



Australian Government



Workplace
Gender Equality
Agency

Ages and wages

Understanding how the gender pay gap impacts women and men at different ages can allow employers to take more tailored and effective interventions to ensure workplaces are fair for everyone.

The gender pay gap is a broad measure of cumulative differences in the financial benefits women and men obtain from work. It is not a measure of whether a woman or a man is paid the same amount for the same or similar role. That is called unequal pay and it has been illegal in Australia since 1969.

Gender pay gaps occur because the actions taken in a workplace or in society are benefiting one gender more than another. This is often unintentional. With considered analysis and planning, employers can address the drivers of the gender pay gap and ensure more equal outcomes for both men and women.

In 2024 the Workplace Gender Equality Agency collected information on employee age in the annual Employer Census. This was the first time this information was required. The information in this report comes from 7,414 employers who reported to WGEA by 31 August 2024¹. It offers an insight into the experiences of more than 5.1 million employees across Australia.

This analysis shows how key employer interventions at critical times could reduce the gender pay gap and improve women's ability to earn and save for retirement. It also provides insight into how those same actions could address growing concerns for men including lack of flexibility, long-hours work culture and equal access to parental leave.

To view more detailed data view the Ages and Wages interactive charts on WGEA's website.

¹ Employers of 100 or more employees covering April 2023 to March 2024

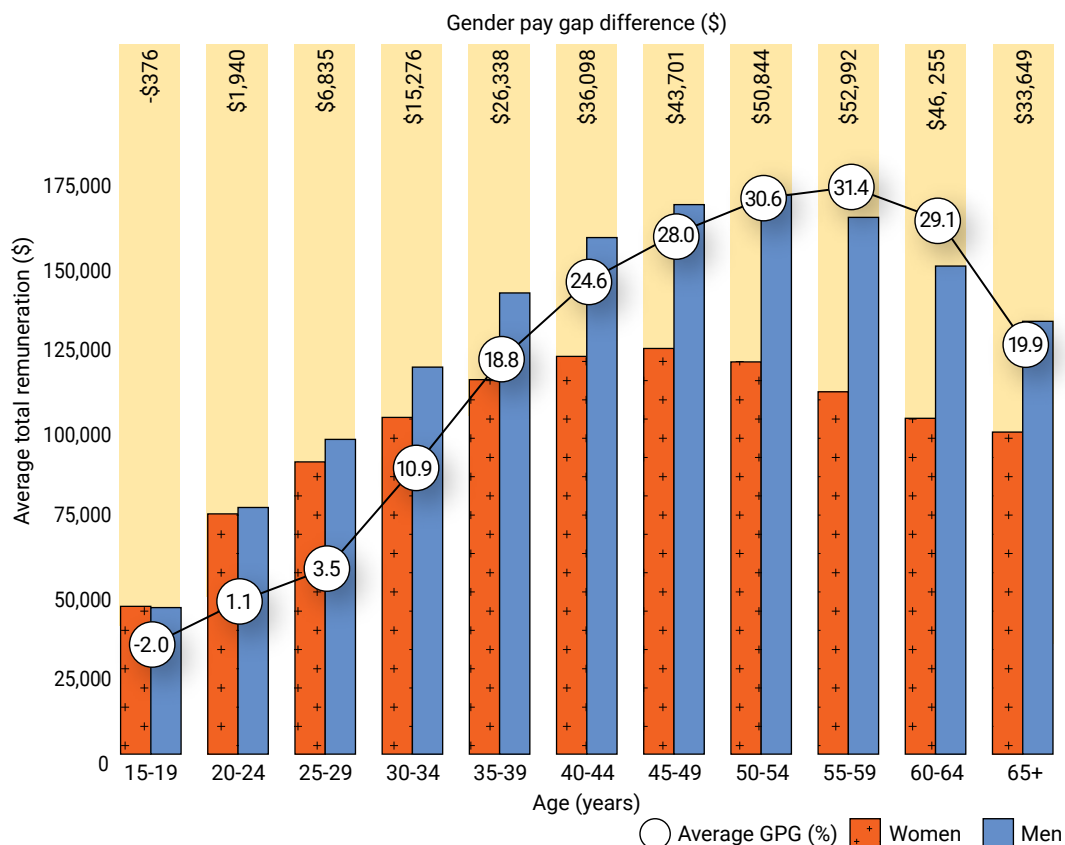


The gender pay gap starts early and compounds

Women entering the workforce in their teenage years earn slightly more on average than men of the same age. But by the time they are in their 20's men, on average, begin to earn more.

The gender pay gap in favour of men builds as employees hit their 30s. It peaks at almost \$53,000 a year when employees are between 55 – 59 years of age and it does not end before retirement.

Figure 1: Average total remuneration and the gender pay gap by age



The lifetime financial impact for women from this persistent gender pay gap is substantial.

The industries Australians work in change by age

Both women and men are most likely to have their first job in Retail or Accommodation and Food Services. From age 20, Healthcare and Social Services becomes one of the main industries that employ women. Education and Training becomes a more dominant sector when women are in their late 20s and early 30s. Men's employment is spread across a range of industries from their early to late 20s. Interestingly, Manufacturing is more likely to employ older men than younger men and women. This may reflect the fact that Manufacturing was the largest industry when these men were entering the workforce. But this is no longer the case.



