



WASHINGTON'S WORKING WOMEN: NOT EQUAL YET

A SPECIAL REPORT FOR WOMEN'S HISTORY MONTH 2009

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MARCH 2009



ABOUT THE ECONOMIC OPPORTUNITY INSTITUTE

The **Economic Opportunity Institute** (EOI) is an independent, nonprofit, nonpartisan public policy center founded in 1998 and based in Seattle, WA.

We are dedicated to building an economy that works – for everyone – by advancing new ideas to make Washington a better place to live, work and do business.

ABOUT THIS REPORT

Washington’s Working Women is a special publication of the Economic Opportunity Institute. It includes data originally published as part of *The State of Working Washington 2008*, along with some new analysis.¹ We gratefully acknowledge the technical and financial support of the Economic Policy Institute and the financial support of the AFSCME Council 2 in preparing this report.

Additional copies of this report can be obtained by visiting www.eoionline.org.

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Introduction

FORWARD PROGRESS STALLED:

GENDER-DEFINED JOBS AND UNEQUAL EARNINGS STILL THE NORM

Women's earnings are essential to economic security for the majority of families in Washington State. Women comprise about half of the state's workforce. As job losses mount in the second year of the national recession, women's support of family incomes is more important than ever.

However, women continue to earn far less than men. On an hourly basis, women's wages have crept steadily closer to men's, but since 1990 average monthly earnings have actually become more unequal.

In 1979 Washington women's median hourly wages were just 59% of men's. That ratio had risen to 71% by 1990, and to 81% by 2007. At the same time, women's average monthly earnings compared to men's *decreased* from 68% in 1990 to 64% in 2007.² In 2007, Washington women on average made \$1,672 per month less than men.

In every sector of the economy and at every age, men earn more than women. The disparity in incomes becomes more extreme over the course of workers' careers. Teenage boys make just a little more than teenage girls. Forty-year-old men average nearly double the monthly earnings of forty-year-old women.

One of the key reasons women earn so much less than men is that the workforce remains segregated by gender. Most of us assume that opportunities afforded to men and women and the social dynamics of gender have become more equal. However, many workplaces remain dominated by one gender and some sectors of the economy have become even more segregated since 1990.

In 2007, women held just 26% of software publishing jobs, 25% of aerospace manufacturing jobs, and 16.5% of construction jobs in the state.

Women are also nearly twice as likely as men to work part time. In 2007, one third of Washington

women but less than one fifth of men worked less than 35 hours per week.³ Even among full-time, year-round employees, women's median earnings were only three fourths of men's in 2007 – \$38,903 for women compared to \$51,295 for men.⁴

In the 1960s and 1970s, organized activism, changed attitudes, and landmark national legislation that banned discrimination in employment based on sex or pregnancy threw open new doors to women – and to men.⁵ As a result, women's labor force participation rate rose. In Washington, the percentage of adult women in the paid workforce jumped from 53.5% in 1979 to over 61% one decade later.⁶

Since 1990, both men and women have increased their labor force participation during economic expansions and pulled back when the economy fell.

Among married couples with children at home in Washington state, over three-fourths included a wife and mother in the paid labor force in 2007, and 30% of households with children were headed by a single – usually female – parent.⁷ As our population ages, more workers also have care-giving responsibilities for aging parents as well.

Yet forward progress for women in the workforce has largely stalled over the past two decades. Workplace standards remain mired in outdated assumptions that most workers are men and most families have a full-time caregiver at home. Among private sector workers in the United States, only 8% have paid family leave, 43% lack a single paid sick day and one quarter lack any paid vacation.⁸

The mismatch between the needs of working families and workplace standards constrains women's true choices in the job market. It also results in poorer health for children and adults,

higher health care costs, lower scholastic achievement for children, and lost productivity in the workplace.⁹

New legislation that enforces modern workplace standards, protects family care giving roles, and supports early learning and care is needed for women to make the next leap toward gender equality. Without reliable access to paid family

leave, paid sick days, and affordable, quality childcare and preschool, career opportunities and earning potential will continue to be limited for the majority of women.

Our children, families, businesses, and communities all pay the price for our failure to step up to the public policy needs of today's working women.

Earnings by Gender

Despite approaching parity in numbers of jobs, women's earnings lag far behind men's. The good news for women is that hourly earnings have trended up faster than inflation. The median hourly wage for Washington women after adjusting for inflation was \$12.51 in 1979, \$12.81 in 1990, \$14.12 in 2000, and \$15.49 in 2007.¹⁰

In contrast, men at the midpoint of the earnings spectrum lost hourly wages after inflation, from \$21.11 in 1979 to \$16.80 in 1996, and then partly recovered to \$19.11 in 2007.

Average monthly earnings give a fuller picture of actual income, accounting for hours worked as well as hourly wage.

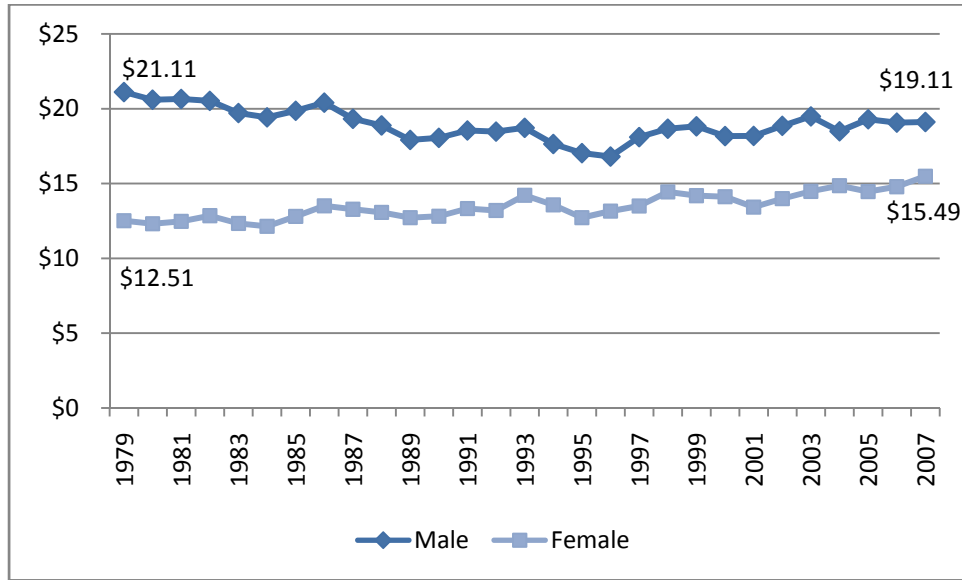
Washington men experienced strong gains in average monthly earnings during the 1990s, with

a 58% increase after inflation from 1990 to 1999, but a 6% loss since. Women have not experienced that same loss in real average monthly earnings since 1999. However, they made much smaller gains during the 1990s, with real average income growth of only 35%. Consequently the earnings gap between men and women in Washington is larger now than it was in 1990.¹¹

