

EconoFact Chats: Careers, Families, and Women's Journey towards Economic Equity

Claudia Goldin, Harvard University

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Michael Klein:

I'm Michael Klein, executive editor of EconoFact, a nonpartisan web-based publication of The Fletcher School at Tufts University. At EconoFact, we bring key facts and incisive analysis to the national debate on economic and social policies, publishing work from leading economists across the country. You can learn more about us and see our work at www.econofact.org.

Michael Klein:

The last 100 years has seen a rise in the proportion of college educated women participating in work outside the home. About one-fifth of women who graduated from college in the first two decades of the 20th century were in the labor force in their mid to late twenties. In contrast, more than four-fifths of women who graduated from college in the last two decades of the 20th century worked outside the home while they were in their mid to late twenties. The flip side of this is the proportion of college educated women married by age 30 - over 50% for those who graduated in the first two decades of the 20th century, as compared to a little over one-quarter for those graduating in the last two decades.

These statistics point to the choices that women have made, and continue to make about balancing a career with raising children, and the choices that men have made and continue to make as well. This topic is explored by Professor Claudia Goldin in her recent book, *Career and Family: Women's Century-Long Journey Towards Equity*. Claudia draws on a wealth of statistics, empirical analyses, and even the reflection of these choices in novels and in television shows. Claudia Goldin is the Henry Lee Professor of Economics at Harvard University. She became the first tenured woman in Harvard's economics department in 1990.

She's a past president of the American Economic Association and co-directs the National Bureau of Economic Research's Gender in the Economy Study Group. Claudia, thanks very much for joining me on EconoFact Chats.

Claudia Goldin:

Well, I'm delighted to be here, Michael.

Michael Klein:

Claudia, before we delve into statistics and empirical analyses, I'd like to ask you to discuss how you illustrate some of the major themes in your book through references to popular culture, like Mary McCarthy's 1963 novel *The Group*, the influential book by Betty Friedan that came out in the same year, *The Feminine Mystique*, and TV shows like *I Love Lucy*, *Father Knows Best*, *Perry Mason*, and later, *The Mary Tyler Moore Show* and *50 Rock*.

Claudia Goldin:

Well, it was a tremendous pleasure to use all of this evidence, these TV shows to rewatch a very large number of them, in fact. I used several influential books and some incredibly great writing. If you haven't read, Mary McCarthy's *The Group*, read it. It will be as relevant for today as it was in her day. Of course, she was writing about a group of women who graduated college in 1933, although the book is published

in 1963. I also used many TV sitcoms, as we called them, to illustrate the themes and to demonstrate the enormous and occasionally rapid change that occurred, as well as some of the very important generational differences.

Let me give you a great example, and that is Mary Richards, who is the protagonist on The Mary Tyler Moore Show. She was an unmarried college graduate, around 30 years old, in 1972. She lived in Minneapolis and she had landed a really great job in television. During a visit from her parents, her mother happened to shout back to her father, "don't forget to take your pill." Mary and her father respond in unison, "we will." Her father looks at Mary disapprovingly. It shows us that sexual morays had changed very, very rapidly at that time, and the pill was an extremely important part of that. This is a critical shift, as we're going to see in our discussions across the period of time.

This sitcom also illustrates not just the change, but the generational differences. There's a lot more in the book that's just so much fun to have written about -- the family stories of the supposedly happy stay-at-home mom in Father Knows Best, where the father didn't really know best, and the great Leave It to Beaver, which is really just about the kids, the fun-loving Lucille Ball in I Love Lucy who manages to comically stray from actually staying at home. She was supposed to stay at home, but she rarely did. Finally, Della Street, Perry Mason's right hand, who today would be the one with the law degree and not Perry.

Michael Klein:

Yeah, I found the book Career and Family fascinating and really enjoyable. Not least because it reflects what I've seen over my life. When I was young, I saw very few of my friend's mothers work outside the home. But when my wife and I had children, we, like almost all of our friends, had both parents working outside the home. This anecdotal data is consistent with the statistics you present, and importantly, you document these choices not just over the past 40 or 50 years, but going back more than a century. Can you speak a little bit, Claudia, about the five groups of educated women, each one representing about a two-decade-long cohort that you identify and characterize?

Claudia Goldin:

It's really useful when you're dealing with such a long period in which there's so much change to divide them into these groups. These groups divide, sort of, naturally by the desires and the achievements, and they evolve from a group that wanted and got career or family, one got one, one got another, to those today who want career and family. These divisions, as I said, come naturally from the outcomes in terms of the fraction married, the fraction with children, their labor force participation rates, and their achievement of what we might call "career." The groups are very, very different from each other, even though they differ in the year in which they're born by a very, very small amount.

