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The Gender Overall Earnings Gap and other indicators on gender-specific income differences in Switzerland

16th IAEG-GS Meeting, 12-14 December 2022

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Demand

Request from a member of parliament:

Report on the measurement of the gender overall earnings gap and other indicators on gender-specific income differences

Published on 7 September 2022

New key figures for Switzerland: GOEG and Gender Pension Gap
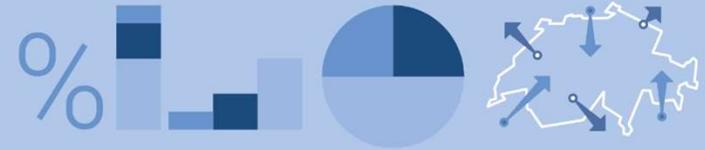Existing indicators: Gender pay Gap and on Unpaid Work

What is the GOEG?

The Gender Overall Earnings Gap (GOEG) is a synthetic indicator developed and compiled by Eurostat to provide an overall picture of the differences in labour income between women and men aged 15 to 64.

This indicator takes into account the impact of three factors:

1) differences in hourly labour income

2) differences in monthly working hours

3) differences in labour market participation rates

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Formula to calculate the GOEG according to Eurostat

$$GOEG = \frac{(E_m \times H_m \times ER_m) - (E_w \times H_w \times ER_w)}{(E_m \times H_m \times ER_m)} \times 100$$

E = hourly earnings, H = monthly hours, ER = employment rate
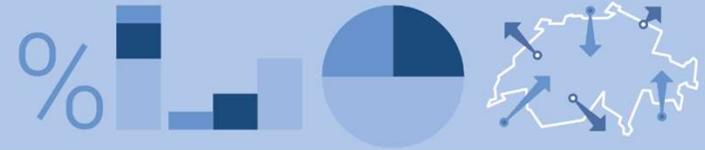m = men, w = women
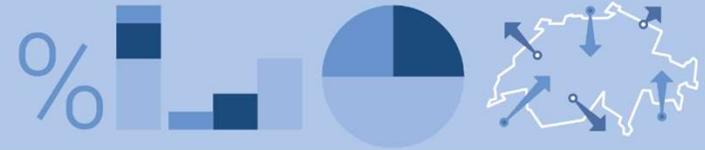
Advantages/disadvantages of the GOEG according to Eurostat

Advantages: simplicity of calculation, international comparisons

Disadvantages : mix of concepts that can affect the measured differences:

➢ The Structure of Earnings Surveys (SES) used for hourly earnings and working hours cover employees but not self-employed. The Labour Force Surveys (LFS) used for labour force participation rates cover both categories.

➢ The SES are based on a concept of jobs (workplaces). The LFS are based on a concept of persons. The phenomenon of multi-activity is therefore not taken into account.

➢ The SES are based on the domestic concept. LFS covers only the permanent resident population.

➢ The SES do not cover sector 1, the LFS cover all 3 sectors.

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Development of the Swiss GOEG

The Swiss method GOEG is based on:

➢ data from the Swiss Earnings Structure Survey (ESS) for the hourly wages, selecting only permanent residents aged 15-64,

➢ data from the Swiss Labour Force Survey (SLFS) for the labour force participation rates, the hours worked (taking into account the multiple jobs a person may have) and the wages in the primary sector,

➢ and a combination of SLFS data and Old Age and Survivors' Insurance (OASI) data for hourly earnings in self-employment.

