

To be or not to be (employed): two decades of fluctuating earnings and income inequality in Spain*

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Abstract

This paper offers a descriptive overview of the evolution of individual earnings and household income inequality in Spain in the last two decades. During this period, there has been a noteworthy increase in the level of education of the working-age population (25-60 years old) along with a rise in female labour force participation. Substantial changes have also occurred in household size and composition, with reductions in marriage and cohabitation, in particular among lower educated groups. These changes directly impact the distribution of individual earnings and household income and, therefore, the evolution of inequality. Fluctuations in inequality, however, primarily moved with the business cycle. After a period of decreasing inequality during the mid-1990s expansion, the 2008 crisis led to sharp rises in both earnings and income inequality that peaked around 2014. After that, both unemployment and inequality decreased, except for the transitory surge during the pandemic. By 2022, inequality indicators have almost returned to pre-2008 levels.

JEL Classification: D31, I24, J21, J31

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The data that support the findings of this study are available from the corresponding author upon reasonable request.

1 Introduction

The Spanish economy has undergone significant transformations throughout the past century, from a devastating civil war and post-war period to joining the European Union in the 1980s. Since then, notable advancements were observed in the educational attainment of the working population and in female employment, both coming from very low levels. Other significant demographic dynamics occurred during this period, such as an ageing population and a reduction in the number of marriages and children. At the same time, the trajectory of the Spanish economy has been marked by three significant recessions that started in 1991, 2008, and 2020. In between these downturns, there have been periods characterized by long expansions. From the mid-1990s up until the onset of the Great Recession, Spain experienced a noteworthy average annual growth rate of 2.5% in GDP per capita at constant prices, surpassing the European average. Nonetheless, these seemingly favourable figures concealed an imbalanced growth that fuelled the real estate bubble. Subsequent to the collapse of the bubble, the international financial crisis in 2008, and the following debt crisis in 2010, the Spanish economy suffered a steep decline until 2013. From 2014, a gradual recovery emerged. Lastly, the downturn caused by the COVID-19 pandemic was of relatively short duration. Even though, Spain has been among the last advanced economies to regain its pre-2020 economic levels ([OECD, 2023](#)). Moreover, structural problems such as one of the highest unemployment rates in Europe, the presence of a dual labour market and a rigid wage determination system have contributed to a volatile labour market during the first two decades of the 21st century (see, among others, [Arellano et al., 2022](#), [Bentolila et al., 2021](#), [García-Louzao et al., 2023](#), or [García-Pérez et al., 2019](#)).

Income inequality in Spain is among the highest within developed countries. At the same time, Spain is characterized by a moderate degree of wealth inequality associated with a relatively more widespread home ownership than in other countries ([Anghel et al., 2018](#)).¹

¹Although the level of wealth inequality is comparatively low, it has increased since 2011, due to the reduction in the percentage of households that own their main home, especially among the youngest ([Banco de España, 2023](#)).

Another Spanish specificity is that earnings and income inequality are strongly countercyclical, boosted by the abrupt fluctuations in employment ([Bonhomme and Hospido, 2017](#)).

This paper adopts a descriptive but comprehensive approach to analyse the evolution of inequality in individual earnings and household income in Spain during these last two decades up until 2022. It builds upon the [Deaton Review Country Studies](#), a collaborative effort involving 17 advanced economies, which focuses on data and measurement harmonization to gain insights into the drivers of economic inequalities across high-income countries.

To understand the changes in earnings inequality, we first describe the main developments on the Spanish labour market, followed by the analysis of the evolution of hourly wages and hours worked. These variables together shape workers' annual earnings, which we subsequently discuss later. Lastly, we delve into the evolution of household incomes and assess the role of the Spanish welfare state in mitigating inequality. Given the important changes in the level of education of the working population and in the female labor force participation, in some parts we extend the analysis by distinguishing by gender and level of education. Finally, it is important to note that this paper focuses on the working-age population (25-60 years old), as income from labour market is their primary source of income.

Our paper is closely related to [Anghel et al., 2018](#) which analyses the level of inequality in Spain and its evolution during the last financial crisis and the early stages of the subsequent recovery, primarily from 2006 to 2014. We extend their analysis, by considering a larger period of time, which enables us to identify the main trends in the evolution of inequality. In interpreting the results related to the evolution of inequality we try to link them to the main developments of the Spanish labour market which took place in the last two decades.

The rest of the paper is organized as follows. Section 2 presents the data sources and variables used in the analysis. Section 3 describes the main developments on the Spanish labour market in the last two decades. Section 4 analyses individual earnings inequality (hourly wages and annual earnings), and Section 5 household income inequality. Finally, Section 6 concludes.

2 Data sources and variables

This paper combines several surveys, namely: the Labour Force Survey (EPA - *Encuesta de Población Activa*, by its Spanish acronym), the Wage Structure Survey (EES - *Encuesta de Estructura Salarial*), and the Life Conditions Survey (ECV - *Encuesta de Condiciones de Vida*).

We consider individuals in their working age, from 25 to 60 years old, in order to ensure the homogeneity of the samples considered in the different surveys.

For analysing employment and the education level we use EPA. This survey is available every year since 1976 up until 2023.

