



Don't Mind the Gap: Gender Pay Disparities Are No Evidence of Discrimination

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Executive Summary

Almost every discussion of gender pay equality in the United States includes the following statistic -- the typical American woman working full-time earns roughly 79 cents for every dollar a man earns. This gender earnings ratio, as it is known, is often cited as evidence of systematic wage discrimination against women on the part of American employers.

An overwhelming number of analyses, however, reveal that virtually the entire disparity between men's and women's earnings is attributable to factors such as choice of occupation, level of education, field of study, hours worked, industry, and location. Moreover, measures of earnings frequently fail to reflect that employed women are more likely than men to enjoy family-friendly fringe benefits like parental leave, child care, and sick leave.

Working women have reported in numerous opinion surveys that they don't feel as if they experience gender-based pay discrimination. If anything, the gender earnings ratio reveals that women today are freer than ever to shape their careers as they see fit.

Introduction

In 1974, Sir Antony Fisher, the founder of the Pacific Research Institute, published *Must History Repeat Itself?*, a "study of the lessons taught by the (repeated) failure and (occasional) success of government economic policy through the ages."

Fisher's question applies to the current debate over the gender pay gap. For at least the past half-century, there have been questions about why men, on average, have higher earnings than women. And for those 50 years, the reasons have consistently been similar, justifiable, and non-discriminatory. The arguments simply repeat themselves.

The debate about gender pay equality centers around a simple and intuitive claim -- women deserve equal pay for equal work. If a woman and man have the same qualifications, do the same job, work the same number of hours, and perform equally well, they ought to be paid the same.

This paper will not challenge that principle. After all, who could argue against the moral principle of fairness, of treating people equally?

Further, that principle is already codified in America's labor laws. The Equal Pay Act of 1963, to name just one example, specifically prohibits employers from paying workers of one sex less than workers of another for jobs requiring equal work, effort, and responsibility. Title VII of the Civil Rights Act of 1964 puts similar restrictions on compensation discrimination based on sex, as well as race, color, religion, and national origin.

One would think that such laws would have put to rest the issue of gender-based pay discrimination. And yet a half-century later, a significant number of political leaders, scholars, and activists continue to argue that women are systematically paid less than men for no other reason than their gender. Equality of opportunity is not enough. They want equality of outcomes, too -- no matter how unjust.

Let's call this view "the discrimination hypothesis." The main piece of evidence mustered to defend it is a Census Bureau figure comparing women's median earnings to those of men -- the so-called "gender earnings ratio." According to the Bureau's most recent calculation, from 2015, a typical woman earns 79.6 percent as much as a typical man.

The Obama administration points to this number as proof that "pay discrimination is a real and persistent problem that continues to shortchange American women and their families."¹ Pay-equity advocates have embraced the ratio as something of a rallying cry. Each year, "Equal Pay Day" falls on the date which, according to the gender earnings ratio, marks how far into a given year a woman must work in order to make what men earned the year before.

In his 2014 State of the Union address, President Obama used this figure to great effect, lamenting that, "women make up about half of our workforce. But they still make 77 cents [now 79.6 cents] for every dollar a man earns. That is wrong, and in 2014, it's an embarrassment. A woman deserves equal pay for equal work."

In the first presidential debate of 2016, Hillary Clinton called for much the same thing -- "equal pay for women's work."

Of course, President Obama might want to get his own house in order before declaring the wage gap embarrassing. According to Diana Furchtgott-Roth, Senior Fellow at the Manhattan Institute, the average female White House staffer made 84 percent of what the average male staffer did in 2015.²

Hillary Clinton is also afflicted with a bit of wage-gap hypocrisy. Her family foundation pays its male executives 38 percent more than its female executives.³

In order to rectify this perceived national failing -- not to mention the one "plaguing his administration -- President Obama, Hillary Clinton, and other prominent progressives have pushed for legislation like the Paycheck Fairness Act, which would strengthen the Equal Pay Act in hopes of shrinking the gender pay ratio.