This removes conceptual inconsistencies.
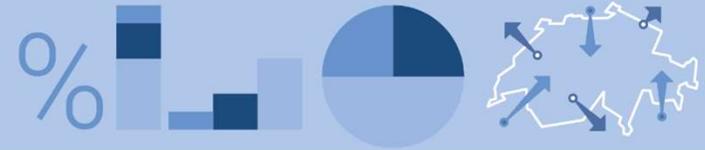
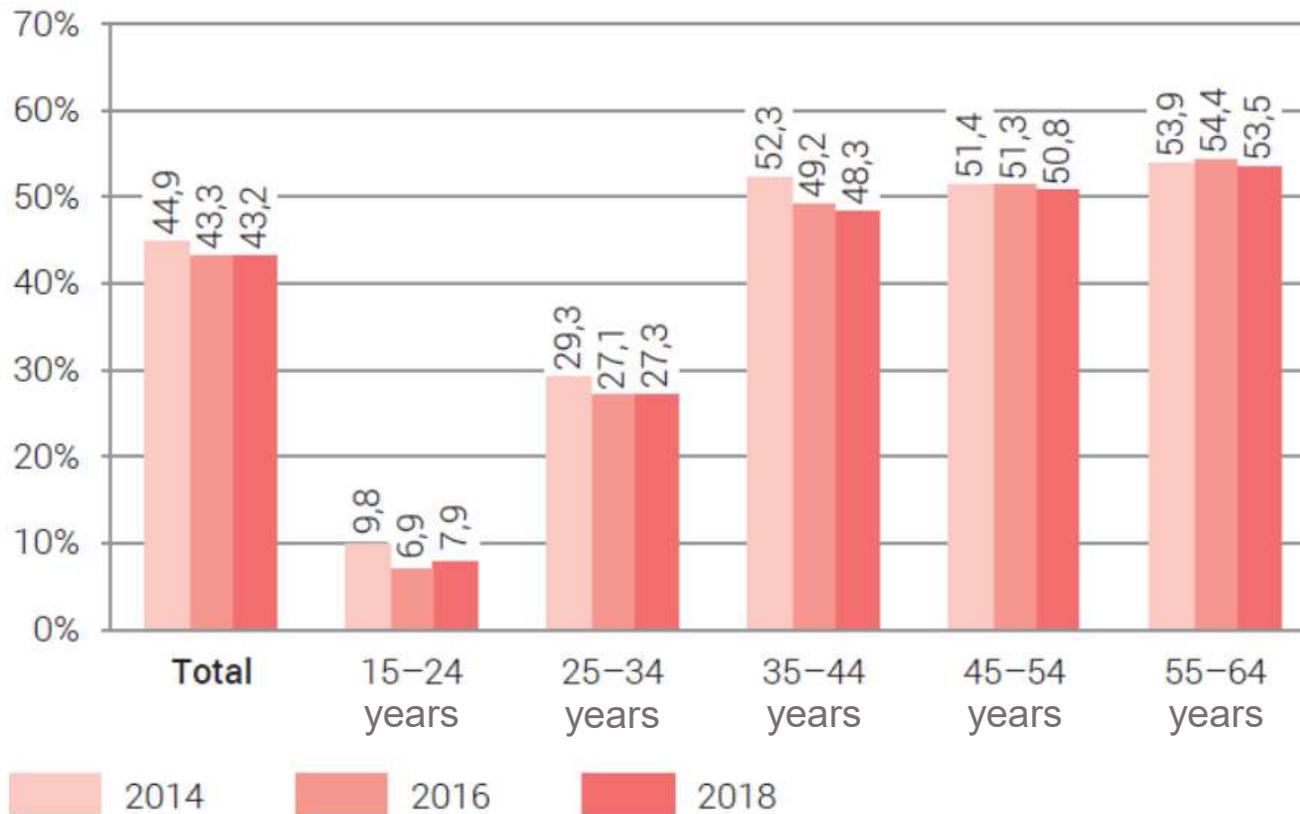# Estimation of the income of self-employed persons

Combining the advantages of two sources: Swiss Labour Force Survey (SLFS), and register data of Old Age and Survivors' Insurance (OASI) and Compensation Fund (CF)

An attempt in 3 steps is made to assign an income to each self-employed activity identified in the SLFS:

➢ By means of a SLFS-OASI matching, where the information from the CF is prioritised when available and not corresponding to a fictitious income.

➢ In case of fictitious income, the data from the OASI funds is used to obtain the real amount.

