Equal matches are only half the story – why German female graduates earn 27% less than males

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Germany’s occupational and sectoral change towards a knowledge-based economy calls for high returns on education. Nevertheless, female graduates are paid much less than their male counterparts. We find an overall unadjusted gender pay gap among German graduates of 27%. 8.1 pp. of the gap may be attributed to differences in birth related employment breaks, and negatively associated partner earnings with women’s (but not men’s) own earnings answer for 6.3 more percentage points. By contrast, overeducation does not matter in this regard. Instead, 4.8 pp. of the gap refer to women’s fewer years of required education. We conclude that the gendered earnings gap among German graduates is shaped by an employment behavior suiting gender roles rather than being subject to educational inadequacy.