

## 5 GENDER EQUALITY



Equality – Promoting equality and a partnership-based division of responsibilities

### 5.1.a Gender pay gap



Note(s):

2006 to 2021: Structure of Earnings Survey, updated with results of quarterly earnings survey. – From 2022: Results of the earnings survey.

Data source(s):

Federal Statistical Office

#### Definition

The indicator shows the difference between the average gross hourly earnings of women and men as a proportion of the average gross hourly earnings of men.

#### Intention

Pay gaps between women and men are a sign of social inequality in modern labour societies. The reduction in wage differences is an indicator of progress towards equality.

#### Target

Reduce the gap to 10% by 2030

#### Content and progress

This indicator reflects the unadjusted gender pay gap (GPG), representing solely the ratio of average gross hourly earnings between women and men. The unadjusted GPG therefore also captures wage differences that arise from factors such as differences in occupations, sectors of employment, qualifications, or employment histories between women and men.

Until 2021, the indicator was based on the four-yearly Earnings Structure Survey. Since 2022, the annual Earnings Survey has served as the data source. This is conducted by the



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statistical offices of the Länder as a representative sample survey with mandatory reporting in up to 58,000 establishments. Based on this data, results are disaggregated by age, educational attainment, skill level, occupation, collective bargaining coverage, company size, and economic sector. These disaggregations also form the basis for the calculation of the adjusted gender pay gap.

For both the adjusted and unadjusted GPG, the EU definition applies, which excludes employees in agriculture and forestry, fishing, public administration, defence, social security, and in micro-enterprises. Between 2020 and 2023, women earned on average 18% less per hour than men. In 2024, this gap decreased to 16%. The target of reducing the unadjusted GPG to 10% by 2020 was therefore not achieved. Even if current trends continue, this target is unlikely to be reached by 2030.

In the long term, Germany has shown a slow but steady decline in the unadjusted GPG: in 2012, it stood at 23%, which is 7 percentage points higher than in 2024. A comparison across the Länder reveals significant regional variation: in 2024, Baden-Württemberg and Hessen recorded the highest pay gaps at 19% each, while Sachsen-Anhalt (4%) and Brandenburg (2%) reported the lowest.

Analyses of the causes of the GPG show that around 63% of the earnings gap can be attributed to the fact that women are more frequently employed in lower-paid occupations, sectors, and positions. Another significant factor is the extent of employment: women work part-time more frequently than men, which is usually associated with lower average gross hourly earnings. This accounts for approximately 19% of the pay gap. Around 12% is attributable to differences in the skill level required for the respective roles. The remaining 37% of the pay gap constitutes the adjusted GPG, which stood at 6% in 2024.

In contrast to the unadjusted GPG, the adjusted measure shows a much more uniform pattern across the Länder: in 2024, it was 6% in the former territory of the Federal Republic including Berlin, and 8% in the new Länder. A more detailed analysis by individual Land is not feasible due to methodological fluctuations since the introduction of the new Earnings Survey in 2022.

At the European level, data is predominantly available up to 2023. Since 2010, the unadjusted GPG in Germany has consistently remained above the European Union (EU) average. Only Latvia recorded a higher gender pay gap at 19%. Austria, Czechia, and Hungary – like Germany – each reported a gap of 18%. The smallest differences in gross hourly earnings between women and men were observed in Luxembourg (–1%), Belgium (1%), and Italy (2%).

### **Type of target**

Target with specific target value

### **Assessment**

The gender pay gap should be no more than 10% of the average male earnings each year.

According to the target formulation, the politically defined target would have been met every year since 2021. However, the indicator value remains consistently well above the target. Indicator 5.1.a is therefore assessed as cloud for 2024.

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Note:

The thunderstorm rating is not applied, as the six-year average trend indicates an improvement.

