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**National Economic Education Delegation**

**Gender Pay Gap Narrative**

Date: May 14, 2022

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Slides:

1. **Opening slide**

<brief summary and opening>

1. DO NOT DELETE: National Economic Education Delegation
   1. Brief discussion of what NEED is and NEED does
   2. Use your judgement for what should be said.
2. Who we are?
   1. 45 honorary board – 3 Nobel prize winners, 6 former chairs of council, and 2 former Chairs of the Federal Reserve.
   2. 367 delegates, one in each state.
   3. 42 Global Partners
3. Where are we?
4. DO NOT DELETE: Credits and Disclaimer
5. Outline:
   1. What is gender wage gap?
   2. Gender wage gap in numbers.
   3. What are the potential causes for this gender wage gap?
   4. COVID-19 and the gender wage gap.
   5. Policy responses to gender wage gap.
6. **The issue of gender wage gap**
   1. Quote from Sen. Bernie Sanders speech <https://www.c-span.org/video/?324736-1/senator-bernie-sanders-i-vt-remarks-national-press-club>
   2. One of the most publicized cases of gender wage discrimination that brought the issue to the forefront, is from 2017, when actress Michelle Williams was paid $100,000 for reshooting scenes of the movie “All the Money in the world”, while her co-star, actor Mark Wahlberg was paid $1.5 million for the same job.
7. Popular Theories
   1. Many believe that the gender earnings gap is a result of occupational segregation – women select into lower paying occupations such as teachers and nurses and into lower paying firms if within the same occupation as men.
   2. Others believe that the gap is due to biased and discriminatory managers and fellow employees who “take advantage of good-natured female workers”. [Claudia Goldin]
   3. Still others attribute it to the possibility that women have inferior bargaining skills and lack competitiveness.

We will delve deeper into what is meant by gender wage gap and how economists think about the issue.

1. **Significant strides have been made**

But before we do so, it is imperative to note that significant strides have been made to improve gender balance in the United States.

The Fair Labor Standards Act of 1938, the Equal Pay Act of 1963, Title VII of the Civil Rights Act of 1964, and the Pregnancy Discrimination Act of 1973 have helped in what is sometimes called a “gender revolution” and provided the opportunity to women to further their education and employment prospects. So, we need to keep in mind that we have, as a society, come a long way even though there’s some work still remains to be done.

1. **Composition of the full-time workforce**
   1. Source:  Current Population Survey (CPS), U.S. Bureau of Labor Statistics (BLS)
   2. The data are for full-time wage and salary workers, i.e., workers that:
      1. Are age 16 and older;
      2. Receive wages, salaries, commissions, tips, payments in kind, or piece rates on their sole or principal job;
      3. Are employed in either public or private sectors and are not self-employed;
      4. Work at least 35 hours per week at their sole or principal job.
   3. Total number of full-time wage & salary workers has increased 56% in the last 4 decades, number of men has increased 39% while the number of women has increased 82%.
   4. Share of women in the total has increased from 38% in 1979 to about 45% in 2021.

[Source: US. Bureau of Labor Statistics - [Weekly and Hourly Earnings from the Current Population Survey](http://www.bls.gov/cps/earnings.htm)]