This pattern of work and employment by age could shape the type of jobs offered by employers, for example, many of the casual workers in Retail Trade and Accommodation and Food Services are young and may prefer roles with casual loading while they pursue other careers and further education.

Figure 2: Where women work by age

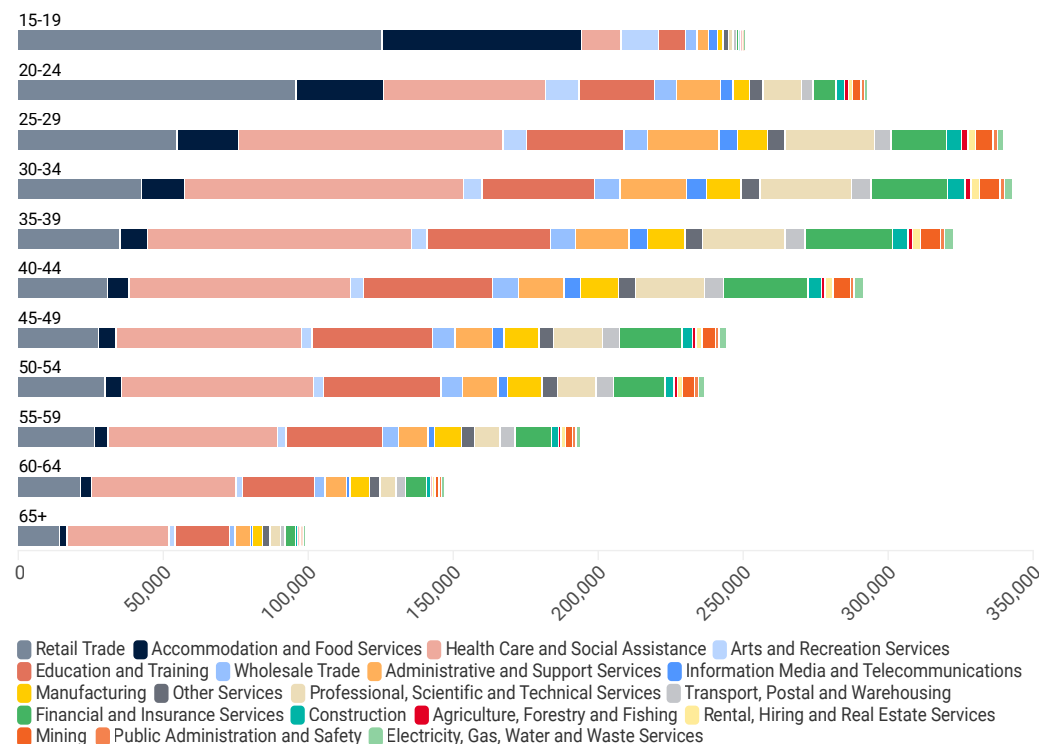
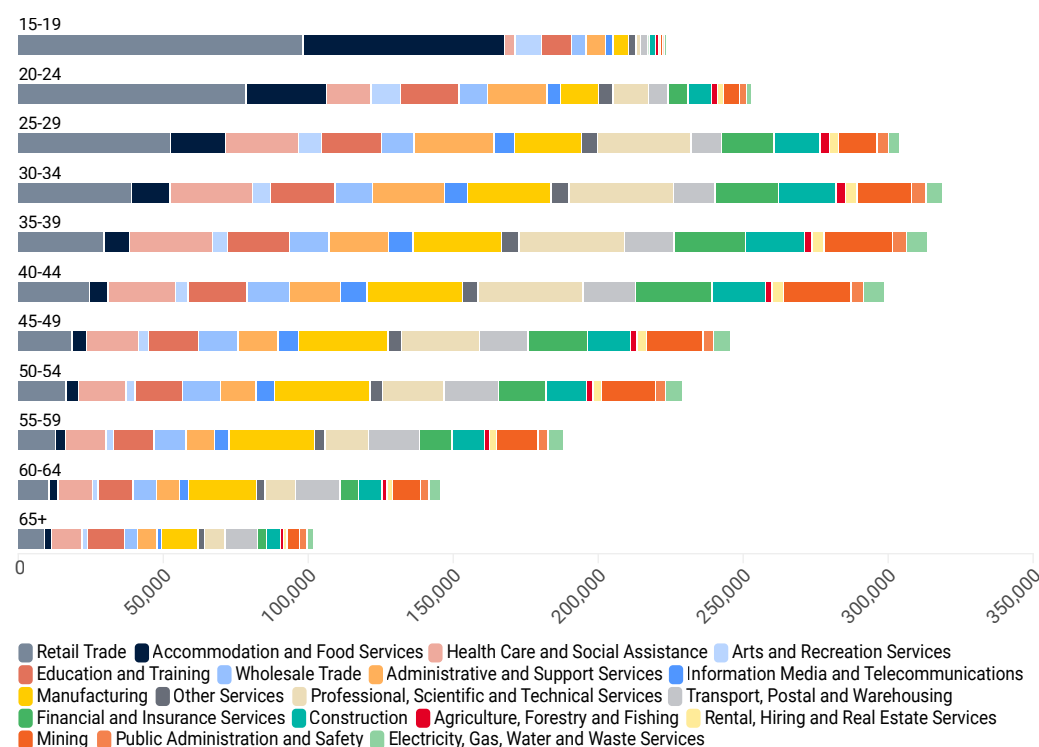


