

TRANSCRIPT

The Work Goes On

Guests: Francine Blau and Lawrence Kahn

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Francine Blau:

In the 1990s, the US had one of the highest female labor force participation rates. And in fairly recent work, Larry and I showed that the US progressively lost its position. And now among economically advanced countries, we have one of the lower rates. And, essentially our work suggests that work-family policy plays a role in this.

Orley Ashenfelter:

Welcome to [The Work Goes On](#), a podcast from the [Industrial Relations Section at Princeton University](#). I'm your host, [Orley Ashenfelter](#), the Joseph Douglas Green 1895 Professor of Economics at [Princeton University](#). In this podcast series of conversations with leading thinkers and practitioners, we are creating an oral history of an entire generation of industrial relations experts and labor economists whose contributions to their fields have been absolutely extraordinary.

Our guests today are [Francine Blau](#) and [Lawrence Kahn](#), both professors of economics at [Cornell University](#). Blau was also Frances Perkins Professor of Industrial and Labor Relations, and Khan is Braunstein Family Professor of Industrial and Labor Relations, both at Cornell also. They're renowned for their work in labor economics and especially for their study of issues related to gender and race and labor markets. Fran and Larry, welcome to [The Work Goes On](#).

Francine Blau:

Thank you, Orley. It's great to be here.

Lawrence Kahn:

Thank you very much.

Orley Ashenfelter:

Well, we're so pleased to have you. Let's begin the discussion by talking about your background. Fran, let me start with you. Where did you grow up?

Francine Blau:

Well, I grew up in the New York City area. First in Manhattan, and then in Queens. Forest Hills. Forest Hills, Queens. I went to Forest Hills High School.

Orley Ashenfelter:

Now, I know you ended up at Cornell. How did that happen?

Francine Blau:

Well, that's an interesting question. As an economist, I like to feel everything is rational, full information, and planned. But what happened to me was at the time I was growing up, most of my friends were going to Queens College and the really adventurous ones were going to City College in Manhattan. I got this idea that I wanted to go to a quote "away school," and there wasn't very much money. It came to my attention that Cornell had state schools with much lower tuitions as well as private schools.

I looked at the state schools, and I thought from New York City, agriculture was not going to cut it. There was home economics and that did not fit my self-image. There was this thing called industrial and labor relations and I thought it sounded interesting. I researched it and I applied to it.

Orley Ashenfelter:

I guess you got in.

Francine Blau:

Yes, but actually I was on the waiting list, interestingly.

Orley Ashenfelter:

And now you teach there.

Francine Blau:

That's correct.

Orley Ashenfelter:

The Frances Perkins Professor.

Francine Blau:

Well, that was another thing. You see, in my day, industrial and labor relations was a male field, but I learned about Frances Perkins, who was Secretary of Labor and at that time actually on the Cornell ILR faculty, and that inspired me to apply.

Orley Ashenfelter:

Now, I know you went from there to Harvard. How did that happen?

Francine Blau:

I got interested in economics. I have to say that, again, at that time, even ILR, industrial and labor relations, was a primarily male field. At Cornell, there was a quota on women, not to get enough women, but so is not to get too many. There were 15 out of 100, but my econ professors were very encouraging. So, I got the idea to apply to grad school. I applied, actually was quite successful in getting in except, Orley, to Princeton.

Orley Ashenfelter:

Oh, I'm sorry to hear that.

Francine Blau:

Yes. I received a letter back that they were not accepting women in grad school at the time.

Orley Ashenfelter:

What year did you start graduate school?

Francine Blau:

'66.

Orley Ashenfelter:

Yeah, they had a few women here then. But as you know, there were no undergraduates unlike Cornell in '66. There was a quota at Princeton on the graduate students. Frankly, a chair of the department would have to fight to get you in. Typically, the biologists were better fighters.

Francine Blau:

Right. Actually, literally what they said is they would not admit a woman to Princeton unless there was something she needed to study there that she couldn't study elsewhere.

Orley Ashenfelter:

That's interesting, definitely a sign of the times. You went to Harvard and I know that you worked with Dick Freeman there.