➢ When no data is available either from the CF or from the OASI funds, the information from the SLFS is used, but with the aid of modelling to correspond as closely as possible to the OASI-definition of income.
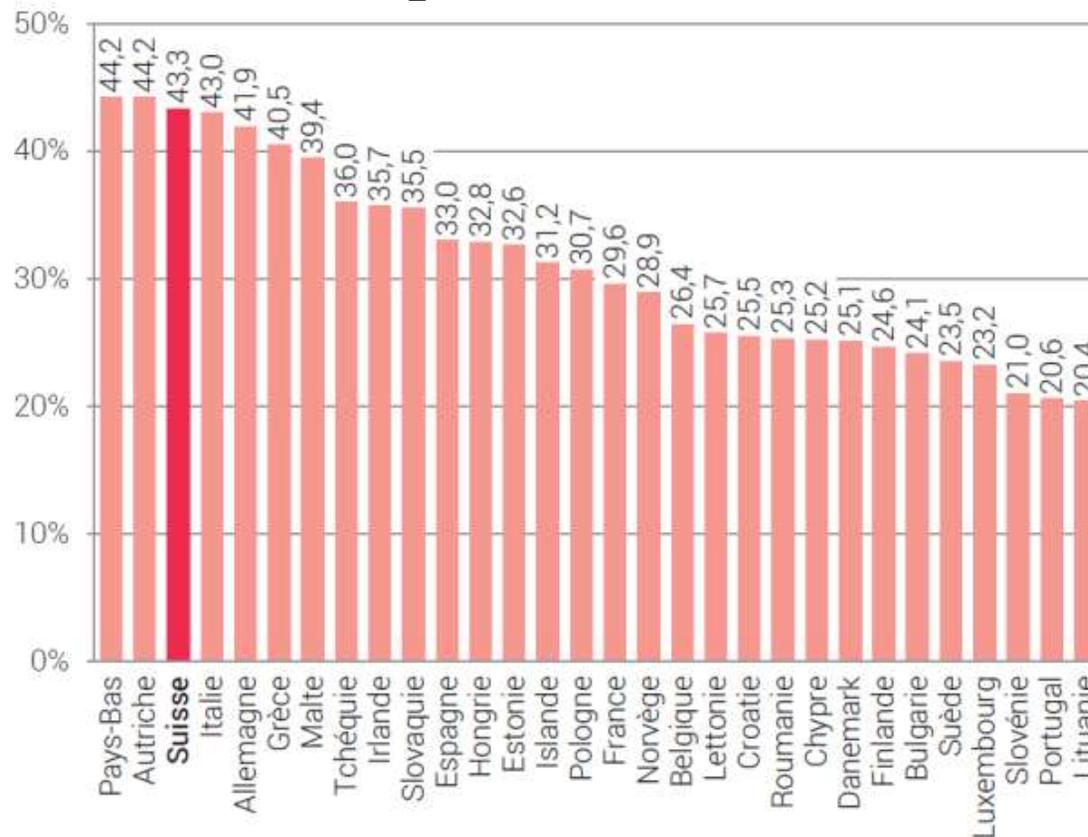
GOEG according to FSO, by age group, 2014-2018

Source: FSO – SLFS, ESS, CF, OASI
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GOEG according Eurostat, 2018

Source: Eurostat
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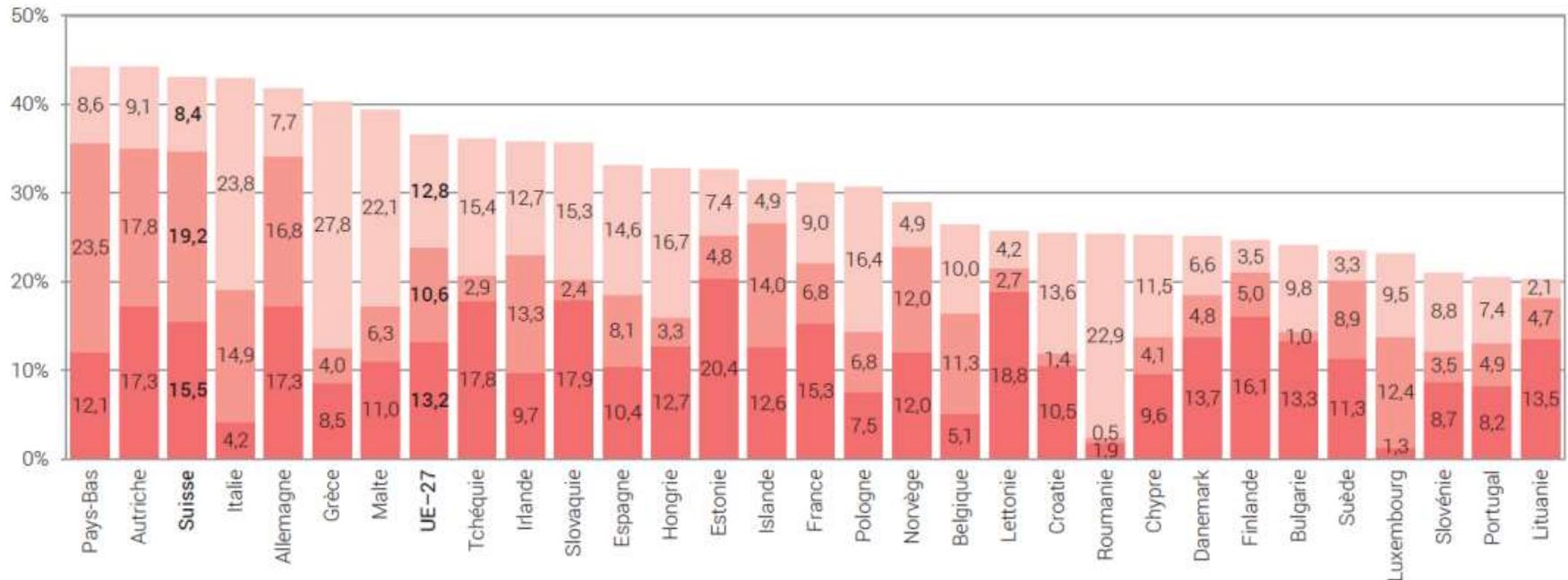
GOEG according to FSO, by component, 2014-2018

