



THE DIVIDE:
ANALYZING GENDER BASED INCOME DISPARITIES IN
INDIA'S WORKFORCE

WORKING PAPER

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Abstract

This study examines gender income disparities in India using data from the Periodic Labour Force Survey (PLFS) 2023-24. Despite an increase in female labor force participation, significant income gaps persist across industries, social categories, education levels, and states. The median monthly income for women remains stagnant at ₹6,000 across the past few years, while men earn ₹15,000 in 2024, reflecting an income gap of 60%. The analysis highlights structural inequalities shaped by occupational segregation, cultural norms, and limited access to high-paying industries. Income disparities are more pronounced in urban areas and among higher-income social groups, while some industries, such as education and real estate, exhibit the largest gaps. Policy interventions focusing on equitable pay, enhanced labor market access, and gender-sensitive employment policies are crucial to addressing these inequalities and fostering inclusive economic growth.

Introduction

The participation of women in the economic activities of the country is recognised as critical in empowering women. The female labor force participation rate (FLFP) in India, which measures the percentage of women employed or actively seeking employment, declined from 2005 till 2017 after which it nominally picked up. It was 42.7% in 2005 (ILO, 2014) and it declined to 23.3% in 2017 (Female Labour Utilization In India, 2023). It has since increased to 41.1% according to the 2024 PLFS survey but critics argue that this increase has largely been driven by an increase in self-employment among women rather than them entering the workforce as salaried professionals (Economist, 2024). Even among those men and women who are in the labour force the pay is not equal (ILO, 2023). The income gap between men and women reflects systemic inequalities shaped by social, economic, and institutional factors. Women often earn less due to occupational segregation, undervaluation of female-dominated industries, and limited representation in leadership roles (World Bank, 2020). Economic transitions, such as the shift from agriculture to formal sectors, have exacerbated disparities as women are less integrated into high-paying industries (Chatterjee, Murgai, & Rama, 2015). Cultural norms, safety concerns, and discrimination further reinforce the gap, emphasizing the need for gender-focused policies to ensure pay equity (Agarwal, 2021). Ensuring that women get fair and equitable pay is required to ensure that women become part of the economy in a sustainable way and are thus able to achieve economic empowerment.

The State of Working India Report showed that while gender income disparities persist across all employment types, the gap is most severe in self-employment, where women earn only 40% of what men earn. This suggests that beyond occupational segregation, women face additional barriers in accessing credit, markets, and networks required for successful entrepreneurship. (State of Working India, 2023).

As part of its efforts to collect information about India's employment and unemployment scenario, the National Sample Survey Organisation (NSSO) carries out an annual survey called the Periodic Labour Force Survey (PLFS), based on which annual reports are released, along with quarterly reports. The NSSO also releases unit-level data with the annual reports, i.e. a cleaned version of data for every individual surveyed. The data for the year 2023-24, which was collected between July 2023 and June 2024, was released in July 2024. Analysing the data collected as part of the PLFS 2023- 24, given below is a quick overview of the gap in incomes earned by men and women in India.

Survey Overview

The PLFS 2024 surveyed 418,159 individuals from 101,920 households, with 311,650 respondents aged 16 years and above. Among these, 113,311 (72.9%) men out of a total of 155,402 were engaged in work according to CWS codes (Current Weekly Status) while the number for women was 53,301(34.1%) out of 156,248.

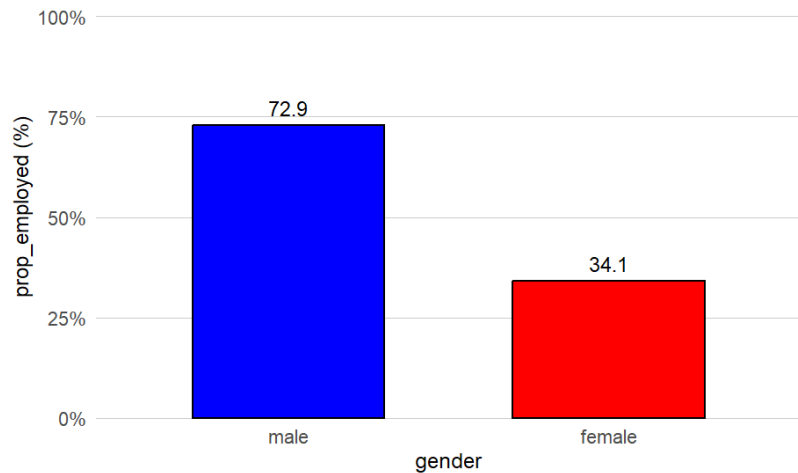


Figure 1: Proportion of Employed Individuals (Age 16+) by Gender
Share of employed persons within each gender group

See Figure 2 for the caste composition of the total respondents in the Survey. This carries over to the ones reporting an income as well where the caste proportions are similar. So, there is no discrepancy based on caste to report earning an income.

