

## TRANSCRIPT

### The Work Goes On

**Guest:** Marjorie McElroy

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**Marjorie McElroy:**

This is if graduate students come to me and say, “What do I do about this?” I tell them that if they could handle getting pregnant and having a baby when they’re a graduate student, then it’s all settled. Nobody’s going to be thinking, yeah, but can she muster the time to do the work to be an assistant professor? You will have already shown that you can do that if you can get a PhD and have a child.

**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 emeritus 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 guest today is [Marjorie McElroy](#), who is professor of economics at [Duke University](#). She’s renowned for her work in labor economics and especially for a research on the economics of the family, among a broad range of other topics. Marjorie, welcome to [The Work Goes On](#).

**Marjorie McElroy:**

Well, thank you.

**Orley Ashenfelter:**

Let’s begin the discussion by talking about your background. Where did you grow up?

**Marjorie McElroy:**

Oh, I grew up in Neffs, PA. N-E-F-F-S, one of those little shoestring villages in Pennsylvania with a church, general store, farm equipment place, et cetera, a bank, and a bunch of houses on two streets, and that was it. Population 352.

**Orley Ashenfelter:**

Is that right?

**Marjorie McElroy:**

Yeah.

**Orley Ashenfelter:**

I lived for a small time in a town called Hope, North Dakota. I was always told it was 500, but actually it was 350. They lied.

**Marjorie McElroy:**

Oh. They didn't know you peeked at the census, right?

**Orley Ashenfelter:**

Yeah, exactly. Exactly right. Most people didn't have the brains to do that. It was perfectly reasonable. So, that's a small town. I know you ended up at Penn State. That must been... How did that happen?

**Marjorie McElroy:**

Oh. Well, the way that happened is I went to Douglas College my freshman year, mainly for financial reasons. I actually could have gone to Harvard's sister school and I just didn't like it.

**Orley Ashenfelter:**

You mean Douglas at Rutgers?

**Marjorie McElroy:**

Yeah.

**Orley Ashenfelter:**

It was the women's college at Rutgers, wasn't it?

**Marjorie McElroy:**

Yeah, it was. And I was all hepped up on being a physics major. When I got there, they had dissolved the physics department. I had to take all my courses across town. The first time I did it, I walked and I had no idea I was walking through slums or anything.

**Orley Ashenfelter:**

New Brunswick.

**Marjorie McElroy:**

I just sat down and bawled when I finally got to Rutgers. I remember just sitting, I don't know on what, and just crying my heart out because I couldn't believe how bad everything was, and I had no sense of danger doing it. I was just too naive. I was the only girl in a class of 350 engineers who were all men, and the instructor had never had a female in his class before, and he had all kinds of jokes that were not welcomed by me. I sat there like stony-faced as if I didn't hear anything and so on. That summer, I just couldn't get myself to go back, and I said, "Well, who would have me?" And I said, "Oh, well, Penn State will have me," but I still get letters occasionally that say, "Even though you blah, blah, blah, please donate."

**Orley Ashenfelter:**

Well, I can vouch for it. New Brunswick is not as bad as it used to be, so we should correct that. J&J decided to keep their headquarters there and they spent a lot of money trying to improve it.

**Marjorie McElroy:**

Oh, that's wonderful to hear.

**Orley Ashenfelter:**

You'd enjoy it. Now they have some pretty good theater and a lot of restaurants and it's a little different. I can imagine the situation though, even at Penn State. What did you major in there?

**Marjorie McElroy:**

Lots of things. I kind of had major of the month, but basically physics and math for most of the time I was there, and then at the end I took a bunch of economics courses, so I didn't really have three majors, but I was one course short of a physics major, two courses short of a math major and blah, blah, blah. And got a degree in economics.

**Orley Ashenfelter:**

Fascinating. Now, were you pretty much alone in the math and physics courses at Penn State too?

**Marjorie McElroy:**

Oh yeah. I mean, I actually had instructors who made fun of me when I did well in tests.