Median annual incomes for Washington's single mothers in 2007 were less than one third those of married couples with children, \$25,000 compared to \$80,000.¹² Among full-time year round workers, median earnings were \$37,475 for Washington women and \$50,269 for men in 2007. That placed Washington 11th among the states for women's earnings and 8th for men's.¹³

MEDIAN HOURLY EARNINGS OF WASHINGTON MEN AND WOMEN

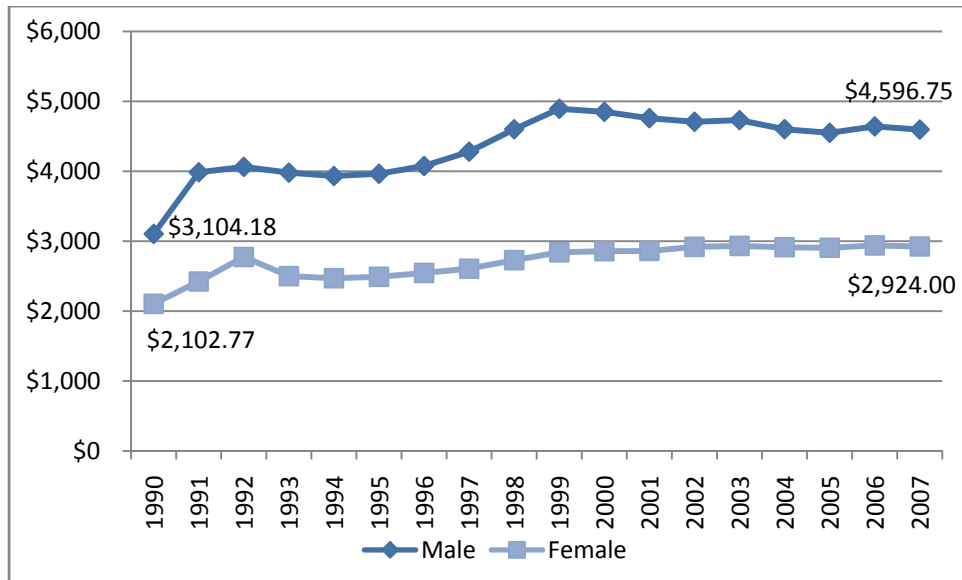
2007 DOLLARS



Source: Economic Policy Institute Analysis of Current Population Survey Data

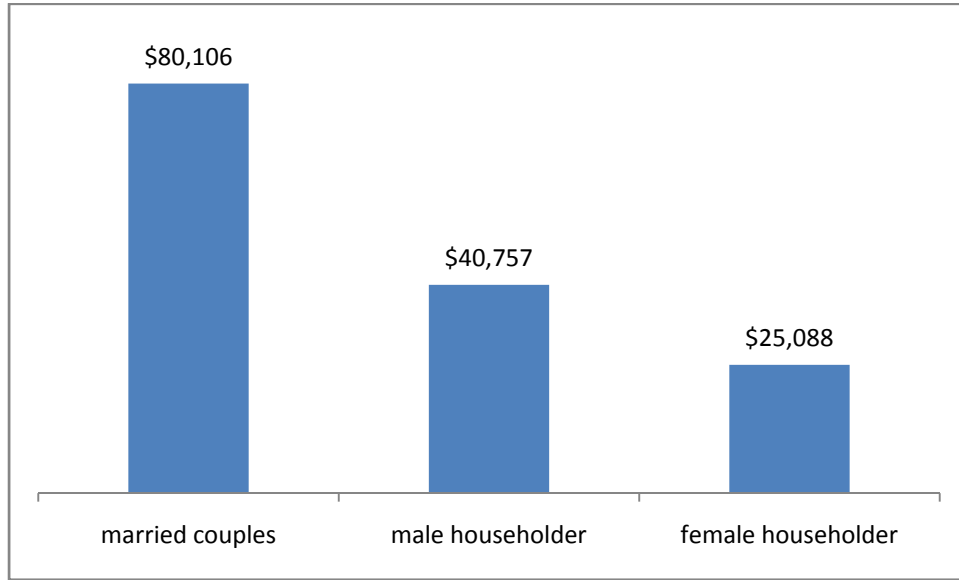
AVERAGE MONTHLY EARNINGS OF WASHINGTON MEN AND WOMEN

2007 DOLLARS



Source: U.S. Census, Quarterly Workforce Indicators

MEDIAN INCOME FOR WASHINGTON FAMILIES WITH CHILDREN, 2007



Source: U.S. Census Bureau, 2007 American Community Survey

Women's Employment and Earnings by Sector

The common perception may be that more women have broken into traditionally male fields, and that men are opting for traditionally female occupations, but the data here suggest we still have a long way to go. In most types of employment, there has been little change since 1990 – and some of it has been in the wrong direction.

