

C O W S

center on wisconsin strategy



Women's Council
· Wisconsin ·

Center on Wisconsin Strategy

The Center on Wisconsin Strategy (COWS) is a policy center and field laboratory for high road economic development — a competitive market economy of shared prosperity, environmental sustainability, and capable democratic government. Housed at University of Wisconsin-Madison, COWS has been supporting progressive policy innovation since 1991. For more information: www.cows.org.

Wisconsin Women's Council

The Wisconsin Women's Council is state government's statutory commission on the status of women and works to develop long-term solutions to barriers and inequities that prevent women in Wisconsin from participating fully and equally in all aspects of life. For more information: www.womenscouncil.wi.gov.

Research for this report was provided by Jessa Lewis Valentine, Senior Research Specialist, Center on Wisconsin Strategy, and Greta Voltz, Research Intern, Wisconsin Women's Council.

Wisconsin Women, Wages and the Recession

Recession Draws Attention to Problem of Gender Wage Gap in Wisconsin

The recession starting in December 2007 is in many ways the longest and most brutal downturn confronting Wisconsin and the nation since the Great Depression of the 1930s. Although it has been devastating to men and women alike, this downturn has been referred to as a 'Mancection' because of its disproportionately negative impact on men, thus casting a spotlight on working women who are increasingly responsible for a larger share of their family's income.

Some media reports suggest that amidst the economic downturn, women can find cause for celebration in their growing economic empowerment. *The Economist's* January 2010 cover story featured Rosie the Riveter's flexed muscle pose and the headline "We Did It!" By some counts, women are, or soon will be, over half of the American workforce. In 2009, Wisconsin women made up 48.2 percent of the state's labor force.

Despite the growing importance of women's contribution to the labor force and to household incomes, the gender wage gap stubbornly persists irrespective of age, race, or level of education. In 2009, Wisconsin women earned, on average, only 81 cents for every dollar earned by men. Moreover, women continue to be concentrated in occupations that are low-wage and low-quality.

Since 1963, when Congress passed the Equal Pay Act, women have achieved progress in educational attainment, access to the workforce, and success in occupational fields once exclusively the domain of men. Nevertheless, as this report shows, equality in the workplace continues to elude today's women in both Wisconsin and the nation. Women's presence alone in the labor market does not even the wage scales. There is little to celebrate until we close the longstanding gap in women's earning power.

The persistent gender wage gap means that all families who rely on women's earnings are short-changed and that families relying solely on women's earnings typically face greater economic hardship. Even before the start of this recession, women were much more likely to feel economically insecure than men.

Institute for Women's Policy Research¹

Gender Gap in Wages Persists

There is no doubt that the women of Wisconsin are a powerful economic force. They are among the most likely in the nation to work—Wisconsin women’s labor force participation rate of 67 percent is significantly higher than the national average for women of 59 percent. And, year after year, Wisconsin women achieve gains in earnings and educational attainment.

Nevertheless, the gender wage gap remains persistent and substantial. In 2009, women earned 81 cents on the dollar compared to men (see Figure 1). This gender wage gap is slightly wider than the 2008 gap of 82 cents on the dollar. With a median hourly wage of \$14.50 in 2009, Wisconsin women’s wages were roughly 19 percent lower than men’s. At this rate, a full-time woman worker in the state would earn around \$30,200 per year, on average, compared to more than \$37,400 per year for men—a difference of over \$7,000 in earnings annually.

Unfortunately, it appears that the problem won’t be solved by the next generation of women workers. For women ages 25-35, the 2009 median hourly wage of \$14.53 was 11 percent below the men’s median wage for that age group.

Looking at full-time, year-round workers only, it becomes clear that the wage gap cannot be explained away by women’s lower attachment to the labor force (e.g., part-time work). Indeed, the wage gap picture looks even bleaker for full-time women workers. In 2008, for Wisconsin women working full-time, year-round, median annual earnings of \$33,437 were more than 26% below men’s median earnings for that group -- a difference of about \$12,000 in earnings annually.²

Regardless of Education, Women Earn Less

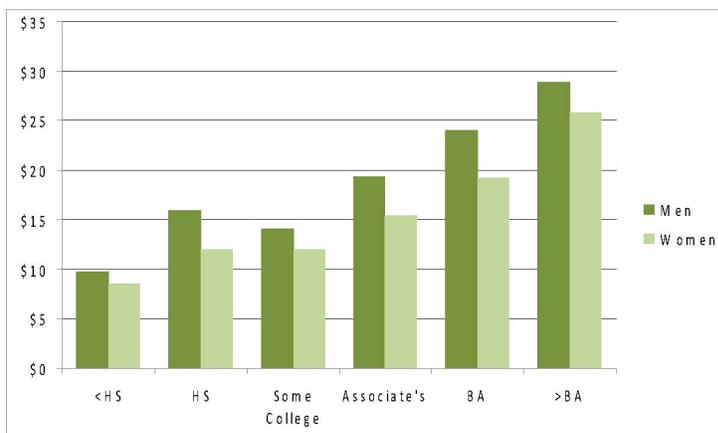
For all Wisconsin workers, education—particularly securing a four-year degree—pays off in increased wages. However, while the gender wage gap diminishes with higher levels of education, men earn more than women at all education levels, as shown in Figure 2. In 2009, women with a high school diploma earned 75 cents on the dollar compared to men with the same education. This improves to 80 cents on the dollar for women with a Bachelors degree and to 89 cents on the dollar for women with more than a four-year degree, compared to similarly educated men.

