

Glossary: Gender pay gap (GPG)

Statistics Explained

The **gender pay gap**, abbreviated as **GPG**, refers to the difference in average wages between men and women. The unadjusted gender pay gap is calculated as the difference between the average gross hourly **earnings** of male and female paid **employees** as a percentage of average gross hourly earnings of male paid employees.

From the reference year 2006 onwards, the GPG is computed annually in the **European Union (EU)** by the **European statistical system (ESS)** according to 3 main guidelines; the GPG is:

- unadjusted, i.e. without correcting for national differences in individual characteristics of employed men and women - the main reason is that, at this stage, there is neither consensus nor scientific evidence on which adjustment method should be used;
- calculated using gross hourly earnings - this choice aims at excluding from the measurement differences among EU Member States in terms of use of part time work;
- based on a harmonised source across the EU, the **Structure of earnings survey (SES)**, a rich employer-employee matched data set.

More specifically, the unadjusted GPG is calculated:

- using the four-yearly Structure of earnings survey (SES) as a benchmark, from the 2006 survey onwards;
- using national estimates (based on national sources) provided by Member States for the years between the SES benchmark years, from reference year 2007 onwards (same coverage as SES);
- defining the GPG as the relative difference between the average (**arithmetic mean**) gross hourly earnings of women and men, expressed in %;
- with the same coverage as the SES:
 - no restrictions for age and hours worked, part-timers shall be included;
 - **NACE Rev. 1.1.** aggregate for sections C to O, excluding L (section L and the total C to O are optional) – **NACE Rev 2 B to S** excluding O - i.e. the whole economy except agriculture, fishing, public administration, private households and extra-territorial organisations;
 - size of enterprises: only those with 10 employees or more;
 - gross hourly earnings shall include paid overtime and exclude non-regular payments.

The unadjusted GPG for the **EU** and the **euro area** is calculated by **Eurostat** (only for the aggregated NACE sections B to S without O) as the weighted mean of the gender pay gaps in EU Member States, using the numbers of employees in Member States as weights.

Related concepts

- [Earnings](#)
- [Structure of earnings survey \(SES\)](#)

Statistical data

- [Gender pay gap statistics](#)