

ABSTRACT

This study aims to analyze the influence of individual, household and regional characteristics on price motives in Indonesia. Individual characteristics are represented by gender, age, school time, work and number of hours worked. Household characteristics are represented through marital status and status of parent. Regional characteristics are represented through ethnicity and region.

The approach used in this study is quantitative with secondary data obtained from the 2015 IFLS survey. The method used to analyze the factors affecting the wage gap in Indonesia is multiple linear regression with dummy variables.

Based on the results of the study, it shows that simultaneously gender, age, length of school time, work, number of working hours, marital status, status of parent ethnicity, and region have a significant effect on wages in Indonesia. Individuals of the male sex have higher wages than women. Increasing age actually lowers the level of wages earned by individuals. An increase in the number of hours worked will increase wages. An increase in length of schooling will actually lower wages except for individuals who work in the construction, manufacturing and mining sectors. Individuals who are married and have children earn higher wages than those who are not married and have children. Individuals from ethnic groups outside Java earn lower wages than those from Javanese ethnic groups. The majority of individuals from urban areas earn higher wages than those from rural areas.

Keywords: Wages, Individual Characteristics, Household Characteristics, Regional Characteristics