“Is the Gender Pay Gap Largest at the Top?”

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Really two papers to discuss

- We have the short paper “Is the Gender Pay Gap Largest at the Top? Evidence from College Transcript Records”
- And the even shorter paper “Is the Gender Pay Gap Largest at the Top?”
- Both use ACS data to examine the contours of gender pay gaps across different population subgroups, mainly defined based on educational attainment; both also examine gaps in work hours as mechanism
- The first uses confidential linked data with school graduation (HS+ to BA) and goes into detail on types of programs, schools, and subjects
- The second has broader scope and more aggregated groups

Really two papers to discuss

- Focus on the first paper “Is the Gender Pay Gap Largest at the Top? Evidence from College Transcript Records”

Main results

- Lots of variability and lots of commonality
- Nearly every subgroup has a gender pay gap that favors men
- One exception is business majors for most competitive BA in the narrower earnings measure
- The “controls” for field of degree, occupation, and work hours typically explain part of the gap, but not all of it
- But controlling for field of degree increases the unexplained gap for several of the lowest educational groups, mainly for BA degrees from unrated schools

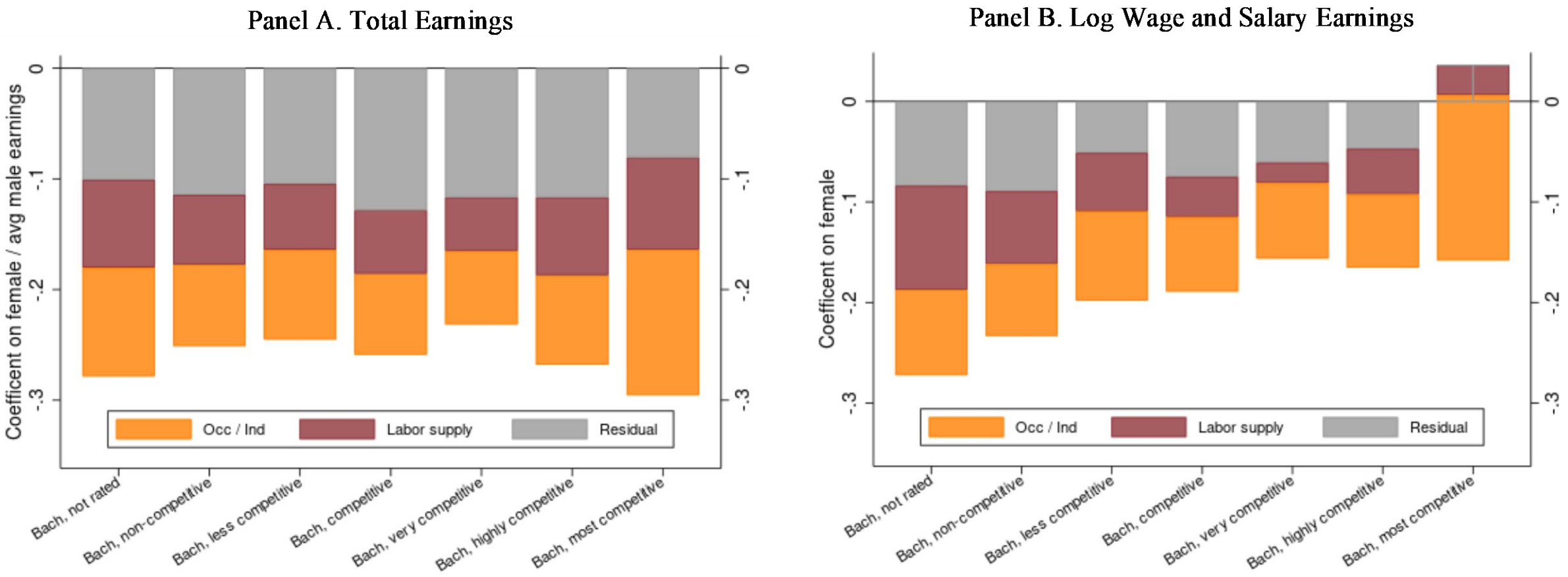

FIGURE 2. GENDER PAY GAP DECOMPOSITIONS FOR BUSINESS MAJORS BY DEGREE LEVEL

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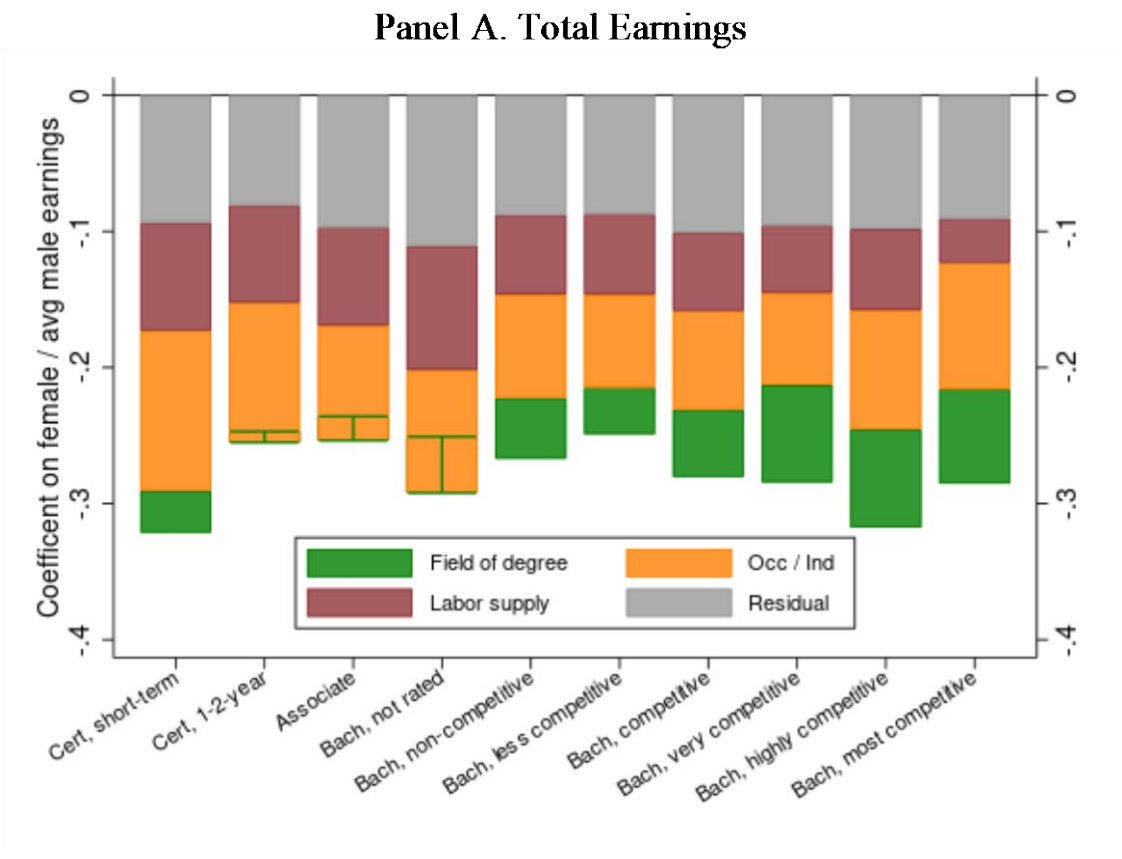


