THE COST OF BEING FEMALE:
REJOINDER TO SAYERS

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Abstract:
A number of economists maintain that (discounted marginal revenue) productivity determines wages; since women have less of this characteristic than do men, on average, their wages are lower. This is not necessarily because of any intrinsic “failure” on the part of females. Rather, it stems in large part from the fact that they do a disproportionate share of household and child rearing tasks. Since there are alternative costs of these time expenditures, this accounts for their lower level of productivity. According to the marital asymmetry hypothesis (MAH), never married males and females should have equal wages, and they roughly do, since their household time investments tend to be equal. Sayers, 2012 takes sharp issue with this explanation of the pay gap. The present article is a rejoinder to Sayers, 2012. It points out errors in her critique of the marital asymmetry hypothesis and in her general condemnation of the free enterprise system.

Key words: Feminism; discrimination; pay gap; wage differentials; sexism; marital asymmetry

JEL Classification: J16

INTRODUCTION

Numerous economists take the position that wages are determined by discounted marginal revenue productivity (Block,
1990). Sayers (2012) takes issue with the views of one of them, Block, in this regard. The present paper is devoted to defending the analysis of many dismal scientists on this issue, in general, and as concerns my own perspective in particular.

Certainly, Sayers (2012) is correct when she asserts that “achieving a complete understanding of the income discrepancy, ... (between males and females is) of critical importance.” Opponents of the free enterprise system aver that capitalism is inherently unfair, and sexist. This is an unjust criticism that should be laid to rest; it can be done by understanding precisely how and why this income disparity has come into being and continues to prevail.

It is a basic axiom of economics that wages tend to equal productivity. If the former is greater than the latter, losses ensue. If the firm must pay $15 per hour to an employee who produces only $10, it will lose $5 on an hourly basis, and cannot long endure. On the other hand, if the employee with a productivity level of $10 is remunerated by the company at the level of only $7, this, too, cannot last. That $3 profit will serve as a beacon for competitors. Some other company will bid $7.01, earning a profit off this worker of $2.99; and another will offer $7.02, $7.03, etc., bidding up the compensation until it reaches, in equilibrium, the $10 that the employee can offer with no profit earnings. Or, the worker will tend to quit, and earn a higher salary elsewhere.

this paper vastly improved it. I will not cite this referee’s specific suggestions, even when I rely heavily on them. Suffice it to say these changes range widely throughout this essay. Needless to say but I will say it anyway, all remaining errors and infelicities are solely the responsibility of the author.


3 Of course, the economy never reaches full equilibrium. But it is always tending in that direction. It might be objected that this truth becomes problematic in the present context, and goes against the argument of the present paper: if wages only tend toward the discounted marginal value product (DMVP), then the claim that wages equal to DMVP cannot be used to explain wage differentials in the real world. For instance, in reality we have to cope with
In bygone years, when most jobs required brute strength, we can safely assume that male productivity was higher than female. And, since productivity levels and wages are always joined at the hip, it would be no surprise to find out that men earned more than women in those epochs. But, nowadays, these jobs are a decreasing proportion of total employment, and have been mechanized to a great extent in any case. Therefore, one would expect an exceedingly small wage gap between the genders. This has not occurred. Why not?

I do not unwittingly want to give the impression of defending the economic status quo. I am omitting a discussion on the impact of the current economic environment on labor markets and wage differentials since this would take me far too far afield. I fully acknowledge that at present, labor markets are far from being free. Instead, they are heavily hampered by government intervention. government interference in labor markets, which could bring about precisely such type of differences in wages, via labor unions or minimum wage laws. My response to this objection is as follows. This phenomenon of only tending toward equilibrium but never or rarely ever fully reaching it is problematic only if there is a systematic bias in the market. For example, if prices more likely overshoot rather than undershoot the equilibrium point. But there is no reason to believe that this is the case, nor any empirical evidence attesting that it is so. A similar analysis applies to unions or minimum wage laws. Why these market interferences would systematically impact males more than females, or vice versa, is not clear. If they do, and this is certainly a possibility given different levels of union membership and DMVPs, it is still irrelevant to the concerns of the present paper. For, here, I am attempting to demonstrate that in the free enterprise system any prejudice against women would be overcome by profit considerations. I do not make any such claim for the present mixed economy. There are of course minimum wage laws and unions that operate under present labor law, but they are anathema to laissez faire capitalism, the only context in which the present paper maintains no effects of sexual discrimination on the part of male relative to female compensation.

Cutting down trees, digging holes in the ground for building foundations, mining, construction, agriculture, blacksmithing, etc. without modern power equipment. For studies of wives earning more than their husbands see Doyle-Morris, 2011; Gully, 2012; Mundy, 2012; Omamokta, 2012. For evidence that men are stronger than women, on average, see Leyk, 1999; Miller, 1993; Parker-Pope, 2012.
In section II, I discuss the marital asymmetry hypothesis (MAH); section III is given over to an analysis of Sayers’ critique of this hypothesis (MAH); the burden of section IV is to consider some alternative explanations of the male female pay gap. Section V deals with economic logic, section VI with an invincible dogma and we conclude in section VII.

SAYERS’ DESCRIPTION OF THE MARITAL ASYMMETRY HYPOTHESIS (MAH)

The MAH is predicated upon the economic concept of alternative or opportunity costs. Whenever someone does something, anything, it is always at the cost of doing something else, the next best opportunity foregone, or, doing it as well. It is no accident that Michael Phelps is not a world class chemist. In order to achieve that status, one must work in the lab all the live long day. But, Phelps spends an inordinate amount of time in the pool, instead. In like manner, Usain Bolt is not an accomplished cellist. In order to do so, one must saw away at this instrument for many hours. But, this world class sprinter practices on the track too often to leave room for any such activity.