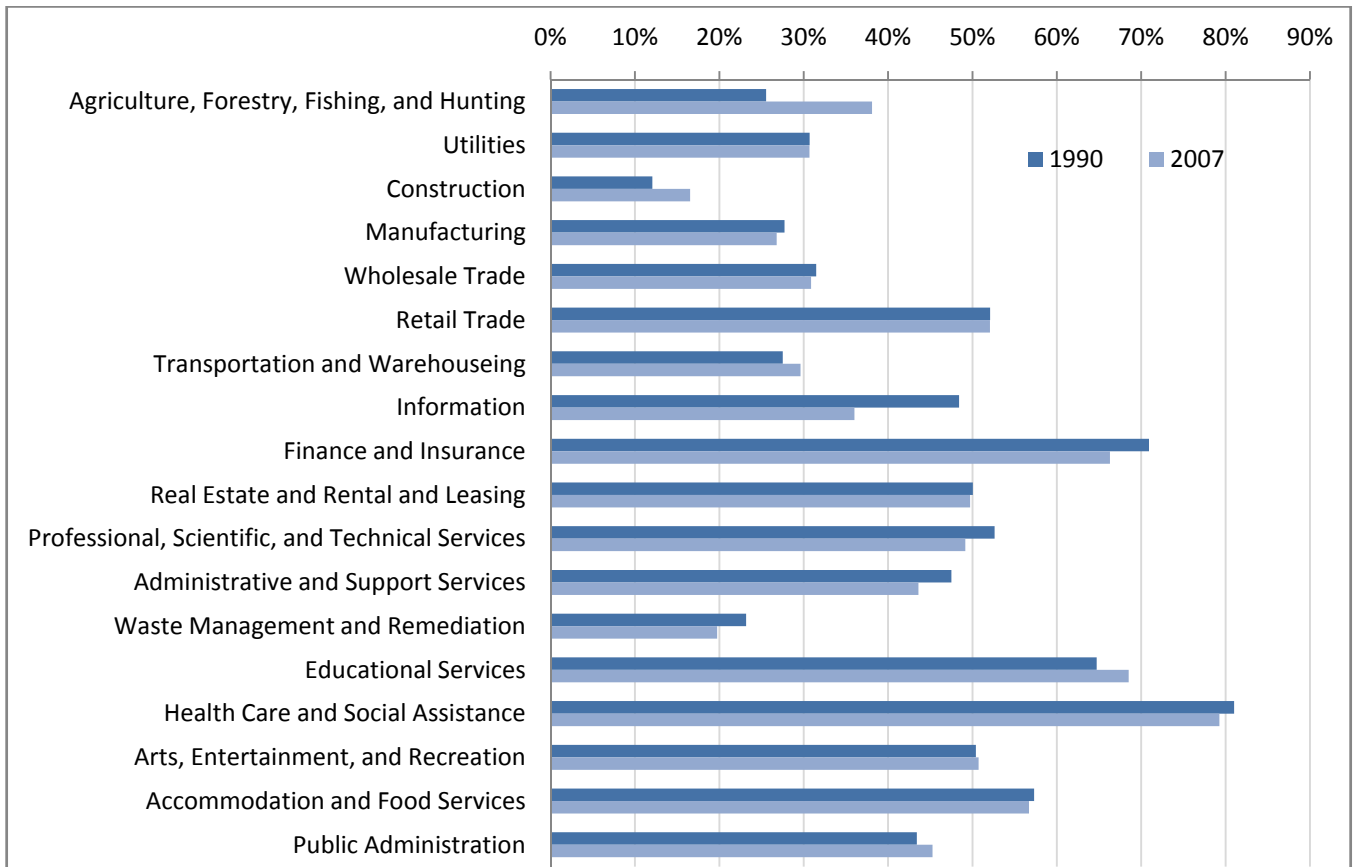
Two sectors experienced major changes in gender ratios between 1990 and 2007, but not in ways that reflect better economic opportunities for women. Women increased their representation in **agriculture** from 26% to 38%, but this is a low-wage area that shrank from 4% to 3% of total jobs. In the growing, high wage **information** sector, on the other hand, women's representation dropped from 48% to just 36%.

Retail has close to equal numbers of men and women overall, but that balance breaks down on closer inspection according to type of establishment. Women make up only 21% of staff in auto parts stores, but 76% of employees in clothing stores, for example.

Women's share of **manufacturing** jobs in Washington has shrunk slightly since 1990 from 28% to 27%, in the context of long-term decline for the entire sector throughout the U.S. Between 1998 and 2004, the state shed 100,000 manufacturing jobs, in every subarea from food preservation, to wood products, to computers, and airplane manufacturing. From 2004 through late 2008, manufacturing jobs in the state ticked upward, regaining about 30,000 jobs, but by early 2009 the recession had wiped out two-thirds of that gain.

PERCENTAGE OF WASHINGTON JOBS HELD BY WOMEN

By Sector, 1990 AND 2007



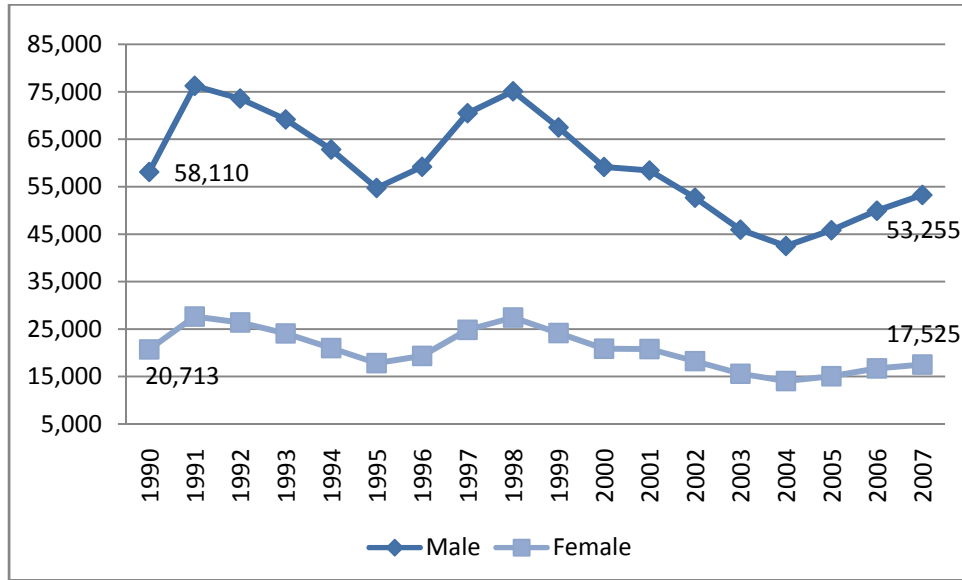
Source: U.S. Census, Quarterly Workforce Indicators

Aerospace Product and Parts Manufacturing reflects the ups and downs of the larger manufacturing sector, with perhaps more drama. Aerospace lost 45,000 jobs between 1998 and 2004 – 45% of the total. It has regained 14,000 since, but with airplane travel down with the worldwide recession, Boeing has again announced layoffs.

Women represented 25% of the aerospace workforce in 2007, down from 27% in 1990. Women’s monthly earnings in aerospace are relatively high, close to double the average female earnings for all industries and 81% of average monthly earnings of men in aerospace in 2007. In 1990 women employed in the sector only made 70% of men’s wages.

