

Minding the Gap: Explaining Gender Differences in Wages in the United States

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Introduction

In his 1969 article in the *Journal of Peace Research*, Johan Galtung argued that, "The object of personal violence perceives the violence, usually, and may complain—the object of structural violence may be persuaded not to perceive this at all" (173). Galtung was referring to the notion that societies are arranged in a manner which is unnecessarily damaging to some groups of people, but since these various inequalities are built into social institutions and structures, they are not always easy to recognize. Dominant culture can make recognition even more difficult, obscuring the origins of these inequalities and causing people to ignore or misrecognize the sources of their troubles—and therefore ensuring that they persist.

There is a long history of dominant culture helping to perpetuate social inequalities in the U.S. But there are also critical periods of time when people bring structural violence into the light and help to change our culture and society for the better. The social activism of the 1960s, for instance, is one powerful example.

Today, we seem to be in the midst of another such period. Examples abound, including Black Lives Matter, #MeToo, Occupy, the activism of countless young people and teachers, and more. Americans seem to be developing a much more structural and critical vocabulary to describe the inequalities all around them, and are demanding change.

One social problem that has gained renewed attention in the midst of this activism in recent years is the gender wage gap. After decades of progress in narrowing the gap, it seems that movement toward equality has slowed, and millions of Americans refuse to believe that we have gone as far as we can go toward a more egalitarian society.

In this piece, Lawrence Eppard and Francine Blau discuss changes in the gender wage gap over time, factors contributing to its persistence, and policies that can help to narrow the gap further.

What is the Gender Wage Gap?

Lawrence Eppard (LE): There is a lot of discussion of the gender wage gap in the U.S. today, but people are not always certain as to the specifics of the gap or which workers are being compared. So it might be prudent to begin our discussion by first defining the gender wage gap.

Francine Blau (FB): The wage is the amount of money that people earn per hour of work. The gender wage gap is the difference in wages between male and female workers in the U.S. We may want to look at this for a subgroup, like full-time workers, to focus on male and female workers who are more similar. The gender wage gap is very often presented as a percentage difference, so you might say, “Women earn about 20% less than men.” I find it intuitively clearer to think of it as a ratio, so I would say, “On average, full-time female workers earn about 80% of what their male counterparts earn in the U.S.”

Explaining the Gap

LE: In your work with Lawrence Kahn, you carefully account for the different factors which contribute to the gender wage gap. Can you walk us through some of the most important factors?

FB: For starters, we have considerable occupational segregation by gender, and that explains about a third of the gap. Despite strong inroads into traditionally-male professional and managerial occupations, blue-collar occupations still remain heavily male while much office work remains heavily female. Men and women also tend to work in different industries, which explains about 18% of the gap. So together, occupation and industry explain about half of the gender wage gap.

Among professional workers, women are more likely to be in relatively lower-paying jobs, such as elementary school teachers, whereas men would be more likely to be in higher-paying jobs, like lawyers or doctors. Women also tend to be more concentrated in lower-paying service occupations, like childcare workers.

Gender differences in college major are really important and are related to the occupational differences. We've had equalization in terms of gender opportunities in education to the point that women are now exceeding men. But despite some convergence there are still sizable differences in college major and these are very closely tied to labor market outcomes. In STEM [science, technology, engineering, and mathematics] fields, for instance, women are particularly underrepresented.

Labor force experience is another factor. Traditionally, women might have left the labor force for extended periods of time when they had small children in the home. On average, women have gotten much more attached to the labor force, but there is still a small gender difference in work experience. Labor force experience explains about 14% of the gender wage gap.

Union status is an interesting factor. If you were to go back in time to around 1980, gender differences in the probability of being unionized would explain a substantial share of the pay gap. But over time we've seen a really sharp decline in overall unionization in the U.S., which disproportionately impacted men. So the male advantage in union membership has just about disappeared and does not help to explain the gender wage gap today.

LE: Despite all of these contributing factors, a major portion of the gap is left unexplained.

