



American Economic Association

1991 Committee on the Status of Women in the Economics Profession

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NEWSLETTER

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NEW CSWEP CHAIR

Elizabeth Hoffman, University of Arizona

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COMMITTEE FOR RACE AND GENDER BALANCE
IN THE ECONOMICS CURRICULUM
Presents Its Recommendations
by Rebecca M. Blank

The Committee for Race and Gender Balance in the Economics Profession was founded in 1988 to improve teaching on race and gender issues in economics.¹ One of the main priorities of the Committee has been to prepare a set of guidelines for avoiding race and gender bias in economics. The Committee's guidelines are now available, entitled Guidelines for Recognizing and Avoiding Racist and Sexist Biases in Economics. The next efforts of the Committee will be focused on having these *Guidelines* widely disseminated; this includes efforts to have them formally adopted by the American Economic Association (AEA).

The introduction to these *Guidelines* includes the following statement: "Unless economists make an effort to correct these biases they are likely to continue. A profession-wide effort to address problems of race and gender bias has precedent in other social science disciplines and in many of the physical sciences as well. To prevent race and gender bias, teachers, textbook authors, and researchers must understand that the ways in which we select subjects for study, frame questions, and choose illustrations affect both the analysis and the learning process."

The following areas are identified in the *Guidelines* as areas where gender and race bias are likely to occur. The document itself provides a variety of examples in each of these areas.

Bias in Defining Economic Problems

Gender and race blind social theory: Considering an economic situation in which gender or race is a significant variable, but the gender/race variable is not explored or incorporated into theory, interpretation, or analysis.

Significant topics ignored: Cases in which topics of particular significance for white women, women of color, and minority males are ignored, while similar or related problems of relevance to white males are addressed at length.

Selective treatment of topics: Cases in which aspects of a topic of special significance for the majority race or for males are taken to cover the entire topic, while aspects of special importance for minority males and females and white women are underemphasized or ignored. Cases in which an issue is formulated for either men or women, blacks or whites, but this limitation is not explicitly noted.

Pejorative or stereotypical labeling or conceptualization: Implicitly ignoring the possibility of nonconventional gender roles or high status positions for members of a minority race; downgrading the value and skill of the work they typically do.

1. Its members are: Susan Feiner, Chair, Robin Bartlett, William Baumol, Barbara Bergmann, Robert Cherry, William Darity, Jr., Robert Eisner, Marianne Ferber, Donald McCloskey, Paul Samuelson, Robert Solow, Lester Thurow, and Rhonda Williams.

Review of Previous Research

Failure to mention that samples are single-sex or single-race or have highly unbalanced sex or race ratios.

Methodological weaknesses of previous research ignored: Reference to studies that cast women or members of racial minorities in an inferior light, without criticizing the method used by these studies or challenging their findings.

Marginalizing Minority and Female Experiences

Arbitrarily excluding women or minorities from the general discussion.

Inferences unwarranted by the data: Improper extrapolation from data to conclusions with biased implications for women or members of racial minorities.

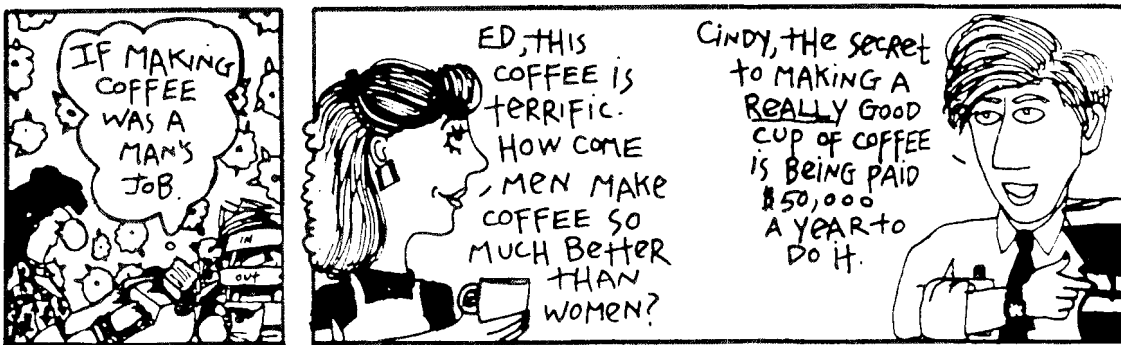
Reliance on unscientific concepts of genetics and biology: Cases in which observed differences between males and females and members of minority groups are attributed to individual level biological and psychological differences, while social influences correlated with gender and/or race are ignored.

