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APRIL 7

WHY DO WE PAY SOME OCCUPATIONS MORE THAN OTHERS?

- Why are professors paid more than elementary school teachers?

- Why are software engineers paid more than mechanical engineers?

WHY DO WE PAY SOME OCCUPATIONS MORE THAN OTHERS?

- Why are CEOs paid more than uber drivers?

RETURN TO WEBER

- Social closure:
  - Powerful groups act in ways to maintain boundaries between themselves and others
  - Usually by:
    - Monopolizing access to valued resources and opportunities
    - Preventing others from easily accessing those same resources and opportunities

- Can anyone think of an example of this?

BOUNDARY MAINTENANCE

- Enforcement of category rules / definitions / prototypes to determine who/what belongs and who/what does not

- Examples at different types of social categories:
  - Gender

BOUNDARY MAINTENANCE

- Enforcement of category rules / definitions / prototypes to determine who/what belongs and who/what does not

- Examples at different types of social categories:
  - Rape / Sexual Assault

BOUNDARY MAINTENANCE

- Enforcement of category rules / definitions / prototypes to determine who/what belongs and who/what does not

- Examples at different types of social categories:
  - Anti-miscegenation laws

HOW DO WE THINK ABOUT BOUNDARIES IN RELATION TO OCCUPATIONS?

- Consider occupations not only as positions within the larger division of labor but also as social groups with a vested interest in maintaining (or attaining) new levels of status and/or rewards

- We've seen examples of how closure can work **within** occupations
    - Tokenism mechanisms
    - The glass escalator / glass ceiling / racialized glass escalator
- This can also occur **between** occupations

EXAMPLE: WHAT'S THE DIFFERENCE BETWEEN A JOB AND A PROFESSION?

EXAMPLE: WHAT'S THE DIFFERENCE BETWEEN WHITE AND BLUE COLLAR JOBS?

OCCUPATIONS CAN ACT IN WAYS TO CLOSE THEIR BOUNDARIES

- But what will this result in?

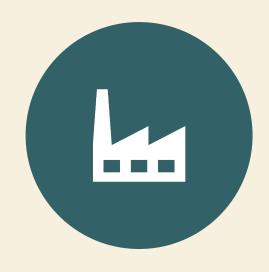# WHAT FORMS DOES OCCUPATIONAL CLOSURE TAKE?

Licensing

Educational credentials

Unions

Occupational associations
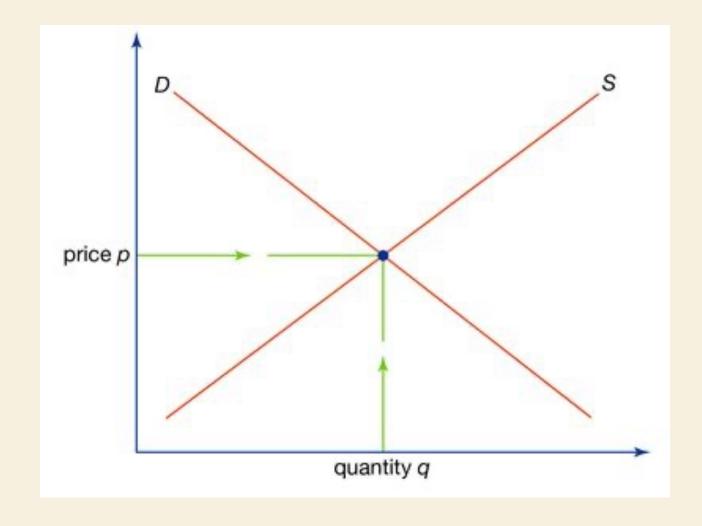
Voluntary certification

MECHANISMS:

REDUCE LABOR SUPPLY

INCREASE DEMAND

SUPPLY AND DEMAND
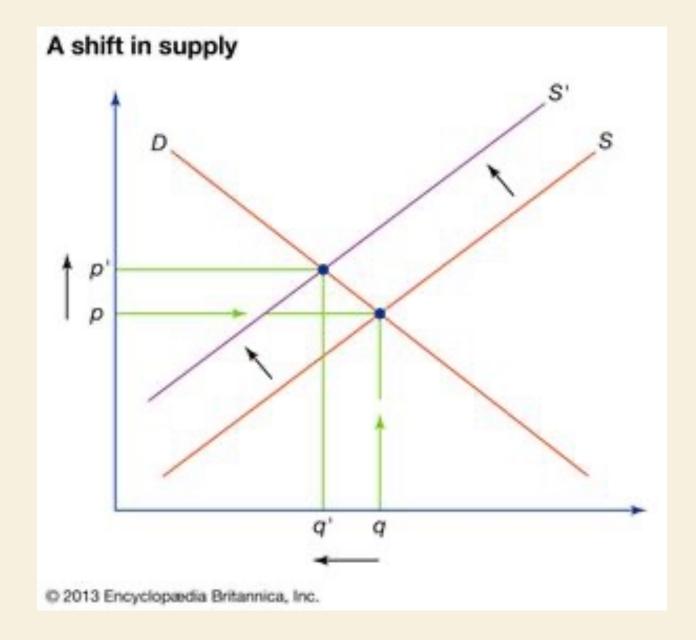
- X axis = quantity of the available labor
- Y axis = price of the labor (wage)
- Supply has a positive slope while demand has a negative slope

