

Young, gifted and ... unequal

PAUL REDMOND explores why women still earn less than men despite decades of legislation to improve the differential, and for those women who want to improve their earning potential he offers some hot tips

Statistics show that after almost 30 years of legislation, women graduates still earn less than men, and the pay gap widens with age. Is this just another case of sex discrimination, or could other factors be at play?

Isobel has recently graduated with a degree in history. At the time of writing, she is considering several career options – social work, human resources, and teaching. Her main priority is choosing a job that involves working with people: "I want to do something that I believe in, something that I feel matters". Any consideration of money is secondary. "Obviously, I want to earn a reasonable wage, but that's not the be all and end all. I'd much rather do something that I believe in, rather than just earning lots of money." When asked what she thinks a "reasonable" wage might be, she laughs. "I've never really thought about money. In all my part-time jobs, I've always been paid by the hour. I wouldn't have a clue about how much I should be earning as a graduate. Not a clue! No one's ever talked about it."

Time to talk money

Isobel's approach to money is far from unique. The British have never been much good at talking about money. Do you know how much your parents earn? Exactly. Socially, talking about money is still considered a great faux pas – even, bizarrely, at job interviews. No surprise then that British graduates should be so badly prepared for negotiating salaries with employers. But what is a surprise is that the worst equipped of all are women.



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The great brain robbery!

Despite nearly 30 years of equal pay legislation, the average 24-year-old female graduate earns on average 15 per cent less than her male counterpart (Curtis, 2002). Seven years on, and the pay gap rises to a staggering 18 per cent (Purcell and Elias, 2004).

The question is, why? In the past, the pay gap was attributed to a lack of skills and qualifications. Yet in today's higher education sector,

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women now outnumber men – an amazing transformation given that a century ago, barely 1,000 women were enrolled at UK universities. In fact, not only do women outnumber men, they make better students, each year achieving more first and upper second class degrees (MacLeod, 2004).

The pay gap is also perplexing because statistically, women have more to gain from university than men. One recent survey found that while male graduates earned 20 per cent more per hour than men with A levels, women graduates earned 35

per cent more per hour than women with A levels. The salary premium was even higher for women with master's degrees (54 per cent) or doctorates (60 per cent).

The geek shall inherit the earth

One theory is that women earn less than men because they study the "wrong" subjects at university. The statistics underpinning this are interesting. Research shows that graduates from more technically complex subjects consistently out-earn those from art and humanities subjects. Top of the pay league are business, and computing, followed by mathematics, law and engineering (Purcell and Elias, 2004). Although the number of women entering these subjects has increased in recent years, they remain very much in the minority.

Even so, this theory fails to explain why the gender pay gap remains the same even when women have studied the same subjects, achieved the same grades and are working in the same jobs as men. For example, among graduates with first or upper second-class degrees, the difference between male and female salaries range from 20 per cent in law, mathematics and computing, to just 3 per cent in education. Figures from

De Montfort University's 2001 destination survey showed that while the average pay gap between male and female graduates was £1,300, it was £3,000 for those who entered IT.

Girls allowed?

These findings will come as a shock for many. In recent years, it has been fashionable to claim that women have made great advances towards full equality in the workplace. One headline recently claimed that between 1974 and 1998 the number of women company directors increased by a "stunning" 600 per cent. But take a closer look at the statistics. Despite the 600 per cent increase, the actual proportion of women directors stood at just 3.6 per cent. In other words, fewer than four in every 100 company directors were women – hardly a "stunning" triumph for equal opportunities.

Worst-paid jobs for women

Time to forget the hype. Table 1 reveals the extent to which employment markets are still dominated by traditional sex-role stereotypes. Despite high-profile role models, most women remain employed in just a handful of job categories. Typically, these are dominated by health, education and the public services. Women are also disproportionately represented in low paid jobs. Men, on the other hand, dominate all branches of IT, law, biotechnology and engineering.

Till debt do us part

One study has found that it takes women an extra four years to pay off their student debts. To put this in context, according to figures compiled by the House of Commons Library, half a woman's working life could be spent paying off the cost of her higher education.

Your money or your life?

So what about sex discrimination? How important a role does this play in explaining the gap between women and men's earnings?