**Orley Ashenfelter:**

Oh my. Oh my. Go ahead.

**Marjorie McElroy:**

Oh, and I went to the department and said I wanted to be an RA for someone, so they assigned me to what I thought was a really ancient old lady then. She was the wife of the chair of the department who was doing all this stuff on enrollments, declining in physics, and that's what they had me do, et cetera. It just was a miserable experience.

**Orley Ashenfelter:**

Well, maybe we can do better. I know you then ended up at Northwestern. How did that happen?

**Marjorie McElroy:**

Oh, Ed Budd, that's how that happened. He was a professor at Penn State, and I had him for two courses and he said, you really should get a PhD, and I didn't know mere mortals got PhDs, so I was going to apply to a master's program. He said, "No, no, no, no, no, don't do that." Anyway, this was before you got credit... You didn't get to check any box if you admitted a woman or you gave her money. Okay. So, he actually had a letter from Yale that said, "We do not give money to women, and furthermore, we don't even like to admit them because they marry our best students, and they don't finish either."

**Orley Ashenfelter:**

I hope he kept that letter. I love it.

**Marjorie McElroy:**

I didn't think anything of it at the time, and it turned out Robert Eisner and Robert Strotz at Northwestern were really advocates for women. Northwestern gave me a nice fellowship. That just determined what I did. I mean, when I graduated from Penn State, if you were an adventurous woman, what you did was you became a buyer in a department store, and the unadventurous were secretaries and teachers, and I didn't want to teach high school or grade school.

**Orley Ashenfelter:**

So how did it work out at Northwestern?

**Marjorie McElroy:**

It worked out very well. I mean, partly I'm just good at avoiding certain things. The editor of the AER told me that... How did this go? He said, women couldn't do economics, but they really could do statistics, and I could even get a good job at an agency in Washington DC. And someone else told me that, something along similar lines that I didn't want to hear. But I think what captures it is at the very beginning, it had this big party for graduate students and faculty, and I had a bike and it was in this wonderful, beautiful house on Lakeshore Drive. And so, I pedal up there on my bike and I ditch it in the bushes, and I go the door, and I knock on the door and Richard Heffelbauer comes to the door and he looks down at me because he's way high up and I'm down a couple of steps and he says, "Yes?" Like who in the world are you?

And I say, "I'm Margie Bechtel. I'm here for blah, blah, blah, blah, blah." And he said, "Oh, a girl. I didn't know we admitted any of those this year." So, I go to this party and there are two other women's students, one a year ahead of me, one her seventh year who was very pregnant, and that was my initial introduction. But I had very, very good classmates. They were wonderful classmates and some very good professors, and what I said before had nothing to do with what happened in classes and so forth.

**Orley Ashenfelter:**

Who did you work with there?

**Marjorie McElroy:**

Irma Adelman. Who was just... Yeah, she did this pretty famous article with her husband, which was basically on the dynamic properties of the Klein-Goldberger model. I think in that article they introduced the idea of sort of a shock and what happens after that. But she was a very shy person, and I would go to her office and there'd be these long pauses where I would just sort of sit there and sweat. She took me to lunch one day and she said, "if you write your dissertation using this data set and this kind of regression, I will give you fellowship money and so on." And that's basically, I think, the way I financed my fourth year there, and I got the degree at the end of the fourth year.

**Orley Ashenfelter:**

What was it about, your dissertation?

**Marjorie McElroy:**

Oh, okay. What she had was data, no doubt, collected by the CIA in South Vietnam in these rural areas. And so it had wonderful data really about everything the household bought, everything they sold and so on. A colleague of mine, a fellow student, Jay Salkin, got the production side and I got the consumption

side. What she really wanted me to do was run log log regressions, but I made up my own expenditure system.

**Orley Ashenfelter:**

I see. Was it like the Klein-Rubin or something like that, or something else?

