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### Beyond Human Capital: Black Women, Work, and Wages

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**BEYOND HUMAN CAPITAL:  
BLACK WOMEN, WORK,  
AND WAGES**

*RHONDA M. WILLIAMS*

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**NO. 183**

**I thank Nedra Mahone and Peggie Smith for their able research assistance**



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## INTRODUCTION

Theories of discrimination against women should deal with two factors that differentiate women from a racial minority group like blacks. First, women may be said to choose specializing in home production, thus rationalizing a lower market wage. No such alternative employment is credible among black men. Second, even if women suffered lower market wages because of discrimination, they might recover all or part of these losses by marrying the favored group, men.<sup>1</sup>

Glen G. Cain, *Focus*, Volume 7, #2, 1984.

Research on sex discrimination and race discrimination in the subfield of labor economics looks indistinguishable if one substitutes black and white for male and female. The difficulty here is the fact that sex and race are not conceptual equivalents. . . Compounding the confusion in the use of identical research tactics for sex and race discrimination is the additional obvious fact that members of both sexes come in all races, and members of all races come in both sexes.<sup>2</sup>

William A. Darity, Jr., "Reflections on the State of the Art in Labor Economics"

Glen Cain exemplifies the tendency in orthodox economics to which Darity alludes - that is, much neoclassical discourse suggests all the women are white and all the blacks are men. Not surprisingly, Cain's commentary on discrimination reflects this confusion. Although one could indeed describe several generations of black domestics as "specializers" in "home production," I doubt this is what Cain has in mind. His passage contrasts home work and market work, suggesting that a woman's home

production takes place in her own home, which was not the case for black women working as paid domestics in white homes. Cain also warns us that we should be wary of too hastily concluding that black women's wages are unjustly low, since this phenomena somehow can be "rationalized" by the aforementioned specialization. And if black women *do* endure labor market discrimination? Well, not to worry - the solution is to marry the favored group, men.

What is it like to be a *black* member of the "favored group"? In 1984, only 60% of the black male population worked; 44.8% of employed black men worked year-round, full-time (which means that 27% of black men worked year-round, full-time), and their mean income was \$12,119. Surely the majority of *black* men do not qualify as the economically "favored". When Cain speaks of "the favored," he must mean *white* men. What, then, of those black women seeking to "recover" discriminatory losses who do not want to marry white men, are separated, divorced, gay, contentedly single, or prefer not to marry for money alone?

Cain powerfully dramatizes the theoretical tradition which rationalizes women's low market wages by invoking the traditional intra-familial gender division of labor and assuming (but not demonstrating) a mutuality of interests in the patriarchal household. As we shall see, these attempts have to date been woefully inadequate on their own terms, external critiques notwithstanding<sup>3</sup>. This tradition derives internal strength from the fact that neoclassical economists remain intransigent in their denial that longstanding employment and wage discrimination may somehow contribute to the reproduction of the



gender-race wage hierarchy. In the neoclassical mind, markets are impersonal, competition is individualistic, the genders are differentiated (but equally empowered social agents), labor markets are a-political exchange relations, and earnings inequality is simply the outcome of market-determined efficiency. Racial and gender earnings inequality warrants no more political concern than the price difference between apples and oranges.

*Political economy*, however, provides an alternative and compelling theoretical tradition for the explanation of labor market outcomes.

Whereas the economic orthodoxy tries to show (and generally assumes) that labor markets allocate and reward workers according to their relative efficiencies, political economy argues that (i) market life distributes income according to relative power and (ii) the distribution of work and wages result from and create conflict between unequally empowered political agents. It is this tradition that informs my analysis of black women's work and wages. After reviewing the neoclassical tradition and judging it inadequate to the task of explaining race-gender earnings inequality, I shall propose that a sensible explanation of black women's labor market experience must accord centrality to social relations of race and gender insofar as they are constitutive of labor market outcomes.

Section II begins with a discussion of race-gender earnings and unemployment ratios. I then review the race and gender distribution of earnings by industry and the current state of occupational segregation by gender and race. This section also explores the reasoning which has led some economists to doubt the possibility of longterm gender *and* racial

discrimination. It is this skepticism which set the stage for the flowering of human capital explanations of gender and racial earnings inequality. Because human capital theory's limitations as an explanation of racial and gender earnings inequality have been painstakingly demonstrated elsewhere (see Darity, 1982; Williams, 1984; Blau, 1984), Section II offers a brief primer on human capital. Section III's review of the empirical literature reveals human capital models are less than powerful theories of relative wages.

In Section IV, I first explore the main themes developed in political economy's analysis of gender. Though most writers in this tradition adopt a historical perspective which recognizes the importance of patriarchal social relations in the family and state, only a few (see Walby, 1986) address the prevalence and consequences of intra-working class struggles over the gender composition of occupations and industries -- that is , patriarchal relations in labor markets. Fewer still (Malveaux is the outstanding exception here) consider the intra-gender racial crowding of black women into "black women's jobs." Employer "divide and conquer" behavior and women's home responsibilities have assumed primacy in the political economists' explanation of gender earnings inequality. Building upon themes developed elsewhere (Williams, 1984, 1987; Darity and Williams, 1985), I argue that our tradition is incomplete because it has yet to fully incorporate race and gender mediated intra-class conflicts over the definition and distribution of work.

I conclude by suggesting directions for an alternative explanation of racially and gender earnings inequality. Unlike human capital theory, such

an approach must conceptualize productivity as conditioned by sectoral and social relations of production. In contrast to divide-and-conquer theorists, we must entertain the possibility that male workers can and do exact benefits from exerting patriarchal power in the the workplace, although their ability to do so varies according to their relative stature in racially and ethnically divided male labor markets. In moving beyond crowding model's discussions of men's psychological stake in restricting women's access to specific occupations and industries (see Bergmann, 1986, Chapter 5), I emphasize the social relations of production and reproduction which provide men *economic* incentives for restricting women to less preferred spheres of production. Finally, I suggest that there does exist a conceptualization of competition which restores a logical place for discrimination in advanced capitalist society.

## **II. EARNINGS INEQUALITY AND BLACK WOMEN: AGGREGATE EVIDENCE AND THEORY**

### **I. Black Women in the U.S. Labor Force: Background**

Where are black women working, how many of us are working, and why? Before plunging into the theoretical debates as to why black women workers fare so poorly in U.S. labor markets, this section provides context by sketching an aggregate labor market profile of the black female labor force. Our concerns are, in the order considered, black women's relative earnings and income, unemployment rates, earnings distribution by industry, and occupational distribution.

Table 1 presents the median earnings and relative earnings ratios for four race-gender groups. Black women ended the 1960's earning 50% of white men's earnings. Between 1972 and 1982, the earnings ratio fluctuated tightly around an upward trend, ranging from 0.55 to 0.59, and peaked at 0.60 in 1983. If she had worked fifty weeks in 1985 at the median full-time wage, the median worker would have had annual earnings of \$12,600.

