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Luxembourg Income Study Working Paper Series

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The Gender Poverty Gap in Developed Countries:
Causes and Cures

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THE GENDER POVERTY GAP IN
DEVELOPED COUNTRIES: CAUSES AND CURES

by

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THE GENDER POVERTY GAP IN DEVELOPED COUNTRIES: CAUSES AND CURES

This paper employs the Luxembourg Income Study (LIS) to compare poverty rates for female-headed families and for other families in a number of developed countries. It then seeks to explain why, in some countries, poverty for female-headed families is so much higher compared to other families.

The paper finds that there is no single reason for this. Rather, there are many different reasons female-headed families suffer relatively greater poverty in some countries but not in other countries. One implication of this analysis is that it is less important what gets done to help female-headed families, and more important that some policy be employed to benefit female-headed families.

The rest of this paper is organized as follows. Section I describes the LIS. Section II discusses the problems encountered in measuring poverty, and computes poverty rates for female-headed families and for all other families using 15 countries in the LIS database. Explanations for poverty are presented in Section III, emphasizing why poverty rates may differ based upon the gender of the family head. Section IV tests the usual group of suspects that were rounded up in Section III, and finds them all to be inadequate. Section V employs a more simple and direct approach to the problem. It examines countries individually in order to find out what they are doing to assist female-headed families and how this affects the national gender poverty gap. Section VI concludes with some policy implications.

I. THE LUXEMBOURG INCOME STUDY

The Luxembourg Income Study began in April 1983 when the Luxembourg government agreed to develop, and make available to social scientists, an international microdata set containing a large number of income and socio-demographic variables.

One goal in creating this database was to employ common definitions and concepts so that variables are measured according to uniform standards in each country. As a result, researchers can be confident that the cross-national data they are looking at and analyzing has been made as comparable as possible.

By 1994, the LIS contained information on 15 nations-- Australia, Britain, Canada, France, Germany, Ireland, Israel, Italy, Luxembourg, the Netherlands, Norway, Poland, Sweden, Switzerland, and the US. Data for each country was originally derived from national household surveys similar to the US Current Population Reports, or from tax returns filed with the national revenue service. Datasets for other countries are being added. Also, for some countries several datasets are available, each from a different time period.

LIS data is available for more than 100 income variables and nearly 100 socio-demographic variables. Wage and salary incomes are contained in the database for households as well as for different household members. In addition, the dataset includes information on the in-kind earnings, property income, alimony and child support, pension income, employer social insurance contributions, and numerous government transfer

payments and in-kind benefits such as child allowances, Food Stamps and social security. There is also information on 5 different tax payments. Demographic variables are available for factors such as the education level of household members; the industries and occupations where adults in the family are employed; the ages of all family members; household size, ethnicity and race; and the marital status of the family or household head.

This wealth of information permits researchers to do cross-national studies of poverty and income distribution. It also allows great flexibility in how income and poverty are measured.

II. POVERTY CALCULATIONS USING THE LIS

How to calculate US poverty rates has become a matter of considerable controversy. The method currently employed was developed by Mollie Orshansky (1965, 1969) of the Social Security Administration. Orshansky first calculated the cost of the minimum amount of food that a family would need during one year in order to survive. Since Agriculture Department surveys found that families spent around one-third of their after-tax income on food, the cost of an economy food plan for families of different types and sizes was multiplied by 3 in order to arrive at poverty lines for each family type. Poverty lines for each type of family are increased annually with the increase in consumer prices. Poverty lines thus represent a real standard of living for families of a particular type and size that remains invariant over time. The poverty rate is calculated as the percentage of

US families whose income, before taxes, falls below the poverty line (for their family size and type) in a given year.

