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Gwartney - Stroup
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Is Discrimination Responsible for the Earnings Differences Between Men and Women?

Full Length Text — Part: 6 Chapter: 10
Micro Only Text — Part: 4 Chapter: 7


To Accompany "Economics: Private and Public Choice 12th ed."
James Gwartney, Richard Stroup, Russell Sobel, & David Macpherson
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James Gwartney, David Macpherson, & Charles Skipton

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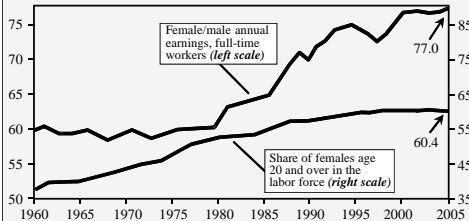
Employment Discrimination and the Earnings of Women

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Employment Discrimination and Earnings of Women



Year	Female/male annual earnings, full-time workers (left scale)	Share of females age 20 and over in the labor force (right scale)
1960	60	50
1965	60	55
1970	60	58
1975	60	60
1980	60	62
1985	62	64
1990	65	66
1995	70	68
2000	75	70
2005	77.0	60.4

- The labor force participation rate of women has been increasing for several decades.
- The earnings of women remained around 60 % that of men during the 1960's and 1970's. Since 1980 the earnings of women have been rising relative to men.

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Marital Status and the Earnings of Women

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Marital Status and the Earnings of Women

Median female/male annual earnings ratio (%), 2005

Category	Married (spouse present)	Total	Never Married
All workers:	58 %	69 %	81 %
Full-time, full-year workers:	69 %	76 %	100 %

- The earnings of married female workers are about 58% those of married men. The earnings of single female workers are about 81% those of single men.
- In the case of full-time workers, the female-male earnings ratio for persons never married is 100%, compared to 69% for those married with spouse present. Why the disparity?

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Earnings Differences

- Possible sources of earnings differences between men and women:
 - Employment discrimination
 - Specialization of roles within the family has traditionally caused gender differences in educational choices & types of jobs held.
 - Women typically worked jobs with more flexible and shorter hours and within occupations where skills were transportable across employers.
 - Continuity of work force participation

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The Changing Workforce Objectives of Women

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Women Entering Professions

Women as a Proportion of Persons Earning Selected Professional Degrees, Selected Years

Field of study	1970-71	1987-88	2004-05
Engineering	0.8	15.3	19.9
Dentistry	1.2	26.1	43.8
Optometry	2.4	34.3	61.5
Law	7.3	40.4	48.7
Veterinary medicine	7.8	50.0	75.6
Medicine	9.2	33.0	47.3
Accounting	10.1	52.6	59.7
Economics	11.2	32.8	31.9
Architecture	12.0	38.7	38.8
Pharmacy	25.2	59.7	67.5

- The career goals and educational choices of women have changed dramatically during the last 35 years.
- Does this help explain the rising earnings of women relative to men since 1980?
- What are the implications of this trend for the future earnings of women relative to men?

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Women as a Share of Persons Graduating from College: 1961-2006


Female Share of College Graduating Classes

Year	Female Share (%)
1961	39%
1970	43%
1980	49%
1990	53%
2000	57%
2006	58%

- Since 1961, women have constituted an increasing share of college graduates. Today, almost three of every five graduating seniors are women.
- Does this indicate that colleges discriminate against men? What does it mean?

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Questions for Thought:

1. During the last three decades, the labor force participation rate of married females has almost doubled. What impact has this influx of married workers into the labor force had on:
 - a. the average years of work experience of women relative to men,
 - b. the mean hours of work time of women relative to men, and,
 - c. the female/male earnings ratio?
2. Physical strength is important on some jobs. Do you think differences in physical strength between men and women contribute to earnings differences according to gender?


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Questions for Thought:

3. In 2005 the median earnings of single men working full time, year round were only 64% of their married counterparts. Does this indicate that employment discrimination existed against single men and in favor of married men?

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**End
Special Topic 10**

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