EE364 Synthesis Paper

Gender Economics in the U.S.

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Abstract: The aim of this paper is to explore the current gender economics environment in the United States in order to analyze current problems in search of opportunities and strategies to implement to potentially improve the situation. This was done through secondary research and exploring 24 literatures related to the gender economics, specifically in the United States. First, the paper explores the current issues in the labor force among men and women. Second, the impact of COVID-19 pandemic and its disproportionate and long-lasting negative impact on gender equality is discussed. Lastly, gender equality policies are explored in relation to the previously mentioned current issues in gender economics to discover where the main issues are in so that potential solutions can be discussed. Overall, the paper provides a collective view and perspective into the current strengths and weaknesses of gender economics in the United States as well as offering potential solutions and implications for future research.

1. Introduction

Despite the United States' tremendous progress in gender equality in the workforce during the last few decades, there is still more progress to be made. According to the Council on Foreign Relations (CFR) (n.d.), the United States is ranked 20th place in terms of workplace inequality for women. With an average score of 85.8 out of 100, the country's legal barriers to better equality are related to job benefits, the protection of women from violence, and a lack of an antidiscrimination commission in court law. Consequently, it is important to discuss the topic of workplace gender equality because, due to the relatively low rate of women's participation in the labor force, the United States is missing out on a large 5 to 10% growth of GDP (Bovino & Gold, 2017). Not only this, but an increase in workplace gender equality will lead to higher productivity and an overall increase in incomes for both males and females (Lagarde & Ostry, 2018; Sevilla, 2020). Additionally, it is also important to examine the current environment in regard to gender economics in the U.S. in order to discover potential solutions and/or future research materials. Therefore, this paper will discuss the topic of gender economics in the United States, in particular, topics related to recent events including the current labor force in the U.S., the disproportionate impact of COVID-19 on men and women, and the current gender equality policies.

2. Men and Women in the U.S. Workforce

2.1. Male-Female Wage Gap

One of the most discussed issue regarding gender inequality in the workforce is the male-female wage gap. According to Barroso and Brown (2021), the median hourly earnings of U.S. women were still a fraction in comparison to men. In accounting for both part-time and full-time workers from the ages of 16 and above, Figure 1 shows that women earned 84% of what men earned in 2020. Although this number may not seem significant, this is equivalent to an extra 42 days of work for women to earn the same amount as men in the same year.

