Women's Economic Outcomes, Gender Disparities, and Public Policy: 40 Years of Research Based on the LIS/LWS Data

> Janet C. Gornick LIS 40th Anniversary Conference

Evolution of LIS literature focused squarely on women's economic outcomes and/or gender disparities



Research on gender "took off" after 1990

Several simultaneous trends unfolded and interacted, vis-à-vis LIS' data harmonization work and the growing body of research:

- increased emphasis on person-level variables (including gender)
- expansion and further standardization of labor market data
- more availability of external policy data (e.g., public childcare expenditures, leave regulations, child support laws)
- use of more sophisticated methods for assessing policy impacts (with external data): pooled-cross-sectional-time-series models, multilevel models

In 2003, I reviewed the body of LIS-based research on economic gender gaps

Women's Economic Outcomes, Gender Inequality, and Public Policy: Findings from Twenty Years of LIS Research.

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About 60 LIS papers focus on women's outcomes and/or gender gaps

Main areas of study:

- labor market outcomes (N=40)
 ("participation", hours, wages, employment sector)
- poverty and low income (N=25) (gender gaps, women at high risk)
- family formation (N=3) (family size, prevalence of single-parent families)

Highlighted findings, up to 2003

(majority focused on labor market outcomes but poverty remained key interest as well

Labor market outcomes

Main findings:

First, labor markets remain highly differentiated by gender in all LIS countries and at all included time periods.

<u>Second</u>, nearly everywhere, parenthood is a key factor shaping women's employment outcomes – but not men's.

<u>Third</u>, against this backdrop of commonality is a remarkable degree of variation across the LIS countries.

<u>Fourth</u>, "policy matters." Accumulating evidence suggests that several policies, or policy packages, strengthen women's labor market attachment.

Disposable income, low income, and poverty

Main findings

<u>First</u>, in several countries, poverty is higher among women compared to men, mothers compared to fathers, and femaleheaded households compared to male-headed households.

<u>Second</u>, solo mothers face especially high risks of low income and/or poverty, especially in the English-speaking countries.

<u>Third</u>, single elderly women also face especially high risks of low income and/or poverty, with the U.S. as an extreme case.

Fourth, cross-country variation in outcomes is shaped by variation in both women's LM attachment and policy.

Synthesized here (LIS 20th Anniversary special issue):

Socio-Economic Review (2004) 2, 213–238

Women's economic outcomes, gender inequality and public policy: findings from the Luxembourg Income Study

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Keywords: women, gender inequality, public policy, comparative JEL classification: J16 economics of gender, J18 public policy

How has this literature developed in the subsequent 20 years?

LIS literature: main emphases since 2003

- Research on the effects of social policy on women's labor market outcomes increasingly focused on the possibility of unintended (harmful) effects. Key question: Do some policies aimed at increasing women's labor force participation lower the glass ceiling or make it more impenetrable?
- Research on labor market gender gaps is increasingly complemented by estimates of disparities among women – especially by parenting status ("motherhood penalty") and occupation ("care work penalty"), also by educational attainment, migration status, and household income. Key question: Does within-women heterogeneity swamp differences between women (as a group) and men (as a group)?
- New lines of research (both across countries and over time) link women's employment outcomes to the distribution of income *across households*. Key question: Are women's contributions equalizing or disequalizing?

LIS Database: major growth since 2003

The LIS Database has grown enormously.

The growth in the *number* of datasets has enabled gender-focused researchers to draw stronger conclusions about policy impacts. Pooled-cross-sectional-time-series models can now have N of 400+. Point-in-time multilevel models can be estimated with level-2 N of 40+. Many scholars working on gendered outcomes have taken advantage of this increase in data points.

The addition of new countries has allowed researchers to move beyond the traditional ("OECD") countries. However, research on middle-income countries, especially in Latin America, remains limited.

Last but not least, the LWS Database was launched (and relaunched)

The LWS Database was born.

One of the first LWS papers concerned on cross-national variation in wealth accumulation by older women. "The Income and Wealth Packages of Older Women in Cross-National Perspective" (Gornick, Sierminska, Smeeding) was published in Gerontology (2009).

A handful of subsequent papers address gender gaps in wealth accumulation, hampered, of course, by the ever-present challenge of identifying wealth holdings at the person-level.