Claudia Goldin on Alphachatterbox

[CARDIFF GARCIA] Thanks for agreeing to speak with us, first of all.


GARCIA So, our topic today is Women in the Workforce. You’ve been researching this for a very long time. You had what I think is a seminal paper that was published in 1990 called Understanding the Gender Gap: An Economic History of American Women.

Do you want to just first start by telling us how you first got interested in the topic?

GOLDIN Certainly. So, Understanding the Gender Gap is a book that came out of a long period of work on the topic and I’m an economic historian and an economist, and I became interested in various aspects of women in the workforce.

I actually began my life as an economic historian studying slavery, studying American slavery, and I worked on various aspects of the African American labour force in slavery and in freedom, and it occurred to me that there was something different about African American women in the late 19th Century/early 20th Century, and it was true also in the period that I was working on this, in the 1970s, that African American women had higher participation rates than white women.

So, I began working on the origins of differences between black and white women in the labour force, and that then sparked in me a sense that no economic historians or few economic historians were working on the, what I thought, and I can still think is one of the biggest issues of the last 100-150 years in the US and elsewhere, which is the emergence of women in the paid labour force.

Women have always worked but they moved from the home, from the farm, from family businesses into, but mainly from working in the home in unpaid labour to the market in paid labour and so I turned my attention to the set of issues that surrounded women’s emergence in the workforce and the evolution of the female labour force.

GARCIA Was it further reinforced by the track of your own path-breaking career? You were the first woman to be tenured in the Harvard Economics Department.

GOLDIN At that time I wouldn’t have known it. That was a long time before that and I was a struggling assistant professor at Princeton University and then a struggling professor at the University of Pennsylvania and so this work was written long before I
became a tenured professor at Harvard and long before I became a tenured professor, period.

GARCIA Okay, so I want to talk a little bit more about the history of female participation in the workforce and what that entails. You wrote a paper in 2006 where you describe – your words – a quiet revolution and you note that there were four periods, four phases in which women started to participate or increasingly participated in labour force but the first three periods were evolutionary. The last period, which started in roughly the 1970s, was revolutionary.

Can you start by taking us through those first three periods and what happened in each of those?

GOLDIN Certainly. So, as I said, women have always worked, so we think about the 19th Century/early 20th Century, work was in the US and in most rich countries, work was...in the paid labour force, much of it was hard and arduous and difficult. People rarely found their identity in their work.

They may have found some social environment in their work but if your income went up, if you won the lottery you would leave the labour force; you would become a person of leisure and do something else that to work in manufacturing was to put in very long days – hours were long, most, much work was difficult in a large number of ways.

That isn’t to say there isn’t work today that isn’t equally difficult but a lot of work was and there was a small segment – professionals, white collar work – where people earned higher income, they worked shorter hours.

It’s sort of interesting that today, the more educated and richer people work longer hours, but in the past it was somewhat the opposite, and so married women, adult women who had kids, for example, or who had households to take care of, if their husbands made a sufficient amount they didn’t work in the paid labour force but single women did and so the early period, the women who you saw in the workforce were young, unmarried women.

I also mentioned before that African American women are somewhat different and have been in the labour force for a longer period, but something began to change in the early part of the 20th Century was a combination of an increase in education, the evolution, the birth of public high schools in America and a huge demand for office and clerical workers, what we think of as the ordinary white collar workforce, and young women streamed into these occupations, and in many cities of America there were proprietary schools that gave them training in stenography and typing.

Many of these schools have morphed into the [poor profits 00:07:19] of today, by the way. They were the poor profits of yesteryear and this was the opening wedge and many of these women then, when they got married, they had relatively high paying jobs, relatively.

These were not really high paying jobs, but relative to what they had been earning if they were domestic servants or if they were manufacturing workers and these jobs, more importantly, were sort of nice jobs. They were white collar jobs. They were clean jobs. They were in offices. They didn’t have very long hours or their hours...
weren’t as long as in manufacturing, and so they often increased their labour force participation.

If their husbands had higher income the impact of that income was a bit less than it had been because their jobs involved less social stigma. To see a woman working in, let’s say, as an editor, as a journalist would not bring scorn upon her husband, but to see her working as a laundress, for example, people around him might think he must be a very lazy person, he must not be working very hard to allow her to do work that is so arduous.