I'll give you a sense of these differences, thinking about the beginning point, the in-between point, and the endpoint. In the beginning, which I call, of course, group one, it's a group that graduated from college around 1900 to 1919. They had either a family or a career. There was rarely a case in which they could have both. In fact, around 50% never had, or adopted a child, and about a third of these women never married. They're all college graduates.

Let's fast forward to the next group, group three. There's a group two that's sort of a group that connects the two. Group three graduated from the late 1940s to the mid-1960s. Almost all in this group married. 91%, in fact. The vast majority had children. Among those who married, more than 90% had kids. The

difference between group one and group three is enormously large, even though they in some sense were the same women, from the same types of families. They had, this group, group three, had family and then job, and they were the subjects of Betty Friedan's *The Feminine Mystique*. If we just fast forward a little bit again, we get to the latest groups, groups four and five, and these groups greatly delayed children, greatly delayed marriage, while continuing with their educations and often cementing their careers.

Group four was this really pivotal group. I hate to say it, but it's my group. And also I mentioned Mary Richards, it was sort of just about her group as well. Their lives were greatly altered by a technology, one little pill called "the pill," and the sexual revolution of the 1960s and 1970s. It's really critical to realize just how much progress was made. Just 17% of group three achieved career and family when they were in their fifties, but twice that number, 35%, did for group five. Even though many today are frustrated that there isn't more change, we can see that there was enormous progress.

Michael Klein:

As I mentioned at the outset, this is about college-educated women, not all women in the country, right?

Claudia Goldin:

Right.

Michael Klein:

The point about the pill, sort of a broader point, is that they're these broad social changes and even scientific advances that help shape the different experiences across these groups, correct?

Claudia Goldin:

Absolutely. Their aspirations and achievements across this more than century-long period greatly changed and the reasons for the changes differ with the period. For example, the labor market shifted its demands from brawn work--manufacturing and construction--to more brain work, the stuff that we do. And technologies changed what went on in the home. Think about the really elementary and important ones like electricity and clean water. And much later in this period, there was greatly improved fertility control that enabled women to delay marriage and delay childbearing.

But the way work is structured and the persistence of social norms, no matter how much weaker they become, mean a lower ability for women even with all these changes to attain both career and family.

Michael Klein:

There's a really interesting discussion in your book on gender-wage discrimination. I remember people wearing pins in the early 1980s that said 59 cents. The idea was that for every dollar that a man made, a woman made only 59 cents. In what way did that number accurately reflect gender-wage discrimination?

Claudia Goldin:

Let's go back to the numbers. The 59 cents on the dollar slogan extended from around the 1960s to almost precisely in 1980 when the ratio began to climb considerably in the differences in earnings between the median man and the median woman who worked full-time year round, which is how this single number is being produced -- when that difference began to shrink. Of course, it doesn't really measure what we mean by the word discrimination. It measures the ratio of earnings for the median male and the median female, as I said, working full-time year round.

In fact, the fact that the ratio changed enormously around 1980 with advances in women's education and advances that we can measure in their labor market experience indicates that the huge 41 cent difference, that's 100 minus the 59, doesn't really measure discrimination, because discrimination didn't just disappear. The comparison, therefore, wasn't exactly apples to apples, and it wasn't a true measure of the differences in earnings due to what we would think of as true discrimination in the workplace, and in a particular establishment.

Michael Klein:

I guess we could figure out a more accurate number to put on a lapel pin these days, but this would miss a key point in your book, the challenges of balancing career and family and the economic consequences of what you call 'greedy work.' In your book, you mentioned that when you were a graduate student at the University of Chicago, you would see an older woman carrying punch cards to the computer center. She was a retired professor, Margaret Gilpin Reid, whose work on the choices women make balancing jobs and family, and the value of unpaid household work predated by decades work on those topics by the Nobel Laureate Gary Becker. Your story at the outset of the book about this couple, Isabel and Lucas, illustrates these issues. Could you recount that example, please?

Claudia Goldin:

I'd very much like to, but first a little note about Margaret Gilpin Reid. Margaret is an example of the career portion of group one, and that's where she enters the book. She also enters the book because she was a tenured member of the University of Chicago economics faculty. She never married. She had no children. She had this pretty amazing position, and she was just about the only female economist I knew of when I was a graduate student. But I didn't know her. That sort of bothers me that there she was and I never really... I don't remember a single time when I talked to her. And that's pretty terrible because in fact, even though I thought of her as a member of sort of the ancients, I think I am older than she was at that time. You are correct that she worked on understanding the value of unpaid household work and the problems of computing national income when individuals shift from the home to the market, and when more goods are purchased rather than made in some ways at home. These are really huge and large and important issues in many developing nations even now. The movement of women from the home to the market is the single most important change in the labor force across the history of all nations.

