Double Standards in Just Earnings for Men and Women. An Explanation

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Outline

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- Measurement of social norms
- Previous, inconclusive results
- A new study providing an explanation
- Conclusions
Introduction

- As is well known, earnings of men and women still differ in most western societies.
- For example, in Switzerland women earn about 20% less than men on average (difference in median earnings for a full-time job).
- Part of the gender wage gap may be attributable to differential “productivity” (e.g. different levels of education and work experience).
- However, numerous studies indicate that a substantial part of the wage gap remains “unexplained”.
- The focus of our research is to investigate whether or not such a gender wage gap is supported by social norms about just earnings for men and women.
Measurement of Social Norms

- How can normative judgements about just earnings be measured?
- One approach is to use vignette analysis (a.k.a factorial survey; see Rossi 1979, Rossi and Nock 1982, Beck and Opp 2001):
  - Respondents are asked to judge short text descriptions of (fictional) individuals or situations (so called “vignettes”).
  - Certain elements of the vignettes are varied at random.
  - For our research objective, we can use vignettes describing men and women with different jobs and earnings.
  - Based on a sample of vignettes, the effects of variations of the vignette factors on the judgements can be evaluated. These effects provide evidence about the social norms that are at play.
Example of a vignette:

Imagine the following situation:

Ms. Meier, 32 years old, works as a commercial clerk. She is a single mother with two children. Financially, she barely makes ends meet. She works with great commitment and accomplishes her tasks and duties to perfect satisfaction of her employer. Her monthly gross income amounts to SFr. 4000.–.

How do you judge the income of the described person?

<table>
<thead>
<tr>
<th></th>
<th>much too low</th>
<th>too low</th>
<th>just right</th>
<th>much too high</th>
</tr>
</thead>
<tbody>
<tr>
<td>-5</td>
<td>-4</td>
<td>-3</td>
<td>-2</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Measurement of Social Norms

- As long as assignment is randomized, vignette analysis shares the properties of a controlled experiment. That is, causal interpretation of the effects of the vignette factors is possible.

- However, keep in mind that vignettes are fictional and that opinions may differ in real situations. Also, vignette analysis is only about norms and opinions and does not say anything about actual behavior.

- Furthermore, judgements may be affected by social desirability bias.
  - If the variations of the vignette factors are obvious to the respondents, they may try to provide “politically correct” answers that do not reflect their true opinions.

- Therefore, we decided to use only one vignette per respondent in our research.
Previous Results

- In 2001 and 2006/2007 we conducted two vignette studies that yielded contradicting results.
- In the 2001 Study (mail survey, $N = 531$), the sex of the person in the vignette had a clear effect on the respondents’ judgements.
  - For men, the given income was more likely to be judged as too low.
  - That is, according to the respondents’ judgements, income for men should have been higher than for women.
  - This was true irrespective of the sex of the respondent!
  - Furthermore, the sex effect did not depend on the family situation of the described person (married without children vs. single mother/father with two children).
Levels

overall
female
male
female
male
male respondent
female
male
female
female respondent
male
female
male
female
single parent
male
female
male
female
married, no kids
male
female
male
female

Differences

Differences

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In the 2006/2007 Study (mail survey, $N = 371$), however, the sex of the person in the vignette had no effect at all.

- For men and women, the given income was equally likely to be judged as too low.
- This was true for both, male and female respondents.
- Furthermore, the sex effect did not depend on the type of job: predominantly male job (carpenter), predominantly female job (nurse), mixed job (journalist).
Previous Results

What might be the reason for the differing results?

- Different population?
  - In both studies a random sample from the population in the German part of Switzerland was used.

- Change over time?
  - Probably not.

- Family context?
  - The design of the two studies was very similar. However, there was one major difference: The family context.
  - In Study 1, the described person was either “married without children” or a “single mother/father with two children”.
  - In Study 2, the described person was “single without children”.

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A Possible Explanation for the Differing Results

- When judging earnings, respondents take into account whether there is a partner who likely contributes to the household income.
- Such a partner’s contribution may be presents in case of married persons and also in case of single parents (alimony) as in Study 1, but is less likely in case of single persons as in Study 2.
- In accordance with existing gender roles in our society, a partner’s contribution is expected to be larger if the partner is male than if the partner is female.
- That is, in Study 1 respondents implicitly “add” an extra component to the household income that differs by sex of the described person. Therefore, we would expect a sex effect in Study 1, but not in Study 2.
New Study

- To test whether this hypothesis provides a valid explanation for the results observed in Studies 1 and 2, we conducted a third experiment in which married and singles were compared.
- Implemented in fall 2010 as part of a follow-up survey of the “Swiss Environmental Survey 2007”.
  - Mail survey among a random sample of the Swiss population ($N = 1945$). Written questionnaire in German, French and Italian.
  - $2 \times 2 \times 2 \times 3$ design using the following vignette factors:
    - male vs. female
    - single without children vs. married without children
    - average work effort vs. above-average work effort
    - income levels: 5000 CHF, 5500 CHF, 6000 CHF
The Vignette

In letzter Zeit wird viel über die Höhe von Löhnen in verschiedenen Berufen gesprochen. Wir interessieren uns für Ihre persönliche Einschätzung zu diesem Thema.

