



Why women earn less

Bettina Arndt looks at why women miss out when it comes to being paid as much as men – and how they can join the big earners.

AS OUR COUNTRY held its breath awaiting the rescue of Beaconsfield miners Brant Webb and Todd Russell, we received a reminder of why miners earn big money. The work is hard, dirty and often dangerous. It's why miners make it into the top 20 earners in Australia.

We all know men earn more, but men do most of the dirty, dangerous work – one reason they end up earning more. Yet there are other reasons why the average woman in Australia earns only 92 cents for every dollar paid to a man. Yes, there are still glass ceilings, women don't always receive equal pay for equal work. Yet according to Sex Discrimination Commissioner Pru Goward, the most important factor is "trade-offs men and women choose to make".

In short, most women simply aren't interested in buying into the trade-offs that earn men the big bucks. They don't want to miss out – on their children's first words, first steps, the school plays, the precious gift of time, for friends and family. Women tend to be picky, looking for jobs that offer fulfilment, convenient hours and a good working environment. Sure there are women competing with men in the high-paying jobs – putting in

the same long hours and matching men, dollar for dollar – but most are resisting, with the result that the proportion of women working full-time in this country has barely shifted in the past 30 years.

Men and women with similar training generally show similar earnings until they reach their 30s, says Mark Wooden from the Melbourne Institute, but in the older age groups, the gap begins to widen, as motherhood undermines women's ambition, or deprives them of real choices to continue forging ahead. Women also handicap themselves by not daring to take risks, not knowing their own worth, not negotiating their salaries and selling themselves short.

Mary Hasouros, 45, is a Sydney pharmacist who is happy making her trade-offs. She's working three days a week in a pharmacy close to home, allowing her time for her two teenage children plus some time out. Her husband has a computer company and isn't available to help with the children, so Mary has only worked part-time since they were born. Yet she likes it that way. "My life is pretty good now. This way, I've got time for the children. When I work full-time, it's a 55-hour week,

standing all day. The pharmacy closes at six, you're running around picking up kids, trying to do everything. I love having time to go to Pilates classes, to catch up with my friends. It's a better life."

Although she'd like the freedom of running the business the way she'd like, she has resisted the idea of owning a pharmacy. "I like to be able to walk away at the end of the day," she says. She can't face the risk involved in buying her own pharmacy. "I don't know why I would want that level of stress. I've always chosen the safe route." While the couple borrowed a large amount to set up her husband's firm – "That was very risky at the time," says Mary – she couldn't cope with the worry of doing that for her own business. And she has other priorities – "Money isn't the main thing for me."

Pharmacy is a career that allows women to make choices. Most men choose it as a route into self-employment, small-business ownership or management jobs with large retail chain stores. While some women do the same and earn good money as a result, most use it as a source of mother-friendly, flexible part-time jobs, with limited responsibilities that don't spill over into their family time. >>>

Jocelyn Bussing, 37, is not averse to taking risks. She bought her second pharmacy in Sydney's beachside Cronulla just late last year. This is a woman who knew very early where she was heading. At 21 she was managing a pharmacy, at 27 she bought her first. "It was always my goal to own a business," she says. Or two.

Through contact with other women pharmacists in her professional network, she realises she's a rare breed. "Most want to be able to go home and leave work at work." Jocelyn's not like that. "Sometimes people ask me how many hours a week I work. It's probably easier to ask how many hours I don't work," she says with a laugh.

This mother of two children (aged five and seven) hopes to be earning \$120,000 to \$130,000 within a year or so, when her new business settles in. That's almost double what many employed pharmacists earn. "Most women don't want to take that step of running their own businesses," she says. "I can understand why they're nervous, but I see so much scope for them. They can do the same job they're doing now, but share in the profits."

Jocelyn is competing with men at their own game – and earning the rewards. Yet there are far more women like Mary, in pharmacy and other jobs, who prefer a better balance between work and the rest of life. So they work shorter hours, choose jobs that offer more flexibility, less travel, less risk and responsibility.

Put simply, most women deliberately limit their earnings, according to Warren Farrell, the author of a provocative new book, *Why Men Earn More*. Dr Farrell has a long history of dealing with gender issues – he's the only man ever elected three times to the board of America's National Organisation for Women. Using all available statistics on men and women's working habits, he came up with ways women can increase their pay. Here's how women can join the big earners:

1. PUT IN MORE HOURS. It seems obvious, but it's *the* key issue. In Australia, the average hours worked by men are almost twice that of women. Men are almost twice as likely to work more than 50 hours a week, with 19 per cent of women and 35 per cent of men putting in these long hours, according to recent data from the Household, Income and Labour Dynamics and Australia survey (HILDA).

