



Occupations and the evolution of gender differences in intergenerational socioeconomic mobility



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HIGHLIGHTS

- This paper analyzes the evolution of gender differences in socioeconomic mobility.
- Men are more mobile when occupational earnings determine the socioeconomic position.
- Women are more mobile considering education.
- Differences in occupational choice exist, but women are not in low-return jobs.
- The earnings mobility gap has been shrinking and has closed for starting salaries.

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ABSTRACT

This paper analyzes intergenerational mobility experiences of daughters and sons with respect to their fathers' occupational status and documents changes in gender differences over time. While women have been in occupations with lower overall earnings potential, men are more likely to be in occupations characterized by long hours and low returns. The mobility gap in earnings has been closing and a mobility advantage with respect to education has been emerging.

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1. Introduction

There have been remarkable changes for women in the labor market during the past decades. Female labor force participation has doubled from around 30% in 1950 to almost 60% today. The percentage of women who have graduated from college rose from 8.1% in 1970 to 29.6% in 2010 and the proportion of current college graduates that is female increased from 34.2% in 1960 to 58.7% in 2009. Despite these changes the male–female wage gap has ceased to close, though it has narrowed from around 60% in 1960 to 77% today. A large literature aims to explain these labor market trends (see for example Fernández (2013), Eckstein and Lifshitz (2011), Goldin et al. (2006), Goldin and Katz (2002) and the references therein).

This paper documents changes in the intergenerational mobility prospects of women. The literature on intergenerational income mobility has traditionally focused on the intergenerational transmission of income between fathers and sons but the recent decade saw a number of studies exploring gender differences. These studies generally focus on the transmission of family income. Chadwick and Solon (2002) were one of the first to investigate intergenerational income mobility for both genders and find that intergenerational income elasticities¹ tend to be lower for daughters in the United States, which implies that daughters are more mobile than sons. Ermisch et al. (2006) analyze the role of assortative mating in intergenerational transmission for Britain and Germany, and Blanden (2005) for Canada. Chen et al. (2013) provide a theoretical explanation for the higher mobility for women that

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¹ The coefficient on parental family income in a log linear intergenerational income regression (see for example Solon, 1992).

Table 1
Average probability of upward mobility.

	Daughters	Sons	Effect of gender
<i>occscore0</i>	0.225	0.457	0.233**
<i>occscore25</i>	0.294	0.478	0.183**
<i>occscore75</i>	0.527	0.513	−0.014
<i>occscore100</i>	0.638	0.535	−0.102**

** $p < 0.01$.

has been observed in some of the literature with their multi-trait matching model.

This paper uses occupational characteristics to measure economic mobility. In contrast to family income this measures a women's socioeconomic status without including characteristics of her husband.² Moreover, by selecting an occupation people choose a bundle of job characteristics, including different patterns of human capital investment and pay-off structures, which can shed further light on the potential gender gaps.

The remainder of the paper is organized as follows. The next section describes the data and the estimation of the occupational measures. Section 3 analyzes the evolving gender differences in intergenerational mobility. The final section provides a discussion.

2. Data and measurement

To analyze the changing gender gaps I combine intergenerational data from the PSID (University of Michigan, 2009) with occupational characteristics estimated using Census data from the Integrated Public Use Microdata Series (Ruggles et al., 2004).

The PSID has been following an initial sample of about 4800 families and their offspring since 1968. I restrict my sample to white women and men that are part of the representative Survey Research Center sample families.³ Furthermore, I focus on individuals who were born between 1945 and 1985 and I match these individuals to their parents to create the intergenerational dataset. The PSID reports the primary occupation for both household heads and cohabiting partners. I match each individual's observations to occupational characteristics calculated from the relevant decennial Census. The particular Census samples used are the 1970 Form 2 State sample (1%), the 1980 5% sample and the 1990 and 2000 unweighted 1% samples. This data provides large representative samples of men and women, their occupations, earnings, education and labor force participation decisions.

There are several measures of "occupational status" that are included in the Census data. I estimate measures of socio-economic status for each 3 digit occupational category using a similar methodology. In particular, the Nam–Powers–Boyd occupational status score combines earnings capacity and education requirements across occupations which are weighted equally in the construction of the measure (Nam and Boyd, 2004). In order to explore the importance of earnings and education I construct a range of measures as follows:

$$occscore_{\lambda} = \lambda * edscore + (1 - \lambda) * earnscore,$$

where *edscore* is the occupational education rank score, *earnscore* is the earnings score, and λ is the weight on education. The education and earnings scores are obtained by ranking occupations by the

² A related paper on occupational mobility is presented by Hellerstein and Morrill (2011) who investigate whether the occupation-specific human capital transfer between dads and daughters has increased with the recent changes in female labor force participation.

³ The core sample combines a nationally representative sample of families that was drawn by the Survey Research Center, the "SRC sample" and an oversample of low-income families selected from the "Survey of Economic Opportunity" of the Census, the "SEO sample".

Table 2
Average probability of upward mobility by cohorts.

	Daughters	Sons	Effect of gender
1945–1965 cohorts			
<i>occscore0</i>	0.191	0.518	0.328**
<i>occscore25</i>	0.267	0.547	0.281**
<i>occscore75</i>	0.532	0.583	0.051*
<i>occscore100</i>	0.653	0.599	−0.054*
1965–1985 cohorts			
<i>occscore0</i>	0.251	0.409	0.158**
<i>occscore25</i>	0.314	0.421	0.107**
<i>occscore75</i>	0.522	0.457	−0.065**
<i>occscore100</i>	0.625	0.485	−0.140**

* $p < 0.05$.** $p < 0.01$.

average weekly earnings and the average educational attainment of individuals working in those occupations within each decade. These occupational status scores are averaged over all occupation observations between the ages of 25 and 55 for each individual and their parents.

3. Analysis and results

3.1. Baseline probit estimates

I estimate intergenerational occupational mobility with respect to fathers by regressing an indicator variable that equals 1 whenever the father's occupational rank has been surpassed and zero otherwise on a gender dummy, the fathers' rank and its interaction with gender⁴:

$$\Pr(I(occscore_{\lambda} \geq occscore_{\lambda} dad) = 1) \\ = \Phi(c + I(son) + occscore_{\lambda} dad + I(son) * occscore_{\lambda} dad).$$

Table 1 shows the predicted probability of upward mobility by gender obtained from the probit regressions and the predicted effect of a change in the gender dummy from 0 (daughter) to 1 (son). The results indicate that sons are more upwardly mobile when occupational status is defined in terms of earnings, while women are more upwardly mobile when education is the determinant of occupational status. There are no differences in upward mobility with respect to fathers when the weight on education is 0.75.

To illustrate how the probability of upward mobility varies by gender, status measure and parental status, I also plot predicted mobility conditional on the father's position in Figs. 1(a)–(d). Upward mobility is necessarily decreasing the higher the fathers' positions because surpassing higher positions is harder. As the weight on earnings is reduced upward mobility of daughters with respect to their fathers increases while we observe the opposite for sons.

3.2. The evolution of the mobility gap

The intergenerational dataset encompasses several generations with potentially different mobility experiences given the changes experienced by women in the labor market. To take these changes into account I include a dummy variable that splits the sample into two sets of cohorts: those born between 1945–1965 and 1965–1985. Table 2 displays the predicted effects of being

⁴ Results using average parental scores or mothers' scores are similar. Performing the analysis using fathers provides a "higher bar" to cross for daughters.

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