So that was the opening wedge, and that continues growing into the 40s and 50s and so women’s labour force participation increased for every cohort, every birth cohort, every decade, and so this was sort of what we think of as the opening wedge where we economists say the substitution effect increased, the income effect decreased.

What we mean by that is as wages increased for women they increased their participation, their employment in the labour market; as their husband’s incomes increased, if their wages are increasing, their husbands, so this is productivity growth, income growth, economic growth, their husbands’ incomes are increasing, the effect of that on their choice of having more leisure was not as large as it had been so that’s...this is the evolutionary phase.

GARCIA There’s something I want to interject here as well because in your paper you write something that’s fascinating about your own profession. It says it would not be much of an exaggeration to claim that women gave birth to modern labour economics, especially labour supply. Can you talk about how labour economics itself advanced in conjunction with women increasingly participating in the labour force?

GOLDIN Precisely. So, economists study many, many different areas but when they study something, it generally has to have some variance to it or else it’s not very interesting, so for the longest time men in the labour force were not that interesting because they were in the labour force to a high degree.

GARCIA Interesting to study, you mean.

GOLDIN Well, interesting perhaps in all kinds...

GARCIA Boring in all kinds of other areas maybe.

GOLDIN Boring in all types of ways – the way they dressed, for example. So not a lot of variance, so they were interesting because labour unions were interesting, and labour unions were disproportionately, in the past, men. They were interesting. Economists studied the labour force and unemployment is interesting, but note that whenever we think of something being interesting it’s because there’s variance or there’s change.

And women, as I just said, across the 20th Century there was enormous change and enormous variance across individuals, and so many labour economists in the past studied women in the labour force so I point to one who is the great Jacob Mensah asked the questions that I just provided an answer to but he answered it very, very well and the question that he asked was, so if we look at a cross section we see that in 1920s, for example, we see that women with husbands with higher income were in the
labour force less than women with husbands [unclear 00:12:04] and that’s the income effect.

But over time we see income increasing and yet women’s labour force participation increases. How can we reconcile these two? And his answer comes straight out of [[?]] 101, which is the substitution effect dominates the income effect, that their wages are rising and their response to that is greater than the response to the increasing income.

That was his answer, and following Mensah, in effect, at the same time because they worked together, was Gary Becker putting women and labour force participation at the centre of, at the heart of what is happening to the family as well.

So, yes, many labour economists, and there are many the preceded Jacob Mensah and worked at the same time, so I’m leaving many names out, but many labour economists in the period of the, let’s say pre 1980s or something, many labour economists studied women in the labour force for precisely this reasons.

GARCIA So now we get to the 1970s and you just described women are better educated, technology has changed to make it so that there are increasingly more white collar jobs, nice jobs as you described it, essentially the groundwork has been laid for a period that you call the quiet revolution that’s not just about economics; it’s also about other things like identity, it’s also about the ability of women to better predict what their careers might be like. Why don’t you tell us what happened next?

GOLDIN So labour force participation is increasing but the jobs that women have when they’re in their 40s and 50s are not exactly the jobs that when they were younger they might have aspired to.

GARCIA You’re talking about the 1970s, right?

GOLDIN Right, so in the 1970s a woman who was 40 years old, for example, was born in 1930 and she, probably when she went in the labour force could not have predicted that she would still be in the labour force, that her labour force participation – as I explained, labour force participation is expanding over this period – and many individuals would have been surprised that oh, I’m still in the labour force, I’m still a secretary, I’m still a kindergarten teacher.

These aren’t bad jobs but had they known they were going to be in the labour force they probably would have invested in their education in a different way. They would have majored in different subjects; they would have gone to graduate school or profession school just as men did who were in the labour force with some continuity over the period.

So, many cohorts were, in some sense, hit with a surprise that they were actually still in the labour force.

In the 1970s then, or late 60s, young women, let’s say in high school, could look at their mothers, at their aunts, and at their older sisters, and come up with some sense of predictions about what their own lives would be, that oh, I would have a certain probability of being in the labour force.
Now, at first they were not making predictions very well. We have information from surveys about their ability to predict their participation rates, and at first they were looking at their mothers and they were predicating, oh, I’m going to be in the labour force equivalent to where my mother is. They weren’t really doing a very good forecasting from the various generations around them, what was going to be the case.

But they began, for various reasons in the late 1960s, early 1970s, we can see this in the day, that in the 1970s they began to do a much better job predicting where they were going to be in the next 20 years, and therefore they began to invest better in their education.