In like manner, married women perform the lion’s share of household activities: cooking, cleaning, diapering, breast feeding, shopping, ironing, dusting, etc. Assuming they would otherwise

5 Stated Newsweek (September 19, 1983, p. 75) about Blumstein and Schwartz (1983): “To their surprise, the sociologists discovered that the social and economic gains won by so many American women during the past decade have had remarkably little impact on the traditional gender roles assumed by the more than 3,600 married couples in their study. Although 60 percent of the wives had jobs, only about 30 percent of the husbands believed both spouses should work – and only 39 percent of the wives thought so. No matter how large their paycheck, the working wives were still almost entirely responsible for the couple’s housework. Husbands so hated housework, the researchers found, that wives who asked them to help out could sometimes sour the marriage. Most women, on the other hand – even executives – did not consider housework demeaning.”

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be equally accomplished in marketplace activities as men, this alone could account for a substantial part of the wage gap between the genders. The proof of the pudding is that when never married men and never married women are compared, their salaries, and their contribution to housework, are virtually equal. There is no pay gap worth mentioning between these two categories of people (Block and Walker, 1985, pp. 48, 50, 51; Block and Williams, 1981; Clark-Flory, 2010; Kalahar, 2012; Lukas, 2011; O’Neil, 2012; Sowell, 2004, 2011, chapter 3).

But Sayers (2012) is having none of this. She starts off by characterizing the MAH as “a premise widely adopted by apologists of the wage differential.” Apologists? But this implies, nay virtually states, that there is something wrong, unfair, unjust, about different categories of people being paid different salaries. Not so, not so. Successful professional actors and athletes earn more than most folks. Is this per se unethical? It is difficult to see how this could be so. Clearly, these people have higher productivity than the average worker, and, wages, as I never tire of pointing out to my students, tend to be determined virtually solely on this ground. Phelps would earn very little in the chemical lab; perhaps he might be allowed to clean the test tubes. Similarly, the only job Bolt could likely get with a symphony orchestra would be an equally menial one. This is nothing unethical whatsoever about this state of affairs.

Another difficulty I find with Sayers’ (2012) otherwise exemplary recitation of the MAH is that she thinks it “signif(ies) the inequitable division of labor in the home.” I would have chosen the word “unequal” not “inequitable.” The former is a fact. The latter is a value judgment, with which I disagree. Why is it inequitable, or, unfairly unequal, for the individual partners in a marriage to agree to very different tasks to each of the spouses? As long as this is done by mutual agreement, there would appear

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6 Of course, positive economics is wertfrei, so I can only make this statement as a non practitioner of this field, or as a normative economist (Block and Capelli, 2013)
to be nothing improper about this institutional arrangement. The husband and wife are trying to maximize total income, both pecuniary and psychic. Given that the wife is likely to be out of the full time labor force for a far longer duration than the husband due to child bearing and rearing, this typically can best be accomplished by precisely this unequal division of labor. To put this in general terms, the man has a comparative advantage over the woman in marketplace activities, and the reverse is true at home. Further generalization, females have greater attachment to children than do males.\footnote{See Picoult (2013). Also see: http://www.doctorhugo.org/brain4.html.} If mothers want to stay home and raise children, why should this free and voluntary choice be denigrated as unfair or inequitable?

\section*{SAYERS’ CRITIQUE OF THE MARITAL ASYMMETRY HYPOTHESIS (MAH)}

Sayers’ (2012) opening salvo against the MAH is “were marital asymmetry responsible for the entirety of the pay gap, two statistical results would be noted. The first would be that in comparisons of wage on the aggregate no wage differential would be evident once marriage, occupation, education, and other significant variables were controlled for. The second statistical result would be that no wage differential between those individuals who have never been married would exist. The reality of the statistics is that neither of these two phenomena are observed; empirically, Block’s claims are thus flawed.”

There are difficulties here. First, Sayers is battling a straw man. I doubt that any analyst ever claimed that the MAH is entirely responsible for the pay gap between men and women. In my own view, it accounts for a large proportion of it, but not necessarily all of it. Second, there is a question about the reliability of the data. According to that old saw, “Garbage in, garbage out.” If the statistics collected are not accurate, then any analysis based upon
them must be taken with a grain of salt. Why should we trust possibly faulty data collected by the government under compulsion.

This author heavily relies upon the use of statistics garnered by the government. But these have been shown, time and again, to be unreliable. In view of these facts, Sayers can only be congratulated upon for her courage if not her wisdom for so heavily relying on studies of the male-female wage gap, which also depend upon government generated statistics.

But let us, arguendo, posit that statist statistics, all of them without exception, are entirely trustworthy. That is, they are accurate in the sense that no cheating has gone into their creation. Still, which do you believe, gentle reader, your lying eyes (Lindmark, 2009) based on this material, or economic logic? The latter is clear. In the free enterprise system, wages tend to be based on productivity; if males and females have the same abilities to create goods and services, they will tend to be paid the same amounts. If they are not, if there is a wage gap, the presumption emanating from the laws of economics is that there is also a divergence in productivity levels. The MAH is but one

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8 Two recent episodes ought to give us pause about any statistics gathered by the state apparatus. One of them has come to be known under the appellation of “climate-gate.” (Delingpole, 2009; Lott, 2009). Here, despite subsequent white-washes (Michaels, 2010A, 2010B; Delingpole, 2010) to the contrary notwithstanding (http://climategate.tv/2010/07/13/the-climategate-whitewash-continues/), we had a public sector effort to denigrate unwelcome findings, to ruin the careers of those “guilty” of attacking supposedly “settled” science. The second is the school grades testing scandal in Atlanta, where public school teachers raised the grades of their students, so as to make themselves look better (http://www.slate.com/id/2299709/ http://www.csmonitor.com/USA/Education/2011/0705/America-s-biggest-teacher-and-principal-cheating-scandal-unfolds-in-Atlanta; not to be outdone by their colleagues in Georgia, their counterparts in Los Angeles engaged in a similar fraud: http://www.huffingtonpost.com/2011/09/13/los-angeles-schools-cheat_n_960337.html).