Francine Blau:

I did. I also worked with Peter Doeringer. Doeringer my main advisor and Freeman was on my committee.

Orley Ashenfelter:

Tell me, I know that you ended up at, and we want to get to this at some point, at Illinois, but it took a little bit before your first job there.

Francine Blau:

That's correct. I actually did not find Harvard a very hospitable place and left pretty quickly. While I was working on my dissertation, I was teaching at Trinity College. And then my first job was actually at the [Center for Human Resource Research](#) at Ohio State, which produces the NLS data sets.

Orley Ashenfelter:

Interesting. I guess Herb Parnes was probably there at that time.

Francine Blau:

He was. It was really his operation, and I don't think he gets enough credit. The whole thing was, I think, his brainchild.

Orley Ashenfelter:

He was a Princeton Ph.D.

Francine Blau:

No, I didn't know that. He was admitted.

Orley Ashenfelter:

Right. He had one thing you didn't have. He was a man. Let's turn to you, Larry. Where did you grow up?

Lawrence Kahn:

Well, I was born in South Carolina, and then my father got transferred to New York when I was seven. So, we moved to Scarsdale, New York where I went to high school. From there, went to University of Michigan as an undergrad.

Orley Ashenfelter:

How did that happen? My wife went to Scarsdale High School actually. She thought it was a fabulous school. I guess it was.

Lawrence Kahn:

I thought it was really good. I had a very good time. I applied to a variety of places. Michigan had so many options. It has a great faculty, but it had so many different majors you could select, and I was really impressed with that. That's why I chose Michigan, because whatever I ended up being interested in, I knew that there would be a lot of opportunities.

Orley Ashenfelter:

What did you do as an undergraduate? What major?

Lawrence Kahn:

I was a math major. That's my degree. My undergraduate degree is in math. When I was a junior, so it was like 1969, and at that time at Michigan, the vibe around campus was that with the mass unemployment that we were experiencing, three-point-five percent, and the hyperinflation that we were experiencing, about three percent, that the economy was about to collapse. I thought maybe I should learn some economics because this doesn't sound right.

I took a class taught by one of your earlier guests, [Frank Stafford](#), which was an introduction to macro and micro in one semester. It just clicked with me. I loved it and took a lot of economics, but my degree was not in economics. It was in math. And then I decided to apply to grad school in economics and chose Berkeley to go to grad school.

Orley Ashenfelter:

Why was that?

Lawrence Kahn:

They were a very good department, and they also had a lot of options. They had labor economics with Lloyd Ulman. They had some top theorists, top econometricians. Again, I chose it because of the options that I would have there.

Orley Ashenfelter:

I remember meeting you actually when you were on the job market from Berkeley, as I recall. Who was on your committee?

Lawrence Kahn:

Lloyd Ulman, Dan McFadden, and Tom Rothenberg.

Orley Ashenfelter:

That's quite a combination.

Lawrence Kahn:

Yeah, yeah, yeah. I actually ended up talking to Tom Rothenberg, I think, the most. He's an econometrician and also a really good economist.

Orley Ashenfelter:

Was your first job at University of Illinois?

Lawrence Kahn:

My first job was the University of Illinois, correct.

Orley Ashenfelter:

Fran, did you join the University of Illinois at the same time as Larry?

Francine Blau:

I joined at the same time and possibly in the same job. It was a relatively prosperous time. They wanted to hire a junior labor person. We both rose to the top of the list. According to our colleague, Wally Hendricks, they said, "Well, the probability of them both coming is small enough. Why don't we make them both offers?"

Orley Ashenfelter:

You didn't know each other at that time though?

Francine Blau:

No.

Lawrence Kahn:

Right. That's right.

Orley Ashenfelter:

You didn't know you were competitors, I guess, until later.

Francine Blau:

No. I remember meeting actually the wife of a faculty member at one point and she was asking me about myself. She said she got me confused with Larry because it all sounded so similar, my first year, labor economics, et cetera.

Orley Ashenfelter:

I think some people will be interested in this because this is an example where you solved the two body problem, but you didn't have to do anything.

Francine Blau:

Larry always used to say we had good planning. We planned to meet on our first job.