Women who were going to college, and women were going to college at higher and higher rates, but women who were going to college began to take courses and major in subjects that were less what we call consumption goods and more investment goods.

They majored less in the humanities. They took the humanities, and I’m all for taking the humanities, but they majored more in fields like business or I could say economics but that wouldn’t exactly be true, but in fields in the sciences, in math and statistics, in fields that were more, but particularly in business, that were more investment oriented. They began going to professional school, medical school, law school, all the different professional schools, business school, to a much greater extent and that begins, that opening wedge begins in the early 1970s.

Now, some of this has to do with the pill, it has to do with, and so the pill comes on the market in the early 1960s but is less available to young women until various legislative changes and judicial changes occurred in the late 60s and early 70s in various states, so this comes at approximately the same time. This also is related to an increase in the age of first marriage, so many of us in the field have tried to identify statistically what was cause and what was effect.

The important point here, though, is what was the result, and the result was that women, particularly college women, married later so more women in college, more women taking investment courses and doing investment majors, more women, and men, of course, marrying later, having kids later, being able to plan their kids later and thus being in the labour force – this is sort of a quiet revolution – being in the labour force for a period in their 20s when they are investing in career, having their kids a bit later and retaining, to the degree they could, the career.

GARCIA Yes, and a related topic here that you also write about in the paper is identity. You write that women start to form their identities before marriage rather than after marriage by virtue of the fact that they’re getting married later. How important do you think that is in these trends that you’re discussing?

GOLDIN I think it’s fairly important. I wrote a paper with a student of mine that gets at this to some degree, and it does through name changes and so in the early 1970s hardly any college graduate women retained their name upon marriage, but starting in the late 1970s, 1980s, there was a very large shift to not changing your name but retaining your name, and there are reasons to do one or the other but to retain your name is an indication that you formed your identity prior to marriage to such a large extent that you decide to retain your name as well.
You recalled the paper: Making a Name, because in fact the idea is that individuals make their name in their profession and thus keep their name. Sometimes it’s very costly to individuals to keep their name in society in which your kids have one name, your husband has one name, you have one name; people have different names and that occasionally causes problems and leads to individuals to decide to just unify their names.

But in many communities this can be done and I think it is an indication that one finds one’s identity prior to getting married.

GARCIA So, starting in the 1970s, labour force participation continues to increase for women; it starts to get closer to that of men. I don’t think it quite got there. It begins to plateau for a little bit after that. This is something that I think you’ve studied for a bit as well. What do you think accounts for that plateauing that you see, I think towards the end of the 1990s and the early 2000s through the present day?

GOLDIN It begins in about 1995, and first of all, labour force participation is bounded above by one so it can’t…it’s got to reach some point and not go beyond that, and so the second point that’s important is that labour force participation for men at around that period begins actually to decline, so the difference between men and women is not growing but it is an issue that we, economists, policymakers, concerned individuals worry about, and the reason that we do is that other countries.

So Canada is a good example, in 1995, participation rates by age, by education in Canada were about equivalent to the US, maybe a little lower, and then around the 2000s, in the US, as you said, participation rates flatted out, they hit somewhat of a plateau and those in Canada continued to increase, so that’s a very good comparison because one might say, well, how do we know that there’s something wrong in the US?

Well, we suspect there’s something wrong because a country which is a very small distance away at the border, not at all, has participation rates that are higher so we need to know why that’s the case and one possibility is that if an individual wants to take some time off from a job for family or medical reasons, in the US, FMLA gives her 12 weeks. If he or she needs more than 12 weeks then you resign from your job and you are then considered out of the labour force and then when you take up a new job you have search costs and that might lead you to be out of the labour force longer.

So, in countries that have longer protected leave – I’m not even talking about paid leave; I’m just talking about protected leave – individuals who take that leave are still considered in the labour force. That might account for some of these differences. This is part of a research agenda of many economists and we still don’t have a complete answer.

GARCIA So they’re still working on it. That’s fascinating. Let’s move ahead in time to your paper from a few years ago which you presented at the American Economic Association annual meeting. It’s called The Grand Convergence: the Last Chapter, and before we talk about the paper and its significance, why don’t we just define the title, The Grand Convergence – what do you mean by that?

GOLDIN It’s called The Grand Gender Convergence.
GARCIA The Grand Gender convergence.