SUPPLY AND DEMAND
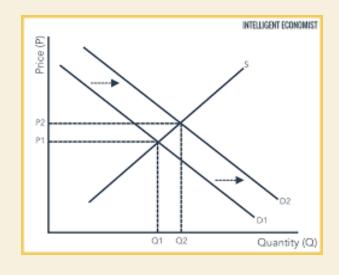
- When supply **decreases** and demand stays the same, price **increases**

A shift in supply

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SUPPLY AND DEMAND

- When demand **increases** and supply stays the same, price **increases**

REDUCE SUPPLY: EDUCATIONAL CREDENTIALS

Functional:
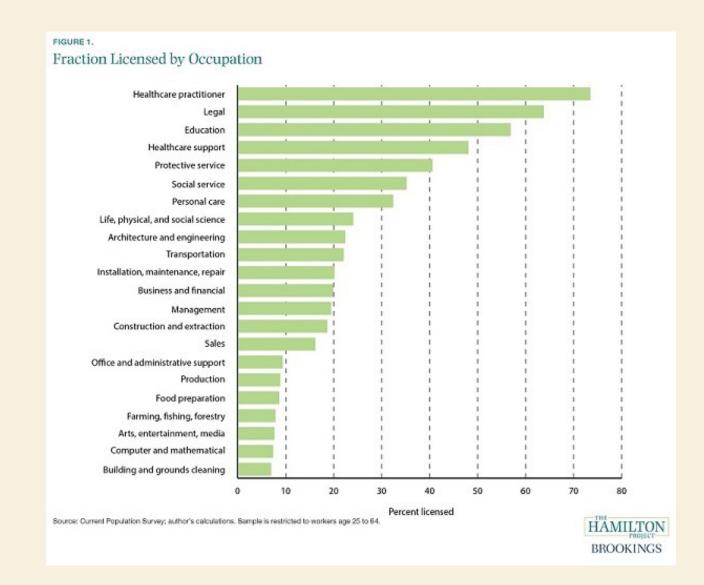
- Credentials indicate to employers that one has the necessary skills and knowledge to adequately perform at the job

Conflict

- Very loose coupling between credential and skill
- Can be 'bought'
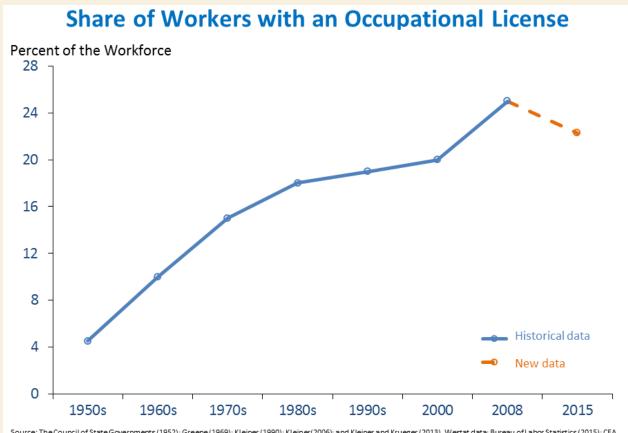
REDUCE SUPPLY: LICENSING

- Needed in order to legally belong to that occupation / fulfill job duties
  - E.g. therapists, teachers, lawyers
- Usually framed as a protective measure

FIGURE 1.
Fraction Licensed by Occupation

Source: Current Population Survey; author's calculations. Sample is restricted to workers age 25 to 64.