AEROSPACE MANUFACTURING JOBS IN WASHINGTON

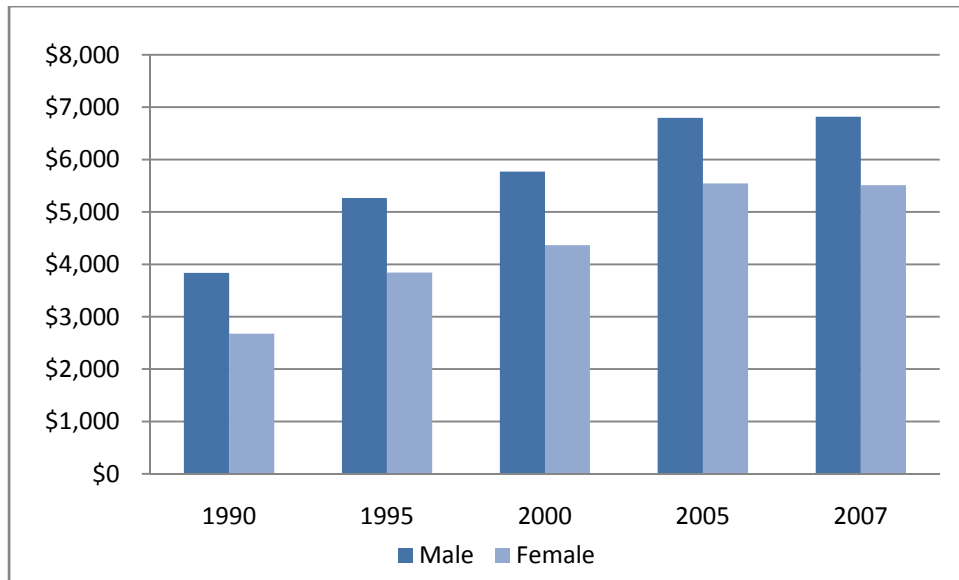
1990-2007



Source: U.S. Census, Quarterly Workforce Indicators

AVERAGE MONTHLY EARNINGS IN AEROSPACE MANUFACTURING IN WASHINGTON

2007 DOLLARS



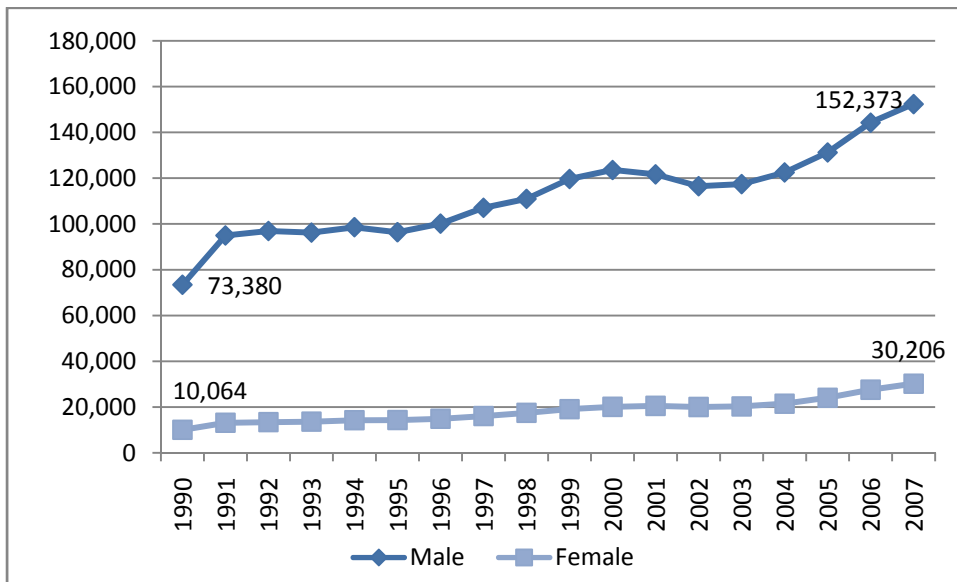
Source: U.S. Census, Quarterly Workforce Indicators

Construction was one of the fastest growing occupations in Washington until the past year, nearly doubling the number of jobs between 1990 and 2008, and increasing by 29% from 2000 to 2007. Even though the number of women employed in construction tripled between 1990

and 2007, 80% of new jobs since 1990 have gone to men. Women's share of jobs across the period rose from 12% to a still low 16.5%.

Women in construction do not earn as much as their male counterparts, although average

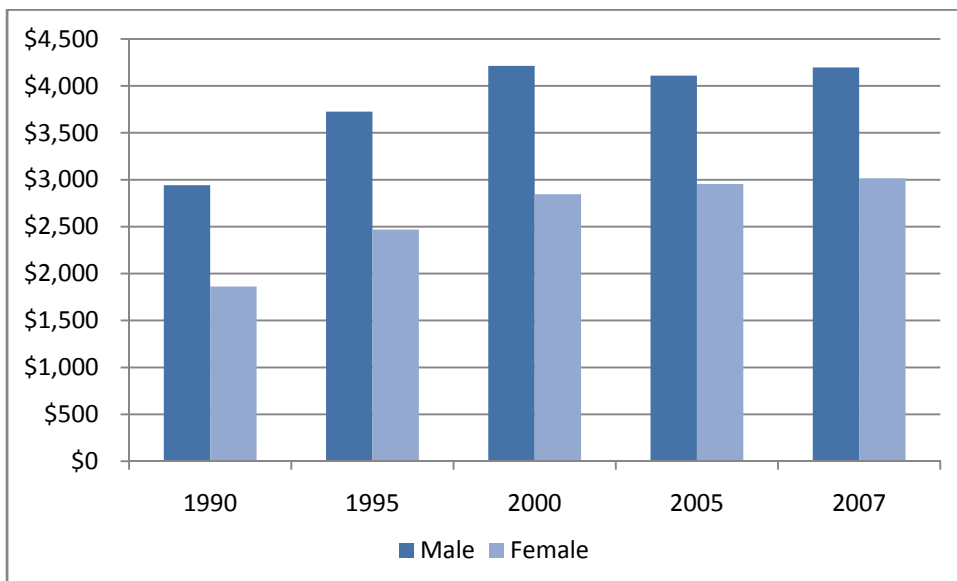
JOBS IN CONSTRUCTION IN WASHINGTON STATE, 1990-2007



Source: U.S. Census, Quarterly Workforce Indicators

AVERAGE MONTHLY CONSTRUCTION WAGES FOR MEN AND WOMEN

2007 DOLLARS



Source: U.S. Census, Quarterly Workforce Indicators

monthly earnings for women have risen steadily both relative to inflation and to men's earnings. In 1990, women construction workers earned on average only 63% of men's monthly wage. By 2007, that ratio had risen to 72%. Among new hires in 2007, women earned on average 74% of

men's monthly wage. Female construction workers in 2007 earned a little more per month than the average for all of Washington's working women, while male construction workers earned a little less than the average working man in the state.