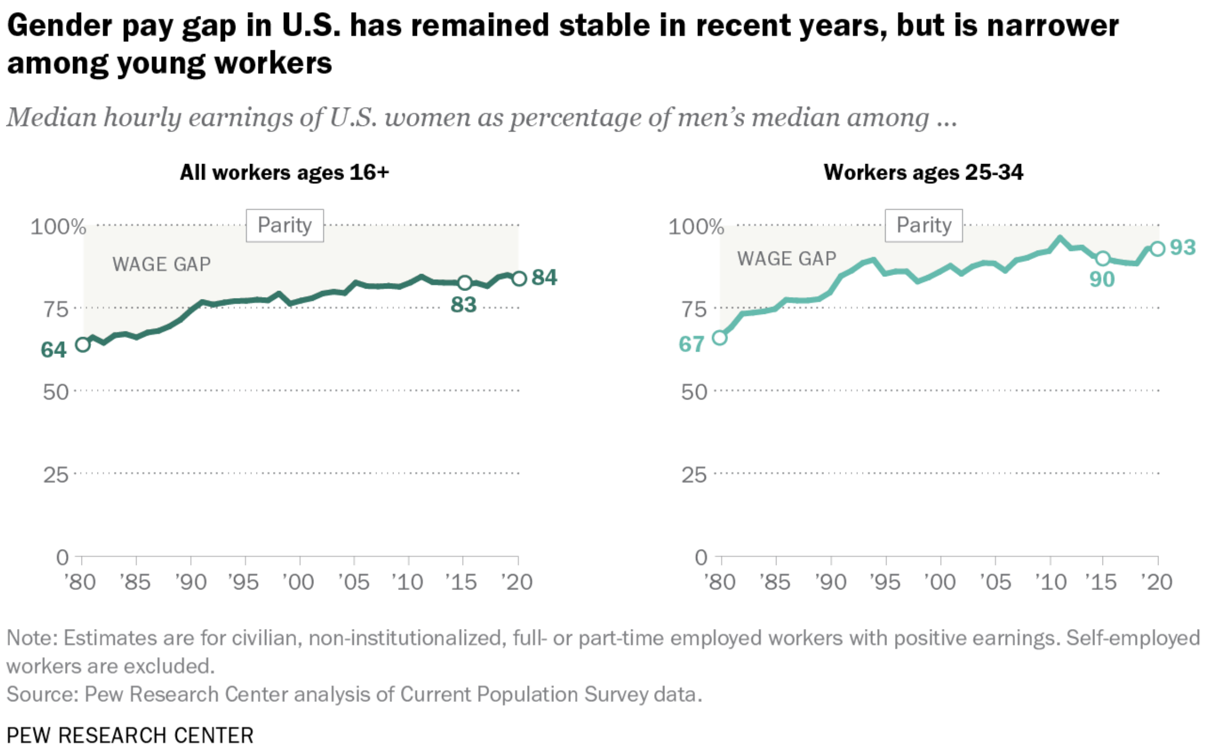


Figure 1. Median Hourly Earnings of U.S. Women in Comparison to Men

The authors explain that the persistence of this gender pay gap is caused by several factors such as education, occupational segregation, and work experience. Furthermore, the narrowing of the past wage gaps had largely been attributed to the improvements across these three factors. Additionally, further reasoning to the existing wage gap is also due to the overrepresentation of women in less-paid jobs and an underepresentation in highly-paid jobs, as well as persisting gender discrimination.

2.2. Women's Low Participation in the Labor Force

According to the U.S. Equal Employment Opportunity Commission (EEOC), the rate of women's participation in the labor force had increased and decreased across several job categories. For example, there was a significant increase in women's participation rate in the workforce as officials, managers, and professionals from 1990 to 2013. However, the participation rate for women in the Office and Clerical Workers category declined within this same period. Additionally, the Operatives category also fell sharply from approximately 34% in 1984 to 22% in 2013; showing a decrease of 12% (EEOC, 2013). This can be further explained by Hsieh et al. (2019) that the varying allocation of the labor force can be attributed to gender discrimination in certain occupations, barriers to forming human capital, and changing social norms affecting occupational preferences in different gender.

To elaborate, Parker and Funk (2017) report that up to 42% of American working women have reported experiencing gender discrimination in their workplaces while the number is 22% for men. The experience of gender discrimination in this study is outlined as shown in Figure 2 below.

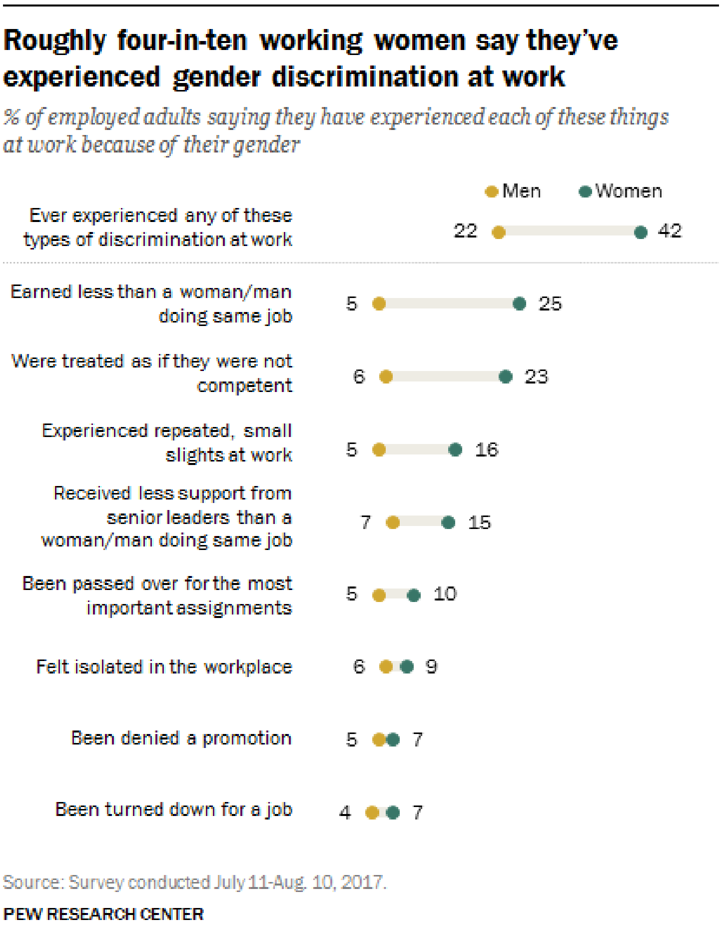


Figure 2. Survey on American workers and gender discrimination

As can be observed, the highest rate of reported types of discrimination at work for women include earning less than the opposite gender (25%), poor treatment (23%), and repeated slights (16%). Additionally, highly-educated women with a bachelor's degree or higher generally report experiencing significantly more discrimination in their workplace. As a consequence, the high levels of gender discrimination in the workplace are among one of the many reasons contributing to the low rate of women's participation in the workforce as it impedes the ability to create a suitable working environment.

