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POLS 180-02

01 December 2021

**Literature Review:**

**The Persistence of the Gender Wage Gap in the United States**

## **I. Introduction**

Gender<sup>1</sup> inequality has been a common theme throughout history. The gender wage gap in the United States is a prevalent topic of discussion for political science researchers. From the moment that women entered the workforce, there has been a difference in compensation for men and women. Scholars agree that although the wage gap has declined, it is still a pertinent issue, as it has not been eliminated completely. In 2020, women earned just 84% of what men earned.<sup>2</sup> Political scientists attempt to answer the question of why the wage gap has not fully closed through both quantitative and qualitative studies. The majority of scholars attribute the persistence of the gender wage gap to working hours, occupational segregation, and unexplained factors.

## **II. Working Hours**

The first variable that many scholars argue is responsible for the failure to eliminate the wage gap altogether is working hours. This section will summarize the conclusions of two studies.<sup>3</sup> One source found that due to a higher proportion of men partaking in overwork<sup>4</sup>, there was a rise in men's wages relative to women's wages.<sup>5</sup> Overwork results in higher compensation, and men engage in overwork at a higher rate than women.<sup>6</sup> In the early 1980s, 13% of men and 3 percent of women worked 50 hours per week or more, and by 2000, 19% of men and 7% of women did.<sup>7</sup> The source found that the gender gap in wages:

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<sup>1</sup> In the context of this Literature Review, the word "gender" refers to men (males) and women (females).

<sup>2</sup> Barosso Amanda, Brown Anna, "Gender pay gap in U.S. held steady in 2020," Pew Research Center, May 25, 2021, <https://www.pewresearch.org/fact-tank/2021/05/25/gender-pay-gap-facts/>.

<sup>3</sup> Youngjoo Cha, Kim A. Weeden, "Overwork and the Slow Convergence in the Gender Gap in Wages," *American Sociological Review* 79, no. 3 (2014): 457-484, <https://doi.org/10.1177/0003122414528936>; Hadas Mandel, Moshe Semyonov, "Gender Pay Gap and Employment Sector: Sources of Earnings Disparities in the United States, 1970-2010," *Demography* 51, no.5 (2014):1597-1618, <https://doi.org/10.1007/s13524-014-0320-y>.

<sup>4</sup> Overwork refers to participating in 50 or more hours or more of work in one week, as defined in "Overwork and the Slow Convergence in the Gender Gap in Wages."

<sup>5</sup> Youngjoo Cha, Kim A. Weeden, "Overwork and the Slow Convergence in the Gender Gap in Wages," *American Sociological Review* 79, no. 3 (2014): 457, <https://doi.org/10.1177/0003122414528936>.

<sup>6</sup> *Ibid*, 458.

<sup>7</sup> *Ibid*, 458-459.

Was driven by an increase in wage returns to overwork relative to full-time work, an increase that in some occupations meant a change between wage penalty (i.e., negative wage returns) for overwork in the 1980s to a wage premium by the 1990s. The takeoff in the hourly wages associated with long work hours was sufficient to exacerbate the gender gap in wages by an estimated 9.4 percent of the total change between 1979 and 2007.<sup>8</sup>

In sum, this source concluded that the concept of overwork is gendered, as employees who work long hours are able to do so because they have support of other members of their household, who tend to be women.<sup>9</sup> Thus, because more men engage in overwork, men benefit from the rising payoff of the wages associated with overwork at a much higher rate than women.

Another source<sup>10</sup> also concludes that working hours are a key factor of the gender wage gap. It emphasizes that working hours are an important determinant of earnings, especially among women, and highlights the variance in weekly working hours among men and women.<sup>11</sup>

According to this source, the following is true:

The variance in weekly working hours among men is relatively small (i.e., in all decades, more than 90% of men work more than 40 weekly hours), whereas the variance among women is much larger (more than one-third of working women worked fewer than 40 hours).<sup>12</sup>

In terms of the explained factors that contribute to the gender wage gap, this source argues that working hours are the most significant, mainly due to the growing returns associated with working hours.<sup>13</sup>

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<sup>8</sup> *Ibid*, 477.

<sup>9</sup> *Ibid*, 478.

