

## Chap 6: Job Segregation and Earnings

### Measure of Segregation

**DUNCAN INDEX OF DISSIMILARITY OR DUNCAN SEGREGATION INDEX:** A number which indicates the extent to which 2 different groups are segregated by occupation. It is defined as

$$100 \cdot \sum_{i=1}^N \frac{\left| \frac{X_i}{X} - \frac{Y_i}{Y} \right|}{2},$$

where

- $X_i$  = # of people of a group in occupation  $i$
- $X$  = # of people in this group
- $Y_i$  = # of people of a comparison group in occupation  $i$
- $Y$  = # of people in the comparison group
- $N$  = # of occupations.

#### Its Features:

1. Its highest value is 100; this indicates complete segregation.
2. Its lowest value is 0; this indicates complete integration.
3. As the index increases, the extent to which the groups are segregated in occupations increases.

### Why Is There Persistent Segregation?

- Differences in tastes or abilities? Evidence?
- Is it more efficient to have sexes separated to avoid sexual tensions?
  - Secretaries versus bosses
- Maintaining balance between market and nonmarket work
  - Taking a teaching or part-time job in order to care for children outside of school hours
- Imperfect information about relative abilities of sexes
  - Can men be daycare workers? Nurses?
  - Can women be firefighters? Members of the armed forces?
- Segregation as a result of discrimination

### Why Should We Care About Segregation?

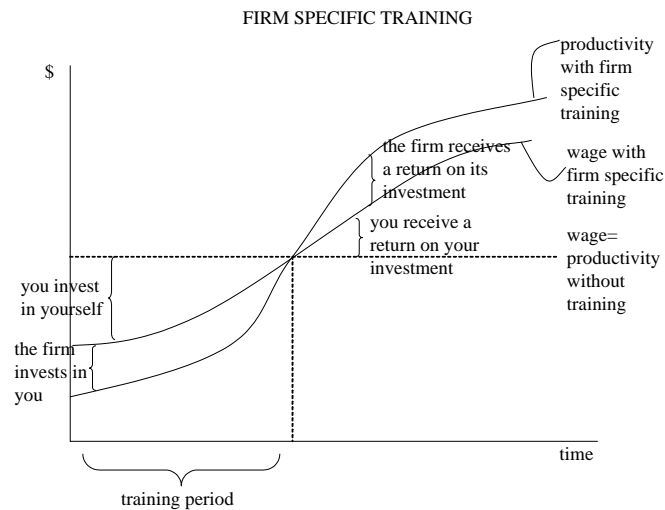
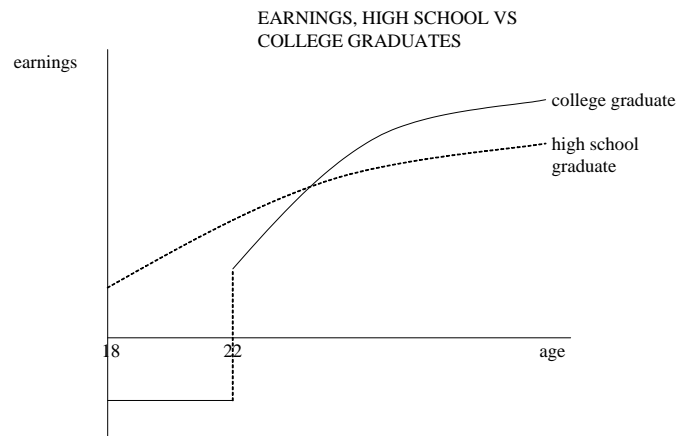
- See Table 6.10, p. 223, in your text. As the percentage female in an occupation increases, the earnings in that occupation decrease.
- It is estimated that women's earnings would be only 74% (service jobs) to 89% (manufacturing jobs) of men's due to segregation only.

## Why Do We See This Relationship between Segregation and Earnings?

- Crowding Model
  - Modern version by Bergmann (book on reserve), but we have seen a lot of discussion of it in our historical readings
- Exclusion Model
  - Men are sorted into higher paying jobs, women into lower (see Bergmann)

## Chap 7: Human Capital

**Definition 1** *Human capital refers to the knowledge or skill an individual has.*



## Notes

- An individual who is expected to leave the labor force at some point may not be asked to be in specific training programs.
- An individual who expects to leave the labor force may not want to be engaged in such training.
- If an equally trained female receives smaller earnings relative to a male, she may well opt for less training since she may not be able to recover the costs of her training.
- If there is differential access by gender to obtaining human capital through schooling or on the job training, this may affect the number of women obtaining that human capital and its associated higher earnings.

## Human Capital Differences between the Genders

### Differences in the Level of Human Capital

- Schooling (see Table 7.2, p. 252). At least as many females as males obtain degrees through the master's level. In 1994, women received 41% of professional degrees (up from 3% in 1961); in 1994, women received 39% of doctoral degrees (up from 11% in 1961).
- Training. Women receive less on the job training, less experience (Do they choose less or are they less likely to be chosen?)
  - They may stop work to have a child.
  - They may move to accommodate a spouse's job transfer.
  - They may not "be able" to move in order to take advantage of an offer of a promotion.

### Differences in the Type of Human Capital

- Men tend to be represented in some technical areas more than women, leading to higher wages (why? whose choice? role models?).
- Men tend to have more specific human capital (whose choice?).