

Trends in the Unequal Pay of Women and Men Across
Three British Generations

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Abstract

Since 1970, women's employment rates and average pay have increased in real terms and relative to men's. This thesis presents a statistical analysis of trends in women's and men's work and pay across three British generations over the period 1972-2004. This analysis uses longitudinal data from the 1946, 1958 and 1970 British Birth Cohort Studies.

Contributing to the methodological literature, an analysis of the links between different theories of labour market discrimination and alternative measures of unequal pay is presented. This includes a detailed examination of different approaches to treating employment selectivity bias in the analysis of wages. On the basis of this work, two measures of unequal pay are quantified using the cohort data.

The first analysis focuses on trends in women's and men's pay opportunities, taking into account those estimated for the non-working population. The motivation is that low pay opportunities may create work disincentives, particularly for women with children. The results suggest that the cross-cohort increase in women's relative pay opportunities is understated in the pay trends for employees.

The second analysis looks at unequal pay for women and men with similar levels of education and experience. The results suggest that unequal treatment has decreased across the cohorts, but not disappeared. In the 1970 cohort, even women who had not had children by the age of 34 were paid less, on average, than similarly qualified men. Women who spent time out of work or who worked part-time after having children experienced decreases in their pay relative to men and to other women.

The thesis concludes that gender inequality has reduced across three British generations, but that it persists for the youngest. The lasting shift toward more equal pay since the introduction of the 1970 Equal Pay Act is evidence that legislation makes a difference.