<sup>10</sup> Hadas Mandel, Moshe Semyonov, "Gender Pay Gap and Employment Sector: Sources of Earnings Disparities in the United States, 1970-2010," *Demography* 51, no.5 (2014): 1597-1618, <https://doi.org/10.1007/s13524-014-0320-y>.

<sup>11</sup> *Ibid*.

<sup>12</sup> *Ibid*, 1608.

<sup>13</sup> *Ibid*, 1612.

Overall, although one source<sup>14</sup> focused primarily on working hours as the explaining factor of the wage gap and the other source<sup>15</sup> analyzed many factors as they relate to the wage gap, both sources found significant evidence that working hours are a key factor in explaining the wage gap between genders. As long as men continue to work more hours than women, the wage gap will continue to exist.

### III. Occupational Segregation

A second variable which many scholars argue is responsible for the gender wage gap is occupational segregation. Occupational segregation refers to the idea that “men and women are unevenly distributed across occupations that differ in pay.”<sup>16</sup>

One source, as a preface to its research, highlights the theoretical considerations and previous research about the sources of gender economic inequality.<sup>17</sup> This source states the following about the widely held view of sociologists that attributes a significant portion of earnings disparities between men and women to occupational segregation:

According to this view, women’s earnings are lower than men’s because women are sorted (either denied access or self-selected) into female-typed low-paying jobs and occupations.<sup>18</sup>

American rates of occupational segregation have declined as the wage gap has decreased, which is largely because of the growing integration of women into new occupational domains,

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<sup>14</sup> Youngjoo Cha, Kim A. Weeden, “Overwork and the Slow Convergence in the Gender Gap in Wages,” *American Sociological Review* 79, no. 3 (2014): 457-484, <https://doi.org/10.1177/0003122414528936>.

<sup>15</sup> Hadas Mandel, Moshe Semyonov, “Gender Pay Gap and Employment Sector: Sources of Earnings Disparities in the United States, 1970-2010,” *Demography* 51, no.5 (2014): 1597-1618, <https://doi.org/10.1007/s13524-014-0320-y>.

<sup>16</sup> Youngjoo Cha, Kim A. Weeden, “Overwork and the Slow Convergence in the Gender Gap in Wages,” *American Sociological Review* 79, no. 3 (2014): 471, <https://doi.org/10.1177/0003122414528936>.

<sup>17</sup> Hadas Mandel, Moshe Semyonov, “Gender Pay Gap and Employment Sector: Sources of Earnings Disparities in the United States, 1970-2010,” *Demography* 51, no.5 (2014): 1599-1600, <https://doi.org/10.1007/s13524-014-0320-y>.

<sup>18</sup> Hadas Mandel, Moshe Semyonov, “Gender Pay Gap and Employment Sector: Sources of Earnings Disparities in the United States, 1970-2010,” *Demography* 51, no.5 (2014): 1600, <https://doi.org/10.1007/s13524-014-0320-y>, from Beilby and Baron 1986; Petersen and Morgan 1995; Treiman and Hartmann 1981.

specifically in “lucrative professional and managerial positions, occupations from which they were traditionally absent.”<sup>19</sup>

The above source used data from the IPUMS-USA<sup>20</sup> to identify trends and analyze causes of the U.S. gender wage gap from 1970- 2010.<sup>21</sup> It shows the impact of the following components of the gender pay gap: human capital, demographics, hours, occupations, and unexplained.<sup>22</sup> Although this article specifically focuses on the decline of the gender wage gap, in doing so, it highlights the underlying causes of the wage gap’s existence and persistence. The findings show that the most dominant measurable factor which accounts for the pay gap is working hours, as discussed in Section II of this literature review, followed by occupational segregation.<sup>23</sup> The study found that:

With only one exception (1980), the impact of occupations on the wage gap has remained constant in relative terms (ranging from 11 % to 13 % of the gap) but has declined in absolute terms (from 0.072 log units in 1970 to 0.045 log units in 2010: a decline of almost 40 %). The decline is hardly surprising given the reduction in the level of gender occupational segregation from 1970 onward.<sup>24</sup>

The wage gap has declined as occupational segregation has declined, which emphasizes the extent to which the gap is influenced by occupation in the first place. It is important to note that within occupations, it is evident that men earn more than women.<sup>25</sup>

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<sup>19</sup> Hadas Mandel, Moshe Semyonov, “Gender Pay Gap and Employment Sector: Sources of Earnings Disparities in the United States, 1970-2010,” *Demography* 51, no.5 (2014): 1600, <https://doi.org/10.1007/s13524-014-0320-y>, from Burris and Wharton 1982; Cotter et. al 2004; Jacobs 1992; Mandel 2012; 2013; Weeden 2004.