Contribution of the gender gap in the

rate of persons in paid employment

number of monthly working hours

hourly earnings

Source: FSO – SLFS, ESS, OASI
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GOEG according to FSO, by component and age group, 2018

Contribution of the gender gap of the

▨ rate of persons in paid employment

▨ number of monthly working hours

▨ hourly earnings

GOEG according Eurostat, by component, 2018

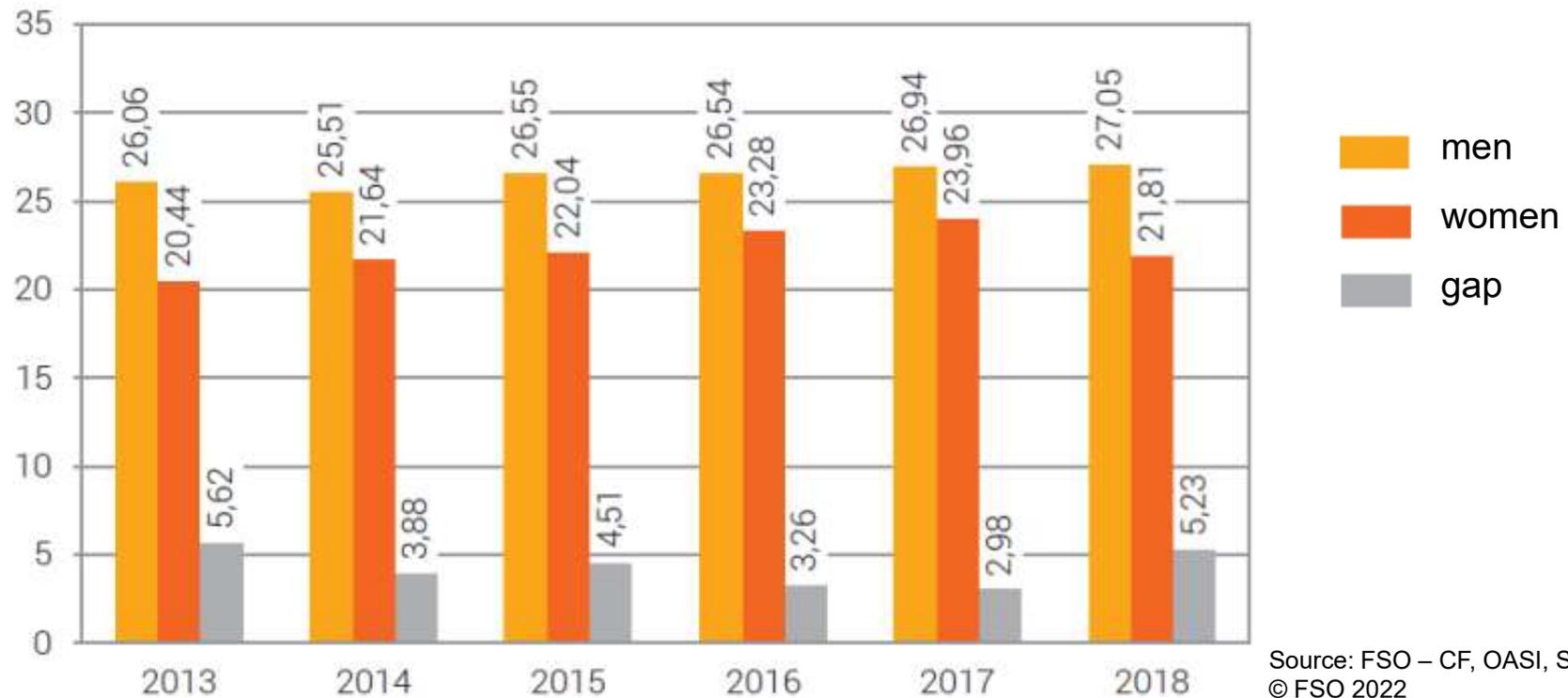Contribution of the gender gap of the

- rate of persons in paid employment
- number of monthly working hours
- hourly earnings

Source: Eurostat
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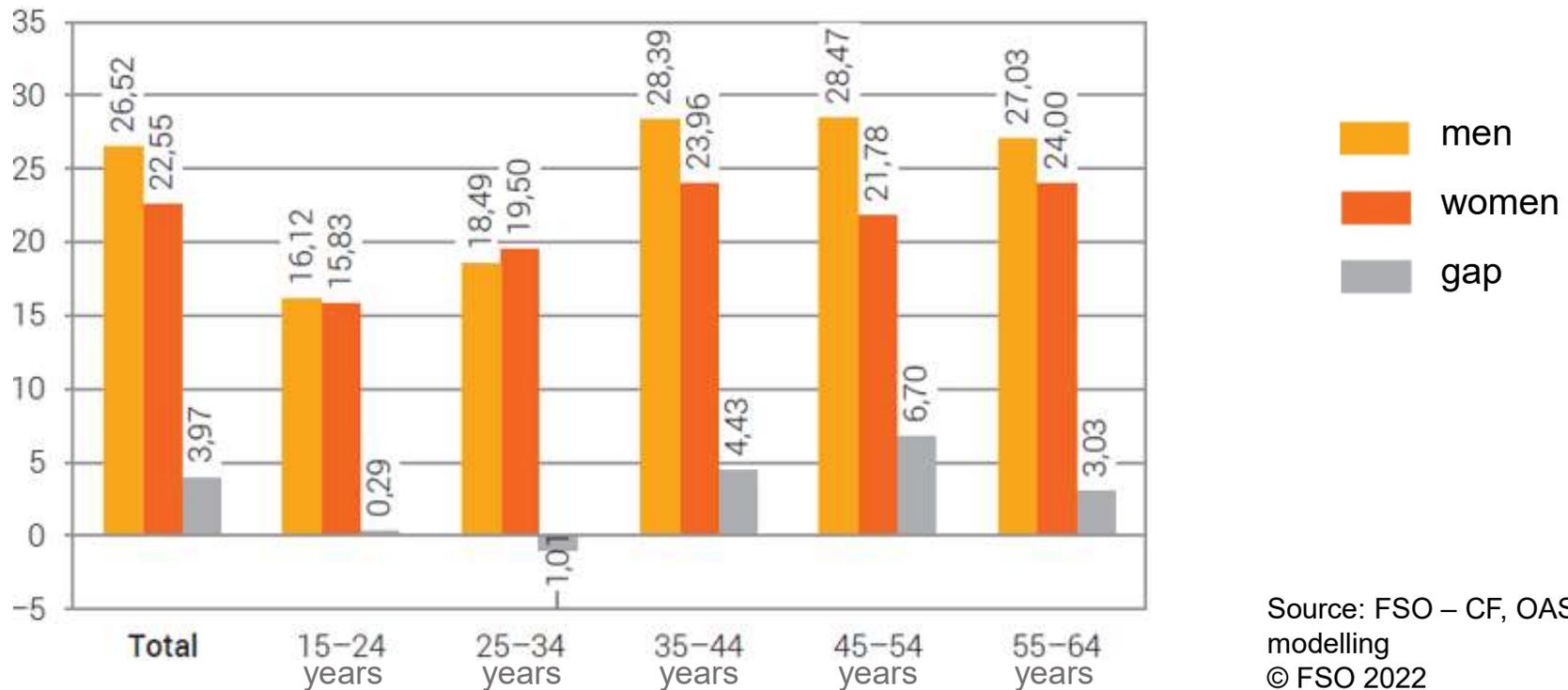**Average gross hourly income of self-employed persons by sex, 2013-2018**