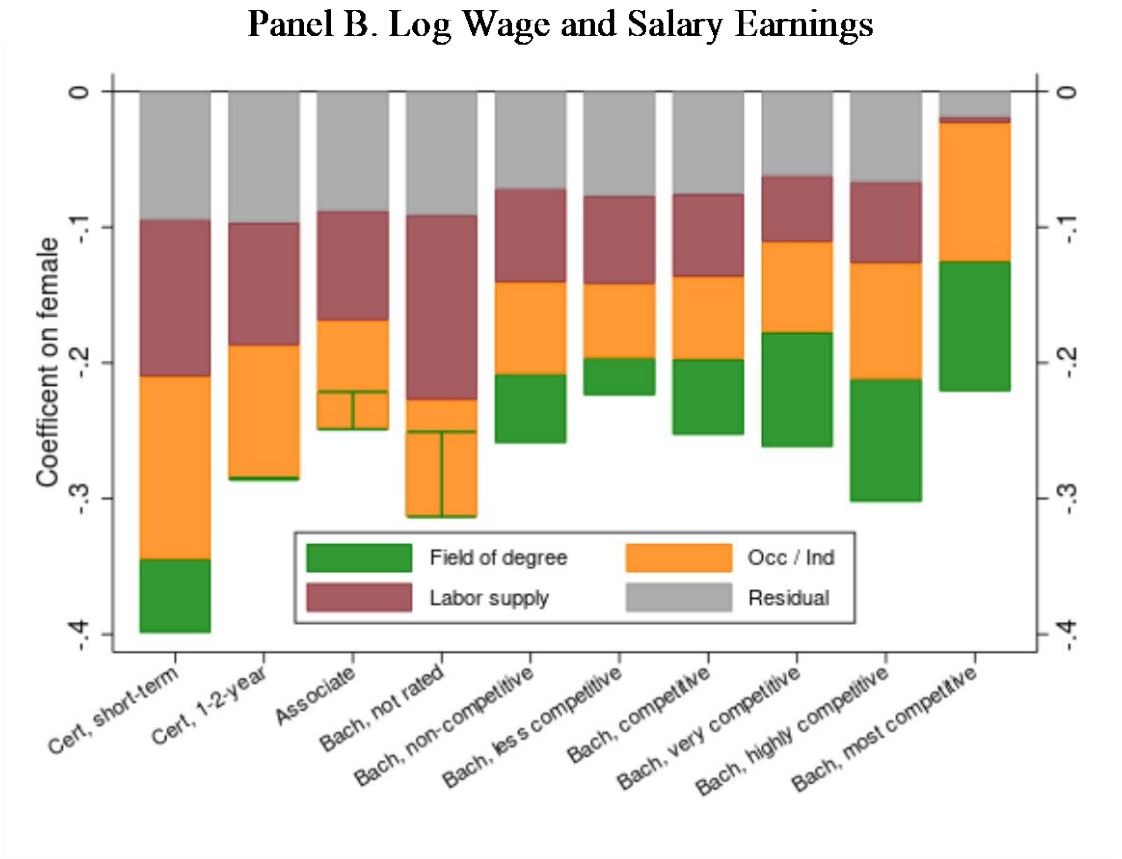


FIGURE 1. GENDER PAY GAP DECOMPOSITIONS BY TYPE OF DEGREE, FULL SAMPLE

Want to know more about the pay measures

- The first pay measure is in logs and is limited to wages and salary
- The second (less traditional) is in levels and includes self-employment pay, capturing both labor market and product market disparities
- Several features differ between the two measures: e.g., residual for most competitive BA, total gap for certificates for most selective business majors
- Would love to hear more about those differences and gender variation in self-employment income

[Note: Might be better to use levels for both, then rescale afterward, so the only difference is self-employment income.]

Results for business majors

- While the undergraduate business majors struck me as a very different group from the MBA graduates in Bertrand et al., I thought the analysis of the gender gaps split by years since graduation was quite interesting
- Might be something you want to repeat over the full sample, potentially as a motivation for the splits you do by parental status
- Also wanted to note how the “reversal” of the gap you find for elite graduates, echoes the results in Hema Shah’s (2020) DMP thesis at UVA, studying gender gaps in initial wages of recent UVA graduates
- Finds: explained gender gaps >> total gaps at the top percentiles of the distribution

Table from Hema Shah DMP Thesis

Table 7: Pooled Decomposition of Male-Female Salary Differentials

		Gap Explained by					
Statistic	Raw Log-Salary Gap	Year	Ethnicity	Major	Industry	Internships	Total Explained
Mean	0.2492	0.0005	0.0024	0.1340	0.0997	0.0006	0.2421
10th Percentile	0.2654	-0.0011	0.0030	0.0770	0.1407	0.0010	0.2030
25th Percentile	0.3563	-0.0015	0.0037	0.1322	0.1400	0.0009	0.2663
Median	0.2314	0.0014	0.0003	0.1487	0.1400	0.0007	0.2688
75th Percentile	0.1078	0.0025	0.0001	0.1304	0.1141	0.0004	0.1786
90th Percentile	0.0932	0.0015	0.0003	0.1067	0.0410	0.0003	0.1514