We should put that out immediately front and center. That's where this becomes so important. But let's fast forward to the world of couples today, and I'm going to talk right now about different sex couples, a man and a woman, both of whom work, and who also have important care responsibilities. Let's say young children. Someone has to be on-call at home. That parent would have an important job, but might have to drop it on a moment's notice on-call at home. That job would be, let's say, less time intensive. I tell a story of a couple. They're fictional in some ways, but they're modeled after a real couple named Isabel and Lucas. They have the same level of education. They're both IT engineers. They can both take flexible jobs in IT engineering, and earn about \$150K a year, let's say. That's each of them. Or one could take a more time intensive job and be on-call, never really know if they have to drop things, leave home at 2:00 in the morning and earn \$180K a year. They could both take the 150K a year job, but then they would be leaving money on the table. Here, 30,000. They do something that many couples do. The woman in the couple here is the professional who's also on-call at home, and the man, Lucas, is the professional who's also on-call on the job. He earns exactly 20% more than she does. That's, in fact, the aggregate wage difference right now.

Michael Klein:

One of the things that attracted me about being a professor was that I would have the latitude to be a father who would be very present at home. My wife had a very demanding job as an attorney. In our

situation, it was reversed. I would tell people that as a professor, I could work any 60 hours a week I wanted. Another telling example in your book and one that speaks to the possibility of diminishing these differences is when you compare the changes in the work environment for pharmacists and how this compares to the work environment for lawyers. Could you talk about that a little bit?

Claudia Goldin:

Sure. There's a question about why someone actually earns a premium for this on-call job. If an individual has a very good substitute, that little doppelganger, then anytime that individual had to leave the office to take care of the kid, the nurse calls up, the kid needs someone. Or anytime the person had to take off time because their parent needed to be ferried to some doctor's appointment, you could say to the doppelganger, your substitute, you can ask that person to do the work that you had to do. There are lots of jobs where these substitutes exist. That doesn't mean that you become a commodity, it simply means that there is one really good and dependable substitute for you.

There are certain jobs in which there are groups that form, let's say groups of pediatricians, groups of veterinarians, and there are other jobs in which individuals, highly skilled, highly paid individuals like pharmacists, are simply very, very good substitutes for each other, in part because we have incredibly good IT that gives pharmacists a tremendous amount of information about their clients.

Michael Klein:

I guess this points to the fact that time constraints are not immutable, and balancing career and family can be more equitably distributed, perhaps because of these kinds of technological changes like IT advances.

Claudia Goldin:

I would say that's absolutely right. These are not immutable. To think of them as immutable, to think that our prestige, who we are, is a function of the fact that no one can substitute for us really also means that we are stuck with not being able to have a job that is compatible with the care demands that we many times want to provide.

Michael Klein:

I think it's much easier to find somebody to teach my classes than when my children were small to raise my children. There's different substitutability across different dimensions there. Claudia, is there scope for public policy to help this along? And if so, what types of policies would be most effective?

Claudia Goldin:

I see that there are three areas in which one can make change, and I'll explain. One would be the price of care. If care is very good, dependable, and not that expensive, it means that we can take children, or our parents who may need care and have care be given to them by someone else. That's another type of substitute. But if it's very expensive or not dependable or not high quality, then one wouldn't want to do it. The first thing has to do with the price and quality of that thing, care, that is coming between us and giving our all to the work. The second point, and what we were just talking about, is the price of flexibility.

We often talk about flexible jobs or not flexible jobs. Every job can be flexible, but it may be that it would pay very little. If I hire someone 40 hours a week and the person says, "I only want to work 20 hours," I can say, "Sure, work 20 hours a week. Rather than being paid 50%, I'll pay you 30%." Well, that means that this flexibility is very expensive. We had to think about ways of reducing the cost of

flexibility, and I mentioned one, which is forming groups so that individuals have a substitute, have the doppelganger. The third issue has to do clearly with gender norms.

Why was it that with Isabel and Lucas, it was Isabel who was the one who took the less remunerative flexible job, and Lucas took the more time demanding and more remunerative job, leading him, and all men, in some sense, in consequence, to make more than women? It has to do with social norms. Changing social norms is a lot more difficult. These may not all be places for public policy, but certainly universal preschool in America is gaining ground. Subsidized daycare, not preschool, subsidized daycare as exists in much of Northern Europe and in France, does not appear to be gaining much ground in the US. For one thing, it's very expensive.

Michael Klein:

These are such important issues, and I really appreciated you raising these in such an engaging way in your book *Career and Family*. Thank you very much for joining me today, Claudia, and for writing such a terrific book.

Claudia Goldin:

Well, thank you very much, Michael.

Michael Klein:

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