The evolution of hourly wages and hours worked is analysed using employee data from the EES. This is available in the following years: 1995, 2002, 2006, 2010, 2014, and 2018. Hourly wage is calculated by dividing the gross monthly wage by hours worked in a normal working week in the firm (taking as reference a week in October), multiplied by 4.35 plus the number of overtime hours worked in that month. Monthly wage includes: base wage, overtime pay, the two extra payments (as Spanish wages are generally paid in 14 monthly payments rather than 12) and all pay supplements. To ensure comparability across different years of the EES, we compute hourly wages for employees in firms with at least 10 workers and excluding certain sectors of activity that were not part of the initial survey waves.²

To scale up the information to annual earnings, however, the EES survey assumes that employees work the full year. This assumption tends to overestimate earnings for individuals at the bottom of the distribution and, consequently, underestimate inequality. To solve this limitation, when we analyse the evolution of inequality according to annual earnings, we use data from the ECV survey. The ECV is available annually from 2004 to 2023 and it provides information on earnings and time worked at both individual and household level.³

²These excluded sectors are: Agriculture, hunting and forestry, Fishing, Public administration, social security, and defence; Domestic service and home production, Extra-territorial organizations and bodies, Education, Health and Social Work, Other community, social and personal service activities.

³The European version of the ECV (EU-SILC) provides comparative statistics on the distribution of income and on social exclusion in Europe.

The reference year for earnings is the year before the survey. The ECV includes information on both employed and self-employed workers, does not exclude any sector or type of firm, and reflects total annual labour income without any adjustment to reflect full-time equivalent.

To analyse total income of the households we use the ECV. Total household income is equivalised using the modified OECD equivalence scale,⁴ so as figures are a measure of the annual income available per adult household member.

We categorise education levels into three groups: low (ISCED 0-2), medium (ISCED 3-5) and high (ISCED 6-8).

Finally, monetary variables from all sources are adjusted to account for inflation, using the year 2021 as the reference currency year.

3 Main developments on the Spanish labour market

We start our analysis by describing the most important developments in the workforce in Spain over the last two decades. During this period and even today, the Spanish labour market is characterized by two salient features relative to other advanced economies: the structurally high level of unemployment and its marked cyclicity ([Dolado et al., 2021](#)).

Over the 1977-2023 period, unemployment was on average 14%, reaching peaks as high as 20% in 1994 or 24% in 2013, in the worst moments of each crisis. Also, except for the expansionary period 2001-2008, long-term unemployment usually represents half of the total unemployment.

There are other often-mentioned problems in the Spanish labour market that contribute to this pronounced cyclicity of unemployment, such as the rigid wage determination system, the high temporary rates, the low firm productivity, and the high entry barriers for young workers ([Adamopoulou et al., 2024](#); [Barceló et al., 2021](#); [Estrada et al., 2009](#); [Izquierdo et al., 2003](#); [Ramos et al., 2022](#)).

At the same time, the Spanish labour market experienced relevant compositional changes,

⁴The OECD equivalence scale assigns a value of 1 to the first household member, 0.5 to each additional adult and 0.3 to each household member under 14 years of age

the two most important being the massive entry of women into the labor market and the increase in the educational level of workers.

The employment rate for women increased spectacularly over this period, from 28% in 1977 to 71% in 2023 (Figure 1). As a consequence of that, the gender gap in employment diminished from 69% in 1977 to 13% in 2023 (Guner et al., 2014).

Regarding the education level of the working population, in 1977, 91% of the workers had only completed primary education or less whereas the remaining 9% was equally spread among those with secondary education (4.7%) and those with tertiary education (4.7%). By 2023, 34% of the population had at most primary education, 36.3% secondary education, and 29.7% tertiary education (Figure 2).⁵

Although educational attainment has advanced more rapidly for women, they still have systematically lower employment rates than men at all educational levels (Figure 3). Over the period 1977-2023, the average employment rate of tertiary-educated males was 86% versus 74% for females (a difference of 12 percentage points). The gender gap is larger among those with secondary education (85% for males versus 58% for females, a difference of 27 percentage points) and is the highest among those with at most primary education (76% for males versus 36% for females, a difference of 40 percentage points). Over time, gender gaps were generally decreasing until 2013, but since 2014 the trend has halted. The most recent empirical evidence illustrates that the participation of women with children in the labor force remains low compared to that of men, due to the inability of social policies (such as paternity leave, tax incentives or policies family) to fully overcome traditional gender roles (Osuna, 2018; Hupkau and Ruiz-Valenzuela, 2022).

Given these important structural shifts in the composition of the workforce, particularly in terms of gender and education level, we will examine also inequality changes within these groups.

⁵Despite this positive evolution, the Spanish education system continues to have problems such as the high dropout rates during secondary education, especially among men (Felgueroso et al., 2014).

4 Inequality of Hourly Wages and Annual Earnings

We start our analysis by documenting how the developments on the labour market described in 3 impact the evolution of wage and earnings inequality in Spain.

According to [Anghel et al., 2018](#), on average, annual earnings constitutes 60% of the total annual income for Spanish household members. They are a function of the hourly wages the workers receive and the number of hours they work in a period. Therefore, in order to assess the evolution of earnings inequality, we analyse first variations in hourly wages and second variations in the number of hours worked.

The median real hourly wage in Spain barely changed from 10.1 euros in 1995 to 10.2 euros in 2018. By gender, over the period 1995-2018, males had a median hourly wage of 11.1 euros versus 8.7 euros for females. This gender gap went from the average hourly wage of women representing 78% of that of men in 1995 to 83% in 2018.⁶

By gender and level of education, Figure 4 illustrates that between 1995 and 2018 median real hourly wage diminished for males with tertiary education, it remained quite stable for those with secondary education and it increased for those with primary education. For females, on the contrary, median real hourly wages increased for the groups with primary and tertiary education, while it stayed stable for those with secondary education. The graph also shows that both for men and women, the college premium (that is, the ratio of the median hourly wages of the most highly educated relative to the least) diminished over the period, but particularly so from 1995 to 2006.