Because non-wage income is excluded in the above figures, they are an incomplete, albeit important, indicator of black women's economic well-being. Table 2 presents median and mean income ratios for black and white women. Columns 1-3 differ from columns 7-9 in that the former are based on all workers, the latter on only year-round full-time workers. The former are particularly relevant because during the years under consideration, full-time year-round workers were a minority of all black women workers, ranging from 30-35% of all workers.<sup>4</sup> Columns 4-6 contain corrected means -- that is, they are corrected to include the zero-income proportion of the population.<sup>5</sup>

Column 9 is the sort of evidence adduced on behalf of the much vaunted claim of women's intra-gender racial parity: among year-round, full-time women workers, the racial income gap has narrowed considerably, increasing from 0.75 to 0.90 between 1967 and 1984. I think there are several reasons why this trend *should not* be an occasion for unrestrained rejoicing. First, as Table 1 plainly points out, white women's relative economic well-being is not so grand as to make the achievement of their labor market status in and of itself cause for celebration. It

seems obvious to me that white men are an equally (if not more) important comparison group, since they rarely experience either race or gender discrimination. Recalling Cain's comments, white women are not the "favored" group. Secondly, when we shift our focus to columns 3 and 6 of Table 2 -- data which adjust for racial disparities in labor force participation -- the intra-gender ratios peaked in the mid-1970's and have declined thereafter. Black women also have long endured a much higher incidence of unemployment than white women, as Table 3 reveals. Finally, recall that black women are much more likely than white women to be household heads: in 1984, black women headed 43.7% of black families, white women 12% of white families. Black women's households had a median family income only 57% of white women's households, and only 29% of the income available to married couple white families.<sup>6</sup> In light of these realities, black women's alleged parity with white women is much less comforting.

Most analyses of black-white inequality focus on individual and family data. We thus have little information on the race-gender distribution of wages by industry. Tables 4-8 are an attempt to fill that void. Table 4 sets the stage by presenting the distribution of fulltime equivalent employees by industry for 1948, 1977, and 1985. As is by now well known, manufacturing, transportation, communications, and utilities continue to employ a declining proportion of U.S. workers. In contrast, wholesale and retail trade, health, education, and the FIRE services (finance, insurance, and real estate) continue to register substantial employment growth, and now account for over 40% of full-time equivalent

employment.

The next four tables provide an indication of wage income opportunities by industry and allow us to glimpse what the service economy portends for working black women. Table 5 documents the dimensions of the economy's earnings distribution for all workers in 1980 **(in 1980, the all-industry average yearly wage was \$13,007)**.

Whereas manufacturing was clearly a high-wage sector in 1980 -- 42.5% of its workers earned at least 1.15 times the average earnings for all workers that year -- only 17.6% of retail workers were similarly situated.

Of the fast-growing service industries, only wholesale trade offers an earnings distribution comparable to that of manufacturing. Over 40% of the workers in health, education, and FIRE earned well under the all-industry average wage.

Tables 6 and 7 present similar figures for white men and black women, and reveal that the two groups are situated at opposite poles of the U.S. earnings distribution. For example, when all sectors are considered simultaneously, only 11.8% of black women workers are high earners, whereas 50.5% of white men are high earners. Black women are heavily concentrated among low earners: 68.6% of working black women earned less than 75% of the all-industry earnings average in 1980.

Table 8 resorts the data by industry so as to facilitate race-sex group comparisons by industry for manufacturing and selected employment growth sectors, and dramatizes what I refer to as a *racially-mediated gender wage hierarchy*. Men are the high earners in each and every sector, and whites are more likely to be high earners than blacks within each

gender group in almost every growth sector. Black workers were heavily concentrated among the low earnings population in manufacturing, as Table 8A plainly shows. Moreover, the growing service economy bodes extremely ill for black women, who are consistently the (proportionately) dominant low wage group in each industry: 81.8% of black women are low earners in wholesale, 65.7% in health, 87.9% in retail, and 67.3% in FIRE. The service economy seems well suited to swell the ranks of low-wage black women.

My review of black women's work would be incomplete without reference to the scale and significance of occupational segregation, the topic to which I now turn. Occupational segregation by gender is a longstanding and by now well-known feature of the U.S. economy. For example, the 503 occupational categories listed in the 1980 Census (the most detailed level of Census data) revealed 187 occupations that were either 90% male or 90% female and 275 occupations which were either 80% male or female.<sup>7</sup> It is less well known that the lion's share of the aggregate gender wage gap is attributable to *intra-occupational* wage disparities. A detailed analysis of 499 occupations coded in the 1970 census showed that 60-65% of the gender wage gap is due to wage differentials *within* occupations. A much less detailed 1979 study of 51 occupations showed that 77% of the gender gap was due to within occupation differences.<sup>8</sup> There now exists an accumulation of studies which strongly suggests that the source of the intra-occupational gender wage gap lies in the gender distribution of workers across firms: within occupations, men work in high wage firms, women in low wage firms.<sup>9</sup>

Although the racial dimension of gender segregation have received

scant attention, Julianne Malveaux (1982, 1987) has pioneered the analysis of "black women's occupations" (BWO's), which she defines as jobs in which black women's representation exceeds twice their representation in the labor force (Malveaux, 1987). In clerical work, nearly 25% of all working black women are concentrated in just 6 of 48 occupations: file clerks, typists, keypunch operators, teaching assistants, calculating machine operators, and social welfare clerks. Among service workers, black women are overrepresented by a factor of three or four as chambermaids, welfare aids, cleaners, and nurses' aides.

In the broadly defined occupational categories, white women are more concentrated in professional, technical, sales and clerical work than black women (see Table 9). Black women are well represented in these occupations, but are more likely to work as service workers, machine operators, and assemblers than as technicians, sales workers, or clericals. Recalling black women's occupational legacy as private household workers (prior to 1940, 60% of black women worked as domestics; the percentage declined to 36% in 1960 and 6% in 1980), Malveaux (1987) argues (i) that black women have experienced as much, if not more, occupational segregation than white women, though obviously into a different set of jobs, and (ii) black women's overrepresentation in women's work began to increase in 1977, although white women's occupational crowding continues to decline.

Informed observers can hardly disagree that working black women do not fare well in U.S. labor markets. However, much disagreement reigns as to why this is the case. As we shall see, much of the difference derives



from various observers theoretical characterizations of labor market activity, as was previously suggested.

## 2. Discrimination: A Deductive Problematic?

Although it is a well kept secret outside the halls of academia, there exist a significant number of economists who do not believe in the logical possibility of longstanding discrimination. Hence, they are most disinclined to explain the above findings on wage and occupational inequality as the consequences of systematic exercises of race and gender privilege and power. On the contrary, neoclassical economists believe discriminators cannot survive in a competitive capitalist economy. This section briefly summarizes the reasoning which has led to this rather surprising conclusion (see Blau, 1984, Darity, 1987, and Williams, 1987 for more thorough reviews of this line of reasoning).

Two crucial tenets inform the neoclassical cynicism. The first is their understanding of discrimination, the second their conceptualization of competition. For the orthodox economist, discrimination is a matter of personal taste, not the systematic exercise of socially constituted power. Discriminators act as if they are willing to pay (directly or in the form of reduced income) to avoid association with the undesirables.<sup>10</sup> For our purposes, this translates into white men employing black women only at a wage discount that compensates them (the discriminating employers) for the disutility of a heterosocial and racially integrated workplaces. Pervasive discriminatory tastes translate into lowered wages for black women, who can only find employment at wages that provide employers the

needed discount.

The second cornerstone of the neoclassical edifice is its vision of competition as a non-rivalrous state of affairs where all competitors are price-takers. As has been elsewhere and frequently observed, the fatal flaw in the aforementioned competitive discrimination model derives from the auxiliary assumption of free entry. The presence of above average profits in a given industry will attract the attention of a presumed reservoir of profit-hungry entrepreneurs whose entry and market supply will erode any extra-normal profits.<sup>11</sup>

Deduction now rears its powerful head to dismantle the neoclassical confidence in discrimination: lean and hungry *non-discriminating* entrepreneurs who observe black women's low wages and ability (the model under consideration presumes all workers are equally able to perform the relevant work tasks) will view this state of affairs as an opportunity to set up business with lower operating costs than their discriminating competitors and drive them out of business!! Longterm discrimination is therefore impossible under neoclassical competition. Despite the emergence of courageous efforts to reconcile the incompatibility of neoclassical competition and discrimination (see Darity, 1982; Darity and Williams, 1985), the problem remains *and* has spawned a generation of models which (i) drop the assumption of equally able workers and (ii) explain black women's low wages as a consequence of our individual limitations, some of which are more easily remedied than others.