Similarly, Charlie Baker, the Republican governor of Massachusetts, recently signed pay-equity legislation into law in his state. Starting July 1, 2018, the measure will prohibit employers from requesting a pay history from prospective workers and leave employees free to discuss their salaries with one another, among other things.

The arguments behind such reforms suffer from the same basic flaw. The mere existence of a pay gap between men and women isn't, by itself, evidence of discrimination -- much less cause for moral condemnation or "embarrassment," as President Obama would have us believe.

¹ "Equal Pay," White House, accessed September 29, 2016, <https://www.whitehouse.gov/issues/equal-pay>.

² Diana Furchtgott-Roth, "American Feminists and the Welfare State," paper presented at the Mont Pelerin Society General Meeting, Miami, FL, September 2016.

³ Richard Pollock, "Exclusive Pay Gap Alert: Clinton Foundation Male Execs Earn 38% More Than Women," *The Daily Caller*, April 12, 2016, <http://dailycaller.com/2016/04/12/pay-gap-alert-clinton-foundation-male-execs-earn-38-more-than-women/>.

There are perfectly defensible reasons for paying one person more than another -- experience, for instance.

Or take quantity of work performed. Professional tennis's governing bodies, the Association of Tennis Professionals and the Women's Tennis Association, have faced criticism from the likes of tennis legend Billie Jean King for allowing tournaments to pay male champions more than female winners. Wimbledon became the last of the four Grand Slams to equalize its purses for men and women in 2007.

Yet in the Slams, women's tennis is best of three sets; men must play best of five. For women tennis players, the drive appears to be for equal pay for less work.

In order to determine if the wage gap is a product of systematic injustice in our labor markets, more detailed analyses of the available data are required.

This paper draws on such analyses to argue that factors like experience, the number of hours worked, and the choice of occupation and industry can account for nearly the entire disparity between male and female earnings. In short, "equal pay for equal work" is already the prevailing norm for women in the United States.

To the extent that women are paid less than men, it's largely because of free choices made by individual workers -- choices about which industries to enter and when to start a family, which jobs to pursue and how much time to devote to those jobs. These findings not only belie the notion that women are victims of systematic pay discrimination -- they demonstrate that statistics like the Census Bureau's gender earnings ratio have little to say about the kinds of equality that truly matter.

The Impact of Career Choice on Female Earnings

It's a simple fact that some workers in our economy earn less than others. These wage disparities aren't always the result of injustices. That surgeons are generally better compensated than mail carriers or babysitters isn't usually cause for moral outrage. It's uncontroversial that workers in different industries and occupations earn different wages for legitimate reasons.

It's reasonable to ask, then, to what degree workers' choice of industry and occupation accounts for the current gender earnings gap. A paper published earlier this year by Cornell University economists Francine Blau and Lawrence Kahn takes up precisely this question.⁴

Using data from the University of Michigan's Panel Study of Income Dynamics, the authors first calculate the wage gap for 26-64-year-old full-time workers. Among this group, they find that average female earnings were 79.3 percent of average male earnings in 2010 -- similar to the Census Bureau figure.

⁴ Francine D. Blau and Lawrence M. Khan, "The Gender Wage Gap: Extent, Trends, and Explanations," (working paper, IZA Discussion Paper No. 9656, Institute for the Study of Labor, Bonn, Germany, January 2016), 68, <http://ftp.iza.org/dp9656.pdf>.

Remarkably, Blau and Kahn conclude that 50.5 percent of that gap can be attributed to a worker's industry and occupation alone. That is, the jobs that men and women tend to choose -- and the fields in which they decide to work -- are responsible for more than half of the gender pay gap.

Data from the Bureau of Labor Statistics strongly support Blau and Kahn's calculations.⁵ Among the most common occupations for women, according to the BLS, are secretary and administrative assistant (average annual pay, \$39,360), elementary and middle school teacher (average annual pay, \$58,060), and nursing, psychiatric, and home health aide (average annual pay, \$25,500).⁶ In fact, women make up three-quarters of the nation's 10 lowest-wage occupations, according to an analysis by the National Women's Law Center.⁷

By contrast, men are far more likely than women to hold higher-paying positions like software applications developer (average annual pay, \$102,160), personal financial advisor (average annual pay, \$118,050), and chemical engineer (average annual pay, \$103,960).^{8 9}

This wage gap is largely the product of a skills gap -- specifically, a math skills gap. Those well-compensated, male-dominated positions all require highly attuned math skills; the representative low-paying, female-dominated jobs do not.