Figure 5 depicts the evolution of wage inequality measured by the 90:10 and 50:10 percentile ratios. In 1995, individuals in the 90th percentile earned 3.7 times more than those of the 10th percentile. This ratio went down to 3.1 in 2014 and then slightly increased to 3.2 in 2018. When we look at the 50:10 ratio we observe that hourly wage differences are significantly smaller at the low end of the distribution. The evolution of the 50:10 ratio is

⁶Interestingly, gender differences in hourly wages increase along the working life: gender wage gaps at age 25 are smaller at every education groups than the gap at later ages.

very similar to that of the 90:10 ratio over the period considered: it decreased from 1.7 in 1995 to 1.6 in 2014 and then it remained stable until 2018.⁷

The literature has proposed the following explanations for, first, the decline in inequality and, second, the stabilisation. During the expansion until 2008, employment increased substantially while, at the same time, Spain experimented a decrease in the college premium among those working (Pijoan-Mas and Sánchez-Marcos, 2010). During the Great Recession, on the contrary, the required adjustments were done in terms of reducing the amount of people working and less so in terms of the wages of those that remained employed (Bonhomme and Hospido, 2017), hence inequality in hourly wages did not increase much.

To further understand the changes in earnings inequality over time, it is thus essential to examine the evolution of hours and days worked. In Spain, there has been a decline in hours worked per week from 39.4 hours in 1995 to 36.8 in 2014. Working hours recovered slightly in 2018 (up until 37.1 hours), however they are still below the 1995 level.

Figure 6 shows that men, regardless of their educational attainment, work on average around 39 hours per week. Only in the case of men with at most primary education we observe a reduction in their working hours, from 40.1 in 1995 to 38.4 in 2018. For women, on the contrary, differences in working hours across education groups and over time are substantial. On average over the period 1995-2018, females with at most primary education worked 33.6 hours per week, 36.5 those with secondary education, and 37.9 those with tertiary education. From 1995 to 2018, working time among employed women has decreased 5 hours for primary-educated, 2.5 hours for secondary-educated, and 0.6 hours for tertiary-educated. These findings indicate that low educated females that have low hourly wages experienced also the most significant decrease in their working hours.⁸

Finally, we examine the evolution of annual earnings which depends on the evolution of

⁷By gender, the graph shows a similar pattern both for males and females. We also get similar results when we use instead the Gini index as a measure of inequality. The Gini index went down from 0.26 in 1995 to 0.24 in 2006, and then increased to 0.26 again in 2018.

⁸The decrease in working hours for females during this period could be explained by the increase in female employment along these years. It is possible that new working women joined the workforce with shorter working hours.

both hourly wages and the total amount of hours worked. We have seen that on average hourly wages are stagnant and working hours got reduced over the period 1995-2018, particularly for women. As a result of such developments, we expect that annual earnings of workers should decline. The data from the ECV which has information on annual earnings indicates that indeed the median real annual earnings declined from 18.1 thousand euros in 2005 to 15.8 in 2014. After that, they increased again up to 17.6 in 2022, although without fully recovering yet the levels before the Great Recession. ⁹

Figure 7 illustrates the evolution of earnings inequality using the 90:10 and 50:10 percentile ratios. Two sub-periods stand out in the graph. The first one is between 2005 and 2014 when inequality increased almost continuously - the 90:10 ratio almost tripled (from 6 to 17) and the 50:10 ratio more than doubled (from 2.8 to 6.7). During this period Spain experienced a significant decline in employment, particularly among men, along with reduced working hours, especially for women. These effects left many individuals with little or no income from employment, contributing to an increase in inequality. The second period starts after 2014 when inequality begins to decrease, with the exception of the COVID-19 episode in 2020 that led to a temporary surge in inequality.¹⁰ We could attribute this decrease in inequality of annual earnings to the increase in employment in this recovery period, given that hours worked did not change much.

When we analyse earnings inequality by gender, we observe higher indicators for women than for men, contrary to what we observe regarding wage inequality (Figure 5). This result is related to the previous finding that men tend to have very similar working hours regardless of their education level, whereas for women there are bigger disparities in terms of working hours and employment, depending on their level of education.

⁹By gender, the evolution has shown only some mild convergence. Figure A1 shows that women's median earnings represented 70% of men's median earnings in 2005, and by 2022 the gap was 80%. This slow convergence has also been noticed by Osuna, 2018. Despite being more educated than men, women still earn much less.

¹⁰If we instead consider the evolution of the Gini coefficient we find a similar pattern: during the period 2005-2014 it increased from 0.35 to 0.45, and after 2014 it started to decrease, with the exception of the pandemic in 2020 when it increased again.

In summary, the evolution of inequality in Spain differs significantly when comparing hourly wages and annual earnings. While hourly wages inequality remained relatively stable (with slight decreases before the financial crisis), annual earnings inequality experienced significant changes from 2005 to 2022. It increased until 2014 and then decreased in the expansion period (with the exception of the year of the pandemic). Moreover, inequality measures are significantly higher when considering annual earnings rather than hourly wages, which can be attributed to changes in time worked. [Anghel et al., 2018](#) highlight that Spain is one of the countries that exhibits the largest increase in inequality when analysing annual earnings instead of hourly wages, possibly due to the higher prevalence of short-term and short-hour contracts among workers with lower hourly wages.

5 Inequality in Household Income

In this section we broaden our analysis of inequality, by taking into account the entire household income. In addition to individual wages, we must account for other sources of income like self-employment earnings, capital income, unemployment benefits, pensions and other (mostly public) transfers.

To gain a deeper understanding of the changes in household income, we begin by analysing changes in household composition over time. These changes play an important role in the distribution of household incomes. The total number of members in a household, the presence of children or the employment status of the members are all variables that contribute to the total income received by a household.

