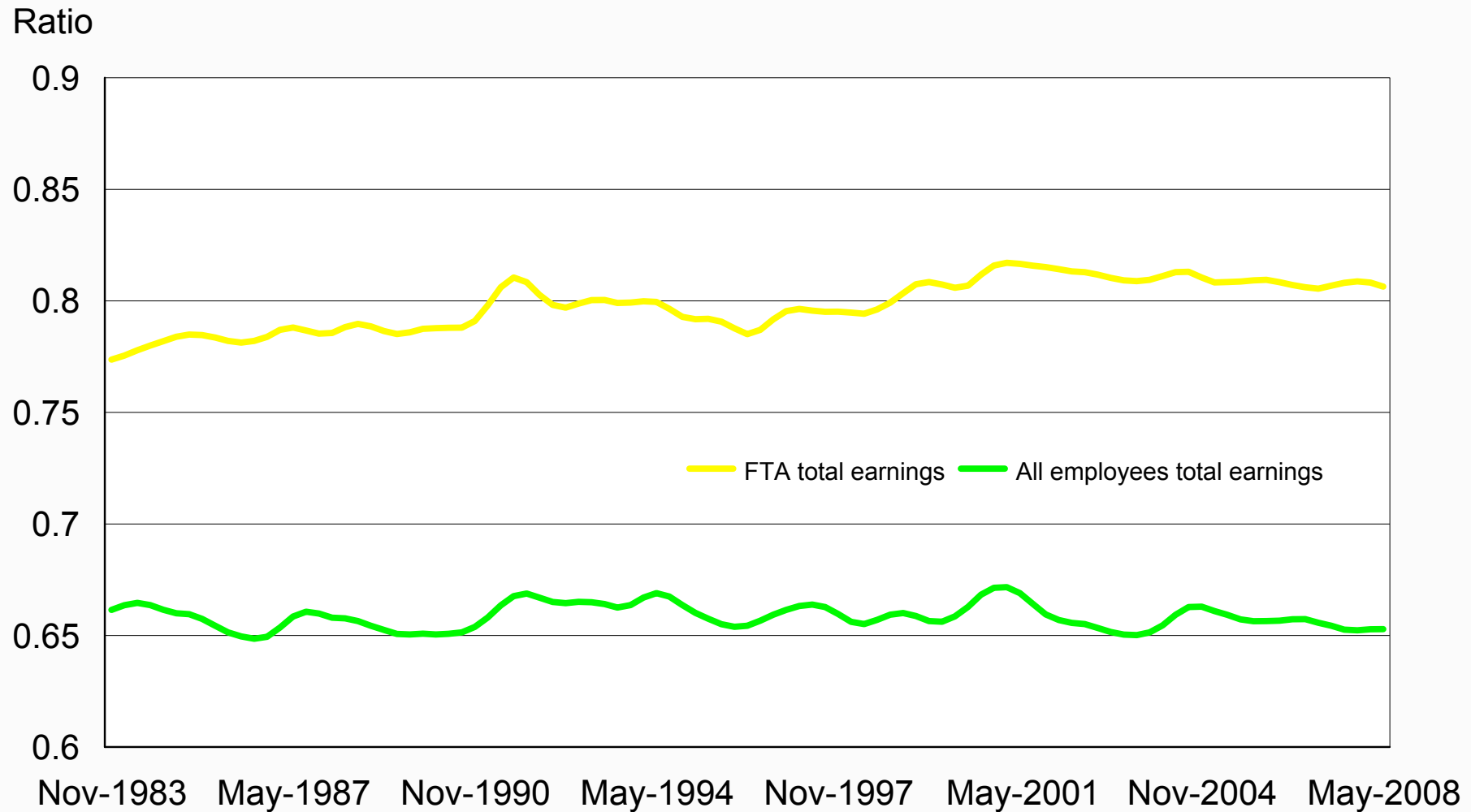
- Is using the average total earnings of all employees the best approach?
- How do we get closer to comparing 'like with like'?
 - ▶ Ordinary time earnings
 - ▶ Full-time employees
 - ▶ exclude junior rates

Gender wage gap (AWE)



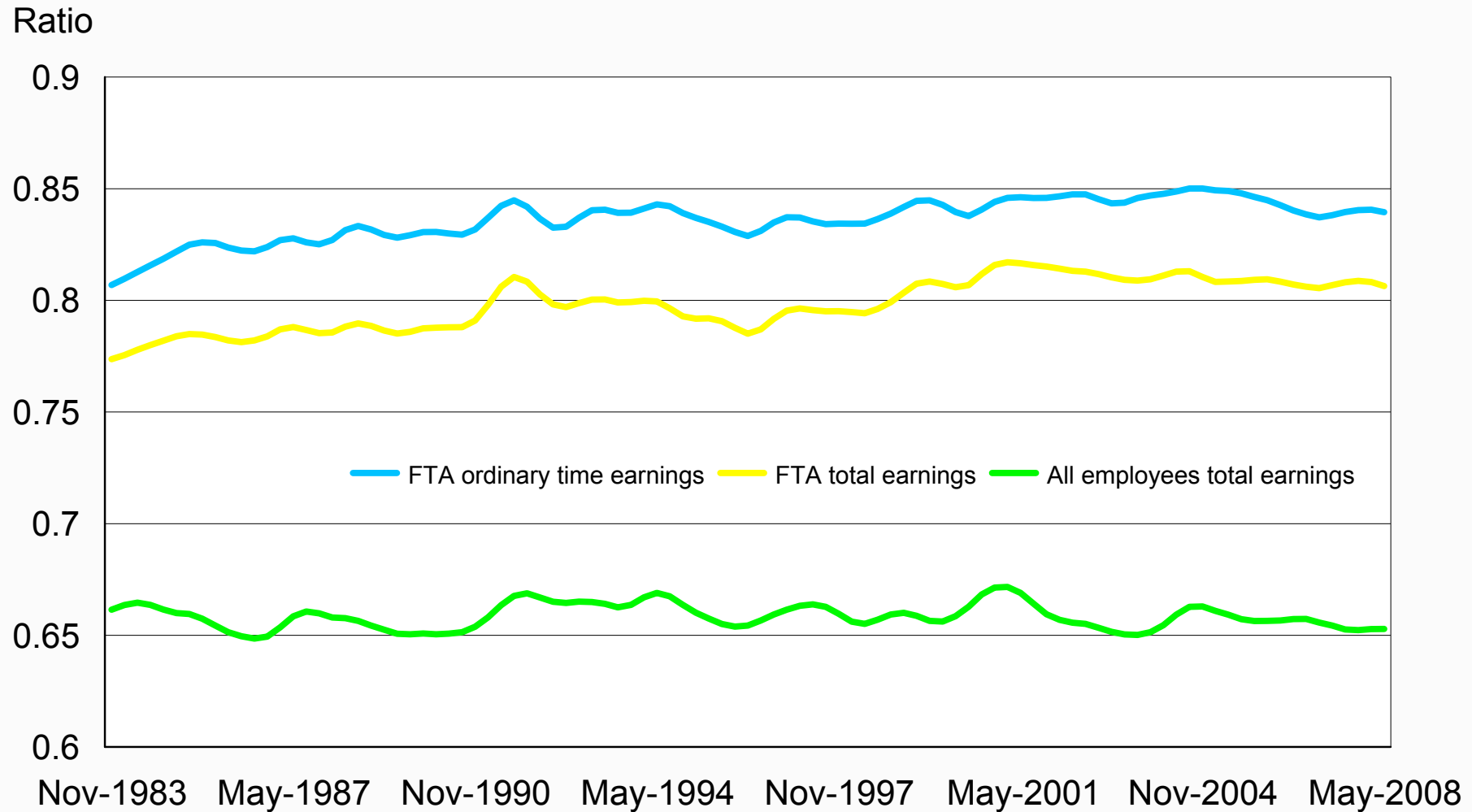
Source: Average Weekly Earnings, Australia, May 2008, Trend (6302.0)