And the data show that women, by and large, have lower math scores than men. In 2015, the average college-bound woman scored 31 points lower on the SAT in math than did the average college-bound man.¹⁰

These figures complicate the claim made by pay-equity activists that women systematically fail to receive "equal pay for equal work." To a significant extent, women earn less than men because they are drawn to different careers than men.

It's worth noting that men who choose to work in female-dominated industries also tend to earn lower wages as a result.¹¹

One could certainly argue that home health aides or middle-school teachers deserve to make more than they do -- particularly those who excel in their work. But there's little to suggest that the low wages in these professions are the result of deliberate discrimination against women, rather than a fairly mundane instance of different pay for different work.

⁵ U.S. Department of Labor, "25 Most common occupations for employed women by selected characteristics (2014 annual averages)," accessed September 27, 2016. https://www.dol.gov/wb/stats/25mostcommon_occ_employ_women_txt.htm.

⁶ U.S. Bureau of Labor Statistics, "May 2015 National Occupational Employment and Wage Estimates," Occupational Employment Statistics, accessed September 27, 2016. http://www.bls.gov/oes/current/oes_nat.htm.

⁷ Katherine Gallagher Robbins, Lauren Frohlich, and Joan Entmacher, "Six New Facts on Why We Must Raise the Minimum Wage and Advance Equal Pay," *The National Women's Law Center Blog*, March 11, 2014, <https://nwlc.org/blog/six-new-facts-why-we-must-raise-minimum-wage-and-advance-equal-pay/>.

⁸ U.S. Bureau of Labor Statistics, "Employed persons by detailed occupation, sex, race, and Hispanic or Latino ethnicity," Labor Force Statistics from the Current Population Survey, accessed September 27, 2016, <http://www.bls.gov/cps/cpsaat11.htm>.

⁹ U.S. Bureau of Labor Statistics, "May 2015 National Occupational Employment and Wage Estimates."

¹⁰ College Board, "SAT Percentile Ranks for Males, Females, and Total Group," 2015, <https://secure-media.collegeboard.org/digitalServices/pdf/sat/sat-percentile-ranks-mathematics-2015.pdf>.

¹¹ John T. Addison, Orgul D. Ozturk and Si Wang, "The Occupational Feminization of Wages," (working paper, IZA Discussion Paper No. 9078, Institute for the Study of Labor, Bonn, Germany, January 2016), 23, <http://ftp.iza.org/dp9078.pdf>.

If current educational trends hold, women may end up on the other side of the pay gap. They now earn 57 percent of Bachelor's degrees, 60 percent of Master's degrees, and 52 percent of doctoral degrees.¹² Given that the college graduates have tended to earn 56 percent more than those with just a high-school diploma over the past 40 years, women may soon take the wage lead solely because they're better educated.

Time and Experience Matter More than Gender

The difference between male and female workers extends to factors like experience and hours worked. And, as with career choice, these are exactly the kinds of variables that would be expected to influence wages, regardless of gender.

In the case of work experience, it's important to note that women have made substantial gains in recent years. In 1981, for instance, the professional experience of full-time female workers lagged behind full-time male workers by an average of seven years.¹³ Three decades later, the experience gap in 2011 between men and women had narrowed to 1.4 years.¹⁴

It's no coincidence that these gains in labor experience among women have corresponded with a significant narrowing of the wage gap. During the 1980s, a decade in which the male-female experience gap shrank by 2.3 years, women went from earning nearly 59.7 cents for every dollar earned by a man to nearly 68.7 cents -- an increase of 15 percent.¹⁵ According to a 2006 study published in the *Industrial and Labor Relations Review*, one-third of the decrease in the earnings gap was the result of experience gains among women.¹⁶

Despite such significant progress, the work experience gap has implications for the pay gap. According to Blau and Kahn (2016), more than 14 percent of the gender pay disparity in 2010 flowed from differences in experience between men and women.¹⁷

Add this figure to the effects of occupation and industry, and nearly two-thirds of the pay gap is attributable to factors that have nothing to do with overt discrimination.

