



# Equal Pay Policies and the Gender Wage Gap: A Compilation of Recent Research

In recent years, states have implemented many legal strategies aimed at eliminating pay discrimination. These include: limiting the reliance on salary history during the hiring process; improving rights to pay transparency; clarifying the factors that may justify pay differences; expanding the worker characteristics protected under equal pay legislation; and requiring employers to report pay data as part of EEO requirements.<sup>1</sup>

This brief<sup>2</sup> compiles recent research on the impact of equal pay laws and policies on the gender wage gap. It presents studies under five topic areas: (1) salary history bans; (2) pay transparency policies; (3) gender and salary negotiations; (4) gender bias in performance management and performance-related pay; and (5) occupational segregation and gender, racial, and ethnic wage gaps.

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<sup>1</sup> For a comprehensive list of state laws, see Robinson-Dorn and Trilby, "Fifty-State Pay Equity Law Summary" (The Pay Equity Project at UC Irvine School of Law, California, 2021), <<https://www.law.uci.edu/centers/pay-equity-project/images/50-state-law-chart.pdf>>.

<sup>2</sup> This research compilation is current as of January 15, 2022. It was prepared by Shengwei Sun, Senior Research Associate and Ariane Hegewisch, Senior Research Fellow, both at the Institute for Women's Policy Research (IWPR), and Laura Adler, PhD Candidate at Harvard University. It is the result of a collaboration between [Equal Pay Today!](#) and IWPR to improve communication about new research and research needs related to pay equity among academic researchers, policy researchers, and advocates.

## KEY TAKEAWAYS FROM THE RESEARCH

- **Salary History Bans:** Several studies have found wage increases for women and people from historically marginalized groups after salary history bans went into effect. Yet, other research points to employer responses to salary history bans that may undermine their intended effect: asking job candidates about salary expectations instead of salary history—thus potentially reinforcing gender differences in negotiating behaviors.
- **Pay Transparency Policies:** Research findings are not conclusive. Several studies from the U.S. and elsewhere find that pay transparency laws lead to a narrowed gender wage gap by reducing wage growth among top earners, who tend to be men, but these laws do not necessarily increase women's earnings. However, two studies conducted in university settings find increased women faculty salaries following the pay transparency intervention. Pay transparency policies tend to rely on individual workers advocating for pay increases based on newly available information.
- **Gender and Salary Negotiations:** Empirical research finds that women are less likely to negotiate their salaries. However, it also shows that observed gender differences in negotiating behavior is deeply context-specific, not least because women tend to be judged differently than men when they do negotiate. Reward systems that rely on individual salary negotiations tend to disadvantage women.
- **Gender Bias in Performance Management and Performance-Related Pay:** Research finds that performance-related pay systems tend to disadvantage women because of implicit bias by those who evaluate performance, determine earnings opportunities, and allocate rewards. Women's disadvantage disappears where performance management, access to opportunity, and the allocation of rewards are designed to be objective and transparent.
- **Occupational Segregation and Gender, Racial, and Ethnic Wage Gaps:** Research on the factors behind the gender wage gap point to the important role of occupational segregation by gender, but the role of segregation varies for women by race and ethnicity, as does the role played by discrimination in keeping women's wages lower.

In reviewing recent research, we found limited research evaluating pay policies or practices with an intersectional lens. This likely reflects data constraints but also lack of awareness of the need for such analysis.

Policies targeting employer behaviors—such as salary history bans or pay data reporting—seem to be more effective than policies targeting individual workers, such as protection from retaliation for discussing pay with colleagues. This is likely because women face more backlash than men during individual interactions. Women tend to gain when pay is public and transparent, as it typically is in the public sector and under union contracts.

Most studies on this list were published since 2015. In each section, articles are listed by year of publication, beginning with the most recent. Abstracts provided in italics are taken directly from the source. This compilation is intended as a resource for equal pay advocates, legislators, policymakers, and scholars. IWPR aims to update this document as new research is released.

## SALARY HISTORY BANS

**Adler, Laura.** "The Expectations Penalty: Statistical Discrimination in Employer Responses to the Salary History Ban." Working paper available upon request.

*This paper uses the case of the salary history ban to contribute to the understanding of statistical discrimination. Using a full-cycle method, it addresses, first, how employers respond to a prohibition on salary history information and, second, how those responses intersect with demographic characteristics to mitigate or entrench inequality. Qualitative analysis based on fieldwork shows that employers seek out alternative information—in place of salary history, they request candidates' salary expectations. An experiment with 1,060 human resources practitioners shows that relying on expectations results in lower offers for job candidates. This expectations penalty is particularly strong for women. A third study uses survey data from a compensation consulting company to explore dynamics of voluntary disclosure, showing that disclosing salary history benefits men but not women.*

**Agan, Amanda, Bo Cowgill, and Laura Gee.** 2021. "Salary History and Employer Demand: Evidence from a Two-Sided Audit." NBER Working Paper Series, No. 29460.

