New York Times - 'http://www.nytimes.com/2016/03/20/upshot/as-women-take-over-a-male-dominated-field-the-paydrops.html'

Discrimination is likely to be a factor in the gender pay gap, says Cornell study

New research by Cornell University professors reveals an **8% pay gap** between men and women that cannot be accounted for by **observable factors**.

The study by Francine Blau - 'https://www.ilr.cornell.edu/people/francine-blau' and Lawrence Kahn - 'https://www.ilr.cornell.edu/people/lawrence-kahn' finds that in 2010 women earned **79% the hourly rate** of men, based on data taken from the Panel Study of Income Dynamics - 'https://psidonline.isr.umich.edu/' for full-time salaried workers in the US.

The authors note that factors traditionally cited to explain the gender pay gap, such as **educational achievement** and **work experience**, are now much less salient as women have made progress in these areas.

However, **gender differences in employment** by industry and occupation remain relevant, some of which could be accounted for by **discrimination**. The authors estimate that **38% of the pay gap** could be attributable to pure gender discrimination.

Gender differences in **psychological attitudes**, including approaches to **risk** and **competitiveness**, may also be a factor.

Professor Blau told the *New York Times* that: "Some of it undoubtedly does represent the **preferences of women**, either for particular job types or some flexibility, but there could be **barriers to entry** for women and these could be very subtle. It could be because the very culture and **male dominance** of the occupation acts as a deterrent."

The authors argue that there is still a role for **anti-discrimination policy**, while noting that higher **minimum wages** and **parental leave** have had mixed results for women's labor market outcomes.

Lawrence Kahn - 'http://wol.iza.org/authors/lawrence-m-kahn', co-author of the study, has previously written for IZA World of Labor about wage compression and the gender pay gap - 'http://wol.iza.org/articles/wage-compression-and-gender-pay-gap'. In the article, he argues that: "Policies to reduce occupational gender segregation and career interruptions by women may narrow the gender pay gap without the adverse employment effects of wage compression."

Elsewhere, Mario Lackner - 'http://wol.iza.org/authors/mario-lackner' has written for us about gender differences in competitiveness - 'http://wol.iza.org/articles/gender-differences-in-competitiveness', and how these may affect the gender gap in the labor market. He writes: "A future challenge is to mitigate the negative consequences of these gaps on the way to achieving gender equality in labor markets. One potential policy measure that would help is to undertake reforms of the educational system to encourage competitive attitudes or even consider gender-segregated education in specific subjects."

The Gender Wage Gap: Extent, Trends, and Explanations by Francine Blau and Lawrence Kahn can be accessed

at the National Bureau of Economic Research website - 'http://www.nber.org/papers/w21913', and will be published in a future issue of the *Journal of Economic Literature* - 'https://www.aeaweb.org/jel/'.

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