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Motherhood Still a Cause of Pay Inequality

By EDUARDO PORTER

Women have made huge strides in the job market since President Kennedy signed the Equal Pay Act in 1963. Yet almost half a century after it became illegal to pay women less than men for the same job, the weekly wage of a typical woman who works full time is almost 18 percent less than that of the typical working man.

That wage gap is drawing renewed attention as President Obama courts women's votes ahead of the November election. Last week Republicans in the Senate blocked the Paycheck Fairness Act, a bill supported by the administration that would have limited the reasons employers can use to justify paying a man more than a woman for doing a similar job.

"It is incredibly disappointing that in this make-or-break moment for the middle class, Senate Republicans put partisan politics ahead of American women and their families," Mr. Obama said in a statement. "My administration will continue to fight for a woman's right for equal pay for equal work."

The attention is welcome. The pay deficit for women has narrowed remarkably since the 1960s. But progress closing the gap has slowed over the last 20 years or so. And the flow of women into the work force has stalled after five decades of breakneck growth. Some economists worry that women's progress in the job market might be hitting a wall.

But the bill pushed by the administration failed to address any of the central reasons that women still earn less than men.

Most economists believe the gap between women's and men's wages does not stem primarily from employers paying women less than men for the same job. It occurs mostly because men and women take different jobs and follow different career paths. Part of this difference may be a result of discrimination in hiring and promoting. Much, though, is a result of the constraints of motherhood.

There are policies that could help diminish women's pay deficit by increasing flexibility in the workplace and easing women's family burden. Reducing the nation's vast income inequality would also go a long way. Many European countries have smaller gender pay gaps because the difference between the earnings of low-wage and high-wage workers, men or women, is much smaller than in the United States. But mandating equal pay for equal work is unlikely to make much of a difference.

Teasing out pay discrimination is tough because many attributes and behaviors may account for differences in pay. Women choose different educational paths than men. Female engineers earn considerably more than female educators straight out of college. Nonetheless, women account for only 18 percent of engineering majors versus 79 percent of education majors, according to a study by the American Association of University Women.

Female doctors are more likely to be pediatricians than higher-paid cardiologists. They are more likely to work part time. And even those working full time put in 7 percent fewer hours a week than men. They are also much more likely to take extended leaves, most often to give birth and start a family.

This is not to say that employers do not discriminate by sex. Some employers still steer women into lower-paid positions with lesser prospects. In 1970 women accounted for only 5 percent of the musicians in the nation's top five symphony orchestras. By the mid-1990s, their share had increased to 25 percent. Up to half the gain came because orchestras introduced blind auditions, in which a screen hid the identity of candidates and forced judges to choose exclusively on the basis of their performance.

But outright sex discrimination has declined sharply, most economists agree. Today, women's career choices — constrained by the burdens of motherhood and family — account for most of the pay gap between women and men.

Francine D. Blau and Lawrence M. Kahn of Cornell University tried to get at the pay gap between similar men and women by stripping out many of the differences that might affect wages, such as relative levels of education, the type of occupations and the industries they worked in, and the greater likelihood that women would interrupt their careers to have children. These variables explained about 60 percent of the total difference in wages, leaving an unexplained 9 percent pay gap between women and men.

Still, Ms. Blau acknowledges that the 9 percent wedge may not be due entirely to discrimination. There could be differences in motivation, commitment, interpersonal skills or some other variable not captured in the data that would affect a worker's value to an employer. The study by the American Association of University Women found that the pay gap straight out of college — before the demands of family become an issue — was only 5 percent after accounting for other differences between the sexes.

It's telling to look at the pay gap among the nation's highest earners — where women's deficit is largest. At the 10th percentile of earners, women make about 90 cents for every dollar earned by men. By contrast, at the 90th percentile, near the top of the distribution, women only make about 77 cents for every \$1 men earn.

The economists Claudia Goldin and Lawrence F. Katz of Harvard University, and Marianne Bertrand of the University of Chicago, tracked the career paths of nearly 3,000 M.B.A.'s who graduated from the University of Chicago over 15 years, as they began their careers in business and finance. The women started off making 88 percent as much as men, on average. But 10 to 15 years later, they were making only 55 cents for every dollar of men's pay.

After accounting for a number of differences, from grades to course choices, the economists concluded that women's pay deficit was almost entirely because they interrupted their careers more often and tended to work fewer hours. The rest was mostly explained by career choices: for instance, more women worked at nonprofits, which pay less.

That women are being paid less than men because they shoulder more of the family burden doesn't mean the pay gap is unimportant. But closing it further requires changes that allow workers to mesh their jobs better with their family duties. This might mean flexible schedules and more parental leave to accommodate working mothers. It could include nudging men to participate more in bringing up children, using tools like "use it or lose it" paid parental leave.

Some professions are becoming more welcoming to women. In fields including veterinary medicine or pharmacy, changes like business consolidation and technological progress have allowed for flexible and predictable schedules without a big drop in pay. For instance, among pharmacists there is no unexplained gender pay gap, Ms. Goldin said. Women earn less only if they work fewer hours. And women have flocked to those jobs.

Public policy can help remove some of the obstacles for working women. A recent study found that California's paid family leave program, the first in the nation, more than doubled the use of maternity leave — to seven weeks — and may have increased mothers' hours at work and incomes by up to 9 percent.

Some economists, like Nancy Folbre at the University of Massachusetts, Amherst, say they believe that equal pay laws are needed anyway because they change the norms of society. Tightening the civil rights-era law to force employers to offer equal pay for equal work by equally qualified workers would encourage them to think twice about their pay practices and temper the tendency to subconsciously discriminate against women, she says.

But such norms can be costly. Demanding that employers explain exactly why a particular man earned more than a particular woman would create a jolt in the labor market — where employers like to pay both women and men as little as possible, according to the laws of supply and demand. What's more, it's probably impossible to do, considering the myriad differences between two workers. "What are we going to check?" asks Ms. Goldin. "It's not checkable." The result, she says, could backfire, leading to lower employment for women over all.

That wouldn't help women at all.

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