Glossary:Gender pay gap (GPG)

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