

Feminist Economics Research Note of: Irene van Staveren, Joanna Tyrowicz and Lucas van der Velde (2018) 'Does Age Exacerbate the Gender-Wage Gap ? New Method and Evidence from Germany, 1984-2014', *Feminist Economics* 24 (4) 108-130.

Comparisons of the gender wage gap across countries usually consider a single number, a measure of the differences that exist between "average" workers. This approach provides a simplistic view of differences, as it implicitly assumes that gender does not interact with other personal characteristics in the production of wages. Joanna Tyrowicz, Lucas van der Velde and Irene van Staveren seek to improve our current understanding of the gender wage gaps by studying gender wage inequality over the life-cycle. They propose a novel method to disentangle, age time and cohort effects and provide estimates of changes in the unexplained component of the gender wage gap as men and women age. The application of this new method to 30 years of German individual panel data reveals that (adjusted) gender wage gaps tend to grow over the *entire* life cycle. The discussion provides several potential explanations for this phenomenon.

Main findings. The research indicates gender differences in wages conditional on characteristics grow as workers age. In accordance with some earlier evidence, Tyrowicz, van der Velde and van Staveren find that the adjusted wage gap grows faster round the time when workers are around thirty years old. This increment could be related to child bearing and child rearing decisions, but also to the unequal distribution of household activities. These responsibilities tend to fall upon women. Against the popular idea that social norms concerning gender norms evolved, we do not find evidence of a slowdown in wage inequality growth over time for workers around the age of thirty. An important contribution of the research concerns also the analysis of the gender wage gap in the post-reproductive period that is among women who are aged above 40 years old. In fact, whereas the maternity gap has received an extensive treatment in the literature, studies on workers close to the retirement age are scarce. Tyrowicz, van der Velde and van Staveren observe that gender wage inequality tends to increase for workers in this age group as well. This finding is not as clear among all the post-war cohorts in Germany, where the variation in the results is, to some extent, affected by the technical assumptions that one is willing to make concerning the selection of workers close to retirement age into employment and their potential counterfactual wages. However, the fact that for some cohorts these increases are large poses challenges to the explanation of gender inequality based on human capital accumulation and calls for a deeper analysis of intersectionality between age and gender

Policy implications. In terms of policy implications, the fact that gender wage gap adjusted for individual characteristics continues to grow also in the post-reproductive age, hints that at various stages of career different instruments may be needed to mitigate the gender labor market inequality. At younger ages, linking maternity benefits to previous employment earnings, increasing the availability of childcare facilities and encouraging more equal split of the child rearing between men and women might help to reduce the unexplained wage gap. However, in older age groups, such instruments may be insufficient. Women close to retirement age might provide care for other, older, family members, such as their own parents or partners. The implementation of policies addressing gender wage gap among older workers could also help to increase female labor market participation on later stages of their life. This could not only help to mitigate the costs of an ageing workforce, e.g. in terms of the pension system, but also help to reduce gender inequality among retired workers, i.e. due to the longer retirement contributions.