# **POLICY**

## **Stanford Center on Poverty and Inequality**

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The trajectory of women's social and economic advancement over the last five decades follows an unsettling pattern: rapid progress until the 1990s and then a slowing or stalling in the pace of change.<sup>1</sup>

This pattern is revealed in the analyses throughout this issue. It shows up, for example, in patterns of labor force participation among women. Right after World War II, less than one-third of women were in the labor force. Through the 1980s, women's labor force participation rates rose quickly. But progress started to slow in the 1990s. The number of women employed peaked in 1999 at 60 percent and has since trended downward.2 In 2015, 56.7 percent of women were employed.3 The wage gap follows the same pattern of steep decline in the 1980s and a weakening in the pace of progress thereafter.4 At a cultural level, even the upward trend in support for gender egalitarianism among men and women appears to have lost some steam.5 Thus, despite significant steps forward, such as women moving into male-dominated occupations and women outpacing men in higher education, roadblocks remain on the path to equality.

But why has change stalled out? And what can be done about it?

## Why Has Change Stalled Out?

A big part of the answer to the first of these two questions is that the major transformations in work and family life that have occurred over the last half century have not been matched by transformations in either public or organizational policy. As women flooded into the labor force (see Figure 1) and as families became more varied and complex, workplace policies stayed the same. Today, over a third of families with children are headed by a single parent, 70 percent of mothers work, and over 42 percent of mothers are the primary breadwinners for their families. Many women work in low-paid service jobs, and women make up two-thirds of minimum-wage workers.

#### **KEY FINDINGS**

- The ongoing decline in the gender wage gap and many other types of gender inequality slowed down or stalled entirely in the 1990s.
- Amid inaction by the federal government, some state and local governments have pursued policies to reduce gender inequality, such as raising the minimum wage and guaranteeing paid leave.
- Efforts by private organizations to address gender inequality often focus on reducing stereotypic biases, delivering unconscious or implicit bias training, or formalizing the employee evaluation process.

Policies have not kept pace with these changes. The United States remains the only developed country in the world without either a paid family leave policy<sup>8</sup> or a paid sick leave policy.<sup>9</sup> Although many families rely exclusively on a mother for the family's income, a mother working at a minimum-wage job is especially hard-pressed now to make ends meet. The current federal minimum wage of \$7.25 has lost significant purchasing power, such that workers earning minimum wage today are earning 25 percent less, in inflation-adjusted dollars, than their counterparts did almost 50 years ago.<sup>10</sup>

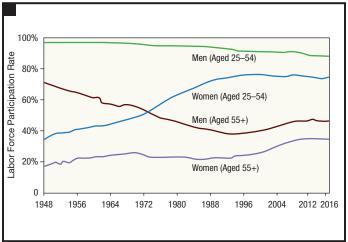
This policy failure matters. As economists Francine Blau and Lawrence Kahn have shown, if the United States had adopted very standard policies to support women's employment, women's rates of labor force participation would be substantially higher.<sup>11</sup> Likewise, sexual harassment remains a pervasive problem and often pushes women to leave their jobs, leading to financial penalties and stymied career paths that set women—and their families—back.

In addition to policy lapses, cultural beliefs and stereotypes are getting in the way of faster social change. Gender essentialism, or the belief that "men and women are innately and fundamentally different in interests and skills," remains widespread and contributes to occupational sex segregation as both employers and individual men and women sort themselves into the "right" gender-conforming roles. <sup>12</sup> Gender stereotypes, the widely shared beliefs about how men and women "are" and "should be," continue to operate when people interact and differentially affect how men and women are evaluated, often in ways that disadvantage women. <sup>13</sup> Research has shown that, implicitly, people tend to think men are more competent than women, especially in traditionally male domains. <sup>14</sup>

Thus, in evaluative settings, even when men and women have comparable or identical skills and abilities, men can be deemed more worthy of hire than their female counterparts. In these contexts, gender stereotypes function as cognitive shortcuts and influence decision makers' evaluations in ways that can give male candidates an edge. This error in evaluation is more likely to occur under conditions of ambiguity, such as when decision makers lack clear criteria or guidelines for making evaluations. Gender stereotypes, particularly in regard to competence, mean that women often have to provide more evidence of competence than men to be seen as similarly qualified. That women are held to higher standards than men is a key mechanism reproducing gender inequality and blocking women's advancement.

While policy efforts to address gender inequality have been limited, those that do exist have focused on addressing the new demographic and economic realities of American families rather than blocking the impact of gender stereotypes. The Family and Medical Insurance Leave Act (paid family leave) and Raise the Wage Act (increase in minimum wage)

FIGURE 1. Labor Force Participation Rate by Age and Gender, 1948-2016



Source: U.S. Bureau of Labor Statistics, Current Population Survey.

were designed, for example, to strengthen the economic security of working families. But these proposals have not passed, and the Trump administration has pulled back efforts to close the wage gap by suspending an Obama-era policy that would require larger businesses to report on what they pay employees by race and gender.