9 I make no claim that these statistics, too, are poisoned by cheating. I content myself with the general point that government generated statistics cannot be considered as pure as the driven snow.
explanation for this difference. If the statistics do not bear this out, then so much the worse for the statistics.10

This is not to say that statistics should be completely eschewed. Far from it. Rather, it is to maintain that econometric or statistical studies can only illustrate economic law, not test it. For example, we know for a certainty that a minimum wage law will raise unemployment higher than it would otherwise have been for any worker whose productivity is below that stipulated by law.11 It is apodictically true that rent control will decrease the quality and quantity of rental units below the level that would have otherwise obtained in the absence of this law. It cannot be denied that all voluntary trade makes both parties to it better off than they would have been without it, at least in the ex ante sense. Attempts to empirically observe these causal relationships can certainly illustrate them. But, if they fail to do so, this demonstrates, merely, that the statistics upon which they were based were faulty, not that these economic laws do not always and ever hold true.

10 But consider the following objection: The MAH is not a law, in the sense in which praxeologists refer to an economic law, but only a hypothesis. Consequently, as an empirical hypothesis, it can be tested and refuted with statistics. This is true, as far as it goes, but it does not go far enough. For on the readily documented claim (Styles, 2013; Lachance-Grzela and Bouchard, 2010) that females do the lion’s share of household work, child-rearing, shopping, cleaning, etc., we can couple this empirical insight with the praxeological law of alternative or opportunity costs to derive the conclusion as an economic law, not a mere hypothesis, that male productivity in the market and hence wages must be higher than that of females, assuming, arguendo, it is otherwise equal. The point is, whenever anyone does anything, he does it at the expense, or opportunity cost, of doing something else not at all or at least less well. Yo Yo Ma spends all day playing the cello. It is thus an apodictic certainty, not a mere hypothesis that had he not done so, he could have been better at something else, for example, running. Similarly, Usain Bolt, the fastest man on the planet, spends all too much time on the track and in the weight room to become a world class cellist.

11 This is true in equilibrium. In the real world, such a law will cause some members of the class of workers whose productivity was less than the new minimum wage rate to lose their jobs; others will find their productivity increased (due to the law of diminishing marginal productivity) to a level equal to or above the new minimum wage and thus will benefit from the law as they will keep their jobs, but at a new, higher wage rate.
It is the same with male-female wage rates. Posit that men and women are equally productive, then, at least in equilibrium, their wages must be equal. Given the fact that we are not always in the evenly rotating economy, there is only a tendency for this to be true. If an empirical finding shows them not to be equal, this does not at all call into question the underlying praxeological law. It is evidence that the data was erroneous, or that equilibrium has once again eluded us. Of course, one would expect that, in cases where the gap is a result of a failure to be in equilibrium, the gap would not always favor men – sometimes it would favor women, and this is indeed the case, see below.

There are of course several alternative explanations for the failure to obtain a zero wage gap even between never married men and women. For one thing, even though the number of jobs requiring brute physical strength has been declining over the years, there are still some of them that remain. Here, men would have an advantage over women, even abstracting, totally, from marital status. For another, more men are in jail than women; more of the former die during their working years than the latter. The reasonable presumption is that a disproportionate number of these men have lower productivity than their brothers who remain in the work force. Thus, those who remain, the ones for whom we have statistics, are a biased sample of the entire universe. Namely they are more productive than the males who are not in the labor force due to these causes. If so, then, even if all (never married) men have the same level of productivity of all (never married) women, the males who remain in the labor force can be expected to have greater earning capacity than the females who do.

Here is yet another possible explanation for the never married wage gap: co-habitation. Let us posit that not only do married females undertake a disproportionate share of housework, child care, etc., but that this applies also to women who are living with men in a never married state. This would decrease the earnings of these never married women, and
increase them of their never married male partners. Then there are women who have indeed never been married, but intend to become married, and thus act like married women, despite their present status. For example, given the obsolescence of human capital, they prepare for jobs as nurses, or grade school teachers, or secretaries, which typically pay less, instead of physicists, chemists, engineers, which usually pay more.\textsuperscript{12} The point is, they may be planning to be out of the labor force from the time their first child is born until the time when their third or last is in grade school, which can, depending upon the spacing, take up to ten or even fifteen years. In the first set of jobs, which are lower paying, their skills will not as much evaporate for this duration. But, if they enter into the second set of professions, a lacunae of a decade or more may well render their investment in training almost nugatory, so quickly do requirements change in them. However, at the point of time when the statistics are gathered, they are counted as never married, even though they now act as the ever married women they intend to become in future.

\textbf{ALTERNATIVE EXPLANATIONS}

There are other possible explanations as well, all of them, as before, exculpating the employer in particular, and the free enterprise system in general, from the charge of horrors! discriminating.\textsuperscript{13} For example, married women are less likely to

\textsuperscript{12} According to McDowell (1982, 761) a professor of physics can lose half of his expertise with a four year absence from his profession, while obsolescence of human capital of this degree would take 25 years for a professor of English literature.