The Orshansky methodology for computing poverty rates has been criticized on a number of grounds. Rein (1970) and Rodgers (1983) argue that the minimum food requirements for a family were designed for short-term emergency situations only, and could not meet the nutritional needs of a family for an entire year. Since the food budgets used by Orshansky were 80 percent of what would provide a nutritional diet for the entire year, these authors argue that the Orshansky poverty lines are 80 percent too low. Schwarz and Volgy (1992) argue that food consumption has fallen from one-third to one-fifth of family spending, so current poverty lines should be based upon a food multiplier of 5 rather than 3. This would raise poverty lines by two-thirds, and make poverty level incomes consistent with public opinion regarding what a family requires to escape poverty. Taking a slightly different tack, Watts (1986) argues that in the early 1960s the poor paid no income taxes and virtually no social security taxes. But since in the 1970s, poor families have faced a considerable tax burden. Calculating poverty based upon pre-tax incomes ignores the fact that pre-tax incomes today buy less than a comparable or real pre-tax income from the 1960s.

But perhaps the most frequent criticism of the Orshansky methodology is that it establishes an absolute, rather than a relative, measure of poverty. Poverty is supposed to measure the minimum income necessary for a family to survive during the

course of a year. Fuchs (1963), Dunlop (1965), Rainwater (1974) and Ruggles (1990) all argue that human beings are social animals, and so the standard of what is minimally necessary must vary from time to time and from place to place.

Additional problems arise when employing real, absolute poverty lines in cross-national studies. As is well-known, it is difficult to compare income levels in countries with different currencies. The simplest way to do this is to use the exchange rate between the two currencies. But exchange rates vary considerably from day to day, from month to month, and from year to year; and they vary for speculative reasons that have nothing to do with changes in the relative value of the two currencies or the living standards in the two countries.

One attempt to get around this problem is to look at "purchasing power parity". The idea behind this notion is straight-forward. Some goods are sold virtually everywhere throughout the world; by comparing the cost of these goods from country to country we can obtain a good measure of the real value of two different currencies. If a McDonald's hamburger sells for \$1 in the United States and 100 yen in Japan, then \$1 and 100 yen should represent equivalent real incomes. According to the purchasing power parity theory, regardless of the exchange rate between the dollar and the yen, \$1=100 yen should be used when comparing real incomes in the US and Japan.

Unfortunately, serious problems with the notion of purchasing power parity make its use problematic when attempting

to compare equivalent incomes in different nations. First, purchasing power parity assumes that domestic prices reflect only domestic costs. The structure of domestic demand thus becomes irrelevant. Yet in the real world, domestic demand can be important in determining the prices of different goods.

Consider again the McDonald's hamburger. American diets include large quantities of meat, especially ground beef. Furthermore, few American families have an adult at home during the day to prepare the family dinner. As a result, the family is more likely to go out to eat, and fast food restaurants have become a popular choice for the family dinner. Contrast this now with Japan, where the family diet contains more fish and less beef, and where the family dinner is likely to be served at home because someone stays home to prepare dinner. Given these cultural and socio-economic differences, demand for McDonald's hamburgers will be relatively greater in the US than in Japan. As a result, the price of a hamburger will be relatively greater in the US than other goods and the price of a hamburger in Japan will be relatively less than the other goods bought by typical family. Using hamburger prices to determine purchasing power parity will thus understate the relative income of the Japanese family and overstate the relative income of the American family.

Because of the arguments in favor of a relative notion of poverty, and because of problems comparing real incomes across nations, most LIS studies have employed a relative notion of poverty. These studies usually define poverty lines as 50

percent of median adjusted family income after taxes, where the income needs of a second adult are taken to be 70 percent of the income needs of a first adult, and the income needs of children are taken as 50 percent of of an adult.

Following this standard LIS methodology, Table #1 calculates poverty rates for the 15 countries that were part of the LIS in 1994. Calculations are made first for families headed by a single female, and then for all other families. The last column of Table #1 shows the difference between the poverty rate for female-headed families and the poverty rate for all other families. This difference (the gender poverty gap) ranges from -6%, meaning that female-headed families have lower rates of poverty on the order of six percentage points, to +18%, meaning that poverty rates for female-headed families are 18 percentage points higher than poverty rates for other families.

By examining differences between poverty rates for female-headed families and poverty rates for other families, we avoid the main problems discussed earlier. We use a relative measure of poverty; and we do not have to worry about comparing income levels in two different countries.