Gender wage gap (AWE)



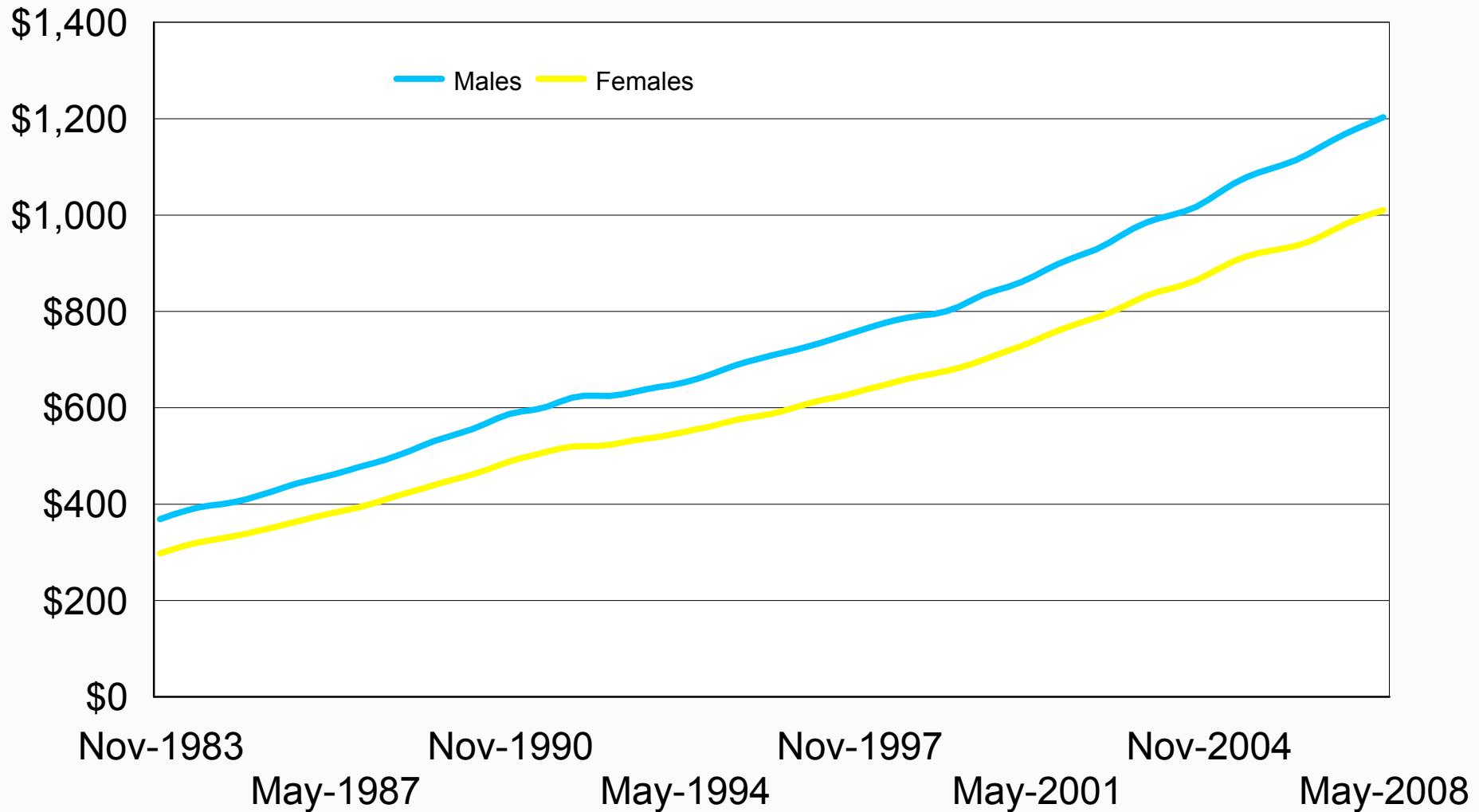
Source: Average Weekly Earnings, Australia, May 2008, Trend (6302.0)

Gender wage gap (AWE)



Source: Average Weekly Earnings, Australia, May 2008, Trend (6302.0)

Full-time Adult Average Weekly Ordinary Time Earnings



Source: Average Weekly Earnings, Australia, May 2008, Trend (6302.0)