Historically, women haven't just worked fewer years. They've tended to work fewer hours. The Bureau of Labor Statistics' latest Time-Use Survey reveals that the average employed male put in 5 percent more time on the job than the average employed female in 2015. Moreover, compared to women, a greater share of full-time men work on the average Saturday, Sunday, or holiday.¹⁸

Since the Census Bureau looks only at yearly pay, these differences in hours worked aren't reflected in the gender earnings ratio. Compare the hourly wages of women and men, and the

¹² National Center for Education Statistics, "Table 301.10. Enrollment, staff, and degrees/certificates conferred in degree-granting and non-degree-granting postsecondary institutions, by control and level of institution, sex of student, type of staff, and level of degree: Fall 2013, Fall 2014, and 2013-14," *Digest of Education Statistics*, accessed September 29, 2016, http://nces.ed.gov/programs/digest/current_tables.asp.

¹³ Francine D. Blau and Lawrence M. Kahn, "The Gender Wage Gap: Extent, Trends, and Explanations," 4.

¹⁴ *Ibid.*, 71.

¹⁵ Francine D. Blau and Lawrence M. Kahn, "The US Gender Pay Gap in the 1990s: Slowing Convergence," *Industrial and Labor Relations Review* 60, no. 1 (2006): 45-52, http://www2.econ.iastate.edu/classes/econ521/orazem/Papers/blau_convergence_90s.pdf.

¹⁶ *Ibid.*, 52.

¹⁷ Francine D. Blau and Lawrence M. Kahn, "The Gender Wage Gap: Extent, Trends, and Explanations," 73.

¹⁸ U.S. Bureau of Labor Statistics, "American Time Use Survey — 2015 Results," June 24, 2016, 1-13, <http://www.bls.gov/news.release/pdf/atus.pdf>.

earnings ratio jumps from 78.6 percent to nearly 85 percent. And that's before factoring in variables like occupation and industry.¹⁹

Men are also more likely than women to work 50 hours or more per week -- a disparity that has remained relatively constant over the last 30 years.²⁰ Pulling long hours has become more common in recent decades, even as the hourly returns for doing so have increased.

These income gains, consequently, have accrued disproportionately to men. In fact, in a 2014 paper, sociologists Youngjoo Cha of Indiana University and Kim Weeden of Cornell University found that, between 1979 and 2007, 10 percent of the gender wage gap was attributable to the growth of male-dominated "overwork."²¹

Marianne Bertrand of the University of Chicago and Claudia Goldin and Lawrence F. Katz of Harvard examined the earnings of MBA graduates in a 2009 paper. They found that male and female MBAs started off with equivalent earnings. But men's earnings eventually eclipsed women's earnings, "with the male annual earnings advantage reaching almost 60 log points at ten to 16 years after MBA completion."²²

They attributed the diversion to three factors: "differences in training prior to MBA graduation; differences in career interruptions; and differences in weekly hours."²³

Motherhood

The previous discussion raises an obvious question. Why do women tend to be less experienced and less likely to work long hours than men?

There is no simple answer to this question. But both trends are certainly related to the choice of many women to become mothers. Women who have children are often compelled to spend less time working -- sacrificing work experience and productivity gains in the process.

These sacrifices are reflected in the wage gap between mothers and non-mothers. As Ivanka Trump noted in her speech during the 2016 Republican National Convention:

*In 2014, women made 83 cents for every dollar made by a man. Single women without children earn 94 cents for each dollar earned by a man, whereas married mothers made only 77 cents. As researchers have noted, gender is no longer the factor creating the greatest wage discrepancy in this country, motherhood is.*²⁴

¹⁹ U.S. Bureau of Labor Statistics, "Highlights of women's earnings in 2014," November 2015, 7, <http://www.bls.gov/opub/reports/womens-earnings/archive/highlights-of-womens-earnings-in-2014.pdf>.