Figure 3: Where men work by age



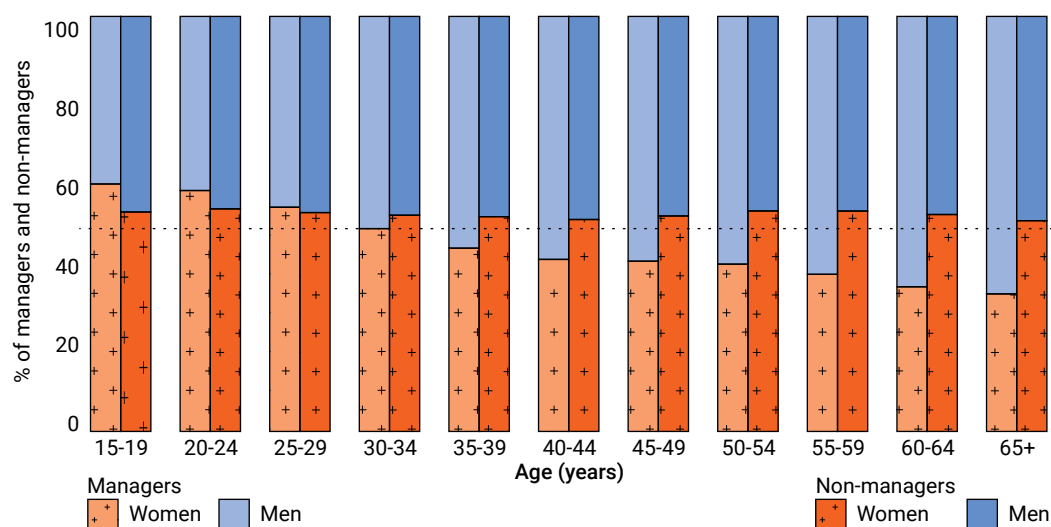
Women experience 'the sticky floor'

Women's participation in the workforce has significantly increased in the past 20 years. As a result, the workforce is gender balanced. In the WGEA dataset, 51% of employees are women and 49% are men.

Non-manager roles are just as likely to be undertaken by women as they are by men until retirement age. However, women in many workplaces face challenges accessing management opportunities.

From age 34, a manager is more likely to be a man.

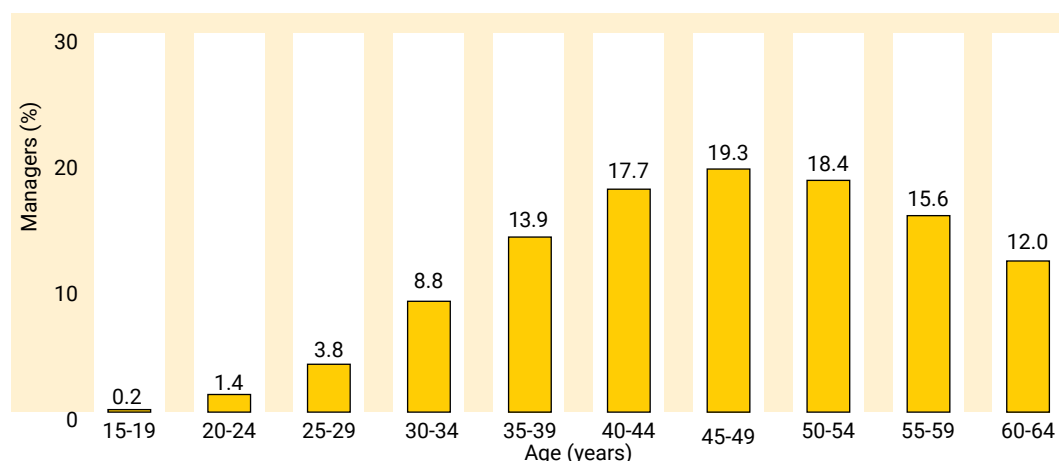
Figure 4: Gender composition by age and manager category



Management roles represent 11.2% of available roles in the labour workforce. Access to these roles is one way employees can increase their remuneration. The average total remuneration for a manager is \$214,974. The average total remuneration for a non-manager is \$103,267.

Manager roles are more likely to be held by employees who are aged 30 or older.

Figure 5: % of workforce who are managers



Over time, men gain more exposure to management and leadership teams. This exacerbates the financial and opportunity impact for women. Known as the 'sticky floor effect', it keeps women from moving to management roles that lead to higher incomes.

Work demands don't always match up with life's requirements

One of the reasons this occurs is because women are more likely to work part-time. In fact, the proportion of women working full-time barely exceeds 50% in any age group. In contrast, the majority of men work full-time from the age of 25 until retirement.