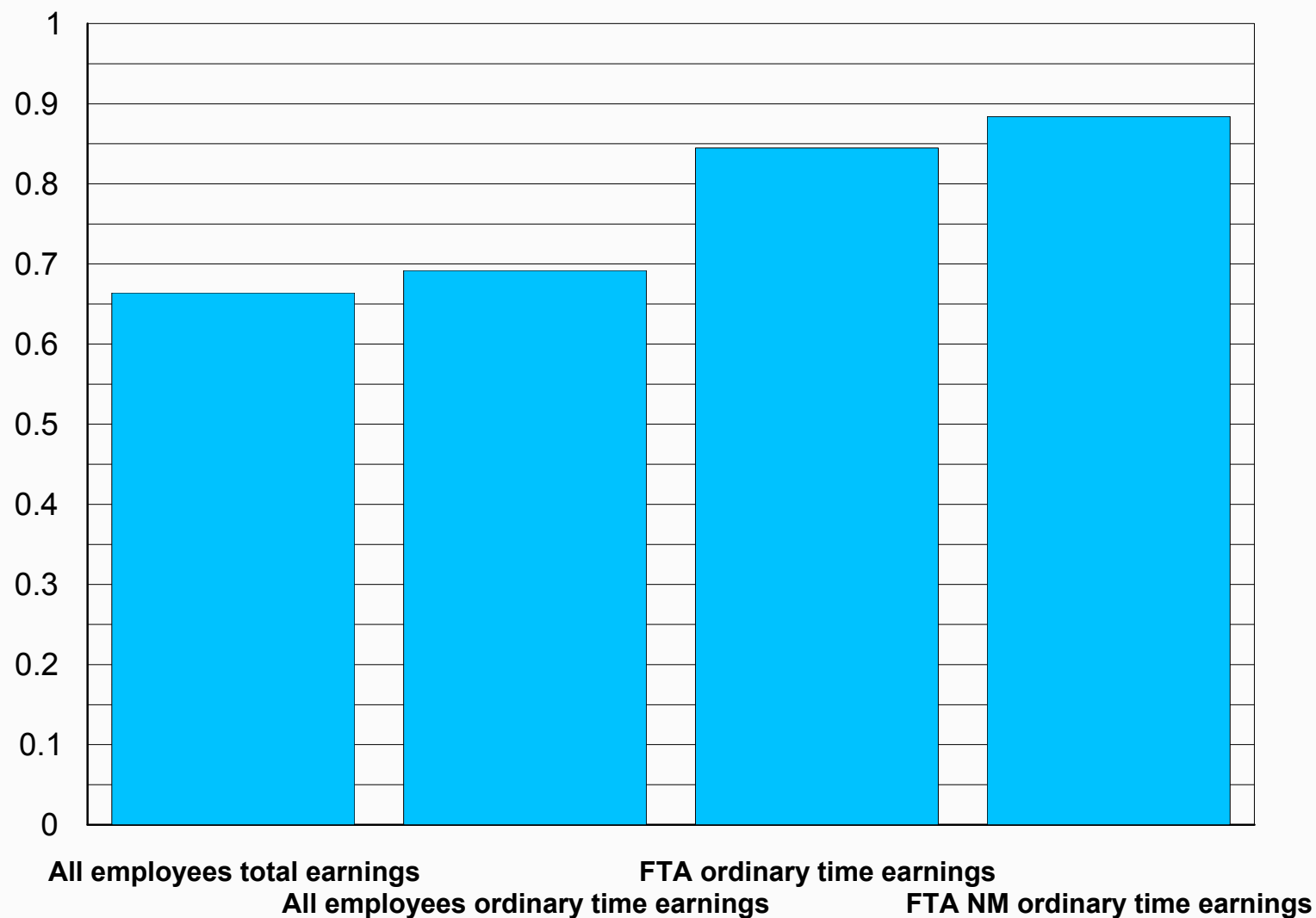
Compositional and other factors

- But still not necessarily comparing 'like with like'

- Other factors, eg:
 - ▶ Managerial v Non-managerial
 - ▶ Occupation
 - ▶ Industry
 - ▶ Method of setting pay
 - ▶ Age

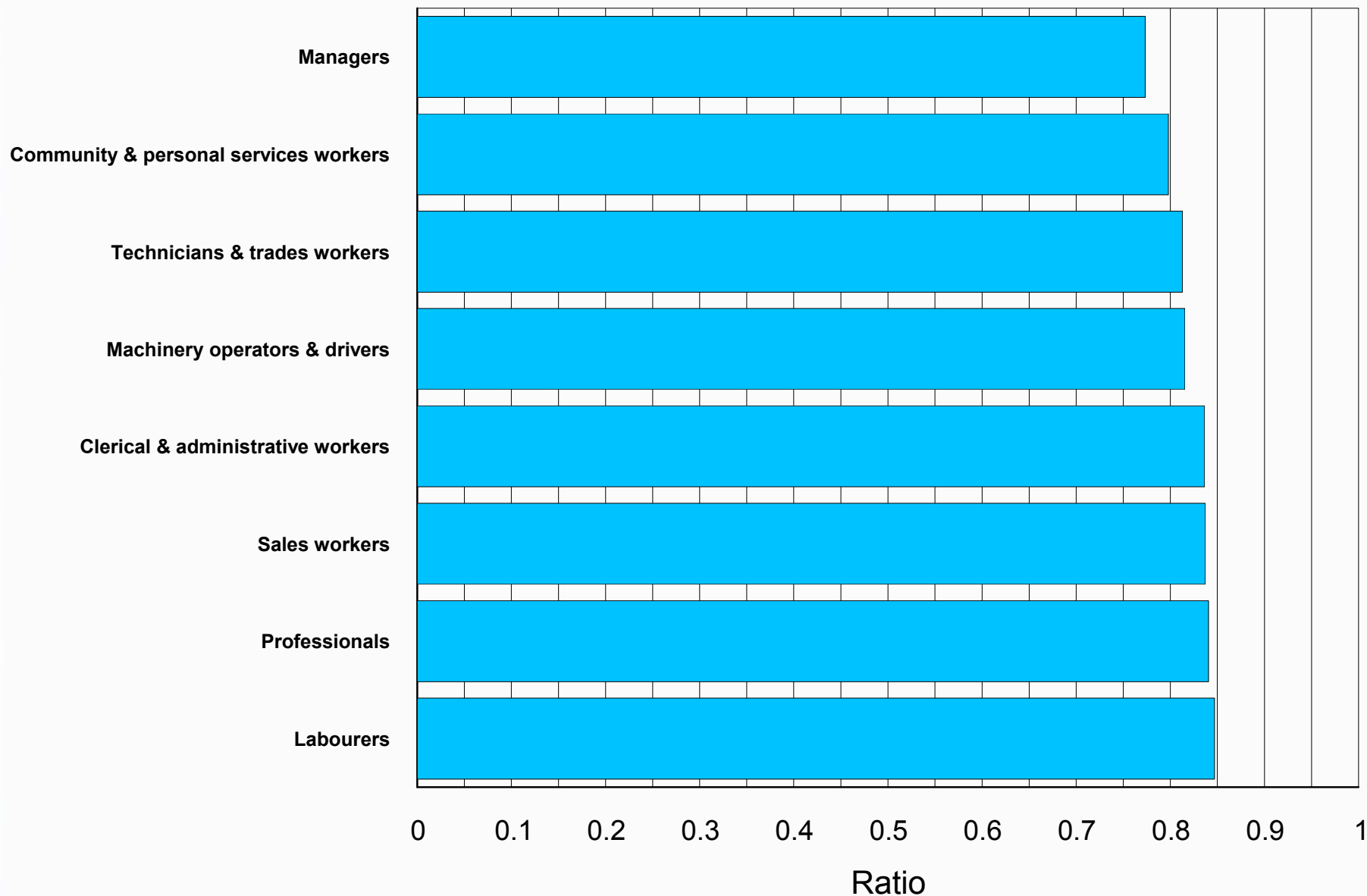
Gender wage gap: Non-managerial employees