1. **What is Gender Wage Gap?**
2. Gender wage gap represents the difference in average earnings of women relative to those of men.
3. In 2021, women who were full-time wage and salary workers had median usual weekly earnings that were 83 percent of the earnings of male full-time wage and salary workers.
4. Source:  Current Population Survey (CPS), U.S. Bureau of Labor Statistics (BLS)
5. **Median earnings of women as a percentage of men’s median earnings**
   1. Earnings data are based on usual weekly earnings that reflect earnings before taxes and other deductions and include any overtime pay, commissions, or tips usually received (at the main job in the case of multiple jobholders).
   2. The median of usual weekly earnings reflects the midpoint in a given earnings distribution, with half of workers having earnings above the median and the other half having earnings below the median.
   3. In 1979, women’s median earnings were 63% that of men.
   4. 1980s saw the biggest growth in women’s earnings relative to men’s when the ratio of median earnings of women to men increased from about 64% to about 70%. This was largely because women, relative to men, improved their labor market skills and their education, and as a result had greater continuity in the labor force. [Goldin] Prior to the 1980s, employers expected women to discontinue labor force participation once they got married and had kids. This expectation was diminished in th 80s.
   5. 1990s also saw a big increase in the ratio from about 72% to 77%.
   6. By 2004, the relative median earnings of women had gone up to 81%. Since then, it has stagnated in the 80-83% range. The stagnation can, in part, be explained by the fact that by 2000s differences between men’s and women’s job market skills and education became small.
6. **Wage gap by State**
   1. In 2020, women’s median earnings in the United States were 82.3% that of men.
   2. But there’s wide variation across states. Wage gap was higher than the national average in 31 states, with Utah having the highest gap where women’s median earnings accounted for only 72.7% of men’s. Utah also had the smallest share of women workers in the nation at only 38.9% of all workers (compared to the national average of 45%).
   3. 19 states and District of Columbia had a wage gap lower than the national average, with Connecticut leading at 97%, followed by California at 87.6%
   4. The differences among the states reflect, in part, variation in the occupations and industries found in each state and differences in the demographic composition of each state’s labor force.
7. Wage Gap Across the Globe
   1. Source: OECD (2022), Gender wage gap (indicator). doi: 10.1787/7cee77aa-en (Accessed on 04 March 2022)
   2. The gender wage gap here is for the latest year the data are available for each country mostly from 2018-2020. LUX is from 2014.
8. **What is NOT included in these calculations?**
   1. The wage gap shown above is also referred to as unconditional or uncontrolled or raw wage gap.
   2. It’s raw because the difference doesn’t take in to account important determinants of earnings such as:
      1. Age
      2. Occupation
      3. Educational attainment
      4. Job skills and responsibilities
      5. Work experience
      6. Specialization
   3. The standard measure of fender wage gap is for *all* workers, not just for college graduates or for Blacks or Hispanics or for any other group.
   4. Gender wage gap is usually depicted as a single statistic, but it really is much more than that. It is a dynamic concept that changes as men and women age, get married, have children, and so on.
   5. The standard measure of gender wage gap uses full-time workers, but it doesn’t account for the fact that the average full-time male employee works longer hours than the average full-time female employee; or that relatively more men than female work on-call and irregular hours, even if they work the same hours.
9. **Wage gap by age**
   1. In 2020, median weekly earnings were $891 for all women age 16 and older. For men age 16 and older, median weekly earnings were $1,082.
   2. Women’s median weekly earnings were highest for those between the ages of 35 to 44, with earnings of $978, and those ages 45 to 54, with earnings of $977. Women ages 55 to 64 had earnings that were slightly lower, at $955. For men, earnings were highest for 45- to 54-year-olds, with earnings of $1,260. Men ages 55 to 64 and ages 35 to 44 had earnings that were slightly lower, $1,228 and $1,205, respectively.
   3. Young women and men ages 16 to 24 had the lowest earnings ($589 and $622, respectively).
   4. In 2020, women’s earnings ranged from 78 percent to 81 percent of men’s among workers age 35 and older.
   5. For those under age 35, the earnings differences between women and men were smaller.
   6. Women ages 25 to 34 earned 90 percent of what men did, while women ages 16 to 24 earned 95 percent of what men earned.
   7. The earnings difference between men and women has historically been smaller for those under age 35 than for those in older age groups.