<sup>20</sup> IPUMS-USA provides U.S. census and survey data.

<sup>21</sup> Hadas Mandel, Moshe Semyonov, “Gender Pay Gap and Employment Sector: Sources of Earnings Disparities in the United States, 1970-2010,” *Demography* 51, no.5 (2014): 1597-1618, <https://doi.org/10.1007/s13524-014-0320-y>.

<sup>22</sup> *Ibid*, 1597.

<sup>23</sup> *Ibid*, 1613.

<sup>24</sup> *Ibid*, 1608.

<sup>25</sup> *Ibid*, 1608.

A different source<sup>26</sup> discusses occupational segregation as it relates to overwork. Those in professional and managerial occupations partook in overwork at a more pronounced rate than those in other occupations. This source states:

In 1979, 18 percent of men and 8 percent of women in professional occupations overworked; by the late 1990s, these percentages increased to 25 and 12 percent, respectively (see Figure 5a). The rise in overwork in managerial occupations was greater, increasing from 31 percent of male managers in 1979 to 39 percent in 1999, and from 10 percent of female managers in 1979 to 16 percent in 1999 (Figure 5b).<sup>27</sup>

While those in professional and managerial professions increasingly engaged in overwork, those in other occupations engaged in overwork at a much less dramatic rate.<sup>28</sup> The article explains that the effects of occupational segregation make it a possible confounding factor between overwork and the pay gap.<sup>29</sup> Put differently, occupational segregation likely influences working hours, which influences the pay gap. Thus, due to the fact that professional and managerial professions are historically male-dominated, and the people in those professions are more likely to engage in overwork, which is associated with high wages, working hours and occupational segregation are intertwined causes of the wage gap between men and women.

Both sources highlight that occupation is a key cause of the wage gap, and thus, because occupational segregation is still so pronounced, so is the gender wage gap.

#### **IV. Unexplained Factors**

Lastly, the vast majority of scholars agree that unexplained factors are a cause of the wage gap, and have thus caused the gap to prevail. All of the sources analyzed in this literature

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<sup>26</sup> Youngjoo Cha, Kim A. Weeden, "Overwork and the Slow Convergence in the Gender Gap in Wages," *American Sociological Review* 79, no. 3 (2014): 457-484, <https://doi.org/10.1177/0003122414528936>.

<sup>27</sup> *Ibid*, 473.

<sup>28</sup> *Ibid*, 473.

<sup>29</sup> *Ibid*, 471.

review mention that much of the wage gap is not explained by working hours, occupational segregation, or other measurable factors. This section will focus on “a wage gap not accounted for by gender differences in measured characteristics.”<sup>30</sup> These unexplained factors are often attributed to outright gender discrimination.

One source<sup>31</sup> analyzed microdata from the Panel Study of Income Dynamics<sup>32</sup> to analyze trends in the gender wage gap from 1980-2010. This source highlights that over the 1980s, a decrease in the unexplained gap contributed to the decrease in the gap throughout that decade, as it fell from 21-29 percent in 1980 to 8-18 percent in 1989.<sup>33</sup> After that decade, for the next twenty years, though, the unexplained gap remained between 8 and 18 percent.<sup>34</sup> The authors stated that the raw and unexplained shortfalls in wages for females were greater among highly skilled fields of work than among others, “suggesting that developments in the labor market for executives and highly skilled workers especially favored men.”<sup>35</sup> The authors go on to say the following:

The persistence of an unexplained gender wage gap suggests, though it does not prove, that labor-market discrimination continues to contribute to the gender wage gap, just as the decrease in the unexplained gap we found in our analysis of the trends over time in the gender gap suggests, though it does not prove, that decreases in discrimination help to explain the decrease in the gap.