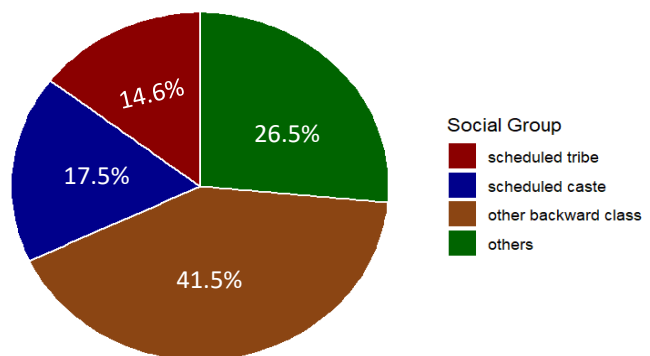


Figure 2: Caste Composition of Sample Households

Trends in Income Earned (2018-2024)

Figure 3 illustrates the female-to-male income ratio for salaried and self-employed individuals over the years 2018 to 2024, based on PLFS data. The salary ratio, represented by the blue line, remains relatively stable, fluctuating around 0.6, indicating that women earn approximately 60% of what men earn in salaried jobs. While there is a dip in 2022, the ratio shows an upward trend again in 2024. In contrast, the self-employment income ratio (yellow line) starts at around 0.4 in 2018, drops sharply in 2019, briefly improves in 2020, and then declines steadily, reaching its lowest point in 2024. This trend suggests that gender income disparity is more pronounced in self-employment, where women earn significantly less than men, and the gap has widened over time. Note that while estimating the median income for men and women, only persons who actually earn incomes have been considered, i.e. unpaid workers and the unemployed have been left out.

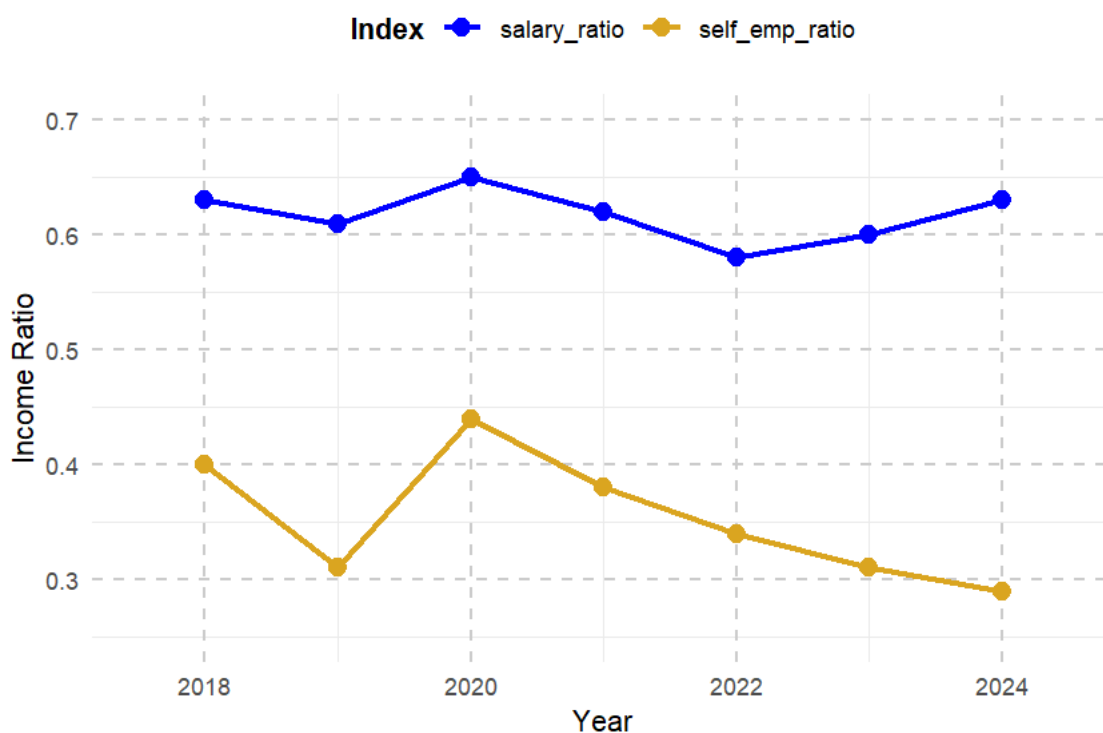


Figure 3: Female-to-Male Income Ratio Over the Years

Gender Differences in Reported Monthly Incomes

The reported monthly income levels show clear variation between men and women who participated in the survey (see Figure 4). Among men who reported earnings, monthly incomes range from ₹300 at the lowest end to ₹5,00,000 at the highest. The median income for men is ₹15,000, meaning that half of the male earners make less than this amount and half make more. The standard deviation of ₹17,171 suggests a widespread in men's earnings, indicating substantial income inequality within the group.

For women, the reported monthly incomes range from a minimum of ₹65 to a maximum of ₹3,20,000. The median income among women is ₹6,000, which is noticeably lower than that of men. Similar to men, women also show considerable variability in earnings, with a standard deviation of ₹14,117.