Further considerations in the contribution of this are the so-called 'glass ceiling' in which the working environment is centered around a male-modeled system. Cotter et al. (2001) report that the glass ceiling concept can be defined as a specific type of gender or racial inequality which meets four criteria of discrimination. However, for the purposes of this paper, the glass ceiling will be defined from a gender inequality perspective. The first criterion refers to the gender difference that cannot be explained by other elements related to the job. The second criterion involves the "difference that is greater at higher levels of outcome than at lower levels…" (pp.658). The third criterion refers to the inequality in the opportunity for advancement to higher levels. Lastly, the fourth criterion refers to inequality which increases throughout the progression of one's career.

One example of the glass ceiling is that high-level jobs often require long hours of work. As working women are often tasked with two jobs of being the primary caregiver of their families as well as the financial providers, it is natural for women to prioritize having enough time and energy to be able to act as the primary caregiver. According to Ely and Padavic (2020), up to 85% of women and 75% of men have reported that the increase in working hours is the main reason in which women's career advancement is stalled. Not only that but the same article also noted that, in an attempt to accommodate the work and family balance, firms were actually perpetuating them. To explain, employees who took advantage of the accommodations made for the family-friendly workplace (mostly women) are often stigmatized, affecting their power, status, and income. Thus, leaving the high-level spot to be taken by men. Regardless, it remains important to note that men also find themselves spending less time with their families as a result of a non-accommodating workplace. This is primarily due to the need of fitting a psychological stance where they must meet the ideal image of a worker who is fully committed and is always available.

2.3. Low Participation Rate of Less-Educated Men

While the labor force participation of men is generally high, a particular group of the male population in the United States has been gradually opting out of the workforce. This is the less-educated men in their working age between 25 to 54 years old. According to Binder and Bound (2019), nearly all men of working age were participating in the labor force in the late 1960s. However, this number has steadily declined to only 85.3% in 2015. The authors argue that this is caused by the increasing access to Social Security Disability Insurance (DI) as well as the rising numbers of less-educated men with prison records. Moreover, it is important to note that DI programs reportedly have a larger share of workers between the ages of 45-54 years old. In addition to this, it is also discussed that less-educated men who do not participate in the workforce are often reliant on their family members' income.

Aside from this, the hourly earnings for job positions of less-educated men had also been steadily declining as can be observed in Figure 2. However, the decline of the less-educated men population is more much more rapid than the decline in wage. Therefore, this reduction in hourly wages is not necessarily reflective of the main reason for the increase in non-participating men.

