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Swimming Upstream, Floating Downstream: Trends in the U.S. and Danish Gender Wage Gaps

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Abstract:

We compare trends in the U.S. and Danish wage gaps between 1983 and 1995 using CPS and Danish Longitudinal Sample data. Using a new decomposition method, we show that returns to observable characteristics, selectivity and ranking effects outweigh women's gains due to qualifications and account for the rising gap in Denmark, while both observed prices and the unexplained gap explain the decline in the U.S. Residual inequality plays a minimal role in both countries. Women at the highest decile in Denmark face the biggest increase in the gap, while in the U.S., the decline is largest at the top and at the middle of the distribution.

<http://www.aea.fed-eco.org/fr/archives/2002Bruxelles/programme.asp>