



Gender differences in the earnings produced by a middle range education: The case of Canadian ‘colleges’



Michael R. Smith ^{a,*}, Sean Waite ^a, Claire Durand ^b

^a McGill University, Canada

^b Université de Montréal, Canada

ARTICLE INFO

Article history:

Received 24 August 2014

Received in revised form 24 November 2016

Accepted 14 March 2017

Available online 19 March 2017

Keywords:

Gender

Community colleges

Earnings

ABSTRACT

In this paper we use data on consecutive cohorts of recent graduates from community colleges or community college-like institutions to address the following questions about the gender earnings gap: i) What was the trend in the gender earnings gap for these recent graduates? ii) What role in the observed trends in the gender earnings gap was played by occupational demand? iii) How and to what extent did the domestic division of labour contribute to the gender earnings gap in this young sample? We find that the gap fell then rose, that occupational demand played a role in these shifts, and that the domestic division of labour did indeed contribute to the gap in this young sample. Furthermore, our results point to a process of *cumulation* of factors that increase the earnings gap which has both substantive and methodological implications.

© 2017 Elsevier Inc. All rights reserved.

1. Introduction

Women earn less than men in the US, Canada, and other countries. A very large body of research has established a number of reasons for the current and past gap. Those reasons can be grouped into three major categories: i) the domestic division of labour; ii) differences in human capital, in particular in the form of educational choice by gender; and iii) employer decision-making. With respect to these factors: i) marriage and childcare tend to disadvantage women; ii) while they have caught up and exceeded the educational attainment of men, they continue to acquire less work experience and, at the university level, have been overrepresented in a number of fields of study associated with lower earnings; and iii) employers are thought to devalue women's work and there is some evidence of processes that discourage women from remaining in some better-paying jobs and, sometimes, of reassignment to lower paying ones.

Recent discussion of gender earnings differences has been framed by trends in them. In both Canada and the US, at the beginning of the 1980s, the annual earnings of full-year, full-time women were slightly more than 60% of those of their male counterparts; by the beginning of the 1990s they exceeded 70% (Baker and Drolet, 2010; Blau and Kahn, 2000, 2006). Since then, in both countries, the convergence has slowed or stopped altogether, depending on time period. Both the narrowing of the gap and its failure to continue rapidly narrowing raise interesting questions.

Why did the gap shrink? There are two possible answers. Women may have acquired characteristics the absence of which previously contributed to lower earnings. Depending on the time period studied, fewer years of education and work experience contributed to lower female earnings (Blau and Kahn, 2000; Drolet, 2011). The gap in educational attainment has

* Corresponding author. Department of Sociology, McGill University, 855 Sherbrooke Street West, Montreal, Quebec, H3A 2T7, Canada.

E-mail address: michael.smith@mcgill.ca (M.R. Smith).

disappeared and in work experience narrowed. At the upper end of the educational distribution, England (2010) has emphasized convergence in fields of study; women have increasingly qualified for entry into the well-paid occupations of law, medicine, and management. And, the magnitude of the effect on the earnings gap of a particular factor may have fallen. Drolet (2011: 9) shows that much of the reduction in the gender earnings gap from 1988 to 2008 in Canada was produced by a reduction in the size of the negative effect of factors of the sort listed above.

Why might some factors reduce female earnings less than in the past? England, Gornick, and Shafer (2012: 4) point out that at the upper end of the educational distribution the higher pay associated with jobs in law, medicine, and management, along with assortative mating, make it possible to pay for childcare. That reduces the size of the negative effect of the domestic division of labour. Another possible mechanism originates with the occupational distribution. There is an earnings premium to unionization. Men have been more likely to be unionized than women. Unionization tends to closely tie pay to work experience (Zangelidis, 2008). The decline in male unionization may, then, have reduced the effect of work experience on male earnings.