GOLDIN Yes, so what I mean by The Grand Gender Convergence is some of what I’ve been saying, that over the last several decades, in many different ways, men and women have become more and more alike in terms of the economy, in terms of education, labour force, occupations, industries, etc. So, take education, for example: women in the 1970s, for example, had much considerably lower college graduation rates and college attendance rates.

By 1980 college attendance and college graduation rates or individuals just graduating college were about equal by sex, and since then, the women have exceeded the attendance in graduation rates from college that men have, so in fact there was a convergence and now women are actually exceeding the rates for men.

In terms of college majors, for example, I’ve just discussed that a bit, there’s been a convergence between men and women in terms of what they do in college. What they do in the labour force, once again, participation rates for women all ages, all education groups have converged, not equal but converged on those for men.

In terms of occupations, the professions, for example, women are about 50% of all medical students, a little bit less of all law students so that’s what I mean by the grand gender convergence.

GARCIA Okay, great, and then I think before we get into the substance of the paper, we should probably stop to define the term because it has one of these kind of scary economisty names but it’s actually a very simple concept and it’s very important – non-linearities – do you want to just give us an example of that that is and then we’ll talk about why it matters in the context of this paper?

GOLDIN Certainly. Very simple point: let’s say that someone works 40 hours a week and another person works 80 hours a week – 80 hours sounds like a lot but let’s just say then one person works 40 hours, one person...

GARCIA Corporate lawyer or something or investment banker, that kind of thing.

GOLDIN Works 80 hours. A person who works 40 hours a week gets some amount and we would generally think that someone who works twice the number of hours should get two times, at least two times. If it’s exactly two times, that’s linear because we have some wage, let’s say W, we multiply it by the number of hours, so we could have 40 hours or we could have 80 hours so it’s perfectly linear. The wage per hour is the same.

All that’s happening is we’re multiplying by more hours. The person works 20 hours; they get half of what the person earned who worked 40 hours – a linear relationship. Non-linear is, and it could be of many different functional forms, but non-linear simply means that the person who works 80 hours gets more than twice, so the wage per hour goes up if you work more hours.

GARCIA Right, if I work 40 hours a week, I make 100 bucks. In that same job if I were to work 80 hours a week, I might make 1,000 bucks instead of 200 bucks.

GOLDIN That’s really non-linear.
GARCIA: Exactly. So, the Grand Gender Convergence: The Last Chapter is the title of this paper. You want to just take us through the main findings and then we'll talk about why they matter so much?

GOLDIN: Certainly. So, I framed it as a detective story, so my favourite detective is Sherlock Holmes and I invoke Sherlock Holmes throughout the talk that I give on it, and in some sense, Holmes is in the back of my mind always because this is a detective story, and the detective story is the following: as I just said, we have had for many, many decades in the US and elsewhere, a grand gender convergence, and I think about each of the subjects that I was just talking about: education, labour force participation, hours of work, occupations, industries, all of that as chapters in a sort of metaphorical book, that means the book is not yet written, a metaphorical book of convergence in gender roles.

But we know that gender differences exist, that women earned less on an annual basis or even on an hourly basis if we include issues like weeks worked or hours, that women earned less. We also know that they’re in different occupations. We know that female lawyers, for example, are disproportionately corporate counsel rather than working in very large law firms. We know that in academics, women are disproportionately adjuncts rather than full professors.

So, the book begins or I should say the paper which evokes this notion of a book, begins with the notion that we have these chapters of this metaphorical book but the last chapter would be the chapter on equality, so it asks what would it take to get to that last chapter, what would that last chapter include, and that’s this detective story. What would it include for there to be not just a narrowing but equality?

GARCIA: And I guess as you mention that, I should say that you do address the possibility that straightforward discrimination or the difference in the willingness to bargain between men and women might play a role in the remaining gender wage gap but you say those things don’t explain this very concept of non-linear jobs, so the detective story that you just described is your pursuit of what exactly explains the remaining gender wage gap, so what did you come up with?

GOLDIN: Okay, so because this is a detective story just like all detectives I have to give you some evidence, and then I'll give you a few pieces of evidence and then come up with a bit of a theory. Holmes always said that theorising in the absence of evidence wasn’t going to get you anywhere so Holmes would always go out and get some evidence, go back into his apartment, his little den, lean back, get a pipe, a certain amount of tobacco, maybe some other substances that we won’t talk about, and lean back and theorise and then go back out and say let me test this theory, let me see if it leads me to this solution, so that’s what I’m going to do.