Orley Ashenfelter:

That's pretty good. When did you start working together?

Lawrence Kahn:

Well, we each wrote a number of papers and Fran wrote a book in our first two or three years at Illinois. We were both interested in inequality in the labor market. In the late '70s, we wrote a couple of papers on gender and labor turnover.

Orley Ashenfelter:

That was a historic work, especially to be doing it so early. When did you get married?

Francine Blau:

Well, we got married in 1979, so we started Illinois in '75. Gave it some thought.

Orley Ashenfelter:

I know you were married in Scarsdale. Do you remember who married you?

Lawrence Kahn:

Yes. It was a judge named Miriam Cedarbaum.

Orley Ashenfelter:

It's funny because I happened to see your... I don't know why. In the *New York Times*, they had a writeup of your getting married. Miriam Cedarbaum became a federal judge appointed by Ronald Reagan in the Southern District of New York. Quite a famous judge. Actually I taught some courses to federal judges and she was in a couple of them. I knew her. I knew the person who married you.

Of course, by this time, she had moved on from being a local judge. I would like to have us discuss your work on gender. There are many, many aspects to that, so I'm not quite sure how we want to tackle it. But before we do that, Larry, I know you have another area that you work in that probably is not as interesting for Fran, I'm guessing, and that's economics of sports.

Lawrence Kahn:

Right. Well, that started one day in the mid '80s, I was reading the newspaper. We didn't have a lot of data around, but the newspaper published the salaries of every NBA player that year. I'd always been a sports fan. I played sports and I thought, gee, I wonder if there are Black/white pay differentials in the NBA because everybody talked about quotas. You can't have too many Black players on the court at the same time because it would upset the fans.

A co-author and I coded up the data and we wrote a paper where we found that even though Black and white players earned about the same salary, once you controlled for performance, there was a

statistically significant white salary shortfall to the tune of about twenty percent. And then we also found that fans preferred to see white players, all else equal, which is where we think the pay differential came from in the first place. That started my interest in the economics of sports.

Francine Blau:

Can I just interrupt for a second and say something that Larry won't say? He has an absolutely encyclopedic knowledge of sports, multiple sports, to the point when before the internet got so big, people would come to Larry to resolve factual questions.

Orley Ashenfelter:

I could see how his interest was piqued by the fact that he saw these salaries published out there. Suddenly, there's data that you wouldn't normally have. We can come back to this, but I think there's always some interest especially these days in the economics of sports because of... Well, actually at Princeton, in particular, of course, because our basketball team managed to go through a couple of rounds at the March Madness, which is not typical for a university like Princeton, but we can move on from that. I think your early work was on gender, wasn't it? You even have a textbook which is really gender related. Isn't that right, Fran?

Francine Blau:

That's right. Actually my dissertation was on the gender pay gap, which is something I have continued to study a great deal. ["The Economics of Women, Men, and Work,"](#) my textbook, is currently in its Ninth Edition. It was originally with Marianne Ferber, a close colleague at Illinois, and we brought in Anne Winkler. Now, Marianne has died, but Anne and I continue.

Orley Ashenfelter:

Well, that's fascinating. I had forgotten that Marianne Ferber was at Illinois, so of course, you knew her from there.

Francine Blau:

Right.

Orley Ashenfelter:

That's great. You have done a lot of work, both of you, over the years on gender issues. I think it might be nice if we could try to summarize that a little bit. Let me ask you, Fran, first of all, what do you think is the main thing, let's say three things that you feel that you and Larry have learned from a lot of your work?

Francine Blau:

Let me just say, to begin with a question I thought you might ask and haven't asked yet, why we work together.

Orley Ashenfelter:

Okay, good question. Why do you work together?

Francine Blau:

We really enjoy working together, but there's an interesting thought to that. Now, Larry mentioned our early work on turnover, which I'll have to think a little whether it's going to make my three, but I do think it's important, and that was in the early '80s. We greatly enjoyed it, but we did make the strategic decision not to work together so much until we were both firmly established. We didn't want anyone to be viewed as the end, as it were. Then I would say the first thing that comes to my mind in your top three is our work on the relationship between the gender pay gap and wage structure, which did mark a return to collaboration in the late '80s and early '90s.