That Wisconsin women continue to make strong wage gains in education bodes well for a possible decrease over time in the gender wage gap. Nearly one-third of Wisconsin women have at least a four-year college degree, performing slightly better than men on this measure. However, educational attainment among women varies considerably by race and ethnicity. In 2009, 33 percent of Wisconsin white women had at least a four-year degree, compared with 20 percent for African American women and only 15 percent for Hispanic women. Educational progress for Wisconsin women overall masks these troubling figures for Wisconsin’s women of color.

Figure 1.
Wisconsin’s Gender Wage Gap for All Workers, and for Younger Workers, 2009
 Median hourly wages, 2009 dollars, Current Population Survey



Figure 2.
Wisconsin’s Gender Wage Gap by Education, 2009
 Median hourly wages, 2009 dollars, Current Population Survey



Maybe this will be an opportunity for people to rethink paid employment, particularly now that families are dependent on the earnings of the wife. A lot of the jobs out here for women are in nursing or as home health aides. Those are not jobs that pay family-sustaining wages.

Eileen Appelbaum, Economist & Director
Center for Women and Work at Rutgers University
(as quoted in Newsweek)³

Women’s Work Concentrated in Poor Quality Jobs

In light of the recession, research and articles on “the new breadwinners” feature the growing role of women’s earnings in family budgets. A 2009 Newsweek article reported that, nationally, about 35 percent of women bring home at least half of their family’s income.³ The Shriver Report states that within married-couple families, the average wife brings in 42 percent of household earnings.⁴

However, families relying largely or solely on women’s earnings tend to face greater economic hardship, and too many women continue to struggle in poor quality, low wage jobs. Women’s work is concentrated in lower-paid occupations in retail, services, education, non-profits and health-care (such as nursing and home-health aides). They disproportionately work in occupations that lack the hallmarks of good quality jobs, such as health benefits, sick leave, vacation benefits and pensions. More women than men work in jobs that leave them and their families below the poverty-level. Even in occupations dominated by women, men in the field often earn more, holding the highest level and best paid positions.

The tendency of women and men to cluster in different occupations and industries is a major contributing factor to the gender wage gap. Women comprise a minority of workers in 7 out of 10 of the highest paying occupations for women in Wisconsin (see Table 1). Within the service sector, for example, men tend to dominate protective services, such as fire fighting and law enforcement, which have significantly higher median salaries than female dominated service occupations, such as healthcare support, food preparation, and personal care and service.

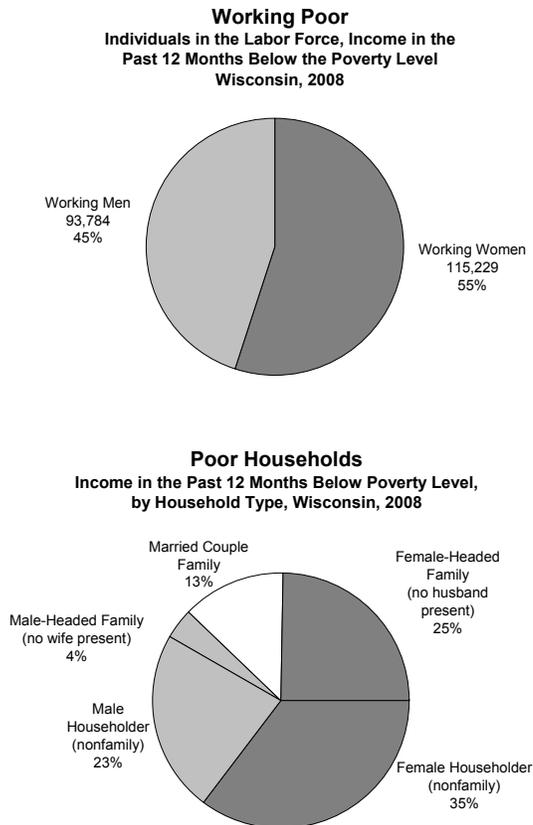
Men also tend to hold higher positions within occupations. Research from the Institute for Women’s Policy Research shows that women earn less than men even within the jobs that women are most likely to hold, such as secretaries, teachers, and nurses.⁵

