The BBVA Foundation recognizes Claudia Goldin for pioneering economic analysis of the gender gap

- The Professor of Economics at Harvard University has made “groundbreaking contributions to the historical analysis of the role of women in the economy,” says the award committee, with research that has shed new light on “the reasons behind gender inequality.”
- In 1990 she published *Understanding the Gender Gap*, a seminal work on wage inequality that combines economic data from as far back as 1820 with insights from economic theories on wages, employment and discrimination.
- For Goldin, the prime cause of the gender pay gap is that women with children are likelier than men to opt for flexible jobs that aid towards work-life balance; precisely those that tend to be lower paid.
- The economist believes that reducing the gender gap will require a “cultural shift” in which men take their share of family responsibilities, and employers in turn facilitate work-life balance for both fathers and mothers.

**Madrid, 26 March 2019.-** The BBVA Foundation Frontiers of Knowledge Award in the Economics, Finance and Management category has gone in this eleventh edition to the American economic historian Claudia Goldin “for her groundbreaking contributions to the historical analysis of the role of women in the economy, and for her analysis of the reasons behind gender inequality.”

Goldin “is credited with founding the field of empirical analysis of the gender gap,” remarked the committee on announcing its decision, starting with her seminal 1990 publication *Understanding the Gender Gap: An Economic History of American Women*. This hugely influential book examined the roots of wage inequality between men and women, questioning the conventional explanations.

In this innovative and incisive work, Goldin combines long historical time series on the labor-market wage gap with insights from economic theories on wage determination, employment and discrimination to trace out the economic history of American women. “Although it looks at one country, the United States, its
results are applicable elsewhere,” remarked the new laureate after hearing of the award.

Goldin locates the origins of wage discrimination in the growing use of incentive mechanisms that accompanied the expansion of clerical work at the beginning of the 20th century, which contrasted with the predominantly piecework rates paid to women in the manufacturing industries of the time. She argues that the subsequent establishment of personnel departments and policies created the institutional conditions that perpetuated this discrimination.

Her research examines how women’s aspirations changed in the course of the 20th century: after an initial period in which the choice was basically between the home and subsistence labor, from the 1920s women began to place work before the family. Around the mid-1940s, the priority switched to family then job – these were the baby boom years with a higher fraction of women marrying at a younger age. Next came the cohort of women coming of age from the mid-1960s to the end of the 1970s, who put career before family, postponing in consequence marriage and kids. And from there to the women born around 1980, who are saying in essence that they want to have both.

In Understanding the Gender Gap, Goldin also observes that although gender differences persist, they have lessened over time. “The key factors behind this – she says – have to do with what is going on around individuals rather than individuals themselves. Things like economic and technological change and the rise in real incomes. These have come together with an increase in education and it is that, more than any other factor, that has empowered individual women to seek their own identities and careers.”

Almost thirty years later, the book remains a key source of material for students and scholars in this area of research, and has shaped much of the current work on women and the labor markets.

Aside from her interest in female employment, Goldin has delved into a wide range of issues, including immigration, income inequality, education, and technological change. Most of her research interprets the present through the lens of the past, exploring the roots of many of today’s concerns. She is currently rounding off an ambitious project on the family and professional transitions of college graduates of both sexes from the end of the 19th century to the present day.

**Closing the gap**

“We carry with us cultural and societal differences that we inherit from the past,” explains Goldin, referring to the multiple causes of the gender pay gap. Foremost among them, she contends, is a model of work organization whereby firms set more value on employees who work longer hours. “If a couple has kids that need care, one person in the couple is going to be more responsible for controlling things at home, while the other concentrates on work. So, by and large, women
are disproportionately on call at home, and men are disproportionately on call at the office."

Motherhood and childcare are therefore another root cause. “In many studies, we don’t see large income differences between men and women when women don’t have children or are not taking on the responsibilities of the home.”