Overall, the data suggests a clear income disparity between genders. The median income difference, or wage gap is ₹9,000 per month, with men earning significantly more on average compared to women.

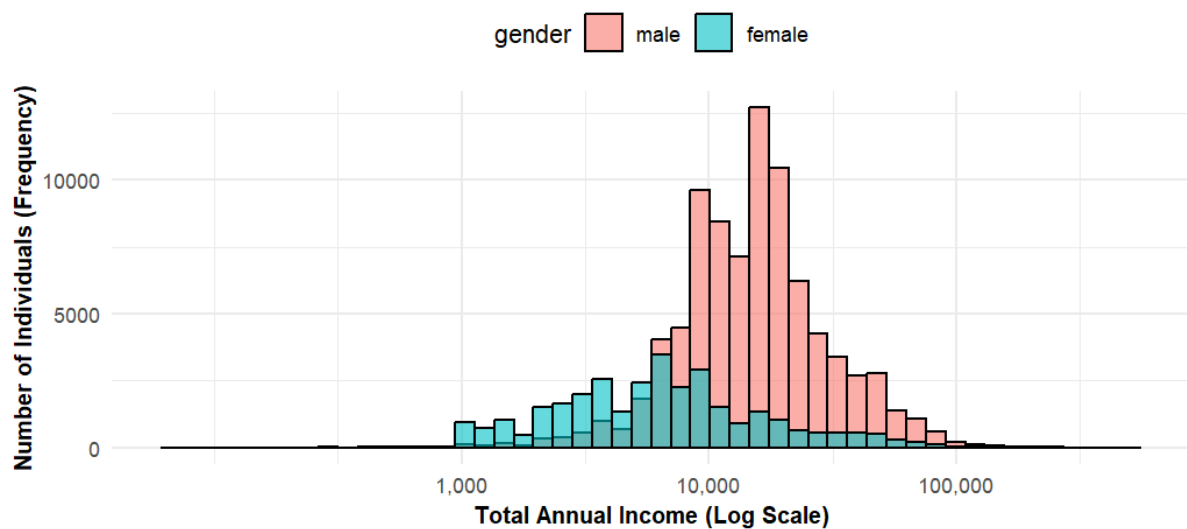


Figure 4: Distribution of Log-Transformed Total Income by Gender

Income Levels and Gender

27.5% of Men (N = 84,972) who report an income earn below 10,000 INR while 73.8% of Women (N=31,886) who report an income earn below 10,000 INR. A significant proportion of women (43.8%) fall in the lowest income bracket (0-5000), whereas only 5.3% of men are in this category. As income increases, the trend reverses, with a much higher proportion of men (45.4%) earning 15,000 and above, compared to only 15.7% of women. The middle-income categories (5000-15000) show a relatively balanced distribution, though men still have a slight advantage in the higher brackets. This distribution highlights the existing gender disparity in earnings, with women being disproportionately represented in lower-income groups.

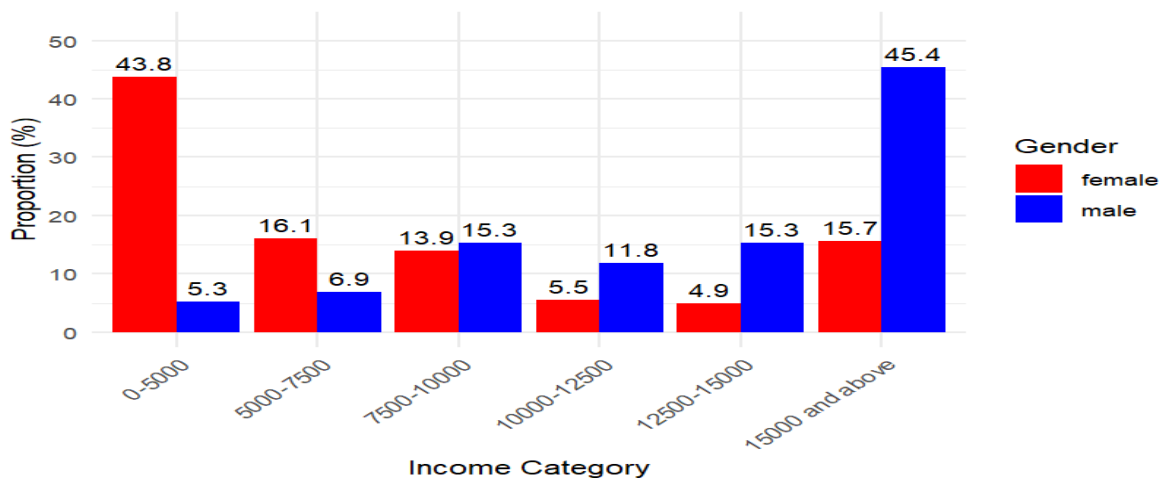


Figure 5: Income Distribution by Gender

Here we observe a decreasing trend in female representation as we move up the income ladder barring the highest income bracket. On further analysis it appears that College educated women are represented more in the highest income bracket. About 66% of the women in the highest income bracket have college or professional degrees whereas the proportion in the lower income brackets are much lower.