Ratio



Gender wage gap: Occupation

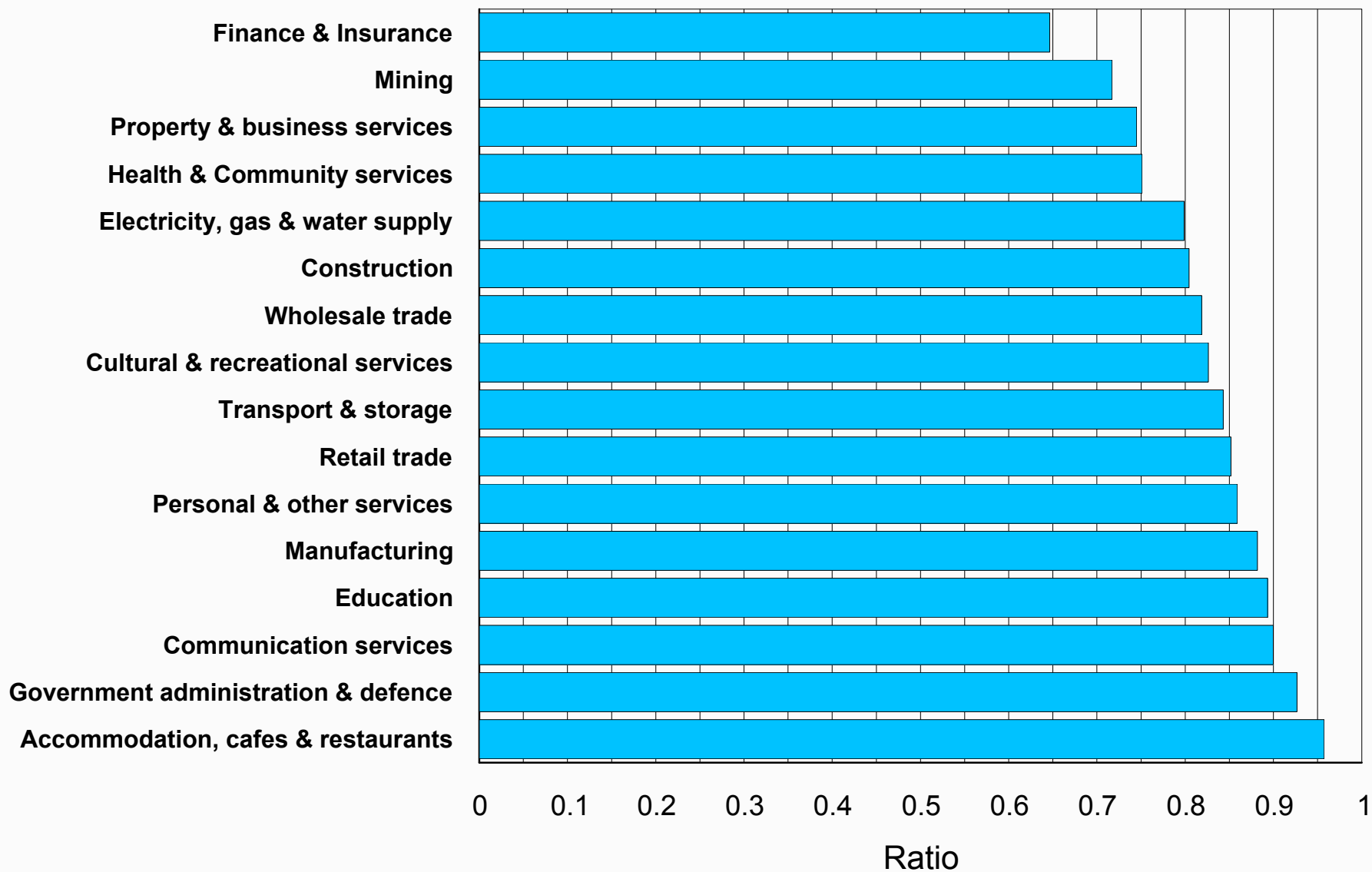
Full-time Adult Ordinary time earnings



Source: Employee Earnings and Hours, Australia, May 2006 (6306.0).