## **A New Way Forward**

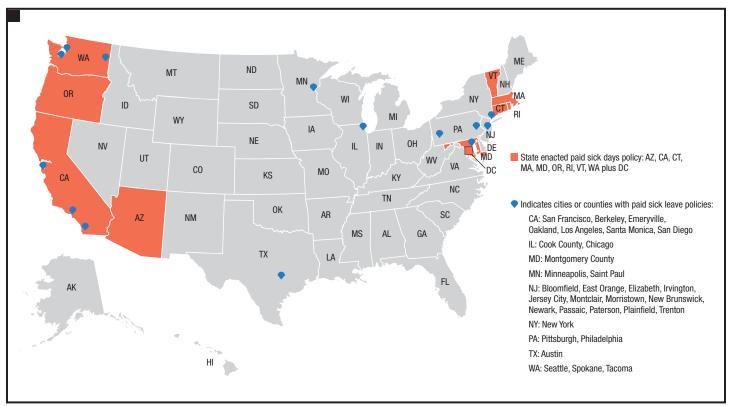
If federal policy is not likely to be forthcoming in the near future, are there other paths forward? The pattern of inaction at the federal level led then-President Barack Obama to call on states, localities, and the business community to press for change. At the Working Families Summit in 2014, he said, "If Congress will not act, we're going to need mayors to act. We'll need governors and state legislators to act. We need CEOs to act."

This approach has paid off. Indeed, while Congress remains gridlocked on gender and family issues, there are many promising developments at the state and local levels and in private industry. Five states, Washington D.C., and several cities have passed paid family leave policies.<sup>17</sup> Nine states, Washington, D.C., and 32 cities and counties have passed paid sick leave policies. 18 The finance, information, and technology industries are also increasingly supporting paid leave. Indeed, 30 percent or more of employees in these industries have access to paid leave, while overall only 14 percent of all civilian workers do. Many companies and business leaders, from Adobe to Levi Strauss & Co, have even endorsed the Family and Medical Insurance Leave Act, which is a proposal to provide 12 weeks of paid leave each year to qualifying workers for the birth or adoption of a new child, the serious illness of an immediate family member, or a worker's own medical condition.

States, localities, and businesses have also taken steps to increase pay and ensure fair pay. Twenty-nine states and Washington, D.C., have a minimum wage that is higher than the federal minimum wage, and 40 cities have adopted minimum wages that are higher than their state minimum wage. Many companies have focused more attention on equal pay. One hundred companies signed on to the Equal Pay Pledge that grew out of the Obama administration's call to action to America's businesses to close the gender wage gap. By signing on, companies agreed to actions like conducting an annual pay analysis and reducing unconscious bias in hiring and promotion processes.

Outside of government, efforts to level the playing field in organizations have often focused on reducing stereotypic biases. These efforts have taken two main forms: (a)

FIGURE 2. State and Local Policies on Paid Sick Days



Source: National Partnership for Women and Families.

unconscious or implicit bias training for employees, and (b) formalizing organizational processes that determine how individuals are evaluated for hire, promotion, and compensation. Both approaches have led to some improvements in the hiring and advancement of women, but neither has been the great leveler. Even when these approaches are adopted, gender stereotypes continue to bias evaluations.

For the past five years at the Clayman Institute for Gender Research, we have tested a new "small wins" model of change in several companies where we work with managers to co-develop tools to reduce gender biases. <sup>19</sup> For example, we partnered with the company GoDaddy to develop a "scorecard" for managers to use when they meet to discuss and calibrate employee performance ratings that affect pay and promotion decisions. Developing the scorecard required creating measurable criteria for evaluating employees that were aligned with the company's values and could be applied consistently across employees. The use of the scorecard produced immediate reductions in the gender gaps previously found in performance ratings. This type of small win, as we have shown, can motivate further actions that lead to larger organizational transformation, such as increased hiring of

women. Last year, half of the new engineering graduate hires at GoDaddy were women. This led the *New York Times* to ask, "If GoDaddy can turn the corner on sexism, who can't?" The company had previously been known for its sexist television commercials. It is now garnering recognition for its significant progress toward being an employer of choice for women in tech.<sup>20</sup>

### **Conclusions**

Overall, policies to advance gender equality have been uneven and limited. With little chance of passing new federal policies to reduce gender inequality, private industry and state and local governments will need to take the lead in developing and implementing policy innovations. Over time, analysis of these innovations can provide empirically validated insights into the kinds of public policies, approaches, and tools that will jump-start the stalled gender revolution.

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#### **NOTES**

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