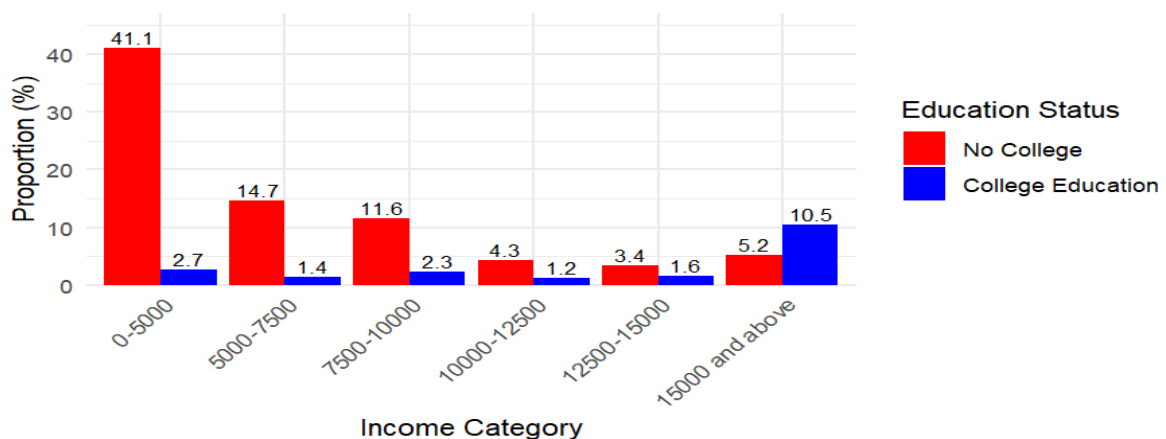


Figure 6: Income Distribution by Education Status (Females)

Gender and Income Disparities among Social Categories

For Scheduled Tribes (ST) (N = 11,197 males, 5,746 females), the gender income gap stands at 50%, with women earning half as much as men. Scheduled Castes (SC) (N = 12,545 males, 5,229 females) face a 56% income gap. Among the Other Backward Class (OBC) (N = 35,393 males, 12,289 females), the gap rises to 60%. The General category (N = 25,837 males, 8,622 females) shows the largest disparity, with a 64% gender income gap. These figures highlight significant income inequalities across all social categories, with the General category exhibiting the widest gap. Notably, the median income for ST women appears higher than that of women in other categories, primarily due to the influence of the Northeastern region, where women's incomes tend to be relatively higher, thus raising the median for the ST group overall.

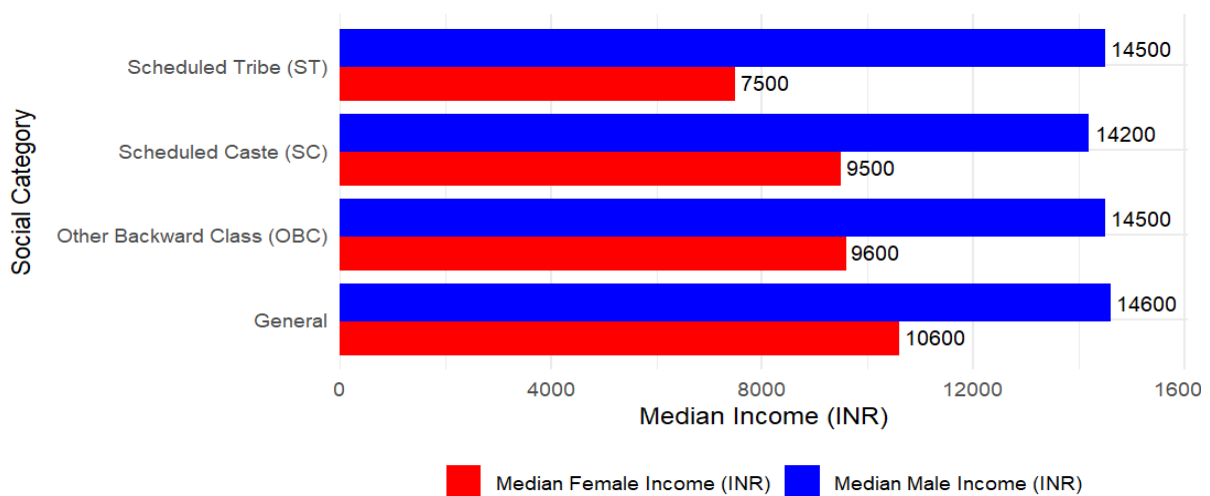


Figure 7: Median Income by Social Category and Gender

Across all groups, a majority of individuals have not attained a college education. Among males, the proportion of those without a college education ranges from 70.6% in the General category to 83.1% among Scheduled Castes (SCs) and 82.5% among Scheduled Tribes (STs). Among females, the pattern is similar, with 71.7% of women in the General category lacking a college education, compared to 86.6% in SCs and 85.5% in STs.

