Question 1 - Synthesis

*Suggested Time (55 minutes, reading and writing)*

In the world of American politics, the gender wage gap is an issue that generates much discussion and controversy. Feminists and liberal politicians point out that women earn approximately 77 cents for every dollar a man earns. They believe that this gap is due to persistent discrimination against women and advocate for government intervention, usually in the form of increased government subsidies for child care and new laws designed to ensure fair pay. On the other hand, conservative politicians and skeptics of government intervention claim that the wage gap has little to do with discrimination and is more often a reflection of the choices men and women make within the job market.

Carefully read the following seven sources, including the introductory information for each source. Then, synthesize information from at least three of the sources and incorporate it into a coherent, well-developed essay that identifies the key issues associated with the gender wage gap and examines the implications for government policy.

Make sure that your argument is central; use the sources to illustrate and support your reasoning. Avoid merely summarizing the sources. Indicate clearly which sources you are drawing from, whether through direct quotation, paraphrase, or summary. You may cite the sources as Source A, Source B, etc., or by using the descriptions in parentheses.

Source A (Eisenberg)
Source B (Sommers)
Source C (AAUW)
Source D (Grobman)
Source E (Hess)
Source F (Phelan)
Source G (Toles)
According to Siri Chilazi, a research fellow at the women and public policy program at the Harvard John F. Kennedy School of Government, the current gender pay gap is commonly described as 20%. That’s the earnings ratio of the median women’s salary in the United States divided by the median men’s. In other words, based on annual earnings — taking into account all income sources and factoring in the number of hours worked — women now earn 80% of what men do. The U.S. gender pay gap is worse than the average for OECD countries (highly industrialized, high income nations).

And, Chilazi said, the pay gap gets wider as U.S. women get older. While the gap is 10% for women age 20-to-24, “for 55-to-64 year-olds, the gap is 22%,” said Chilazi. “That’s a consistent trend we have seen statistically, even as the wage gap has narrowed overall.”

The size of the wage gap also depends on the type of job, and it’s probably exactly the opposite way you think.

**Where the Pay Gap Is Biggest**

“The highest paying jobs that require the most education show the largest wage gaps,” Chilazi said. “The smallest wage gaps are on the low-end of the income spectrum because those jobs have more of a standardized wage structure.” Also, Chilazi added, wage gaps are smaller for unionized jobs and for federal workers than for non-union jobs and private-sector employment.

Although the gender pay gap has diminished since researchers began tracking it in 1979, Chilazi said that “most of the progress was in the 1980s and 1990s,” when more women came into the workforce and stayed and when women’s education levels rose. Lately, she noted, “we have more or less stalled.”

Fixing the wage gap is tricky, Chilazi said, citing Uber as an example.

Compensation for that ride-sharing app isn’t subjective. It’s determined by the Uber algorithm, which doesn’t know a driver’s sex. Nevertheless, researchers found a 7% pay gap in favor of men. (A few reasons: men tended to stay on the Uber platform longer and the algorithm rewards that; men tend to drive faster, so they complete more trips in a given time and men tend to drive at more lucrative times in more lucrative parts of town and take longer trips.)

**How Employers and Government Can Close the Gender Pay Gap**

So, what can be done to close the gender pay gap?

The panelists said employers could be required to share their gender gap data with the federal government to help hold them accountable. Employers could also be banned from punishing employees from talking with each other about wages and from asking job applicants about their prior salaries; such a law passed last summer in Massachusetts.
“We need to make sure employees can discuss wages without fear of retaliation,” said panelist Andrea Johnson, senior counsel for state policy at the National Women’s Law Center. “An ability to discuss wages lets employees find out if they are discriminated against to begin with.”

Employers can also publicly disclose their wage gaps and then use pay audits to reduce them, as some firms (like Salesforce and Intel) have. And they can be more forthcoming about pay — telling job seekers whether salary is negotiable and providing salary ranges.

Panelist Kathleen Luparello said her coalition of business leaders, Paradigm for Parity, came up with a five-point action plan to address the corporate leadership gender gap. One of the points: “Base promotions on performance, not presence.” In other words, give women and men more control over where and how they work, embracing flexible work.

**What Women Can Do to Earn More**

And here’s what women can do to help close the gender pay gap: negotiate more and negotiate harder.