\textsuperscript{13} Not that there is anything untoward about such acts. Indeed, both heterosexuals and homosexuals discriminate. Only bi-sexuals do not, at least on the basis of gender (they do, insofar as beauty, age, sense of humor, etc., are concerned). A law against sexual discrimination would amount to compulsory bisexuality. Nor is this a disanalogy, even though it occurs in non market activity. If an act is unethical, it should be so in all realms of human endeavor.
apply for promotions (Roberts, 1982) because that would give them greater workplace responsibility, which would be incompatible with their greater attachment to the home. Married women are much more likely to acquiesce in a geographical move, e.g., be the trailing spouse, if it will maximize their husband’s salaries and prospects, than the other way around (Roberts, 1982). This is because family income can be maximized with this strategy. Stories of wives putting husbands through graduate school so as to increase their earnings are legion; those of husbands returning this favor are scarcer than hen’s teeth. Again, given that the woman is far more likely than the man to have part time and a discontinuous attachment to the labor force (Roberts, 1982), this is entirely rational from an economic point of view.14

Nor have we yet exhausted the possible explanations of the male-female wage gap, apart from MAH. Consider these accounts, too:

(1) Muslim Americans: There are now some 5-8 million Muslim-Americans living in the U.S.15 As is well known, this community is a very patriarchal one.16 Honor killings for disobedient women, of pretty much any age, are not unknown (Dorell, 2009). In such a milieu, it is likely that females are not allowed to develop themselves to their full market potentiality. If so, this would widen the pay gap to some degree, and be totally unrelated to employer discrimination, but not, of course, to non market discrimination against women.

(2) Psychic income: Lukas (2011): “Choice of occupation also plays an important role in earnings. While feminists suggest that

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14 Might not this be the other way around? Suppose women to be discriminated against regarding wages, then that might be the reason for women to be less attached to the workforce and to be more willing to be the trailing spouse, and for wives to be more willing to put husbands through school than vice versa. Yes, these are theoretical possibilities. However, they emanate from the fact claim there is actually discrimination in the market, and this has not been established.

15 See http://www.islam101.com/history/population2_usa.html

women are coerced into lower-paying job sectors, most women know that something else is often at work. Women gravitate toward jobs with fewer risks, more comfortable conditions, regular hours, more personal fulfillment and greater flexibility. Simply put, many women – not all, but enough to have an impact on the statistics – are willing to trade higher pay for other desirable job characteristics."

"Men, by contrast, often take on jobs that involve physical labor, outdoor work, overnight shifts and dangerous conditions (which is also why men suffer the overwhelming majority of injuries and deaths at the workplace). They put up with these unpleasant factors so that they can earn more."

The MAH explains the overwhelming majority of the male female pay gap, but not necessarily the entire divergence. For example, differences in strength still apply to some jobs even in the modern day, albeit an ever decreasing proportion of them.

There may well be male female gaps in IQ. There are claims to the effect that males have greater intelligence than females, on average. If so, this, too, could account for an enduring wage gap, even apart from unequal sharing of household tasks. Now, I full well realize that it is not exactly politically correct to even raise an issue such as this in polite company, much less to utilize it as a possible explanation for the wage differential under discussion. But, frankly, I don’t much care. I have these social science blinders

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17 Men comprise 54 percent of the labor force, but account for 92 percent of the job-related deaths (Furchtgott-Roth and Stolba, 1999, 33).

18 BBC, 2005; Lynn, 2010; Lynn and Vanhanen, 2002; Mercer, 2005; Gottfredson, 1986; Levin, 1987. I am an economist, not an expert in issues of this sort. Thus, I only mention this claim as a possible explanation for the male female wage gap, an unproven hypothesis.

19 Such a claim is not particularly politically correct. But, we are not concerned with possibly hurt feelings at present. Rather, we are attempting to get to the truth of the issues presently under discussion. For some reason, unbeknownst to the present author, mention of IQ in polite society is verboten. Why, then, do “progressives” tolerate not only discussion, but actual use of ACT and SAT scores, which are highly correlated with IQ? One can only wonder.
on. I am attempting to get to the truth of a rather complicated and contentious issue. It ill behooves us to Victorian England-like, run away from possible truths because they may offend some people.20

20 For the disgraceful way former Harvard President Larry Summers was treated when he speculated about such matters, see de la Jara, 2007; Harvard Crimson, 2005; Marcus, 2005; Mills, 2011; Pinker and Spelke, 2005; Sailer, 2005; Saletan, 2005; Taylor, 2005. Stated Harvard Crimson, 2005: “CRIMSON: Were President Summers’ remarks within the pale of legitimate academic discourse? PINKER: Good grief, shouldn’t everything be within the pale of legitimate academic discourse, as long as it is presented with some degree of rigor? That’s the difference between a university and a madrassa.” In the view of Taylor: “Like religious fundamentalists seeking to stamp out the teaching of evolution, feminists stomped Harvard University President Lawrence Summers for mentioning at a January 14 academic conference the entirely reasonable theory that innate male-female differences might possibly help explain why so many mathematics, engineering, and hard-science faculties remain so heavily male.” According to Marcus (2005): “Many of the same people denouncing Summers, I’d venture, believe fervently that homosexuality, for example, is a matter of biology rather than of choice or childhood experience. Many would demand that medical studies be structured to consider differences between men and women in metabolizing drugs, say, or responding to a particular disease. And many who find Summers’s remarks offensive seem perfectly happy to trumpet the supposed attributes that women bring to the workplace -- that they are more intuitive, or more empathetic or some such. If that is so -- and I’ve always rather cringed at such assertions -- why is it impermissible to suggest that there might be some downside differences as well? The Summers storm might have been easy to forecast. But it says less, in the end, about the Harvard president than it does about the unwillingness of the modern academy to tolerate the kind of freewheeling inquiry that academics and intellectuals above all ought to prize rather than revile.” States Saletan: “It’s a claim that the distribution of male scores is more spread out than the distribution of female scores—a greater percentage at both the bottom and the top. Nobody bats an eye at the overrepresentation of men in prison. But suggest that the excess might go both ways, and you’re a pig.” In the view of Mills (2011): “Most of (Summers’) critics misunderstood his remarks and presumed that he was suggesting that males are on average more intelligent than females. Or, if they understood him correctly, some may have found it interesting that there were more intellectually deficient males than females, but the sex ratio at the other tail of the distribution was less palatable. That is, they may have committed the moralistic fallacy -- the assumption that if something is morally objectionable, either on its face or in its possible misinterpretation or misuse, it cannot be factually correct.”
More men than women die young or are in jail (Courtenay, 2011). One expects that these males who are not in the labor force for these reasons are amongst the dimmer lights; the less intelligent ones. So, male wages are higher than they would otherwise be compared to females’, due to the fact that women are being compared to a disproportionately smart sample of men. Moreover, not only is there evidence suggesting that females are on average less intelligent than males, they also vary less in this characteristic than their male counterparts. Given that the men who are incarcerated or perish sooner are likely to be disproportionately representative of the left tail of the male IQ distribution, women in these calculations are being compared to a non representative sample of men.

