



Nathalie Lees

The Big Idea Series / Rethinking “Back to Work”

The Problem with “Greedy Work”

by Gretchen Gavett

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Summary. Covid-19 has forced millions of people to work from home while juggling caregiving and other commitments. Is this making work more flexible or less? In this interview, Harvard economist Claudia Goldin outlines what she calls “greedy work”: work that pays more in exchange for long, inflexible hours; is a key contributor to the gender pay gap in the U.S.; and is a symptom of rising income inequality. She also discusses how couples can make their relationships more equitable in terms of work and family and provides examples of industries that, by chance or choice, are making flexibility and equal pay a reality. [close](#)

Long, inflexible work hours are often the norm in high-pressure, high-paying jobs where promotions are important, or in firms or sectors where earnings are considerably unequal. These kinds of jobs are a big part of why there’s a gender pay gap in the United States.

In her forthcoming book, *Career and Family: Women’s Century-Long Journey Toward Equity*, award-winning Harvard economic historian and labor economist **Claudia Goldin** explains why. The answer, she says, involves “greedy work,” a concept that touches on everything from income inequality to which jobs men and women sort themselves into.

Over the past 18 months, the Covid-19 pandemic has forced millions of people to juggle work and caregiving — and led many employers to be more accommodating of domestic demands. I wanted to ask Goldin for her take on how flexible (or not) these jobs are becoming, whether this flexibility might influence gender inequality or the pay gap, and if she sees any ways to make work less greedy.



Goldin has been studying gender pay gaps and related career dynamics for decades. She served as president of the American Economic Association, is the program director of the Development of the American Economy program at the National Bureau of Economic Research, and is a member of the National Academy of Sciences. She also created the Undergraduate Women in Economics Challenge. This interview, which was conducted over email, has been edited.

Your research on U.S. couples demonstrates that the idea of flexibility for all is complicated, particularly when it comes to gender. Can you explain what “job flexibility” refers to and why it is generally considered to be an amenity or a perk? Why aren’t all jobs flexible?

Flexibility is a multidimensional concept concerning the number of hours of work, the intensity of the work, and when the work must be done — think of the rush, on-call, anytime nature of some jobs. But importantly, it also concerns the price that firms

must pay to provide flexible work as an amenity and the price that workers are willing to accept. This calculation is of great importance in understanding why women, especially those who undertake caregiving roles, earn less than men.

What do you mean by “the price that firms must pay to provide flexible work”?

Let me provide an example of an amenity that has nothing to do with flexible work. Consider the provision of clean air at a job location. Firms can choose to provide clean air (for example, using large HEPA air purifiers) to all their workers, but only at some cost to the company. If the clean air technology were expensive, the firm would provide clean air only if workers would take a steep cut in their wages to get it or if it increased productivity. But if the technology were really cheap to provide, the firm could make clean air accessible at almost no cost to the workers.

Now, what if women had a greater preference for clean air than men? They might choose to work at firms that provide clean air, and may even take a pay cut for the amenity. Some women might not work at all if the cost of clean air lowered their wages too much. Men and women might segregate themselves by firm according to the firm's cost of cleaning the air. But if the cost of clean air fell across the board, workplaces would become less segregated by gender.

The issues with time flexibility are somewhat similar. If a job could be handed off from one worker to another with little loss in information, then it would be less costly for the firm to provide the amenity of job flexibility, because if one worker had to stay home to care for a sick child, another could seamlessly take her place. Even for positions that are client-facing, if two workers

were very close substitutes, then tax documents, legal briefs, divorce papers, real estate transactions, and bank statements could be handed off from one to the other, should a need arise.

But what if there's only a small amount of redundancy among employees and tasks? For example, what if there is only one person to take client calls? Then the cost of flexibility is higher, since allowing one person to hand off their work requires hiring and training another employee and possibly having the two work together for part of the day.

In the end, jobs that require more time and less flexible hours have generally been those that pay workers more per hour. Putting this simply: If the person who works 70 hours per week, possibly during evenings and weekends, gets a lot more than twice the wage per hour of the person who works 35 hours per week, we call that "greedy work."

What else does greedy work entail?

Greedy work can be defined as a job that pays disproportionately more on a per-hour basis when someone works a greater number of hours or has less control over those hours. It could be a rush job, a demanding client who calls at 11 PM, or a supervisor who asks that the worker give up a vacation day for the project. The firm has deemed the additional payment worth it to have the work done over more hours, at a particular time, or during odd hours. The other critical aspect is that the worker agrees to do it at that wage. Supply and demand, all over again.

If workers did not care about giving the additional time, then the firm would not have to pay them that much more. But many do care. It is a complicated equilibrium in which the compensation may be an insufficient reason for some workers (let's say women) to give up their time or family life. But the compensation may be

sufficient for some other workers (let's say men) to do so. Under these conditions, women will shift to a firm with less demanding hours or leave the workforce.

In many professions, women work in firms or for institutions that are less demanding of their time, according to my research. They are disproportionately adjunct faculty rather than tenure-track professors, they work for smaller accounting and law firms than men do, and they are in finance occupations, like HR, that require fewer hours than a job such as investment banking. They gain various amenities in their work, but they also earn less today and will often earn even less in the future.

What are some of the mechanisms that got us here?

We don't really know whether work was far less greedy in the past. Americans have always been workaholics — they worked more hours than their European counterparts long ago, and they work more hours now. Alexis de Tocqueville, during his visit to America in 1831, remarked that workers in democracies labored more than in aristocracies because they could advance. Interestingly, at the time, America was the land of equality relative to France, Britain, and Germany.