Studies have shown that women tend to negotiate raises and starting salaries less often than men. And even when they do negotiate, research shows, they tend to get smaller raises than male counterparts.

“You are worth more than you’re asking for,” Alicia Lazarto, chief operating officer of Financial Gym, a New York City-based personal financial services firm, told the mostly-female audience.

If you’re a woman over 50, Lazarto said, don’t let your age keep you from asking for the pay you believe you deserve. Remind your boss of your experience and knowledge. “Be confident and highlight all the things you’ve done,” she added.
How many times have you heard that, for the same work, women receive 77 cents for every dollar a man earns? This alleged unfairness is the basis for the annual Equal Pay Day observed each year about mid-April to symbolize how far into the current year women have to work to catch up with men’s earnings from the previous year. If the AAUW is right, Equal Pay Day will now have to be moved to early January.

The AAUW has now joined ranks with serious economists who find that when you control for relevant differences between men and women (occupations, college majors, length of time in workplace) the wage gap narrows to the point of vanishing. The 23-cent gap is simply the average difference between the earnings of men and women employed “full time.” What is important is the “adjusted” wage gap—the figure that controls for all the relevant variables. That is what the new AAUW study explores.

The AAUW researchers looked at male and female college graduates one year after graduation. After controlling for several relevant factors (though some were left out, as we shall see), they found that the wage gap narrowed to only 6.6 cents. How much of that is attributable to discrimination? As AAUW spokesperson Lisa Maatz candidly said in an NPR interview, “We are still trying to figure that out.”

One of the best studies on the wage gap was released in 2009 by the U.S. Department of Labor. It examined more than 50 peer-reviewed papers and concluded that the 23-cent wage gap “may be almost entirely the result of individual choices being made by both male and female workers.” In the past, women’s groups have ignored or explained away such findings.

“In fact,” says the National Women’s Law Center, “authoritative studies show that even when all relevant career and family attributes are taken into account, there is still a significant, unexplained gap in men’s and women’s earnings.” Not quite. What the 2009 Labor Department study showed was that when the proper controls are in place, the unexplained (adjusted) wage gap is somewhere between 4.8 and 7 cents. The new AAUW study is consistent with these findings. But isn’t the unexplained gap, albeit far less than the endlessly publicized 23 cents, still a serious injustice? Shouldn’t we look for ways to compel employers to pay women the extra 5-7 cents? Not before we figure out the cause. The AAUW notes that part of the new 6.6-cent wage-gap may be owed to women’s supposedly inferior negotiating skills—not unscrupulous employers.

Furthermore, the AAUW’s 6.6 cents includes some large legitimate wage differences masked by over-broad occupational categories. For example, its researchers count “social science” as one college major and report that, among such majors, women earned only 83 percent of what men earned. That may sound unfair... until you consider that “social science” includes both economics and sociology majors.

Economics majors (66 percent male) have a median income of $70,000; for sociology majors (68 percent female) it is $40,000. Economist Diana Furchtgott-Roth of the Manhattan Institute has pointed to similar incongruities. The AAUW study classifies jobs as diverse as librarian, lawyer, professional athlete, and “media occupations” under a single rubric—“other white collar.” Says Furchtgott-Roth: “So, the AAUW report compares the pay of male lawyers with that of female librarians; of male athletes with that of female communications assistants. That’s not a comparison between people who do the same work.” With more realistic categories and definitions, the remaining 6.6 gap would certainly narrow to just a few cents at most.

Could the gender wage gap turn out to be zero? Probably not. The AAUW correctly notes that there is still evidence of residual bias against women in the workplace. However, with the gap approaching a few cents, there is not a lot of room for discrimination. And as economists frequently remind us, if it were really true that an employer could get away with paying Jill less than Jack for the same work, clever entrepreneurs would fire all their male employees, replace them with females, and enjoy a huge market advantage.
The information and chart below are from the American Association of University of Women's website.

- Male-dominated industries tend to have higher wages than industries and occupations made up mostly of female workers;
- In a comparison of occupations with at least 50,000 men and 50,000 women in 2017, 107 out of 114 had statistically significant gaps in pay that favored men; six occupations had no significant gap; and just one had a gap favoring women.
- In some occupations, women collectively are receiving billions less than they would with equal pay; for instance, women working as physicians and surgeons are paid $19 billion less annually than if they were paid the same as men in that occupation.