**Marjorie McElroy:**

Oh, so in my mind it's a kink linear expenditure system where every expenditure just looks like two straight lines that are joined at a join point that's common across all the expenditures, every type of expenditure.

**Orley Ashenfelter:**

This must have been right during the Vietnam War.

**Marjorie McElroy:**

That's right. Yeah.

**Orley Ashenfelter:**

So, you were working on data on South Vietnam from the CIA during the Vietnam War? I don't think anybody knows. This is hot news.

**Marjorie McElroy:**

All right, and you should contact Jay Salkin as well-

**Orley Ashenfelter:**

I honestly don't know of anybody else who has a background quite like yours. So, you left Northwestern and did you go straight to Duke?

**Marjorie McElroy:**

No, I went to Bell Labs for a year. So, my husband was a fellow at the NBER and they had a New York relocation, so I took a job in that vicinity, and that was with Bell Labs, which was in Murray Hill, New Jersey. So, we lived in New York, and I commuted out.

**Orley Ashenfelter:**

It was quite a famous place then.

**Marjorie McElroy:**

Oh, yeah. I mean, I met John Tukey and all kinds of other people, but the Econ department then was full of people who just... I mean, I would get questions like show me an eight equation model of the macro economy, and I will believe that economics is a pretty good thing. One guy who had a sugar ball theory of monetary policy and so on. There just was very little fundamental understanding of economics.

**Orley Ashenfelter:**

I think that one topic I want to get you started with, because it's probably, at least for many people, the best-known work you've done, at least in conceptual way, and that's about using bargaining or game theory in the context of the family. When did you start working on that?

**Marjorie McElroy:**

I worked on that paper for about six years, I think before it got published. So, it was published in '81 and so I don't know, '75, '76 around in there.

**Orley Ashenfelter:**

How did that come about? It's an intriguing idea and something that's really quite original.

**Marjorie McElroy:**

Well, I had a PhD student, Jeannie Horney and it's co-authored with her, and Roy Weintraub was teaching a course in game theory. She took the course, and she sort of went to him and said, "Can I use this somehow or other in economics of the family?" He gave her a book by Demenil, I'm not sure I have his name. But anyway, she gave it to me and said, "What's this?" I said, I don't know if this is right or not. I've never gone back and looked at it, but I said, "Oh, he's regressing one endogenous variable on another. We can do better than that." And that's kind of where it started. He was using Nash bargaining. I think maybe he had something like unions and management. I don't remember actually what he had.

**Orley Ashenfelter:**

But that was it. And then you could see the application in the family context, I guess.

**Marjorie McElroy:**

Oh, yeah. And it was just a matter of grinding it out, which took a long time.

**Orley Ashenfelter:**

By this time you were at Duke. How long were you at Bell Labs?

**Marjorie McElroy:**

Just a year.

**Orley Ashenfelter:**

Just a year. And then you moved to Duke?

**Marjorie McElroy:**

Yeah.

**Orley Ashenfelter:**

What was that like? You must have been one of the few women on the faculty.

**Marjorie McElroy:**

Oh, the only other woman on the faculty was Juanita Kreps who had her office on East Campus and all the intellectual stuff goes on in West campus. And when people would ask me, why is Juanita's office on

East Campus when everyone else is on West Campus? I would say, because it's closer to the airport, and she was on a lot of boards by that time.

**Orley Ashenfelter:**

She was a busy person. Yes.

**Marjorie McElroy:**

Yeah. So, I'll tell you how I got that job. It's really a fluke. My husband and I got a call from Jay Salkin who was on the faculty at Duke, and he said, "NC State and Duke want to hire junior people this year. Are you interested?" And I said, "Yes, indeed." So, we went down there and we didn't know who would get an offer from where if anybody would get an offer, and we gave our seminars, but I found out a few years ago from someone who was a graduate student in the department at that time that one person on the faculty there who was young, he went around and he was actually saying to people, "Let's go to this seminar. We're going to have some fun." This was my seminar, and he had in mind really making a fool out of me with a particular question. So, he had built this all up with all these people that anybody who knows how to answer this is a genius, and anybody who doesn't, of course, is a dud. He asked me the question and I gave him what to me just to be an ordinary correct answer. So, he was stuck with the result of his essentially trying to trick me. That's how I ended up at Duke.

