

Coalition for Equal Value Equal Pay: Gender/ethnicity pay gaps, June 2020

In June 2020 New Zealand women earned on average \$30.39 an hour compared with an average hourly wage rate of \$33.77 for men - that is, the average for women was 89.99% that for men, a gap of just over 10%. This is a narrowing of the gender pay gap by 1-2 percentage points since June 2019, and by 3-4% percentage points since 2017.

The median hourly rate – the ‘middle person’ indicator – is lower: \$25.57 for women, compared to \$28.26 for men, a ratio of 90.48% - slightly worse than last year’s at 90.74%. The means that half of all women employees are earning \$25.57 an hour or less.¹

It is comparison of the *averages* of all hourly earnings for women and for men, rather than the medians, that can reflect changes in the lower deciles of labour market earnings. We were hopeful that improvement would result from pay equity settlements so far in state-funded wage rates, and from recent increases in the minimum wage (and voluntary Living Wage) which disproportionately benefit women. However, gender pay gap indicators can also be affected by sectoral shifts in male and female employment. If large numbers of low paid women drop out of employment, that may raise both the average and the median for women. Analysis by NZCTU economist Andrea Black suggests that this is what is happening; there has been a sharp reduction in women's full and part-time employment in the second quarter of 2020, particularly in the accommodation and food services sector. Covid-19 is disproportionately affecting low paid jobs employing women.

Bear this in mind when viewing the following table of average hourly pay and ratios between the main gender/ethnicity groups. The percentages in bold type compare hourly earnings of Pakeha, Maori and Pacific women with the gender/ethnicity group that gains most by inequality in the labour market: Pakeha men.

Gender and ethnicity pay gaps in average hourly earnings, June 2020

All women	All men	Ratio	All Maori	All Pakeha	Ratio	
\$30.39	\$33.77	89.99%	\$28.28	\$33.40	84.67%	
	Women		Men	Average		
Pakeha	\$31.32		\$35.54	\$33.40		
Maori	\$27.73		\$28.81	\$28.28		
Pacific	\$26.52		\$27.28	\$26.91		
Asian	\$28.78		\$31.03	\$29.98		
	Pakeha women	Maori men	Pacific men	Asian men	Pakeha men	All men
Pakeha women	--	108.71%	114.80%	100.93%	88.13%	92.75%
Maori women	88.54%	96.25%	101.65%	89.37%	78.02%	82.11%
Pacific women	84.67%	92.05%	97.21%	85.47%	74.62%	78.53%
Asian women	91.89%	99.90%	105.50%	92.75%	80.98%	85.22%

¹ Source: Statistics NZ, NZ-stat data set, Earnings from wages and salaries...by sex, region and ethnic groups. Stats NZ has revised its past income data for methodological reasons, so CEVEP will be re-doing the historical and gender/ethnic graphs on our website shortly.