

Understanding the gender pay gap in multiple job holding

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The University of Western Australia

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Alison joined the University of Western Australia in September 2013 as Professor of Economics and was Deputy Dean of the Faculty of Business until December 2016. Prior to joining UWA she was Professor of Economics and Director of the Curtin Graduate School of Business (CGSB) at Curtin University in Perth, Western Australia.

Alison grew up in Scotland and graduated in 1986 with an undergraduate degree (honours) from Strathclyde University, Glasgow. She completed her PhD in economics and industrial relations in 1998 through UWA.

Prior to commencing her PhD and entering academic Alison was Director of the Workplace Research Section in the Department of Industrial Relations in Canberra, Australia. Before that she was Senior Economist with the West Australian Trades and Labor Council (the peak union body).

Much of her research work and publications have focused on wage determination, including the role of minimum wages, women's pay, the earnings of part-timers and the determinants of the gender pay gap. Other research interests include retirement income policies, multiple job holding and financial literacy.

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Abstract

The last few decades have seen a fundamental change in the structure of the Australian labour market as firms seek to contain costs and enhance flexibility. Changes include marked increase in non-standard employment arrangements such as part-time and casual employment, a growth in underemployment and a growth in persons working two or more paid jobs. Between 2010 and 2016, 64% of all new multiple job holders were women aged 20-29 and a further 23% were older women aged 55-64. Presently around 12.4% of young women (aged 20-29 years) are multiple job holders while the comparable share for young men is 6.4%.

Within deregulated labour markets such as Australia, multiple job holding (MJH) offers an important adjustment mechanism, particularly where utility is not maximised via the primary job. MJH may act as a buffer or shock absorber to those facing financial constraints. MJH may also offer other non-wage benefits such as career enhancing experiences and enhanced social networks.

Using data from the Household, Income and Labour Dynamics in Australia (HILDA) survey this paper examines the factors giving rise to significant gender differences in MJH activity within Australia. Within the literature there is a paucity of research examining the determinants of MJH and even less offering a gendered perspective. From a policy perspective it is important to understand what drives MJH behaviour and whether or not it is in response to economic insecurity or financial hardship or driven by demand side factors such as changed HR practices which favour part-time hiring and/or more insecure contracts.

There are a number of reasons why Australia provides a useful case for an analysis of the gender determinants of MJH. Firstly Australia has a highly deregulated and flexible labour market as a result of labour market reforms that commenced in the early 1990s. These reforms have engendered a growth in non-standard employment arrangements and, together with a growth in female employment, have brought into focus the changed temporalities of work (Rubery et al., 2005). One outcome has been a blurring of the boundaries between social and unsociable hours of work such that some industries have been able to successfully cut penalty rates for Sunday work (Grattan, 2017).

In the empirical analysis decomposition analysis shows that part-time work is a key factor driving the growth in MJH amongst young women (20-29 year olds). For women aged 30-54 a key driver of the gender gap is the segmented nature of the labour market. Women with a primary job in the health care sector are more likely than others to hold a second job. Amongst the older workers (55-64 year olds) a key determinant appears to be non-labour income, showing that the incidence of MJH amongst older women falls as non-labour income increases. In other words, the financial motive is a key feature of MJH amongst these workers.

References

- Grattan, M. (2017), "Sunday penalty rates to be phased down", *The Conversation*, June 5.
<https://theconversation.com/sunday-penalty-rates-to-be-phased-down-78853> (last accessed 2/12/18)
- Rubery, J., Ward, K., Grimshaw, D. and H. Beynon (2005), "Working Time, Industrial Relations and the Employment Relationship", *Time & Society*, Vol. 14(1); 89-111.