That work I think highlighted a causal factor that at that time had not been greatly noted or systematically studied. Basically we took a lot of inspiration from Chinhui Juhn, Brooks Pierce, and Kevin Murphy's work on inequality and its relation to the race gap in the U.S., but we applied it in an international context, where when we first started working on it, and even with my textbook I hadn't fully noticed this, that the US had actually a relatively large gender pay gap compared to other countries. The conventional factors that you would think about, mainly human capital differences between men and women and differences in treatment, discrimination, wouldn't seem at face value to account for that.

Drawing on Larry's work, he's always been interested in wage structure and the experiment of large differences across countries and especially relative to the U.S. and the larger role that unions play in pay setting in these other countries, which has the effect of bringing up the bottom of the wage distribution and women are disproportionately located there. The gender pay gap is narrowed in countries where unions are more important and wage inequality is narrower.

Orley Ashenfelter:

The other two?

Francine Blau:

I would say actually I think that our work on turnover was really pretty important. We looked at layoffs, but especially at quits. At that time, I think there was a broad view in the economics profession that women were principally, even if they worked in the labor market, principally oriented towards home and that they had very high turnover rates. First of all, we found that their turnover rates were not all that much higher than males, although they were higher, but that the gender difference could be accounted for by individual characteristics and the quality of the job that the pay and advancement opportunities afforded to it.

Actually that work was confirmed in a number of later studies, although people at first were a little reluctant to accept it. I mean, the idea that it wasn't all on the supply side.

Orley Ashenfelter:

That's very interesting. I can understand how a lot of several other economists have mentioned situations where they didn't get immediate acceptance of things that seemed to be out of... That weren't things that were documented, just things people thought in the air. You'd bring along some data, and suddenly it's hard for people to get rid of those old thoughts.

Francine Blau:

Exactly. I think that's very important for young people to bear in mind.

Orley Ashenfelter:

Larry, do you want to add a third thing?

Lawrence Kahn:

Yeah. Well, one of our findings, this may be related to the turnover finding, but we have a paper on men's and women's labor supply elasticities. And thirty or forty years ago, it was commonly believed that women had a much higher labor supply elasticity to the economy. What we found was that by the time we got to the 2000s, the differences in labor supply elasticities between men and women had become much, much smaller as women were becoming much more attached to the labor market.

We felt that one implication of that reduction in labor supply elasticity was one implication was that tax rates now have we believe a much smaller impact on labor supply than used to be the case thirty or forty years ago. We also found it was ironic. I mean, in the days when supply side economics was very big, it was primarily women's labor supply that was being affected by supply side policies, but nowadays it's much less affected.

I guess I'd also add that in our work on the gender gap in the United States, we found that although women's relative wages rose dramatically in the 1980s, but they were actually swimming against a tide of rising overall wage inequality, which, as Fran said, tends to reduce the relative wages of people at the bottom of the distribution. The gains that women actually made in the 1980s were even more impressive than simply looking at the gender pay gap.

Orley Ashenfelter:

It obviously also means that family income inequality hasn't gotten worse than it could have if that hadn't happened. It's when you put the two together. Those are all interesting. I'm curious what you think about the future of issues about gender and pay. It seems as if even though as you note there's been a lot of progress, it still seems as if there's a terrific amount of concern and even economic unrest, you might say. The Me Too movement is one example, but there are other things too. I'm curious what you think about the future of all this.

Francine Blau:

I'd make a couple of points about that. I think in economics we have a bit of a tendency to focus on the supply side, and I do think there's very important supply side dimension to the gender pay gap and very interesting recent work that targets the time when women have children as exacerbating the gender pay gap. Can I circle around to one more joint piece of work?

Orley Ashenfelter:

Well, yeah. Of course, you have children yourself.