The gender poverty gaps reported in Table #1 divide naturally into four different groups. For Luxembourg and Italy there is no difference between poverty rates for male-headed families and for female-headed families. In four countries (Ireland, Britain, France and Israel) poverty rates for female-headed families are slightly below poverty rates for other

families. Seven countries (Poland, the Netherlands, Belgium, Sweden, Germany, Norway, and Austria) have slightly higher female poverty rates. For these countries the gender poverty gap ranges from around 2 percentage points (Poland) to a little more than 6 percentage points (Norway and Austria). Finally, two countries have extremely large gender poverty gaps. In Canada, the gender poverty gap exceeds 10 percentage points, while in the United States the gender poverty gap approaches 20 percentage points.

III. POSSIBLE CAUSES OF THE GENDER POVERTY GAP

Theoretical explanations for gender poverty differences among nations can be divided into four broad categories.

First, neoclassical economic theory attributes wage differentials primarily to productivity differences. Someone who is more valuable to the firm will get paid more than someone who contributes less to the firm's revenues. Human capital theory (see Becker 1993) has taken this idea one step further, and has attempted to explain wage rates based upon the education and experience level of the individual. The insight of human capital theory is that more educated workers will be more productive and will thus receive higher pay. Likewise, more experienced workers will be more productive, and also should be paid more than less experienced workers.

This theory can be applied to gender differences in earnings. If the education level of women heading up families is much less than the education level of men heading up married-couple families, we should expect the earnings and income of

female-headed families to be much lower; therefore we should expect the gender poverty gap to be larger. Human capital theory traditionally proxies experience by looking at the age of the individual worker. Adopting this approach, we can look towards the age of family heads in order to explain the gender poverty gap. If female family heads are younger than the men who head up other families, then according to human capital theory the wages of these women should be lower than the wages of the men heading up other families. Again, with lower relative wages women should experience relatively greater poverty.

A second possible explanation for gender poverty gaps focuses on gender discrimination. Societal views about the worth of women and the work they do have led to a situation where women receive lower pay than men, even when they do the same work and provide the same benefits to the firm. Another take on the discrimination angle is the claim that occupational sex segregation has put women into a set of jobs with low pay (Bergmann 1974, Strober & Arnold 1987, Sawhill 1976) or a set of industries (the service sector) that pay poorly (Northrop 1990). Obviously, the greater the discrimination against women in the marketplace, the lower the earnings of women relative to men and the higher the gender poverty gap will be.

In addition to these economic factors, there are structural differences between female-headed families and other families. One crucial difference is the number of adults in the family who can seek employment and earn money. Female-headed families have

just one adult to send into the labor market. Other families are predominantly husband-wife families, with two adults that can work. Moreover, single female parents usually have sole child-rearing responsibilities. This limits the overtime they can work, and may limit the types of jobs that they can have. Fuchs (1988), Pearce and McAdoo (1981), Pressman (1988), and Smith (1984) all point to the lack of a second adult earner as a reason for the high poverty among female-headed families in the United States, and as a cause of the feminization of poverty in the United States during the 1970s. This factor may be important at the international level as well.

Finally, government fiscal policies can affect the gender poverty gap in three ways. Within a particular country, spending programs, or social transfer payments, can be geared more towards husband-wife families or more towards female-headed families. The more that social programs give to female-headed families (relative to other families), the lower the gender poverty gap should be. Meager social insurance for female-headed families in the US has been cited by Rodgers (1986) and Zopf (1989) as a major cause of high poverty rates for female-headed families. This also may contribute to different national gender poverty gaps.

In addition to spending money, governments also collect taxes. The calculations in Table #1 were made using after-tax, rather than before-tax, incomes. If government tax policy in one country favors married-couple families over families headed by a

single individual, female-headed families would do relatively worse after-taxes than other families, and we should see a greater gender poverty gap.

Besides tax and spending policies, different countries have different rules regarding child support. Also, the effort made to guarantee that child support awards do in fact get paid vary from country to country. One would expect that those nations where greater child support goes to female-headed families should have lower poverty rates for these families, and smaller gender poverty gap.