[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3958647](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3958647)

*We study how salary history disclosures affect employer demand by using a novel, two-sided field experiment featuring hundreds of recruiters reviewing over 2000 job applications. We randomize the presence of salary history questions as well as candidates' disclosures. We find that employers make negative inferences about non-disclosing candidates, and view salary history as a stronger signal about competing options than worker quality. Disclosures by men (and other highly-paid candidates) yield higher salary offers, however they are negative signals of value (net of salary), and thus yield fewer callbacks. Male wage premiums are regarded as a weaker signal of quality than other sources (such as the premiums from working at higher paying firms, or being well-paid compared to peers). Recruiters correctly anticipate that women are less likely to disclose salary history at any level, and punish women less than men for silence. In our simulation of bans, we find no evidence that bans affect the gender ratio of callback choices, but find large reductions in gender inequality in salary offers among candidates called back. However, salary offers are lower overall (especially for men). A theoretical framework shows how these effects may differ by key properties of labor markets.*

**Mask, Joshua.** 2021. "Salary History Bans and Healing Scars from Past Recessions." TUScholarShare (preprint).

<http://dx.doi.org/10.34944/dspace/6994>

*In a recession, increased competition forces inexperienced job market entrants to accept lower wages than those who start their careers during an economic boom. Yet despite years of improvement in labor market conditions following a recession, a wage disparity, known as scarring, persists between these cohorts. I use Salary History Ban laws (SHBs) to test whether job mobility for scarred workers is constrained because employers screen on prior compensation. For scarred workers who began their careers during a moderate-to-severe recession, or a 5-percentage point higher state unemployment rate, I find SHBs increase job mobility by 0.6%, hourly wages by 3.4%, and weekly earnings by 5.45% relative to workers who graduated in baseline labor market conditions. These estimates represent a substantial reduction in the original scarring effect and provide evidence this effect partially persists due to salary disclosure.*

**Agan, Amanda, Bo Cowgill, and Laura Katherine Gee. 2020. "Do Workers Comply with Salary History Bans? A Survey on Voluntary Disclosure, Adverse Selection, and Unraveling." *AEA Papers and Proceedings* 110: 215–19.**

<https://www.aeaweb.org/articles?id=10.1257/pandp.20201123>

*Salary history bans forbid employers from asking job candidates to disclose their salaries. However, applicants can still volunteer this information. Our theoretical model predicts that the effect of these laws varies by how workers comply. Our survey of Americans in the labor force finds candidates fall into three compliance types: 25 percent always disclose their salary whether asked or not, 17 percent never disclose, and 58 percent comply with the ban. Importantly, compliance type varies by demographics (e.g., always-disclosers are more male, compliers are more female), and workers are more likely to disclose as others do the same, which suggests unraveling.*

**Bessen, James E., Chen Meng, and Erich Denk. 2020. "Perpetuating Inequality: What Salary History Bans Reveal About Wages." Boston: Boston University School of Law.**

[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3628729](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3628729)

*We analyze the effects of these salary history bans (SHBs) on employer wage posting and pay in a difference-in-differences design. Following SHBs, employers posted wages more often and increased pay for job changers, particularly for women (6.2%) and non-Whites (5.9%). Bargaining behavior appears to account for much of the persistence of residual wage gaps.*

**Hansen, Benjamin, and Drew McNichols. 2020. "Information and the Persistence of the Gender Wage Gap: Early Evidence from California's Salary History Ban." NBER Working Paper Series, No. 27054.**

<https://www.nber.org/papers/w27054>

*We study the early net impact of the first state-wide salary history bans (SHBs). Using both difference-in-difference and synthetic control approaches, we find the gender earnings ratio increased by 1 percent in states with SHBs. We find these population wide increases are driven by an increase of the gender earnings ratio for households with all children over 5 years old, by workers over 35, and are principally driven by those who have recently switched jobs.*

**Sran, Gurpal, Felix Vetter, and Matthew Walsh. 2020. "Employer Responses to Pay History Inquiry Bans." Rochester, NY: Social Science Research Network.**