Real Hourly Earnings by Education Status, Men Aged 25–54, 1965–2016

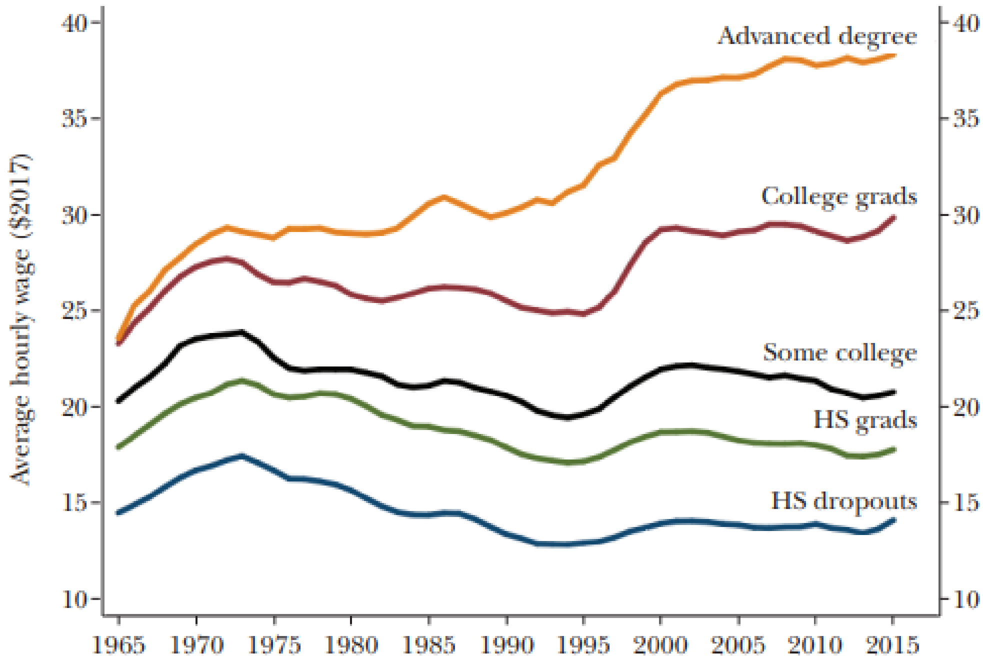


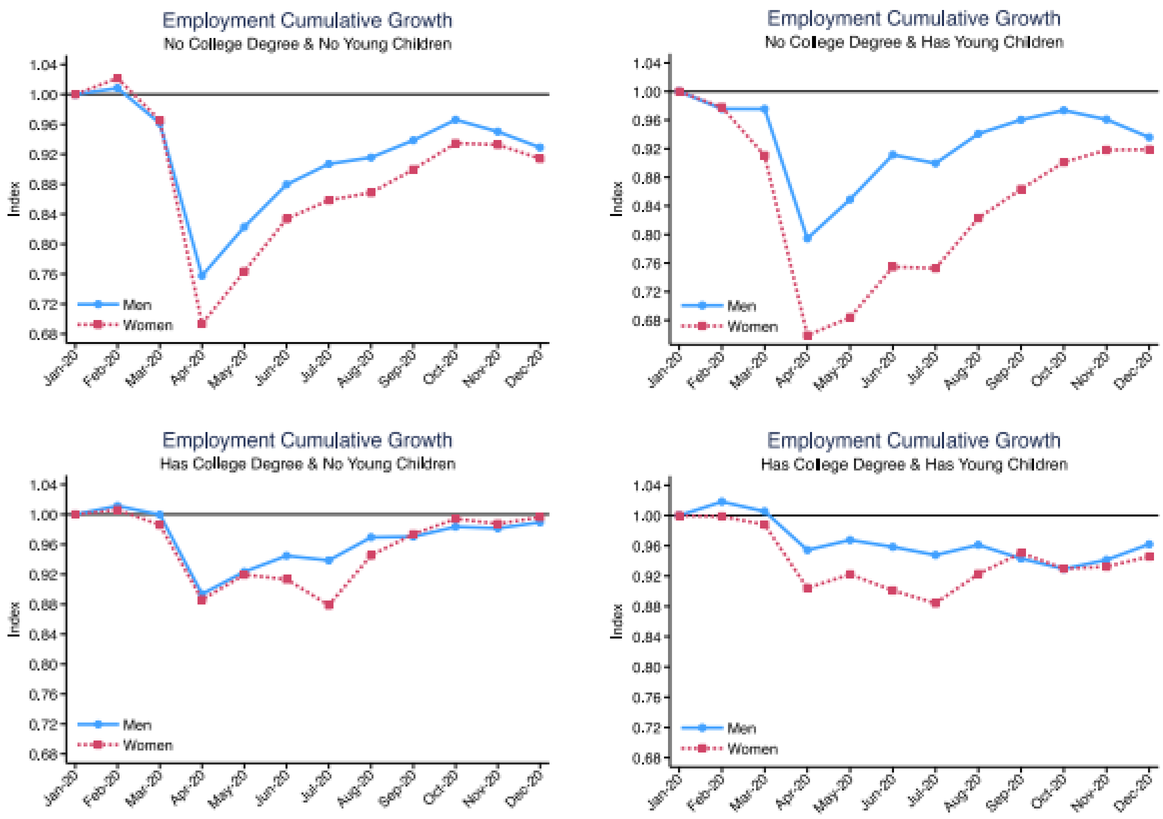
Figure 3. Hourly Earnings in the United States

3. Gender differences in COVID-19 Impact USA

3.1. The Pandemic and "She-cession"

Many sources have confirmed that the COVID-19 pandemic had disproportionately affected women in comparison to men. Madgavkar et al. (2020) noted that while 39% of global employment are made up of women, up to 54% of all job losses during the pandemic is the result of the pandemic. Furthermore, in terms of employment, it has been found that workers with jobs that cannot be worked from home are the most likely to have lost their jobs between March to April 2020. More specifically, the reason in which women were more affected than men is due to the fact that the sectors in which the pandemic hit the hardest were also that of the women-dominated sectors. Some examples of these are nursing, hospitality and tourism, and restaurants. This phenomenon has been named as a 'she-cession' which contrasts the pre-existing concept during the pre-pandemic times of ‘mancession’ in which men’s employment losses were disproportionately affected by recessions (Alon et al., 2021).