n = 3649

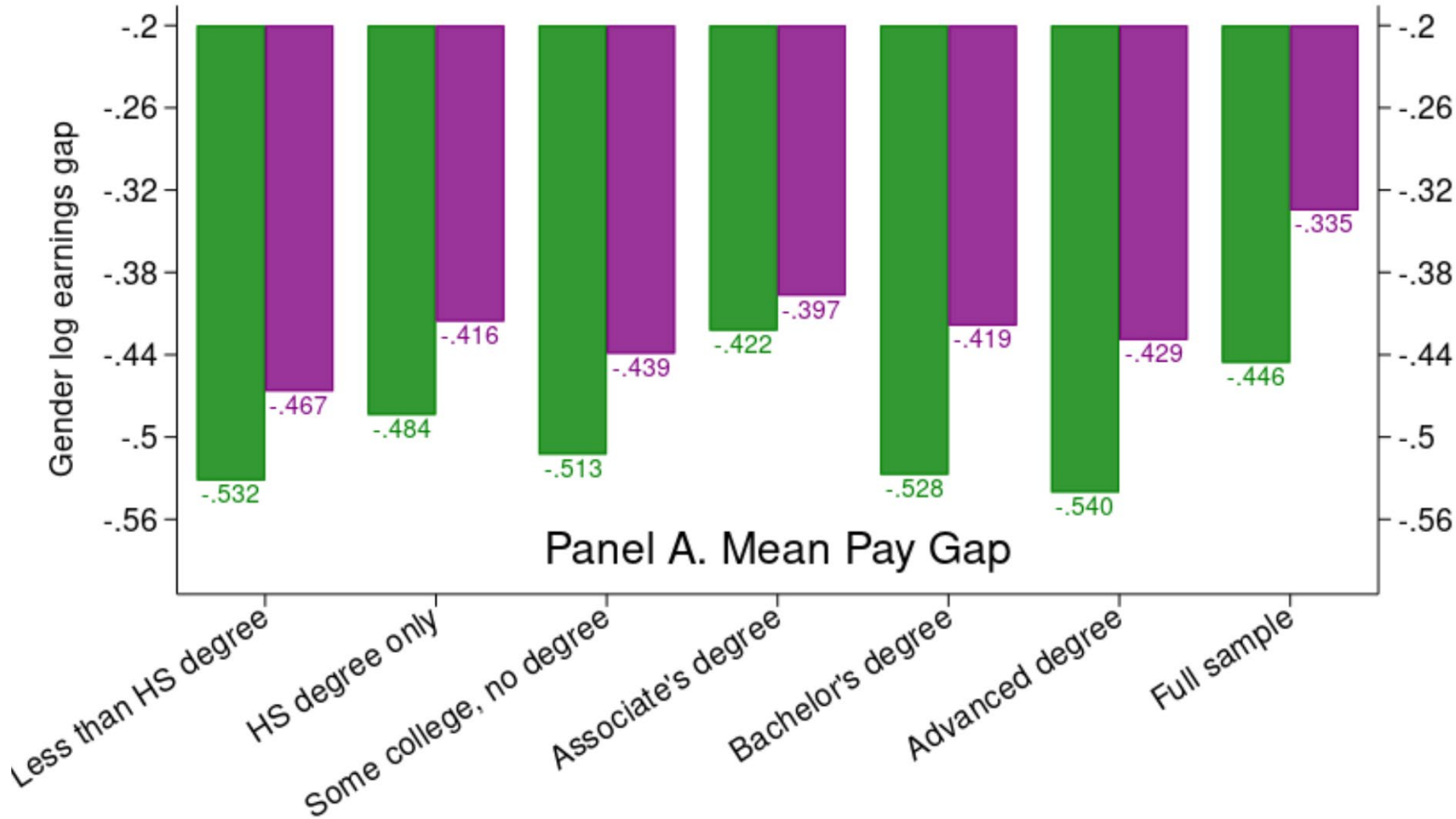
Summary published in Atlantic Economic Journal: https://link.springer.com/article/10.1007/s11293-020-09688-w
Full draft available at: https://economics.virginia.edu/sites/economics.virginia.edu/files/Hema%20Shah.pdf

Two more small requests

- While I know the literature is not always careful about the distinction, I would encourage you to consider calling your variable “work hours” instead of “labor supply” because that is what you observe, and the two are not the same: work hours is an equilibrium outcome of both supply and demand. The distinction strikes me as particularly relevant for work on gender pay gaps when differences in work hours are used to “explain” other gaps
- While the cross-cuts and detailed subgroups are great for providing facts and texture, I would also like to see, on this sample, some of the overall gaps without all the splits. That would help with context and indicate how gender differences in selection into these categories affects pay gaps.

Comparison to second paper

- This paper uses the broader pay measure, including self-employment income
- Stratifies on wider range of (less detailed) educational levels, including lower and higher levels
- Does not have control for field of degree or school quality (or occupation/industry), but examines contribution from measures of work hours (with more categories)
- Sample not limited to matched educational data


Gender log earnings gap
-.2
-.26
-.32
-.38
-.44
-.5
-.56
-.532
-.467
-.484
-.416
-.513
-.439
-.422
-.397
-.528
-.419
-.540
-.429
-.446
-.335
Panel A. Mean Pay Gap
Less than HS degree
HS degree only
Some college, no degree
Associate's degree
Bachelor's degree
Advanced degree
Full sample

Comparison to second paper

- Results also show consistent gender gaps across the educational distribution, with no exceptions
- The total gaps are much larger, suggesting that sorting within educational categories is important (or the samples are very different)
- Adjusting for work hours also consistently reduces the overall pay gaps, but does not eliminate them

Conclusions

- Both papers help summarize gender pay gaps and key correlates
- This is important for monitoring and tracking trends and for analysis; useful to repeat and revisit regularly
- Raw data with splits are compiled frequently by BLS, but these don’t typically include decomposition exercises
- The analysis by school type (in addition to level) struck me as the most novel to this paper; particularly interesting that the smallest residual is for graduates of the most competitive schools

Thank you!