Further, we do not have a fully free enterprise system. Who knows what is occurring in the government sector of the economy? In that arena, there are simply no market forces penalizing employers who do not pay in accordance with productivity. Anything goes comparative wage-wise, for an institution that cannot be rebuked by bankruptcy. This, alone, would render invalid any and all statistics purporting to measure

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21 The imprisonment rate is about fifteen to one. See http://en.wikipedia.org/wiki/Incarceration_in_the_United_States. On life expectancy see http://geography.about.com/od/populationgeography/a/lifeexpectancy.htm

22 See on this Burgaleta, et.al., 2012; Cooijmans, 2003; Eysenck, 1981; Hedges and Nowell, 1995; Herrnstein and Murray, 1994; Lehrke, R. 1997; Levin, 1987; Lubinski and Benbow, 2006; Lynn, et. al, 2005; Lynn and Irving, 2004; Lynn, 2010; Machin and Pekkarinen, 2008; Mills, 2011; Murray, 2011. Levin (1987, p. 86) states: “The effect observed by Benbow and Stanley is statistically large, in some phases of the study amounting to half a standard deviation. Boys’ reaching the highest levels of mathematical aptitude thirteen times as frequently as girls would be a miracle on the null hypothesis. More crucially ... a big difference is what makes a big difference. Whatever the male mathematical advantage may look like in terms of raw score data, it is large if it explains why men make all the mathematical discoveries, why mathematics is perceived as a masculine skill...” In the view of Herrnstein and Murray (1994, p. 275): “The larger variation among men means that there are more men than women at either extreme of the IQ distribution.”

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the gap between male and female incomes. It must be remembered that the thesis of my work in this field\textsuperscript{23} is that in the private sector there are market forces that tend to bring into equality wages and discounted marginal revenue product. But there are no such forces whatsoever operational in the public sector. Therefore, any failure of actual statistics that describe the entire economy to bear out this thesis cannot count as a refutation of it.

Notwithstanding all these alternative hypotheses, Sayers (2012) states: “Numerous statistical analyses find that, even when controlling for a host of influential other variables including marital status, "economists still find an unexplained gender gap of anywhere from around a nickel to a dime or more on the dollar’ (Ludden 2010).”

That may very well be that case. But for the reasons given above, this finding does not in the slightest undermine the claim that people with the same productivity tend to earn the exact same salaries.\textsuperscript{24} A further difficulty is that many of these studies, when they include marital status in their econometric models, do so in terms of single versus married, and completely ignore never married status. But, single people who are divorced or widowed can be expected to have been influenced, and heavily so, by the institution of marriage, with its unequal sharing of household and child rearing tasks.

Sayers (2012) next avers (footnotes omitted): “Perhaps more telling, however, remains the fact that when comparing males and females who have never been married a gap is still evident. Women trail behind their male counterparts in terms of wage immediately upon graduating from institutions of higher learning; such wage discrepancy is significant, as this grouping of

\textsuperscript{23} See fn. 3, supra.

\textsuperscript{24} This refers, of course, to total remuneration: money wages plus working conditions. If women prefer to take their compensation more in the latter than the former vis-à-vis men, this possibility too could account for differential dollar pay between them.
individuals is composed almost entirely of males and females who have never married.... In contrast, Block asserts that when never‐married males are compared to never‐married females the difference in income shrinks to “virtually zero” (Block 1992, 246). Nevertheless, he places faith in 1989 research that posited the earnings of never‐married women at only 93.4 percent of the wages earned by never‐married men (Block 1989). While this wage differential may be immaterial to Block, the dissimilarity in income between never‐married members of the opposite sexes evident in this research is neither statistically irrelevant nor personally insignificant to the women who suffer the costs.”25

A little perspective is necessary at this point. When I jump into the air, not one but two things occur. One, the gravitational force of the earth pulls me back down toward it. But two, my gravitational force pulls the entire earth up toward me. Now, of course, the two attractions are very different. My power on the earth is miniscule; the earth’s against me is relatively gigantic.

That 93.4 percent of which Sayers complains sounds large when compared to 100 per cent. Students who earn a 93% on an exam see this as far below the perfect score they sought. However, when we compare the gap between ever and never married men and women, this differential of 100-93.4=6.6% fades into insignificance. For example, Block and Walker (1985, p. 42) report female male income ratios in Canada for the ever marrieds of 41.3% in 1941, 46.1% in 1951, a dramatic 34.2% in 1961, 37.5% in 1971 and 43.9% in 1981. This at a time when the ratio for these five years a decade apart for the never marrieds was 80.7%, 82.6%, 90.0% 88.2% and 83.1%. These are truly gargantuan differences. Compared to these stupendous divergences, a gap of

