

Macro Roundup Article

Headline: [The 'Gender Pay Gap' Is a Myth That Won't Go Away](#)

Article Link: https://www.wsj.com/articles/the-gender-pay-gap-is-a-myth-that-wont-go-away-1f0e3841?mod=opinion_lead_pos12

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Tweet: Phil Gramm and John Early note that the "Gender Pay Gap" is largely driven by female preference for fewer hours worked and lower-paying professions.

Summary: The pay gap is the natural economic result of choices men and women make, including how much or how little to work and which occupations to enter. The 84% figure, which is correct, is arrived at by dividing the average annual pay for women who work full-time all year by the average annual pay of men working full-time all year. But that comparison is misleading because full-time, year-round work is defined so broadly. Workers' earning power increases as they gain more experience. On average, women over 40 have three less years of experience than men of the same age. The reason for this should be obvious: Many women drop out of the labor force at some point to rear children. That alone explains about a third of the observed pay gap. Women and men also make different choices in terms of occupations and education. Men tend to choose higher-paying college majors and occupations. Only one of the 10 highest-earning college majors graduates more women than men, while nine of the 10 lowest-earning majors graduate more women than men. Related: Women's Evolving Careers Helped Shrink the Gender Pay Gap and Harvard Study Finds 11% MBTA Gender Pay Gap Despite Guaranteed Equal Pay and Renowned Labor Economist, Claudia Goldin, Finds Cumulative Career Hours Worked Explains the Gender Pay Gap

Primary Topic: Gender Pay Gap

Topics: Database, Gender Pay Gap, Op-Ed/Blog Post, Wages/Income, Workforce

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