

Parsing the pay gap

Women on average earn less than men, but there's more to the story

Unequal pay

While the difference in pay between genders has narrowed in the U.S., it is still pronounced, especially in certain fields.

Median earnings of full-time U.S. workers, 2008 dollars:

PROFESSION	WOMEN'S EARNINGS COMPARED WITH MEN'S	WORKERS WHO ARE FEMALE
Programmers	92.7%	23.3%
Cashiers	80.9	72.2
Waiters	79.4	66.6
Chief executives	74.5	19.7
Lawyers	73.7	31.7
Beauticians	69.6	87.6
Dentists	67.4	21.3
Retail sales	67.2	40.3
Financial analysts	64.6	34.0
Physicians	60.8	30.6

Source: U.S. Census Bureau

By CARL BIALIK

Later this month, American women will start earning money for the first time this year.

That seemingly nonsensical statement stems from this fact: For the average full-time female worker to earn the same amount of money as the average man, she would need to work nearly four additional months—until the third week of April—because of the 23-percentage-point gap in pay between the sexes.

That is why several advocacy groups have designated April 20 as Equal Pay Day. Lawmakers in the U.S. and the U.K. have taken up the cause, and U.S. President Barack Obama, who cited the pay gap on the campaign trail in 2008, repeated the statistic while commemorating International Women's Day last month. The American Senate is considering a bill meant to address underlying gender discrimination some believe explains the pay gap, and the U.K. Parliament passed such a bill this week.

But do women really earn that much less than men? It depends on how you interpret the numbers.

People often assume that the gender gap measures how much a woman is paid for doing the same job as a man. Instead, the figure is based on a broader look at employment. In 2008, the typical American woman working at least 35 hours a week, year-round, earned 77.1% of what the typical American man did, according to the latest figures from the Census Bureau. That gap has changed little since 2001, ranging from 75.5% to 77.8%.

But restrict the comparison to those working 40 hours a week or more, and the gap narrows, with women earning 87% of what men did. Also, the gap covers all workers, regardless of job title. But men, on average, work in higher-paying fields.

Cornell University economists Francine D. Blau and Lawrence M. Kahn found that after adjusting for factors such as education, experience, occupation and industry, the remaining, "unexplained" gender gap in 1998 was nine percentage

points. Women also are likely to interrupt their careers, often to start a family, and such breaks can derail promotions and raises.

"When you first see the numbers, you would say there is a glass ceiling," says Harvard University economist Claudia Goldin. "And yet when you scrutinize the data, you find lots of evidence of people making rational choices."

But advocates for closing the pay gap say these differences in industries, job titles and career tracks might themselves be evidence of discrimination, rather than of free will in the job market.

If women are underrepresented in higher-paying fields, that could be due to hostile environments in those fields rather than women's preference to work elsewhere.

"Employers are doing a terrible job of hiring women in large enough numbers into nontraditional occupa-

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tions," says National Organization for Women President Terry O'Neill.

Also, not all gender differences explain men's higher pay.

U.S. working women earn less than men even though they are more educated on average than working men, points out Jeffrey Hayes, senior research associate for the Institute for Women's Policy Research.

The importance of how the pay gap is calculated was highlighted in a recent battle in the U.K.

The Government Equalities Office last year said that women earn 23% less than men, based on the median hourly wage of all employees. But the U.K. Statistics Authority, which audits government numbers, pointed out that the gap looks much smaller when focusing on full-time workers, among whom men make 13% more than women; or part-timers, among whom women make 3% more than men.

The gap is bigger overall than in either of the subsets of workers because more men than women work full-time, and full-time workers earn more than part-timers per hour.