### 3. The Human Capital Alternative: Less Than Meets the Eye?

Human capital includes all those attributes, acquired and "innate", which render us more productive in the service of employers. Human capital explanations of earnings inequality attribute wage differentials to human capital differentials -- that is, longterm wage differentials are the consequence of longterm human capital differentials. If black women's wages are lower than those of white men, black men, and white women, it is because we enter labor market competition with fewer of the attributes (formal education, labor market experience, on-the-job training, etc.) that employers value and reward. Because years of formal education have converged for the race-sex groups under consideration, human capital theorists seeking to rationalize women's low wages now accord causality to gender gaps in work experience and training.<sup>12</sup>

As currently formulated (see Mincer and Polacheck, 1974, 1978; Polacheck 1976, 1981) the human capital model is straightforward. It begins with the traditional gender division of labor in the patriarchal family, wherein women are responsible for home production -- the physical and emotional care of children and adult men. These responsibilities are presumed to constrain women's labor market activities and lead to intermittent labor force participation and weak labor force attachment. Women's short and discontinuous labor market career reduce the time during which we can garner returns to human capital and reduce employers' incentives to provide us on-the-job training. In addition, women anticipating intermittent labor market activity have reason to choose occupations requiring skills that do not rapidly depreciate with

disuse and/or do not heavily penalize the depreciation. Given these actual or perceived constraints (which are gender-specific), rational women will invest in less human capital than comparable men and receive fewer employer-initiated training opportunities. Women's lower earnings are thus the outcome of three related phenomena: lower levels of human capital, lower returns to the human capital we do have, and depreciation of human capital during time out of the labor force.

Why are working black women so poor? The neoclassical tradition offers two hypotheses -- discrimination and human capital deficits. As the following section indicates, the profession's disbelief in discrimination's existence did not fully thwart the development of an empirical research agenda premised on its existence. Section III summarizes the statistical studies of discrimination and tests of the human capital hypotheses.

### **III. TESTING THE MODELS: A SUMMARY OF FINDINGS TO DATE**

Black women are rarely front and center in the empirical earnings inequality literature (and my summary of the state of the art reflects that reality). Our earnings are nonetheless closer to white women than either black or white men. I therefore begin with a consideration of the gender discrimination literature (wherein the samples consist primarily of white women) and examine the extent to which the results are applicable to black women. I then turn to the cross-section studies which test the gender-specific human capital hypotheses derived from the model described in the previous section. The section concludes with a close examination of Augustin K. Fosu's excellent time-series study of black

women's earnings in the post-1964 economy.

### 1. Empirical Discrimination Studies

Evaluation of the existing literature on gender earnings inequality is facilitated by the theoretical unity which binds the empirical studies. In keeping with the neoclassical model of wage determination, it is assumed that in the absence of discriminatory tastes, all men and women receive wages in accordance with their individual productivities. Relative wages, in turn, reflect relative stocks of human capital. Given this context, wage discrimination has been defined as follows:

*wage discrimination consists of that proportion of the wage differences between men and women unaccounted for by differences in productivity.*

Empirical operationalization of this definition involves a three step procedure. First, the analyst estimates earnings functions for men and women (which can be further disaggregated by race):

$$(1) w_w = a_0 + a_1X_{1w} + a_2X_{2w} + \dots + a_nX_{nw} + u_w$$

$$(2) w_m = b_0 + b_1X_{1m} + b_2X_{2m} + \dots + b_nX_{nm} + u_m$$

where the w's are wages, the a's and b's equation parameters to be estimated by application of regression techniques,  $X_1, X_2, \dots, X_n$  are earnings-related productivity measures, and the u's represent that portion of the wage distribution unexplained by the distribution of the X's (the residual or stochastic term); the w,m subscripts indicate women and men, respectively. Second, the researcher uses the estimated coefficients (estimated values of the a's and b's) and the mean values of the X's to

calculate women's and men's wages --  $w_w^*$  and  $w_m^*$  -- under the assumption that wages are determined according to the chosen specification. The final step involves the calculation of three ratios,

(3)  $UG = w_w^*/w_m^*$  = the unadjusted gender wage ratio

(4)  $AG = w_w^{**}/w_m^*$  = the adjusted gender wage ratio, where

$w_w^{**}$  is calculated using the coefficients from the women's equation (the a's) and the men's mean values for the X's

(5)  $UNG = (1-AG)/(1-UG)$  = the discrimination estimate

Note that  $w_w^{**}$  answers this question: what would women's wages be if we had men's productivity characteristics and still operated under the women's wage regime, as given by the "a" parameters?  $(1-AG)$  is the earnings gap that remains after correcting for productivity differences,  $(1-UG)$  is the uncorrected wage gap. *UNG is the ratio of two differences ; it is that percentage of the wage gap unexplained by differences in the productivity characteristics.*

Before considering the available estimates of UNG, at least two comments are warranted. First, it should be noted that the entire exercise described above presumes the wage determination process has been meaningfully captured in the wage equations. Second, the more than twenty gender wage studies conducted between 1971 and 1981 vary as to which variables are included among the X's, the right-hand side explanatory variables. Human capital theory suggests that education, measures of labor market experience, and occupation are likely candidates for inclusion

insofar as they are posited to be determinants of wages. However, if these variables are themselves affected by discriminatory behavior (suppose discrimination exists in the allocation of training, occupations, or work in general), then excluding them from the equation will generate upper-bounds for UNG. Conversely, when they are included, we are more than likely approaching UNG's lower bound, given the framework of this analysis.<sup>13</sup>

Glen Cain (1985) has conveniently summarized the gender studies conducted in the 1970's and early 1980's, and Table 10 presents his summary.<sup>14</sup> Unfortunately, only four of the studies included in the summary focus exclusively on blacks and/or nonwhites, and those that do examine the intra-racial gender wage gap. They do not, in other words, compute UNG's for black women vis-a`-vis white men.

Despite its limitation, Table 10 reveals that a substantial proportion of the gender wage gap is unaccounted for by productivity proxies. As expected, UNG is larger when occupation and labor market experience are excluded as regressors. Mean estimates of AG range from 0.62 to 0.79, depending on the specification of wage equation. UNG, the mean unexplained portion of the wage gap -- the estimate of discrimination -- ranges from 0.51 to 0.87. Application of the conventional neoclassical techniques suggest that labor market discrimination has as significant impact on all women's earnings. UNG is also large when calculated for black and white men and is larger for blacks than whites (the intra-racial wage gap). These studies thus suggest wage discrimination's greatest impact (among the race-sex groups considered) has been on the earnings of black women.

## 2. Human Capital: An Unconvincing Alternative

The above findings notwithstanding, neoclassical theorists are skeptical as to discrimination's long term viability in a competitive capitalist economy. The dominant research agenda reflects that cynicism in that the leading neoclassical theorists of gender wage inequality no longer look to either discrimination or differences in years of formal schooling as the motor of wage inequality. The past dozen years have witnessed a slight shift in the empirical debates. As I noted in the previous section, Mincer and Polachek now accord primacy to the relationship between women's occupational choices and our "culturally determined" domestic obligations. This section concludes with a review of the statistical evidence and suggests their model offers far less than meets the eye (see Blau, 1984 for a more comprehensive review of the same issues).