Feminists have traditionally argued that job markets are inherently sexist, that because men have been in the

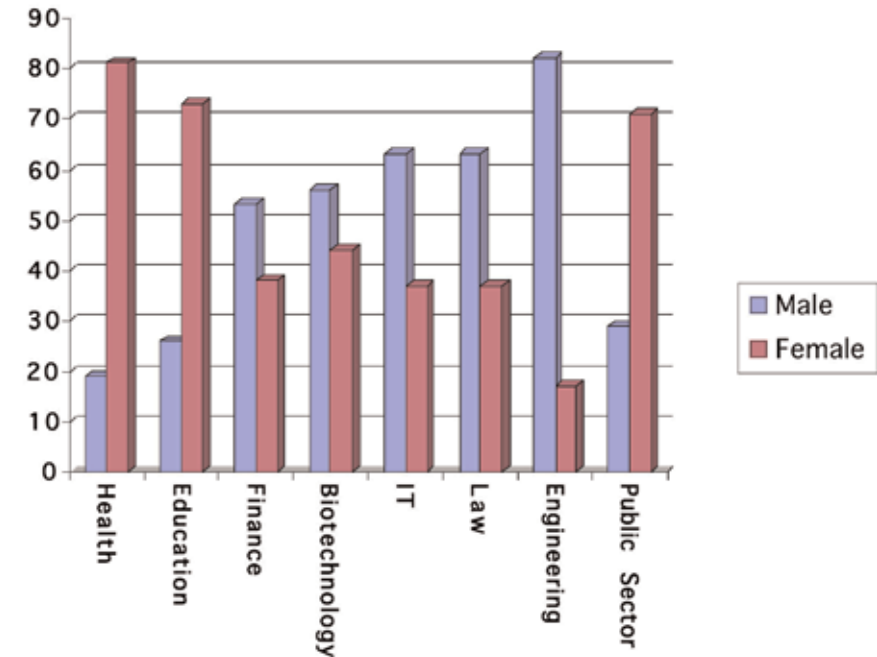


Table 1: Percentages of women and men in selected job sectors (NWRDA, 2005)

workplace longer, the rules and conventions of work give men hidden advantages. Yet, while sex discrimination can never be ruled out, legislation and good practice would appear to make it less of an explanation than in the past.

An alternative theory, which has recently emerged from America, argues that motivation to work is different among women and men. Thus, women, "trade-off" higher earnings for jobs that offer greater levels of personal satisfaction and "work-life" balance. Men, on the other hand, "through the invisible curriculum of male socialisation" "trade-off" job satisfaction and work-life balance for the pursuit of higher salaries (Farrell, 2005).

For more money, men are more likely than women to work in dangerous environments, accept less long-term security, work longer hours and put aside considerations of personal fulfillment. If this sounds grim (and it is: there are four widows for every widower), the flip side is that in return, men are able to generate plenty of new opportunities for earning money; it also opens doors for more lucrative job and career opportunities.

The catch is, much of this is done subconsciously. Rarely do men or women choose to behave like this. Instead, both sexes "choose" jobs which

"just seem right", while being oblivious to the gender-related assumptions which underpin their decisions. Needless to say, this has a considerable influence on women's earnings.

To understand just how considerable this influence is Table 2 lists the top 15 highest paid UK graduate jobs. Banks, accountancy firms, law firms, IT consultancies and industrial engineers are all represented. As well as paying high starting salaries, these jobs have typically been dominated by high levels of men.

Because you're worth it

There is absolutely no reason why women should carry on earning less than men – particularly given the disproportionate investment made by women in higher education. But what's needed isn't more legislation. What women need is a completely new way of looking at the "trade-offs" made when thinking about careers and money. Only then will women graduates achieve real equality. Some examples of these "trade-offs" are below.

Trade-off 1

Trade "money's not the most important thing for me", to, "I want a job which pays a wage commensurate with my qualifications/experience/skills."

Trade-off 2

Trade jobs with high levels of personal fulfilment for jobs that pay more money. Turn the laws of supply and demand to your advantage. Seek jobs for which you need hard-to-get skills, or for which you have to go back to school. Better still: choose jobs that are seen by others as "nerdy" (eg tax accountant v PR consultant). Even better, jobs which involve relocation, travel or unsociable hours.

Trade-off 3

Trade "job security" for job insecurity. Faced with risk, most people sprint for cover. But think again. If you're serious about earning more money, don't automatically rule out jobs that bring with them some degree of financial uncertainty (eg sales commission v steady income).

Trade-off 4

Trade financial ignorance for financial expertise. When applying for a job you must be fully aware of the going-rate for that industry – not just that organisation. Become an expert on

Table 2: Top 15 highest paid graduate jobs by average starting salary (AGR 2005)

Investment banking	£35,000
Management Consultancy	£28,000
Legal Profession	£28,000
General Management	£24,000
Actuarial work	£24,000
Financial Management	£24,000
Marketing	£21,500
Computing and Information Technology	£21,500
Manufacturing Engineering	£21,500
Sales	£21,000
Electrical / Electronic Engineering	£21,000
Mechanical Engineering	£21,000
Human Resources	£20,900
Scientific Research & Development	£20,600
Accountancy	£20,000

how much people in that field not only earn, but also can earn.

Trade-off 5

Trade "people" jobs for "techno" jobs. Those who commit to acquiring hard-to-learn skills often reap the benefits in

the job market. Saving the planet can be done in evenings and weekends once the business of making money has been accomplished.

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