The *Guidelines* also include an extensive list of suggestions for further reading.

In addition to the guidelines, the Committee is pursuing funds to run a summer seminar program for faculty teaching introductory economics to receive training in the new scholarship on women and minorities in the economy, so that they can integrate this material into their introductory classes. At the invitation of the AEA Committee on Economic Education, several members of the Committee have organized a panel at the January 1992 AEA meeting, entitled "Alternative Pedagogies in Economic Education."

More information on the work of the Committee or a copy of the complete *Guidelines* can be obtained from Susan Feiner, Department of Economics, Hampton University, Hampton, VA 23668.

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More Sylvia by Nicole Hollander

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THE QUALITY OF GRADUATE EDUCATION IN ECONOMICS

by Daniel H. Newlon

Papers have started appearing on the results of a major self-assessment by the economics profession of the quality of graduate education in economics. Anne Krueger presented the "Report of the Commission on Graduate Education in Economics," W. Lee Hansen summarized his paper on "The Education and Training of Economics Doctorates," and June O'Neill and Nachum Sicherman gave a paper entitled "Is the Gender Gap in Economics Declining?" at the AEA meeting in December 1990. These and other papers prepared for the Commission on Graduate Education in Economics (COGEE), a book, and an extensive new database on graduate education in economics will soon be more widely available.

COGEE was established in 1988 by the American Economic Association to examine the structure, content, and quality of graduate education in economics. Surveys and special studies were used by COGEE to follow graduate students in economics from their senior year of undergraduate study through dissertation and subsequent career experience. The picture of graduate education in economics that emerges is one of strengths (high technical standards of training, high earnings for economists relative to other fields of research, availability of many jobs for economists, and publication of large numbers of articles by new doctorates in economics) and weaknesses. Some of the more disturbing findings reported are:

- There is currently a striking degree of conformity in the structure and content of graduate education in economics. Few graduate programs differentiate themselves by offering special programs or specializing in a limited set of fields.
- A majority of the graduate students, faculty, and employers surveyed by COGEE were dissatisfied with graduate education in economics. The most frequently suggested changes include better links between theory and real-world applications; less emphasis on technique and more on economic substance; more stress on data and empirical research; and greater emphasis on writing, creativity, and doing research.
- The typical graduate student prepares a relatively small number of research papers, attends few research workshops and seminars, and has infrequent opportunities to make presentations of research during the first two years of graduate training. As a consequence, substantial numbers of students have considerable difficulty starting and completing their dissertations.
- The financial attractiveness of graduate study in economics for American citizens has declined, with the number enrolled in graduate study and later receiving doctorates dropping dramatically. This reduction has been offset by the enrollment of many talented foreign students, so graduate enrollments and the number of doctorates awarded have remained relatively constant. But graduate enrollments in related fields like business have increased sharply during the same period.

The COGEE results show significant improvements in the last two decades for women economists. The percentage of doctorates in economics earned by women increased from 8.7 percent in 1977 to 19.3 percent in 1986. The percentage of women enrolled in graduate programs increased from

19.2 percent in 1977 to 25.9 percent in 1986. At the beginning of the 1970's, women's basic academic salary was 21 percent less than that of men, after adjusting for experience, race, region, marriage, and years out of the labor force. This differential fell steadily until, by 1986, women economists with doctorates earned 99 percent of the adjusted basic academic salary of men economists. These results were based on data from the "Survey of Natural and Social Scientists and Engineers," which is conducted by the Bureau of the Census. Other interesting results about women economists should be available later this year. For example, COGEE has assembled data on publications and other performance indicators for three cohorts of PhDs (1977-78, 1982-83, and 1987-88) from 35 economics departments. These data are being used to study the determinants of career success for men and women with doctorates in economics.