   8. Women’s-to-men’s earnings ratios have grown substantially for most age groups since 1979. For young workers ages 16 to 24, the gains occurred primarily in the 1980s. For workers ages 25 to 64, the gains continued into the 2000s, but have tapered off in recent years.
10. **Wage gap by race**
    1. Earnings differences between women and men were largest among Asians and among Whites.
    2. Asian women earned 79 percent as much as Asian men in 2020, and White women earned 82 percent as much as White men.
    3. In comparison, Black women had median earnings that were 92 percent of Black men’s, and Hispanic women’s earnings were 89 percent of Hispanic men’s.
11. **Wage gap by level of education**
    1. Median weekly earnings vary significantly by educational attainment. Among all workers age 25 and older, the weekly earnings of those without a high school diploma ($619) were 44 percent of those with a bachelor’s degree and higher ($1,421) in 2020.
    2. For workers with a high school diploma who had not attended college, median earnings ($781) were 55 percent of those for workers with a bachelor’s degree and higher.
    3. Those with some college or an associate’s degree (median weekly earnings of $903) made 64 percent of what workers with a bachelor’s degree and higher made.
    4. The gap between men and women’s median earnings was the largest among college graduates, **with women’s median earning at only 75% of men’s.**
12. **Wage change by level of education**
    1. In each educational attainment category, the long-term trend in inflation-adjusted earnings has been more favorable for women than for men. The inflation-adjusted earnings of women without a high school diploma changed little (a 4-percent increase) between 1979 and 2020. By contrast, inflation-adjusted earnings for men declined by 20 percent. For those with a bachelor’s degree or higher, inflation-adjusted earnings for women have increased by 41 percent since 1979, while earnings for men have risen by 25 percent.
13. **Gender Wage Gap Over the Years – College Graduates**
    1. The solid line shows the ratio of female to male earnings for all workers while the dotted line shows the same series for college graduates. Th steepest rise in in the ratio for all workers happened in the 1980s as we saw earlier. But that series has stagnated.
    2. The standard series and the series for college graduates were close to each other until the 1990s but have diverged ever since. The standard series continues to increase but the college graduate’s series flattens out and has stayed in the 74-75% range. This is partly because of the increases in earnings inequality since 1980s and the gains made by college graduates. College graduate men were the biggest winners and accounted for a disproportional share of the upper portion of the income distribution. More on this later.
14. **Wage gap widens with age, with years since leaving school**
    1. Data behind Figure 1 (from Appendix Table A5) from Bertrand, Marianne, Claudia Goldin, and Lawrence F. Katz. 2010. "Dynamics of the Gender Gap for Young Professionals in the Financial and Corporate Sectors." American Economic Journal: Applied Economics, 2 (3): 228-55
    2. Bertrand, Goldin and Katz (2010) studied the careers of male and female MBA graduates of the University of Chicago Booth School from 1990-2006. Because the participants in this study all had the same professional degree from the same school, the study was able to keep many of the muddling factors constant.
    3. They found that directly following MBA receipt, average earnings are comparable among men and women, but they soon diverge.
    4. Just after graduation, women earn 88 cents on the male MBA dollar. But with each passing year, the difference in their earnings widens. By year 9, it drops to 63 cents.
    5. Women earn $115K (2006 dollars) on average at graduation, and $250K nine years out (growth of 117%); men earn $130K on average at graduation, and $400K nine years out (growth of 208%).
    6. Median salaries by sex also diverge in favor of men with years since graduation, but not by as much as do mean salaries. The median female MBA starts her career at the thirty-fourth percentile of the male distribution, but after 15 years has fallen to the nineteenth percentile.
    7. The top half of the MBA wage distribution spreads out, with time since MBA particularly for men
15. **Wage gap among MBA Graduates Not Random**
    1. Because the study uses a sample of graduates from the same, very highly ranked, business school with complete information on when they were students, the sample almost perfectly controls for ability, training, and education.
    2. After controlling for all the observables, the study is able to isolate to primary factors for the large gender gap that emerges among the MBA graduates –
       1. Career interruptions – Female MBAs have longer career interruptions in the first decade after graduation than male MBAs.
       2. Differences in average weekly work hours – in the first decade post-graduation, weekly work hours for female MBAs decrease relative to men.