IV. TESTING ALTERNATIVE THEORIES OF THE GENDER POVERTY GAP

It is often said that theory is when you know how something works, but it doesn't; whereas reality is when something works, but you don't know why. At some point theory must come up against the real world and be tested by it. We now perform such tests.

If human capital factors are responsible for the gender poverty gap, this should be reflected in the low education levels, and in the relative youth, of women who head up families in countries with large gender poverty gaps. In contrast, countries with low or no gender poverty gaps should have highly educated and older female family heads.

Differences in education, however, tend to work in practice the opposite of how they are supposed to work in theory. The two countries with the largest poverty gender gaps (Canada and the US) have virtually no gender gap in terms of education level. As

Table #2 shows, Canadian education levels are the same for female family heads and for the heads of other families. In the US, a slight education advantage exists for non-female family heads. Yet Ireland, Israel and Luxembourg all have much larger education gender gaps that favor men; but all have zero or negative gender poverty gaps. Simple correlation analysis between the poverty gender gap and the education gender gap supports these simple observations; no empirical relationship can be found between these two variables.

The gender age gap does somewhat better as an explanation for the gender poverty gap. Countries whose female family heads are a lot older than male family heads (Ireland through Italy on Table #2) have smaller gender poverty gaps than virtually every other country. Regression analysis provides some additional empirical support for the importance of age, but unfortunately this support is rather weak. Taking the poverty gender gap as our dependent variable and the age gender gap our independent variable yields a regression coefficient of 35, a standard error of 22, and an R-squared of .15. Given the small sample size, the regression coefficient is not statistically significant at any of the conventional test levels. Moreover, in every country except Sweden, female family heads are older than male family heads. This runs counter to the argument of human capital theory that relatively young female family heads can explain relatively large gender poverty gaps.

Discrimination against women in the labor market also proves

gaps-- Britain (where gross wages received by male-headed families were 3.8 times the gross wages received by female-headed families) and Israel (where the male-headed families received 3.2 times more in wages)-- are two of the four countries with negative gender poverty gaps. Conversely, Canada and the US have relatively small gender wage gaps, but they have the highest gender poverty gaps of all 15 countries examined. The coefficient of correlation relating the gender poverty gap and the gender gap for market income comes out to zero, showing no relationship at all between these two variables.

The structural explanation for the gender poverty gap-- the fact that female-headed families have only one adult to send into the labor market-- also receives little empirical support. As Table #2 shows, some countries with small gender poverty gaps (like Britain) have very large gender gaps in the number of earners per family. Conversely, countries with smaller gender gaps in the number of earners per family have large poverty gaps (the US and Canada). Simple correlation analysis finds the relationship between differences in the number of earners by family type and the national poverty gap to be both small and the reverse of what theory would have us expect.

Finally we turn to fiscal policy explanations for the gender poverty gap. If government transfer payments were a significant part of the story, we would expect that countries targeting social transfers to female-headed households would have the lowest gender poverty gaps. Table #3, however, shows that there

is little discernable relationship between the gender poverty gap and social transfer payments. The US does have the highest gender poverty gap and also the transfer program that least favors female heads of house. However, the social transfer programs in Ireland are nearly as gender neutral as those in the US; yet Ireland has the smallest gender poverty gap of all the countries we have examined. Similarly, Belgium has by far the most generous transfer programs for female-headed families; Belgium nonetheless has a rather high gender poverty gap. Simple correlation analysis confirms that the relationship between these two variables is close to zero.

What is true of transfer payments is also true of taxes. Neither individual income taxes nor mandatory (primarily social security) taxes can explain the gender poverty gap. In the US and Canada, female-headed families pay two-and-a-half to three percent less of their earnings for individual income taxes than other families. With only one exception (Israel), the American and Canadian tax systems are most favorable to female-headed families; yet the US and Canada still have the highest gender poverty gaps of the 15 nations examined in this paper. Conversely, Ireland and Britain both impose high tax burdens on female-headed families; but both of these countries have negative poverty gaps. The simple correlation coefficient is zero for individual income taxes. For mandatory contributions things are only a bit better; the coefficient of correlation is slightly above zero in this case.