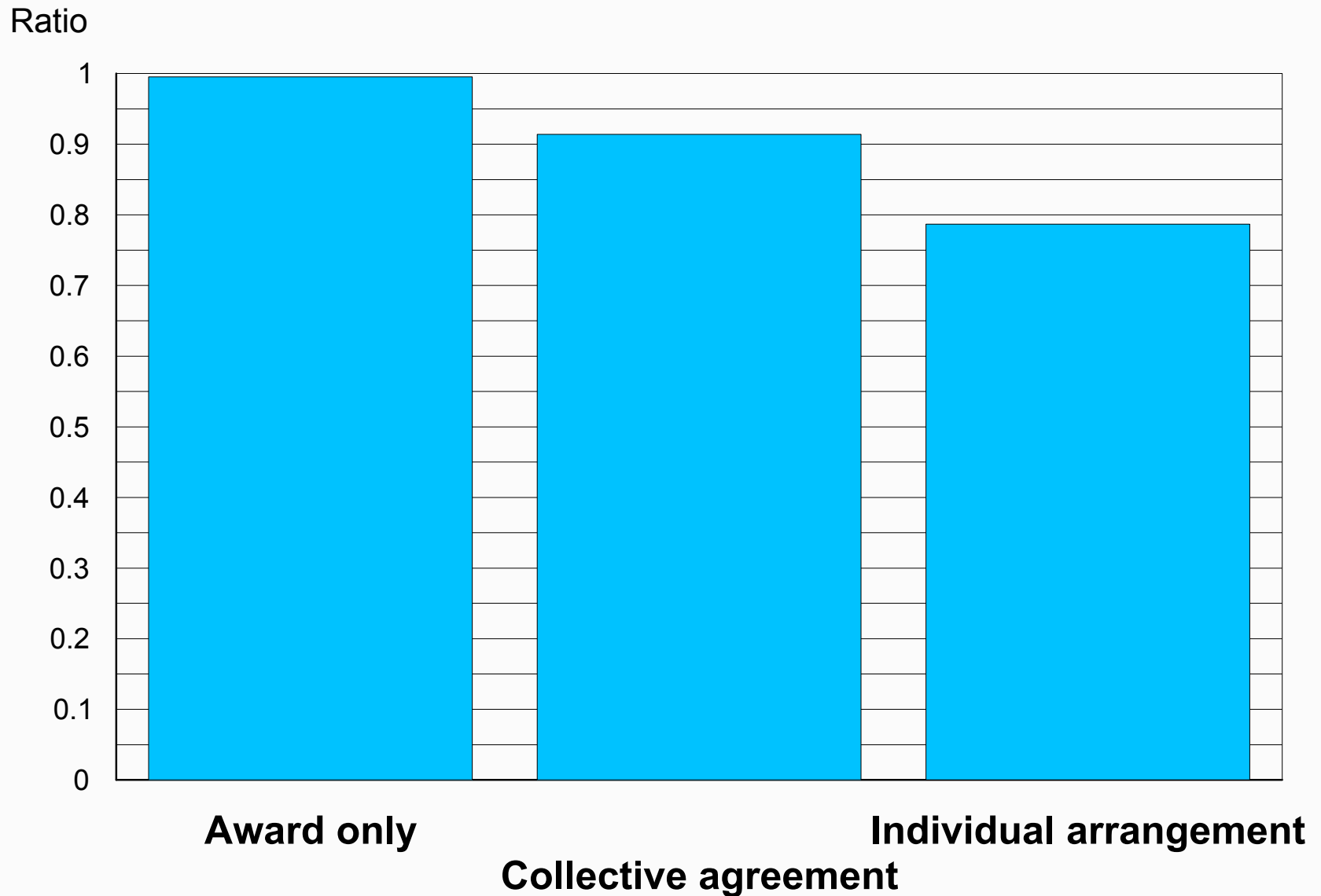
Gender wage gap: Industry

Full-time Adult Ordinary time earnings



Gender wage gap: Method of setting pay

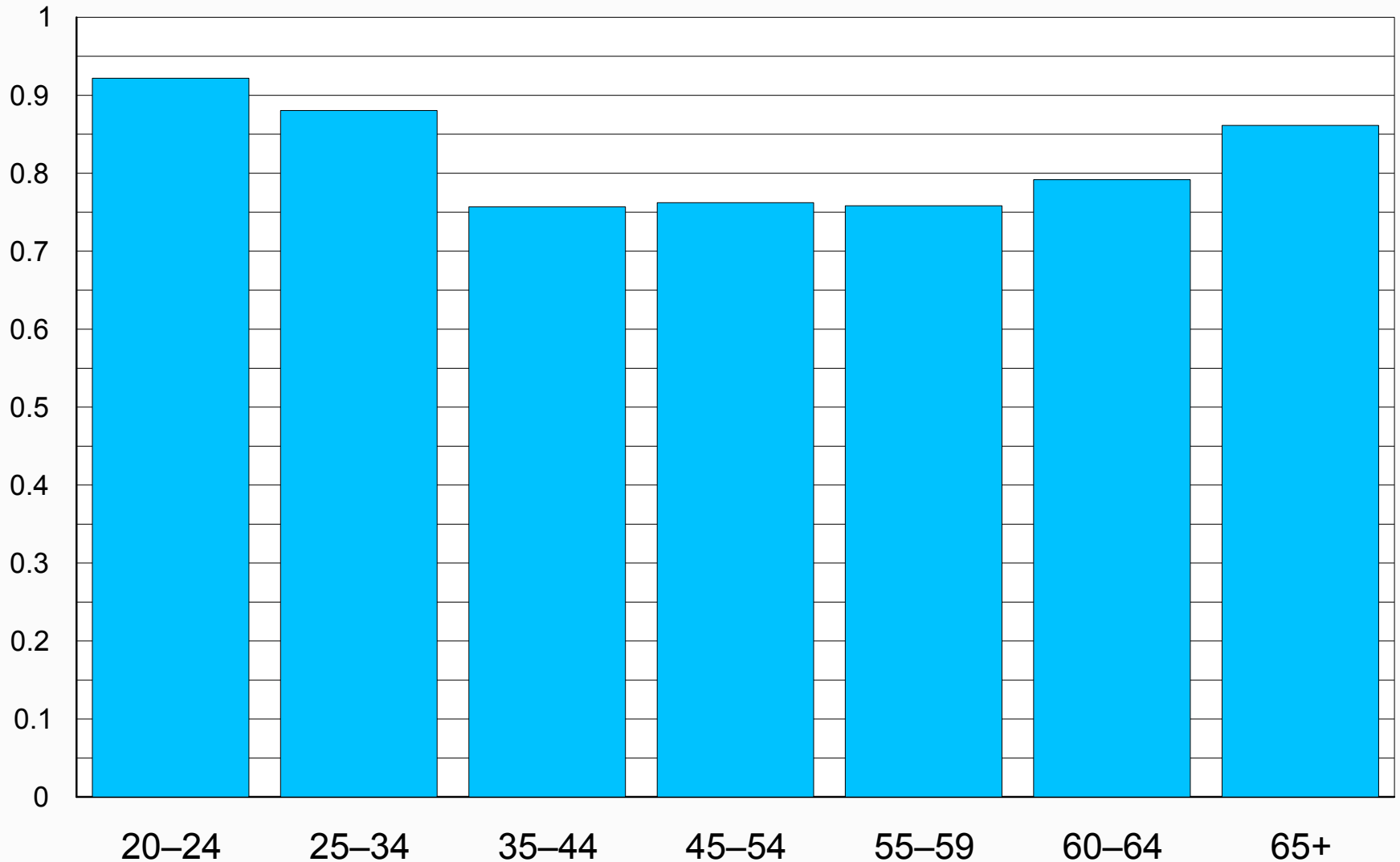
Full-time Adult Ordinary time earnings



Gender wage gap: Age

Full-time 'Adult' total earnings

Ratio



Source: Employee Earnings, Benefits and Trade Union Membership, Australia, August 2007

Salary sacrifice and the gender wage gap

- AWE excludes amounts salary sacrificed
 - ▶ ...but included in EEH and EEBTUM

- Employees who salary sacrifice:
 - ▶ 14% of all employees
 - ▶ \$213 per week (16% of earnings)

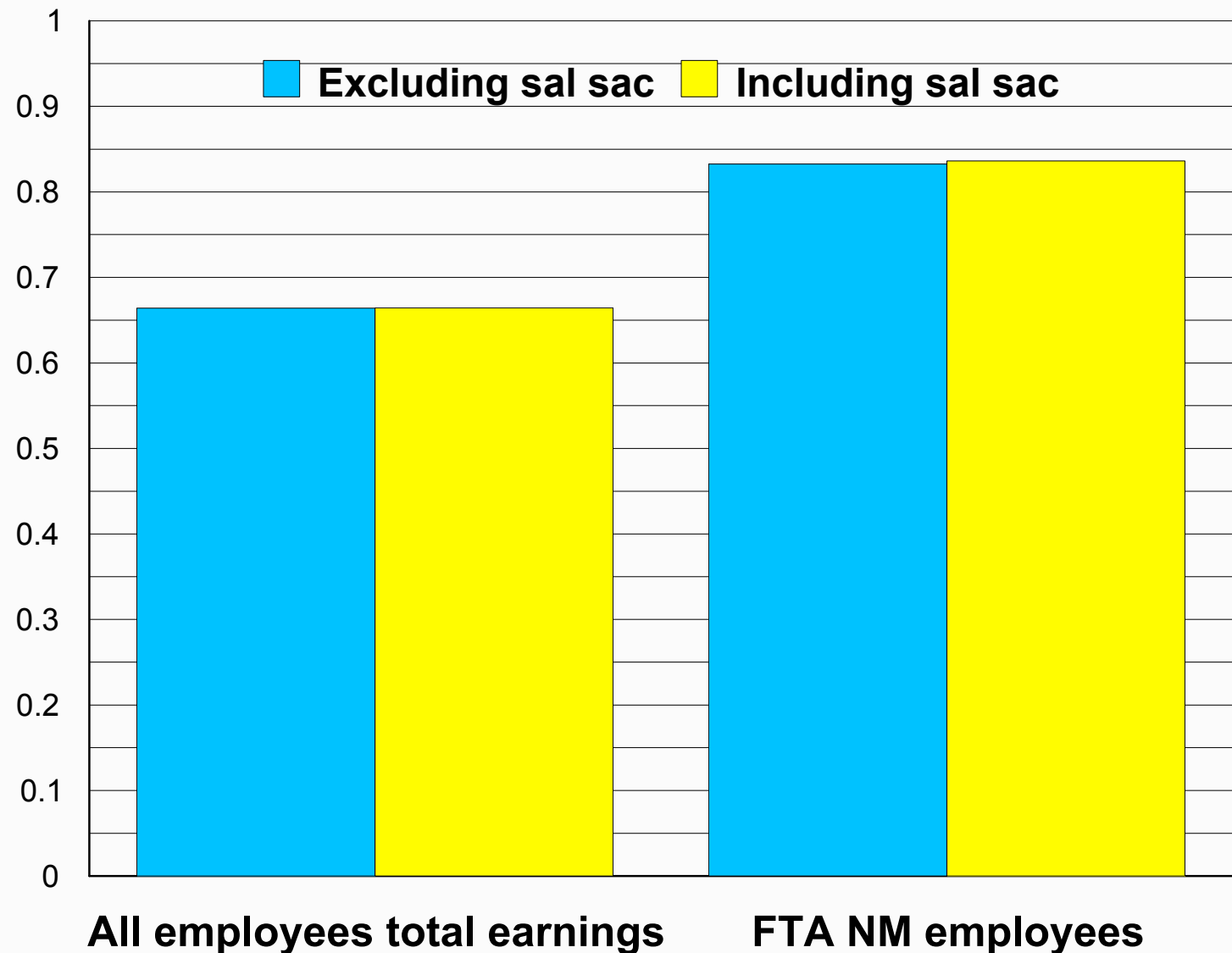
- Impact on overall estimates:
 - ▶ \$30 per week (3.5% of earnings)

Salary sacrifice

- But not all components of salary package are included in earnings estimates:
 - ▶ only salary sacrifice, ie that comes through the payroll (eg a novated car lease)
- As these collections are Earnings based, we don't measure the 'grossed up' value:
 - ▶ the amount the employee would have to earn (before tax) to purchase the goods or services other than through salary sacrifice
 - ▶ prevalent in organisations with FBT concessions, such as PBIs, public hospitals

Impact of salary sacrifice on gender wage gap

Ratio



Source: Employee Earnings and Hours, Australia, May 2006 (6306.0).