²⁰ Youngjoo Cha and Kim A. Weeden, "Overwork and the Slow Convergence in the Gender Gap in Wages," *American Sociological Review* 79, no. 3 (2014), 10, doi: 10.1177/0003122414528936.

²¹ *Ibid.*, 1.

²² Marianne Bertrand, Claudia Goldin, and Lawrence F. Katz, "Dynamics of the Gender Gap for Young Professionals in the Corporate and Financial Sectors," *American Economic Journal: Applied Economics* 2 no. 3 (2010): 237. doi:10.1257/app.2.3.228.

²³ *Ibid.*, 228.

²⁴ Will Drabold, "Read Ivanka Trump's Speech at the Republican Convention," *Time*, July 21, 2016, <http://time.com/4417579/republican-convention-ivanka-trump-transcript/>.

University of Massachusetts sociologist Michelle Budig recently estimated that women experience a 6.7 percent wage penalty, on average, for every child they have.²⁵ And a great deal of this so-called "motherhood penalty," she found, resulted from factors like reductions in the number of hours worked.

Bertrand, Goldin, and Katz concluded in their study that "the presence of children is the main contributor to the lesser job experience, greater career discontinuity and shorter work hours for female MBAs."²⁶

By contrast, waiting to have children carries serious wage benefits for women. In a 2008 paper in the *Journal of Population Economics*, University of Virginia economist Amalia Miller found that, "Motherhood delay leads to a substantial increase in earnings of 9% per year of delay, an increase in wages of 3%, and an increase in work hours of 6%."²⁷

In many cases, mothers affirmatively choose to work fewer hours in order to devote more time and energy to raising their children. According to a 2012 survey by the Pew Research Center, 62 percent of working mothers prefer to work part-time. Nearly 90 percent of mothers believe that having a full-time working mother is less-than-ideal for children.²⁸

These preferences help explain why women are far more likely to work part-time than men. In 2015, women accounted for nearly two-thirds of part-time workers in the United States.²⁹ Among parents, working mothers are five times more likely to be in part-time positions than working fathers.³⁰

The desire among mothers to work less can even be seen among highly trained professionals. A 2010 study published in the *American Economic Journal: Applied Economics* looked at the work habits of individuals who graduated from top American business schools between 1990 and 2006.

Within this sample, the researchers found that mothers worked some 24 percent fewer hours per week than the average male. They concluded, "The presence of children is the main contributor to the lesser job experience, greater career discontinuity and shorter work hours for female MBAs."³¹

²⁵ Michelle J. Budig, "The Fatherhood Bonus and The Motherhood Penalty: Parenthood and the Gender Gap in Pay," *Third Way*, September 2, 2014, <http://www.thirdway.org/report/the-fatherhood-bonus-and-the-motherhood-penalty-parenthood-and-the-gender-gap-in-pay>.

²⁶ Marianne Bertrand, Claudia Goldin, and Lawrence F. Katz, "Dynamics of the Gender Gap for Young Professionals in the Corporate and Financial Sectors," 230.

²⁷ Amalia R. Miller, "The effects of motherhood timing on career path," *Journal of Population Economics* 24, no. 3 (2011): 1071, doi:10.1007/s00148-009-0296-x

²⁸ Kim Parker, "Women, Work and Motherhood: A Sampler of Recent Pew Research Survey Findings," Pew Research Center, April 13, 2012, <http://www.pewsocialtrends.org/2012/04/13/women-work-and-motherhood/>.

²⁹ U.S. Department of Labor, "Percent distribution of workers employed full- and part-time by sex, 2015 annual averages," accessed September 29, 2016, https://www.dol.gov/wb/stats/Percent_distrib_workers_employ_full_part_time_sex_2015_txt.htm.

³⁰ Employed parents by full- and part-time status, sex and age of youngest child 2015 annual averages: https://www.dol.gov/wb/stats/latest_annual_data.htm#part

³¹ Ibid.