So, there are two pieces of evidence: one, the first piece of evidence is that men and women, when they come out of college or out of graduate school or professional school, earn amounts that are pretty similar and as they age, as they continue working, the differences, so let’s say that we begin when they first come out of school, and then we look at them 15 years later, so they’re in their late 30s and what we see is that their earnings differences expand enormously over that period of time, and that has been the case for many cohorts now.
So, let’s say that two individuals get MBAs and in some other work that I cite in this paper, two of my colleagues, Marianne Bertrand from the University of Chicago Booth School and Larry Cad at Harvard, and I worked on a survey that we did and some administrative data of MBAs, and you can see very clearly that when they come out they look pretty close in terms of their job, in terms of their hours, in terms of their earnings, and then something happens, and what happens, not surprisingly, is that women and men have families, but women have more of an impact on their jobs than men do, so that’s the first finding.

The first finding is that at the beginning things look pretty similar, and things look pretty similar for men and women; for women who don’t have kids and men, whether they have kids or not, but when women have kids, something happens. This is the question for the detective.

The second piece of evidence, which is absolutely fascinating, is to look at occupations so the American Community Survey or the census has a very large number of occupations and since I was looking mainly at college graduates, I limited myself to about 100 occupations at more of the top of the distribution, top of the income distribution where you find college graduates, and I divided this so there are these 100 occupations I can divide into several groups – we can call them corporate and finance, we could call them technology occupation. Remember we aren’t these industries; they’re occupations, technology people, engineers, computer science people, they’re all over the place, they’re not just in the tech firms, and then there was one that would be the various health occupations and then three was a mixed group called other, which also includes lawyers in lots of occupations that I couldn’t easily categories.

And what I discovered is lots of different things constant and looking at fulltime, full year workers, so these are people who are working over 35 hours a week and over about 42 weeks a year, I discovered that the gender gap in earnings is massively higher in the corporate and finance world, these occupations, than it is in the technology and science – I forgot to add that there were technology and science occupations – and that the health group differed in various ways so that pharmacists have a very low gender gap and dentists have a very high gender gap, so an important difference there is that dentists generally own their own practice and pharmacists do not so those were the two pieces of evidence.

One is that the gender pay gap expands enormously in the first 15 years that people are out. It then actually gets reduced again but let’s just think of the first 15 years that people are out. And the second point is that the gender earnings gap is considerably wider, like very much wider in certain occupations than it is in others, and that’s when I sat back, I went back into my den, just the way Sherlock Holmes would. I did not take out a pipe because I don’t smoke but I sat back and I thought very hard about what is going on. And what is going on, so my theory was that what was going on was that certain jobs, certain positions were more non-linear than others and that if, so if an individual needs to have more temporal flexibility, so it’s not just the number of hours; it’s when you work your hours.

I want to work at two in the morning, not in two in the afternoon, but if I’m working for a consulting firm and I’m not there at two in the afternoon, then I won’t be able to have the 2pm meeting with the team of individuals who have to be together, so I am
not being afforded temporal flexibility. If I take it, I’m going to be put in a position where I’m going to be earning a lot less, I’m going to get clients that are less demanding, for example.

There are a hundred different reasons why one might find these non-linearities or this cost of this amenity that’s worth more for individuals like women who have demands outside their occupation, so that was the idea, that what is going on, what is penalising women disproportionately is due to the high cost in certain occupations like law, like corporate and finance, less than on others like certain health occupations and certain tech and science occupations, this cost, this very, very high cost of this amenity called temporal flexibility related to these non-linearities in pay.

So, armed with that theory, I then go back into the labour force and see whether these occupations really have these non-linearities, or occupations have evolved so that they are more of what we call female and family friendly without the cost of...sometimes friendliness has cost, with lower cost to it, and that is the essence of what must be in the last chapter, that we must reduce the cost of the amenity temporal flexibility.

GARCIA Okay, let me see if I can summarise all that. Men and women come out of college and when they do, they get paid roughly comparable amounts; it’s pretty close. That, over time, though, and especially in the first 15 years, a gap begins to widen so that men start making more than women, the gender pay gap.