THE HAMILTON PROJECT
BROOKINGS

REDUCE SUPPLY: LICENSING

- Needed in order to legally belong to that occupation / fulfill job duties
 - E.g. therapists, teachers, lawyers
- Usually framed as a protective measure

Share of Workers with an Occupational License

Percent of the Workforce

[Line chart showing share of workers with an occupational license as a percentage of the workforce, with data points at 1950s (~4.5), 1960s (~10), 1970s (~15), 1980s (~18), 1990s (~19), 2000 (~20), 2008 (~25) for Historical data (blue), and 2015 (~22) connected by New data (orange dashed line).]
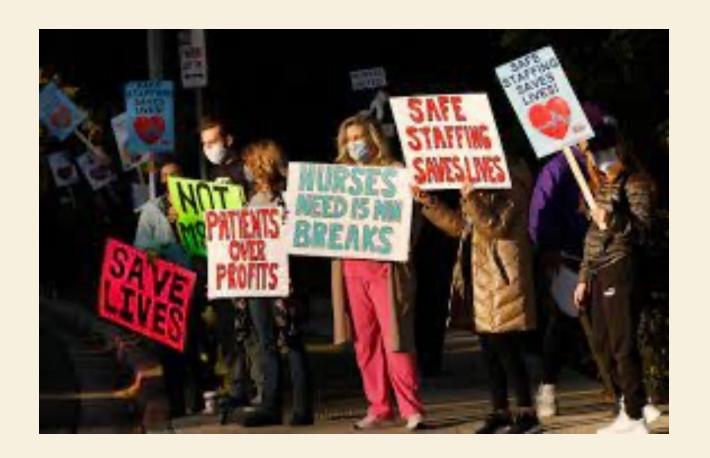
Legend:
- Historical data
- New data

Source: The Council of State Governments (1952); Greene (1969); Kleiner (1990); Kleiner(2006); and Kleiner and Krueger (2013), Westat data; Bureau of Labor Statistics (2015); CEA calculations
Note: Estimates for 1950-2008 are for workers with State licenses; estimates for 2015 include State, Federal and local licenses.
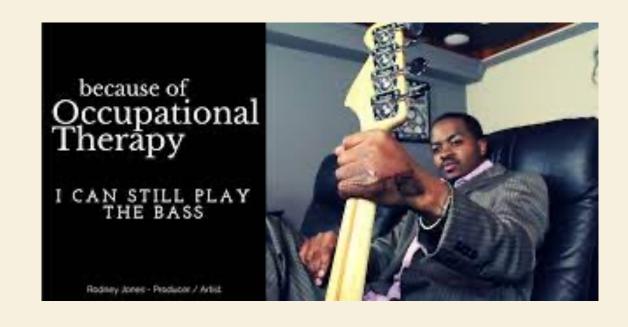
REDUCE SUPPLY: UNIONS

- Reduce labor supply (or the threat of it) via collective action like strikes

INCREASE DEMAND: OCCUPATIONAL ASSOCIATIONS

- Lobbying to ensure a certain amount allocated in the state budget
  - Teachers, police, farming
- Advertising / marketing
  - To maintain symbolic control over a certain area

CHANNEL DEMAND: OCCUPATIONAL ASSOCIATIONS

If you are looking for someone to fulfill this expectation, **only** look to people who have this certification or belong to the occupation – even if others say they can also do it

Please click here to read the AAMA (American Academy of Medical Acupuncturists) physician's group position against the practice of dry needling by physical therapists.

Please click here to read the AAPM&R (American Academy of Physical Medicine and Rehabilitation) physician's group position against the practice of dry needling by physical therapists.

Please click here to read the AMA (American Medical Association) physician's group position paper against the practice of dry needling by physical therapists.

INCREASE DEMAND BY INFLUENCING PERCEIVED VALUE

- Voluntary Certification
  - Signal who are the 'good'/ 'competent' members of an occupation
- Occupational associations
  - Influence public opinion
  - Continually reinforce need for existence of the occupation
- Licensing & credentialing
  - Signal themselves
  - Link education to occupation

RESULTS

Closure strategies:			
Licensing ……………………	. . .	.077** (.028)	.085*** (.023)
Educational credentialing …	. . .	.363*** (.037)	.317*** (.054)
Voluntary certification …….	. . .	.102** (.035)	.116*** (.028)
Association representation …	. . .	.012 (.016)	−.033* (.014)
Unionization ………………	. . .	.131** (.050)	.047 (.044)

HOW ARE THESE MECHANISMS DISTRIBUTED ACROSS OCCUPATIONS?

