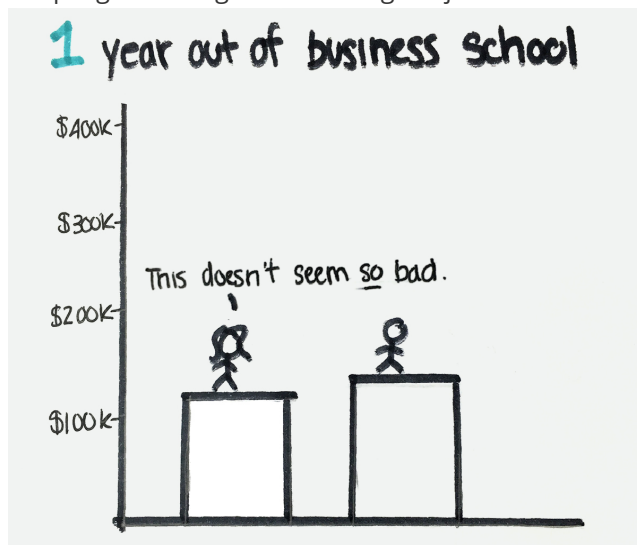


# Exam 2 Prep - Gender Pay Gap and the End of Growth

1. The “gender wage gap” is complex. Explain what it is and what it is not. Discuss how education, occupation, tenure, child bearing, greedy jobs, and the interplay between them determine much of the gap.
  - I think it might be easier and more efficient to say what the gender pay gap is, rather than what it is not. The gender pay gap does not mean that women are paid a fraction of what men are paid for the same job. The pay gap refers to a difference in average total wages across an entire career. Of course, for there to be a difference in the average, there must be a difference at specific points in a career. I’m going to use some of the pictures from [this Vox article](#) to help me explain how this happens.

1. People go to and graduate and get a job.

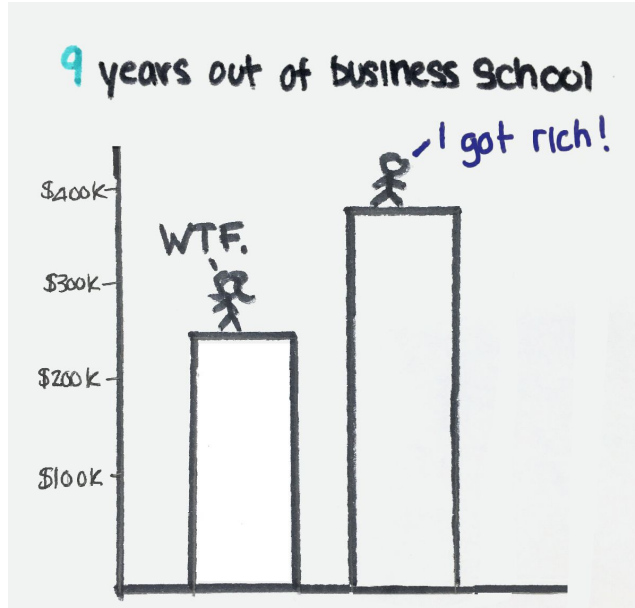


Sure, there's a little bit of a difference, but it doesn't necessarily mean anything.

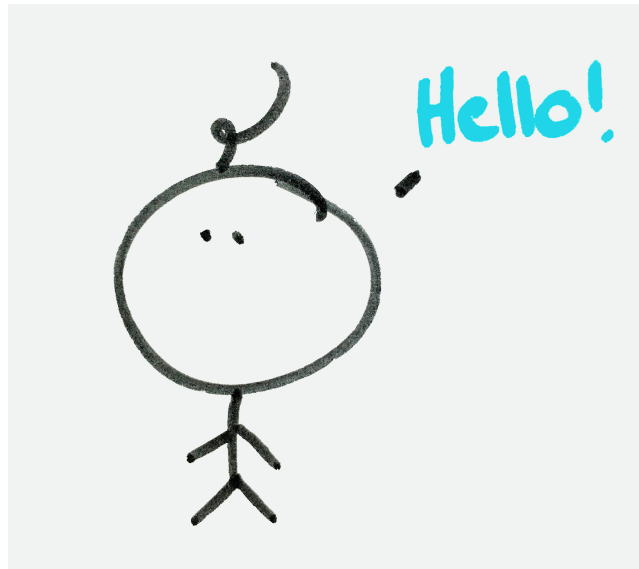
2. Life goes on, people keep working (big mistake), and you keep making more and more money. Maybe you're boring and go to an economics conference.