You went in to study exactly why that happens and one of the things you discovered was that actually it’s that within certain occupations that’s where the majority of the gap is accounted for. In other words, if you were to have perfect equality of the same amount of men and the same amount of women in all jobs, that might shrink the gap a little bit, but not by nearly as much as if you were to shrink the gap in those occupations that account for the majority of the gender wage gap. That’s right, and then what you found was that actually those jobs, the ones where that gender wage gap is biggest, tend to be jobs that are adding...and a few different categories – you mentioned finance, the law and I think you had a broader category called the corporate, so I take that to mean high level management positions – and you used some of the tools you had, some of the datasets that were available, to see that those jobs were the ones that offered the least amount of workplace flexibility, that those were the jobs where these non-linear effects most existed.

GOLDIN Exactly, and remember it’s not that people aren’t afforded workplace flexibility because many firms say, well, we’re family friendly but it’s very costly; costly to the firm and therefore they’re imposing the cost through lower earnings, lower wages on the workers that are getting the clients that aren’t as demanding, for example, that aren’t the Fortune 500, the richer client.

GARCIA Yes, I’m sort of intrigued by this idea that this is client-driven as well. It suggests that it’s a very difficult obstacle to overcome because...

GOLDIN Not really.

GARCIA You don’t think so?

GOLDIN No, because, for example, I’ll give you a very good example: I used to have a personal banker at Bank of America. Personal banker. He had a name. I’ve forgotten his name and the reason I forgot it is because one day I received a note from
Bank of America saying good news, you now have a team of five personal bankers and they’re equal to each other and you can call up and get one of the team.

Well, that meant that my personal banker didn’t have to be around 24/7, not that he was. Anaesthesiology – a group. You go for an operation, you will have met your surgeon weeks before, maybe even months before; you meet you anaesthesiologist five minutes before. That’s a team of very, very high skilled individuals who are going to keep you alive during an operation and yet you don’t care whether it’s John or Joan.

GARCIA I guess I meant that it would be hard to overcome for a different reason, not that mechanically you couldn’t find a way to do the same thing with more people and to offer them more flexibility. What I meant is something like this: so for instance, in the law or investment banking a lot of the activity is deal driven, and so you have clients who want the same team available to them at all hours and you end up with these guys, with the employees working 80-hour weeks or what have you, because it’s this kind of event-driven thing and I guess my point was...

GOLDIN So is an operation.

GARCIA Totally. My point wasn’t that these banks or that these law firms can’t find a way to provide the same level of service; it’s that they themselves won’t voluntarily accept the cost, the higher cost of changing the way they do business until it’s forced on them some other way, and maybe it will be forced on them generationally, maybe younger people won’t accept these kinds of demands anymore.

GOLDIN Why did Bank of America change its policies with regards to my personal banker – for the same reason, because they discovered that it was going to be very costly to have individuals with these enormous demands on them and so they just had a better training programme so that individuals became better substitutes for each other. We don’t need to have a hundred people be substitutes for each other. Often we just need one other puzzle piece and that may not be that difficult. In corporate counsel certain firms discovered that they could hire two corporate counsels, often women with kids, each one of whom works 25-30 hours a week and have them communicate so well with each other that they become perfect puzzle pieces.

GARCIA This is a little bit outside the realm of the study itself; it’s more of a personal question: as in the case of Bank of America and your account, are you optimistic that some more flexibility will be introduced, that some of these changes will be made organically and that they’ll happen pretty soon?

GOLDIN I’m not very good at forecasting and predicting but we do see that when there is more demand by employees, so I’m all for employee voice here, that we do get changes. I’ll give you another example – paediatrics, so within the medical field there are a ton of sub-specialties, some of which have disproportionately more women. Women go into certain specialties because they enjoy working with certain patients in those specialties; paediatrics is one, and so paediatrics has disproportionately large numbers of women. Paediatric specialties, it appears as if there have been changes within large hospitals allowing paediatricians to work low hours so a large fraction, the last I looked it was 35% of all female paediatricians were working under 35 hours a week, so changes occurred. Veterinarians is another one pharmacists is another one.
GARCIA So, we’ve been talking a lot about the gender wage gap that was the focus of that paper. What do you think about progress being made in terms of getting through the so-called glass ceiling, the number of women in leadership positions? What do you think about that topic?

GOLDIN There are certain positions, so this gets to issues that are currently very important. We could, I think pretty high probability, have a female president very soon, and the issues that I’m raising here don’t really apply at the very top. At the very top people have to be there. They have to be there 24/7. I don’t want my president going off and playing golf. I would like my president to take a rest every now and then but there are certain jobs that simply require being there all the time. My work that I’ve been talking about concerns a large number of positions but not necessarily those of the CEO or the COO or the president of America or the secretary of state.

