

Gender pay gap widens sharply after motherhood ^[1]

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EXCERPTS:

Women earn less than men for doing the same job, particularly after they have had children, and the high cost of child care deters many women from working more, the Organization for Economic Cooperation and Development said.

In a report on gender equality, the Paris-based think-tank said that in many countries, employment rates among women have held up better than among men since the onset of the financial crisis in 2008.

But it warned that future cuts in public sector employment are likely to hit women to a greater degree than men, since they account for 60% of government employees.

The OECD said that among its 34 developed-country members, men earn 16% more than women working in similar jobs. For people without children, the gap is 7%, but that widens to 22% after women and men have had at least one child.

The think-tank said that the high cost of providing childcare is one source of that wider gap.

"Lack of child-care options can lead to career interruptions and discontinuous employment, which in turn may explain women's lower wages when they enter motherhood," the OECD said.

Across the OECD's members, the cost of childcare accounts for more than half of a family's second wage, and that rises to 65% or more in Australia, Germany, Ireland, Switzerland, the U.S. and the U.K.

"If child care eats up one wage, there is often little or no financial gain from both parents working or at least working full-time," the OECD said.

Although unemployment levels have risen sharply since the onset of the financial crisis, the OECD said the fact that the world's population is aging makes it essential for future economic growth that more women work.

"The world's population is aging and this challenge can only be mastered if all the talent available is mobilized," said OECD Secretary-General Angel Gurría. "Governments should make further progress in the access and quality of education for all, improve tax and benefits systems, and make childcare more affordable, in order to help women contribute more to economic growth and a fairer society."

Across the developed world, women are increasingly better educated than their male counterparts, and the OECD argues that the loss of those skills following motherhood lowers potential economic growth.

"For the economy, it makes sense if you use all of that talent, and don't let a situation develop where the best part of the population isn't using that talent in the labor market," said Willem Adema, one of the report's leading authors.

-reprinted from the Wall Street Journal

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