<https://papers.ssrn.com/abstract=3587736>

*We study the effects of pay history inquiry bans on employers' pay offers and hiring practices. Using salary information on online job postings, we find that posted pay offers decline after the implementation of pay history inquiry bans. We also find some evidence that the number of online job postings increases and that postings are more likely to include salary information. We use census data on new hires and their earnings and find that, while there is a modest closing in gender pay disparity for new hires, the number of new hires declines. Overall, the early evidence on the effects of pay history inquiry bans is consistent with potential employers facing greater information asymmetry, inferring adverse selection in the job applicant pool, and offering lower pay, resulting in modest realized labor market consequences.*

**Sinha, Sourav. 2019. "Salary History Ban: Gender Pay Gap and Spillover Effects." Rochester, NY: Social Science Research Network.**

<https://doi.org/10.2139/ssrn.3458194>

*We study the effect of the US salary history ban which restricts employers from inquiring about applicants' pay history during the hiring process. We find that the bans reduce gender pay gap by 4.2% points in hourly wages, and by 4.5% points in weekly earnings. About 40% of the reduction in the weekly earnings gap comes from a decrease in the earnings of mostly middle-aged men. The increase in female earnings comes from both young and middle-aged women with at least some college education. While the gender pay gap closes in the private sector, public sector gaps increase, primarily because of an increase in men's earnings. We do not find any evidence for spillover effects of public sector bans in the private sector. In contrast, salary history bans for private employers generate negative spillover effects for public sector workers by reducing their earnings. We do not detect any effects of the ban on labor market participation and turnover rates.*

## PAY TRANSPARENCY POLICIES

**Cullen, Zoë B., and Bobak Pakzad-Hurson. 2021. "Equilibrium Effects of Pay Transparency." NBER Working Paper Series, No. 28903.**

<https://www.nber.org/papers/w28903>

*The public discourse around pay transparency has focused on the direct effect: how workers seek to rectify newly-disclosed pay inequities through renegotiations. The question of how wage-setting and hiring practices of the firm respond in equilibrium has received less attention. Our model predicts that transparency reduces the individual bargaining power of workers, leading to lower average wages. A key insight is that employers credibly refuse to pay high wages to any one worker to avoid costly renegotiations with others under transparency. In situations where workers do not have individual bargaining power, such as under a collective bargaining agreement or in markets with posted wages, greater transparency has a muted impact on average wages. We test these predictions by evaluating the roll-out of U.S. state legislation protecting the right of workers to inquire about the salaries of their coworkers. Consistent with our prediction, the laws lead wages to decline by approximately 2% overall, but declines are progressively smaller in occupations with higher unionization rates.*

**Sun, Shengwei, Jake Rosenfeld, and Patrick Denice. 2021. *On the Books, Off the Record: Examining the Effectiveness of Pay Secrecy Laws in the U.S.* Policy Brief, #C494. Washington, DC: Institute for Women's Policy Research.**

<https://iwpr.org/wp-content/uploads/2021/01/Pay-Secrecy-Policy-Brief-v4.pdf>

*Between 2010 and 2018, a declining share of workers reports workplace policies that formally prohibit discussion of pay. At the same time, however, pay secrecy rules appear to have shifted from formal prohibition to informal discouragement of pay transparency. Private sector and non-unionized workers are especially likely to work under pay secrecy policies. Moreover, women continue to be more likely than men to be subject to pay transparency bans, but women are also more likely than men to discuss pay even when prohibited.*

**Gamage, Danula K., Georgios Kavetsos, Sushanta Mallick, and Almudena Sevilla. 2020. "Pay Transparency Initiative and Gender Pay Gap: Evidence from Research-Intensive Universities in the UK." IZA Working Paper, No. 13635.**

<https://www.iza.org/publications/dp/13635/pay-transparency-initiative-and-gender-pay-gap-evidence-from-research-intensive-universities-in-the-uk>

*This paper investigates the impact of a pay transparency initiative on the gender pay gap in the university sector, focusing on the Russell Group of top-tier universities. The initiative, introduced in 2007, enabled public access to mean salaries of men and women in UK universities. Findings: Following the pay transparency intervention, the log of salaries of female academics increased by around 0.62 percentage points compared to male counterparts, reducing the gender pay gap by 4.37%. The effect is more pronounced considering a balanced sample (1.27 percentage points increase in female wages or an 11.59% fall in the gender pay gap). This fall in the pay gap is mostly driven by senior female academics negotiating higher wages and female academics moving to universities with equal opportunity.*

**Baker, Michael, Yosh Halberstam, Kory Kroft, Alexandre Ma, and Derek Messacar. 2019. "Pay Transparency and the Gender Gap." NBER Working Paper Series, No. 25834.**