The Information sector boomed in the 1990s, as communications transitioned from wired to wireless and as software publishing and other computer-related services flourished. The lion's share of these new jobs went to men. In 1990, men and women were employed in Information in nearly equal numbers, 52% to 48%, respectively. By 2007 the Information sector was 64% male and 36% female.

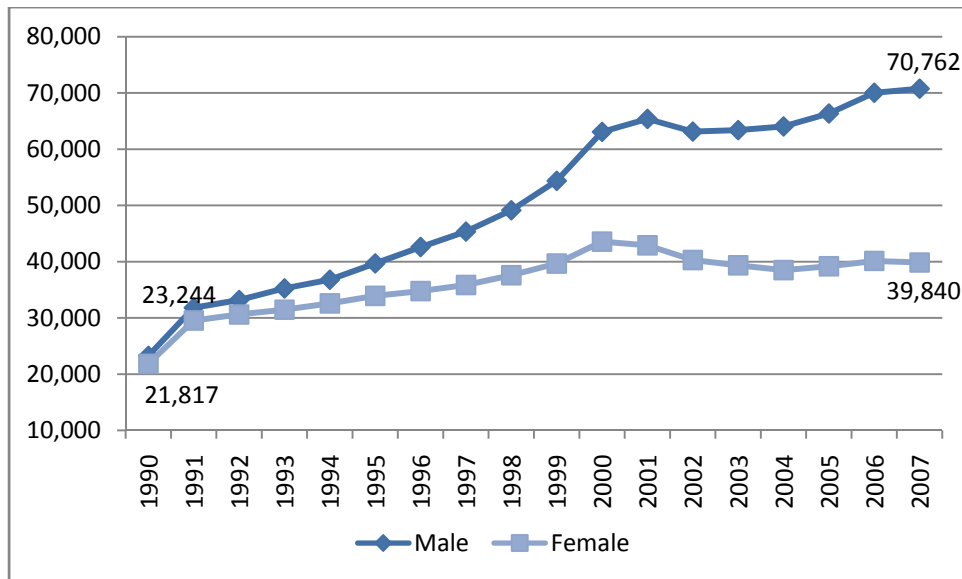
Women's employment in Information peaked in 2000, before the end of the high-tech boom, and has yet to fully recover. In 2007 there were 3,712 fewer women working in Information than there were in the year 2000. Men's employment in the sector, on the other hand, dipped with the 2001

recession, but by 2005 had surpassed its previous peak and has continued to grow since.

Information jobs are high-paying, even though average earnings for both men and women have dropped from the peak of the dot-com frenzy in 2000. Sector-wide, women's average earnings were \$5,700 per month in 2007 and men's \$9,100. While still unequal, this represents an improvement for women, from 57% of men's monthly earnings in 1990 to 63%.

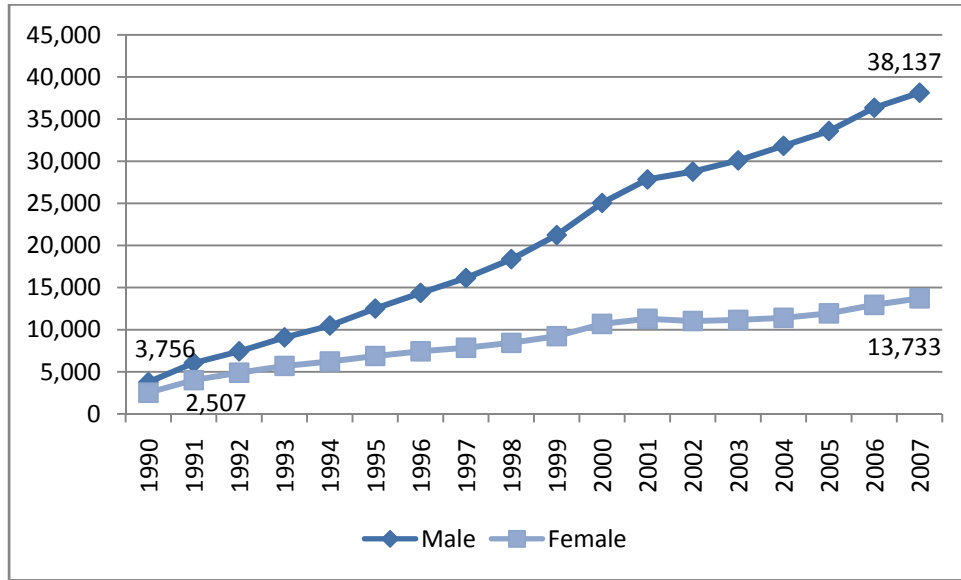
Wages are particularly high in **software publishing**, with average monthly earnings in 2007 of \$9,500 for women and \$12,500 for men. On average, women earned 76% of a man's paycheck in software in 2007 compared to only 46% in 1990.

TOTAL INFORMATION JOBS IN WASHINGTON
1990-2007



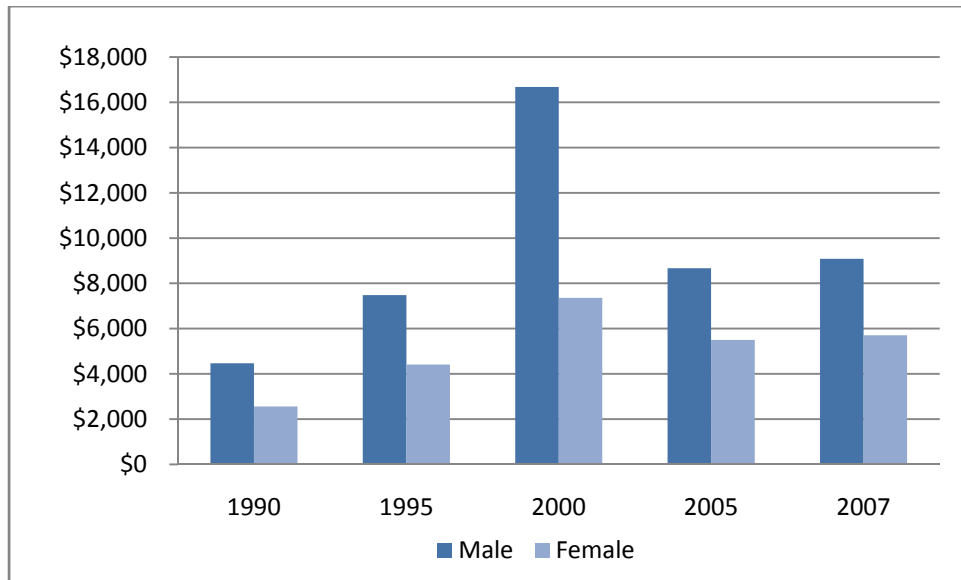
Source: U.S. Census, Quarterly Workforce Indicators

INFORMATION SUBSECTORS: SOFTWARE PUBLISHING JOBS IN WASHINGTON
1990-2007



Source: U.S. Census, Quarterly Workforce Indicators

AVERAGE MONTHLY INFORMATION WAGES FOR MEN AND WOMEN
2007 DOLLARS



Source: U.S. Census, Quarterly Workforce Indicators

Health Care and Social Assistance jobs remain largely female, despite the perception of growing numbers of female doctors and male nurse. Jobs in the sector have increased by 72% since 1990. The sector includes a broad range of occupations and earning levels, including

physicians and dentists, nurses, technicians, clerks, health care aides, and in the social assistance category, child care teachers. In 2007 the sector as a whole was 79% female, barely changed from 81% in 1990.