**Orley Ashenfelter:**

And you've been there ever since.

**Marjorie McElroy:**

Yeah, we actually accepted offers at Indiana University and one other place, but decided not to stay, essentially. University of Illinois was the other place.

**Orley Ashenfelter:**

Well, and you've gone a long way there. You've been chair of the department apparently.

**Marjorie McElroy:**

Yeah. Yeah, seven years.

**Orley Ashenfelter:**

That's long.

**Marjorie McElroy:**

I chaired that for seven years, and I chaired C-SWEP for five years.

**Orley Ashenfelter:**

I want to ask you about that, with C-SWEP. I think it's an issue we should bring up. You've already mentioned that you were very, very alone as a woman in the economics profession at the time.

C-SWEP has been around for quite a while. What do you think about the role of women in economics? Do you see lots of progress?

**Marjorie McElroy:**

Oh boy, that's a hard question to answer. It's got some yeses, and it's got some no's. If you just look at the statistics, we're kind stuck at the same fraction of PhD students who are women as we were decades ago now, although decades ago there was this big rise. Roughly speaking, a third of PhD students are women now and used to be a lot lower and it's sort of turning out that way at the faculty level. It takes years for people to go through first being promoted to associate then full or changing schools or whatever they do. But that's just a really tough question to answer. We have a nice core of assistant professor women in our department now and two other senior women besides me, and sometimes we have lunch together and they complain about things that have to do with gender that I would've thought myself lucky to have those problems back when I was assistant professor, but they're really real for them.

And it's just... Without getting into specifics, I think what's happened is there's bias against women, but it's sort of going underground. It used to be you could just talk about it if you didn't like women, you said so, so to speak, or if you didn't approve of them or the kind of remarks that I heard from faculty members, some faculty members, not nearly all faculty members when I was at Northwestern. You wouldn't hear anything like that today, but I think we're all sort of subtly biased against "the other," and I don't know how you would measure that.

**Orley Ashenfelter:**

Let me ask you, does any of it have to do with... I know one of the things that's still true of course, is that gender differences in the role that the family sets up. People try to change, but clearly women have had more responsibility, continue to have more responsibility or take more responsibility for the children. Is that an issue for-

**Marjorie McElroy:**

The issue for them is when to get pregnant, which is a tough problem because the youngest people who get PhDs, they're probably 26 years old, and by age 30 a woman's fertility starts to decline and it goes down pretty fast. I think now you find a lot of fortyish women who have frozen their eggs or done various other things to prolong the period where they might get pregnant. Sometimes, this is if graduate students come to me and say, "What do I do about this?" I tell them that if they could handle getting pregnant and having a baby when they're in graduate student, then it's all settled. Nobody's going to be thinking, yeah, but can she muster the time to do the work to be an assistant professor? You will have already shown that you can do that if you can get a PhD and have a child. And then you see people who, they time the baby absolutely perfectly, just the week after the woman gets tenure. I mean, I know several cases like that. It's a tough issue and there's no uniform solution, I don't think to that.

**Orley Ashenfelter:**

Yeah. Well, it's fascinating to talk to you about this, especially you're being so frank about your role. There's one other topic I want to bring up. I just happened to read again, I'd forgotten about this. Gregg Lewis. You wrote a lovely... I remembered it now because I wrote something too. I wrote a very brief introduction to a memorial set of articles in the *American Economic Review*. Sherwin Rosen, who's no longer with us of course, and really talked about Gregg at Chicago, and you wrote about him at Duke and shared, I thought, a lovely set of comments. And it's funny because Sherwin was... For those that don't know the name, H. Gregg Lewis, for some people, certainly people like you and me, Marjorie, he is like a great name in some ways, the father, the deepest, at the deepest level of the way that we do labor economics today and very empirical, but extremely credible in what he did, always takes it very



seriously. And in a way, Sherwin wrote about him at Chicago. You were talking about Duke and in between, he spent a year at Princeton. That's when I got to know him.