Before turning to the econometric evidence, it is worth noting that several economists have challenged the basic premises of the gender-specific human capital model. Consider, for example the proposition that black women seeking work with little training requirements will seek female-dominated occupations, which are presumed to require less training. Yet as Blau and Jusenius (1976) noted, there are many men's job's (meter readers, general laborers, garbage collectors, messengers, etc.) which require little training. And, as was noted earlier, a significant proportion of the gender wage gap is due to occupational wage differences *within* (as opposed to between)



occupational groups. Women's occupational self-selection cannot by itself explain wage gaps within occupations. Finally, as Bergmann (1986) points out, it is grossly misleading to assume that women are the sole human capital decision-makers. Employers and fellow workers play an important role in determining who gets what on-the-job training and when.

Turning to the findings, the first empirical issue is the extent to which black women really do display a limited labor force attachment (LFA). With this issue in mind, several economists have explored gender-race differences in quitting behavior. Blau and Kahn's (1981) analysis of gender differences in quitting among young men and women revealed that, all else being equal, black women were no more likely to quit their jobs than black men. Blau and Kahn and Viscusi (1980) also find that *ceteris paribus*, blacks of both sexes are less likely to quit their jobs than whites. *Thus, black women are less likely than white men to quit their jobs!*

The next issue is the extent to which the existing race-gender differences in labor force attachment explain wage gaps. Mary Corcoran's (1978) detailed study of women of all ages is frequently cited because of her painstaking efforts to control for LFA. She found that adjustments for schooling, work history, and LFA explain only 27% of the wage gap between white men and black women. Moreover, because Corcoran includes regressors that are arguably influenced by discrimination, her results most likely *underestimate* discrimination.

Paula England (1982, 1984) and Andrea Beller (1981, 1982) have also vociferously challenged the Mincer-Polacheck hypotheses regarding the

relationship between LFA and occupational outcomes by gender. If married, women are more likely than men to have familial obligations which interrupt their work lives. Human capital theory suggests that we should observe more single women than married women in nontraditional (i.e., male-dominated) occupations. This, of course, assumes that single women don't have children or other equally time consuming tasks of home production. However, Beller (1981b) found that single women had only a 1% greater probability than their married counterparts of being employed in men's work. Likewise, England (1982,1984) has demonstrated that women with discontinuous work histories are *not* more likely to be in women's occupations, as human capital theory suggests. She also finds that experience-related earnings appreciation does not vary according to the gender composition of occupations, again contradicting the human capital hypothesis that female-dominated occupations are characterized by lower rates of earnings appreciation and depreciation. Finally, human capital theory suggests that married black women's occupational profiles, as compared to those of married white women, should more closely approximate men's occupational profile, given black women's greater LFA. This has not, however, been the case.

The Mincer-Polacheck thesis thus has as yet to amass convincing supporting evidence. Human capital theory therefore seems unable to explain either relative earnings by race-gender group or gender-based occupational segregation. I am by no means the first to note the weakness of the human capital approach, nor probably the last. It is nevertheless useful to consider the paradigm from a vantage point which emphasizes the

experience of black women. The following section presents a review of non-neoclassical approaches to wage and occupational inequality, some of which have drawn inspiration from the failings of the neoclassical approach. Before turning to that task, this section concludes with comments on the aforementioned time-series study by Augustin Fosu (1987) which examines the upward trend in black women's earnings in the post-1964 period.

Fosu's primary objectives are two. First, he tests the "censoring" hypothesis, according to which black women's rising median wages (relative to those of white men) following the passage of the 1964 Civil Rights Act are a consequence of negative trends in black/white relative labor supply. In other words, he addresses those who claim that the measured wage gains are a consequence of reduced labor supply among the low wage population. The censor advocates argue that the expansion of income transfer programs in the 1960's seduced the low waged from the labor market.<sup>15</sup> Second, he decomposes black women's wage gains into a race and gender components.

Fosu's findings are straightforward and his specification convincing. First, he robustly refutes the censoring hypothesis, thereby bolstering the claims of those who wish to argue that black women's rising relative wages are the consequence of increases in demand for black women's labor in the wake of equal employment opportunity legislation. His decomposition of the wage trend into race and sex components is also quite interesting in light of the previous discussion. Fosu's techniques suggest that approximately 50% of the post-1964 trend is attributable to a

race effect and the rest to the interaction of gender and race. Finally, if (i) black women's wage gains are in part the consequence of our entering white women's occupations, and (ii) white women's occupations are more easily entered than white men's occupations (reasons as to why this may be the case will be addressed in what follows), then Fosu's results suggest that future occupational mobility and wage gains for black women will be harder won than those of the last fifteen years.

#### **IV. GENDER IN LABOR MARKETS: DISCRIMINATION RECONSIDERED**

Neoclassical economists have failed in their attempts to explain race-gender earnings inequality. And, as was previously noted, the neoclassical understanding of competition and discrimination predisposes the truly faithful to doubt the possibility of longstanding wage and job discrimination in capitalist society. What, then, are we to make of the by now long and still growing list of lawsuits accusing employers of gender and race discrimination in employment? Although many cases have been settled without employers conceding the practice of discrimination, the casebooks and arbitration files are filled with thousands of pages of testimony attesting to the harsh realities of employer initiated and employee sanctioned discrimination.<sup>16</sup> It is also difficult to dismiss this nation's legacy of both gender and race-segregated bargaining units, and gender and race-specific promotion and transfer ladders. Beyond the texts and treatises of orthodox economics, there is much less doubt as to the existence of discrimination, and much greater interest in how it adversely

affects the life-opportunities of women seeking economic independence and strategies for its eradication. This section critically explores the key components of non-neoclassical conceptualizations of discrimination as they have been articulated in two recent and critically acclaimed publications, Samuel Bowles and Herbert Gintis' Democracy and Capitalism and Barbara Bergmann's The Economic Emergence of Women.

Bowles and Gintis offer a two-pronged explanation of gender earnings inequality. The first prong is rooted in their Neo-Marxian analysis of the special nature of the wage labor contract. More specifically, the wage labor contract is not self-enforcing -- employers must incur costs to insure that the labor power (the potential to do work) they purchase from workers is transformed into actual work done. Capitalists wish to minimize the cost (wages + surveillance costs) of actual work done, and it is assumed workers will do more work the greater the probability that shirking is detected and the greater the income lost upon termination.<sup>17</sup>

Suppose we are interested in the ex ante probability that a given worker will be fired if her shirking is detected. Bowles and Gintis represent this probability as a function of "workplace unity". Because work relations are social relations, they posit that the firing of a worker in a united workforce might well lead to work disruption, which translates into lost output and profits. They further posit worker unity as a function of race, gender, age, and other divisions, many of which are mediated by the intra-firm wage hierarchy. Capitalists can thus benefit from race-gender wage and job discrimination because it "divides and conquers" workers, thereby thwarting worker collective strength. These divisions

need not bear any relationship to individual worker productivity:

"Discrimination is thus consistent with rational profit maximization in a competitive environment."<sup>18</sup>

In Bowles and Gintis' model, it is employers who gain from and have reason to reproduce race-gender earnings inequality. However, there is a second dimension to their analysis. Patriarchal domination in capitalist society requires a material base in the working class:

If patriarchal domination in the capitalist era is reproduced through economic dependency, it must find in the labor market an analogue to the forms of female dependence earlier made possible by patriarchal inheritance of productive property.<sup>19</sup>

Drawing from the recent works of Ann Ferguson (1982) and Elaine McCrate (1985), Bowles and Gintis suggest that that material base lies in the social relations of "husband patriarchy", characterized by male privilege and female subordination in wage labor markets. They further suggest that husband patriarchy is *not* dependent on husband's appropriation of the wife's surplus labor time in the reproduction of his labor power (see Walby, 1986, for an argument to the contrary); rather, men covet labor market privilege because it accords them superior power in the marriage market. More specifically, husband patriarchy is sustained by the greater opportunity costs (loss of consumption opportunities) that women would incur from ending the marriage relationship: "If job opportunities for women were increased, . . . the relative independence of women would increase on average."<sup>20</sup>

Bowles and Gintis' analysis of discrimination is laudable in that it recognizes the patriarchal nature of labor markets in capitalist society.