HELP!

All readers are invited to send notes, articles, and information for possible inclusion in the Newsletter. **Please also send news about yourself and others**; job moves, promotions, awards, books, and changes in family composition are all of interest to your friends and colleagues. For those who would like to make contributions, we publish three issues each year -- Winter, Spring, and Fall. Our schedule is:

	<u>Copy Deadline</u>	<u>Mailing Date</u>
Winter Issue	January 10	February 15
Spring Issue	April 10	May 15
Fall Issue	September 10	October 15

NOTE: Please send all future information for the Newsletter to:

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NANCY SCHWARTZ (1939-1971); SOME PERSONAL VIEWS
OF AN OUTSTANDING ECONOMIST

Nancy Lou Schwartz died on December 7, 1981 after a short but illustrious career in economics.

by Myrna Holtz Wooders¹

This article continues a series on women who have made notable contributions to economics. Please send suggestions for economists to be included in this series and, as available, information on their careers, to M.H. Wooders (at the address on the front cover).

Probably many of us remember when we heard of the death of Nancy Schwartz. She was, without doubt, one of the most outstanding and well-respected women in economics of our generation. Although I had never met her, I experienced her death as a personal loss because Nancy Schwartz was showing that women could have successful careers in academic economics. She was a role model for many of us before the idea of role models was accepted.² It has been a pleasure to prepare to write this article and to learn that Nancy was about how she appeared to be -- serious, focused on the science of economics, and, although quiet, a person of strong viewpoints.³

Nancy Schwartz received an A.B. from Oberlin College in 1960 and a Ph.D. from Purdue University in 1964, was appointed Assistant Professor at Carnegie Mellon in 1964, went on to an Associate Professorship at Northwestern University in 1968, and was promoted to Professor in 1970. She was Chair of Managerial Economics and Decision Sciences at Northwestern from 1977 to 1979 and the Director of Doctoral Programs from 1979 until her death in 1981. She was also an Associate Editor of Econometrica. During her career she received numerous honors and published more than 40 articles and two books with her long-time collaborator Mort Kamien. She was known for her work on dynamic models of the firm, especially in the areas of limit pricing and technical advance. Her book Dynamic Optimization, based on her teaching and research experience is an important text. Her other book, Market Structure and Innovation, is a monograph encompassing her contributions to the microeconomics of technical advance. She also coauthored some less well known papers on public goods with exclusion that study ways in which the possibility of exclusion can be used to reduce the free-rider problem, currently the topic of much game-theoretic work in public finance.

In Jonathan Hughes manuscript, "Nancy Schwartz as a Student," she is portrayed as an outstanding student and as a modest, unpretentious, quiet, and brilliant person. The following perhaps is typical of the reaction that the faculty came to have toward Nancy. Hughes writes:

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1. I am indebted to Mort Kamien for providing information about Nancy Schwartz, to Jonathan Hughes for excerpts from his manuscript, "Nancy Schwartz as a Student," and to Linda Moeller for her comments on a version of this article and her constant and supporting friendship.
 2. I did see Nancy Schwartz several times at meetings and each time noted how she looked, what she wore, and how she spoke, in addition to what she had to say about economics. She wasn't stylish, didn't wear any make-up that you would notice, and spoke carefully and without dramatization. But when she spoke the room became quiet. From my own recollections and reading Jonathan Hughes' stories of Nancy, she seemed to have much in common in her personal style with Barbara McClintock, a Nobel Prize winner in genetics, as described in Evelyn Fox Keller's biography. Both were very serious about their work, both quite quiet. Neither was known for her sophistication and poise.
 3. This became clear to me when I heard her discuss a paper at the Annual Meeting.