Figure 6: Proportion of women by employment status

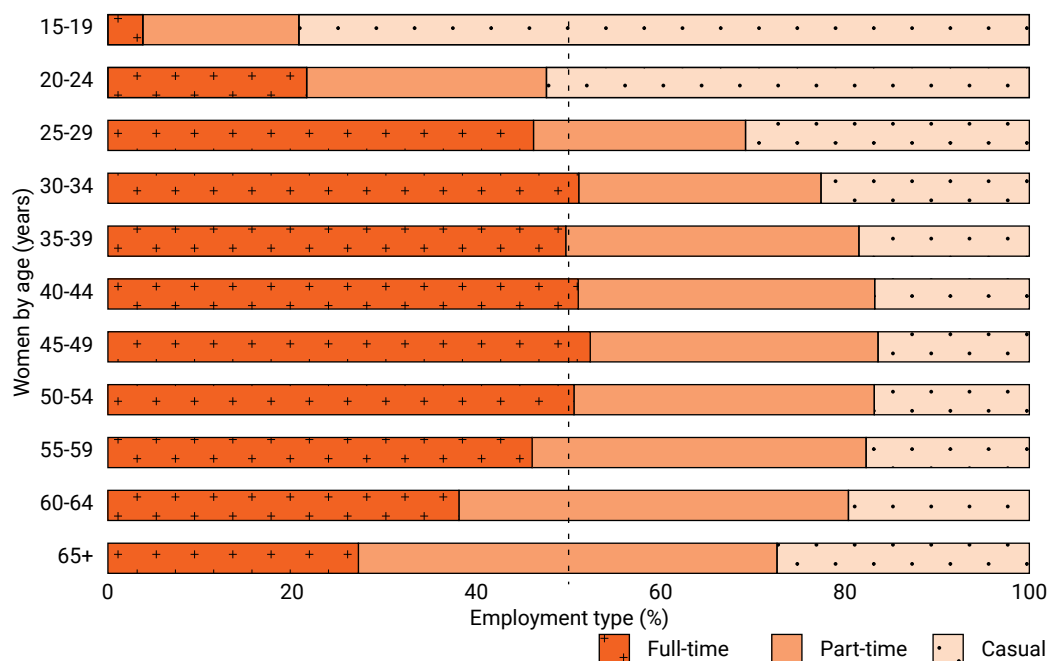
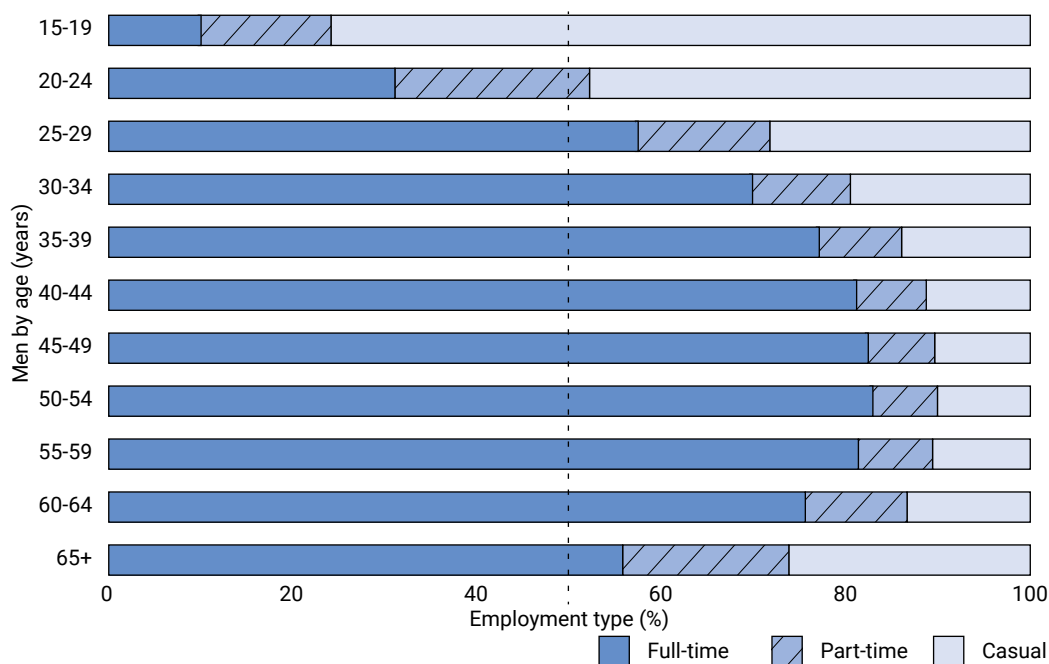
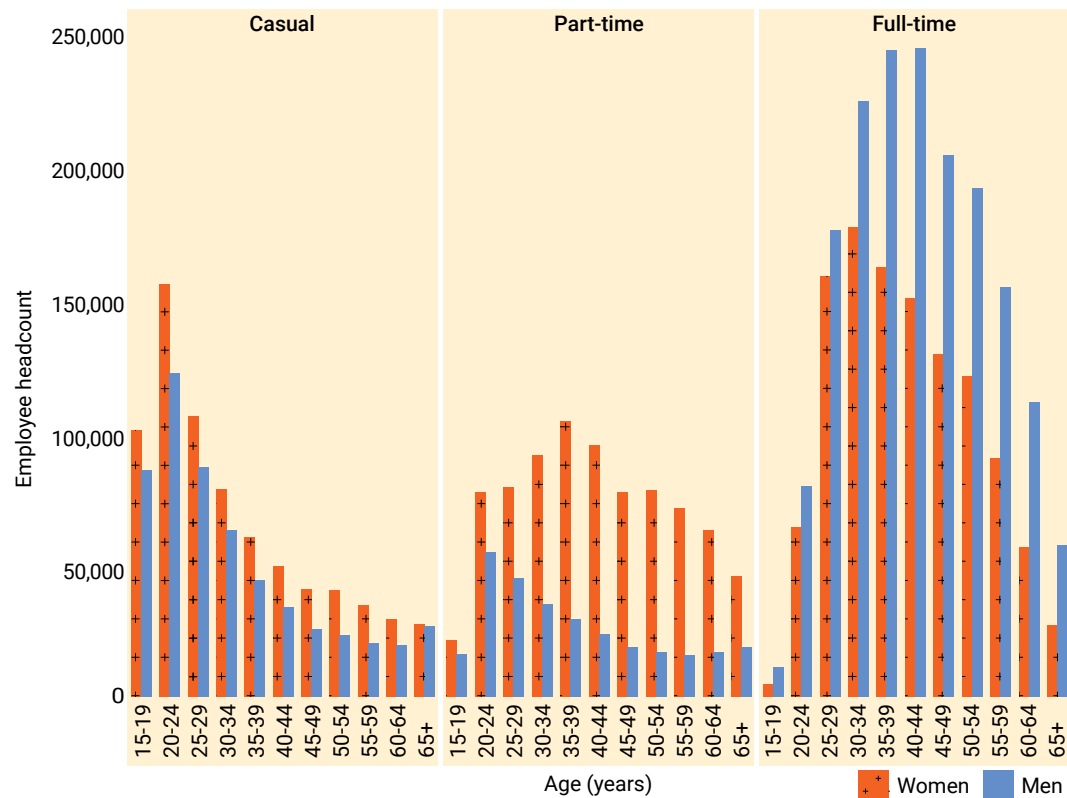