Aside from this, with women being the primary caregiver among married couples, women are more likely to have further childcare jobs to do outside of their formal paid work. This is worsened by school and childcare center closures. In addition to childcare, women are also more likely to act as the caretaker to elderlies and disabled.



Sources: Current Population Survey (CPS); authors’ calculations.
Note: We are plotting the employment cumulative growth using January 2020 as the reference point. Formally, each point represents the ratio between the employment level of the current month and the corresponding value in January 2020.

Figure 4. Employment Development by Education Level in the U.S., January-December 2020

Figure 4 displays the correlation between the variables of education levels and a family in relation to employment. As shown on the graph, there is a clear disproportionate impact of employment on the population without college degrees and has children. While this number is high for both men and women, women’s employment in this population is the most impacted among other populations in Figure 4 and has the largest gender gap. Furthermore, the same study also shows that those with jobs that are non-teleworkable and has young children were more likely to experience job loss in comparison to those without young children. This may be attributed to the caregiving responsibilities that working mothers with young children are forced into. To elaborate, the lockdown measures resulting from school and childcare center closures have led to the increase of gender employment gap by 45% in addition to an increased income inequality (Fabrizio et al., 2021). This sets the progress on gender equality in the workplace back significantly (Bluedorn et al., 2021).

3.2. Sectoral Workforce and the Pandemic's Impacts on Gender Inequality

Bluedorn et al. (2021) explains that the impact of the pandemic on women is disproportionate to that of men due to two main reasons including the higher share of female employment in sectors that COVID-19 crisis hit and that there are also sector-specific outcomes that are worse off for women. Some examples of these (as shown in Figure 5) are leisure and hospitality, government sectors, and education and health services which are among the lowest average wage. Further discussions below will explain about the impacts on these three sectors.