3. All of a sudden, you're nine years out of school, you're hitting or have just hit your "dirty thirties," your hangovers last more than a few hours, and you keep finding gray hairs.



Wait a minute, that wasn't supposed to happen. Who enabled cheat codes? It was babies. Babies enabled cheat codes.



So let's get back on track. What do I mean that babies enabled cheat codes? Well imagine your name is Danica Patrick and you race in NASCAR. You've done lots of laps (idk how NASCAR works, tbh. I only know stuff from the movie *Cars*) and you decide to take a pit stop. You pull over into the pits, do your thing, then get back in the race. Unless there's a giant gap right where you were and your team is really fast, you'll probably fall behind a few places. Of course, in NASCAR, all the cars have to take pit stops so this kinda evens for the most part. But, imagine that guys don't have to take pit stops. They can keep driving. They'll probably end up pretty far ahead of the people that do have to take pit stops. Back to work! Pit stops == kids. They take you out of work for a bit and when you get back in, people who stayed are now further ahead. The unfortunate thing about kids is that they require you to make many more stops. It's like if you stopped and your pit team was really bad and you had to keep going back real quick to get something fixed. Timmy has an ear infection? Time off work. Tammy has soccer practice across town and you need to leave a bit early once a week? Time off work. All of this adds up and has a compounding effect throughout the time the child lives at home, and sometimes beyond. Once they move out, you're able to stop less and so the gap closes. Back to needing a more flexible schedule for Timmy and Tammy. Big-wig fancy jobs like CEO often have long hours and are less flexible. Other jobs like lawyer or veterinarian can be high-paying, but usually aren't to the degree that big-wig, greedy people jobs are. People who are starting or who have a family need the flexibility of the lower-paying jobs which the big-wig jobs can't handle.

Anyways, Hail says I'm spending too much time on this so I gotta go answer some other questions.

2. Have we seen the demise of economic growth as Americans thought they knew it for generations? If so, why, and why did we have the wrong idea about growth?
  - Imagine you're living in your little hut, constantly scared that you're going to accidentally burn it down with candles that let you see around at night. Then one day some guy named Benny F. goes and discovers electricity and some other guys invent electric light. That's totally rad. A

few years after that, some other guys invent an airplane and then sixty years later, some other guys are walking all over the moon. Those are some pretty huge advances in technology in a very short period of time. Consider that at the beginning of the Roman Empire, the best way to kill a guy was to stab him with a sword. Over 1000 years later, at the fall of the Roman Empire, the best way was still to stab him with a sword. The United States got its start right about when technology began advancing at increasingly rapid rates. This carried on from the 1770s through the 1970s and then began to slow down. Americans got used to this insane growth, especially with how it increased comfort generation after generation. Now, while computers are still getting faster and cars are still getting safer, we're not making so many earth-shattering developments as we used to and so growth is beginning to slow down again. That sort of growth is unsustainable. The stock market has yet to figure it out and is still hellbent on year-over-year growth as a sort of gold-standard metric and it's starting to cause problems. What problems those are, exactly is more than this question asked for.

3. The median standard of living in the U.S. has improved much more slowly over the last six decades than over the six before that. By way of comparison, what has been going on over the last six decades in the "developing" world? Why the difference?
  - As discussed in the previous question, growth was absolutely crazy during the industrial revolution and continuing on through WWII. Since then, growth has slowed considerably. This is largely a function of computing where in order to make a computer faster, you put the pieces closer together and make them smaller. You can only do that so much and it increasingly becomes harder and harder to do. This is, in part, why many computing companies are pouring lots of money into quantum computing. Because that's the only way to take the next really big step forward like we did when calculator stopped being a job title and started being the name of a machine that does math.