Women have a slightly lower share of college education than men in every social category. For instance, only 16.9% of SC men have a college education, compared to 13.4% of SC women, and among STs, the figures are 17.5% for men and 14.5% for women. The General and OBC categories show relatively higher levels of college attainment, with 29.4% of men and 28.3% of women in the General category having a college education, while 21.1% of OBC men and 18.7% of OBC women have attained college education.

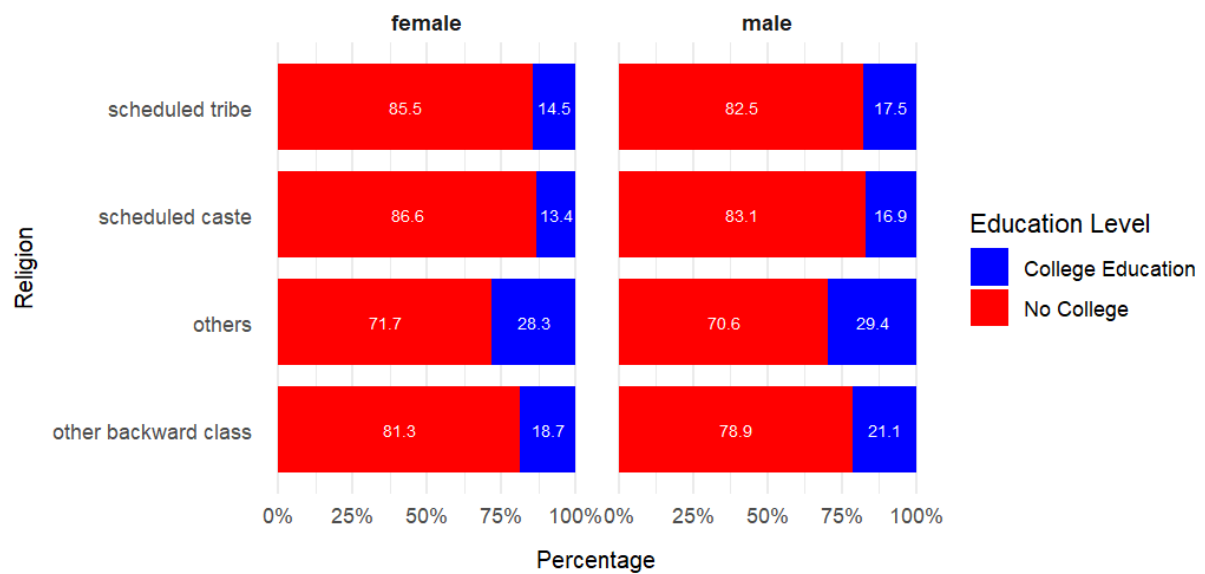


Figure 8: Educational Attainment Across Social Categories by Gender

Gender and Income Disparities across Religion

When analysing the median income differences between males and females across major religious communities in India, a consistent pattern emerges: men earn significantly more than women across all groups. The disparity is most pronounced among Muslims, where the median income for women is just ₹3,000 compared to ₹14,000 for men, reflecting a gender gap of nearly 79 percent. Among Hindus, women earn ₹5,568 compared to men's ₹15,000, resulting in a gap of about 63 percent. Sikhs also exhibit a sharp gap of around 69 percent, despite having the highest male median income overall (₹16,652). Christians and Others show slightly narrower, but still substantial, gaps of approximately 44 percent and 49 percent respectively.