I taught an Economic History course. Nancy listened to my lectures for a whole semester without saying much. She then told me she wanted an incomplete. A year later she gave me a superb term paper without comment. I said to her, "Well, what did you think of it?" Her reply was: "I think I know why you put the reading list together that way." As someone once said about Nancy, her major talent was very simple, she was "Smart, Smart, Smart." By then her local reputation was such that I was too insecure to continue the conversation.

Nancy Schwartz was famous for her penetrating questions. About these, Hughes relates the following:

Nancy's preliminary Ph.D. examination went badly. After she left the room one of the committee members said, "Well, Nancy was never very good at answering questions." To which Rubin Saposnik exclaimed: "But what about the questions she asks?"

The committee decided that the questions they had asked were not good enough and passed her.

Hughes relates some interesting stories about Schwartz's job market experience. The first concerns her reaction to Oxford.

Sir John and Lady Hicks had met Nancy during a visit to Purdue. They arranged to fly Nancy over to London. A limo was sent down from Oxford for her alone, picked her up, and drove her back down. She was wined and dined and then offered a fellowship at Sommerville College, the first such offer ever given to an American woman. Back at Purdue we were thrilled and proud. But she declined. I was puzzled and asked her about it. It turned out that she had detected the nearly invisible but utterly deadly internecine politics of Oxford, as it was then, and wanted no part of it. She realized that certain poisonous characters in Nuffield College could, and probably would make it impossible, without an unseemly brawl, for her to fully participate in graduate seminars, which were held in a large part in Nuffield. I knew the place and cast of characters well, but was surprised that Nancy had seen through them so quickly. Sir John and Lady Hicks were crushed by her refusal to go to Oxford. They were certain that Nancy could easily have overcome the Nuffield business. I think they were right, but it was Nancy's decision.⁴

When Nancy went on the job market, Douglas North was, according to Hughes,

wild to get her to Seattle. But this was years before Doug's word became law at the University of Washington, and Doug had to convince his colleagues. (I omit his

4. We like to think that this sort of story is completely a part of history. In 1988, I had the opportunity to dine at All Souls, an important College of Oxford, on a Sunday evening. Everyone I spoke to was very pleasant. Sir Patrick Neill, the Warden of the College, was extraordinarily gracious, charming, and entertaining. I would be delighted to dine there again. However, as I was warned beforehand, one member of All Souls didn't stay for dessert. This was his way of objecting to the presence of women at dinner. (He should have gone to bed without his dinner too!) More seriously, one woman I met avoided dining in her College, a valuable perquisite of her position as a Visiting Fellow, because of such attitudes on the part of a few members of the College.

description of the colleagues.) Doug reported that the interview got off on the wrong foot with some unseemly remarks about Nancy's sex, Purdue, and God knows what else. Nancy went "cold" on them. She froze. The interview ended as follows.

X: What is your thesis about?
Nancy: Barges.
X: Full barges or empty barges?
Nancy: Some are empty, some are full.
Silence: End of interview.

Nancy's thesis did concern full and empty barges. It studied the minimal-cost routing and timing of barges transporting freight between two ports.

As placement officer at Purdue, Hughes tried to sell Nancy to Yale, and spoke to John Hooper, then Director of the Cowles Foundation. According to Hughes,

I took him aside, explained about Nancy and then urged him to "ask her any questions you can think of about economic theory." He was hesitant, partly amused by the situation, and then said "Okay." I introduced him to Nancy and they wandered off, talking. In an hour he was back, very agitated and tense. "Hughes" he said, "You've got to get Stan Reiter to talk to Koopmans about her. I can't hire a woman at Yale."

How times have changed. As already indicated, Nancy went to an Assistant Professorship at Carnegie Mellon, where she began her long collaboration with Mort Kamien. The final story Hughes tells is, as he says,

a part of the History of Women's Lib. We heard that Carnegie Mellon had been unable to promote Nancy to full professor because of her sex, that she had been told something like "Carnegie Mellon doesn't hire women full professors." We already had tried to lure Mort and Nancy to NU and had failed....Stan (Reiter) picked up the phone and said "Nancy, how would you like to be a full professor?" That was the beginning of moving the now-famous team of Kamien and Schwartz to Northwestern.