TABLE 6

DISTRIBUTION AND ESTIMATED EFFECTS OF CLOSURE STRATEGIES BY MAJOR OCCUPATION GROUP

Closure Strategy	Professional	Managerial	Technical	Sales & Clerical	Service	Craft	Operative & Labor
Proportion covered:[a]							
Licensing	.605	.602	.454	.255	.180	.161	.156
Educational credentialing	.938	.788	.795	.583	.386	.360	.252
Voluntary certification	.162	.075	.354	.067	.023	.063	.006
Association representation	.610	.175	.230	.058	.033	.015	.006
Unionization	.215	.058	.112	.104	.162	.243	.244
Selected coefficients ($\times$ 10) from model 5:[b]							
Licensing	.160***	−.062	−.009	.113	.053	.087	.083
	(.037)	(.061)	(.073)	(.060)	(.064)	(.063)	(.075)
Educational credentialing	.509**	.720**	1.475***	.617***	.335*	.018	.012
	(.184)	(.246)	(.315)	(.127)	(.149)	(.122)	(.126)
Voluntary certification	.117**	.077	.057	.087	−.018	.135	.579
	(.040)	(.087)	(.062)	(.063)	(.187)	(.089)	(1.034)
Association representation	−.021	.020	.169	−.472**	.255	−.126	−.125
	(.014)	(.092)	(.141)	(.168)	(.233)	(.206)	(.413)
Unionization	−.217	−.226	.201	.014	.086	.211*	.159*
	(.114)	(.291)	(.239)	(.098)	(.119)	(.091)	(.079)

NOTE.—N = 97,084 individuals in 488 detailed occupations.

[a] Proportions are calculated from data weighted by occupation size. See text for an explanation of these measures.

[b] Model 6 (−2 log-likelihood = 129,418) fits interactions of the closure characteristic with major occupation group, as well as all individual- and occupation-level covariates (see model 3, table 4).

* $P < .05$, two-tailed tests.

** $P < .01$.

*** $P < .001$.

METHODS PLAN → ANALYSIS AND RESULTS

EXAMPLE – DEFLECTION OUTCOME

- RQ: How does the cultural likelihood of experiencing sexual harassment at work differ between the U.S. and Germany?

ACT Dictionary	Actor	Behavior	Object	Outcome of interest
U.S. 2015	Boss	Harass	Employee	Deflection
U.S. 2015	Boss	Flirt_with	Employee	Deflection
U.S. 2015	Boss	Stare_at	Employee	Deflection
Germany 2007	Boss	Harass	Employee	Deflection
Germany 2007	Boss	Flirt_with	Employee	Deflection
Germany 2007	Boss	Stare_at	Employee	Deflection

EXAMPLE – DEFLECTION OUTCOME

- RQ: How does the cultural likelihood of experiencing sexual harassment at work differ between the U.S. and Germany?

ACT Dictionary	Actor	Behavior	Object	Outcome of interest	Estimate
U.S. 2015	Boss	Harass	Employee	Deflection	12.0
U.S. 2015	Boss	Flirt_with	Employee	Deflection	1.5
U.S. 2015	Boss	Stare_at	Employee	Deflection	4.5
Germany 2007	Boss	Harass	Employee	Deflection	5.1
Germany 2007	Boss	Flirt_with	Employee	Deflection	5.3
Germany 2007	Boss	Stare_at	Employee	Deflection	2.6

EXAMPLE – EMOTIONS

- RQ: What are the mental health consequences for experiencing racial microaggressions across different industries?

ACT Dictionary	Actor	Behavior	Object Modifier	Object	Outcome of interest
U.S. 2015	Lawyer	Undermine	Black	Lawyer	Object Emotions
U.S. 2015	Lawyer	Patronize	Black	Lawyer	Object Emotions
U.S. 2015	Doctor	Undermine	Black	Doctor	Object Emotions
U.S. 2015	Doctor	Patronize	Black	Doctor	Object Emotions
U.S. 2015	Engineer	Undermine	Black	Engineer	Object Emotions
U.S. 2015	Engineer	Patronize	Black	Engineer	Object Emotions

EXAMPLE – EMOTIONS

- RQ: What are the mental health consequences for experiencing racial microaggressions across different industries?

ACT Dictionary	Actor	Behavior	Object Modifier	Object	E	P	A	Closest measured emotions
U.S. 2015	Lawyer	Undermine	Black	Lawyer	0.18	-1.80	0.34	Emotional, indignant
U.S. 2015	Lawyer	Patronize	Black	Lawyer	0.31	-1.77	0.36	Emotional, indignant
U.S. 2015	Doctor	Undermine	Black	Doctor	0.09	-2.63	0.49	Sniveling, scared
U.S. 2015	Doctor	Patronize	Black	Doctor	0.23	-2.56	0.50	Sniveling, anxious
U.S. 2015	Engineer	Undermine	Black	Engineer	0.13	-2.32	0.48	Sniveling, anxious
U.S. 2015	Engineer	Patronize	Black	Engineer	0.26	-2.24	0.49	Nervous, emotional