Finally, national child support programs, and efforts to guarantee that child support awards be made, also fail to explain the gender poverty gap. Belgium is the country most successful in making sure that female-headed families receive child support payments. Child support adds nearly 7 percent to the market income of Belgian female-headed families (other families receive virtually no child support payments since they are primarily husband-wife families). Nonetheless, Belgium has a relatively high gender poverty gap. Also, it should be noted that the US (with a very high gender poverty gap) and Luxembourg (with no gender poverty gap) are equally successful in getting child support payments to female-headed families. Like the other government policy measures, statistical analysis indicates little empirical relationship between relatively large child support payments to female-headed families and small gender poverty gaps.

V. AN ALTERNATIVE APPROACH TO THE GENDER POVERTY GAP

Since international comparisons of wage determination, family structure, and government fiscal policies fail to reveal very much about the gender poverty gap, some other approach is in order. In this section we examine each country individually. Our goal is to understand what is going on within that specific country to generate either a high gender poverty gap or a low gender poverty gap. This analysis reveals that different countries are special in different ways, and that each country is in some sense a special case. It is these sharp national differences that yield no single explanation, and no set of a few

explanations, for the gender poverty gap. Let us consider some specific countries.

Great Britain is able to achieve its negative gender poverty gap, in part, because of its generous child support programs. As Table #3 shows, in Britain child support adds 5 percent to the market income of female-headed families. In addition, Britain provides relatively generous social transfers to female-headed families. Both of these payments to female-headed families counter the great disadvantage such families face in terms of market incomes. And both of these programs have succeed in eradicating any gender poverty gap for Britain.

Ireland has achieved the lowest gender poverty gap, not because the amount of the transfer income it provides female-headed families, but rather because of the way it has targeted those transfer payments. Ireland focuses its social transfers on elderly female-headed families. This gives Ireland a large variance for transfers to female-headed families, especially when compared to the variance of transfers to other Irish families. But the most remarkable thing about Ireland is its very small gender wage gap (see Table #2). One possible explanation for this is that Ireland is one of the few countries in the world that has aggressively pursued comparable worth policies (see Rhoads 1993:127). A second possibility is that female-headed families in Ireland have a large number of earners. Unfortunately, data does not exist to test these hypotheses.

Israel uses tax policy rather than spending policy to assist

female-headed families. The tax bite for female-headed Israeli families is significantly below the tax rates paid by other families-- nearly 10 percent of market income for individual income taxes and nearly 2 percent of market income for social insurance taxes. This tax gap helps keep Israeli families with a female head above the poverty line.

France experiences such a low gender poverty gap not because women are paid high wages, but because the variance of market wages received by female family heads is very small. Thus, fewer females receive the very low wages that would put family incomes 50 percent below average incomes. In addition, France provides relatively generous transfers to those female-headed families that have low incomes. Together, these two policies give France no gender poverty gap.

Luxembourg and Italy have both taken the transfer route to assist female-headed families. They both provide much more in social transfers to female-headed families than other families, and both provide rather generous transfer payments to female-headed families. These transfer programs, combined with relatively moderate gaps in market income, have equalized male and female poverty rates in Luxembourg and Italy.

In contrast, Belgium, which does more with transfers for female-headed families than either Luxembourg or Italy, still does not do enough. Belgium, as we have seen, has the highest gender gap for market income. The heads of other families make 3.55 times more than female-headed families make on average. A

large part of this seems to be due to the advantage other families have in terms of numbers of earners. In any case, even very generous social transfers cannot compensate for the large Belgian gender gap in earnings. And what is true of Belgium is likewise true, to a lesser extent, of Germany. Large transfers favoring female-headed families are not sufficient to counter even larger gender differences in earnings.

Other countries-- such as Australia, Norway, Poland and Sweden-- do relatively little to augment the income of female-headed families relative to other families. Gender wage differences are relatively large and these get carried through to large gender differences in disposable income and poverty because fiscal policies do not mitigate the gender earnings gap very much.