Other approaches to analysing the gender wage gap

- Hourly earnings v weekly earnings
- Medians v Means (and other measures of distribution)

Hourly v Weekly Earnings

- Limiting analysis to full-time employees is only one way trying to ensure a more representative comparison
- ...but, this can skew the analysis as it still doesn't reflect differences in full-time hours or the earnings of part-time employees
- Hourly rates available from EEH and EEBTUM (but not AWE)

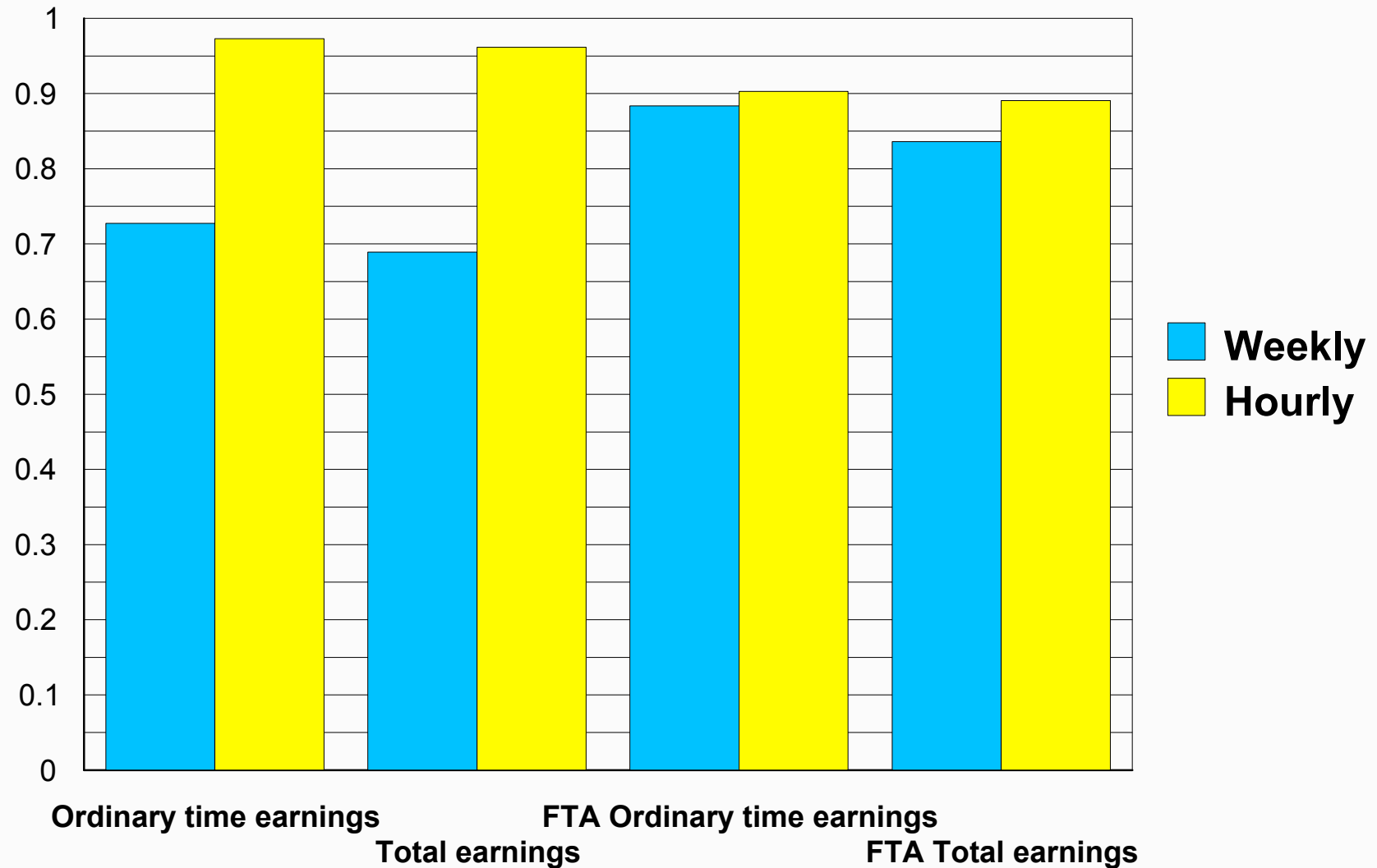
Hourly v Weekly Earnings

- Analysis of hourly earnings allows the impact of part-time employment to be reflected:
 - ▶ Higher % of women work part-time
 - ▶ Hours of part-time women different to men
 - ▶ Gender gap ratio over 1.0 for part-time employees (ie part-time women earn more per hour than part-time men)
- Gender wage gap can be quite different when looking at an hourly perspective