Mothers, in other words, are disproportionately willing to forgo paid work in the professional sphere for unpaid work raising children. In fact, women spend an average of 10.8 more hours each week on unpaid household work than men, according to the Bureau of Labor Statistics.³²

Fringe Benefits

By focusing solely on the wage discrepancy between men and women, the debate over gender pay equity often fails to recognize the non-monetary -- but still quite valuable -- benefits many working women enjoy, often disproportionately more so than men.

In a 2008 analysis, economists Aaron Lowen and Paul Sicilian found that women are more likely than men to receive "family-friendly" fringe benefits from their employer.³³ These benefits include parental leave, sick leave, child care, and a more flexible work schedule.

After taking total compensation -- including non-wage compensation -- into consideration, the disparity between male and female earnings shrinks considerably. In one study, economists Eric Solberg and Teresa Laughlin calculated total compensation for more than 5,600 working men and women between the ages of 26 and 34. According to their analysis, the average value of compensation, including fringe benefits, for women totaled 96.4 percent of the average compensation earned by men.³⁴

Fringe benefits, in other words, can account for nearly the entire gender wage gap by themselves.

Region and Race

Two other variables affecting the male/female wage gap are region and race. From state to state, for instance, the gender earnings ratio can range from 90 percent in the District of Columbia to as low as 65 percent in Louisiana.³⁵

There are also wide variations in the gender earnings ratio between races and ethnic groups. According to Census Bureau figures, median earnings for Hispanic women total 89.0 percent of those for Hispanic men. The gender earnings ratio for Asian Americans, meanwhile, is 77.9 percent.³⁶

Again, these raw earnings ratios don't reflect factors like occupation, hours worked, and fringe benefits. Nevertheless, race and region together can account for 4.6 percent of the gender earnings gap, according to one recent estimate.³⁷

Adding It All Up

³² U.S. Bureau of Labor Statistics, "Hours spent doing unpaid household work by age and sex, 2003-07," August 6, 2009, http://www.bls.gov/opub/ted/2009/ted_20090806.htm.

³³ Aaron Lowen and Paul Sicilian, "Family-Friendly" Fringe Benefits and the Gender Wage Gap," *Journal of Labor Research* 30, no. 2 (2009): 101, doi:10.1007/s12122-008-9046-1.

³⁴ Eric Solberg and Teresa Laughlin, "The Gender Pay Gap, Fringe Benefits, and Occupational Crowding," *Industrial and Labor Relations Review* 48, no. 4 (1995): 706, doi:10.2307/2524351.

³⁵ American Association of University Women, "The Gender Pay Gap by State and Congressional District," accessed September 29, 2016, <http://www.aauw.org/resource/gender-pay-gap-by-state-and-congressional-district/>.

³⁶ U.S. Bureau of Labor Statistics, "Highlights of women's earnings in 2014," 9.

³⁷ Francine D. Blau and Lawrence M. Khan, "The Gender Wage Gap: Extent, Trends, and Explanations," 73.

These factors -- career choice, experience, hours worked, motherhood, fringe benefits, region, and race -- all provide some degree of explanation for the earnings differences between men and women.

So what's a better estimate of the earnings ratio? Consider a calculation from the compensation data firm PayScale that uses the company's 1.4 million salary profiles.

That analysis compared the earnings of men and women working in the same job, controlling for variables like education, hours worked, experience, and location. Their analysis put the adjusted gender pay gap at only 2.7 percent -- down from an unadjusted ratio of 25.6 percent.³⁸

Even studies championed by pay-equity activists find the controlled earnings ratio to be fairly small. Blau and Kahn's 2016 analysis, for instance, yielded an adjusted gender pay gap of only 8.4 percent in 2010.³⁹ A recent report from Glassdoor Economic Research put the adjusted pay gap at around 5 percent.⁴⁰

At the very least, these analyses reveal the outright dishonesty of those who claim that, "a woman earns only 79 cents for every dollar a man earns."

