

Title:

Linking individual-level gender wage gaps in Australia to physical and mental health outcomes

Abstract:

Using the Household Income and Labour Dynamics in Australia (HILDA) survey, we explore Australia's gender wage gap and its implications for health outcomes. We begin by estimating the gender wage gap using a standard Blinder-Oaxaca decomposition and pay particular attention to time trends for the working-age sample. We then utilise propensity score matching techniques to account for a range of characteristics associated with an Individual's labour market productivity. Using our matched sample, we estimate the gender wage gap for working-age individuals; by matching, we are able to explain a sizeable portion of the gender wage gap. Furthermore, for the matched sample, we test the effects of the individual-level wage gap on a range of health outcomes, including indicators of mental and physical health. We discuss associations between the wage gap and an individual's mental and physical health indicators, which together provide preliminary support for the detrimental health implications of Australia's current gender wage gap, and which further validate international evidence on the link between wage gaps and health outcomes.