[https://www.nber.org/system/files/working\\_papers/w25834/w25834.pdf](https://www.nber.org/system/files/working_papers/w25834/w25834.pdf)

*We examine the impact of public sector salary disclosure laws on university faculty salaries in Canada. We find robust evidence that the laws reduced the gender pay gap between men and women by approximately 30 percent. There is suggestive evidence that higher female salaries contributed to the narrowing of the gender gap. The reduction in the gender gap is primarily in universities where faculty are unionized.*

**Bennedsen, Morten, Elena Simintzi, Margarita Tsoutsoura, and Daniel Wolfenzon. 2019. "Do Firms Respond to Gender Pay Gap Transparency?" NBER Working Paper Series, No. 25435.**

[https://www.nber.org/system/files/working\\_papers/w25435/w25435.pdf](https://www.nber.org/system/files/working_papers/w25435/w25435.pdf)

*This paper exploits a 2006 legislation change in Denmark that requires firms to provide gender disaggregated wage statistics. We find the law reduces the gender pay gap, primarily by slowing the wage growth for male employees. The gender pay gap declines by approximately two percentage points, or a 13% reduction relative to the pre-legislation mean. Despite the reduction of the overall wage bill, the wage-transparency mandate does not affect firm profitability, likely because of the offsetting effect of reduced firm productivity.*

**Kim, Marlene. 2015. "Pay Secrecy and the Gender Wage Gap in the United States." *Industrial Relations* 54 (4): 648–667.**

<https://onlinelibrary.wiley.com/doi/abs/10.1111/irel.12109>

*Using a difference-in-differences fixed-effects human-capital wage regression, this paper finds that women with higher education levels who live in states that have outlawed pay secrecy have higher earnings, and that the wage gap is consequently reduced.*

## GENDER AND SALARY NEGOTIATIONS

**Bowles, Hannah Riley, Bobbi Thomason, and Inmaculada Macias-Alonso. 2022. "When Gender Matters in Organizational Negotiations." *Annual Review of Organizational Psychology and Organizational Behavior* 9.**

<https://www.annualreviews.org/doi/10.1146/annurev-orgpsych-012420-055523>

*A person's gender is not a reliable predictor of their negotiation behavior or outcomes, because the degree and character of gender dynamics in negotiation vary across situations. Systematic effects of gender on negotiation are best predicted by situational characteristics that cue gendered behavior or increase reliance on gendered standards for agreement. In this review, we illuminate two levers that heighten or constrain the potential for gender effects in organizational negotiations: (a) the salience and relevance of gender within the negotiating context and (b) the degree of ambiguity (i.e., lack of objective standards or information) with regard to what is negotiable, how to negotiate, or who the parties are as negotiators. In our summary, we review practical implications of this research for organizational leaders and individuals who are motivated to reduce gender-based inequities in negotiation outcomes. In conclusion, we suggest future directions for research on gender in organizational negotiations.*

**Dannals, Jennifer E., Julian J. Zlatev, Nir Halevy, and Margaret A. Neale. 2021. "The Dynamics of Gender and Alternatives in Negotiation." *Journal of Applied Psychology* 106 (11): 1655–72.**

<https://doi.org/10.1037/apl0000867>

*A substantial body of prior research documents a gender gap in negotiation performance. Competing accounts suggest that the gap is due either to women's stereotype-congruent behavior in negotiations or to backlash enacted toward women for stereotype-incongruent behavior. In this article, we use a novel data set of over 2,500 individual negotiators to examine how negotiation performance varies as a function of gender and the strength of one's alternative to a negotiated agreement. We find that the gender gap in negotiation outcomes exists only when female negotiators have a strong outside option. Furthermore, our large data set allows us to examine an understudied performance outcome, rate of impasse. We find that negotiations in which at least one negotiator is a woman with a strong alternative disproportionately end in impasse, a performance outcome that leaves considerable potential value unallocated. In addition, we find that these gender differences in negotiation performance are not due to gender differences in aspirations, reservation values, or first offers. Overall, these findings are consistent with a backlash account, whereby counterparts are less likely to come to an agreement and therefore reach a potentially worse outcome when one party is a female negotiator empowered by a strong alternative.*

**Biasi, Barbara, and Heather Sarsons. 2020. "Flexible Wages, Bargaining, and the Gender Gap." NBER Working Paper Series, No. 27894.**

<https://www.nber.org/papers/w27894>

*Does flexible pay increase the gender wage gap? To answer this question we analyze the wages of public-school teachers in Wisconsin, where a 2011 reform allowed school districts to set teachers' pay more flexibly and engage in individual negotiations. We show that flexible pay increased the gender pay gap among teachers with the same credentials. This gap is larger for younger teachers and absent for teachers working under a female principal*