Both men and women have average 60 hrs work week in the years right after graduation but 10-13 years later, average work week of women falls to 49 hrs compared to 57 hrs for men.

Some women work part-time. Because part-time work isn’t common in the corporate/financial sectors, these women are also self-employed.

The high-paying corporate/financial sector jobs impose heavy penalty on those who have even brief career disruptions and those who are unwilling/unable to work long demanding hours.

* 1. Children and the associated caregiving responsibilities appear to be the major cause of the career discontinuity of the female MBAs or their fewer work hours or their choice to be self-employed.
     1. Well-intentioned paternalism by supervisors – women with young children might be “protected” from demanding clients or could be denied access to richer clients or promotions due to uncertainty about their future with the company. [Goldin]
     2. Husband’s position on the earnings distribution also a factor

The largest change in hours worked and earnings occurred among women with children and husbands who themselves earned more than the median salary for MBA men. Women with high-earning husbands but no kids continued to work just as many hours as those married to lower earning husbands.

This suggests the reduction in hours worked and earnings is more a result of choice than bias. The choice is of course a result of the highly inflexible work schedules in the corporate world.

* 1. Several studies, even those from Nordic countries, reinforce these results
     1. Angelov, Johansson, Lindahl (2016) on Sweden
     2. Kleven, Landais and Sogaard(2019) on Denmark
     3. Substantial earnings penalty occurs to women after a birth. Income gap widens and remains wider than before birth even 15 years after birth. This is despite the extremely family friendly policies, including subsidized childcare and paid leave for both parents in the Nordic countries.

The discussion so far concentrated on college graduates in a specific type of occupation. Let’s look at wage gap by occupations in a little more detail.