25 In the biblical parable of the generous landowner (http://kyleview.blogspot.com/ - Matthew, 20:1-16, NRSV), there are three workers; one who starts early in the morning, another at mid-day, and a third right before closing time. The employer pays them all the same amount. Was this a “cost” to the one who worked the longest? That would be the implication of Sayers’ viewpoint, but it is difficult to see why this would be the case.
6.6% (ratio of 93.4%) is paltry. Nor is it the case that the gap between never married men and women is always in favor of the former. Block and Walker (1985, p. 51) report women’s earnings as a percentage of men’s in 1971 of 109.8% for Canadian full time workers with a university degree. 26 Other studies show no gap at all, or a ratio of unity. If the findings range from 93.4% to 109.8%, then for all intents and purposes there is no gap at all. Hattiangadi and Habib (2000, 43) report “that the gender pay gap is 5 percent for part-time workers age 21–35 without children, under 3 percent for full-time workers age 21–35 without children, and that there is no pay gap for full-time workers age 21–35 living alone.”27

States Sowell (2011, 80-81, footnotes omitted): “… comparing never-married women and men who are past the child-bearing years and who both work full-time in the twenty-first century shows women of this description earning more than men of the same description. As far back as 1969, academic women who had never married earned more than academic men who had never married, while married academic women without children earned less and married academic women with children earned still less. For women in general – that is, not just academic women – those single women who had worked continuously since high school were in 1971 earning slightly more than men of the same description. All this was before affirmative action was defined as “underrepresentation” in a 1971 Executive Order which went into effect in 1972, and so represents what was happening under competitive labor market pressures before any major government intervention to advance women. Later data for law school graduates in 1994 showed that men’s beginning salaries averaged $48,000 and women’s beginning salaries averaged $50,000.”28

26 Sayers (2012) calls this finding into question; but the difficulty is a typographical error in Block and Walker (1985, p. 51, table VII). The percentage of 109.8 is correct; the male earnings of $8,855 is correct; that for females was really $9,720, and was mistakenly given as $7,720.
27 Cited in Sowell, 2011, p. 79
28 Lukas (2011) also reports on a study which found a wage gap of 8 percent, in favor of women.
But Sayers is not content with these statistics. She cites “Block’s critic” Arthur Drache (who) shrewdly ponders, “How many men would be prepared to work for 93.4 percent of what their peers earn?” But in the context of all these other findings compared to the much lower ever married female to male income ratio, Drache’s complaint about 93.4 percent amounts to a complaint about what is really no more than a small difference.\(^\text{29}\) It is particularly insignificant in view of the above mentioned findings of female earnings exceeding that of males. He who lives by statistics dies by statistics.

Sayers (2012) and I are in full agreement “in attributing much of the wage differential to the asymmetric detriment of marriage to women ...” We disagree as to whether “there remains a significant portion of this divergence that cannot be accounted for by controlling for marriage and/or by comparing never-married individuals.” I regard it as insignificant. I deny that it can be accounted for by “deeply embedded societal sexism and by society’s propensity to discriminate – even inadvertently and unconsciously – on the basis of internal plumbing.” Instead, I offer a whole host of alternative explanations.\(^\text{30}\)

Sayers (2012) makes much of the “biases (that) are the result of deeply entrenched stereotypes and societal prejudice against women that cause individuals to discount female competency in the workplace. Numerous research studies indicate that these biases cause human beings to unintentionally and unconsciously exercise sexual discrimination.” She goes on to cite the evidence

\(^{29}\) Drache called for government pay boards to rectify this supposedly unfair situation. But wage controls lead to price controls, which ruin economic cooperation, since such efforts require flexible wages and prices (Shuetttinger, 1979). My debate with Drache appears as chapters 26-28 of Block (2010). Sayers is silent on the issue of what ought to be done about what she sees as an injustice.

\(^{30}\) Sayers, however, is supported by Gwartney and Stroup (2009, pp. 292—294), who, like her, make the elementary error of attributing to discrimination any unexplained divergence between male and female earnings. For a refutation of this mistake, see Block, 2008.
on this phenomenon offered by several authors. What Sayers fails to reckon with is the fact that if this were true not of the subjects studied by these authors, but rather of entrepreneurs in the real world of commerce, they would pay a penalty for this taste for discrimination of theirs. Suppose there are two employers, A and B with equal entrepreneurial ability in every other regard. However A is a sexist pig of a discriminator, while B “discriminates” in favor of only one thing, profits. For B, matters of internal plumbing are totally irrelevant to his decision-making. Assume that all male and female workers in this scenario have a productivity of $10 per hour. B sees this clearly, since, as they say in sports, he keeps his eye on the ball. A in contrast, as a result of “deeply entrenched stereotypes and societal prejudice against women,” assesses female productivity at only an erroneously low $7 per hour. What will ensue? A will offer wages of only up to $7 to females, and $10 to males, while B, keeping his eye strictly on the bottom line, is willing to pay up to $10 for either. Focus, now, only on the women; assume the two employers will split the male employees, since they both assess them equally, and accurately. Under our assumptions B will be able to employ all of the women, and pay them, only, $7.01, just enough to bid them away from the evil clutches of A. B will make money hand over fist, since he can profit from each female employed to the tune of almost $3 per hour. Is this an equilibrium situation, where B makes vast profits, and A none at all? Of course not. What will then occur is that A will be forced into bankruptcy, and will exit the industry, leaving in the more capable hands not only of B, but of all the B’s. Sayers’ evidence, even if correct, thus does not lay a glove on the thesis she is vainly trying to undermine.

31 Sayers (2012) also makes the following point: “When musicians auditioned to be a part of symphony orchestras behind a closed curtain, women were 50 percent more likely to be chosen than when the judges could observe the candidate (Weiner 2010).... Revealingly, many major symphony orchestras now conduct auditions behind curtains, so as to eliminate their admitted, yet unconscious, gender bias. Since the blind audition process was implemented, the gender ratio in orchestras has almost reached equality (Weiner 2010).” There is
ECONOMIC LOGIC

Happily for her, Sayers does not put all of her eggs in the statistical basket. In what I regard as the most important critique in her essay of the thesis I support, she attempts to undermine the very economic logic upon which my assessment is based: to wit, that in a free enterprise system, wages tend to equal productivity.