FB: Yes it is, about 38%. To me, this unexplained portion is highly suggestive of discrimination. Now it is not a direct measure of discrimination, and there are various omitted variables which could contribute—such as women being less willing to negotiate, women shying away from competition, etc.

That said, I think there is plenty of empirical evidence that discrimination continues to exist, with some of the most convincing evidence coming from experiments.

One fascinating experimental study found that if a female applicant indicated in their application that they were a parent, it had a very negative effect on the willingness of the employer to call the person back, despite equivalent qualifications. If men indicated they were a parent, however, there was no negative response. That's one of many pieces of evidence that strongly suggest there is discrimination.

LE: Some still blame women for the “choice” to have children, the “choice” to figure out how to balance work and family, and the “choice” to take their foot off the gas in their careers when their children are young. If these are in fact choices, they are choices made among the options available to women. They are not freely-made choices, but are informed by cultural inputs and structural constraints.

FB: Yes, it would be much too simple and inadequate to think this is just a matter of free choice. Some portion of the gap reflects differences in choices, but some significant portion does not.

There are a lot of social factors that contribute to this. First of all, we're all products of our socialization. Structurally, women may not feel welcome in every profession. A young woman trying to major in engineering and sitting in a classroom where she is a small minority, a lot depends on how the other students and the professor respond to her. There is also still discrimination in hiring even if it is becoming increasingly unconscious. There's also a lot of evidence of a glass ceiling, where women have a problem relative to men working their way up the ladder.

Stalled Progress

LE: We have a long way to go of course, as a sizeable wage gap still remains. But could you talk a little bit about the progress we have made over time in closing the gap somewhat, at least compared to how terribly large it was in the past?

FB: We certainly have seen dramatic improvements over time. Around the 1950s women earned about 60% of what men earned, so there's definitely been a significant improvement. That 60% ratio held until about 1980, and then there was very dramatic improvement in the 1980s. After that, progress slowed, and it has become more uneven—maybe it goes up a bit one year, then goes down a bit another year. The progress has certainly slowed, and that's of concern.

LE: What happened in the 1980s to help us to make so much progress?

FB: A number of things came together in the 1980s. There were really substantial improvements in women's qualifications and their level of education began to rise. You had the beginnings of occupational integration, with women entering more traditionally-male occupations. In the 1980s, women became more firmly attached to the labor force, with female labor force participation rates going up. Women began staying in the labor force more consistently, as opposed to the past when they might move in and out of the labor force, depending on their family responsibilities. Also, the unexplained gap decreased, which may indicate that discrimination declined.

LE: And since that time?

FB: Since that time, women have continued to make gains in education and experience, although not at the same pace as in the past. Occupational integration has slowed down. Our recent work has found that there's been no indication of further declines in the unexplained gap. That may mean that after significant reductions in discrimination, we're not seeing further changes.

I was recently reading a paper by Paula England, and I liked the way she put it. She said that a lot of the gains that we saw in the past were kind of like low-hanging fruit. There are other things that we could readily do, but we

have not done a lot of them, and so further progress may get more difficult. We will likely have to chip away further at unconscious discrimination and unconscious stereotypes. We can also take a look at institutions and how they allow or do not allow workers to combine family with work, and encourage further progress in that regard.

The Importance of Family Supports

LE: Compared to other OECD countries, the U.S. fares very poorly on family benefits public spending and is kind of off the charts in terms of its very poor parental leave. In your estimation, what role does this play?

FB: One of the strongest trends when I first started working in the area of gender was the increase in female labor force participation. Every year, year after year, female labor force participation increased. Starting in the 1990s, however, this increase began to slow and then in the 2000s it plateaued. Lawrence Kahn and I found that this was not true internationally. In fact, the U.S. went from having one of the higher female labor force participation rates compared to other developed countries to having one of the lower rates. The crucial difference between the U.S. and these other countries was that they had much more generous parental leave than we did. That was a big factor in the U.S. slowdown. So that does suggest that we are pushing against some constraints in the balance between family and work.