Women's earnings relative to men's in this category have also changed little since 1990. In 2007, women earned 60% of men's average monthly earnings, compared to 59% in 1990.

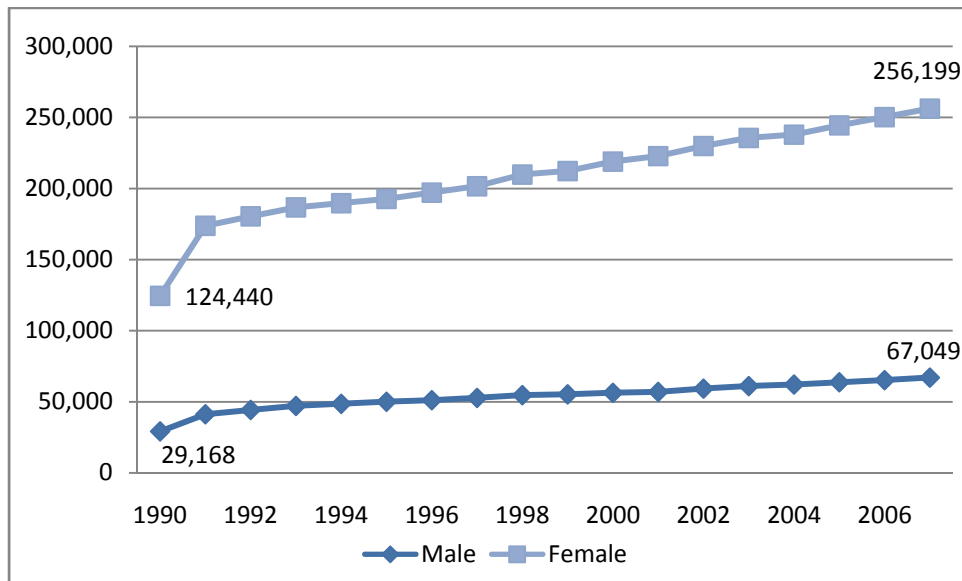
Physicians' offices are the most unequal worksites in Washington State in terms of wages and among the most unequal in their gender employment ratio. In 2007, the workforce in physicians' offices was 82% female. Those women made just 30% of what the men in the sector made per month on average, maintaining virtually the same wage gap as in 1990. The lower paid employees in these offices are almost exclusively women and those receiving higher pay are generally men.

The workplaces in the state with the most skewed gender ratio are **dentists' offices**, with 93% female

employment in 2007 – a decrease of only 1% since 1990. Because the men in these offices are mostly dentists and women serve in the full range of occupations from dentist to file clerk, the earnings ratio is also skewed, with women making only 45% of men's average monthly earnings in 2007. At least that ratio has improved slightly since 1990 when it was 42%.

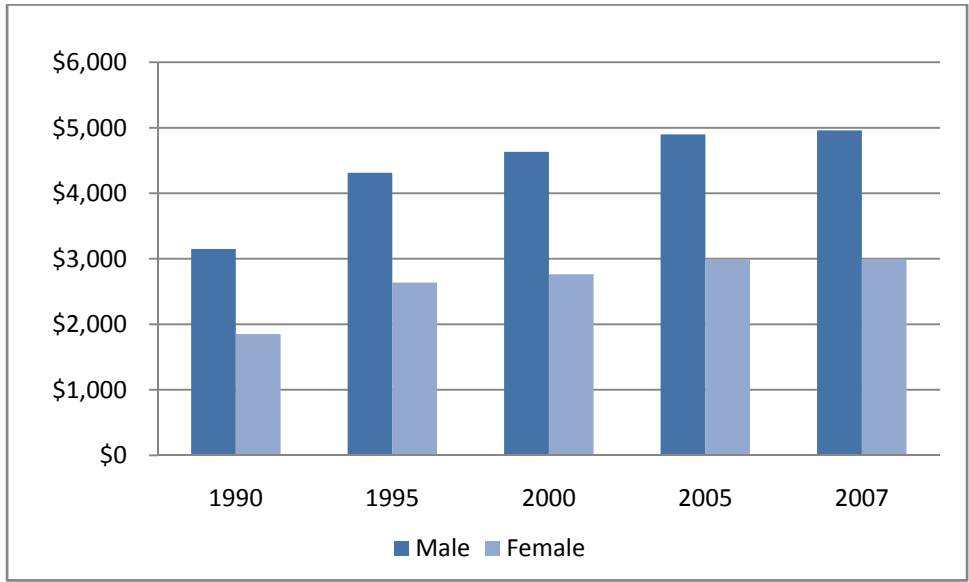
Even **childcare centers** have a higher percentage of men and have shown more change than dentistry. Men have increased from 6% to 9% of the childcare workforce since 1990. Female childcare workers earn 90% of their male colleagues' monthly salaries. While this is much closer to parity than in most fields, women in child care earn on average only half the average monthly wage of women across all industries.