After brilliantly explaining just how the free enterprise system would lead to equal wages for equally productive workers, no matter what their gender, she concludes: “However, there is a reason, overlooked by Block, that this does not occur. It is because wage will always equal productivity only in a market with perfect competition, which includes perfect information” (Sayers 2012).

“Unfortunately, in the markets in which we observe a wage gap, neither of these characteristics obtains. That is, because markets are imperfect, market conditions preclude economic mechanisms from functioning perfectly; the competition over employees that would, under proper conditions, eliminate wage discrimination is unable to work flawlessly.... When a culture repeatedly emphasizes the inferiority of one sex, especially in the workplace, this message is bound to affect the way members within it view the abilities and capabilities of the denigrated group. If an employer views, even subconsciously, the entirety of the female sex as inferior in an office environment, it is likely that

an interesting story about affirmative action and closed curtain auditions, not with regard to women, however. For years up to and including the middle of the last century, the Detroit Symphony Orchestra conducted open curtain auditions. No black musicians were hired. The NAACP prevailed upon this organization to conduct closed curtain auditions, which they did for several years. Again, no African-Americans passed muster under this system. Whereupon the NAACP demanded that the DSO once again open those curtains, and this time to hire musicians so as to make that orchestra look “more like America.” Then and only then, black musicians were hired. One wonders how they felt about this process. For more on this see Blanton, 1989. Of course, symphony orchestras are typically non-profit organizations and thus able, as is government, to avoid/circumvent market profit and loss signals which tend to eliminate discrimination.
he or she will undervalue the productive potential of females applying for a job or seeking a promotion. Therefore, competing employers will be less likely to bid up the wages of underpaid women, as Block would have it. This behavior leaves the female wage rate to languish below the level of their productivity, which is, barring marital inequality, equal to their male counterparts. Studies show that unconscious bias leads individuals to consistently and significantly undervalue female labor (Vedantam 2010). Why, then, are we to support the notion that employers would alone be immune from the same social forces that affect all other human beings?” (Sayers 2012).

There is more wrong here than you can shake a stick at. Yes, in reality, wages only tend to equal marginal revenue product. They are only guaranteed to do so in equilibrium. Perfect information is by no means required. We are not now in the Garden of Eden, so we suffer from omnipresent ignorance. But, the least ignorant of the entrepreneurs, the ones able to most accurately assess worker productivity, the ones in thrall to this supposed bias to the smallest degree, earn the most profits. They tend to drive out of business the entrepreneurs most susceptible to engaging in these errors. In this way, there is a continual groping, alright, groping if not in the pitch blackness at least in the dark, toward an accurate assessment of worker productivity. Sayers forgets all about biases that may work in the very opposite direction, at least on the part of heterosexual males, who are statistically over represented in the ranks of CEOs, namely, in favor of females, and against other heterosexual males, who may

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32 Yes, this prejudice affects all of us.
33 For a critique of the concept of perfect competition, see Barnett, Block and Saliba, 2005; Block, Barnett II and Wood. 2002; DiLorenzo, 2011; Gordon, 1997; Hayek, 1964, 2010; Lewin and Phelan. 1999; Machovec,1995; Reisman, 2005; Rothbard, 1961; Salerno, 2011; Salin, 1996. Perfect competition is an incoherent concept that has plagued economics for many decades. It is unacceptable to rely upon this for anything, let alone for the supposed failure of the labor market to function in the present context. States Hayek (1964, p. 96) “In perfect competition there is no competition...”
be seen as competitors to woman’s attention and affection. This, too, will not work “flawlessly,” but it cannot be denied that it exists. Yes, information is costly, and entrepreneurs must make decisions on the basis of less than full knowledge, but why this should eventuate in a continuing bias against women is never explained. Why should employers alone be immune to these social forces? I do not say that employers alone must be. However, they pay a price for their errors, even in an imperfect market populated by imperfect human beings, whereas the test subjects of the studies cited by Sayers do not. Employers may talk about being prejudiced against women, if they indeed are, in the locker room, the bar room, the sports arena and in the all male club. But when push comes to shove, if they actually act in any such manner, they are headed for the dust bin of commerce, bankruptcy.

INVINCIBLE DOGMA

I have saved for last the most egregious fallacy committed by Sayers (2012) and all other advocates of the view that statistical disparities constitute a demonstration of discrimination: they never offer even a scintilla of evidence to support this contention. Indeed, they are totally and blissfully unaware that it is incumbent upon them to do so.

Sowell (2012) refers to:
“... the prevailing dogma that statistical disparities in employment – or mortgage lending, or anything else – show discrimination. In both the Federal Express case and the earlier Sears case, statistical differences between the mix of the workforce and the population mix were the key evidence presented to show discrimination.
“... It was all a matter of statistics – and of the arbitrary dogma that statistical disparities show discrimination.
“Once statistical disparities have been demonstrated, the burden of proof shifts to the employer to prove his innocence,
contrary to centuries of legal tradition that the burden of proof in
on the accuser.

“No burden of proof whatever is put on those who argue as if
there would be a random distribution of racial and other groups in
the absence of discrimination.

“... Most people are right-handed but, among major league
hitters with lifetime batting averages of .330 and up, there have
been 15 left-handed batters and only 5 right-handed batters since
the beginning of the 20th century. All the best-selling beers in the
United States were created by people of German ancestry. Anyone
who follows professional basketball knows that most of the
leading stars are black.

“Some years ago, a study of National Merit Scholarship
finalists found that more than half were first-born children, even
in five-child families. Jews are less than one percent of the world’s
population but they won 14 percent of the Nobel Prizes in
literature and the sciences during the first half of the 20th century,
and 29 percent during the second half.