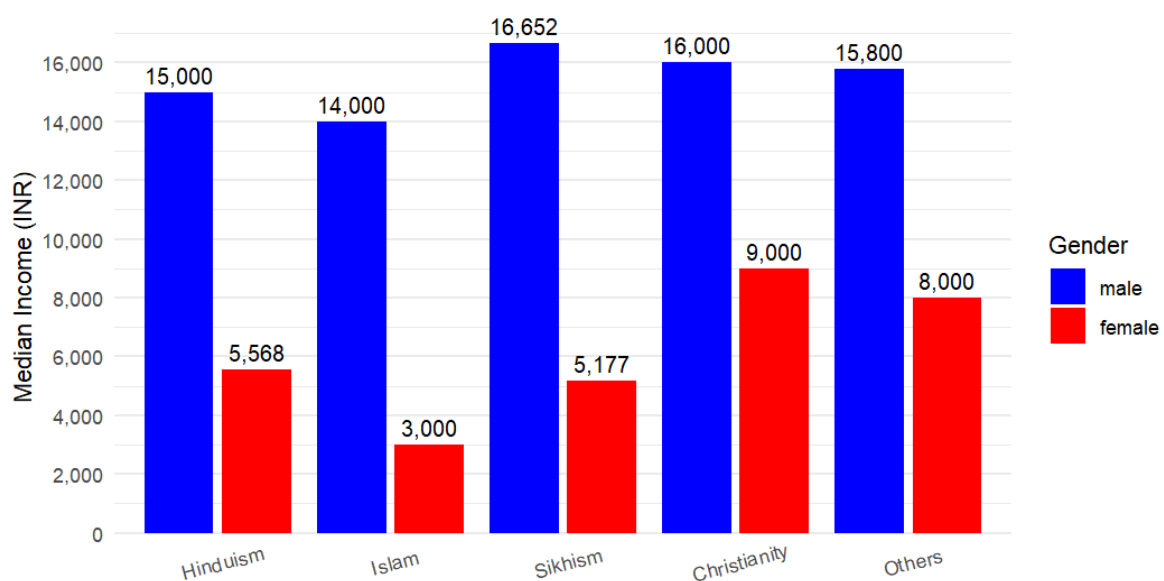


Figure 9: Median Income by Gender and Religion

A majority in all groups lack a college education, though the extent varies. Among males, this ranges from 49% among Jains to 85.5% among Sikhs and Muslims, while for females, it ranges from 38.7% among Jains to 88.2% among Muslims.

Jains stand out as the only group where a higher proportion have completed college, with 51% of men and 61.3% of women attaining higher education. This gender difference may be influenced by the low sample size of Jain women. In contrast, Muslims and Sikhs have the lowest college attainment, with only 14.5% of Muslim men and 11.8% of Muslim women completing college.

In most religious groups, men have a higher percentage of college attainment than women, except among Jains, where women (61.3%) surpass men (49%). This could be explained by the low sample size of Jains and Jain women in particular being captured by the survey.

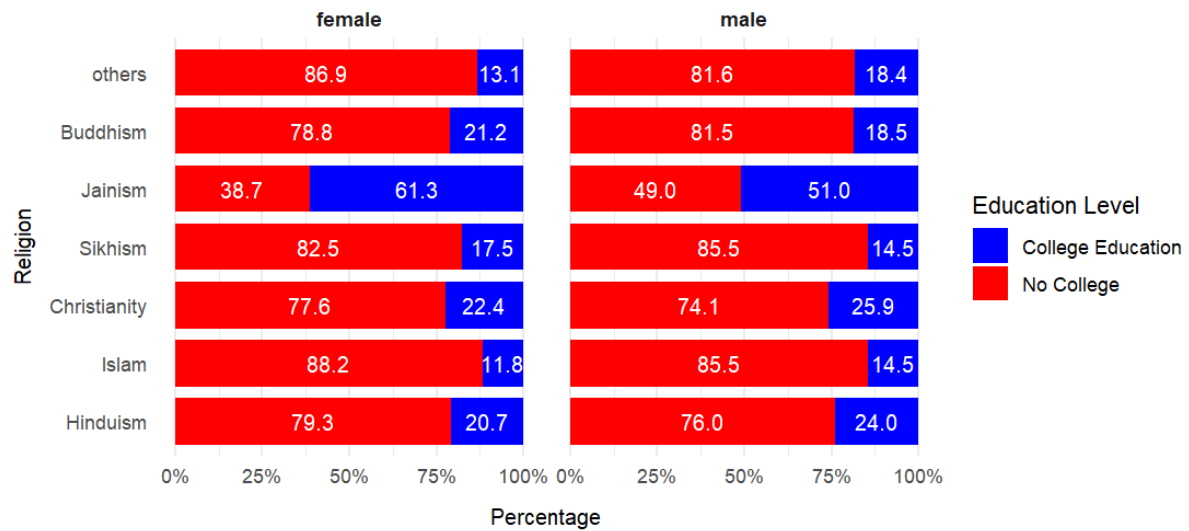


Figure 10: Educational Attainment Across Religions by Gender

Gender and Income Disparities among Educational Levels

For individuals with a college education (N = 19,127 males, N = 6,275 females), the gender income gap stands at 47%, with women earning 47% less than men. Those with a high school education (N = 43,808 males, N = 12,349 females) face a 60% income gap. For individuals with a primary school education (N = 13,240 males, N = 6,048 females), the gap is 63%, while among the illiterate population (N = 8,719 males, N = 7,180 females), the income gap is 62%. The disparity in men's incomes increases from the illiterate to primary school to high school levels, but then declines for those with a college education, suggesting a narrowing of the gender income gap at higher levels of education.

