

## **Gender Wage Gap within talents: a cross-countries analysis**

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The focus of this paper is the labour market outcomes in terms of wages of a particular group of the population: talents defined as highly skilled persons aged from 25 to 40. Our main research questions are: What is the wage gap between talents and non talents? And, within talents, what is the gender wage gap? What are the findings of a decomposition of the gender gap? Are our findings affected by the COVID-19 shock? We will compare the condition of talents/non talents of Italy with respect to other countries, i.e. the main countries of destination of Italian talents, which are Germany, France, Spain, and the UK.

The reason for this special focus is connected to the potential contribution that talents can provide to the countries in terms of growth and innovation and to understand the reasons of their mobility across countries. Not attracting young talents and seeing them migrate to other countries, can be considered detrimental especially for countries like Italy with a low economic growth, skill shortages, and characterized by aging and low fertility rates.

We measure wage inequalities between and within countries, by talent status and by gender producing statistical analysis. To explore our focus we use data from the European Union Statistics on Income and Living Conditions Survey (EU-SILC) survey, which is conducted in most European Union countries by the relevant national institutes of statistics using harmonized definitions and survey methodologies. The topics covered by the survey encompass living conditions, income, social exclusion, housing, work, demography, and education. The use of such data, therefore, allows obtaining comparable information across countries of the main variable of interest, i.e. gender wage gap for talents. Our analysis considers the cross-sectional version of the data for Italy, Germany, France, Spain, and the UK. We will consider the years 2018 and 2022. The time span allows comparing the situation before and after COVID-19. We offer both a descriptive and econometric analysis.

Our first results show how the unadjusted wage gap for talents comparing Italy and Germany is by 41% for the whole population and is higher for women. A smaller gap at the disadvantage of talents in Italy can be found with regards to French talents (21%) and again is doubled considering the distance in wages by gender. According to the literature on high skilled workers the observed gap in wages can be considered as a push factor for Italian talents towards Germany and France. On the other hand, the wage gap for talents is at the disadvantage of talents living in Spain again showing more distance for male

than female talents.

Turning to the unadjusted gender wage gap within talents, we find they are always at the disadvantage of women and higher for women in Italy (23%), lowest in Spain and France where the gender gap in wages is 10%.

We do find evidence of different gender wage gaps also for talents whose entity differs amongst the countries analysed. These findings motivated the econometric investigation.

The second part of the paper aims at reconstructing the determinants of gender wage gap within and between the identified countries by using decomposition analysis. We will explore the role of explained and unexplained characteristics on the wage gap between talents and non talents, and within talents, between gender.

The results obtained allows to provide more information on the determinants of gender wage gap and talents wage gap in the countries analysed, adding quantitative evidence to the analysis of potential push factors for high skilled workers emigration with a focus on gender inequalities to guide proper policies.