U6614
Lecture 2: Gender Pay Gaps in the US
Policy Context and Data Overview

Research questions
- What demographic groups have the highest/lowest gender pay gaps?
- What is the relationship between having children and the gender pay gap?

Policy context
The gender pay gap, typically defined as the difference in earnings between men and women based on how they self-identify in survey data, has been a persistent feature of the global and American economy.[1] Women consistently earn less than men, and the gap is wider for women of color. In the US, the Equal Pay Act of 1963 barred sex-based wage discrimination and recent decades have seen increasing female labor force participation, but gender pay gaps continue to exist suggesting that more structural factors are at play in keeping wages lower for women.

Data
The Current Population Survey collects monthly data on demographics, education, employment, earnings and more, and is the primary source of labor force statistics in the US.

Methods
We can use the CPS to conduct basic cross-sectional exploratory analysis to understand wage differences between different groups. We'll focus on estimating difference-in-means between males and females, also comparing Black vs. white earnings and the role of a college degree.

Why should we care?
- The persistence of wage gaps despite increasing labor force participation indicate systemic inequalities that prevent women from having the same economic opportunity as men.
- Understanding the nature of gender pay gaps can help us identify potential policy solutions to help level the economic playing field and remove barriers to economic opportunity:
  - To the extent pay gap is driven by "pre-market" differences in education and training (e.g. college attainment or STEM-related degrees in particular), or differences in caregiving responsibilities, that suggests a role for policies that make specialized training and childcare more accessible.
  - To the extent it's driven by discrimination in pay for similarly qualified individuals, for example, there is a role for policies such as pay transparency and stronger anti-discrimination protections.
- A more complete understanding of the gender pay gap also requires careful attention to the intersection of factors such as sexuality, race/ethnicity, and skin color that have the potential to impact earning potential for women.

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[1] https://www.americanprogress.org/issues/women/reports/2020/03/24/482141/quick-facts-gender-wage-gap/#fn-482141-2