77 cents redux

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The commonly cited statistic that women make 77 cents for every dollar a man makes has been in the news again, here, here and here. (To show how hip and with it we are in Central MN, this issue was also discussed at a recent public policy event on campus!)

I have discussed this issue previously in Quad 136, so will not belabor the earlier points, but author Megan McArdle of Bloomberg News does a nice job of summarizing the issues when she writes:

But we can, pretty confidently, answer a related question: How much of the pay gap is driven by those choices, and how much is driven by sexism in the workplace? The answer seems to be that almost all of the gap is driven by choice of occupation, and working hours, with an emphasis on working ours. Childless women who work the same hours as men make very close to what men do.

Does that mean there is no discrimination against women? No. The residual gap that’s left after you control for age, experience, work hours, choice of profession and so forth, is small. But it’s not zero. That residual most likely represents sexism. As a woman, I kind of take exception to that.

Most of the gap, however, seems to be driven by the fact that women work less, and that in many high-paying professions, how much you get paid is a function of how much you work … but not a linear function. There are outsized rewards to working the kinds of hours that make it very hard to care for a family.

She also does a good job of noting how the job market does not always accommodate individuals who choose to work less than full-time or take time out of the labor force. The whole article is worth a read.

Mc Ardle’s points are important for understanding why the 77 cents statistic is misleading, but for those of us who work with college students, I think her recognition of the importance of choices women (and men) make is essential. During their four years as undergraduates and the years that follow, our students are making many choices that will affect them the rest of their lives. For those of us who act as advisors, mentors and role models, we have a responsibility to gently remind our students that despite the incredible opportunities their education will offer in our rich economy at this point in history, they are unlikely to be able to do everything they dream of. Tradeoffs are inevitable.
So as they consider choices about education, majors, careers, partners, marriage, families, leisure, service, and on and on, young people should remember that the world will rarely let them have it all. Choices are important and hard. Consider them carefully.

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Michael Hemesath is the 13th president of Saint John's University. A 1981 SJU graduate, Hemesath is the first layperson appointed to a full presidential term at SJU. You can find him on Twitter [at] PrezHemesath.