We have clear evidence that the narrowing of human capital differences contributed to the fall in the gender earnings gap and that factors like those discussed in the previous paragraph advantage the earnings of men less than they did in the past. Less well explained is the fact that the gender earnings difference stopped narrowing. In this paper we explore that issue, in doing so identifying and estimating the effect of some of the factors that continue to explain the earnings gap. In addressing these questions we focus on those graduating from Canadian *community colleges* or similar institutions – that is, those who completed a post-secondary education but not a university degree.

2. Some sources of the gender earnings gap

Consider the three factors used to explain the gender earnings gap summarized above. Start with educational choice. Studying law, medicine, or management leads to higher average earnings because demand in those fields is more robust than in, say, psychology or biology, where female enrolment has been substantial. England and others are correct to underline this field of study shift. However, two qualifications are in order. One is that there are fields in which there has been a robust demand and in which women remain underrepresented; another is that occupational demand is variable. The *relative robustness of demand across occupations* is unlikely to remain constant over time; occupational demand can both rise and fall.

This is well illustrated by a set of jobs at the lower end of the educational distribution. One of the factors contributing to the decline in the gender earnings gap from the 1980s to the 1990s was a fall in the demand for some manual employees (Blau and Kahn, 2000: 85–86). Employment in manufacturing, resource extraction and, for some periods, construction, fell. The jobs in question were relatively well-paid and primarily occupied by men.

The potential to either narrow or widen gender earnings differences of this sort of shift in occupational demand is recognized. When governments have budgetary difficulties they cut back hiring, sometimes laying-off employees. Women are overrepresented within government employment so, as the essays in Karamessini and Rubery (2014) emphasize, this sort of downsizing is likely to worsen the gender earnings gap. Implicitly, periods of growth in government employment would have narrowed it. But, we would argue, this mechanism is not *sufficiently* recognized.

For the purposes of this article, of particular interest are STEM (science, technology, engineering, mathematics) fields of study. Women's presence in these programs has increased but not by nearly as much as in programs in law, medicine, and management. What is important is that the demand for people with computer-related STEM training exploded in the early 1990s when the dot-com boom began (Wang, 2007; Senn, 2000). In the US that translated into a very large increase in the computer scientist share of STEM graduates (less than a third to more than a half), a doubling of enrolments in the field, and a heavy resort to immigrants to meet scarcities. Not surprisingly, the earnings premium of computer science graduates relative to all bachelor's recipients rose, from about 25% to over 40% (Bound et al., 2015). Computer scientists provided the software the new e-commerce required. This, in turn, caused a surge in the demand for the equipment on which the new software operated and for electrical engineers which, in Canada, led to recruitment of immigrants with those skills (Picot and Hou, 2009).

The dot-com boom was followed by a dot-com bust. The demand for the relevant skills did not, however, collapse. As Bound et al. (2015) show, after 2000 the pay premium to computer science fell relative to the very end of the 1990s, fluctuated thereafter, but remained higher than it had been at the beginning of the 1990s, even during the post Great Recession years. Here is a likely cause of the failure of the earnings gap to continue to fall after the 1980s: a marked shift in demand in favour of occupations where males are overrepresented. This very large effect began with the dot-com boom but then persisted, at a lower level.

Now consider together the two other sources of female earnings disadvantage: the domestic division of labour and the choices of employers. These substantially overlap in their effects. Devaluation, Cohen and Huffman (2003: 884) tell us, originates in the fact that “employers err cognitively by not seeing women's contribution to ... profitability” and under-reward skills “such as nurturance” that women are thought to disproportionately possess. It is likely that some significant part of these views originates in the share of women in the domestic division of labour. Their domestic obligations make employers think that they are less productive (contribute less to “profitability”) and associate them with a skill that, rightly or wrongly, employers are often not seeking. Reskin and Padavic (1988) provide some evidence of this.

So, two kinds of evidence of the effect of gender differences in domestic work have been provided: the earnings disadvantage associated with women's occupational concentration (Levanon et al., 2009) and direct evidence of lower earnings

Download English Version:

<https://daneshyari.com/en/article/5047018>

Download Persian Version:

<https://daneshyari.com/article/5047018>

[Daneshyari.com](https://daneshyari.com)