Finally, the US and Canada do virtually nothing to help female-headed families. Social transfers and tax policy do little to assist female-headed families; and child support remains insufficient to compensate for large differences in earnings. Thus, it is not surprising to see large gender poverty gaps in these two countries.

VI. SUMMARY AND POLICY LESSONS

We have learned from the above analysis that there is no single reason why some countries have large gender poverty gaps while other countries have small gender poverty gaps. Rather, there are many special and country-specific reasons for national differences in the gender poverty gap. These reasons are as

different as the countries themselves, and certainly reflect the different historical and institutional characteristics of individual nations.

Just as there is no single cause of the gender poverty gap, there is likewise going to be no single cure. Rather, many possible things could be done, and the more that is done to reduce the poverty of families headed by single women, the more likely the gender poverty gap will be eliminated.

We have seen a number of different approaches to reducing the gender poverty gap that have proven successful. First, greater child support payments and better collection of child support awards would greatly benefit female-headed households with children. Garfinkel (1992) has advocated government guarantees of minimum child support as a means of reducing the poverty of female-headed families in the US. Such a policy would also help reduce the US gender poverty gap. Greater emphasis on adequate child support awards, and greater efforts to guarantee that awards are actually paid, should also help reduce the gender poverty gap in other countries.

Second, education and job training programs that are targeted on unemployed or low-wage female workers would help raise female incomes and also narrow the variance of incomes received by women. This too would assist in lowering the gender poverty gap. One way to target these programs would be to make transfer payments to low-income female-headed families contingent on enrollment in such programs. There is already a movement

underway in the US to do something like this. Along similar lines, aggressively pursuing comparable worth policies would raise the relative wages of women, lower the gender wage gap, and also reduce the gender poverty gap.

Third, tax relief can be geared to single parents. This is done to some extent in the US where a special set of tax rates apply to heads of house. While lower than the rates that apply to single individuals, these tax rates are still greater than the ones that apply to married couples. Yet, by almost any standard, single heads of house have less ability to pay taxes than a married-couple family with the same income. The single head of house will have greater child rearing expenses than a married-couple family because there are fewer adults to take care of and watch the children of the family. Single heads of house also have fewer adults to provide services like cooked meals to the family. More services must thus be bought, which is more expensive. This points to the need for tax rates on single-parent families that are lower than the rates for married-couple families. Such a change in tax policy would also help reduce the gender poverty gap. As the case of Israel demonstrates so well, a tax policy favoring single-parent families can be an effective tool in this regard.

Specific policies thus matter far less than the fact that some policy favoring female-headed families gets adopted. It is less important what gets done, and more important that something be done.

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TABLE #1

POVERTY RATES OF MALE AND FEMALE-HEADED FAMILIES
IN DIFFERENT COUNTRIES

COUNTRY	FEMALE POVERTY RATE	MALE POVERTY RATE	POVERTY GAP (female minus male poverty rates)
AUSTRALIA (1986)	14.7%	8.2%	+6.5%
BELGIUM (1988)	8.1%	4.2%	+3.9%
CANADA (1987)	19.6%	9.3%	+10.3%
FRANCE (1984)	8.7%	10.9%	-2.2%
GREAT BRITAIN (1986)	4.6%	7.9%	-3.3%
IRELAND (1987)	7.0%	13.0%	-6.0%
ISRAEL (1986)	11.0%	13.0%	-2.0%
ITALY (1986)	10.8%	10.5%	+ .3%
LUXEMBOURG (1985)	5.0%	5.0%	0%
NETHERLANDS (1987)	8.0%	5.1%	+2.9%
NORWAY (1986)	9.0%	2.8%	+6.2%
POLAND (1987)	8.3%	6.5%	+1.8%
SWEDEN (1987)	14.5%	10.2%	+4.3%
UNITED STATES (1986)	31.6%	13.4%	+18.2%
WEST GERMANY (1984)	10.6%	5.5%	+5.1%