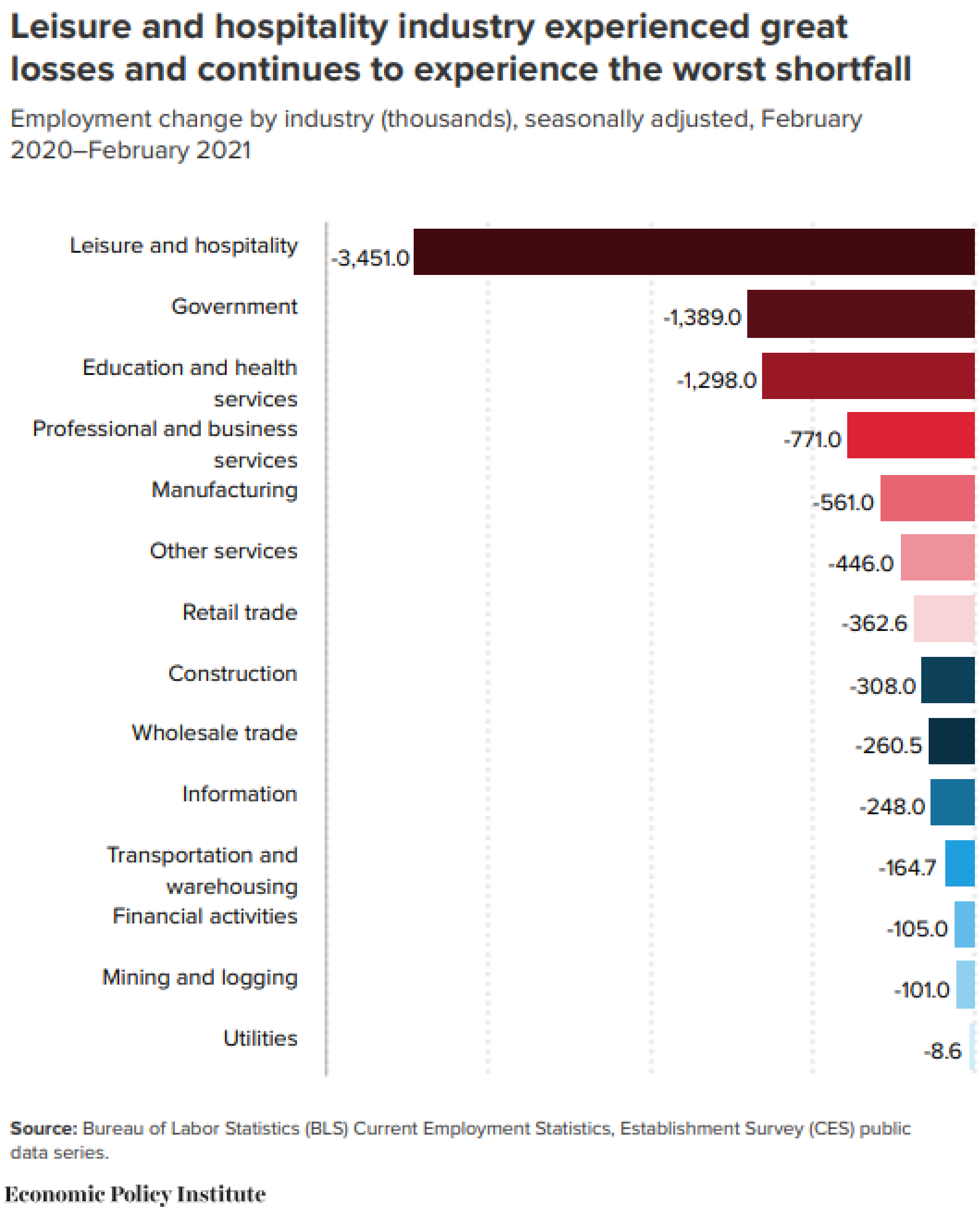


Figure 4. Employment Changes by Industry During the Pandemic

Gould and Kassa (2021) reports that the leisure and hospitality sector was the most affected sector with disproportionate losses compared to other industries. In Figure 6, it is shown that the total loss in employment for women across all races in 2020 totals up to 54.6% of all employment losses.

