

Macro Roundup Article

Headline: [One Cohort at a Time: A New Perspective on the Declining Gender Pay Gap](#)

Article Link: <https://www.nber.org/papers/w32612>

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Tweet: The decrease in the gender pay gap in the US originates from the exit of age cohorts with high gender pay gaps, and the entry of recent cohorts with much lower pay gaps, due to declining opportunities for younger men, not large gains for younger women.

Summary: The whole decline in the [gender pay] gap originates from (i) newer worker cohorts who enter the labor market with smaller-than-average gender pay gaps and (ii) older worker cohorts who exit with higher-than-average gender pay gaps. The gender pay convergence at labor-market entry stems from younger men's larger positional losses in the wage distribution. Younger men experience the largest positional losses within higher-paying firms, in which they become less represented over time at a faster rate than younger women. Finally, we document that labor-market exit is the sole contributor to the decline in the gender pay gap after the mid-1990s, which implies no full gender pay convergence for the foreseeable future. Consistent with our framework, we find evidence that most of the remaining gender pay gap at entry depends on predetermined educational choices.

Related Articles: Countries for Old Men: An Analysis of the Age Pay Gap and The 'Gender Pay Gap' Is a Myth That Won't Go Away and Post-Pandemic Recovery for America's Prime Age Labor Force: A Tale of Two Sexes

Primary Topic: Wages/Income

Topics: Academic paper, Database, Inequality, Wages/Income, Weekly, Workforce

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