Figure 7: Proportion of men by employment status



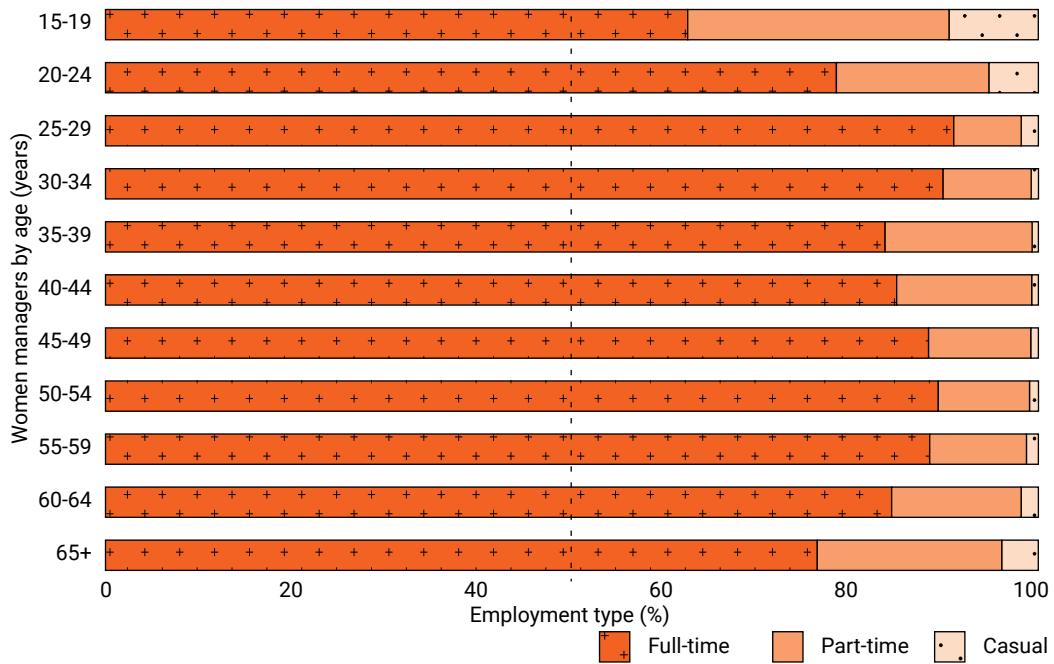
The number of women working part-time peaks around ages 35-39, just as more manager roles become available. This also correlates with the age when many women and men are caring for children. Notably, the average age of a first-time mother is 29.9. The most common age group is 30-34 years. The average age for a first-time father is 33.7, with the most common age 33-34. Often due to the pay differentials of parents, mothers are more likely than fathers to forego their full-time employment in order to invest their hours to care for children.