Gender wage gap: Hourly v Weekly earnings

Non-Managerial employees

Ratio

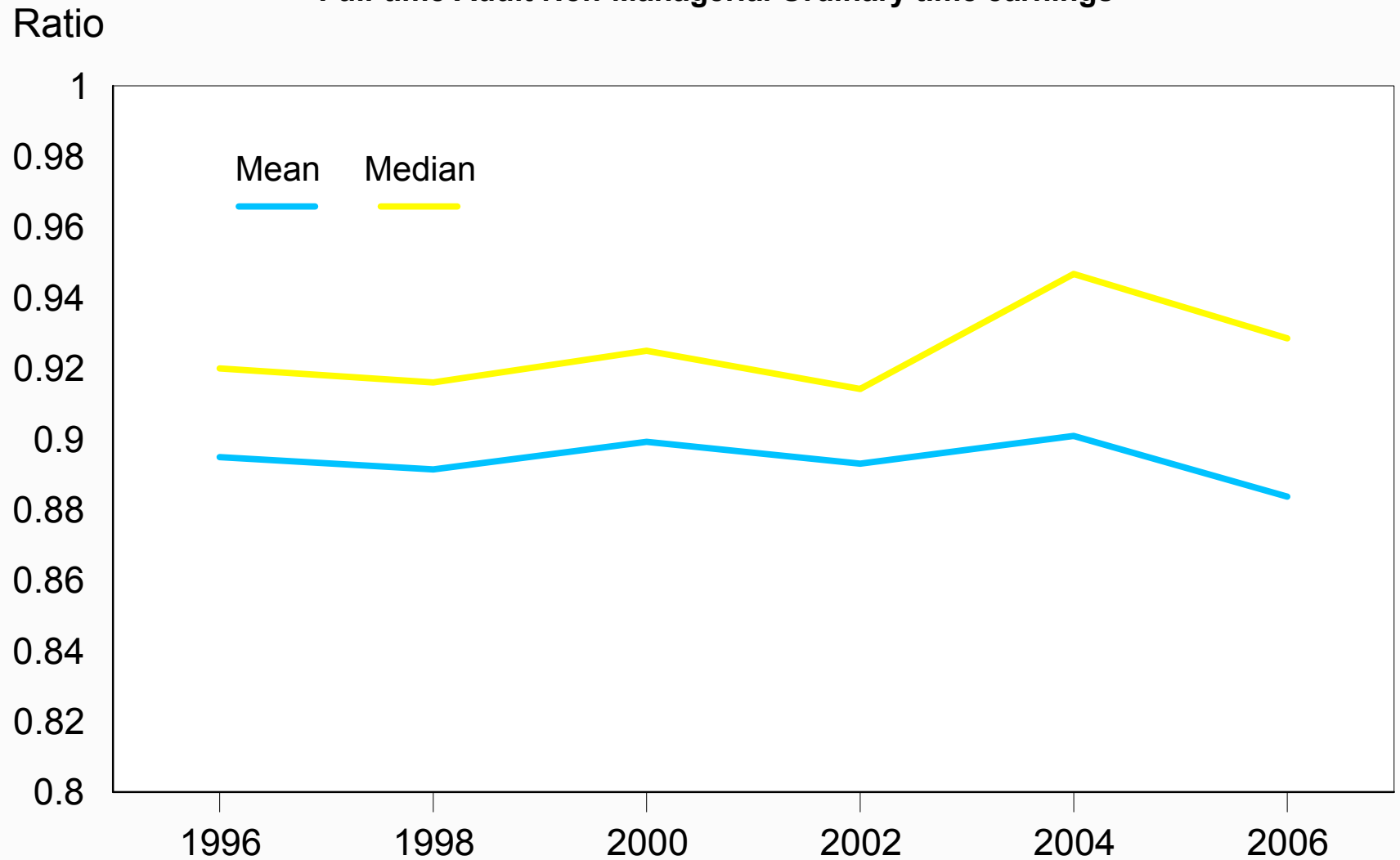


Medians v Means

- The mean is not necessarily the most representative measure of average as it can be affected by outliers:
 - ▶ high earners skew the mean upwards
- The median represents the mid point of the distribution (ie 50% earn more, 50% less)
- The use of means or medians can have a large impact on earnings analysis
 - ▶ eg 65% of employees earn less than the mean
- Available from EEH and EEBTUM

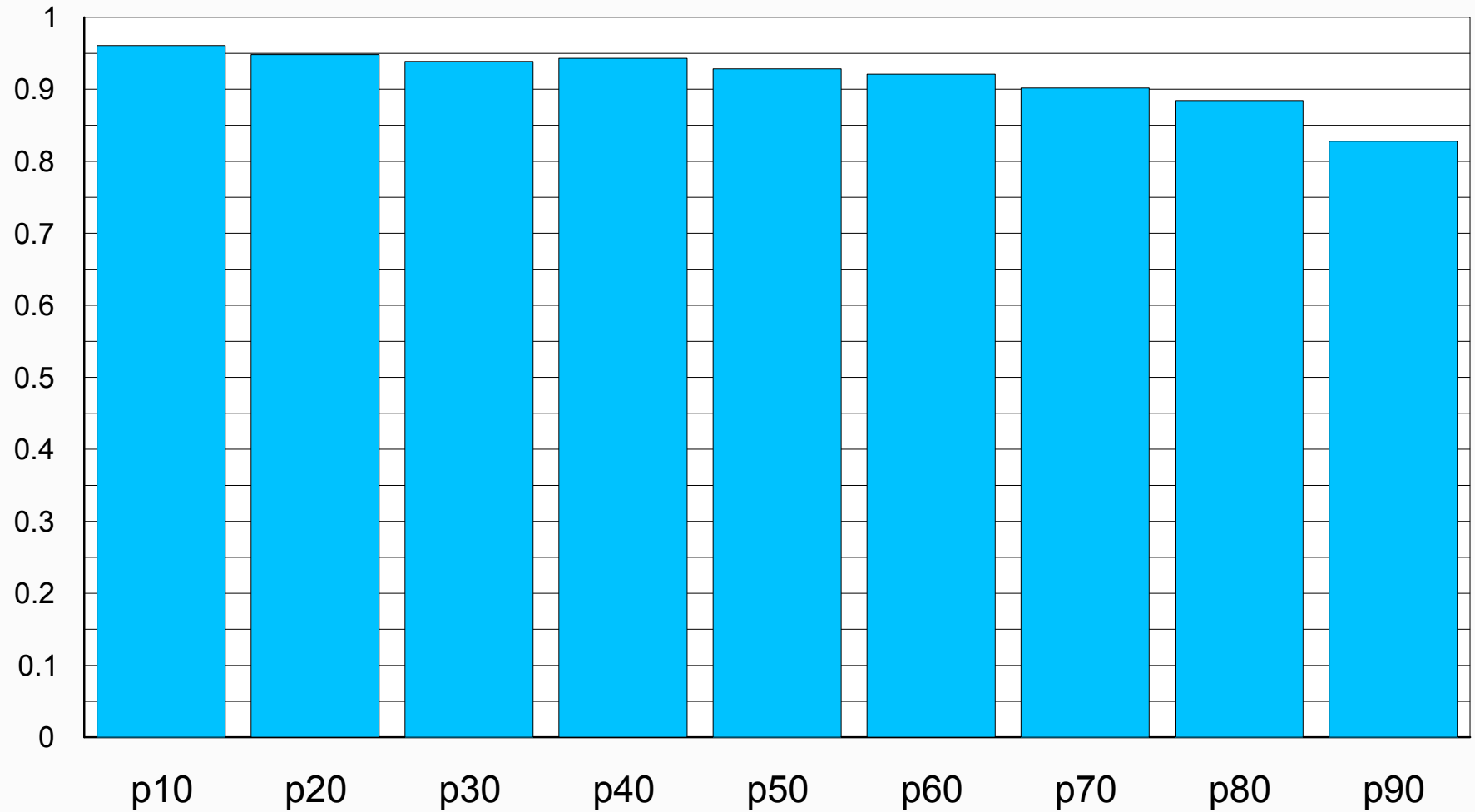
Gender wage gap: Mean and median

Full-time Adult Non-Managerial Ordinary time earnings



Gender wage gap: Deciles

Full time Adult Non-managerial Ordinary Time Earnings



Source: Employee Earnings and Hours, Australia, May 2006.

Questions?