

OCTOBER 13, 2023

Gender Studies Earn The Nobel Prize

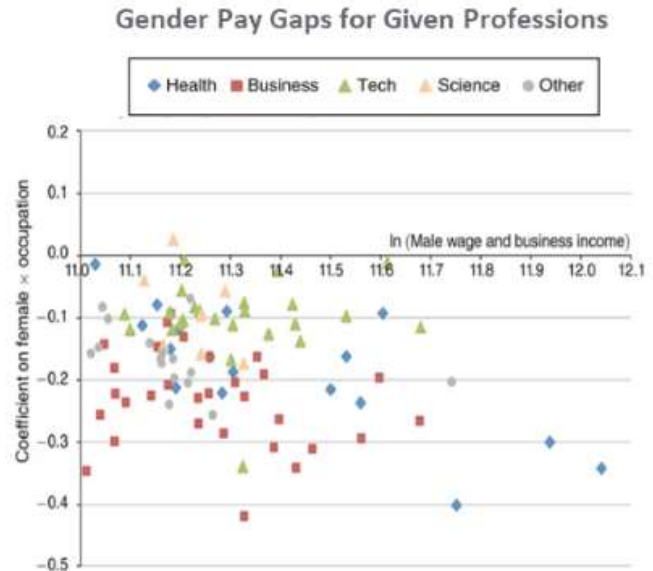
Women are still underrepresented among economics majors and in a range of professions.



When I was in graduate school, analyzing data was not easy. There were no personal computers, and no internet. One had to go to a center on campus, dial a number on a telephone, and dip the handset into the suction cups on a receiver that was connected to a terminal. The beast would come to life, at which point you could enter your data and attempt a regression. In a few hours, you would have your results.

One of the first problems I worked on involved the employees of a very large company. We had their ages, tenure with the firm, education levels, titles and salaries. There was also a variable that toggled to one if the person was female, and zero if they were male. The gender variable had a large negative coefficient, indicating that women earned significantly less than men even after adjusting for education and experience.

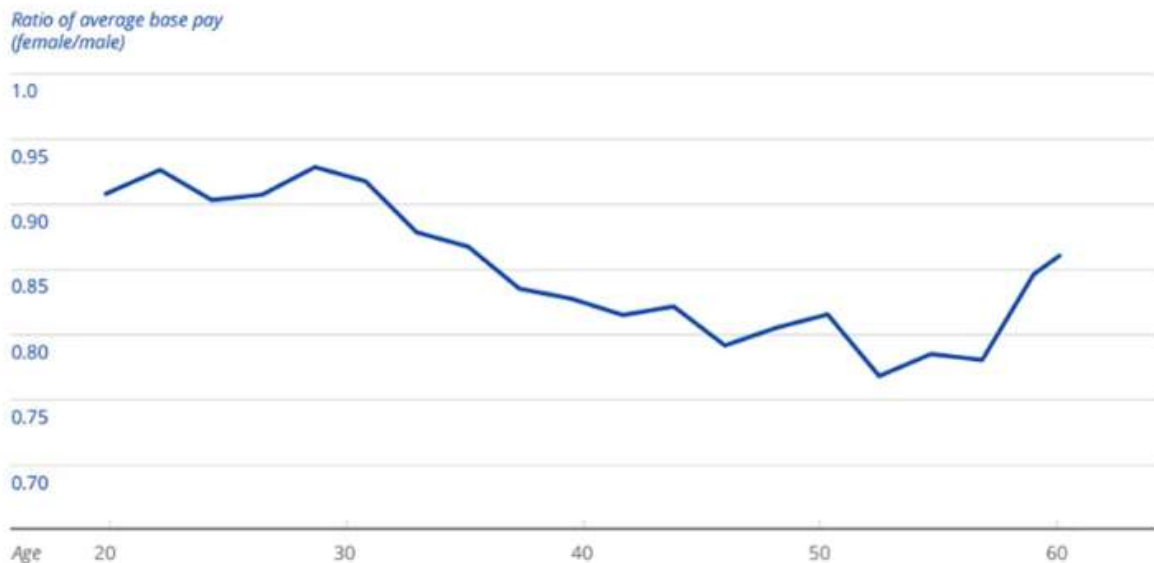
I thought about that project when I learned that Claudia Goldin of Harvard University had been awarded the 2023 Nobel Prize in Economics. Educated at the University of Chicago, Goldin has made the study of gender in the job markets her life's work.



Sources: World Bank, Claudia Goldin, American Economic Review

Professor Goldin has traced the participation of women in the labor force over centuries and across cultures, and identified factors that lead women into and out of the workplace. Advances in family planning, a shift towards service-sector jobs and rising levels of education attainment have positioned women to take more prominent places in the economy. Five years ago, female college graduation rates in the U.S. exceeded those for males for the first time; women now make up almost 60% of the American undergraduate population.

Goldin also meticulously documented the pay deficit faced by women, which stands at about 20%. Differences in education and experience between genders have narrowed over the last generation, yet there is still a gap in compensation between men and women in similar jobs. The divergence in fortune, Goldin finds, is largely attributable to fertility, which has an impact on career tracks. The trend toward hybrid work may be a leveler; better-structured **care giving** would also help.



Sources: Visier, Vox.com

Goldin's research has provided important pieces to a broader demographic puzzle that will be critical to economic growth and debt sustainability in the decades ahead. The economic advance of women is one of the reasons for declining marriage and fertility rates, but the increased capability of women in the workforce has raised productivity. Finding ways to maximize returns to the human capital that women are now accumulating represents a great opportunity for societies.

Goldin is only the third woman to win the Economics Nobel since it was first awarded in 1969, and the first woman to win it by herself. Her breakthroughs are inspiring, but women are still under-represented among economics majors and in a range of professions. There is still ground to close.

I was attending an economics conference last Monday when news came out. Several of the leading women in my profession stepped to the podium and declared it a proud day for them. In truth, it was a proud day for all of us.

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