The first salient fact about the composition of Spanish households is the reduction of marriages, from around 80% of the population to less than 60% in 50 years. Part of this decline has been compensated by an increase in cohabitation since the turn of the century. If we consider cohabitation and marriages together, the number of couples living together has decayed more significantly for the least educated group (from 84% in 1977 to 68% in 2023) than for the tertiary-educated group (74% and 65%, respectively).

The second fact is that, as women’s labour force participation increased, the likelihood of having dual earners couples versus single earner is also higher now.

As a result of these shifts, three main changes occurred on the typology of Spanish households (Figure 8): first, a significant decrease in the share of couples with children (from 42% in 1988 to 30% in 2023)¹¹; second, a substantial increase in the share of single households without children (from 3.7% in 2000 to 13.4% in 2023); and, third, a sizeable number of households (over 20%) composed of parents and adult children. For this latter group, there exists a noticeable gradient by education of the parents with important consequences for inequality: in the case of parents with lower education, this category represents 34% of the total number of households, while in the case of parents with tertiary education, this category represents 16%.

Keeping in mind these compositional changes, next we analyse the evolution of household income and of income inequality. Median real gross household income has not changed substantially since 2005. At that time, it was 18 thousand euros, the same level as in the worst moment of the Great Recession. By 2022, median real gross household income was 20 thousand euros. The evolution of median disposable income is similar: from 15 thousand euros in 2005, and 2014, to 17 thousand euros in 2022. When we look at the group of working households, they have twice as much disposable income as non-working households. Similarly there exist large differences by educational level of the household members. Households with tertiary education have almost twice as much disposable income as those with primary education (21 thousand euros versus 12 thousand euros in 2022).

Figure 9 shows the evolution of the main ratios of household income percentiles in Spain. They show a strong countercyclical pattern. Over the past two decades, we can identify three distinct periods during which inequality closely tracked unemployment. The first period corresponds to a decrease in inequality until 2007. The second period, corresponding to the recession, saw an increase in inequality until 2013. Finally, since 2014, there has been

¹¹During the 2000s, this decrease was partially compensated by the influx of immigrants who had higher fertility. Nevertheless, this effect was short lived.

a progressive decline in inequality, altered only by the COVID-19 pandemic. The 90:10 percentile ratio started from a value of 5.7 in 2003 and reached its highest value of 5.8 in 2014, during the financial crisis. Comparing the evolution of the 90:50 and 50:10 ratios, we see that the latter has increased the most. This suggests that inequality at the bottom of the distribution is behind the increase in overall inequality between 2007 and 2014. It is important to note that factors such as the pension system, the increase in top marginal rates between 2012 and 2014 and the increase in household size helped limit the expansion of inequality during the worst moment of the crisis (Anghel et al., 2018). After 2014, the percentile ratios decreased except for the year of the pandemic. By 2022, they reached levels similar to those observed before the financial crisis.¹²

Finally, we discuss the redistributive role of the welfare state in mitigating the inequality of household income in Spain (Figure 10).

Panel A shows the proportion of the gross household income which can be attributed to the welfare state's benefits, by quartiles of the income distribution. We can see that in the years of the recessions, both in 2014 and 2020, for the bottom quartile of the income distribution, 35% of the income represented benefits, compared to a 10% for the top quartile. Outside the peaks, values stand at around 28% for the bottom quartile and 9% for the top. This increase in the proportion of benefits only for the poorest quartile during recessions suggests that the redistributive character of the welfare state in Spain improves during those episodes.

Panel B shows the fraction of gross household income which is represented by direct taxes.¹³ Over the sample period, the lowest income quartile paid an average of 9% of direct

¹²Figure A2 shows several indicators of household income inequality. Notably, during the financial crisis both the Gini coefficient for disposable household income and the relative poverty indicator (the share of households with income below 60% of the median) reached peak values of 0.34 and 23.3%, respectively. The income share held by the top 1% peaked earlier in 2010, rising to 4.8%. As in the case of earnings inequality, we observe a reduction in household inequality since 2013 (with the exception of the pandemic year). In 2022, the Gini coefficient stood at 0.31, the relative poverty indicator was 19,1% and the income share belonging to the top 1% was 3.8%. These values closely resemble the pre-financial crisis levels observed in 2007 and 2008.

¹³The direct taxes considered here are the personal income tax and the wealth tax, also including employee social security contributions.

taxes, while the highest income quartile paid 22%. The level of progressivity of these taxes peaked in 2016, with the top quartile paying 4 times more in direct taxes than the bottom quartile. By 2022 this ratio decreased to around 3 times, similar to the pre-crisis level in 2007 or 2008.

Panel C indicates that once both benefits and taxes are considered, household disposable income is around 85% of gross income. In 2022, the variation across quartiles was substantial: the poorest quartile has a disposable income that represents 87% of their gross income, while for the richest quartile the corresponding figure is 75%. The range of that variation has remained above 10 pp since 2008.

