

**Is it what you do or where you work that matters most?
Gender composition and the gender wage gap revisited**

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The question posed in this study is what matters more for gender wage differentials, occupation or establishment segregation? A narrow focus on the effects of gender composition at the so called "job" level precludes the possibility that wage differentials are largely driven by occupational or establishment segregation. Indeed, "job" cells by definition intertwine the establishment and occupation segregation measures as "job" is constructed as an interaction between occupation and establishment. We confirm that wage estimates controlling simultaneously for gender composition at the job, establishment, occupation and industry level explain half of the gender wage gap but show that this type of model overestimates the effect of gender segregation on gender wage differentials. Using a specification that is able to disentangle the separate effects of establishment and occupation segregation, we find that occupational segregation contributes more to explaining the wage gap than establishment segregation.

Keywords: gender wage gap, matched employer-employee data.

JEL: J16; J71