### 10 Occupations with Largest Wage Gap

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Women's Earnings</th>
<th>Men's Earnings</th>
<th>Earnings Ratio</th>
<th>Wage Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business and financial operations occupations</td>
<td>$61,601</td>
<td>$79,998</td>
<td>77.0%</td>
<td>23.0%</td>
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<tr>
<td>Management occupations</td>
<td>$64,685</td>
<td>$85,289</td>
<td>75.8%</td>
<td>24.2%</td>
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<tr>
<td>Personal care and service occupations</td>
<td>$26,103</td>
<td>$34,453</td>
<td>75.8%</td>
<td>24.2%</td>
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<tr>
<td>Building and grounds cleaning and maintenance occupations</td>
<td>$23,483</td>
<td>$31,697</td>
<td>74.1%</td>
<td>25.9%</td>
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<tr>
<td>Farming, fishing, and forestry occupations</td>
<td>$22,783</td>
<td>$31,411</td>
<td>72.5%</td>
<td>27.5%</td>
</tr>
<tr>
<td>Production occupations</td>
<td>$30,617</td>
<td>$42,766</td>
<td>71.6%</td>
<td>28.4%</td>
</tr>
<tr>
<td>Transportation occupations</td>
<td>$32,858</td>
<td>$46,008</td>
<td>71.4%</td>
<td>28.6%</td>
</tr>
<tr>
<td>Health diagnosing and treating practitioners and other technical occupations</td>
<td>$71,232</td>
<td>$106,777</td>
<td>66.7%</td>
<td>33.3%</td>
</tr>
<tr>
<td>Sales and related occupations</td>
<td>$36,519</td>
<td>$54,754</td>
<td>66.7%</td>
<td>33.3%</td>
</tr>
<tr>
<td>Legal occupations</td>
<td>$69,361</td>
<td>$126,800</td>
<td>54.7%</td>
<td>45.3%</td>
</tr>
</tbody>
</table>
The information below is excerpted from an online article from CNBC.

1. Women (and especially women of color) still make less than men on average, but when adjusting for specific factors like industry, company size and title, the gap gets significantly reduced.

![Bar chart showing U.S. Gender Pay Gap, Before and After Adding Statistical Controls.](source)

Source: Glassdoor Economic Research report: Progress on the Gender Pay Gap: 2019 based on 426k... [+]
The information below is excerpted from an online article from CNBC.

Given all of these dynamics, closing the pay gap can seem insurmountable. But economists point to several public policy changes leaders could advocate for to minimize the gender pay gap and steps individuals can take to counteract its effect on their earnings.

Choose the right field

Many recommend pursuing a career in a field that can offer both high pay and flexibility.

“In scientific and technical occupations it’s more likely and it’s possible to combine having a good job with having some flexibility in your work hours or lower work hours,” says Gary Burtless, Senior Fellow, Economic Studies, The Brookings Institution.

Join a union

Heidi Hartmann, President of the Institute for Women’s Policy Research (IWPR) suggests joining a union and being open about how much you are being compensated. “You can definitely share pay information, that is actually protected by law.”

Social insurance

Nancy Folbre, Professor Emerita of Economics, University of Massachusetts Amherst, argues that there are several public policy changes that could be enacted to minimize the reality of the pay gap, including: “Paid family leaves from work; more public subsidies for care of children, people who are sick and disabled and the elderly; legislation to reduce penalties for part-time work; changes in the length of the school day and school vacations; reduced tuition and fees at public universities and Medicare for All.”

“Sure, these policies would cost taxpayers money, but they would also reduce the out-of-pocket costs that most families must pay,” says Folbre. “Everyone benefits from social insurance, because everyone is at risk of needing assistance for themselves or a loved one at some point in their lives.”

In other countries, says Burtless, it’s possible “to take two years off with partial compensation and still be protected in your old job. The United States doesn’t have these kinds of protections to any great extent unless they’re negotiated on by a sort of employer-by-employer basis. Whereas in other countries, these things are just the law of the land.”