In effect, the gender wage gap changes with age. It starts small at the time of leaving education, then gets bigger and bigger as women start marrying and having children. In the United States, new female graduates earn 92 cents for every dollar a man earns. By the time they are 40, this is down to just 73 cents.

Reflecting on this, Goldin believes that “the change has to come from men and not women.” As she sees it, if fathers make it clear to their employers that they want to be paid more for their availability, they will be impressing on them that they value their families a lot. “And if firms realize they need to do more to remunerate this availability, they will logically respond.”

The Harvard professor offers an example from the U.S. healthcare sector, where doctors have been campaigning for more flexible hours. This led to the formation of “groups of individuals with equivalent skills that can take over from each other when they have family needs to attend to. In this way the firm or organization can avoid having to pay a lot more to have the individual tend to their children.”

Goldin – the first woman to receive tenure in economics at the University of Pennsylvania and later at Harvard – advocates for a cultural shift both at work and at home: “Women are expected to take maternity leave, but men aren’t expected to take the equivalent family leave. This attitude has to change so a man taking paternity leave is not considered a bad worker.”

Again, the solution she proposes is to have groups of workers that can, as she describes it, lean on each other. If the norm is that every individual within the group can take his or her leave and they will cover for each other, then the business should feel little impact.

Looking to the future, Professor Goldin insists that although historically much progress has been made in women’s workforce participation, “many of the issues we still face have to do with what goes on within our own homes, so are harder to get a grip on. The most important thing is to get men to be on call at home. They should be the first to tell their bosses I’m not going to work overtime this Sunday and miss my daughter’s soccer game.”

The committee also singled out her influential article “Orchestrating Impartiality: The Impact of Blind Auditions on the Sex Composition of Orchestras,” which proved the existence of sex-biased hiring by the simple expedient of concealing candidates behind a screen.

Another of her contributions flagged in the citation is “The Power of the Pill: Oral Contraceptives and Women’s Career and Marriage Decisions,” showing that
with the widespread availability of the birth control pill, more women chose to pursue higher education, prioritize their careers and put off marriage.

Finally, the committee cites her book *The Race between Education and Technology* as contributing to “analysis of the recent trends of growing wage and income inequality.”

**Bio notes**

Claudia Goldin (New York, United States, 1946) completed a BA in Economics at Cornell University in 1967, and went on to earn her PhD from the University of Chicago in 1972. After a time researching and teaching at Wisconsin and Princeton universities, she moved to the University of Pennsylvania as an associate then a full professor. She is currently Henry Lee Professor of Economics at Harvard University, which she joined in 1990.

She has maintained a thirty-year association with the National Bureau of Economic Research (NBER), for 28 years as head of its Development of the American Economy (DAE) Program, and has also done research work at the Brookings Institution, the Russell Sage Foundation and the Radcliffe Institute for Advanced Study.


In her career in science, she has published nine books and ninety articles and book chapters, as well as acting as an advisor to the Social Security Administration, the Congressional Budget Office, the National Research Council and the National Academy of Sciences, among other institutions.

**Economics, Finance and Management committee and evaluation support panel**

The rigor, quality and independence of the judging process have earned these awards the attention of the international scientific community and a firm place among the world’s foremost prize families.

The committee in this category was chaired by Eric S. Maskin, Adams University Professor at Harvard University (United States) and Nobel Laureate in Economics, with Manuel Arellano, Professor of Economics in the Center for Monetary and Financial Studies (CEMFI) of Banco de España acting as secretary. Remaining members were Antonio Ciccone, Professor of Economics at the University of Mannheim (Germany); Pinelopi Koujianou Goldberg, Elihu Professor of Economics at Yale University (United States); Andreu Mas-Colell, Professor of Economics at Pompeu Fabra University (Spain); Lucrezia Reichlin, Professor of Economics at the London Business School (United Kingdom); Jean Tirole, Chairman of the Jean-Jacques Laffont - Toulouse School of Economics Foundation (France) and Nobel
Laureate in Economics; and Fabrizio Zilibotti, Tuntex Professor of International and Development Economics at Yale University (United States).