1. **Weekly Earnings by Occupation**
   1. Women and men working full time in management, business, and financial operations occupations continued to have higher median weekly earnings than workers in any other major occupational category in 2021.
   2. Within this category, women who were chief executives ($1,904) and computer and information systems managers ($1,908) had the highest median weekly earnings in 2021. For men, those who were chief executives ($2,721) and architectural and engineering managers ($2,723) had the highest earnings.
   3. The second-highest paying occupational category for women and men was professional and related occupations ($1,167 for women and $1,555 for men). This is a broad occupational category made up of several distinct job groupings for specialized fields, such as computer science and math, architecture and engineering, law, education, and healthcare. Within this diverse category, women who were pharmacists ($2,087), other physicians ($2,283), and nurse practitioners ($1,903) had the highest median weekly earnings in 2021. For men, those who were lawyers ($2,495), other physicians ($2,647), and pharmacists ($2,087) earned the most
   4. Women and men employed in service occupations earned the least in 2020 ($598 for women and $723 for men). Within this category, women who were employed as Dining room and cafeteria attendants and bartender helpers ($477) and Hosts and hostesses, restaurant, lounge, and coffee shop ($500) had the lowest median weekly earnings. For men, those who were employed as fast food and counter workers ($511) and Dishwashers ($511) earned the least.
2. **Gender distribution of occupations**
   1. The occupational distributions of female and male full-time workers differ considerably.
   2. The occupational distributions of female and male full-time workers differ considerably. Compared with men, relatively few women work in natural resources, construction, and maintenance occupations and women are far more concentrated in office and administrative support jobs. Women also are more likely than men to work in professional and related occupations. In 2021, 32 percent of women worked in professional and related occupations, compared with 21 percent of men.
   3. Within the professional category, though, the proportion of women employed in the higher paying jobs is much smaller than the proportion of men employed in them. In 2021, 11 percent of women in professional and related occupations were employed in the relatively high-paying computer and engineering occupations, compared with 48 percent of men. Women were over twice as likely to work in education and healthcare jobs, which generally pay less than computer and engineering jobs. Sixty-six percent of women in professional occupations worked in education and healthcare jobs in 2021, compared with 29 percent of men.
   4. The gap between men and women’s median earnings was the largest in sales and professional occupations.
   5. The wage gap in office and administrative support occupations, where the share of women workers is the highest, was the lowest.
3. **Occupations with the lowest wage gap, 2021**
   1. Lists occupation where women earn at least 95 cents on the male dollar.
   2. 8 occupations where women’s median earnings are just as much if not higher than that of men.
   3. Share of women in these occupations range from 9% (truck and tractor operators) to 87% as billing and posting clerks
4. **Occupations with the highest wage gap, 2021**
   1. Lists occupations where the ratio of women to men’s median earnings is less than 75%
5. **These are still raw wage gap numbers**
   1. In the previous slides we controlled for one factor at a time that might affect earnings of workers.
   2. However, controlling for just one of the factors may not fully explain earnings differences.
   3. For example, when comparing median earnings differences by occupation, we still would like to know if these differences can be further explained by differences in other key factors such as
      1. age,
      2. job responsibilities,
      3. work experience, and
      4. other individual life choices such as marital status or to have children and to take time off to raise them.
6. **Explaining Gender Wage Gap by Occupation**
   1. Goldin [2021] finds wage gap is the widest in
      1. Occupations with considerable self ownership, example law firms
      2. Occupations in finance, sales, administration, management and business operations
   2. Gap the smallest in the engineering, science, and computer-math fields and heath care (excluding physicians)
   3. Women, traditionally, the “on-call” parent
   4. Prefer occupations with
      1. shorter hours,
      2. fewer “on-call” hours,
      3. predictable schedules
      4. standardized products/services
      5. greater substitutability of workers within teams
   5. Men, traditionally, opt for jobs with greater time demands but pay more
   6. Care less about time flexibility
      1. Ready to work evening/weekend hours to meet clients
   7. Both men and women would prefer to be the on-call parent together, but the premium paid for being on-call at work is often, too high to pass up. The higher the premium a firm pays to have an on-call employee, the greater will be the gender earnings gap if women continue to be the “on-call” parent.
7. **Explaining Gender Wage Gap by Occupation**
   1. High time demand characteristics of occupations:
      1. Contact with others – how much contact with others is required
      2. Frequency of decision making – how often your decisions affect other aspects of the firm.
      3. Time pressure – how often must meet deadlines
      4. Structured vs. unstructured work – can the worker establish their own priorities, goals etc. or is the job more structured?
      5. Establishing and maintaining interpersonal relationships – how important are building and maintaining working relationships with others.