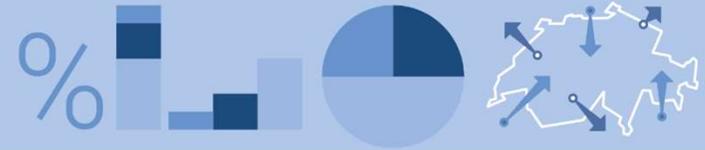Source: FSO – CF, OASI, SLFS modelling
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Average gross hourly income of self-employed persons by sex and age group, means 2014-2018

CHF

men
women
gap

Source: FSO – CF, OASI, SLFS modelling
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Definition and calculation of the Gender pension Gap according Eurostat

Gender Pension Gap = percentage difference in the average pensions of women and men from old-age provision

$$GAP = \left(1 - \frac{women's\ average\ pension\ income}{men's\ average\ pension\ income}\right) x\ 100$$
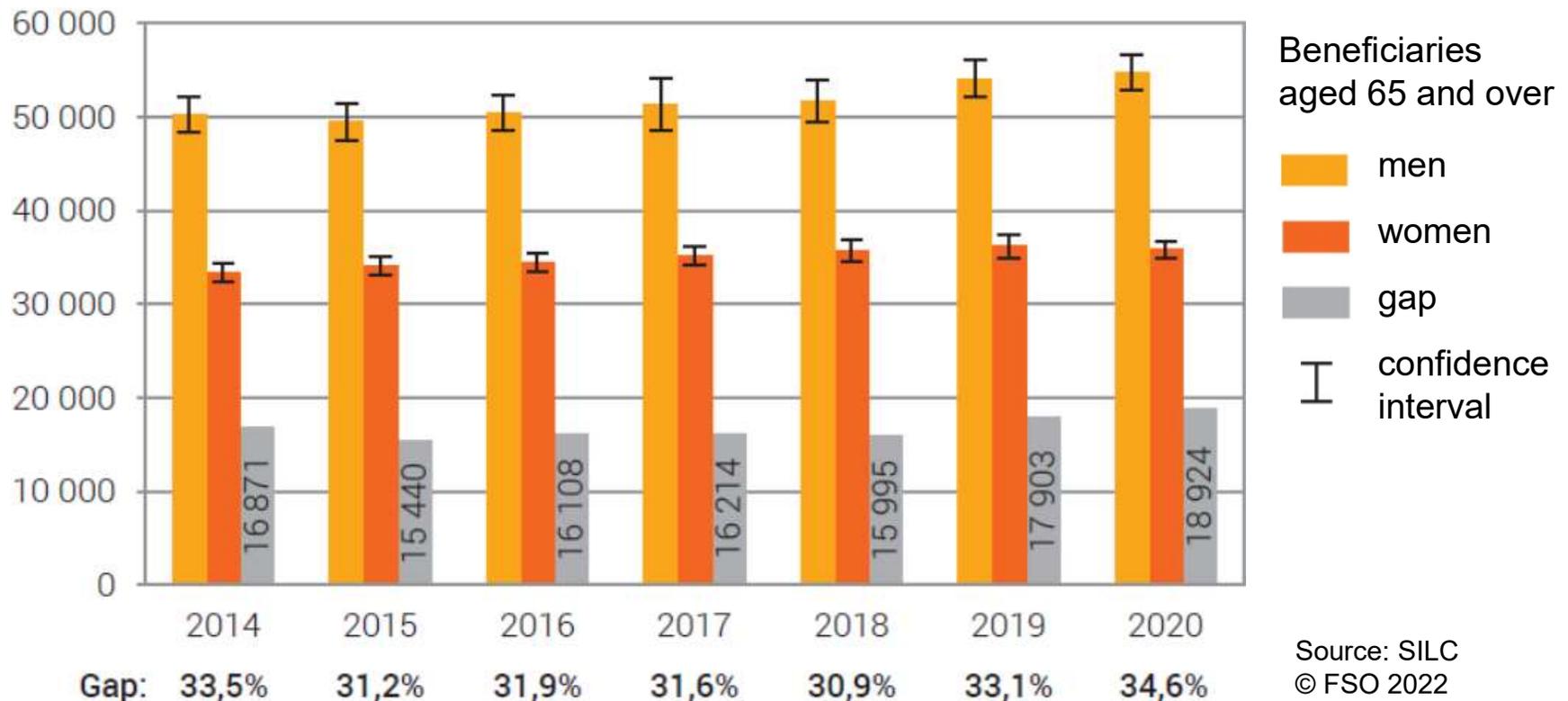
Population: Women and men aged 65 and over for whom the sum of old-age pensions is > 0