In reflecting about these impressions of Nancy Schwartz and her career, I see an extreme contrast between the barriers she encountered, the inappropriate allusions to her sex, and other situations that I can only imagine, and the exceptional supportiveness and constancy of her colleagues, exemplified by Jonathan Hughes, Mort Kamien, and Stan Reiter. These friends must have been very important to her.

Nancy Schwartz left us two important gifts -- her brilliant scholarly work and her path-breaking role in the history of women in economics. Each year, she is remembered at Northwestern by the Nancy L. Schwartz Memorial Lecture, which has had for its speakers some of our profession's most distinguished economists: Hugo Sonnenschein, Andeau Mas-Colell, Menachem Yaari, Robert J. Aumann, Truman F. Bewley, and Reinhard Selten.

RIDING OUT THE RECESSION
by Frank S. Levy

Since September 1990, the media has been filled with economists describing the white collar recession. While the market for new doctorates in economics is bad, it is far from unprecedented. Other cohorts have entered bad job markets (including the catastrophic job market of the Great Depression) and have ultimately done well. What follows are some ideas on getting through the business cycle trough.

Don't lose confidence. Rejection letters and unanswered telephone calls make it easy to give up on your ability. But the problems you face are facing many people including peers in other economics programs and contemporaries in business and law schools. The problems reflect the recession more than you, and the recession will ultimately end. Your first priority is to wind up with a good job offer. The rejections you acquire along the way are not recorded on your vita. But if you lose the confidence to keep on plugging, you won't get acceptances or rejections.

If the right offer doesn't come along, it is worth considering a temporary job and reentering the market next year. Choose a temporary job with care. Beyond providing income, the greatest value of a temporary job is the chance to finish your dissertation (if it isn't finished already) or the chance to start writing articles (if it is). But both activities usually require access to computing facilities, data sets, and libraries. Maintaining that access is important even if it reduces income for a year. If you have the option of staying in your department another year -- as a teaching or research assistant or as a post-doctoral fellow -- the option is worth your serious consideration. A second choice is a temporary teaching position with a nearby community college or similar institution.

Staying another year in your department also helps to deal with the deadly out-of-sight, out-of-mind rule. Since dissertation advisors and placement officers are human, they will usually expend their greatest effort to place the people they see frequently. Thus, getting on departmental placement lists and getting your advisor to make calls are both harder to do from a distance than from close at hand. Yet these "promotional" activities are important because the economics job market, like all markets, responds to signals. It will respond better to the signal of your graduate institution than to the signal of most temporary employers.

If you are forced to leave the area, make sure your advisor and placement officer know why you're leaving, know that you intend to reenter the market next year, and know of any strong leads you developed (for example, searches for positions canceled in mid-year because of hiring freezes). Over the fall, you should plan to maintain contact with your department not as a supplicant ("Here I am, please place me"), but rather as someone actively engaged in the profession. Ask your advisor to arrange for you to give a fall seminar to remind people who, and how good, you are.

Finally, you may want to consider nonacademic permanent jobs, such as with the federal government. If you are like most of your peers, you have been in an academic institution continuously since nursery school and the thought of leaving is scary. But many governmental and private positions dominate many academic positions in terms of the research you can do. And if you also have an interest in serving the public or making money, jobs outside academia deserve your most careful consideration.

Good luck and keep your chin up.

A REVIEW OF CLAUDIA GOLDIN'S
Understanding The Gender Gap
(Oxford University Press, 1990)
by Rebecca M. Blank

Anyone interested in the history of women in the labor market in the United States will find this book worth reading. Goldin provides a sweeping review of the changes in women's labor market participation from the late 19th century through the 1980s, as well as of the underlying causes behind these changes. The forte of the book is its wealth of data from an amazing variety of sources, combined with Goldin's careful discussion of a wide range of labor market issues. I will use this review merely to whet your appetite on a few of the issues the book discusses at length.