*or superintendent. Survey evidence suggests that the gap is partly driven by women not engaging in negotiations over pay, especially when the counterpart is a man. This gap is not driven by gender differences in job mobility, ability, or a higher demand for male teachers. We conclude that environmental factors are an important determinant of the gender wage gap in contexts where workers are required to negotiate.*

**Recalde, Maria, and Lise Vesterlund. 2020. "Gender Differences in Negotiation and Policy for Improvement." NBER Working Paper Series, No. 28183.**

<https://www.nber.org/papers/w28183>

*We review the evidence on the many initiatives that have been put in place to reduce the effect of gender differences in negotiation. Categorizing these as either 'fix-the-women' or 'fix-the-institutions' initiatives we find serious challenges to the former. Women do not appear to be broken and encouraging them to negotiate more and differently often backfires. The evidence suggests that 'fix-the-institution' initiatives are more effective in reducing gender differences in outcomes. Concerns of adverse effects of banning negotiations or salary history requests have not materialized, and preliminary evidence points to reductions in the gender differences in negotiation outcomes. The strongest evidence on effectiveness in narrowing gender disparities is found for policies that increase transparency. Numerous studies find that gender differences in negotiation diminish when it is clear what to expect from the negotiation and suggest that initiatives which improve transparency are likely to help equalize opportunities at the bargaining table.*

**Babcock, Linda, Maria P. Recalde, Lise Vesterlund, and Laurie Weingart. 2017. "Gender Differences in Accepting and Receiving Requests for Tasks with Low Promotability." *American Economic Review* 107 (3): 714-47.**

<https://doi.org/10.1257/aer.20141734>

*Gender differences in task allocations may sustain vertical gender segregation in labor markets. We examine the allocation of a task that everyone prefers be completed by someone else (writing a report, serving on a committee, etc.) and find evidence that women, more than men, volunteer, are asked to volunteer, and accept requests to volunteer for such tasks. Beliefs that women, more than men, say yes to tasks with low promotability appear as an important driver of these differences. If women hold tasks that are less promotable than those held by men, then women will progress more slowly in organizations.*

**Leibbrandt, Andreas, and John A. List. 2015. "Do Women Avoid Salary Negotiations? Evidence from a Large-Scale Natural Field Experiment." *Management Science* 61 (9): 2016-24.**

<https://www.nber.org/papers/w18511>

*We find that when there is no explicit statement that wages are negotiable, men are more likely to negotiate for a higher wage, whereas women are more likely to signal their willingness to work for a lower wage. However, when we explicitly mention the possibility that wages are negotiable, these differences disappear completely. In terms of sorting, we find that men, in contrast to women, prefer job environments where the 'rules of wage determination' are ambiguous. This leads to the gender gap being much more pronounced in jobs that leave negotiation of wage ambiguous.*



## GENDER BIAS IN PERFORMANCE MANAGEMENT AND PERFORMANCE-RELATED PAY

Klein, Felice B., Aaron D. Hill, Ryan Hammond, and Ryan Stice-Lusvardi. 2021. "The Gender Equity Gap: A Multistudy Investigation of Within-Job Inequality in Equity-Based Awards." *Journal of Applied Psychology* 106 (5): 734–53.

<https://doi.org/10.1037/apl0000809>

*Laws in many countries mandate paying men and women equally when in similar jobs. Such laws, coupled with considerable organizational efforts, lead some scholars to contend that within-job pay inequality is no longer a source of the gender pay gap. We argue important differences in a widely used form of pay heretofore overlooked in existing studies: equity-based awards (i.e., pay where the value is tied to the employing organization's stock, such as stock and stock options) may cause underestimation of gender-based within-job pay inequality. Specifically, we theorize that because of differences in both why and how equity-based awards are distributed to employees compared to other forms of pay, a gender gap will exist in equity-based awards, with biased perceptions of retention driving the gap. Using a multimethod study with novel data from two technology organizations, archival data from publicly traded firms, and experimental data, we find consistent support for our hypotheses. Taken together, our results suggest that using equity-based awards as a means to retain employees, and the rationale and processes associated with distributing such pay, can result in gender-based within-job inequality. Thus, our study sheds light on a previously overlooked form of inequality in the workplace while offering implications for both theory and practice.*

Mun, Eunmi, and Naomi Kodama. 2021. "Meritocracy at Work? Merit-Based Reward Systems and Gender Wage Inequality." *Social Forces*, soab083.