Figure 8: Employee headcount by gender and age



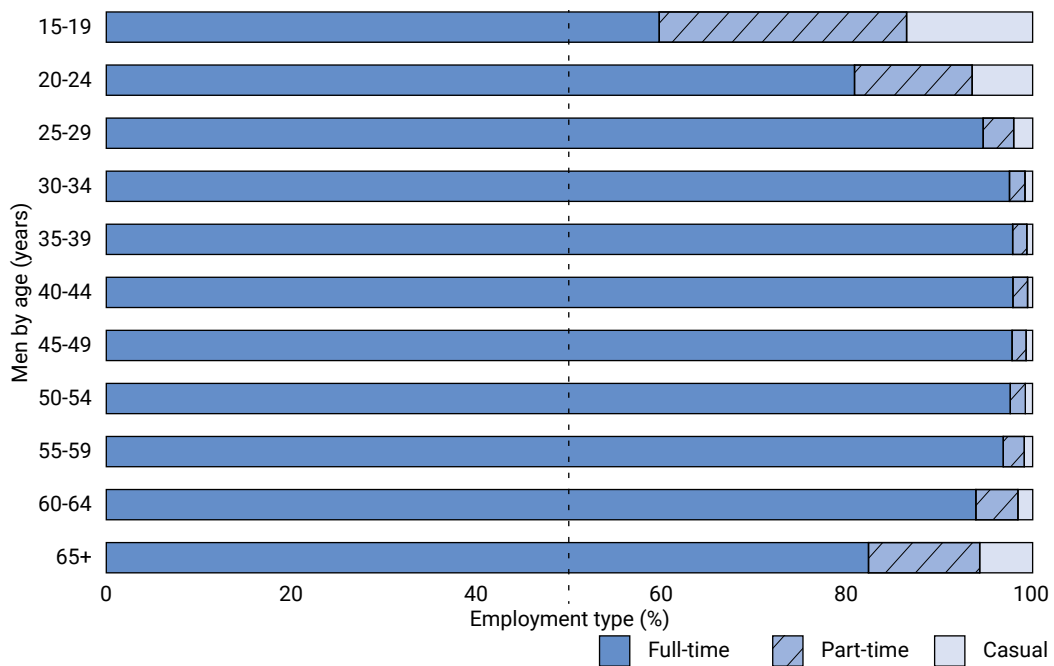
Manager roles are more often full-time for both women and men. In 2023-24 only 7% of management roles were part-time. Women are more likely to work part-time as managers than men. The rate of full-time work for women managers is at its highest between 25 and 34. However, manager roles are rare at this age. Between the ages 35 and 44, the proportion of women managers working part-time increases as many women may reduce paid working hours to invest time in unpaid caring.

Figure 9: Women manager's employment type by age



There is no corresponding reduction in paid working hours for men at this same age. From age 25 through to retirement more than 93% of men managers work full-time.

Figure 10: Men manager's employment type by age



Women managers earn less than men at every age

WGEA collects annualised full-time equivalent salaries to enable meaningful comparisons across different working arrangements. This approach helps to standardise earnings data by removing the impact of variations in hours worked, allowing comparison of remuneration of full-time, part-time, and casual employees on an equivalent basis.

Despite more women undertaking manager roles up until age 35, women managers earn less than men at every age. The gender pay gap for managers widens rapidly to a peak between the ages of 55 and 59. In this age group, women managers earn \$85,662 less than men managers, on average.

Women in non-manager roles also experience a gender pay gap in every age range. The smaller size of the gap is due to the lower wages offered in these roles.

Figure 11: Average total remuneration of non-managers by gender and age

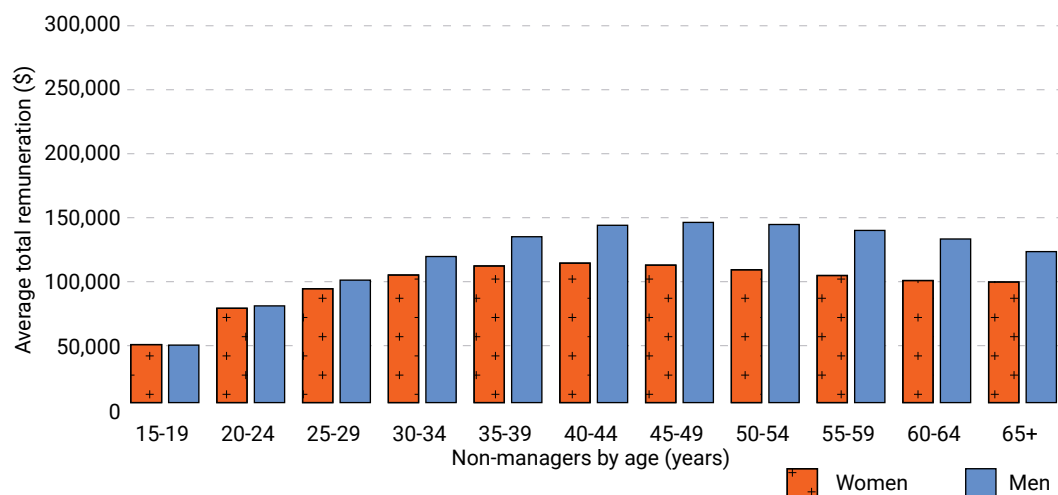
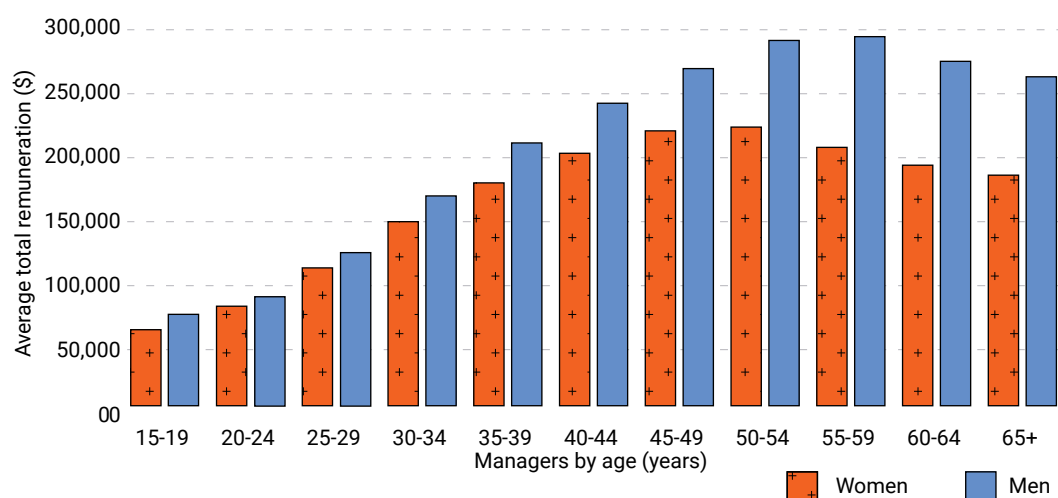


