

The Decline of Sex Segregation and the Wage Gap, 1970-80

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Abstract This study examines changes in the distribution of the U.S. workforce by sex across occupations and industries between 1970 and 1980 at a detailed level and assesses their impact on relative female earnings. For this purpose, we make use of 1970 and 1980 Census of Population employment and earnings data at the detailed occupation and industry level. We find that our indices of occupational and industrial segregation declined between 1970 and 1980 for the total workforce, as well as for major occupational groups. Employment growth clearly has an impact on industrial segregation of the workers in an occupation. Overall, the fastest growing occupations showed the largest declines in industry segregation between 1970 and 1980. This suggests that barriers or discrimination against women tend to lower during times when demand is strong and new workers are entering the occupation in large numbers. We also find that the most segregated occupations tend to have lower relative female to male earnings. This pattern is seen among all occupational groups. Moreover, regression results indicate that there is a highly significant negative relation between the change in relative female to male earnings and the change in the degree of industrial segregation within the occupation. The regression results also show that the male-female wage gap closed more rapidly in the faster growing occupations. Employment growth thus acts to reduce the wage gap directly and also indirectly by lowering the degree of industrial segregation. The direct effect may be due to the fact that rapid increases in the demand for workers may lower barriers to women finding jobs at high wage firms.

Key Words: Sex Discrimination, Occupation, Earnings

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