Even our smartest women end up working far shorter hours. Look at women doctors. To get into medicine, these young women were as ambitious and hard-working as any of their male colleagues. Yet a few years down the track, it's a different story. Current figures show a female GP works only 63 per cent of the

MEN'S JOBS THAT PAY WOMEN MORE

	WOMEN'S EARNINGS COMPARED TO MEN'S	PERCENTAGE OF WOMEN IN JOBS
CRANE OPERATORS	200%	4%
FORKLIFT DRIVERS	119%	3%
ROAD AND RAIL TRANSPORT DRIVERS	118%	8%
GARBAGE COLLECTORS	114%	11%
SERVICE STATION ATTENDANTS	113%	40%
PRISON OFFICERS	111%	21%

SOURCE: Australian Bureau of Statistics *Earnings and Benefits Study*, August 2005.

THE 10 TOP-EARNING JOBS

	WOMEN'S EARNINGS COMPARED TO MEN'S	PERCENTAGE OF WOMEN IN JOBS
IT MANAGERS	90%	22%
GPs	83%	36%
SPECIALIST MEDICAL PRACTITIONERS	100%	26%
DENTISTS	81%	26%
MINING ENGINEERS	80%	8%
CORPORATE TREASURERS	71%	32%
PARLIAMENTARIANS, JUDGES, MAGISTRATES	60%	38%
ENGINEERING MANAGERS	68%	5%
LAWYERS	75%	36%
POWER GENERATION PLANT OPERATORS	60%	1%

hours put in by a male GP over his lifetime. Among the specialist doctors, this figure ends up at 75 per cent, still a large difference.

As with other women, the key reason the female doctors end up working shorter hours is all about caring for families. Most carry the major responsibility for caring for their children (a third of female GPs are married to other doctors), most work minimal hours when their children are young and tend to retire, or cut back their hours, earlier than men.

2. CHOOSE CAREERS THAT PAY MORE. Supply and demand means you earn more by choosing a job that:

- Requires hard-to-attain skills (engineering vs arts).
- Is in an unpleasant environment (prison vs childcare).
- Requires long hours (retail manager vs shop assistant).
- Is unrewarding to most people (tax accountant vs artist).
- Demands physical risk (miner vs public servant).
- Is inconvenient (travelling salesman vs teacher).
- Is hazardous (policeman vs librarian).

Many more men choose such jobs, even when women are paid more to do them. Female crane operators in Australia earn twice as much as men in the same job, but only four per cent are women. (Note: the small numbers may distort the statistics.)

3. THE BIGGER THE RISKS you take at work, the more you earn. In high-earning financial careers, investment bankers often earn a percentage of the profit they bring in. While many men are comfortable with that pay-for-play compensation, a much smaller percentage of women are willing to be paid for their productivity.

It's not surprising women are reluctant to borrow to buy into a business or take on jobs involving big risks, says Professor Leonie Still, director of the Centre for Women and Business at the University of Western Australia. "Women are used to being looked after. There's that legacy of never having to put their own money on the line," she says, adding that she has found many women are reluctant to pay to further their own careers. "They won't even buy a self-improvement book. They'll borrow it from the library, whereas the guys will say, 'I need that, so I'd better buy it' or will get their company to buy it for them."

4. DON'T GO FOR FEEL-GOOD JOBS.

A London School of Economics study of more than 10,000 British graduates found the men started off earning 12 per cent more than the women. The reason? Most of the women had majored in the social sciences and the arts, while men chose engineering, maths and computing. While more than half the women said their primary interest was a socially useful job, men were almost twice as likely to stress salary. >>>

Yet graduate women who move into traditional male professions often start off earning more than the men. The average starting salary for female geologists in Australia is \$60,000, compared to \$52,000 for men. Female electrical engineering technicians start out \$3000 ahead of their male colleagues; mechanical engineers and computer professionals are \$1000 ahead. (Note: These higher starting salaries may reflect a desire by employers to attract female professionals to their companies.)

5. ACCEPT RESPONSIBILITY. Women often go for jobs that carry less responsibility. “Women tend not to be in line-management jobs, jobs where they’re required to take responsibility for profit and loss,” says Professor Still. She finds women are more likely to choose jobs they feel will be more fulfilling, people-contact jobs that, she says, are often “peripheral to the main game in an organisation”.

Professor Still was disappointed by the result of a recent survey of her university’s MBA students. “The men had headed off and many were earning in the millions. They’d used the MBA as leverage for their careers.” And what of the women? “Many had had a baby, taken time out, gone overseas or started their own business. They’d done the MBA to get career leverage and wasted it as soon as they came out,” she says.