Nonetheless, I find it to be curiously incomplete and paradoxical. Consider first their explicit acknowledgement that men accrue marriage market benefits from male privilege in wage labor markets. *If this is true, then that marriage-oriented working men have reason to contribute to the reproduction of gender inequality in the labor market, and our definition of discrimination should expand to include working men's role in the the daily constitution of gender subordination.* Bowles and Gintis are inexplicably silent as to working men's complicity in reproducing gender privilege in labor markets.

I am even more perplexed by their restricted vision of economic privilege. Because Bowles and Gintis wish to shift attention away from the transfer of surplus labor time between men and women in the heterosexual household, they insist that economic privilege (more consumption or less work) is *not* a critical aspect of women's dependence on men (p.114). Yet their own reasoning suggests it is men's ability to receive a higher money wage for the same amount of labor time that is *the* source of men's superior advantage in the marriage market. Their economic privileges -- derived from restricting access to preferred industries and occupations -- include higher wages, historically lower rates of unemployment, and the additional bargaining power (*vis-a`-vis* employers) that comes from working in more capital and resource-intensive industries.<sup>21</sup> These are the very privileges that render men attractive to women seeking less work and more consumption. It is worth noting that these privileges would also be attractive to committed bachelors and gay men -- men traditionally not focused on the marriage

market.

Bowles and Gintis' discussion of gender privilege in the labor market is also noticeably devoid of intra-gender job competition. As I have elsewhere noted (Williams, 1984, 1987), white men have had much to gain by restricting black men's employment opportunities. My previous discussions emphasized white men's purely economic gains from furthering racial domination in their competition with black men. Bowles and Gintis' work (and the feminists from whom they derive the substance of their model) supplements the list of possible benefits. In a world of racially mediated "husband patriarchy", heterosexual white men can gain an edge in the marriage market by fostering low wages and high unemployment rates among black men. Black and non-black women considering marriage to black men should have less of a purely *economic* motive to do so.<sup>22</sup>

Barbara Bergmann (1986) explains the gender wage gap via the dynamics of occupational crowding: men crowd women into a small set of occupations, thereby reducing our individual productivity levels. Following the neoclassical logic, this also reduces wages. She has also contributed to the list of potential gains which (racially and ethnically distinct) men might accrue from the reproduction of masculine privilege in capitalism's labor markets. She observes that jobs are "badges of gender", and reminds us that, however problematic, gender-appropriate behavior -- including employment in the right kind of job -- is the norm for many workers. She adds (and documents), however, that the size of the gender wage gap has inspired many women to seek work traditionally associated with the other gender group.



Bergmann is surprisingly silent as to the aforementioned economic and marriage market gains which working men gain from the reproduction of gender domination, and her analysis is noticeably devoid of a general discussion of gender inequality. Nonetheless, she, like Bowles and Gintis, recognizes the social nature of the workplace (see Chapter 5). Her approach differs in that she looks at the social relations of the workplace from the standpoint of male workers who can wield their desire for all-male working groups as a weapon against employers. That is, working men can disrupt the work environment if their bosses seek to integrate the workplace. Even the threat of such disruption would slow or halt many a non-sexist manager, particularly if the majority of working men display aversion to race-gender integration. Despite her peculiarly non-economic reading of patriarchal relations in wage labor relations, Bergmann's contribution is refreshing in its assignment of agency to gender-conscious working men.

## **V. BEYOND HUMAN CAPITAL: POLITICAL ECONOMY AND RACE-GENDER CONFLICT**

We have seen that human capital theory is a woefully inadequate tool for the understanding of black women's relative earnings. More generally, human capital-based explanations of race-gender earnings inequality fail to explain much of the existing earnings distribution. Economists working outside the neoclassical framework -- particularly political and institutional economists -- provide an alternative perspective on race-gender inequality. These are perspectives which argue that wage

labor relations involve unequally empowered agents and must therefore be viewed in the context of pervasive gender, class, and racial inequality. Full elaboration of an alternative theoretical lens for the viewing of black women's economic well-being is certainly beyond the scope of this essay. I therefore conclude with a discussion of the relevant portions of the existing literature insofar as they are useful in setting the agenda for that task.

First, we must accord primacy to racially mediated gender privilege and power in capitalist society. There is by now ample evidence to support the proposition that workers are a heterogeneous lot and historically differentiated at the level of the social relations of species and commodity production.<sup>23</sup> Because workers frequently deploy their diverse sources of market, political, and cultural power so as to preserve race-gender privilege rather than to dismantle it, our understanding of race and gender discrimination and conflict must be expanded to include worker agency in fostering relations of domination and the tangible gains -- economic and non-economic alike -- derived therefrom.

William A. Darity, Jr. and I have elsewhere addressed the form and content of racial and ethnic conflict among workers (see Williams, 1984, 1987; Williams and Darity, 1985; Darity, 1987). Unlike human capitalists, we argue that productivity must be understood as being determined by both social and technical relations of production. Workers do not carry around bundles of human capital which automatically reap some normal return. On the contrary, productivity is best understood as being determined at the sectoral and firm level; not all capitalists are equally productive in the

organization and imposition of work, workers vary in our willingness to embrace the productivity ethos. If sectors and firms vary in productivity, then they will also vary in the maximum wage they can offer and still earn the "normal" rate of profit. All else equal, high wages will prevail in the high productivity sectors, low wages in the low productivity sectors. Wage-maximizing workers would, of course, prefer to be in high productivity sectors and firms.

When dominant white malworkers act so as to protect their jobs and wages, they become active participants in the reproduction of race-gender discrimination. Specifically, capital's social relations are such that employers frequently have occasion to substitute cheaper workers for dominant workers. Both competition from other capitalists and rising demands of entrenched workers can precipitate substitution strategies. Entrenched workers thus have reason to resist the encroachment of cheaper laborers into their labor market turf. They seek to resist the new entrants and to thereby protect their present and future income.

We have elsewhere (Darity and Williams, 1985; Darity, 1987; Williams, 1987) cited the remarkable volume of domestic and international evidence which supports this analysis. Consider, for example, the displacement of Jews from their traditional occupational pursuits in Europe prior to the American migration, the importation of Chinese workers to Mississippi to stifle free black workers after the Civil War, and the frequent use of black strikebreakers against white unionized labor in the first third of this century in the United States.

Contrary to Bowles and Gintis' claim that Marxian theory is

"unremittingly hostile" to an understanding of labor markets compatible with the reproduction of discrimination,<sup>24</sup> we have also argued that a specifically *Marxian* conceptualization of competition -- one premised *not* on labor mobility but on the mobility of finance capital and the existence of a tendency toward the equalization of profit -- *can* restore a logical place for discrimination in capitalist society.<sup>25</sup> Our analyses to date have, however, either focused on male workers alone or treated racial and ethnic conflict as a social relation among genderless beings. They are therefore incomplete.

