SEX, MARKETS, AND POWER

Why Time is Money, and What to Do About it
Overview

• Why does gender inequality in politics and economics persist?
  • Measuring productivity is hard.
  • We use time as a noisy signal of productivity.
• What can be done about it?
It’s Not Just Anti-Female Bias!
Hourly Wage Gap

Hourly Wage Gaps by Cohort
(CPS: all workers, 1961-2004)

Year of earnings (+/- 1 year)

Women's / Men's Median Annual Earnings


100% 90% 80% 70% 60% 50% 40%
Civilian Female Labor Force Participation Rate: Sweden, West Germany, and United States

Working Women in Sweden: Public Sector Employment

Female LFPR vs Public sector percentage of LFPR
Sweden

Sweden provided generous childcare support, relieving a supply-side constraint.
Sweden

- Sweden hired women into secure public sector jobs relieving a demand side constraint that is particularly acute for coordinated market economies.
Occupational Segregation

The

“M Curve”
Claudia Goldin: Time Matters!
Jobs that have *long hours* and *particular hours* put women at a disadvantage.
Time is Money

Predicted Effects of Hours Worked
For Salary Workers

Weekly Earnings

Hours Worked
Median weekly earnings of women and men in management, professional, and related occupational groups, 2008

- Legal: $1,696
- Education, training, library: $818
- Arts, design, entertainment, sports, media: $777
- Healthcare practitioner & technical: $1,210
- Management, business, & financial: $979
- Computer & mathematical: $1,088
- Architecture & engineering: $1,286
- Life, physical, & social science: $931
- Community & social services: $696
- Business & financial operations: $1,167
Time Availability is Not Gender-Equal

Preferred number of hours

Mean(W)  Mean(M)

Women  Men

Selection pool for promotion
INCREASE IN LIKELIHOOD OF PROMOTION WITH AND WITHOUT PRODUCTIVITY INFORMATION

WITHOUT PRODUCTIVITY INFORMATION

WITH PRODUCTIVITY INFORMATION
Conclusions

• There are no existing economically viable models that put the woman’s family/career balancing act on terms that are even with the man’s.
Policy Solutions?

• Not until male and female workers look the same to employers will statistical discrimination go away.
• How can we measure productivity more effectively?
  • Why would firms want to reorganize in favor of group practices?
  • Why would competitive people join a cartel to reduce their availability?
• Incentivize paternity leave?
• Give firms tax breaks for gender-equal employment?