Source: Luxembourg Income Study

TABLE #2

GENDER POVERTY GAPS AND
OTHER GENDER GAPS

COUNTRY	GENDER POVERTY GAP	GENDER EDUCATION GAP	GENDER AGE GAP	GENDER WAGE GAP	GENDER GAP FOR MARKET INCOME	GENDER GAP FOR NUMBER OF EARNERS
Ireland	-6.0%	1.10	.83	1.66	1.74	N.A.
Great Britain	-3.3%	1.04	.83	3.80	3.38	3.08
France	-2.2%	N.A.	.85	2.65	2.93	2.35
Israel	-2.0%	1.22	.84	3.21	3.07	2.35
Luxembourg	0.0%	1.17	.81	N.A.	2.32	2.00
Italy	0.3%	.87	.83	N.A.	2.74	2.22
Poland	1.8%	1.00	.87	N.A.	2.09	1.73
Netherlands	2.9%	.95	.89	2.93	2.71	2.48
Belgium	3.9%	1.34	.79	N.A.	3.55	3.42
Sweden	4.3%	N.A.	1.07	2.35	2.43	2.00
W. Germany	5.1%	1.00	.84	3.17	3.20	2.60
Norway	6.2%	1.19	.92	2.77	2.82	1.79
Australia	6.5%	1.11	.91	2.49	2.51	2.26
Canada	10.3%	1.00	.93	2.50	2.39	2.03
United States	18.2%	1.07	.89	2.67	2.56	2.00

Note: Gender Education Gap = (Male Education Level/Female Education Level)
Gender Age Gap = (Age of Head of Other Families/Age of
Head of Female-Headed Families)
Gender Wage Gap = (Male Head Gross Wages/Female Head Gross Wages)
Gender Gap for Market Income = (Market Income for other
Families/Market Income for Female-Headed Families)
Gender Gap for Number of Earners = (# of Earners Other Families/# of
Earners Female-Headed Families)

Source: Luxembourg Income Study

TABLE #3

GENDER POVERTY GAPS AND
FISCAL POLICY

COUNTRY	GENDER POVERTY GAP	GENDER GAP FOR SOCIAL TRANSFERS	GENDER GAP FOR INDIVIDUAL TAXES	GENDER GAP FOR MANDATORY CONTRIBUTIONS	GENDER GAP FOR CHILD SUPPORT
Ireland	-6.0%	-13.5%	-0.91%	0.01%	N.A.
Great Britain	-3.3%	-41.1%	-0.95%	0.87%	-4.78%
France	-2.2%	-40.9%	1.77%	N.A.	N.A.
Israel	-2.0%	-27.1%	9.65%	1.73%	N.A.
Luxembourg	0.0%	-57.3%	N.A.	-0.34%	-2.27%
Italy	0.3%	-68.6%	N.A.	N.A.	N.A.
Poland	1.8%	-29.5%	N.A.	N.A.	N.A.
Netherlands	2.9%	-35.0%	-1.13%	-3.18%	-1.66%
Belgium	3.9%	-113.1%	N.A.	N.A.	-6.76%
Sweden	4.3%	-16.3%	-3.95%	N.A.	-3.47%
W. Germany	5.1%	-49.3%	-0.54%	-0.50%	-3.99%
Norway	6.2%	-29.1%	0.24%	-0.64%	-2.74%
Australia	6.5%	-25.3%	1.38%	N.A.	-0.69%
Canada	10.3%	-15.6%	2.61%	N.A.	N.A.
United States	18.2%	-11.8%	2.85%	-0.32%	-2.22%

Note: Gender Gap for Social Transfers = (Other Family Social Transfers/Other Family Market Income) - (Female-Headed Family Social Transfers/Female-Headed Family Market Income)
Gender Gap for Taxes = (Other Family Taxes/Other Family Market Income) - (Female-Headed Family Taxes/Female-Headed Family Market Income)
Gender Gap for Child Support = (Other Family Child Support/Other Family Market Income) - (Female-Headed Family Child Support/Female-Headed Family Market Income)

Source: Luxembourg Income Study