<https://academic.oup.com/sf/advance-article-abstract/doi/10.1093/sf/soab083/6322750?redirectedFrom=fulltext>

*It is widely believed that meritocratic employment practices reduce gender inequality by limiting managers' reliance on nonmerit factors, such as biases. An emerging stream of research, however, questions the belief, arguing that meritocratic practices often fail to reduce inequality and may paradoxically increase it. Despite these opposing predictions, we still lack convincing empirical findings to adjudicate between them. Typically relying on data from a single organization or industry, most previous studies suffer from limited generalizability and cannot properly account for the large variation in the implementation of merit-based reward systems across organizations, let alone identify the origins of the variation. We attempt to overcome the limitations by constructing large-scale linked employer–employee data and by investigating the impact of merit-based systems on different components of compensation. Analyzing our panel data on 400 large Japanese companies and 400,000 employees of these companies over 12 years, we found evidence in support of the meritocracy paradox. The gender gap in bonus pay was greater, not smaller, in workplaces with a merit-based system compared to workplaces without it. But this paradoxical expansion of the gender gap was observed only in bonus pay but not in total compensation. We further found that a transition to merit-based systems has varying impacts on different employee groups; it widened the gender pay gap for young workers but reduced the gap for managers. Our research contributes to understanding gender inequality in times of shifting employment relations and the rise of meritocracy.*

**Madden, Janice Fanning, and Alexander Vekker. 2017. "Output-Based Performance Pay, Performance-Support Bias, and the Racial Pay Gap within a Large Retail Stock Brokerage." *Industrial Relations* 56 (4): 662–87.**

<https://doi.org/10.1111/irel.12191>

*We measure sources of racial inequality in stockbroker pay. Pay differences arise from sales differences. We measure the extent to which sales differences are due to performance-support bias, whereby African American brokers receive weaker firm supports, or to forces outside the firm, including client access, selection, and consumer discrimination. Data on firm policies are matched to sales results. Data on self-generation of accounts measure access to wealthy clients. Sales generated from accounts with sales histories show racial differences in sales arising from selection or consumer discrimination.*

**Castilla, Emilio J. 2015. "Accounting for the Gap: A Firm Study Manipulating Organizational Accountability and Transparency in Pay Decisions." *Organization Science* 26 (2): 311–33.**

<https://doi.org/10.1287/orsc.2014.0950>

*Great progress has been made in documenting how employer practices may shape workplace inequality. Less research attention, however, has been given to investigating which organizational strategies are effective at addressing gender and racial inequality in labor markets. Using a unique field study design, this article identifies and tests, for the first time, whether accountability and transparency in pay decisions—two popular organizational initiatives discussed among scholars and practitioners—may reduce the pay gap by employee gender, race, and foreign nationality. Through a longitudinal analysis of a large private company, I study the performance-based reward decisions concerning almost 9,000 employees before and after high-level management adopted a set of organizational procedures, introducing accountability and transparency into the company's performance-reward system. Before such procedures were introduced, there was an observed gap in the distribution of performance-based rewards where women, ethnic minorities, and non-U.S.-born employees received lower monetary rewards compared with U.S.-born White men having the same performance evaluation scores and working in the same job and work unit with the same manager and the same human capital characteristics. Analyses of the company's employee performance-reward data after the adoption of accountability and transparency procedures show a reduction in this pay gap. I conclude by discussing the implications of this study for future research about employer strategies targeting workplace inequality and diversity.*

**Madden, Janice Fanning. 2012. "Performance-Support Bias and the Gender Pay Gap among Stockbrokers." *Gender & Society* 26 (3): 488–518.**

<https://doi.org/10.1177/0891243212438546>

*This article analyzes organizational mechanisms, and their contexts, leading to gender inequality among stockbrokers in two large brokerages. Inequality is the result of gender differences in sales, as both firms use performance-based pay, paying entirely by commissions. This article develops and tests whether performance-support bias, whereby women receive inferior sales support and sales assignments, causes the commissions gap. Newly available data on the brokerages' internal transfers of accounts among brokers allows measurement of performance-support bias. Gender differences in the quality and quantity of transferred accounts provide a way to measure gender differences in the assignment of sales opportunities and support. Sales generated from internally transferred*

*accounts, controlling for the accounts' sales histories, provide a "natural experiment" testing for gender differences in sales capacities. The evidence for performance-support bias is (1) women are assigned inferior accounts and (2) women produce sales equivalent to men when given accounts with equivalent prior sales histories.*