HEALTH CARE AND SOCIAL ASSISTANCE JOBS IN WASHINGTON 1990-2007



Source: U.S. Census, Quarterly Workforce Indicators

AVERAGE MONTHLY EARNINGS IN HEALTH CARE AND SOCIAL ASSISTANCE
2007 DOLLARS



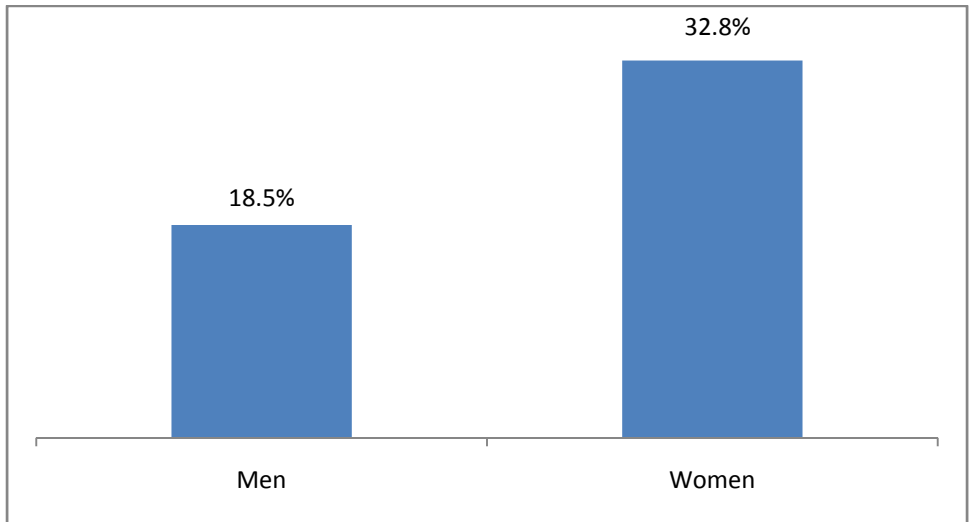
Source: U.S. Census, Quarterly Workforce Indicators

Earnings by Gender and Age

Men and women have sharply different earnings over their life cycle. Men’s earnings shoot up during their first two decades of work. Women’s wage gains during that career phase, which coincides with their primary childbearing years, are much smaller.

Women are also far more likely than men to work part-time. One-third of Washington women, compared to 19% of men, worked part-time in 2007.

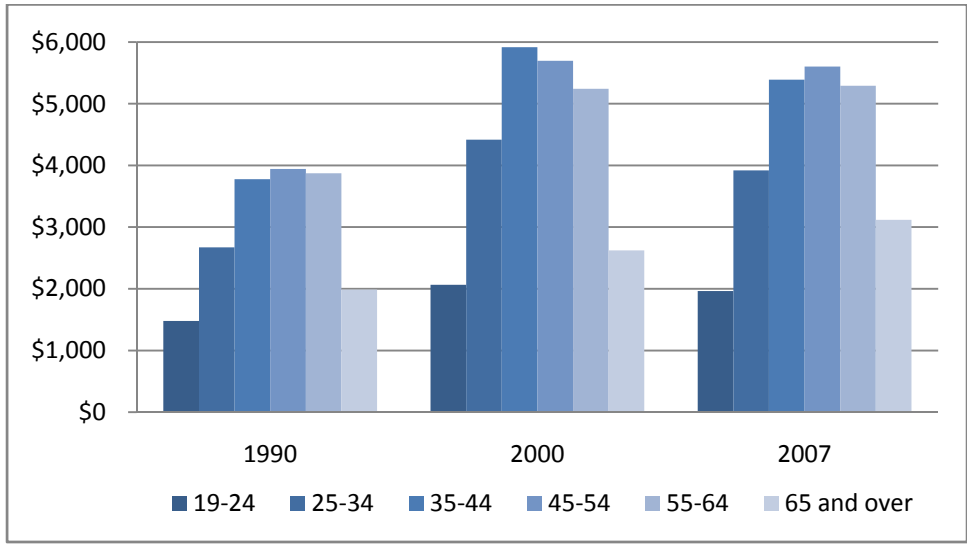
PERCENT OF WASHINGTON WORKERS WHO ARE PART-TIME BY GENDER
2007



Source: Economic Policy Institute Analysis of Current Population Survey Data

AVERAGE MONTHLY EARNINGS OF WASHINGTON MEN BY AGE

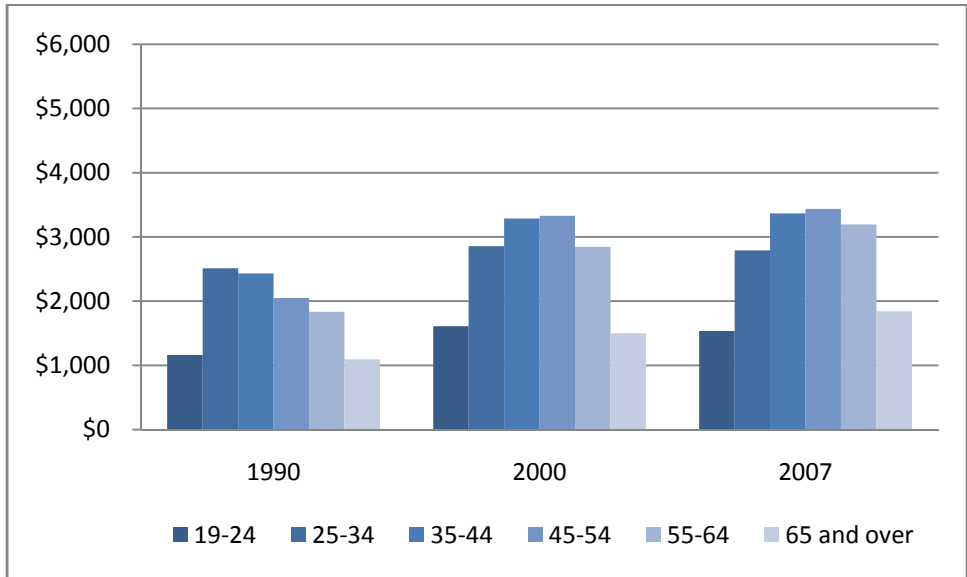
1990, 2000, AND 2007 (2007 DOLLARS)



Source: U.S. Census, Quarterly Workforce Indicators

AVERAGE MONTHLY EARNINGS OF WASHINGTON WOMEN BY AGE

1990, 2000, AND 2007 (2007 DOLLARS)



Source: U.S. Census, Quarterly Workforce Indicators

Conclusions: Valuing families at work essential for gender equality

Americans are grappling with a recession worse than most have ever experienced. Even before the housing bubble burst and the financial sector crashed, families were struggling. The middle class was declining. Nearly one fifth of the nation's children and 12% of Washington State's children lived below the federal poverty level, and far more lived in families without sufficient income to cover basic expenses.¹⁴

We have the opportunity to rebuild our economy in a way that is sustainable and that provides genuine opportunity to all. Changing policy to address the care-giving needs of workers is one of the most cost-effective ways to simultaneously achieve multiple public policy goals. Adopting the following policies will open new doors for women and strengthen our economy:

- **family leave insurance** for occasions when workers need extended time off;
- guaranteed **paid sick days** for minor illnesses and preventative care;
- **parity in benefits** for part-time work, and
- increased public funding of **early learning**.