Table 1
Top 10 Highest Paying Occupations for Women in Wisconsin, based on Median Annual Earnings (including men’s median earnings)

Occupation	Median Annual Earnings		Women's Earnings as Percent of Men's	Percent Held by Women
	Women	Male		
Health diagnosing & treating practitioners & technical	\$ 58,975	\$100,000+	59%	70%
Computer & mathematical	\$ 54,711	\$ 63,614	86%	29%
Architecture & engineering	\$ 49,438	\$ 63,572	78%	12%
Management	\$ 48,037	\$ 65,421	73%	34%
Law enforcement workers including supervisors	\$ 46,663	\$ 52,442	89%	20%
Life, physical, & social science	\$ 45,878	\$ 55,344	83%	40%
Legal	\$ 43,873	\$100,000+	44%	48%
Business & financial operations	\$ 43,785	\$ 58,856	74%	56%
Education, training & library	\$ 40,960	\$ 52,116	79%	66%
Arts, design, entertainment, sports & media	\$ 39,354	\$ 46,726	84%	46%
Average	\$ 47,167	\$ 65,809	72%	

Source: Occupations by Sex and Median Earnings in the Past 12 Months, for Full-Time, Year-Round Civilian Employees, 2006-2008 (3-year average), U.S. Census Bureau, American Community Survey, American FactFinder.

Figure 3
Who's Poor In Wisconsin?



Source: U.S. Census Bureau, American Community Survey, 2008, American FactFinder

For More Information

Wisconsin Job Watch (monthly)
Center on Wisconsin Strategy
www.cows.org/jobwatch

The State of Working Wisconsin
Center on Wisconsin Strategy
www.cows.org/soww

Are Women Now Half the Labor Force? The Truth about Women and Equal Participation in the Labor Force (2010)
Institute for Women's Policy Research
www.iwpr.org

The Gender Wage Gap by Occupation (2009)
Institute for Women's Policy Research
www.iwpr.org

Mind the Gap—Gender Wage Report (2008)
Center on Wisconsin Strategy & WI Women's Council
www.womenscouncil.wi.gov

Wisconsin Women and Economic Opportunity, (2007)
Center on Wisconsin Strategy & WI Women's Council
www.womenscouncil.wi.gov

While women increasingly contribute to their families' budgets due to economic recession, the quality of jobs and earnings for women are often insufficient to sustain a family single-handedly. Although women make up less than 50 percent of Wisconsin's workforce, they make up 55 percent of the state's working poor (those in households with income below the federal poverty level). Moreover, nearly 60 percent of poor households in Wisconsin are headed by a woman (see Figure 3).

Conclusions

The gender wage gap, once narrowing, has been stuck in place for much of the past decade. Over that period, however, women's wages have become increasingly important to family incomes as single-parents, members of dual wage-earner couples, and other female heads of households. More than two-thirds of married mothers are employed.⁶ Yet, the wages and benefits of many of these jobs are insufficient to sustain families. Research shows that families relying solely on women's earnings typically face greater economic hardship than other household types.¹

Wisconsin's strong work ethic, seen in high rates of workforce participation, especially among Wisconsin women, is an important foundation for a strong economic recovery. Nonetheless, the economic foundation of our families is at-risk with women clustered in lower-wage jobs that disproportionately lack the hallmarks of job quality such as health benefits, sick leave, vacation benefits and pensions.

Improving women's position in the labor force will require widespread support for family-friendly workplace policies, such as those related to family leaves, sick leave, flexible schedules, and access to quality, affordable child care, for both women and men. Also critical will be stronger use and enforcement of anti-discrimination laws, such as 2009 Wisconsin Act 20 which provides for compensatory and punitive damages for employment discrimination. Women and girls also need to be better informed about the long-term economic impact of academic and occupational choices, and given support and encouragement to pursue higher-paying career paths, including occupations that are non-traditional for women and/or minorities. The health of our economy moving forward demands that we enact these types of policies and programs that can help close the gender wage gap in Wisconsin.

Notes:

1. Ariane Hegewisch and Claudia Williams, *The Female Face of Poverty and Economic Insecurity*, 2010, Institute for Women's Policy Research, IWPR R345.
2. U.S. Census Bureau, American FactFinder, 2008 Data Profiles, Selected Economic Characteristics: Wisconsin, see: factfinder.census.gov.
3. Nancy Cook, "What Mancession?," *Newsweek* (online), July 19, 2009, see: www.newsweek.com/id/206917.
4. Maria Shriver & Center for American Progress, *The Shriver Report: A Woman's Nation Changes Everything*, 2009, see: www.awomansnation.com.
5. *The Gender Wage Gap by Occupation*, 2009, Institute for Women's Policy Research, IWPR C350a.
6. *Unemployment Among Single Mother Families*, 2009, Institute for Women's Policy Research, IWPR C369.