“It would be no problem at all to fill this whole column – or
this entire page – with examples from around the world of gross
statistical disparities in outcomes, in situations where discrimination
was not involved. But those who take the opposite view – that
numbers show discrimination – do not have to produce one speck
of evidence to back up that sweeping conclusion.”

If I were to quickly summarize Sayers (2012), it would be as
follows:

Major premise: There are statistical disparities in earnings
between men and women

Minor premise: Statistical disparities demonstrate discrimination
Conclusion A: Therefore discrimination exists
Conclusion B: Block denies this, therefore he is in error.34

It is amazing to me, and appalling, too, that so many people
who should know better have been taken in by this sort of illogic.

34 I deny both the minor premise and conclusion A.
Yet, all sorts of deleterious public policies have been proposed and or created on the assumption that this reasoning is valid, from affirmative action to equal pay for equal work to equal pay for work of equal value. Indeed, it is no exaggeration to say that thinking of this type has victimized our entire culture.

I do not think that the purpose of the relevant (or any other) public policies is to further the public weal (whatever that may be). Granted that these public policies are deleterious, the illogic is merely a cover for the political class to engage in activities that they think will be of benefit to them, regardless of any effects on the common weal, however defined. Or as Bastiat said: "Government is the great fiction through which everybody endeavors to live at the expense of everybody else."

**CONCLUSION**

Do I “advocate the marital asymmetry hypothesis as the sole factor in creating a wage gap between the sexes?” Of course not. There are numerous other explanations. But, the MAH explains a large proportion of the different rates of pay for men and women. This is so in and of itself, due to the doctrine of alternative costs. It is also the case because so many of these other causal explanations of the pay gap are causally linked to marital status, such as employee discrimination; customer discrimination; continuity in the labor force; attachment to the labor force: part time versus full time status; location decisions; promotion seeking behavior; Muslim Americans; psychic income. Then, too, there are IQ averages and variances. Given then that men dominate the left tail of these distributions, and there are symmetrical normal curves for each, it would be amazing if they didn’t also predominate on the right tail.

I do not care to “delve deeper” into the unequal sharing of household tasks. To me, the fact that this is voluntary makes it ethical. No, I would rather delve into the question of whether, even in accord with “feminist vitriol and propaganda,” the free enterprise system should be seen as ethical, from their own point
of view. And, here, it seems difficult to deny that even staunch Sayers would have to agree: the market process tends to bankrupt entrepreneurs who indulge in their taste (Becker, 1957) for discrimination. True, it is imperfect in her eyes, but nonetheless it moves the economy in the right direction from her perspective.

Discrimination is not a characteristic or an outcome of free markets, as many critics of laissez faire capitalism repeatedly point out. However, this practice can exist even in a free society. What is the likelihood of discrimination, in both a free and in the current labor market? At the outset, one might well think there would be less discrimination in our present mixed economy, than in a fully free one, since there could be no such thing in the latter as affirmative action laws, or legislation such as the so-called Civil Rights Act of 1964. These enactments presumably decrease discriminatory behavior. On the other hand, the free enterprise system continually grinds away at racial or sexual or ethnic discrimination, since engaging in this sort of behavior costs money. However, affirmative action laws discriminate against whites and Asians, preeminently insofar as admission to universities is concerned, and also in terms of government contracts. Then, again, there is widespread hypocrisy involved, and this cannot but undermine the entire undertaking. For example, blacks comprise some 14% of the overall population, but yet a large multiple of that in the National Basketball Association and the National Football League. But no one calls for ending this blatant violation of equal representation, at least no one in authority. Moreover, employers are routinely found guilty of such practices purely on the basis of statistical divergences, apart from athletic leagues, of course. I conclude that this is an empirical issue, and no praxeological laws can apply so as to reach an unambiguous conclusion. My expectation, though, is that the free market minimizes such discrimination, and current government intervention exacerbates it.35

35 For the argument that free enterprise promotes civility, and that government interventionism induces the very opposite, see Deming, 2014. For the case in favor of discrimination, see Block, 2010.
Sayers (2012) claims that “As equality between the sexes increases and society begins to shy away from its patriarchal structure, we observe that the wage gap not accounted for by marital asymmetry has decreased.” But this is not the case. I can in no better way end this essay but by once again citing the master of this question, Sowell (2011, 59): “In most societies, for most of history, women have earned lower incomes than men. That fact is not in dispute. What is open to question – and what has generated many fallacies – have been various attempts to explain this fact. Plausible possibilities are many: Employers might discriminate against women, parents might raise girls and boys differently, women and men might have different skills or make different choices in education or careers. These and other possibilities are often collapsed into one prevailing conclusion: When and where there are significant differences between women and men in their employment, pay, or promotion, discrimination can be inferred and, where there has been a lessening of such disparities over time, it has been due to a lessening of discrimination under the pressures of government, the feminist movement or a general increase in enlightenment. Such reasoning has been common from the media to the political arena to courts of law. But this explanation cannot withstand a scrutiny of history or of economics. It is one of the central fallacies of our time.”

Continues Sowell (2011, 62-63, footnotes omitted): “History shows that the career paths of women over the course of the twentieth century bore little resemblance to a scenario in which variations in employer discrimination explain variations in women’s career progress. In reality, the proportion of women in the professions and other high-level positions was greater during the first decades of the twentieth century than in the middle of the

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36 Sowell (2011) devotes his entire chapter 3 to showing why this claim is fallacious. He continues: “... a lessening of income disparities between the sexes cannot be automatically attributed to a lessening of employer discrimination when it may also be due to a lessening of differences in education, job experience, or availability to work outside the home.”
twentieth century – and all of this was before either antidiscrimination laws or the rise of the feminist movement. ... such widespread negative trends for women in higher occupational levels over a period of decades are hardly consistent with the idea that employer discrimination against women declines over time with enlightenment. A closer scrutiny of facts suggests that what changed over these decades was not employer discrimination but women’s marriage and child-bearing patterns.”

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