Data basis: Survey on Income and Living Conditions (SILC)
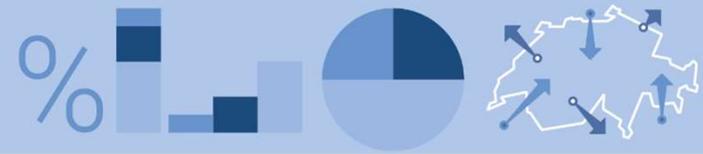
Average annual old age pension income by sex, means 2014-2020
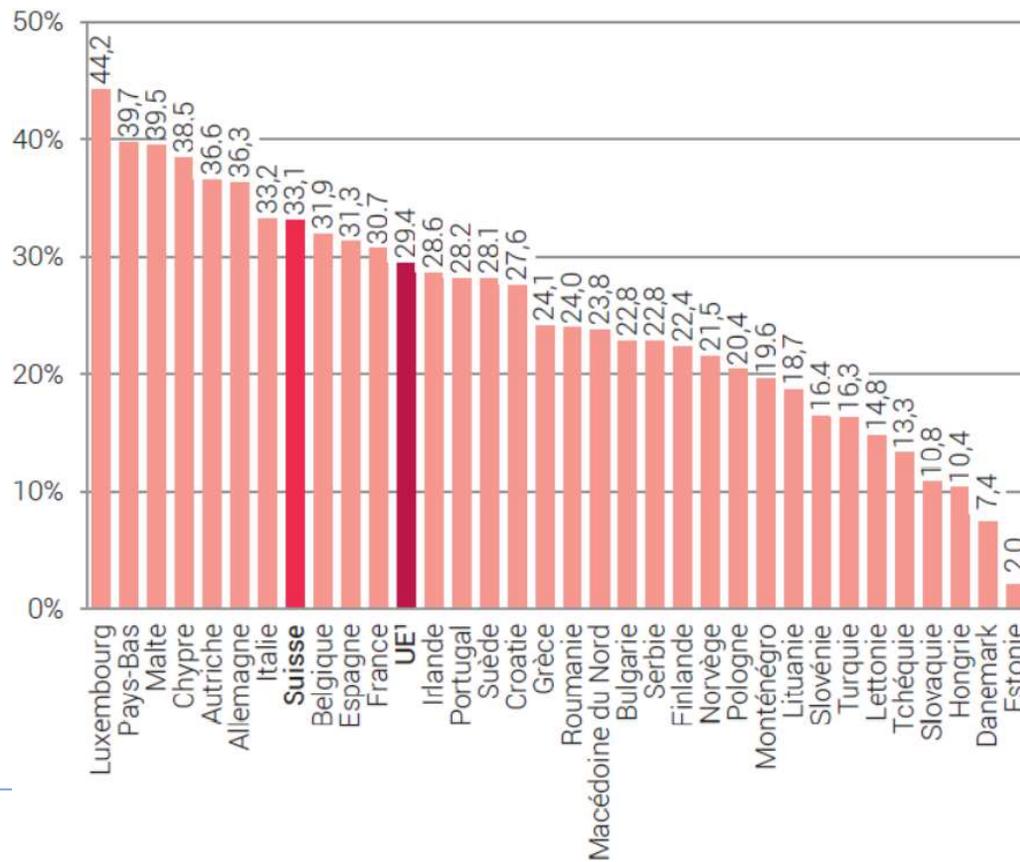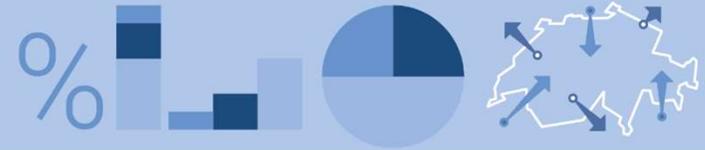
Source: SILC
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Gender Pension Gap: Switzerland in European comparison, 2019

percentage difference in the average pensions of women and men aged 65 and over

Source: Eurostat, EU-SILC 2019, version at 20.09.2021
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Thank you for your attention!

Questions ?

www.equality-stat.admin.ch