The big issue that powers greediness in work today, however, is the enormous degree of economic *inequality*. Inequality of earnings began to rise in the 1980s, and for reasons that we are still exploring, top-end inequality exploded in the 2000s. The increase in the fraction of income earned by the top 10%, the top 1%, and even the top 0.1% fuels greedy work. If earnings in the top position are so much greater than in a position slightly below it, some will work enormously hard for the chance to have that top position.

Economic inequality also puts pressure on client-facing firms in a number of ways that further drive greedy work. One way concerns the increase in winner-takes-all positions. The best examples are in entertainment and sports, but there are many in law, accounting, and finance. In law, for example, if hiring a particular person increases the probability of winning a case, the case is now worth so much more, and you would pursue that particular lawyer and be willing to pay a tremendous amount more for that person's hours. But client-facing firms aren't the only ones that have greedy workplaces. Most firms and institutions with positions that are "up or out" and that involve making partner, getting tenure, or achieving a major promotion will give rise to the type of greediness I've mentioned.

Are there examples of companies or industries that are bucking the greedy work trend? What benefits are they seeing?

Some changes happen organically. The example of pharmacists comes to mind. There was a time when a pharmacist would own his business. He might hire another pharmacist as an assistant, and often that pharmacist was a woman. She would earn far less than he did, largely because he was the "residual claimant" who would take on the risks and the time commitment of ownership.

Many changes occurred that brought about the decrease in the fraction of independently owned pharmacies and the rise of the corporate model associated with CVS, Walgreens, and Rite Aid. Pharmacists became much better substitutes for each other through the standardization of drugs and the use of elaborate information technologies. They no longer receive the financial rewards, or have the time demands, of ownership. And the gender earnings gap for hourly earnings in pharmacy is among the lowest among high-paying professions, even though a substantial fraction of female pharmacists work part-time at some point in their career.

A very different set of reasons for change is found in pediatrics. In that case, it appears that many pediatricians — independent of gender — wanted more flexibility and formed group practices that enabled them to better choose their schedules. At the same time, their clients could get to know various pediatricians in the group, so their children would be less upset if the doctor they saw last time was not the one on call this time. The physicians were happier and their patients were happier. Similar changes occurred in veterinary medicine. In both fields, the fraction of the group that is female increased — it is around 77% among veterinary students today, up from 10% in 1975.

Plus, there are firms that appreciate when dads take time off for family reasons. In some research I've done concerning why firms provide paid family leave, I noticed that many firms want their male employees to take advantage of their leave benefits, in part to have less resentment when women in the firm take parental leave. Encouraging men to take the leave and really use it for family matters is a good way to increase equity in the firm and in couples.

How can couples make an imbalance around greedy work less likely to occur?

Fifty-fiftyness is a noble goal. But the greedier work is, the more expensive 50-50 equity in a couple becomes. Every time the couple tries to share, they will implicitly “pay” more. Rather than having both give up higher-paying jobs for more flexible ones, just one member of the couple will, and it is often the woman. In consequence, if they are a heterosexual couple, gender inequality will generally increase when the woman steps back from her career. Even for same-sex couples, greedy work will serve to upend couple equity, but it will not add to gender inequality.

The short answer is for couples who greatly value a 50-50 balance to take the hit in terms of lower earnings today and a lower probability of making partner, getting tenure, or landing a big promotion. If they are both lawyers, for example, they could work at medium-size firms rather than one working at the big-ticket firm and the other at the boutique firm. The point is that couple equity costs money, and it costs more the greedier work is.

Have the costs of job flexibility been lowered by the technologies and WFH arrangements we've used during the pandemic? What do you make of what we've seen over the past 18 months, and what might it mean for equity in the workplace?

Jobs can always be made flexible. The question is what the cost to the firm is and what the price to the worker will be in lower earnings.

The pandemic appears to have lowered the cost of flexibility in various ways. Firms and workers have learned to use technologies that enable remote meetings, including those with huge numbers of participants. Even though we've had teleconferencing software since the 1990s, we didn't greatly depend on these tools until recently. Partly that's because we now have high-speed internet, but partly it's because we were forced to use them, and the more extensive the network of users, the greater the advantage to new entrants. In addition, clever startups have been inventing new types of software — like Sophya or Gather, which create virtual spaces that are more flexible and intimate than Zoom — that provide teams with a greater sense of familiarity and togetherness, promoting trust and enabling creativity among teams of remote workers.

Why would this impact flexibility, and why would flexibility enhance gender equality in the workplace? If you can do an M&A meeting with a client in Tokyo or Beijing without ever getting on a

plane, the parent who needs to be home at night can take that job — and that individual is likely to be a woman. The number of work hours may remain the same, but the employee has more control over which hours are free, like the ones just before a child goes to bed or when the family eats dinner together.

But there are still snags in virtual collaborations. I find that I'm more productive and creative when my coauthors and I meet in person. Let's face it, some relationships may always require some degree of physicality.

Is there a future in which work becomes less greedy for everyone — and makes work more equal for women and, in particular, mothers? What do we need for that to happen?

It would be great if economic inequality would miraculously decrease. That would change some aspects of greedy work. But that isn't going to happen soon. There are other ways to even the playing field, though, and they mainly involve (surprise!) children. Changing the cost to parents through subsidized day care, for example, won't change greedy work, but it will mean that the time of parents is less critical. Parents will substitute someone else's time for their own. However, there will still be issues regarding which parent will respond to the emergency call from the school nurse or take the older relative to the cardiologist.

Sweden, for example, has heavily subsidized day care, and it also has far lower income inequality than the U.S. My sense is that having more-equal incomes is the bigger game changer for those who are college graduates and probably for the rest of society as well.

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