Figure 12: Average total remuneration of managers by gender and age



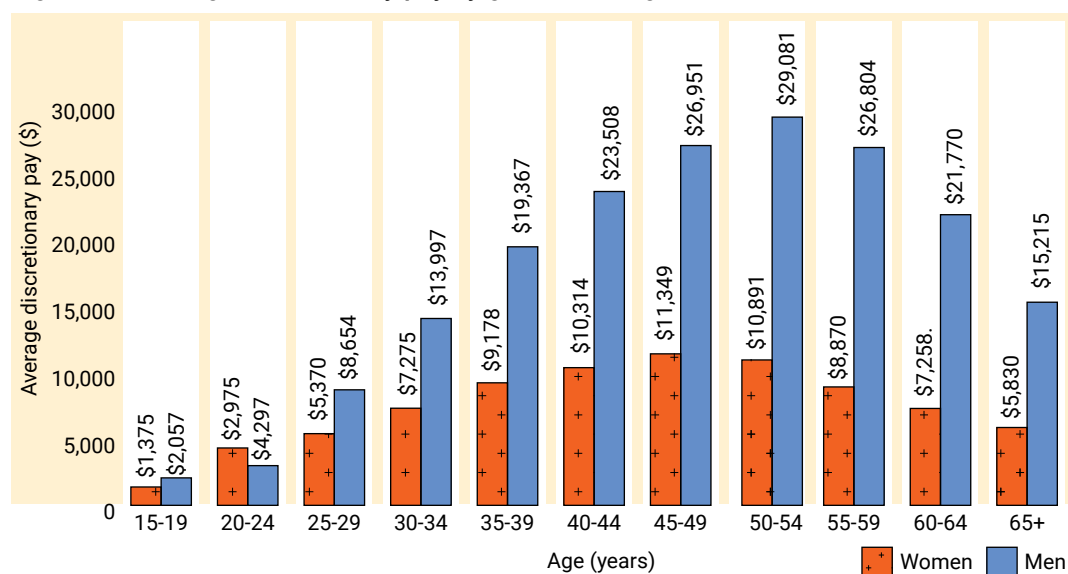
Bonus and overtime pay drives the gender pay gap

WGEA reports on both total remuneration and base salary gender pay gaps. The difference between the 2 is the inclusion of superannuation, overtime and additional payments. When an approximation of superannuation is removed, it leaves discretionary pay.

The bonus and overtime gap between women and men grows rapidly from the age of 30.

Women aged between 50-54 earn \$18,190 less each year, on average, in bonus or overtime payments compared to men.

Figure 13: Average discretionary pay by gender and age



This gender pay gap in discretionary pay is not explained by manager status. Amongst non-managers, women receive less than men in discretionary payments at almost every age group.

When discretionary payments are calculated as a percentage of an employee's total remuneration, the gender pay gap in discretionary pay is actually greater for non-managers than managers.

The impact of inequality at work

Women's unpaid labour enables men to undertake full-time higher-paid jobs during the parenting years. While this sets men up to earn more across their lifetime, it limits women financially.

A report by the Super Members Council found that, because of these compounding factors, women retire with a third less superannuation than men. This underscores the financial impacts over time of the gender pay gap². After all, the cost of housing and other essentials such as groceries are the same for everyone, but the gender pay gap means women have less purchasing power and therefore, may be more vulnerable to financial stress in later years.

² <https://smcaustralia.com/improving-superannuation/time-to-secure-a-dignified-retirement-for-more-women/>



This also means that fathers may feel more pressure to be working and earning to make up for the gap, which in turn may leave less time for engaging in caring for family and loved ones or for leisure time.

Actions employers can take to improve fairness

WGEA's employer information shows the early 30s is a turning-point for men and women in the workforce. But the gender pay gap exists at every age range.

Evidence shows the following interventions could help improve workplaces for both men and women.

Offer part-time or job share manager roles

Research suggests employers may believe that full-time employees are the ideal worker. They may perceive part-time employees as less productive or less committed to their careers but there is no evidence to suggest this is true.³

Offering manager roles part-time could improve women's access to management and men's ability to connect. It could also help both women and men transition to retirement. But employers rarely offer management roles part-time.