Yet I believe that the our *Marxian* conceptualization of competition and discrimination can be used to provide a consistent and robust analysis of gender-based labor market competition. For example, there already exists an accumulating body of evidence which suggests (i) within a given occupation, men work in high wage firms moreso than women (fn. 9) (ii) *ceteris paribus*, male-dominated occupations and industries tend to deploy more capital and resource-intensive (and therefore more productive) techniques of production (see Dean, 1988). We must also critically evaluate the greater ease with which black women have been able to penetrate white women's jobs (clerical work, service occupations and industries, etc.) -- bearing in ming Malveaux's analysis -- as compared to black men's ease of entry into the skilled trades. I am inclined to view this as an indication of the greater market power wielded by some segments of the white male working class; this is a speculation which requires further investigation. In light of human capital theory's inability to explain such phenomena, I am disposed to consider such findings, when viewed in the

contest of existing historical records, as prima facie evidence for the existence of male agency as a contributing cause of such outcomes. Secondly, then, that which is needed is a construction that recognizes and deconstructs the gendered nature of job competition, within and across ethnic and racial boundaries, between and within sectors and firms. Such a task would involve determining the market and non-market sources of power available to workers pursuing short-term gains in a working class riddled with gender *and* race/ethnic privilege. The aforementioned evidence suggests that extending this line of analysis may indeed prove quite fruitful.

Third, we are sorely in need of an analytic perspective that challenges the patriarchal content of current policy debates which attack female-headed black households as both pathological and the source of black poverty. It is by no means clear that government transfer programs either cause poverty or increase the incidence of female headed families.<sup>26</sup> We must also address the misogynist carriers of the message that female headed households, in and of themselves, are a source or sign of social disorganization. Why shouldn't adult black women (or non-black women, for that matter) be free to choose their own living and child-rearing arrangements and be privy to a living wage (insofar as the wage is still the primary legal means of acquiring income)?<sup>27</sup> The same obviously holds for black men.

Finally, it would behoove us to consider those cases, both past and present, which indicate the power of worker coalitions which challenge race and gender wage hierarchies. The recent anti-discrimination

struggles of Locals 34 and 35 (clerical and technical workers and service and maintenance workers, respectively) at Yale University are a good case in point. If labor market conditions are the outcome of socio-political conflict, then black women may have much to gain from again turning our energies towards the development of strategies for empowering the low-waged and unwaged with the knowledge and skills necessary for effective collective action.

## NOTES

1. Cain (1984), p.7
2. Darity (1984), p. 9.
3. Interestingly enough, this orientation is shared by both neoclassical theorists and some Marxist feminists. See Walby (1986), Chapter 4, for a discussion of these literatures.
4. *Race and Inequality in the Managerial Age*, Table 4.
5. These columns thus makes use of the Darity-Myers (1980) assumption that the non-workers have no earnings.
6. *Race and Inequality*, Tables 11 and 12.
7. Reskin and Hartmann, p.7
8. Reskin and Hartmann, p.10,11.
9. Reskin amd Hartmann, p.12.
10. Becker (1971), p. 14.
11. We have elsewhere noted that the entrepreneurial entry phenomenon incorporates an Austrian notion of competition. See Darity and Williams (1985), Williams, (1987), Darity, (1987).
12. There does exist one other prominent human capital approach to racial earnings inequality which would be relevant if we are comparing the earnngs of whites and black women. I refer her to cultural explanations of ethnic and racial inequality in capitalist society. For a strong and critical appraisals of this literature, see Darity and Williams (1985), Williams (1987), Simpson (1987), and Gooding-Williams (1987).
13. See Blau and Ferber, (1987) for a good discussion of the technique.
14. I came across this summary in Blau and Ferber (1986).
15. See Butler and Heckman, 1977. If the low-waged depart from

employment, then the average for the remaining workers rises.

16. See Bergmann (1986), Chapter 4, and Treiman and Hartmann p. 44-56 for discussions and instances of institutionalized, legally sanctioned, employer initiated, and employee initiated discrimination.

17. Bowles and Gintis, p.77.

18. Bowles and Bintis, p. 82; note that they seem to deploy a neoclassical conceptualization of competition.

19. Bowles and Gintis, p. 111.

20. Bowles and Gintis, p. 115.

21. See Dean (1988) for evidence that the capital and resource intensity of production techniques affects both relative wages and the gender compositions of occupations and industries. She argues that insofar as men are more likely to be in capital and resource intensive industries, they have more bargaining power vis-a`-vis their employers than do women in less capital and resource intensive industries and occupations.

22. Insofar as many black men have been losers in patriarchal competition, I wonder if they (the relative losers) might not have much to gain from challenging the tenets of white supremacist capitalist patriarchy.

23. See Gordon, Edwards, and Reich (1982), Albelda (1985), Walby (1986) and Darity (1987) for evidence of the extent to which workers are differentiated at the level of species reproduction and commodity production.

24. Bowles and Gordon, p. 111.

25. Darity and Williams (1985), Darity (1987), Williams (1987).

26. See Darity and Myers, (1984,1987).

27. Adolph Reed raises this issue in his review of William J. Wilson's recent book, *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy*. See *The Nation*, February 6, 1988.

TABLE 1

**WEEKLY EARNINGS OF FULL-TIME WAGE AND  
SALARY WORKERS, BY RACE AND SEX, 1967-85**

Weekly Earnings

<u>Year</u>	<u>White Males</u>	<u>White Females</u>	<u>Black Males</u>	<u>Black Females</u>
1967	\$130	\$ 79	\$ 90	\$ 63
1969	146	88	104	73
1970	157	95	113	81
1971	168	102	123	87
1972	172	108	129	99
1973	193	117	149	107
1974	209	125	160	117
1975	225	138	173	130
1976	238	147	187	137
1977	258	157	201	146
1978	278	167	218	157
1979	298	184	227	169
1980	319	202	244	185
1981	349	220	268	205
1982	375	241	278	217
1983	387	254	293	231
1984	400	268	302	241
1985	417	281	304	252

Earnings as a Percent of White Males' Earnings

<u>Year</u>	<u>White Males</u>	<u>White Females</u>	<u>Black Males</u>	<u>Black Females</u>
1967	100	61	69	48
1969	100	60	71	50
1970	100	61	72	52
1971	100	61	73	52
1972	100	63	75	58
1973	100	61	77	55
1974	100	60	77	56
1975	100	61	77	58
1976	100	62	79	58
1977	100	61	78	57
1978	100	60	78	56
1979	100	62	76	57
1980	100	63	76	58
1981	100	63	77	59
1982	100	64	74	58
1983	100	66	76	60
1984	100	67	76	60
1985	100	67	73	60

SOURCE: U.S. Bureau of Labor Statistics, unpublished tabulations. Figures are medians of usual weekly earnings. Data for years prior to 1979 are not strictly comparable with later years.