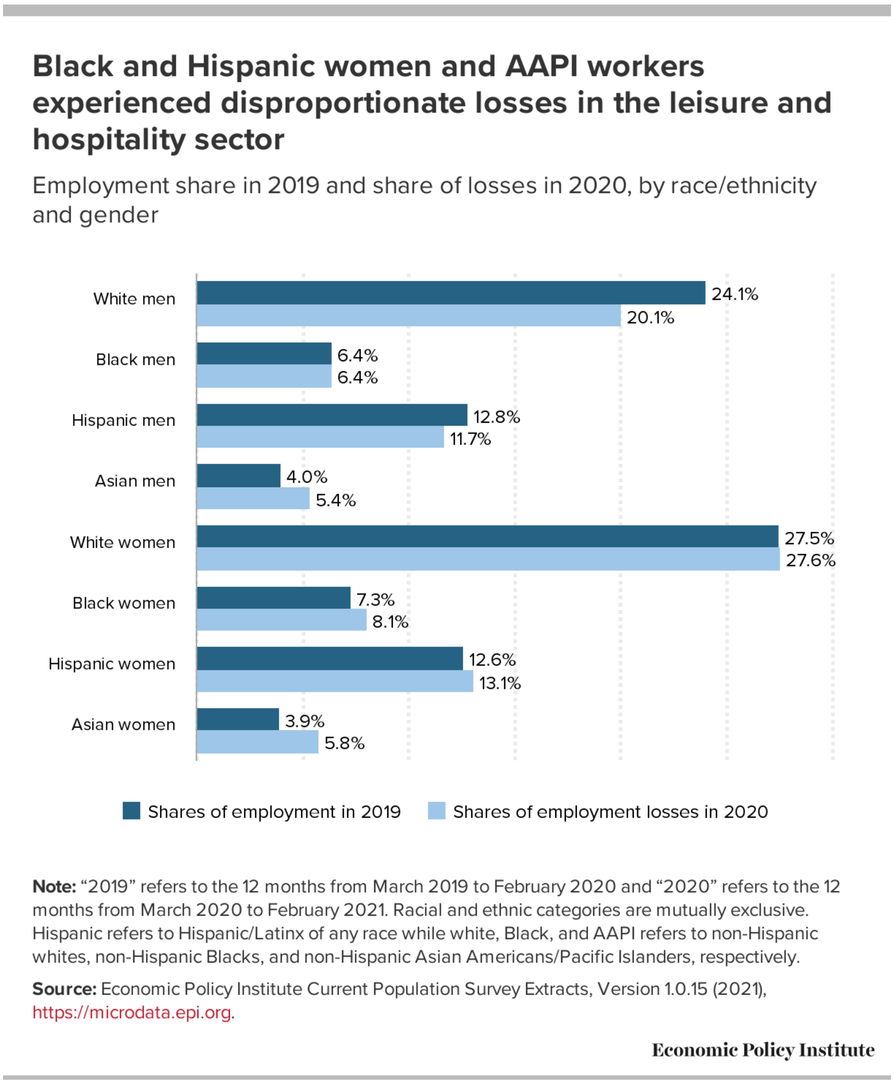


Figure 6. Shares of Workers' Losses in Leisure and Hospitality Sector

In the government or public sector, the public-sector educational services makes up to 71.2% of the industry. Particularly in the public education sector, K-12 and postsecondary teachers were among the most affected jobs with a percentage decrease in job changes between 2019-2020 at -5.3% and -22.1% respectively. On the other hand, low-wage teaching assistants have been increasingly hired making up to 19.4%. This significant level of job loss can be attributed to the teacher's dissatisfaction during the stressful pandemic times as the switch to virtual teaching causes strain to the teachers as there was a lack of time and resources to provide sufficient pedagogical content knowledge for online teaching. Lastly, the private education and health services were the third most affected industry. Similar to the public education industry, the private education is also reported to experience similar issues with teachers losing their jobs, salaries cut, or not being compensated entirely (Alam & Tiwari, 2021). In further relating this to gender disparity during the pandemic, it is important to note the caregiving role that most women have in addition to their formal jobs. Therefore, the added pressure from work will and have affected women, particularly working mothers, in productivity and efficiency (Dogra & Kaushal, 2021).

4. Gender Equality Policies in the U.S.

Although the United States has policies in place to protect its citizen from discrimination on the basis of sex, there still remains persistent issues in gender disparities across many legal areas such as in court, education, employment and wages, and more (GAO, 2019).

As outlined by Davaki (2012), the established gender equality policies in the United States spans across 5 main categories: (1) sex discrimination in the workplace, (2) accommodation of workers with families, (3) healthcare access, (4) gender equality in decision-making, and (5) policies dealing with gender-based violence. The research provides an overview on existing policies across the aforementioned areas as well as how the policy is implemented in a real setting.

4.1. Sex Discrimination in the Workplace

Under sex discrimination, there has been several federal law established by the US Equal Opportunity Commission including the Civil Right Act of 1964, the Equal Pay Act of 1963, the Pregnancy Discrimination Act (PDA), and the Age Discrimination in Employment Act of 1967 (pp.5). These laws may appear to be relatively helpful, however, it was also reported that the enforcing of workplace discrimination policies is often ineffective. For example, charging a corporate human resources worker with anti-discrimination policies can easily get de-escalated into an “ad hoc application of remedial measures” instead of having the issue appropriately dealt with by the law (pp.8). Consequently, as explored in section 2.2, gender discrimination remains an issue that persists due to the issue being largely ignored or charges which leads only towards inconsequential actions instead of being handled.

4.2. Accommodation of Workers With Families

The Federal Family Medical Leave Act (FMLA) of 1993 dictates that employees are to be provided with 12 weeks of unpaid leave when they need to take care of their child whether they are newborn, foster, adopted, or a family member under the age of 18 with a health condition. This also includes coverage for tending to their own health condition.

While this act seems accommodating, the issue remains in the fact that it is an unpaid leave for both maternal and paternal leave. As this is a federal law, however, certain states have enforced certain insurance programmes to provide some pay for health conditions which includes pregnancy. In a practical scenario, however, there needs to be more flexible options to accommodate the vast caregiving responsibilities in families. As the author explains, less than 50% of workers actually have access to the unpaid leave provided by the FMLA because most workers are unable to afford the unpaid leave.

In response to this, the government established a welfare reform in 1996 and created policies such as the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 and more addressing the limitations that the FMLA has in terms of social assistance. However, it appears that this does not sufficiently address the population that are in need of the support as many do not qualify but also are unable to afford the necessities that they need. Not only this but it is also reported that women often have more difficulties in obtaining social benefits as a result of the gender wage gap and female-specific career interruptions among many other reasons.