A higher minimum wage

Isabel V. Sawhill, Senior Fellow in Economic Studies, the Brookings Institution, says that raising the minimum wage would help increase women’s earnings specifically. “The unwillingness to raise the minimum wage is really hurting women,” she says, “because they are disproportionately represented at that level.”
The information below is excerpted from an online article published by the Foundation for Economic Education.

**A New Study Out of Harvard**

Remember, if we truly want to measure the impact of sexism on male and female relative earnings, we want to look at men and women doing exactly the same job at exactly the same place. Fortunately, a new study by Valentin Bolotnnyy and Natalia Emanuel of Harvard University—again, listed in that order because that is how they are presented in their paper—does just this.

And yet, even here, Emanuel and Bolotnnyy find that female train and bus operators earn less than their male counterparts.

They look at data from the Massachusetts Bay Transportation Authority (MBTA). This is a union shop with uniform hourly wages where men and women adhere to the same rules and receive the same benefits. Workers are promoted on the basis of seniority rather than performance, and male and female workers of the same seniority have the same choices for scheduling, routes, vacation, and overtime. There is almost no scope here for a sexist boss to favor men over women.

And yet, even here, Emanuel and Bolotnnyy find that female train and bus operators earn less than their male counterparts. From this observation, they go looking for possible causes, examining time cards and scheduling from 2011 to 2017 and factoring in sex, age, date of hire, tenure, and whether an employee was married or had dependents.

They find that male train and bus drivers worked about 83 percent more overtime than their female colleagues and were twice as likely to accept an overtime shift—which pays time-and-a-half—on short notice and that around twice as many women as men never took overtime. The male workers took 48 percent fewer unpaid hours off under the Family Medical Leave Act each year. Female workers were more likely to take less desirable routes if it meant working fewer nights, weekends, and holidays. Parenthood turns out to be an important factor. Fathers were more likely than childless men to want the extra cash from overtime, and mothers were more likely to want time off than childless women.

“The gap can be explained entirely by the fact that, while having the same choice sets in the workplace, women and men make different choices.”

In other words, the difference in male and female earnings at the MBTA was explained by those “so-called ‘women’s choices,’” which Hartmann and Rose so easily dismissed.

“The gap of $0.89 in our setting,” the authors concluded, “can be explained entirely by the fact that, while having the same choice sets in the workplace, women and men make different choices.”

The “gender wage gap” is as real as unicorns and has been killed more times than Michael Myers. Yet politicians feel the need to genuflect before this phantom figure. President Obama’s White House was obsessed with that ridiculous 80-cent number. Let us substitute the quest for phantoms with serious research into the causes of relative incomes.
Sen. Jeff Sessions (R-Ala.), the ranking member of the committee and the lone Republican to attend the hearing, asked how women who “invest a lot of their time in raising” children can catch up to their male counterparts financially.

Heather Boushey, executive director and the chief economist at the Washington Center for Equitable Growth, responded that greater access to affordable, quality childcare was one of the primary ways to close the equal pay gap. She said the United States “stands alone” in not supporting families when both parents work.

“One of the things we forget about child care is you can’t scrimp on it – you can’t get a cheaper cost child care and think that’s just going to be ok for your kids, right?” she said. “The kind of care is the kind of care that you need. You need a qualified teacher, it’s got to be a sufficient quality and we don’t go far enough to make sure every child in America has access to that kind of quality at a cost that families can afford, again, when they are young and don’t have a lot of money.”

Boushey said that although tax credits help, they do not fully address the costs of childcare, which she said ranged from $4,000 to $15,000 per year in 2011. She added that in some states, parents with subsidized childcare have to worry about slight increases in pay that push them over an income threshold and result in a dramatic increase in childcare costs, leading some women to turn down raises to avoid going over the “childcare cliff.”

The Center for American Progress, a left-leaning think tank, estimates that 10.5% of the wage gap is due to differences in women’s work histories.

Sarah Jane Glynn, associate director for women’s economic policy at Center for American Progress, who did not testify at the hearing, said that because women usually earn less the men, they are more likely to be the one to stay home if childcare becomes an issue.

“Much of this is caused by the fact that women are more likely to have to take time out of the labor force to provide family care,” Glynn said in an email. “This is exacerbated by two factors: lack of paid family leave (which facilitates returns to work) and the high costs of child care.”