6 Conclusions

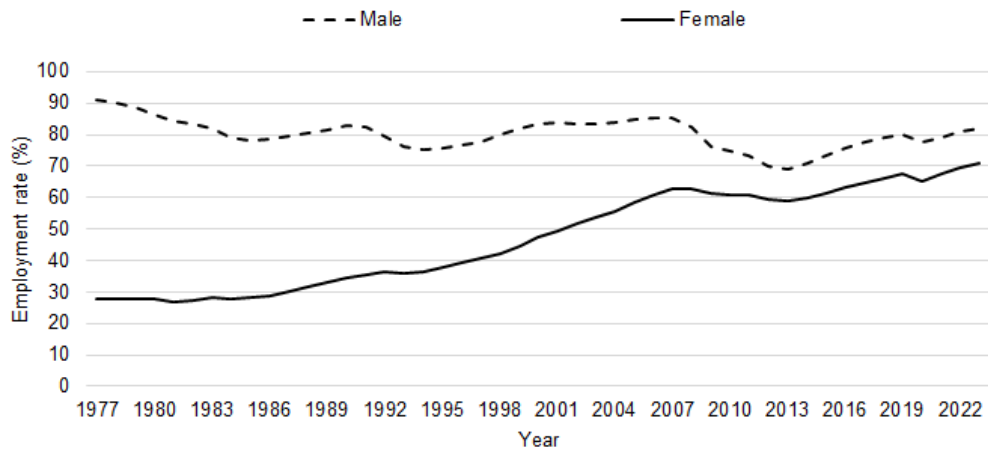
During the last two decades, fluctuations in earnings and income inequality have closely followed the business cycle in Spain. During the mid-1990s expansion we observed a decline in income inequality. The global financial crisis of 2008 had significant repercussions in Spain. Both earnings and income inequality peaked at around 2014. Moreover, the economic downturn affected mostly vulnerable groups with a less stable labour market situation, like households with lower educational attainment, individuals in non-working households and immigrant households. After the crisis, there was a gradual decrease in inequality. Despite the sharp reversal during the pandemic, the inequality indicators continued on a downward path in 2021 and 2022. This was mainly a result of the recent growth of activity and employment and the various initiatives deployed by the authorities (see Banco de España, 2023). By 2022, the inequality indicators have returned to levels similar to those before 2008.

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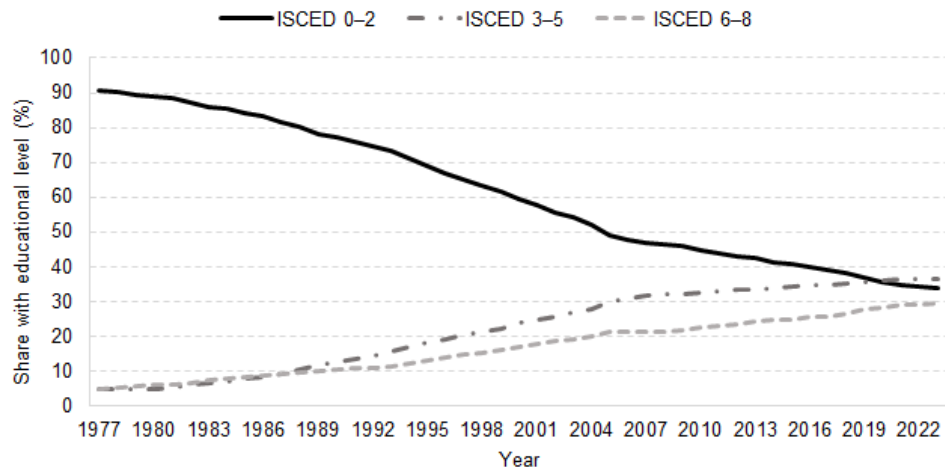
Figure 1: Employment rates by sex, over time



Source: Labour Force Survey (EPA, Spanish National Institute of Statistics) 1977-2023.

Notes: Sample is individuals aged 25-60 who have completed full-time education.

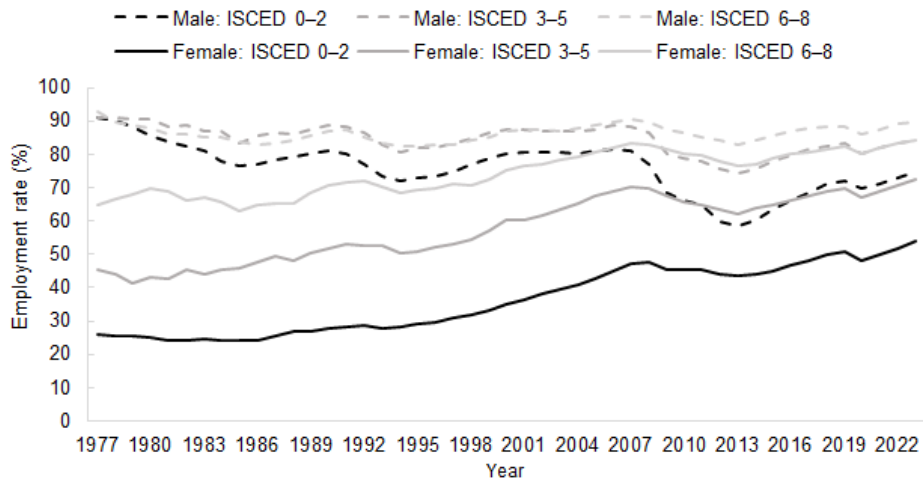
Figure 2: Educational attainment over time



Source: Labour Force Survey (EPA, Spanish National Institute of Statistics) 1977-2023.

Notes: Sample is individuals aged 25-60 who have completed full-time education.

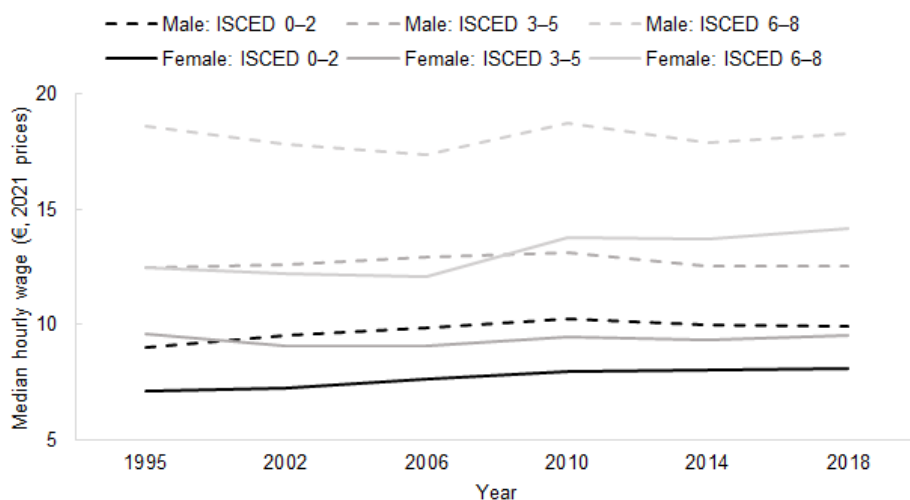
Figure 3: Employment rates by sex and education, over time



Source: Labour Force Survey (EPA, Spanish National Institute of Statistics) 1977-2023.