Overall, in addition to the stigma surrounding mothers in the workplace and fathers taking unpaid leave as mentioned in section 2.2, the benefits were unable to sufficiently cater to the population as they have neglected to address the underlying issue of social norms.

4.3. Healthcare Access

The Affordable Care Act (ACA) of 2010 was established to provide better healthcare access to up to 94% of Americans which reduced the uninsured population by 31 million people. This was created in response to the high costs of healthcare and had been impactful. Considering that one of the major gender inequalities in the economy involved the lower access to healthcare for women, this act was appropriately and successful carried out, leaving 24 million people with coverage which is less than half of the original 55 million uninsured Americans (Rosenbaum, 2019).

4.4. Gender Representation in Decision-making

In business, diversity is productive in that it can provide diverse perspectives in leadership and management styles. However, women's representation in business has remained extremely low at 7.4% (Byham, 2020). As explored in section 4.1., women in higher positions have reported experiencing gender discrimination despite the enforcing of various acts in an effort of protecting them. The U.S. responded to this through establishment of the Dodd-Frank Wall Street Reform and Consumer Protection Act in 2010 to empower women in the workplace by providing more opportunities to women-owned financial firms. However, this issue only addresses those in the finance industry, therefore, the issue of female underepresentation in business still persists. Similarly, the political representation of women is also drastically low at approximately 30% of all U.S. government institutions including the Congress, Senate, state legislators, and more (Represent Women, 2022). While the government had discussed providing quotas, this had been rejected on the basis of undermining formal equality.

4.5. Policies on Gender-based Violence

Gender-based violence is defined by the United Nations as the violence against women causing physical, sexual, or mental harm or suffering to women. The U.S. first established its first policies on gender-based violence in 1994 with the Violence Against Women Act (VAWA) as well as providing US$1.6 billion in support of legal actions for the issue. This policy was powerful and was also improved upon in 2000 which became more inclusive by addressing more cases such as child abuse, violence against people with disabilities, and more. It also expanded further in 2005 to include grant programs and legal tools. The American Civil Liberties Union (ACLU), a large non-profit organization established in 1920, had even wrote a letter to the Senate Judiciary Committee, calling the VAWA "one of the most effective pieces of legislation enacted to end domestic violence, dating violence, sexual assault, and stalking" (Fredrickson & Warren, 2005).

4.6. Potential Solution to Current Policy Gaps

In acknowledging the findings from Davaki (2012), it can be summarized that the U.S. policies on gender equality has mixed outcome despite the intended positive consequences. For example, the policies on discrimination in the workplace is largely ineffective due to the de-escalation of issues and the policies to accommodate workers with families are not sufficient in its assistance. However, the policies on gender-based violence such as VAWA and the ACA have been tremendously successful in its implementation and had tremendously improved the lives of millions of Americans. There are some potential solutions to the persistent issue in gender discrimination and insufficient accommodation of workers with families. Here, Lundberg (2022) suggests that there should be more research on the behavior and decision-making of men including the masculine identity norms. This will provide the insights needed in order to explore behavioral economics and how gender norms are framing the economy in a much better manner that will assist in the setting of effective policies. Further research can also be done on understanding social norms specifically with gender for the same reason. Ultimately, the understanding of behavioral economics in these areas will allow authorities to gain better insight into the real world situation, especially in the workplace, and to create policies that can influence the culture positively (Lundberg, 2022).

5. Conclusion

In conclusion, this paper has discussed the topic of the current labor force in the U.S. and the persisting gender inequality, the disproportionate impact of COVID-19 on women and men from different sectors, and current gender equality policies. In section 2, the male-female wage gap issue is highlighted as caused by education, occupational segregation, and work experience. Women's low participation rate in the workforce is also discussed as it is another persistent issue in the gender economics in the U.S. To summarize, the low participation rate from women is found to be caused by a non-accommodating workplace with gender discrimination and stigma towards working mothers. Another issue in the labor force is the declining rate of less-educated men in favor of relying on their family members or the increased levels of social security. Next, the paper outlined the effects of the COVID-19 pandemic on women and how this has deteriorated the progress on gender equality in the workforce significantly. In particular, women were heavily damaged by the pandemic due to the gender distribution in the sectors most affected by the recession. Lastly, the paper explores the gender equality policies set in place and discovered that certain policies such as the VAWA and ACA have been tremendously successful in the country while other policies such as those supporting anti-discrimination and family-friendly workplaces remain ineffective.

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