As the unexplained portion of the gap has decreased, so has the wage gap between genders.

Thus, as gender discrimination continues to be a pertinent issue in modern society, the wage gap will remain.

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<sup>30</sup> Blau Francine, Khan Lawrence, “The Gender Wage Gap: Extent, Trends, and Explanations,” *Journal of Economic Literature* 55, no.3 (2017): 831, <https://doi.org/10.1257/jel.20160995>.

<sup>31</sup> *Ibid.*, 789.

<sup>32</sup> The Panel Study of Income Dynamics (PSID), directed by faculty at the University of Michigan, is the world’s longest running longitudinal household survey.

<sup>33</sup> Blau Francine, Khan Lawrence, “The Gender Wage Gap: Extent, Trends, and Explanations,” *Journal of Economic Literature* 55, no.3 (2017): 853, <https://doi.org/10.1257/jel.20160995>.

<sup>34</sup> *Ibid.*

<sup>35</sup> *Ibid.*

Another source<sup>36</sup>, previously mentioned in this literature review, also highlights the unexplained section of the wage gap. Using data from the IPUMS-USA<sup>37</sup>, this source shows trends and causes of the wage gap from 1970 through 2010.<sup>38</sup> It is important to note that this source, similar to the previous source, attributes the unexplained portion of the wage gap to gender discrimination.<sup>39</sup> According to the authors, in 1970, the unexplained portion of the gender wage gap accounted for 80 percent of the total gap, whereas in 2010, the unexplained portion of the gender wage gap accounted for 58 percent of the total gap.<sup>40</sup> Although men's earnings advantage within occupations has been on a decline, the unexplained part of the wage gap makes evident that men's earnings are still higher than women's earnings.<sup>41</sup> Overall, this source focuses on the idea that a reduction in gender discrimination has led to the decrease in the pay gap between men and women.<sup>42</sup> However, gender discrimination continues to exist, as does the unexplained portion of the wage gap, so the wage gap persists.

## V. Conclusion

The gender wage gap is a prevalent issue of modern U.S. society. Scholars recognize that although the gap has declined, it has by no means been eliminated. Common factors which scholars attribute the wage gap to include working hours, occupational segregation, and unexplained factors. Because the wage gap is not a new concept, there is an abundance of

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<sup>36</sup> Hadas Mandel, Moshe Semyonov, "Gender Pay Gap and Employment Sector: Sources of Earnings Disparities in the United States, 1970-2010," *Demography* 51, no.5 (2014): 1597-1618, <https://doi.org/10.1007/s13524-014-0320-y>, from Beilby and Baron 1986; Petersen and Morgan 1995; Treiman and Hartmann 1981.

<sup>37</sup> IPUMS-USA provides U.S. census and survey data.

<sup>38</sup> Hadas Mandel, Moshe Semyonov, "Gender Pay Gap and Employment Sector: Sources of Earnings Disparities in the United States, 1970-2010," *Demography* 51, no.5 (2014): 1597-1618, <https://doi.org/10.1007/s13524-014-0320-y>.

<sup>39</sup> *Ibid*, 1602.

<sup>40</sup> *Ibid*, 1605.

<sup>41</sup> *Ibid*, 1605.

<sup>42</sup> *Ibid*, 1597-1618.



research available that looks at the issue in various ways. However, it is important to note that there are shortcomings in the research.

The most obvious weakness is the extent to which unexplained factors influence the gender wage gap. Although most scholars believe that gender discrimination is at the root of these unexplained factors, they have not been able to concretely prove that. Thus, “gender discrimination,” although thought to be a significant cause of the pay gap, is not a labeled category, such as working hours or occupational segregation, that explains a certain portion of the gap. Gender discrimination is difficult to measure and prove, as is its influence on the wage gap, which is one possible reason it remains in the category of unexplained factors.

Furthermore, a lot of research on the gender wage gap is broad. For example, there are a lot of studies about the pay gap around the world. However, because countries are at different stages of development and have different customs and traditions, the causes, as well as the impact of those causes, varies greatly, and thus, conclusions cannot be generalized.

Although there are flaws in research on the gender wage gap, the current research is abundant and significant. This review of literature explores how working hours, occupational segregation, and unexplained factors have caused the wage gap to endure.

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