Bergmann (1986), p. 69



TABLE 2

**MEDIAN AND MEAN INCOME RATIOS FOR BLACK FEMALES,  
WHITE FEMALES AND WHITE MALES, 1967-1984**

Year	All Workers Median Income			"Corrected" Mean Income			Year-Round Full-Time Median Income		
	Black Female/White	White Female/White	Black Female/White	Black Female/White	White Female/White	Black Female/White	Black Female/White	White Female/White	Black Female/White
1967	.25	.28	.78	.25	.28	.89	.43	.58	.75
1968	.26	.33	.79	.25	.28	.91	.44	.58	.76
1969	.27	.32	.84	.26	.28	.91	.46	.58	.80
1970	.29	.32	.91	.27	.29	.95	.48	.59	.82
1971	.30	.34	.88	.28	.29	.96	.51	.58	.88
1972	.31	.33	.93	.28	.29	.98	.48	.57	.86
1973	.30	.33	.93	.27	.29	.93	.47	.56	.85
1974	.32	.36	.90	.29	.31	.94	.51	.56	.91
1975	.33	.37	.91	.31	.32	.96	.55	.57	.96
1976	.34	.36	.94	.32	.33	.96	.55	.59	.94
1977	.33	.38	.86	.32	.34	.94	.54	.58	.94
1978	.32	.36	.92	.33	.36	.91	.55	.59	.93
1979	.32	.35	.92	.33	.38	.88	.54	.59	.92
1980	.34	.37	.93	.34	.40	.86	.55	.59	.93
1981	.34	.39	.89	.34	.41	.84	.54	.60	.90
1982	.36	.40	.88	.36	.43	.83	.56	.62	.89
1983	.36	.42	.86	.37	.45	.82	.56	.63	.89
1984	.37	.42	.89	.38	.45	.84	.57	.63	.90

Source: Current Population Reports, Consumer Income, p-60, No. 81, pp. 83-84; No. 86, pp. 113-114; No. 91, pp. 113-114; No. 98, pp. 117-118; No. 102, p. 105; No. 106, p. 132; No. 115, p. 135; No. 119, p. 133; No. 124, p. 145; No. 130, p. 140; No. 133, p. 128; No. 149, pp. 28, 29. March 1982, Current Population Survey, (unpublished data), pp. 390, 392, 400, 398, 416, 414, 424, 422.

Race and Inequality in the Managerial Age, Report of the Study Group on Employment Income and Occupation, Darity, William Jr. and Jones, Barbara (Co-Chairs)

TABLE 3

## BLACK-WHITE UNEMPLOYMENT RATES, SELECTED YEARS, 1947-1986

<u>Year</u>	<u>Black Males</u>	<u>White Males</u>	<u>Black-White Ratio</u>	<u>Black Females</u>	<u>White Females</u>	<u>Black-White Ratio</u>
1948*	5.80	3.40	1.71	6.10	3.40	1.79
1953*	4.80	2.50	1.92	4.10	3.10	1.32
1958*	13.80	6.10	2.26	10.80	6.20	1.74
1963*	10.50	4.70	2.23	11.20	5.80	1.93
1968*	5.60	2.60	2.15	8.30	4.30	1.93
1973*	7.70	3.80	2.03	10.60	5.30	2.00
1978*	11.00	4.60	2.39	13.00	6.20	2.10
1983**	20.30	8.80	2.31	18.60	7.90	2.35
1986**	14.80	6.00	2.47	14.20	6.10	2.33

\*Blacks and other races

\*\*Blacks alone

Sources: U.S. Dept. of Labor, Manpower Report to the President, 1982, Table A-28.  
Bureau of Labor Statistics, Employment and Earnings, Annual Averages,  
January 1984 and January 1987.

TABLE 4

**DISTRIBUTION OF FULLTIME EQUIVALENT  
EMPLOYEES BY INDUSTRY (IN PERCENTAGES)**

INDUSTRY	1948	1977	1985
Agriculture	4.31	1.90	1.60
Mining	2.06	1.02	1.00
Construction	4.74	4.58	4.80
Manufacturing	32.27	24.10	20.10
<b>Services:</b>			
Transportation	5.93	3.34	3.10
Communications	1.54	1.41	1.30
Utilities	1.10	0.92	0.90
Wholesale	4.97	5.68	5.90
Retail	12.57	14.18	15.40
FIRE <sup>1</sup>	3.49	5.29	6.20
Hotels & Personal	2.71	2.00	1.30
Auto & Misc. Repairs	0.73	0.86	0.80
Amusement & Recreation	0.96	0.85	0.20
Private Household	3.27	1.27	0.80
Health (nonprofit)	1.72	5.19	6.20
Education (nonprofit)	0.89	1.15	1.40
Government (total)	14.16	19.57	17.90
Govt. Education	2.95	6.44	5.90
All Industries	*100.00	*100.00	*100.00

<sup>1</sup>FIRE=Finance, Insurance, and Real Estate

\*Subject to rounding errors

SOURCE: Noyelle, Thierry and Stanback, Thomas, Cities in Transition, New Jersey: Allanheld Osmun and Co., 1982. p. 11 (Table 2.1) and Survey of Current Business, 1986

TABLE 5

**DISTRIBUTION OF ALL WORKERS AMONG  
EARNING CLASSES BY INDUSTRY, 1980**

PERCENTAGE OF AVERAGE EARNINGS FOR ALL INDUSTRIES

INDUSTRY	<u>HIGH EARNINGS</u>		<u>MIDDLE EARNINGS</u>		<u>LOW EARNINGS</u>	
	153% and Higher	115% to 152%	76% to 114%	46% to 75%	45% and Lower	
All Industries	18.8	13.8	19.6	18.9	28.2	
Construction	24.1	15.6	21.7	18.1	20.6	
Manufacturing	24.8	17.7	21.7	18.6	17.2	
Distributive Serv.	31.2	20.3	19.7	14.1	14.0	
TCU <sup>1</sup>	34.5	22.7	18.3	12.0	12.5	
Wholesale	25.6	16.2	22.1	17.6	18.5	
Retail	9.5	8.1	14.0	19.2	49.3	
Producer Serv.	19.5	11.3	20.5	23.3	25.3	
FIRE <sup>2</sup>	20.2	10.9	21.3	26.1	21.5	
Corp. Serv.	18.6	11.9	19.4	19.3	30.8	
Consumer Serv.	6.8	5.3	11.9	19.9	56.3	
Nonprofit Serv.	14.4	11.7	21.2	20.8	26.3	
Health	11.1	9.6	22.4	27.9	29.0	
Education	14.1	14.2	21.8	15.7	34.2	
Public Admin.	24.9	18.3	24.8	15.9	16.2	

<sup>1</sup>TCU=Transportation, Communication, and Utilities

<sup>2</sup>FIRE=Finance, Insurance and Real Estate

SOURCE: 1980 Census of the Population. Detailed Population Characteristics. U.S. Summary.

TABLE 6

**DISTRIBUTION OF WHITE MALE WORKERS  
AMONG EARNING CLASSES BY INDUSTRY, 1980**

PERCENTAGE OF AVERAGE EARNINGS FOR ALL INDUSTRIES

INDUSTRY	<u>HIGH EARNINGS</u>		<u>MIDDLE EARNINGS</u>	<u>LOW EARNINGS</u>	
	153% and Higher	115% to 152%	76% to 114%	46% to 75%	45% and Lower
All Industries	32.3	18.3	18.9	12.5	18.0
Construction	27.1	16.6	21.5	16.5	18.3
Manufacturing	36.4	22.2	20.1	10.7	10.7
Distributive Serv.	40.6	21.9	17.1	9.8	10.6
TCU <sup>1</sup>	44.4	23.4	14.6	8.4	9.1
Wholesale	34.3	19.5	21.2	12.0	13.1
Retail	18.2	13.7	18.4	15.5	34.3
Producer Serv.	34.9	15.5	18.3	13.1	18.1
FIRE <sup>2</sup>	43.8	16.2	17.0	10.4	12.6
Corp. Serv.	26.8	14.8	19.6	15.5	23.2
Consumer Serv.	15.9	10.6	18.2	18.5	36.8
Nonprofit Serv.	35.6	16.2	18.3	11.4	18.4
Health	39.9	13.4	18.2	13.4	15.1
Education	29.9	19.1	20.1	10.4	20.4
Public Admin.	39.4	23.5	19.8	8.2	9.1

<sup>1</sup>TCU=Transportation, Communication and Utilities

<sup>2</sup>FIRE=Finance, Insurance and Real Estate

SOURCE: 1980 Census of the Population. Detailed Population Characteristics. U.S. Summary.