   2. Occupations in the engineering, science, and computer-math fields tend to have low time demands. Employees work at separate tasks, rarely have client relationships, flexible deadlines, more unstructured schedules. These are also occupations with low gender earnings gap.
   3. Management, administration, and sales occupations – occupations with high gender wage gap – also have higher time demands. Client relationships are important (ex. Lawyers, doctors), deadlines are stricter with frequent high stakes decision making.
   4. Some occupations don’t fit this time demand- wage gap classification perfectly. Example – physical therapists are very client specific yet have low wage gap, jobs in financial operations are low on time demand – example loan officer – but still high on wage gap. This is because competition is lower among physical therapists than among loan officers. Occupations with low time demand or lower than average competition have lower wage gap than those with high time demand or high competition.
   5. Also, occupations with greater income inequality among men have the highest gender earnings gap. These are also occupations with high time demands and require strong client-professional relationships – lawyers, accountants, surgeons.
   6. These occupations are also the ones where the wages have risen the most since the 1970s. So, the occupations that are hardest for women to enter due to time demands/inflexibility are also the ones that have become more rewarding. This also explains partly why the wage gap among college graduates have stagnated despite women having added to their skills portfolio.
8. **Earnings Penalty for Taking Time Out**
   1. Occupations with the highest wage gap tend to also be the highly skilled – medical scientists, CEOs or in the financial sector. So, let’s delve a little deeper into what may be driving that.
   2. Earnings penalty for women (as well as men) for taking time out for career paths with the most prestigious degrees such as JD, MD, MBA or PhDs from these degrees – lawyers, physicians, managers or academicians – is generally very high.
   3. Goldin and Katz (2008), Harvard and Beyond study estimate penalties to taking time out and standardize them to 18 months at 15 years after graduating college: An MBA would earn only 60 percent, a JD or PhD would earn only 71 percent, and an MD would forgo the least and earn 84 percent of annual earnings.
   4. Among the holders of these most prestigious degrees women with children tend to do less well than men. They take off more time from employment and scale back hours when their children are young. They pay for this by accepting a lower wage.
   5. Again, this has to do with women and men in a household choosing to be on-call either at home or at work, maximizing their earnings potential as a couple. Women traditionally choosing to be in flexible occupations and being on-call at home, while men choosing to put in more time at work.
   6. “ Women disproportionately take jobs with less predictable and more inflexible hours, which means that women, on average, earn less than men even if they put in as many hours. And when the more inflexible jobs have greater advancement, women get fewer promotions down the pike. Gender inequality results… But of course, gender norms are at the root of why women take the more flexible and predictable jobs in the first place.” [Goldin 2021, 186]
9. **The Leaky Pipelines Phenomenon**
   1. In many professional occupations, there’s a more equitable gender distribution at entry level, but at the higher ranks, number of female workers plummets.
   2. For example, in the field of economics, women have accounted for about 30-35% of PhDs in the last 2 decades, and close to 30% of untenured assistant professors. But their share in tenured associate professors or full professors is much lower at around 25% and 15%. These shares are still much higher than what they were back in the 1990s. Further, the female share progressively worsens if you consider departmental rankings, with higher-ranked schools showing worse shares.
   3. Similar trends in CPA accounting firms – at big 4 firms (Deloitte, PwC, EY, KPMG), only 16% of equity partners were women, even though women account for about 50% of new CPAs every year. Legal sector has a similar trend, too.
   4. This is the leaky pipeline where workers leave their positions before they are promoted but a greater fraction of women tend to exit before being promoted than men.
   5. The time demands of each of these profession for advancement is likely the culprit. That and the fact that, again, women have traditionally been filling the role of being “on-call” at home.
   6. Time demands are extremely high for advancement in these occupations and the time demands come at a time in one’s life (mid 30s) when the choice between a career and having a family needs to be made. Women more often tend to be the one to slow down on their track to the top, due to the long in place gender norms.
10. **Solutions to the gender wage gap issue**
    1. Let’s look at what has been done/proposed so far.
       1. Among those that believe the gap is primarily caused by biased and discriminatory individuals, a quick fix proposed is to purge the labor market of bias. Diversity training for managers and supervisors is a very popular tool for achieving this goal. But such diversity training has had limited success, so then attention turns to changing the organizational culture.