6. SELL YOURSELF. Negotiating a salary is like a wrestling match. At least, that’s how men see it, but when women are asked how they view such negotiations, they see it differently. “It’s like going to the dentist,” they say. The result is that women are less likely to push for what they’re worth.

Linda Babcock and Sara Laschever, authors of *Women Don’t Ask: Negotiation and the Gender Divide*, have calculated that as a result of not negotiating the terms of their first job, women stand to lose out on more than \$500,000 by age 60.

Fiona Krautil spent some time as Director of the Equal Opportunity for Women in the Workplace Agency before moving into her position as head of

diversity at the ANZ bank. Despite her string of big jobs, she admits she’s terrible at negotiating her own salary. “I am good at negotiating for other people, but not good at negotiating my own value.”

She finds most women she deals with have trouble selling themselves and things haven’t changed much since she first worked in a bank 10 years ago. “I’m still struggling with the low aspirations of women,” she says. While the ANZ now has more women in middle-management, the bank has set targets to increase the numbers in executive, senior-management ranks. “The women think, ‘I just have to work hard and do a good job and someone will notice me.’ They don’t realise the importance of networking and managing what they’re going to do next. They’re not tuned into the pecking-order stuff, so they don’t sell themselves, don’t self-nominate and often get overlooked,” she says.

Despite women’s lower earnings, they may still come out ahead – in terms of fulfilment. It’s a point Warren Farrell makes very clear. Yes, women can increase their earning capacity, but every suggestion he has for making this happen requires “trading quality of life for money”.

Women may earn less than men, but they are more content. Australian women continue to show a preference for part-time work – particularly when they become mothers – and reap the psychological rewards. The latest HILDA survey shows women working part-time are more satisfied than women working full-time. The part-timers are happier with their work-life balance and just as satisfied with their jobs as the full-timers. In fact, more than half the women working full-time want to work fewer hours, while more than a third of the part-timers want to work more.

There are risks with this course, says Pru Goward, warning many women pay the price of their lower earnings when lower superannuation means they end up poor. Yet our Sex Discrimination Commissioner still feels most women know what they’re doing: “There’s no question that some of the choices women make are better ones,” she says. ■

JOBS WHERE FEMALE GRADUATES EARN MORE THAN MEN

	AVERAGE MALE STARTING SALARY	AVERAGE FEMALE STARTING SALARY
GEOLOGIST	\$52,000	\$60,000
PUBLIC RELATIONS OFFICER	\$32,000	\$35,000
ELECTRICAL ENGINEERING TECHNICIANS	\$38,000	\$41,000
PHARMACEUTICAL, IT AND INDUSTRIAL	\$38,000	\$40,000
SCIENCE TECHNICIAN	\$36,000	\$37,000
MECHANICAL ENGINEER	\$44,000	\$45,000
COMPUTING PROFESSIONAL	\$40,000	\$41,000

SOURCE: National Graduate Destinations Survey.

CASSIE’S SUCCESS STORY

Cassie Soady is on the sure road to success. The 31-year-old Sydney-sider has just been appointed to a high-salaried position as the NSW HR manager for a national transport company. “Early on I was always motivated by money, but now I also look at the challenge of the job,” says Cassie, who has carved out an impressive career.

Her first jobs were in retail, working as a high school student in Woolworths. She put herself through a science degree working in similar jobs and then a Masters in industrial relations and human resources while working for the Shop Assistants Union, which gave her valuable training for the HR jobs with Coles Myer that followed.

She regularly works 12-hour days. “Once I get here I find it hard to leave,” she says. Her priority is currently her career. “I’m young, I’m single, I can be 100 per cent focused on my career right now.” If you talked to my mother, she’d say it’s to the detriment of other things,” she laughs. She does want to have a family, but knows to do this she will need to re-assess her priorities. Yet right now she’s on the move, happy to consider international relocation if it furthers her career. And yes, she’s finally learnt to negotiate her salary. “I’ve become a lot better at it,” she acknowledges.

Each year the *Jobs Rated Almanac* rates the worst jobs based on work environment, physical demands, security, stress, employment outlook and income – jobs that very few Australian women are prepared to tackle.

WORST JOBS	% FEMALE
TIMBER WORKER	8%
FISHERMAN	7%
JACKAROO	24%
IRONWORKER	1%
SEAMAN	5%
TAXI AND CAR DRIVER	7%
LABOURER	6%
ROOFER	1%
FARMER	30%
STEVEDORE	2%

SOURCE: Australian Bureau of Statistics *Earnings and Benefits Study*, August 2005.