TABLE 7

**DISTRIBUTION OF BLACK FEMALE WORKERS  
AMONG EARNING CLASSES BY INDUSTRY, 1980**

PERCENTAGE OF AVERAGE EARNINGS FOR ALL INDUSTRIES

INDUSTRY	<u>HIGH EARNINGS</u>		<u>MIDDLE EARNINGS</u>		<u>LOW EARNINGS</u>	
	153% and Higher	115% to 152%	76% to 114%	46% to 75%	45% and Lower	
All Industries	3.8	8.0	19.6	27.9	40.7	
Construction	3.0	6.8	19.8	28.8	41.6	
Manufacturing	3.2	8.1	20.3	34.7	33.6	
Distributive Serv.	10.3	23.9	25.0	19.2	20.4	
TCU <sup>1</sup>	11.0	25.5	27.2	18.4	17.9	
Wholesale	1.4	3.8	13.0	29.3	52.5	
Retail	1.5	2.6	9.8	25.0	62.9	
Producer Serv.	2.5	5.8	21.8	35.6	34.3	
FIRE <sup>2</sup>	2.3	6.1	24.3	39.5	27.8	
Corp. Serv.	2.8	5.2	16.5	27.3	48.2	
Consumer Serv.	1.2	1.2	4.7	19.0	73.9	
Nonprofit Serv.	4.5	8.8	22.8	28.0	35.9	
Health	2.9	6.9	24.6	34.1	31.6	
Education	7.2	12.2	21.7	20.2	38.7	
Public Admin.	6.2	11.9	30.2	24.9	26.8	

<sup>1</sup>TCU=Transportation, Communication and Utilities

<sup>2</sup>FIRE=Finance, Insurance and Real Estate

SOURCE: 1980 Census of the Population. Detailed Population Characteristics. U.S. Summary.

TABLE 8

**DISTRIBUTION OF EMPLOYMENT AMONG  
EARNING CLASSES BY INDUSTRY, 1980 (BY RACE-SEX GROUP)**

PERCENTAGE OF AVERAGE EARNINGS FOR ALL INDUSTRIES

INDUSTRY	<u>HIGH EARNINGS</u>		<u>MIDDLE EARNINGS</u>	<u>LOW EARNINGS</u>	
	153% and Higher	115% to 152%	76% to 114%	46% to 75%	45% and Lower
<u>A. MANUFACTURING</u>					
BF	3.2	8.1	20.3	34.7	33.6
WF	3.9	8.6	24.9	33.5	29.1
BM	16.8	19.2	24.4	20.6	19.1
WM	36.4	22.2	20.1	10.7	10.7
<u>B. CONSTRUCTION</u>					
BF	3.0	6.8	19.8	28.8	41.6
WF	4.8	7.2	24.0	28.9	35.1
BM	9.2	11.7	21.2	25.5	32.4
WM	27.1	16.6	21.5	16.5	18.3
<u>C. WHOLESALE</u>					
BF	1.4	3.8	13.0	29.3	52.5
WF	4.6	7.5	24.5	31.8	31.6
BM	11.8	14.8	24.6	24.3	24.4
WM	34.3	19.5	21.1	12.0	13.1
<u>D. HEALTH</u>					
BF	2.9	6.9	24.6	34.1	31.6
WF	3.5	8.8	23.1	31.5	33.1
BM	10.8	10.9	26.6	26.0	25.7
WM	39.9	13.4	18.2	13.4	15.1
<u>E. RETAIL</u>					
BF	1.5	2.6	9.8	25.0	62.9
WF	1.8	2.9	9.8	22.2	63.3
BM	6.8	9.0	17.5	22.8	43.9
WM	18.3	13.7	18.4	15.5	34.3
<u>F. FIRE<sup>1</sup></u>					
BF	2.3	6.1	24.3	39.5	27.8
WF	4.8	7.2	24.0	36.6	27.5
BM	12.3	13.8	25.5	24.6	23.6
WM	43.8	16.2	17.0	10.0	12.6
<u>G. EDUCATION (nonprofit)</u>					
BF	7.2	12.2	21.7	20.2	38.7
WF	6.0	11.8	22.7	17.8	41.6
BM	15.3	14.6	22.2	18.5	29.6
WM	29.9	19.1	20.1	10.4	20.4

<sup>1</sup>FIRE=Finance, Insurance, and Real Estate

SOURCE: TABLES 6, 7, 8, AND 9

TABLE 9

## OCCUPATIONAL DISTRIBUTION OVER MAJOR OCCUPATIONAL GROUPS BY RACE AND SEX, 1984

	Total	MEN		WOMEN		% Female	
		White	Black	White	Black		
Managerial and professional specialty	24.6	25.7	12.3	22.5	23.3	15.8	41.6
Executive, administrative, and managerial	13.0	13.7	6.3	8.5	8.9	5.2	33.6
Professional specialty	11.6	12.0	6.1	14.0	14.4	10.6	48.5
Technical, sales, and administrative support	19.6	20.0	15.0	45.6	46.9	36.5	64.4
Technicians and related support	2.8	2.8	1.9	3.3	3.3	3.3	48.1
Sales occupation	11.1	11.8	4.6	13.1	13.9	7.8	47.9
Administrative support, including clerical	5.7	5.4	8.5	29.1	29.8	25.3	79.9
Service occupations	9.4	8.4	18.4	18.7	17.2	30.7	60.8
Private Household	0.1	0.1	0.1	2.1	1.6	5.9	96.2
Protective service	2.5	2.3	4.1	0.5	0.4	0.8	12.9
Service, except private household and protective	6.8	6.0	14.2	16.2	15.2	24.0	64.8
Precision production, craft, and repair	20.2	20.8	15.8	2.4	2.4	2.6	8.5
Operators, fabricators, and laborers	21.1	20.0	33.6	9.6	8.9	13.9	26.0
Machine operators, assemblers, and inspectors	8.0	7.6	11.4	7.1	6.5	11.0	41.1
Transportation and material moving occupations	6.9	6.6	11.2	0.8	0.8	1.0	8.3
Handlers, equipment cleaners, helpers, and laborers	6.2	5.8	11.0	1.6	1.6	1.8	16.6
Farming, forestry, and fishing	5.1	5.2	4.9	1.2	1.3	0.5	15.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	43.7
N (thousands)	(59,091)	(52,462)	(5,124)	(45,915)	(39,659)	(4,995)	

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics (1985a: Tables 21 and 23).



TABLE 10

**SUMMARY OF CROSS-SECTIONAL STUDIES  
OF GENDER DIFFERENTIALS**

Gender (Women/Men)<sup>b</sup>

Control for:

Occupation	Actual		N <sup>a</sup>	UG	AG	UNG
	Experience					
No	No		8	0.56	0.62	0.87
No	Yes		2	0.65	0.81	0.56
Yes	No		6	0.57	0.70	0.66
Yes	Yes		6	0.59	0.79	0.51

<sup>a</sup> The included studies were published between 1964 and 1981. Studies may be counted more than once if results are presented for different specifications or years. Citations of the studies are available upon request from the author.

<sup>b</sup> Includes results for all (black and white) or white workers. In the studies which present separate results for blacks and whites, UG, AG and UNG tend to be higher for blacks than whites.

Source: Compiled from the studies summarized in Cain (1985).

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