       2. Another famous example showing gender bias in hiring comes from a study conducted by Claudia Goldin and Cecilia Rouse in 2000 on orchestras and use of screens in auditions. In the 70s many of the major symphony orchestras in the US started introducing curtains during auditions so the musicians would audition behind curtains so they couldn’t see who the musician is – their gender, race, size, height etc. The research showed that curtains helped increased the likelihood of women advancing to future rounds of audition by 50% and increased the fraction of women in major orchestras in the US from 5% in the 70s to almost 40% now (2017). This goes to show how powerful unconscious bias is among the most well intentioned of managers. Orchestra directors, really do care about the quality of music and they have every bit of an incentive to hire the best musicians. So, they consciously didn’t want to exclude 50% of the pool but they unconsciously did. So, to get rid of this unconscious bias, now there are an increasing number of governments and companies which in fact introduce blind evaluation procedures. For example, the British government, when they hire for civil services in the UK, they now remove name/address/place of study, from the application so your decision is not influenced by an applicant’s demographic characteristics. So, you can do blindness in organizations. HSBC, Delloite have followed suit and have introduced blindness to some degree in their operations.
    2. Another array of solutions to address the gender wage gap concentrates on the claim that women lack negotiation skills of comparable men. To address these issues, the mayor’s office of the city of Boston, together with the American Association of University Women, has offered free salary negotiation workshops for women (not men) who live or work in Boston. Similar workshops are now offered in other cities such as San Francisco, Kansas City, Wichita, NY city and Washington DC, too.
    3. There have also been several legislative actions at the state level to address the gender wage gap. Policies encompassed in various Equal Pay Acts or Fair Pay Acts across states intend to level the playing field through greater transparency on wages as well as protecting employees from retaliation or discrimination from employers when employees seek for information to secure equal pay. Massachusetts, CA, NY State, Oregon, Illinois, Washington are some of the states at the forefront of such policy actions and strong equal pay protections and preventative measures against inequity (https://ww3.aauw.org/resource/state-equal-pay-laws/).
    4. Biases aside, as we have seen in the prior slides, a lot of the gap arises due to occupational characteristics. Men and women are in different occupations and that also explains part of the gender pay gap. But even if we equalized occupations by gender (a hypothetical exercise) so that the share of men and women in each occupation is the same, only one-third of the gender pay gap will be eliminated (Goldin 2014).
11. **The system not individual bias is the culprit**
    1. The “system” is characterized by:
       1. Decisions made by ordinary couples in terms of being on-call at work or at home
       2. Cost of time flexibility at work
    2. The higher the cost of time flexibility, the higher is the likelihood of a couple to forego equity in favor of higher family income. This in turn leads to gender inequity in workforce and earnings.
    3. Substitution among workers needs to be encouraged in occupations with high gender pay gaps
12. **Private Sector is Responding... Slowly**
    1. With more women entering the profession, more men wanting equitable relationships with their life partners, firms have an incentive to change the old institutions. They don’t want to lose valuable talent that has gone through costly training and has created valuable client-employee relationships in their early years.
    2. As a result, new positions have been created that get around the strict up-or-out policies of the past. Non-equity partnerships at law and accounting firms have opened. Universities have become more generous in their family leave policies. Adjunct and clinical positions have become more widespread for those that don’t want to put in the long punishing hours for tenure. Policies on mandatory vacations, paid sabbaticals, protected weekends, and evenings have become more commonplace in the largest firms in the financial sector where the relationship between long hours and earnings is the strongest.
    3. But these are not sufficient. Non-equity partnerships still pay a lot less than equity partnerships. Women hold a disproportionately higher proportion of the adjunct positions in academia.
    4. The premium paid for long hours continues to be very high. As a result, women and men in a household, especially those who chose to have children, have to choose to specialize to either be on-call at home or at work. They can’t be both on-call at work because then family/kids suffer. They can’t both be on-call at home because that comes at the expense of losing out on the higher premium paid for longer hours. So, they decide to maximize their household earnings, by one choosing to pursue what Goldin calls “Greedy Work” – these are jobs where working longer hours (and weekend/evening hours) not just comes with greater earnings but also greater earnings per hour; and the other choosing to stay on-call at home. Women, continue to be the latter due to pre-established gender norms.
13. **Time Demand Tradeoffs and COVID-19**
    1. COVID-19 may have accelerated some of the trends towards more workplace flexibility. Remote work may have lasting beneficial impact on all workers, including women. But there may also be losses. Women’s attachment to labor market at risk due to:
       1. Difficulty in obtaining affordable, dependable child care
       2. Unpredictability in school closures/re-openings
    2. Comparing fall/winter 2020 to 2019, labor force participation rate among college graduate women aged 25-34 with pre-school children was down only 1.2 percentage point. But the participation of middle aged women with elementary and middle school aged children fell a lot more, by almost 5 percentage points.
    3. WFH = Working from Home or Working from Hell?
    4. COVID-19 impact on the service sector – women disproportionately impacted due to complete shutdowns. WFH not an option.
14. **What can we do?**
    1. Reduce the cost of flexibility – reduce the premium paid for inflexible/ unpredictable hours, make the flexible job more productive and have it pay more.
    2. Increase or incentivize substitutability among co-workers
    3. Reduce the cost of caregiving
    4. Alter societal norms – get men onboard.