Labor Market Participation

From 1890-1960, growth in the participation rates of women in the paid labor market primarily occurred because of increases among married women. Single women were as likely to work in 1890 as 1960 (although, of course, the number of single women and the length of women's post-school, pre-marriage period varies over time.) Increased participation among married women is the result of a variety of interacting forces. Increasing demand for clerical workers, combined with rising education and changing fertility, are all important. Married women within each progressive 10-year birth cohort have consistently worked more for the last century. An interesting discussion looks at the potential effect of these changes on young women preparing for the labor market, who will consistently underestimate their future work if they use their mothers as an example.

Wages

Women's wages rose relative to men's through most of the 19th century, according to Goldin, because of the industrialization process that diminished the need for sheer physical strength and increased the demand for unskilled labor. Throughout most of the 20th century, female/male relative wages remained fairly constant, but began rising again in 1980. As others have also documented, this constant relative wage resulted because the influx of new female workers constantly diluted the pool of existing workers, so the average work experience level among the female labor force did not rise.

One of the more interesting sections of the book is an attempt to measure the extent of wage discrimination. Goldin's evidence indicates that only a relatively small share (20%) of the male/female wage difference was unexplainable by worker characteristics in 1900. By 1940, however, a much larger amount (55%) of the male/female wage difference seemed due to discrimination. Thus, the evidence here indicates that discrimination in wages rose for women as they moved from manufacturing into clerical jobs in the early part of this century.

Regulation of Women's Labor Market Involvement

Goldin devotes two chapters to a discussion of how firm and government regulations affected women. First, she discusses the emergence and disappearance of "marriage bars" -- internal rules

against either hiring or retaining married women -- between 1930 and 1950. These restrictions seemed to arise when firms created internal wage and promotion rules (internal labor markets) that divorced current productivity from current wages. Goldin gives a convincing, albeit complex, explanation of why it was advantageous for employers to establish rules against the employment of married women, at a low cost in lost productivity. The whole system broke down in the 1950s, when the supply of young unmarried women shrank because of rising fertility and earlier marriage. Suddenly, older married women become "preferred" employees.

Goldin also looks at the emergence of protective legislation aimed at women in the labor force. Was it an attempt to restrain women's labor market involvement and prevent their advancement? Or was it an effort to improve working conditions, making work more attractive for women? Goldin does a simple test, using data from 1910-1919, asking whether the emergence of protective legislation lowered or raised women's labor market participation, and whether it led women to reduce their hours of work more than men. In general, she finds little evidence that these laws substantially interfered with women's labor market involvement. She discusses the long-term social impact of such laws, however, which emphasized women's role as marginal workers and potentially delayed the emergence of concern over labor market discrimination against women.

This book is likely to be the definitive work on this topic for years to come. My only complaint is that there's a lot here that I want to see widely disseminated to a broad popular audience, and this isn't the book for that. For instance, many undergraduates would find the regressions and data analysis heavy going in places, although they should have no problem following the underlying arguments. When Goldin writes the popular version, I'll be the first to buy copies for all my nonacademic friends.

* * * * *

Obituary

Aryness Joy Wickens, an economist and statistician who played a crucial role in developing the government's cost-of-living index, died in February, in Jackson, Mississippi. In 1933, she served on a committee organized by the American Statistical Association to advise Secretary of Labor Frances Perkins on setting up the Bureau of Labor Statistics program. A few years later she directed the bureau's studies for the Temporary National Economic Committee's investigation of monopolistic practices in industry.

In 1952 she was president of the American Statistical Association and in 1960 she was one of six recipients of the first Federal Women's Awards of the Civil Service Commission. Mrs. Wickens was born in Bellingham, Washington, was a Phi Beta Kappa graduate of the University of Washington, and held a master's degree from the University of Chicago.

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