Now generosity may have its limits, as leave arrangements that are overly generous might have a negative effect on how well women do within the labor force if they incentivize women to stay out longer than they otherwise would have, or if employers discriminate against women thinking that they will be out for a substantial period of time. Maybe that stops an employer from putting a female worker on the fast-track and/or in an important position. There are pros and cons. Additionally, maximizing women in the labor market may not be the only consideration of these policies.

We certainly have way too little parental leave in the U.S. and our leave is not nearly generous enough. In terms of national legislation, Americans can take leave for 12 weeks and it is unpaid, while the average for the other countries in our data would be about a year, and all of them are paid. The U.S. is indeed off the charts in that respect.

Childcare is also a very important part of the formula. Childcare is win-win. It makes it easier for women to be attached to the labor force, and it's not pulling people in separate directions between home and work.

From the point of view of narrowing inequality, childcare is also very important because it helps to make for a more level playing field for children from different socioeconomic backgrounds.

There is enormous concern that we are not doing enough on the childcare front. It took a long time before we had universal kindergarten in the U.S., and now we are just starting to talk about universal preschool. That just seems like an absolutely essential thing to do from every dimension in terms of child development and women's ability to work outside the home. And for younger children, we need to make sure that we provide the resources and the regulation to make sure it's very high quality. Childcare workers do not make very much, and it is very hard to increase their salaries if you look at centers' budgets. We need more government resources.

So those are some key policies, both subsidized childcare and paid parental leave. In terms of overall gender equity in the labor force, continued strong enforcement of anti-discrimination laws is very important as well.

Toward a Better Future

LE: What should we be thinking about moving forward? In your parting comments, can you leave us with some thoughts on the direction we should be going in order to arrive at a more egalitarian future?

FB: We can't get complacent on discrimination, we have to continue to vigorously enforce those laws. The U.S. was actually a leader in anti-discrimination legislation, we've had a long and I'd say proud history of anti-discrimination laws. But it's gotten a little more complicated in recent years. This is both because discrimination has gotten more subtle and to some extent unconscious, but also because enforcement of anti-discrimination laws has varied with the

administration in power. Frankly, there is a history of less enforcement under Republican administrations than under Democratic ones.

We have to make it as easy as we possibly can for American workers to combine work and family, what is sometimes called family-friendly policies. In this area, the U.S. tends to lag behind the rest of the wealthy world. We are the only economically-advanced nation that does not have paid parental leave, and our current leave is much shorter than what is available elsewhere.

And I really do feel the neglect of children in the U.S. compared to other countries is of enormous concern. It really has to do, at least in part, with the inadequacy of our social safety net. By neglecting the development of children we are costing ourselves more in the long run. There's such good evidence that these expenditures on children pay off enormously. A lot of scholarly work shows that it is socially profitable to invest in these programs, but we seem to be reluctant to make such investments. Americans don't want to give money to the so-called "undeserving," even though in denying resources to adults we end up hurting their children. It's just a terrible shame.

Investments in families and their children are investments in the next generation, which is a wonderful thing in and of itself. And in not closing the gender pay gap, we are hurting ourselves by not fully utilizing all our resources. The evidence suggests that we are not using women to their full capabilities, and that's just sort of throwing away gross national product. We can do much better for women, for families, and for children.

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Author Biographies

Lawrence Eppard is an assistant professor of sociology at Shippensburg University. His publications include his 2020 book with Mark Rank and Heather Bullock from Lehigh University Press, *Rugged Individualism and the Misunderstanding of American Inequality*, as well as his forthcoming article with Noam Chomsky in the *Journal of Working-Class Studies*, "On Government, Agency, and the Violence of Inaction" (summer 2020). Lawrence Eppard can be reached at leppard@ship.edu.

Francine Blau is Frances Perkins Professor of economics at Cornell University. Her many publications include her important 2017 article with Lawrence Kahn in the *Journal of Economic Literature*, "The Gender Wage Gap: Extent, Trends, and Explanations," and her textbook with Anne Winkler, *The Economics of Women, Men, and Work*, which is currently in its 8th edition. Francine Blau can be reached at francine.blau@cornell.edu.