Notes: Sample is individuals aged 25-60 who have completed full-time education.

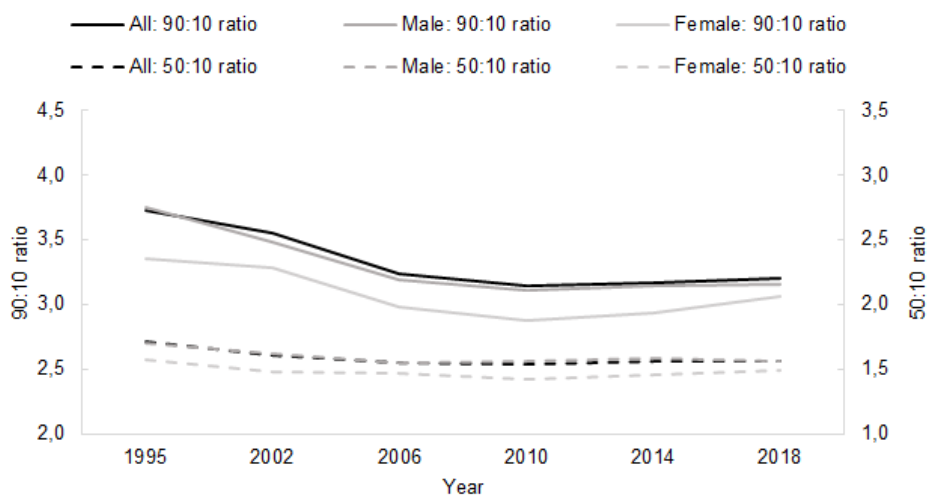
Figure 4: Median real hourly wage among employees by sex and education, over time



Source: Structure of Earnings Survey (EES, Spanish National Institute of Statistics) 1995, 2002, 2006, 2010, 2014, 2018.

Notes: Sample is employees aged 25-60. Wages are in 2021 prices.

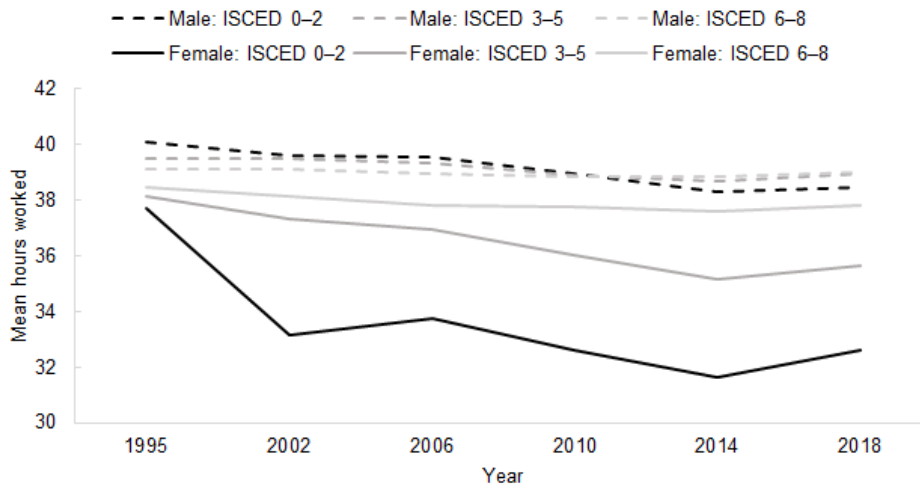
Figure 5: 90:10 and 50:10 ratios of hourly wages among employees, overall and by sex, over time



Source: Structure of Earnings Survey (EES, Spanish National Institute of Statistics) 1995, 2002, 2006, 2010, 2014, 2018.

Notes: Sample is employees aged 25-60.

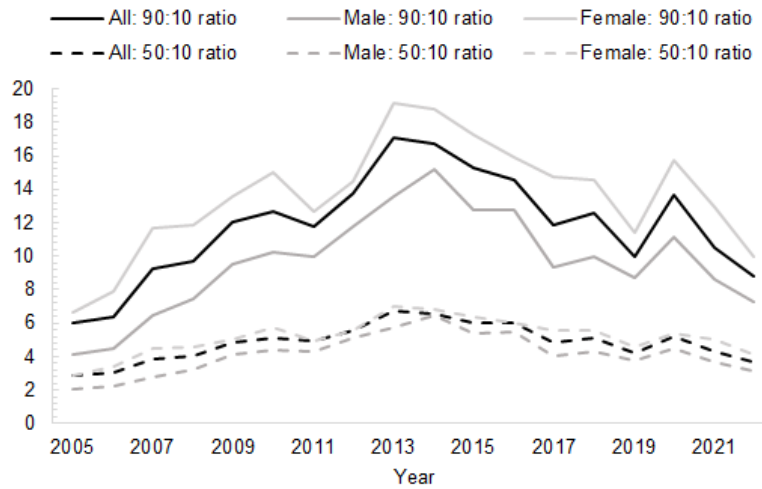
Figure 6: Mean hours worked among employees, by sex and education, over time



Source: Structure of Earnings Survey (EES, Spanish National Institute of Statistics) 1995, 2002, 2006, 2010, 2014, 2018.