The BBVA Foundation is aided in the evaluation process by the Spanish National Research Council (CSIC), the country’s premier public research organization. The Foundation and CSIC jointly appoint the evaluation support panels charged with undertaking an initial assessment of the candidates proposed by institutions across the world and drawing up a reasoned shortlist for the consideration of the award committees. CSIC is also responsible for designating each committee chair.

The evaluation support panel in this category was coordinated by María Victoria Moreno, the Council’s Deputy Vice President for Scientific and Technical Areas, and formed by: José Antonio Berenguer, Coordinator of the CSIC Humanities and Social Sciences Area and scientific researcher at the Institute of Languages and Cultures of the Mediterranean and the Middle East (ILC); Jorge Brandts, Research Professor in the Institute for Economic Analysis (IEA); Adela García, a tenured researcher at the Institute of Innovation and Knowledge Management (INGENIO); Laura Mayoral, a scientific researcher at the Institute for Economic Analysis (IEA); and Hugo Rodríguez, a tenured researcher at the Institute for Economic Analysis (IEA).

About the BBVA Foundation Frontiers of Knowledge Awards

The BBVA Foundation centers its activity on the promotion of world-class scientific research and cultural creation, and the encouragement of talent.

The BBVA Foundation Frontiers of Knowledge Awards, established in 2008, recognize and reward contributions of singular impact in science, art and the humanities, privileging achievements that significantly expand the frontiers of the known world, open up new fields, or emerge from the interaction of various disciplinary areas. Their eight categories are congruent with the knowledge map of the 21st century, ranging from basic sciences to key challenges for the natural environment by way of domains at the crossroads of disciplines – Biology and Medicine; Economics, Finance and Management – or the supremely creative realms of music and the opera. The award in each category comes with a cash prize of 400,000 euros, a diploma and a commemorative artwork.

The award presentation ceremony moves to Bilbao

The annual ceremony of the Frontiers of Knowledge Awards will change venue this year, with the 11th and future editions sited in Bilbao. The presentation event, held until now in the Madrid headquarters of the BBVA Foundation, will take place on 18 June in the Euskalduna Conference Centre, which will also host the previous evening’s concert in honor of laureates. The program at this gala concert will be performed by the Orquesta Sinfónica de Euskadi, from now on the principal orchestra associated with the Frontiers Awards.
After the first ten years of this international award scheme – with seven laureates subsequently going on to win the Nobel prize – the BBVA Foundation wishes to give new impetus to the social projection of the Frontiers Awards by giving the various formal and celebratory events a stable home in the Basque Country, concretely in Bilbao. In the words of the Foundation’s President Carlos Torres Vila: “Bilbao represents BBVA’s roots, and shares with us a spirit of openness and a global outlook anchored on a strong culture of knowledge, art and innovation. With the siting of the Frontiers Awards events in Bilbao, the city will be host to a celebration of knowledge that features leading world figures in diverse areas of science, technology and the arts.”

LAUREATE’S FIRST DECLARATIONS AND IMAGES

A video recording of the new laureate’s first interview on receiving news of the award is available from the Atlas FTP with the following coordinates:

Server: 5.40.40.61
Username: agenciatalas2
Password: fronteras

The video is in the folder labelled:
“PREMIO ECONOMÍA, FINANZAS Y GESTIÓN DE EMPRESAS”

In the event of connection difficulties, please contact Miguel Gil at production company Atlas:
Mobile: 619 30 8774
E-mail: mgil@mediaset.es

CALENDAR OF ANNOUNCEMENT EVENTS

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For more information, contact the BBVA Foundation Communications Department (+34 91 374 5210 / 91 374 3139 / 91 374 8173 – 973.) or visit www.fbbva.es