## **OCCUPATIONAL SEGREGATION AND GENDER, RACIAL, AND ETHNIC WAGE GAPS**

**Bahn, Kate, and Carmen Sanchez Cumming. 2021. "The Intersectional Wage Divides Faced by Asian American, Native Hawaiian, and Pacific Islander Women in the United States." Washington, DC: Washington Center for Equitable Growth.**

<https://equitablegrowth.org/the-intersectional-wage-divides-faced-by-asian-american-native-hawaiian-and-pacific-islander-women-in-the-united-states/>

*Like other women of color, Asian American, Native Hawaiian, and Pacific Islander (AANHPI) women run up against structural barriers that hurt their U.S. labor market outcomes, including disadvantages that are the result of racial discrimination, gender discrimination, and the interaction between the two. Yet there is little research on how the experiences of AANHPI women in the U.S. labor market are filtered through the interplay of race and gender. Indeed, current economic narratives tend to overlook the obstacles this group of workers face in terms of employment, opportunities for career advancement, and earnings. In this brief, we build on methodology developed when examining the racial-gender differences in the earnings of Black workers by Marlene Kim at the University of Massachusetts Boston, research on the intersectional wage divide faced by Black women by Mark Paul of the New College of Florida, Darrick Hamilton of the New School, and Khaing Zaw and William Darity Jr. of Duke University, and on work on the intersectional wage divide faced by Latina women by Kate Bahn and Will McGrew. Using Current Population Survey data by the U.S. Census Bureau over a 7-year period, we estimate the magnitude of, and factors that go into, the wage disparities experienced by AANHPI women by performing a so-called Blinder-Oaxaca wage decomposition—an econometric strategy that allows us to estimate which portion of the wage divide is 'explained' and which portion is 'unexplained.'*

**McGrew, Will. 2018. "How Workplace Segregation Fosters Wage Discrimination for African American Women." Washington, DC: Washington Center for Equitable Growth.**

<https://equitablegrowth.org/wp-content/uploads/2019/06/082818-african-american-women-paygap.pdf>

*Trends in workplace segregation in recent decades and numerous empirical studies investigating its causes and effects provide strong evidence for the discriminatory nature of the workplace segregation faced by African American women. In fact, workplace segregation is not efficient, but instead profoundly distortionary—dampening Black women's wages and weakening aggregate growth. This brief details the trends in workplace segregation over the past eight decades, the channels through which segregation contributes to workplace discrimination, and the continuing causes of this persistent discrimination.*

Alonso-Villar, Olga, and Coral del Río. 2017. "The Occupational Segregation of African American Women: Its Evolution from 1940 to 2010." *Feminist Economics* 23 (1): 108–34.

<https://doi.org/10.1080/13545701.2016.1143959>

*Based on detailed occupation titles and making use of measures that do not require pair-wise comparisons, this paper shows that the occupational segregation of African American women declined dramatically in 1940–80, decreased slightly in 1980–2000, and remained stagnant in 2000–10. This paper quantifies the well-being losses that African American women derive from their occupational sorting. The reduction of segregation was indeed accompanied by well-being improvements, especially in the 1960s and 1970s. Regarding the role that education has played, this study highlights that it was only from 1990 onward that African American women with either some college or university degrees had lower segregation (as compared with their peers) than those with lower education. Nevertheless, the well-being loss that African American women with university degrees derived in 2010 for being segregated from their peers in education was not too different from that of African American women with lower education.*

Bahn, Kate, and Will McGrew. 2017. "The Intersectional Wage Gaps Faced by Latina Women in the United States." Washington, DC: Washington Center for Equitable Growth.

<https://equitablegrowth.org/the-intersectional-wage-gaps-faced-by-latina-women-in-the-united-states/>

*Like other women of color, Latinas face multiple structural barriers in the U.S. labor market, including both gender discrimination and racial and ethnic discrimination. Empirical evidence demonstrates, however, that these dual barriers are more than the sum of their parts and could instead result in even greater economic difficulties for Latina women. Using U.S. Census Bureau data over an 8-year period, we perform a so-called Blinder Oaxaca decomposition—an econometric method that determines how much of mean wage differences can be explained by mean differences in human capital and other variables—to estimate the wage gap faced by Hispanic women as a whole, as well as the wage gaps faced by Hispanic women by national origin, immigration history, and education level. In addition to finding that the unexplained wage gap for Hispanic women is greater than the aggregation of the absolute ethnic and gender effects, we also identify particular groups of Hispanic women at an even greater disadvantage.*

Mandel, Hada, and Moshe Semyonov. 2016. "Going Back in Time? Gender Differences in Trends and Sources of the Racial Pay Gap, 1970 to 2010." *American Sociological Review* 81 (5): 1039–68.