Notes: Sample is employees aged 25-60. Hours include paid (but not unpaid) overtime and have been top-coded to 97 hours per week.

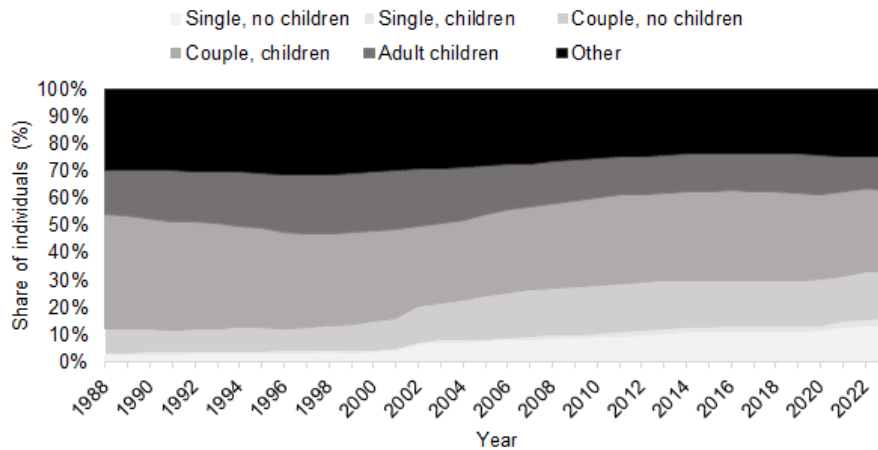
Figure 7: 90:10 and 50:10 ratios of gross individual earnings by sex, over time



Source: Life Conditions Survey (ECV, Spanish National Institute of Statistics) 2006-2023.

Notes: Sample is employees and self-employed aged 25-60.

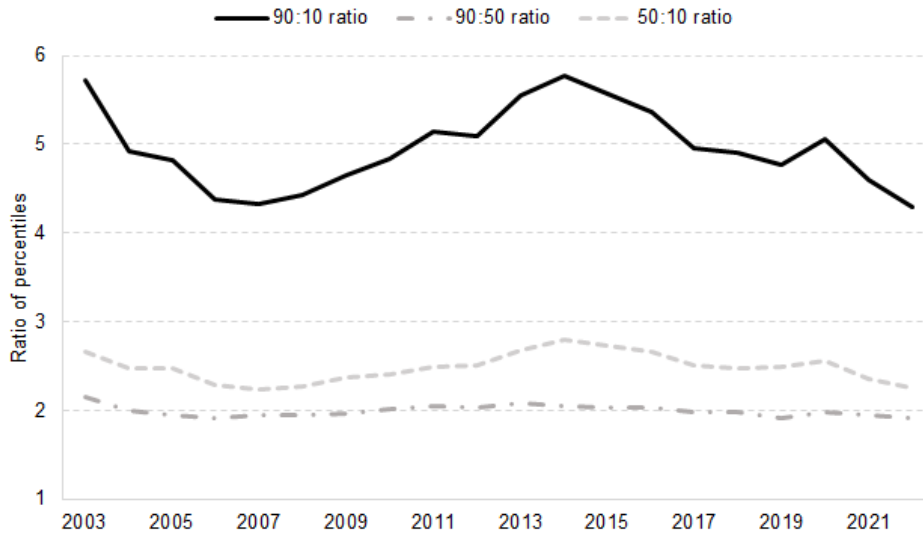
Figure 8: Share of households by different types, over time



Source: Labour Force Survey (EPA, Spanish National Institute of Statistics) 1988-2023.

Notes: Sample is individuals aged 25-60 who have completed full-time education. "Single, no children" refers to households with one adult and without children, "single, children" refers to households with one adult and children, "couple, no children", refers to households with a couple and no children, "couple, children" refers to households with a couple and children, "adult children", refers to households with parents and adult children.

Figure 9: 90:10 and 50:10 ratios of disposable household income for all households, over time

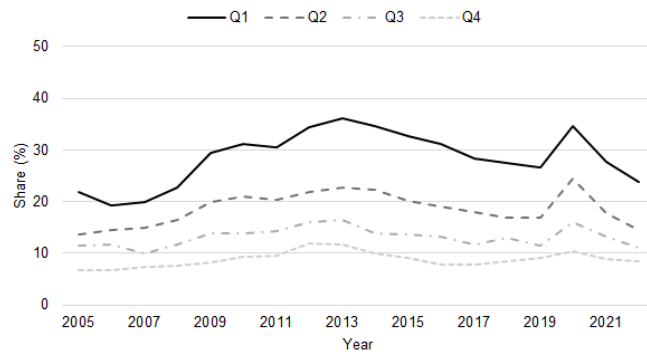


Source: Life Conditions Survey (ECV, Spanish National Institute of Statistics) 2004-2023.

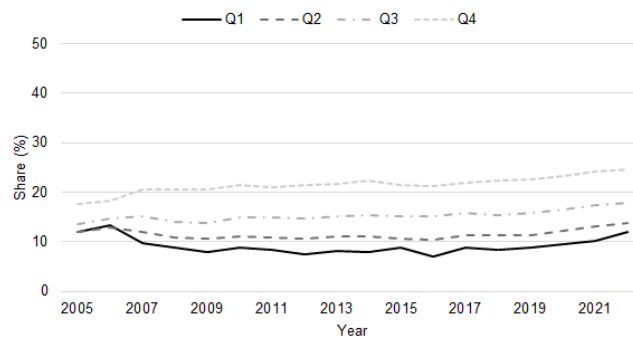
Notes: Sample is individuals aged 25-60.