**Marjorie McElroy:**

Oh yeah, that's right. Yeah.

**Orley Ashenfelter:**

And he had friends there, like H. Douglas Brown, who I would never have thought would be a friend of his, because they certainly didn't do the same kind of economics, but he had a very broad range of friends, which it seemed to be much more the description that you had of him in the very nice piece that you wrote about him too. And of course, he had this reputation as an ogre at Chicago as being kind of a scary guy. I'm curious about, your memory of him was much bigger and better than mine. I do have two of his mobiles, by the way.

**Marjorie McElroy:**

I only have one.

**Orley Ashenfelter:**

I know. I was very proud. I wrote about that. In fact, in the little article I said, it's very hard to get one. I have two. And they've never been restrung, and they're absolutely gorgeous. They still have them, and I live in an old house with a high ceiling and the breezes come up, so the things are moving constantly. Tell me a little bit about what you thought of him. Was he a good friend?

**Marjorie McElroy:**

Yeah, I think he was and his wife Julia. But he had a side of him... When I got the mobile, I hadn't asked for it. He just showed up one day, decided where to put it in the living room, put it there, put the step ladder away and left. And I think you said there was the Gregg Lewis test that you run regressions or take your empirical results to Gregg and show to Gregg and if he thinks they're sensible, great, and if he doesn't, too bad. But that was the Gregg Lewis test.

**Orley Ashenfelter:**

You could see him in the corner adding up numbers to make sure that you didn't have them all wrong or something. That's exactly-

**Marjorie McElroy:**

Yeah. When he was at Chicago, I think he was the one who told people they had to leave. Graduate students, they had to leave; they hadn't done well enough. And I'm sure that's partly where he got his ogre reputation, but he had a lot of quirks. He'd never differentiated in his notation between partial and total derivatives. I think it'd just drive you nuts if you read his papers.

**Orley Ashenfelter:**

Little D's and big D's.

**Marjorie McElroy:**

Yeah. Yeah.

**Orley Ashenfelter:**

I wasn't such a great mathematician, so I have to say I kind of fall for the same thing sometimes.

**Marjorie McElroy:**

But I mean, this was really systematic. He knew something was a partial derivative, and he knew something was a total derivative. He didn't seem to need any notation to differentiate the two of them. But when he got here, there were like eight professors from the triangle who took his labor class along with the graduate students.

**Orley Ashenfelter:**

It was a legendary course, I guess.

**Marjorie McElroy:**

Yeah, it certainly was. What else do I remember about Gregg? Mostly I remember going to their house and he had lots of other things he did like collected art and roses... He would raise certain kind of plants and he would have them all windows just covered with them.

**Orley Ashenfelter:**

I never really understood his taste in prints. He had the entire house covered with them. The only thing I really remember about eating dinner with him, which he always did... For reasons I could never understand, he always insisted on having a Chilean red wine. I forget. Someplace. He had been in Chile, I guess, and somehow he fell in love with this-

**Marjorie McElroy:**

Yeah. Yeah.

**Orley Ashenfelter:**

I tried to break him out of that, but it was impossible.

**Marjorie McElroy:**

You didn't tell him your regressions?

**Orley Ashenfelter:**

Yeah, he wouldn't give it up under any circumstances. Marjorie, it's been absolutely a joy talking with you, and I appreciate your taking the time to tell us a lot about some aspects of your background that I think maybe not everybody in our profession knows about. It's just been a real joy to have you here.

**Marjorie McElroy:**

It's been my pleasure to be here. I'll tell you.

**Orley Ashenfelter:**

Our guest today has been [Marjorie McElroy](#), Professor of Economics at [Duke 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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