However, having the ability to have a large group from which to choose, and thus for individuals in their 30s, in their 40s, keeping both men and women in positions of authority, leadership, learning and giving them the ability to do through the issues that I’ve been discussing concerning temporal flexibility, is important to create a group from which you would choose those at the very, very top, so therefore to the extent that quote, I obviously don’t like the term, glass ceiling, is coming about because you don’t have a large enough group because the cost of temporal flexibility is so high that women disproportionately drop out or women disproportionately take the track that leads to nowhere. To the extent that we can get around that we will do a world of good for the people, their ability to choose women to be at the very top but once you get there we’re not [overtalking 00:48:56].

GARCIA You think those jobs that intractably require the kind of all-encompassing focus and effort and time. That doesn’t necessarily apply to the jobs that we’re talking about here today.

GOLDIN Yes, there have to be some jobs for which being there 24/7 really does matter.

GARCIA Any other policy ideas that you think would help to solve the problem of workplace rigidity?

GOLDIN Well, I’m not a policy person. However, I think that the issues that I have put, I think, centre stage concerning lowering the cost of temporal flexibility, that having firms think a lot harder about why they have various problems...every large firm has a big group that worry about diversity, that worry about family friendliness, that worry about various types of implicit biases. This is very good, but until they start worrying seriously about the issues that I put centre stage they’re still going to have women come in the door less often and leave that door more often.

So, the things that I think that firms who want to be truly family friendly have real work/life balance without huge cost, should think about payment for output not inputs; billable hours is a killer and I’m not quite certain why it exists, so payment for outputs not inputs, thinking very hard about creating puzzle pieces, thinking very hard about having substitutes for your workforce, and this, as I said before, doesn’t involve having ten people but possibly just having one other person who could take over.
And we see this in fields that are life and death, such as surgery, obstetrics. If a women who’s is going to give birth has more than one obstetrician because her favourite one, let’s say, might not be there so you train individuals to be pretty good substitutes even if they’re very professional individuals. It’s not rocket science. So, I think those are the issue, those are the areas that I would hope that firms work more on.

GOLDIN We only have a few minutes left so we can’t devote so much to your most recent paper but I do want to talk about it at least briefly. It’s called Women Working Longer: Facts and Some Explanations. You found that young women today are likely to work longer into the future than we might have predicted in the past based on their educational attainment and I think one or two other variables. How do we know that?

GARCIA So we can look at what individuals are doing over their lifetimes. We can look at life cycle labour participation which is some sense where we started our conversation, that individuals, women are working for much longer fraction of their lifetimes, and we can see that every single cohort of individuals, cohorts born in the 1940s, cohorts born in 1950s, so we can track cohorts to their 60s who were born in the 1950s right now.

We don’t know what an individual who was born in 1964, for example, is going to be doing because we don’t see her but we can predict, looking at past cohorts, that a fraction of women working in their early 60s which has gone up by a very large percent – saying it’s doubled might cause people to say yes, but it was once very low, but it’s actually for college graduate women today, more than 60% are working in their 60s. That’s pretty high number so this is, once again, an indication that individuals have more identity in their work. Their work is more pleasant. They get more satisfaction from it so even those who have good pensions and good savings are remaining in the workforce longer.

GARCIA By the time today’s young women get to what would traditionally be considered retirement years, maybe the robots will have taken all the jobs by then and it won’t even matter.

GOLDIN Maybe they’ll be married to robots.

GARCIA Claudia Goldin, Harvard Economics Professor. The papers we’ve discussed here today are Women Working Longer: Facts and Some Explanations; The Grand Gender Convergence: the Last Chapter; The Quiet Revolution, and Understanding the Gender Gap and Economic History of American women. We’ll have links up to these. You should check them out. Thank you so much for talking to us.

GOLDIN Thank you very much.

And that’s the end of our chat with Claudia Goldin. As always, you can reach us at 917-551-5012. That’s a US number. Or you can email us at alphachatterbox@ft.com. Again, that’s alphachatterbox@ft.com. Speaking of women in the workplace, thank God for Aimee Keane, who edits and produces this podcast. Alphachatterbox is her world, the rest of us just talk in it. And thanks to our listeners. We'll see you again with another episode of Alphachatterbox within a couple of weeks.