Figure 10: Welfare state effect on incomes, by quartiles

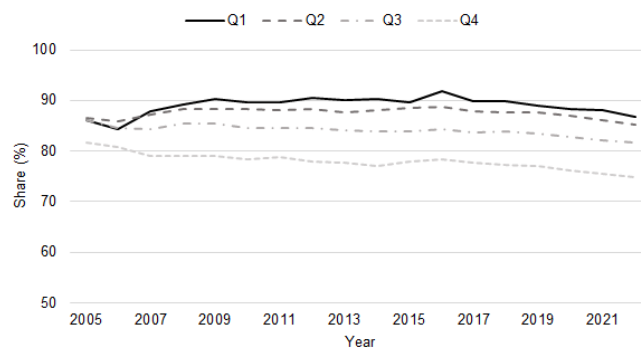
Panel A: Benefits / (Gross Income + Employee SSCs)



Panel B: Direct taxes / (Gross Income + Employee SSCs)



Panel C: Disposable Income / (Gross Income + Employee SSCs)

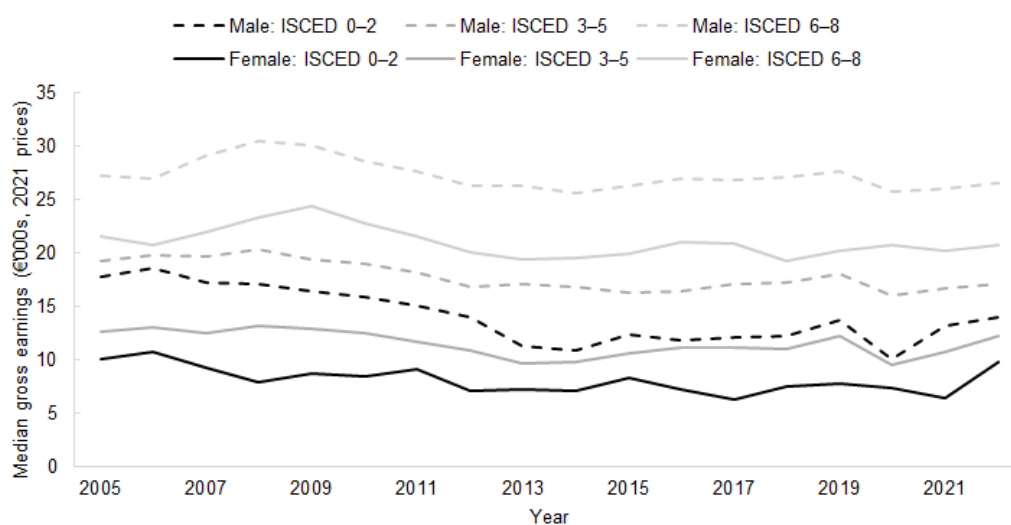


Source: Life Conditions Survey (ECV, Spanish National Institute of Statistics) 2006-2023.

Notes: Sample is individuals aged 25-60. Individuals with zero or negative earnings are excluded. Benefits include unemployment, old-age, survivor, sickness and disability benefits, education, family, children and housing allowances, and other social exclusion benefits not elsewhere classified.

A Additional Figures

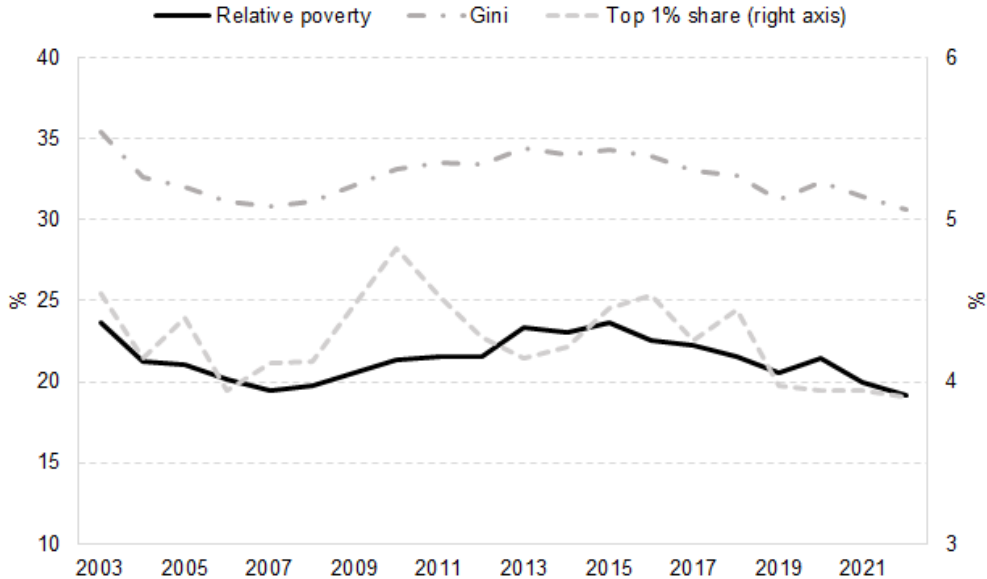
Figure A1: Median real gross individual earnings, by sex and education, over time



Source: Life Conditions Survey (ECV, Spanish National Institute of Statistics) 2006-2023.

Notes: Sample is employees and self-employed aged 25-60. Individual earnings are in 2021 prices.

Figure A2: Gini, relative poverty, and top 1% share of disposable household income for all households, over time



Source: Life Conditions Survey (ECV, Spanish National Institute of Statistics) 2004-2023.

Notes: Sample is individuals aged 25-60. The relative poverty rate is defined as the proportion of people living in households with income less than 60% of contemporaneous median income before the deduction of housing costs.