Stellen Sie sich die folgende Situation vor:

{Herr | Frau} Müller, 25-jährig, {allein stehend und ohne Kinder | verheiratet in kinderloser Ehe}, arbeitet als kaufmännische{r|} Angestellte{r|} im Rechnungswesen eines mittleren Dienstleistungsbetriebs und erbringt dort {überdurchschnittliche | durchschnittliche} Leistungen. {Sein | Ihr} monatliches Bruttoeinkommen beträgt {5'000 | 5'500 | 6’000} Franken.

Wie bewerten Sie das Einkommen dieser Person? Ist das Einkommen Ihrer Meinung nach gerecht oder ist es ungerechterweise zu hoch oder zu niedrig?

viel zu niedrig  gerecht  viel zu hoch
-5   -4   -3   -2   -1       0       +1       +2       +3       +4       +5
Expressing Results in Swiss Francs

. regress rating vinc i.(vmale vmarried veffort)

<table>
<thead>
<tr>
<th>Source</th>
<th>SS</th>
<th>df</th>
<th>MS</th>
<th>Number of obs = 1912</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>704.263364</td>
<td>4</td>
<td>176.065841</td>
<td>F( 4, 1907) = 76.35</td>
</tr>
<tr>
<td>Residual</td>
<td>4397.79678</td>
<td>1907</td>
<td>2.3061336</td>
<td>Prob &gt; F = 0.0000</td>
</tr>
<tr>
<td>Total</td>
<td>5102.06015</td>
<td>1911</td>
<td>2.66983786</td>
<td>R-squared = 0.1380</td>
</tr>
</tbody>
</table>

| rating        | Coef.         | Std. Err. | t     | P>|t| | [95% Conf. Interval] |
|---------------|---------------|-----------|-------|-----|----------------------|
| vinc          | 1.090478      | 0.0843404 | 12.93 | 0.000 | .9250683 to 1.255887 |
| 1.vmale       | -.307526      | 0.0694779 | -4.43 | 0.000 | -.4437866 to -.1712654 |
| 1.vmarried    | -.1840268     | 0.0694702 | -2.65 | 0.008 | -.3202725 to -.0477812 |
| 1.veffort     | -.7215018     | 0.069471  | -10.39| 0.000 | -.8577489 to -.5852547 |
| _cons         | 1.092952      | 0.0692489 | 15.78 | 0.000 | .95714 to 1.228763   |

. di "One point on the scale is equalent to about " 1/_b[vinc]*1000 " CHF"
One point on the scale is equalent to about 917.02945 CHF
Expressing Results in Swiss Francs

```
. margins, dydx(vmale vmarried veffort) expression(xb()/-_b[vinc]*1000)

Average marginal effects
Number of obs = 1912
Model VCE : OLS
Expression : xb()/-_b[vinc]*1000
dy/dx w.r.t. : 1.vmale 1.vmarried 1.veffort

<table>
<thead>
<tr>
<th></th>
<th>Delta-method</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>dy/dx</td>
<td>Std. Err.</td>
<td>z</td>
<td>P&gt;</td>
<td>z</td>
</tr>
<tr>
<td>1.vmale</td>
<td>282.0104</td>
<td>67.30184</td>
<td>4.19</td>
<td>0.000</td>
<td>150.1012</td>
</tr>
<tr>
<td>1.vmarried</td>
<td>168.758</td>
<td>65.13499</td>
<td>2.59</td>
<td>0.010</td>
<td>41.0958</td>
</tr>
<tr>
<td>1.veffort</td>
<td>661.6384</td>
<td>81.99312</td>
<td>8.07</td>
<td>0.000</td>
<td>500.9349</td>
</tr>
</tbody>
</table>

Note: dy/dx for factor levels is the discrete change from the base level.
```
Levels

Differences

sex
- male
- female

marital status
- married
- single

work effort
- above-avg
- average

Levels
- 4500
- 4750
- 5000
- 5250
- 5500

Differences
- -200
- 0
- 200
- 400
- 600
- 800

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Conclusions

- The results of the new study confirm the hypothesis that the family context mediates the effect of sex on just earnings.
  - For single men and single women there is no difference in just earnings.
  - For married men just earnings are higher than for married women.
- The precise mechanism, however, appears to be slightly different than hypothesized.
  - Just earnings for women are not affected by marital status. So the assertion that the presence of a partner reduces just earning for women seems to be wrong.
- It is men whose just income increases if they are married.
  - That is, there seems to be a marriage premium for men.
  - This is in accordance with the traditional view of the man as the bread-winner.
References