Job sharing is one way employers can offer part-time manager roles while still having the benefit of work being done full-time. In 2023-24 65% of employers offer job-sharing as a form of flexible working arrangements. This is more likely to be offered in women-dominated industries (77%) than in men-dominated industries (62%) or gender-balanced industries (62%).

A risk of part-time work and job sharing is 'job creep', where an employee finds themselves trying to do a full-time job within reduced hours. To ensure that job sharing and part-time roles are successful, managers should engage in job redesign to ensure the needs of the business are met without over-stretching employees.

When done correctly, part-time work and job sharing can be both an attraction and retention tool. Employers should consider setting targets for part-time managers to get the ball rolling; this will ensure that part-time work is being role-modelled and normalised.

Role-model flexible working for both women and men

At every age, men are more likely to work full-time. But they may not always want to.

WGEA and BCEC's Gender Equity Insights 2024 report found both women and men wanted greater access to part-time work.⁴

At a management level, a lack of role-modelling of part-time work may be perpetuating the belief that management or senior roles are not compatible with part-time hours.

When they become parents, men face challenges with expectations to be always available and always full-time during these critical years. These 'greedy jobs' don't allow men time for unpaid work in the home, to connect with family or to undertake fulfilling hobbies.

³ link.springer.com/article/10.1007/s11205-018-2036-7

⁴ www.wgea.gov.au/publications/part-time-managers-lit-review-nov-23



This also reinforces a gendered distribution of paid and unpaid work, driving the gender pay gap and gender inequality for women and men more broadly.

Address assumptions in pay negotiations

Employers are more likely to determine the pay for manager roles through private negotiation. Gender stereotypes and assumptions may be playing a role in the manager gender pay gap. There is clear evidence to suggest that women experience bias during the pay negotiation process. Research suggests that even when women do ask for more money (and the notion that they aren't asking has been debunked), they are less likely than men to receive it.⁵

When negotiating pay, it is important to remember that if employers are asking prospective employees to disclose their previous salary, women are likely to be disadvantaged due to the gender pay gap.

Pricing the role against the market value, instead of the employee's salary history, is a way to make sure women are not disadvantaged.⁶

Review discretionary payments and overtime strategies to identify and remove bias

How employers judge performance also plays a role in perpetuating gender pay gaps. There are studies that suggest that work performance is judged differently for women and men and that this may be disadvantaging women.⁷

Employers can and should undertake a gender impact assessment of their performance evaluation processes to identify potential sources of bias and disadvantage so that they can be fixed.

The higher representation of women in part-time work, and unequal promotion practices may all contribute to the 'discretionary gender pay gap'. However, it also reflects the amount of overtime payments made to men who are more likely to be in 'greedy jobs' that reward long hours.

This pattern of men receiving a higher proportion of their salary in discretionary pay may be disincentivising them from taking actions that could affect their bonuses, such as reducing their work hours to invest more time in caring for children.

Employers can assess whether they have a discretionary pay gap by doing a comprehensive gender pay gap analysis and paying special attention to total remuneration compared to base salary. Removing superannuation from the analysis can expose the degree to which bonuses and similar discretionary payments are contributing to the gender pay gap.

When an analysis flags a discretionary pay gap, employers should undertake a gender impact assessment of their remuneration policy or framework. This should include asking if any gender is being disadvantaged by the bonus structure and if so, what can be done to address it.

The discretionary gender pay gap may also occur because men are investing longer hours into their work. If this is the case, implementing flexibility measures may help to level the playing field. It can also ensure that men can choose to take time to connect with their families, and to improve their wellbeing.

5 www.wgea.gov.au/publications/gender-equitable-recruitment-and-promotion

6 www.wgea.gov.au/publications/gender-and-negotiation-in-the-workplace

7 www.wgea.gov.au/publications/gender-equitable-recruitment-and-promotion



Offer parental leave equally to women and men

Research⁸ shows men who take extended parental leave are more likely to be involved in childcare as the child grows up. Changing social expectations around who engages in caring is an important step towards reducing the financial disadvantage women experience by undertaking most of the unpaid caring work.

Another action to encourage more equitable sharing of unpaid care work is making universal parental leave⁹ available to all new parents and encouraging men to take time away from work to engage in caring.

Set targets for gender balance

An effective way to address the gender composition imbalance in manager roles is to make it a focus of employer action planning and then set targets to measure progress.

Employers who identify women's underrepresentation in manager roles in their data can set a numeric target to increase the number of women in manager roles and look at their recruitment and promotion practices to make sure they are not disadvantaging any gender. For example, is presenteeism rather than output being rewarded in performance appraisals?

To support this, employers might also select targets for the number of manager roles that are done part-time (by women and men). Employers can also select targets around gendered access to flexible working arrangements and parental leave.

When balancing work and care is normalised in an organisation, there is a much greater chance of creating an environment where women and men have equal access to career progression.

⁸ grattan.edu.au/report/dad-days/

⁹ Universal parental leave is a gender-neutral and label-free policy that provides paid leave to every parent, regardless of gender or family structure, to care for a new child. This approach ensures that all parents, not just the traditional primary caregiver, have the opportunity to take time off to bond with their child and participate in caregiving, promoting an equitable division of domestic and paid work.



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