<https://doi.org/10.1177/0003122416662958>

*Racial gaps sharply declined between 1970 and 1980 and continued to decline, but at a slower rate, until 2000. However, at the turn of the millennium, the trend reversed for both gender groups. The growth of the racial pay gap at the turn of the millennium is attributable to the increase in overall income inequality, stagnation in occupational segregation, and an increase in the unexplained portion of the gap, a portion we attribute to economic discrimination. Key findings: In 1970, Black women's average earnings were approximately 16 percent lower than those of White women. Most of the gap (54 percent) was attributable to a single component—occupational segregation. The rest of it was attributable to human capital resources (10 percent) or remained unexplained (35 percent).*

*Only one decade later, in 1980, the earnings gap between the two groups had virtually. The convergence in the earnings of White and Black women can be attributed, once again, to the sharp decline in occupational segregation, as evidenced by the decline in the value of the index of dissimilarity. This finding supports the argument that changes in the economy and labor force (i.e., the increase in service sector jobs coupled with the exit of Black women from private household service to public service) made the occupational distribution of Black and White women more similar, thus contributing to a greater convergence in women's earnings than in men's earnings.*

**Wilson, Valerie, and William M. Rodgers III. 2016. "Black-White Wage Gaps Expand with Rising Wage Inequality." Washington DC: Economic Policy Institute.**

<https://www.epi.org/publication/black-white-wage-gaps-expand-with-rising-wage-inequality/>

*Black-White wage gaps are larger today than they were in 1979, but the increase has not occurred along a straight line. During the early 1980s, rising unemployment, declining unionization, and policies such as the failure to raise the minimum wage and lax enforcement of anti-discrimination laws contributed to the growing Black-White wage gap. During the late 1990s, the gap shrank due in part to tighter labor markets, which made discrimination more costly, and increases in the minimum wage. Since 2000 the gap has grown again. As of 2015, relative to the average hourly wages of White men with the same education, experience, metro status, and region of residence, Black men make 22.0 percent less, and Black women make 34.2 percent less. Black women earn 11.7 percent less than their White female counterparts. The widening gap has not affected everyone equally. Young Black women (those with 0 to 10 years of experience) have been hardest hit since 2000.*

**Del Río, Coral, and Olga Alonso-Villar. 2015. "The Evolution of Occupational Segregation in the United States, 1940–2010: Gains and Losses of Gender–Race/Ethnicity Groups." *Demography* 52 (3): 967–88.**

<https://link.springer.com/article/10.1007/s13524-015-0390-5>

*The aim of this article is twofold: (1) to descriptively explore the evolution of occupational segregation of women and men of different racial/ethnic groups in the United States during 1940–2010, and (2) to assess the consequences of segregation for each group. For that purpose, in this article, we propose a simple index that measures the monetary loss or gain of a group derived from its overrepresentation in some occupations and underrepresentation in others. This index has a clear economic interpretation. It represents the per capita advantage (if the index is positive) or disadvantage (if the index is negative) of the group, derived from its segregation, as a proportion of the average wage of the economy. Our index is a helpful tool not only for academics but also for institutions concerned with inequalities among demographic groups because it makes it possible to rank them according to their segregational nature. Key findings: The analysis shows that despite segregation being higher for Asian men than for Black men during 2008–2010, the assessment of that segregation seems to be positive for Asians but negative for Black people. Something similar happens to Asian women, whose level of segregation during 2008–2010 was similar to that of other minority women, although the assessment of that segregation is positive for them and negative for the other minorities. In addition, despite Hispanic men having a higher level of segregation than Hispanic women, the situation of women seems to be worse.*

Hegewisch, Ariane, and Hartmann, Heidi. 2014. *Occupational Segregation and the Gender Wage Gap: A Job Half Done*. Washington, DC: Institute for Women's Policy Research.

<https://ecommons.cornell.edu/handle/1813/79410>

*This paper begins by reviewing trends in occupational segregation during the past several decades, showing that after significant change during the 1980s and early 1990s, further progress in occupational integration has stalled across the board during the last decade for women and men with different levels of education, in different race/ethnic groups, and in different age cohorts. Just as there has been no progress in occupational integration during the 2000s, there has been no further progress towards equal pay, with the two trends showing an inverse relationship over time (as job segregation declined, equal pay increased). While this paper finds a clear wage penalty for work in predominantly female occupations, for both women and men, it also finds that this earnings penalty differs significantly between highly skilled and other occupations. The paper ends with a discussion of possible explanations of these findings and recommendations for policy change.*