

# THE POVERTY AND INEQUALITY REPORT

## The Stanford Center on Poverty and Inequality

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The Stanford Center on Poverty and Inequality is pleased to present its fifth annual report examining the state of the union. In this year's report, we provide a comprehensive assessment of gender inequality in eleven domains ranging from education to health, employment, earnings, poverty, sexual harassment, networks, and more. The report concludes with a discussion of the most promising science-based policies for reducing gender inequality at home and in the labor market.

There are of course all manner of excellent studies that address each of these eleven domains separately. We aim, by contrast, to provide an integrated analysis that assembles evidence across domains and thus allows for a comprehensive assessment of where the country stands. Without this integrated analysis, it's all too easy to default to a hodgepodge of piecemeal policies, each oriented to a single narrow-gauge problem in a single domain. By assembling a comprehensive report, we can identify generic problems that cut across many types of inequality, thus making it possible—at least in principle—to fashion a more coordinated policy response.

It might at first blush seem unlikely that any cross-cutting conclusions could be reached on the basis of this report. The chapters instead reveal a rather complicated story in which the speed, pattern, and even direction of change in the key “gender gaps” are all varying. The following types of gaps (and trends therein) show up in the various chapters of this report:

- gaps that have long favored men, continue to favor men now, and show no signs of declining much in size (e.g., consistently lower poverty rates for men),

- gaps that have long favored men, continue to favor men now, but are slowly declining in size (e.g., the growing share of women in the top 1 percent of the earnings distribution),
- gaps that have long favored men, began to decline in size many decades ago, with the rate of decline then gradually slowing or completely “stalling out” (e.g., the slowing rate of decline in the gender gap in labor earnings),
- gaps that have long favored men but have now come to favor women (e.g., the recent crossover in college graduation rates),
- gaps that have long favored women, continue to favor women now, but are slowly declining in size (e.g., the declining female advantage in life expectancy), and
- gaps that have long favored women, continue to favor women now, and show no signs of declining in size (e.g., the consistent female advantage in fourth-grade reading tests).

This is a complicated constellation of results. If nothing else, it should dissuade us from treating gender inequality as a unidimensional problem in which all gaps favor men or all gaps are eroding.

What accounts for such complications? It's partly that gender gaps are affected by social, cultural, and economic processes that don't always operate uniformly on women and men. The rise of industrial robots, for example, is a seemingly gender-neutral technological force that may nonetheless reduce the

gender gap in employment insofar as male-dominated jobs happen to be more susceptible to roboticization (pp. 17–19). The world is rife with such seemingly gender-neutral forces that nonetheless can have a gender-biased effect. It's unlikely, then, that the key gender gaps will move in lockstep when a different constellation of forces is affecting each of them.

Although these “gender-neutral” forces thus have a complicating effect on trends, it's still possible to find traces among our results of a more directly gendered logic. The most obvious example of such a logic rests on the distinction between two forms of gender inequality, a “vertical form” pertaining to the gender gap in the *amount* of resources, and a “horizontal form” pertaining to the gender gap in the *types* of resources. We can distinguish, for example, between (a) the vertical gap in the amount of human capital investment (e.g., high school vs. college education) and the horizontal gap in the types of human capital investment (e.g., STEM vs. non-STEM college major), (b) the vertical gap in the amount of earnings and the horizontal gap in the types of occupations standing behind those earnings, or (c) the vertical gap in the total number of network ties and the horizontal gap in the types of ties men and women have (e.g., kin, friends, coworkers).

This distinction matters because horizontal inequalities have been especially resistant to change. In each of the above cases, the vertical gap has grown smaller, been eliminated, or even reversed in direction, whereas the horizontal gap has not changed as much. The college graduation rate, for example, is now 5 percentage points higher for women than for men, yet women are still clustering in very different *types* of majors than men (pp. 9–12). Similarly, women now make up nearly half of the formal labor force, yet they're still working in very different *types* of occupations than men (pp. 30–33). And, likewise, women now have larger social networks than men, but they continue to have very different *types* of networks (pp. 42–44).

Why are horizontal forms of inequality especially resistant to change? It's partly because they're rooted in the essentialist belief that women and men have fundamentally different aptitudes and are accordingly suited for fundamentally different types of roles (e.g., occupations, majors, relationships). These widely diffused beliefs work at once to (a) encourage women and men to make choices that are consistent with such stereotypical views (i.e., the “socialization mechanism”), and (b) encourage managers and those in authority to allocate

occupations and other roles in accord with such stereotypical views (i.e., the “discrimination mechanism”).

The essentialist form is pernicious no matter which of these two mechanisms, socialization or discrimination, is in play. When gender inequality is rooted in gender-specific tastes or choices, we treat those choices as freely made, not as a product of socialization or an adaptation to a world in which gender-atypical decisions (e.g., a woman deciding to become a plumber) are discouraged or met with hostility. When inequality is instead rooted in discrimination, we tend not to properly code it as discrimination, instead attributing the outcome to the operation of gender-specific tastes or choices. The upshot is that horizontal forms of inequality persist because we see them as a legitimate expression of freely made choices rather than the result of discrimination or “choices under constraint.”

Should we conclude that essentialist beliefs are so entrenched that the gender revolution will falter because of them? Hardly. This conclusion ignores the growing popularity of a counter-narrative that represents tastes and aspirations as socially constructed rather than immutable. For many parents, it's become a matter of honor to cultivate the analytic abilities of their daughters, a commitment that leads them to encourage their daughters to take math classes, to attend coding camps, and ultimately to become engineers or scientists. It's likewise become a matter of honor in many circles to call out gender discrimination when it happens, to divide domestic chores (somewhat) more evenly, and to otherwise challenge conventional gender roles. This new breed of parents and workers is thus increasingly under the sway of a “sociological narrative” that allows them to better see and redress essentialist sensibilities. Because so much of contemporary segregation has an essentialist backing, this developing revolution has the capacity, once it is fully unleashed, to bring about especially dramatic change in gender inequality.

It follows that meaningful change is possible even in a world in which “gender policy” has been sidelined, focuses on narrow objectives, or does not directly take on essentialism (pp. 45–48). This is obviously not to gainsay the power and importance of such policy. It can do much to increase choice, equalize opportunity, reduce discrimination, and bring work and family demands into a better balance. But it's also important to bear in mind that, even during periods of policy stasis, the revolution from below continues on and may ultimately bring about very fundamental change.