None of which is to suggest that gender pay discrimination doesn't ever take place. These researchers have simply shown that nearly all of the gender gap is the result of factors other than deliberate gender bias on the part of employers. Put differently, even if our economy were completely devoid of any form of sex discrimination, we would still see a significant gap between the earnings of men and women.

Where's the Evidence of Gender Discrimination?

The discrimination hypothesis suffers from a conspicuous lack of positive evidence.

If our economy were truly infected with gender-pay discrimination, one would expect to hear more complaints from actual workers. Yet in a 2013 survey by the Pew Research Center, only one in ten women said that they had ever been paid less than a man for doing the same work.⁴¹ Three percent of men, meanwhile, claimed that they had been paid less than a woman for doing the same work.⁴²

A more recent Harris Poll conducted for Glassdoor Economic Research found that the vast majority of workers -- 70 percent -- say that their own employer pays men and women equally.⁴³

³⁸ PayScale, "Understanding the Gender Pay Gap," Inside the Gender Pay Gap, accessed September 29, 2016, <http://www.payscale.com/data-packages/gender-pay-gap>.

³⁹ Francine D. Blau and Lawrence M. Khan, "The Gender Wage Gap: Extent, Trends, and Explanations," .68.

⁴⁰ Andrew Chamberlain, "Demystifying the Gender Pay Gap: Evidence From Glassdoor Salary Data," Glassdoor, March 2016, 2, <https://www.glassdoor.com/research/studies/gender-pay-gap/>.

⁴¹ Pew Research Center, "On Pay Gap, Millennial Women Near Parity – For Now: Despite Gains, Many See Roadblocks Ahead," Pew Research Center's Social & Demographic Trends Project, December 11, 2013, 8, <http://www.pewsocialtrends.org/2013/12/11/chapter-4-men-and-women-at-work/>.

⁴² Ibid., 48.

⁴³ Glassdoor, "The Gender Pay Gap – Is it Real? New Survey Uncovers Employee Sentiments and Perceptions Across the Globe," February 10, 2016, <https://www.glassdoor.com/blog/the-gender-pay-gap-is-it-real-new-survey/>.

Gender equality has become such a pervasive norm, in fact, that the issue no longer galvanizes voters the way it once did. Presidential hopeful Hillary Clinton chose to stop emphasizing the fact that she'd be the first woman president after research from the political action committee EMILY's List found that the message wasn't resonating.⁴⁴

It would seem, then, that advocates for pay-equity policies like the Paycheck Fairness Act are attempting to right a social wrong that most Americans don't believe exists. Moreover, they have based their arguments not on positive evidence but on a conscious misrepresentation of the data.

The Kind of Gender Equality that Matters

At the core of the debate over the gender pay gap are two distinct conceptions of equality. For proponents of pay-equity reform, the goal is equality of earnings. Only when the typical woman earns precisely the same as the typical male will these activists be satisfied. Anything short of a 1:1 gender earnings ratio is, *prima facie*, morally wrong.

Focusing entirely on this ratio, however, is not just misleading. It's entirely inadequate for measuring whether women are paid equally for equal work -- much less about whether they are treated as equal members of American society. The gender earnings ratio says nothing about a more valuable kind of equality -- the kind that ensures that women enjoy the same freedom as men to pursue their chosen profession, to allocate their time as they see fit, to raise a family, and to earn an education. It's this second form of equality that is truly worth defending.

Friedrich Hayek captured this sentiment when he said, "There is a difference in the world between treating people equally and attempting to make them equal."

For the most part, the unadjusted earnings gap ratio reflects choices by women to exercise these freedoms differently than men generally do. Far from being evidence of social dysfunction, the ratio -- together with the analyses presented in this paper -- suggest that our nation's women are more empowered than ever to build careers suited to their own individual needs, preferences, and values. That's not a moral failing -- it's a hard-won victory.

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⁴⁴ Lisa Lerer and Catherine Lucey, "Correction: DEM 2016-Clinton-Trump's Personal Attacks story," *Associated Press*, May 27, 2016, <http://elections.ap.org/content/clinton-shrugs-sees-benefits-trumps-personal-attacks>.