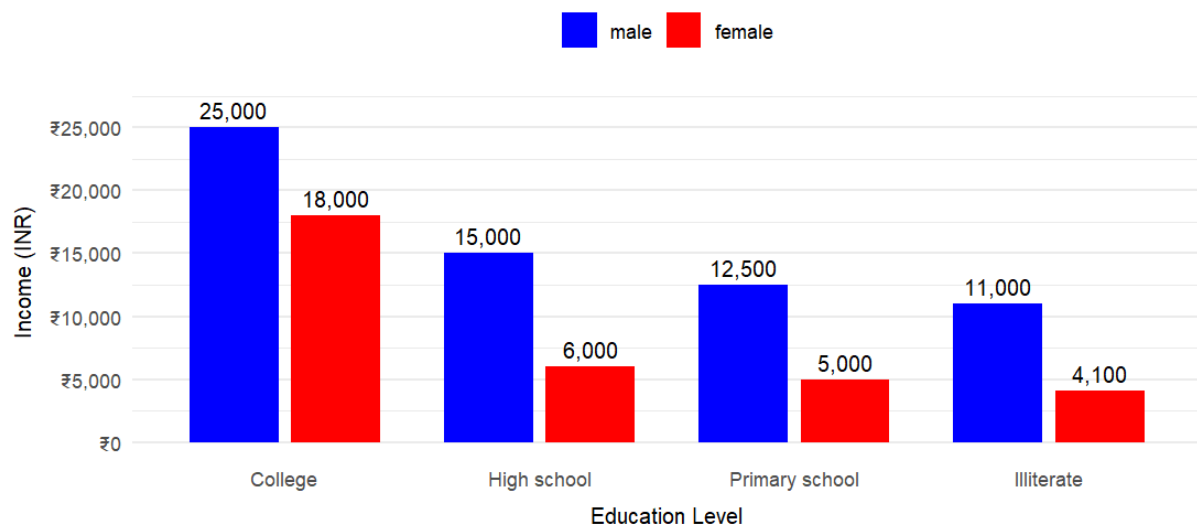


Figure 11: Median Income by Education Level and Gender

Wage gap by State

The map illustrates the gender gap in median income across Indian states and union territories, segmented by total, urban, and rural populations. The most striking disparities are observed in regions like Jammu & Kashmir, Himachal Pradesh, and Assam, where the gap exceeds 70%, particularly in rural areas. In several northern and eastern states such as Uttar Pradesh, Odisha, and Jharkhand, the rural gap is consistently higher than urban, highlighting deeper economic exclusion of women outside urban centers. Interestingly, Delhi's rural segment reports an exceptionally high gap (~83%), likely driven by pockets of affluent male-dominated rural workforces. In contrast, Chandigarh displays a negative gap, indicating that women have a higher median income than men in both total and urban areas—a rare reversal. Similar anomalies appear in Lakshadweep (rural) and Ladakh (urban). Southern states like Kerala, Tamil Nadu, and Telangana show comparatively narrower gaps in urban regions, pointing toward better gender parity in structured labour markets. Overall, the spatial distribution reveals how income inequality by gender intersects with geography and urbanization in complex ways.

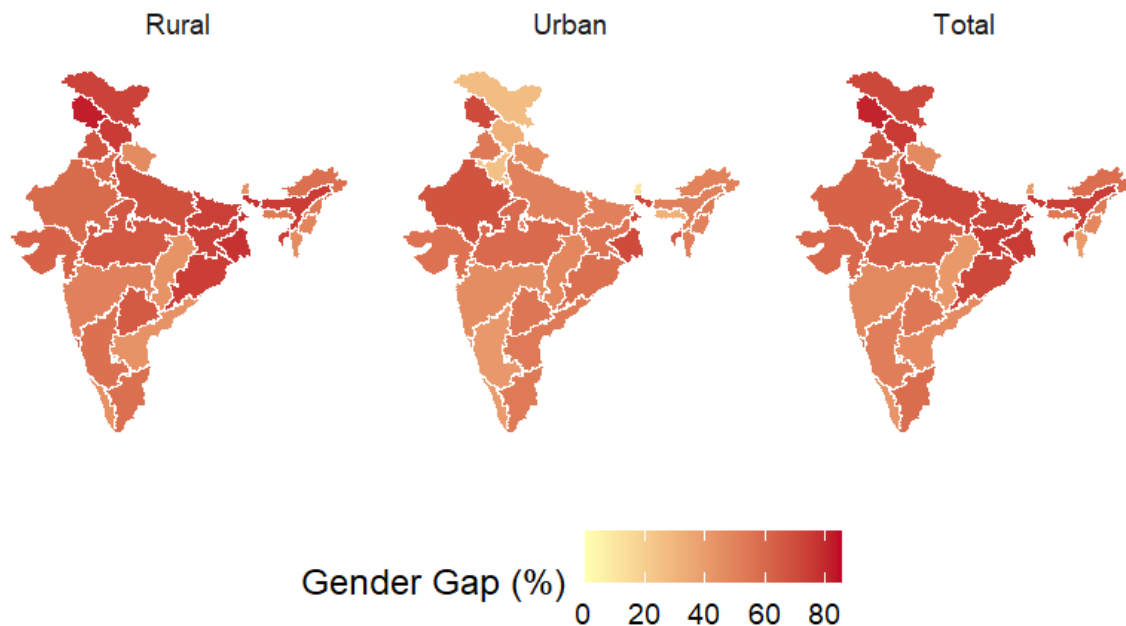


Figure 12: Median Income Gender Gap by State

Wage Gap by Industry

The income gap across industries varies significantly, reflecting the differences in gender-based income distribution. Agriculture, Industry, Mining, Services, and Other—disaggregated by gender. The data reveals a consistent gender gap in earnings, with males earning significantly more than females in every sector. For instance, in Agriculture, the median income for males is ₹11,500, while for females it is only ₹3,800. This disparity persists across sectors, most starkly in Industry (₹15,000 vs ₹4,200) and Mining (₹20,000 vs ₹12,000). Even in the Services sector, which offers relatively higher incomes for women (₹10,000), men still earn a median of ₹15,500. The "Other" category shows a similar pattern (₹12,000 for males vs ₹5,000 for females).

