

UC SANTA BARBARA

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## **Economist Studies Gender and Earnings Growth Among College Graduates**

While virtually every career option is open to women -- professional sports aside -- a gender gap still persists regarding their financial compensation. On average, women earn 77 cents for every dollar their male counterparts make, and among women of color, the disparity is even wider.

A new study by Catherine Weinberger, an economist at UC Santa Barbara, verifies that salary discrepancy, but it also suggests something more significant: As men's and women's salaries increase over time, they do so at the same rate. Weinberger's findings appeared in a recent issue of the journal *Industrial & Labor Relations Review*.

"All the [economic] models say that women fall behind men in terms of salary, and, as they get older, they get farther behind," said Weinberger, a scholar with UCSB's Institute for Social, Behavioral, and Economic Research. "But that's not the case. And it goes against everything I was expecting to find when I started looking at the data."

Weinberger's data covers a 10-year period beginning in 1989. She had assembled it with the idea of studying whether women in certain fields fall behind faster than women in others. As she studied the numbers, however, she saw a broader pattern

emerge. "I was really interested in the salary difference between fields and how quickly women fall behind," she said. "Then I found that they aren't falling behind in any field. Women and men start out at different salary levels, but for both groups, they're moving evenly," she said.

According to Weinberger, hers is the first comprehensive data set that makes it possible to follow such a large group of people over time, while controlling for college major and other factors that might influence earnings. When the numbers indicated that, in terms of salary, women were not falling behind at all, she thought the data was faulty. "I was comparing 1989 to 1993, and I thought something must be wrong with the earnings measure," she said. When she got the same results with data from 1995, 1997, and 1999, she actually put the project down for a few years and confirmed -- in collaboration with colleague Peter Kuhn -- that the same patterns could be seen in more familiar data sets. Finally, she knew the issue was not with the data, but with the accepted economic models.

"The older cohorts of women have a larger discrepancy," she noted. "The earlier a woman entered the workforce, the larger the salary differential. If you look at older women compared to men, you'll see a big gap that continues over time. If you look at younger women, you'll still see a gap that continues over time, but the gap is smaller. That's been the case with each successive cohort."

According to Weinberger, the larger salary differential exists for older women because fewer opportunities were available to them when they entered the labor force. "They started out far behind men, and they have continued to be just as far behind as they've grown older," she said.

In studying the 10 years of data, Weinberger also looked at how motherhood impacted the salary gap. As it turns out, motherhood was a nonfactor. "Within the group that I followed over a period of time, some were mothers from the beginning, others had children along the way, and others didn't have children at all," she explained. "I'm finding that for all three of these groups, their growth in salary over time is the same. Some theories suggest that as women become mothers, they take time off and fall farther behind, and the disadvantage to motherhood persists over time. But the data is showing that's not the case." In fact, the study reveals an earnings growth spurt during the initial empty-nest years.

Weinberger also examined issues related to the "glass ceiling," and how it affects salaries for women. "Some people think of the glass ceiling as something that keeps women from moving beyond a certain point. Others believe it is something more pervasive, with both high- and low-earning women falling behind. At every point, women are falling behind -- the men get the promotions and the women don't. This research shows that, on average, women's earnings grow at the same rate as men's, but among women who were at a pretty high level in the first place, salaries are flattening out and not growing as fast as men's," she said.

In future research, Weinberger hopes to take a closer look at this "glass ceiling" phenomenon. "It seems counterintuitive that the women who have the most trouble relative to men are those who are so successful in the first place," she said. "The ones in the top 10 or 20 percent of the earnings distribution are the ones who hit the glass ceiling and fall behind relative to men."

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