Francine Blau:

We do, we do, and one of them is an economist, so we must have done something right or something wrong, however you put it. One interesting background to the supply side, and I do want to get to the demand side as well, is that in the 1990s, the U.S. had one of the highest female labor force participation rates. In fairly recent work, Larry and I showed that the U.S. progressively lost its position. And now among economically advanced countries, we have one of the lower rates. Essentially our work suggests that work family policy plays a role in this.

Even when things are on the supply side, there's important policy implications. I do think we have to do more, and particularly about childcare. Because basically in the U.S., you're kind of on your own. There

are some important subsidies and programs, and this all really worsened during COVID. We have a shortage of labor in this area and steeply rising prices.

On the other side, I do want to make the point that discrimination probably plays a smaller role than it did in the past, but any conventional analysis you do shows a residual gap that's potentially due to discrimination that can reflect other factors. Moreover, there's a great deal now of experimental evidence that discrimination plays a role.

Orley Ashenfelter:

I'm curious now that you bring it up. You had children too. Of course, one of the reasons that this becomes an issue for families is because there seems to be a presumption typically, and it was certainly true in my own household, that the primary caregiver or the person responsible for the primary caregiving is often the woman. Larry, did you do a lot of caregiving in your house?

Lawrence Kahn:

Yes, I did. I think we split what was going on in the house fifty-fifty. We've had some very, very good childcare centers, one of them associated with the University of Illinois, which helped a lot. I believe, and Fran can speak for her end, but I perceive that we really did share a lot. Fran mentioned our turnover paper, and we were writing that paper when our son was about three months old.

We would find ourselves up in the middle of the night at three AM. There's no way to go back to sleep. We'd say, maybe we should add another variable to the model. We were actually getting work done at a time when we would've been completely useless otherwise.

Francine Blau:

Actually, Larry's showing that it can be efficient to share work, but I want to really say yes. I'm not a superwoman. I'm just an ordinary human, and I'm sitting here today because we split everything. One funny story about that is our first, our son, did not sleep very well. One time we were looking down at him lying on the bed and Larry says, "I think this is going to be the first baby to ruin two careers."

Lawrence Kahn:

I've wanted to add something about the future, and that is that over the last, I don't know, twenty years or so, women in the U.S. have become more highly educated than men. That difference is filtering its way through the labor force as the younger, more highly educated women, their cohorts are aging. I think there's probably room for further reductions in just the raw gender pay gap in the United States.

Of course, in the United States, the gender pay gap is still larger than it is in a number of especially Northern European countries. Even though the raw gap has stagnated at about twenty percentage points in the U.S., I think there is room for further reductions.

Orley Ashenfelter:

Well, thank you. We're coming to the end of our podcast, and I want to thank you both. I'm just curious about one more thing before we finish, and that is this two body problem, the graduate students call that, I think undergraduates probably have similar problems of two people that have fairly specialized skills trying to find work in the same area. Do you have advice for people that are interested in this problem, solving it?

Francine Blau:

Well, as Larry said, we had good planning and didn't face it in our first job. We enjoy being in the same place and we enjoy working together and we had a good job. We weren't going to move, unless there was another good offer for two. But I have agonized through it with a number of students, and it is an extremely difficult problem. I just want to say that. There's all kinds of questions, when should you reveal it, et cetera. What I want to say is it can be solved. It's important to solve.

It depends on your own values. I mean, more and more people are actually not in the same place. But if you enjoy being in the same place, remember there's more to life than one person getting their absolutely top job at the enormous cost of another person or at the cost of separation. Lean on your advisors and all the networks that exist now to mentor and assist people as you try to navigate this issue.

Lawrence Kahn:

I would just give advice to university administrations to place a priority on helping to subsidize the hiring of academic couples. Often that can make the difference. I'm at Cornell, so we are isolated. We actually really need the assistance of the central administration and the administration can make decisions that benefit the university as a whole.

Orley Ashenfelter:

That's great. Well, thanks so much. Our guests today have been Fran Blau and Larry Kahn, both professors of economics and labor and industrial relations at Cornell University. Please join us again for the next episode of [The Work Goes On](#), an Oral History of Industrial Relations and Labor Economics from the [Industrial Relations Section at Princeton University](#). I'm your host, Orley Ashenfelter. Thanks for listening.

Announcer:

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