These policies will ease the stress for working families, reduce child poverty, improve public health, lower health care costs, raise scholastic achievement, promote worker retention, and boost workplace productivity.

Evidence strongly supports the benefits to children's health and learning when parents have access to paid leave. Paid parental leave is strongly correlated with increased breastfeeding and fewer infant and child deaths through age five.¹⁵ Medical studies show that children's hospital stays are 31% shorter when a parent is present.¹⁶ Adults, including seniors, also recover more quickly, have lower medical costs, and are

better able to regain independence when loved ones are able to give care, receive medical instructions, and provide emotional support.

High quality early nurture and learning prepares children for success in school, and lowers the need for remedial teaching. Parental leave to attend to childhood illnesses gets kids back in the class room more quickly and also allows older kids to attend class instead of babysitting a sick sibling. According to a Harvard study, half of the parents of children scoring in the bottom quartile on math and reading tests were or had recently been in jobs without any paid leave.¹⁷

Low-income children and children of color are mostly likely to suffer adverse effects because their parents get the least paid leave. Lack of paid leave among low-income workers also forces frequent job changes, limiting the family's ability to gain income and assets, and undermining long-term economic security.

Paid sick leave allows sick workers to stay home and recover more quickly, rather than spreading disease to coworkers and customers. Recent studies have shown that "presenteeism," when ailing employees stay on the job, costs businesses more in lost productivity than the direct costs of providing paid sick leave.¹⁸

The Civil Rights Act of 1964 and the Pregnancy Discrimination Act of 1978 opened new doors of possibility for women in the last half of the 20th century. But forward progress has stalled far short of workplace equality. We have successful models of family and medical leave insurance, paid sick days, and high quality, affordable preschool from other states and around the world.

Adopting these new standards will renew the promised of equal opportunity for Washington's women – and men.

Endnotes

- ¹ Marilyn P. Watkins and Cara Saunto, *The State of Working Washington 2008*, September 2008, Economic Opportunity Institute, www.eoionline.org.
- ² **A note on data:** Average monthly earnings are drawn from the U.S. Census Bureau Quarterly Workforce Indicators data. At the time data for this report was compiled, 2nd quarter 2007 data were the latest available. Earnings from earlier years were adjusted to 2007 dollars using the Bureau of Labor Statistics Inflation Calculator, www.bls.gov. Average monthly earnings vary both by hourly wages and number of hours worked. This data set provides break downs by gender, age, and type of workplace. These data do not control for specific occupation, job duties, education and training, and other factors that affect pay levels. The data reflect clear differences in the experiences of men and women in the workforce and pervasive lower average earnings for women, but are not necessarily evidence of discrimination. Job numbers in in this report are drawn from the Washington Economic Security Department historical series, not seasonally adjusted on workforceexplorer.com.
- ³ Economic Policy Institute analysis of Current Population Survey Data.
- ⁴ U.S. Census Bureau, 2007 American Community Survey.
- ⁵ U.S. Equal Employment Opportunity Commission, "Facts About Pregnancy Discrimination," <http://www.eeoc.gov/facts/fs-preg.html>.
- ⁶ EPI analysis of Current Population Survey Data. "Labor force participation rate" is the percentage of the non-institutionalized population age 16 and over in the civilian labor force.
- ⁷ U.S. Census Bureau, American Community Survey, Table B23007. Presence of own children under 18 years by family type by employment status, Washington state, 2007, www.census.gov.
- ⁸ U.S. Bureau of Labor Statistics, "National Compensation Survey: Employee Benefits in Private Industry, March 2008," www.bls.gov.
- ⁹ Jody Heymann, *The Widening Gap: Why America's Working Families are in Jeopardy – and What Can Be Done About It*, Basic Books, 2000, p. 54-58; Christopher J. Ruhm, "Parental Leave and Child Health" (working paper, National Bureau of Economic Research, Cambridge, MA, May 1998), www.nber.org/papers/w6554; Renee Bischoff and Wendy Chavkin, "The Relationship Between Work-Family Benefits, and Maternal, Infant, and Reproductive Health: Public Policy Implication and Policy Recommendations," June 2008, Columbia University Mailman School of Public Health, <http://www.mailmanschool.org/facultypubs/WFRfinal.pdf>; Vicki Lovell and Kevin Miller, "Paid Sick Days in Massachusetts: Containing Health Care Costs Through Prevention and Timely Treatment," January 2009, Institute for Women's Policy Research, <http://www.iwpr.org/pdf/B267MAPSD.pdf>; SmartPros, "Absenteeism Costs Companies More than Ever, Survey Reveals," October 21, 2002, <http://hr.smartpros.com/x35672.xml>; Christine Siegwath Meyer, et al, "Work-Family Benefits: Which Ones Maximize Profits?" *Journal of Managerial Issues*, vol. XIII, No. 1, Spring 2001: 28-44 .
- ¹⁰ Economic Policy Institute analysis of Current Population Survey data. Inflation adjustment using CPI-U-RS.
- ¹¹ U.S. Census Bureau Quarterly Workforce Indicators. See endnote 2.
- ¹² U.S. Census, American Community Survey, American FactFinder 2007, B19126, <http://factfinder.census.gov/>.
- ¹³ U.S. Census, American Community Survey, American FactFinder 2007, R2001 and R2002, <http://factfinder.census.gov/>.
- ¹⁴ For data and discussion, see Marilyn P. Watkins and Cara Saunto, *The State of Working Washington 2008*, September 2008, Economic Opportunity Institute, www.eoionline.org.
- ¹⁵ Christopher J. Ruhm, "Parental Leave and Child Health" (working paper, National Bureau of Economic Research, Cambridge, MA, May 1998), www.nber.org/papers/w6554; World Health Organization, *The World Health Report 2005: Make Every Mother and Child Count*, 182,185, www.who.int/whr/2005/annex/annexe2a_en.pdf.
- ¹⁶ Jody Heymann, *The Widening Gap: Why America's Working Families are in Jeopardy – and What Can Be Done About It*, Basic Books, 2000, p. 57-58.
- ¹⁷ Jody Heymann, *The Widening Gap*, p. 57-58.
- ¹⁸ "Presenteeism hurts employees and employers," WebMD Health News, April 23, 2004, <http://www.webmd.com/mental-health/news/20040423/presenteeism-employees-employers>; *The Boston Globe*, "Sick and tired at work," December 19, 2005, http://www.boston.com/news/globe/health_science/articles/2005/12/19/sick_and_tired_at_work/.