These values seem to be largely consistent with the State of Working India Report which pointed out Industry-specific trends that indicate segregation playing a crucial role in determining gender income disparities. For example, self-employed women in traditionally male-dominated sectors such as manufacturing and construction earn significantly less than their male counterparts, with income ratios as low as 0.40. In contrast, the income gap is lower in salaried jobs in formal sectors such as IT and finance, where gender-based income disparities are less pronounced. However, even within these sectors, women are often underrepresented in leadership roles, which limits their earning potential and career progression (PLFS 2021-22, State of Working India, 2023).

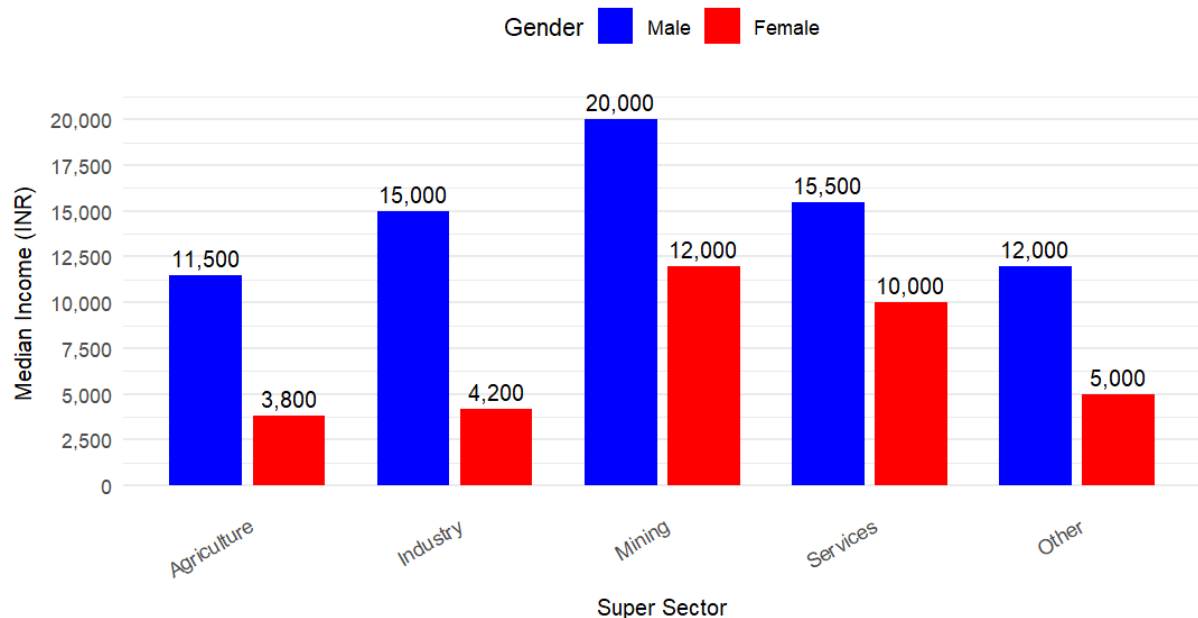


Figure 13: Median Income by Gender and Super Sector

Conclusion

The analysis of PLFS 2023-24 data reveals that in incomes earned by men and women across states, occupations, employment types, and sectors, it is evident that women consistently earn significantly less than men in nearly all areas of economic activity.. Key conclusions include:

1. **Sectoral Disparities:** Women are concentrated in low-paying sectors such as agriculture and casual labor. Even within these, women earn substantially less than men performing similar roles. High-income sectors exhibit smaller gaps but are often inaccessible to women.
2. **Caste and Religion:** Gender income gaps persist across all social and religious categories. The largest gaps are observed in the General and Jain communities as the incomes for the men is quite high compared to other groups, while marginalized groups like SCs and STs also face pronounced disparities.
3. **Educational Attainment:** Despite higher education levels, women earn significantly less than men with similar qualifications. The income gap remains pervasive across all education levels, indicating systemic inequities.
4. **Regional Trends:** Wage gaps vary widely by state and rural-urban divides. Rural areas generally show larger gaps, while states like Chandigarh and Kerala exhibit smaller disparities in their urban areas. Unique cases like Lakshadweep, with negative rural income gaps in rural areas, highlight localized progress and are an exception rather than the norm.
5. **Industry-Specific Insights:** Some industries show extreme income gaps, particularly Education and Real Estate, while others like Information and Communication achieve parity. A few industries even exhibit negative income gaps, with women earning slightly more than men.

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