

A 2002 SERIES ON OHIO WORKERS, FROM POLICY MATTERS OHIO

# PINK COLLAR WORK: GENDER AND WAGES IN OHIO<sup>1</sup>

A STATE OF WORKING OHIO BRIEF, OCTOBER, 2002

For every dollar that the typical man in Ohio makes, the typical woman makes just 76 cents. This gender wage gap has always existed, both nationally and locally, and there are a variety of reasons for the disparity. In recent years, this gap has narrowed, both because of decreases in the median man's wage and increases in the median woman's earnings. But women still earn less than men, remain more likely to be in poverty-wage jobs, and lag behind men with similar education. This *State of Working Ohio* brief tracks wage change by sex over the last two decades in the Buckeye State. We find that female workers still experience a different workplace, but that those differences are diminishing.

## MEN AND WOMEN AT WORK

Manufacturing job loss, decreased returns to those with limited education, and wage decline within jobs led to a 12.6 percent drop in men's wages between 1979 and 1989, from a high of \$16.66 to \$14.71 per hour. Men experienced modest wage growth in the late 1990s (particularly the latter half of the decade), but it did not compensate for the losses of the 1980s. In 2001, the median male worker earned 11.7 percent less than similar workers did in 1979, as Table 1 shows.

|              | 1979    | 1989    | 2001    | Change |       |                 |
|--------------|---------|---------|---------|--------|-------|-----------------|
|              |         |         |         | 79-89  | 89-01 | Total ('79-'01) |
| <b>Men</b>   |         |         |         |        |       |                 |
| Ohio         | \$16.66 | \$14.56 | \$14.71 | -12.6% | 1.0%  | -11.7%          |
| US           | \$15.87 | \$14.43 | \$14.60 | -9.1%  | 1.2%  | -8.0%           |
| <b>Women</b> |         |         |         |        |       |                 |
| Ohio         | \$10.13 | \$10.31 | \$11.17 | 1.8%   | 8.3%  | 10.3%           |
| US           | \$9.96  | \$10.53 | \$11.40 | 5.7%   | 8.3%  | 14.5%           |

Source: Authors' analysis based on Current Population Survey (CPS) data.

Women's wages, in contrast, grew over both periods, more slowly in the troubled 1980s, and more rapidly in the high-employment, high-growth years of the late 1990s. Women's wages grew an anemic 1.8 percent between 1979 and 1989, and a more robust 8.3 percent between 1989 and 2001, much of that in the late 1990s. Total female wage growth for the two decades was 10.3 percent.

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Women remain more likely to earn poverty wages and still earn 24 percent less than men for the same amount of work in Ohio. Ohio men earn slightly more per hour than men in the country as a whole, while Ohio women earn slightly less per hour than women nationwide.

**WAGE RATIO: WE'VE COME A LONG WAY BUT WE'RE NOT THERE YET**

| Year | Women   | Men     | Ratio:<br>Women/Men |
|------|---------|---------|---------------------|
| 1979 | \$10.13 | \$16.66 | 60.8%               |
| 1989 | \$10.31 | \$14.56 | 70.8%               |
| 2001 | \$11.17 | \$14.71 | 75.9%               |

Source: Authors' analysis based on CPS data.

Ohio women earned 76 cents for every dollar earned by men in 2001. This is an improvement from 1979 when Ohio women pulled in just 61 cents for every male dollar (see Table 2). Despite the progress, women earned \$3.54 less per hour than men in 2001. Ohio may have come a long way, but a considerable distance remains before we can say that women earn equal pay for equal work.

**PULLING APART: UNEQUAL WAGES FOR BOTH MEN AND WOMEN**

Tables 3 and 4 reflect the hourly wages of male and female Ohio workers by decile. Each decile represents 10 percent of the labor force in the state. The worker at the tenth percentile earns more than ten percent of all workers; the median or fiftieth percentile worker earns more than fifty percent of all workers; and the worker at the ninetieth percentile earns more than 90 percent of all workers.

| Percentile | 1979<br>Wage | 2001<br>Wage | Percent<br>Change |
|------------|--------------|--------------|-------------------|
| 10th       | \$8.48       | \$7.27       | -14.27%           |
| 20th       | \$11.21      | \$9.19       | -18.02%           |
| 30th       | \$13.06      | \$10.95      | -16.16%           |
| 40th       | \$14.76      | \$12.86      | -12.87%           |
| 50th       | \$16.66      | \$14.71      | -11.70%           |
| 60th       | \$18.36      | \$16.86      | -8.17%            |
| 70th       | \$20.13      | \$19.32      | -4.02%            |
| 80th       | \$22.60      | \$23.04      | 1.95%             |
| 90th       | \$27.28      | \$29.78      | 9.16%             |

Source: Authors' analysis based on CPS data.

As Table 3 reflects, inequality has grown among male workers. Only men in the top 20 percent of the earnings spectrum saw wage growth between 1979 and 2001. The remaining 80 percent of male workers earn less today than they did in the 1970s, although most categories of workers earn slightly more than they did in the late 1980s. The lowest 30 percent of earners experienced the greatest decline over the period while workers in the 90<sup>th</sup> percentile experienced the greatest growth. The lowest-paid men are making \$22.51 an hour less than the highest-paid men.

**THIS SERIES**

This is the second in a series of 2002 releases on Ohio workers. The first, released on Labor Day, gave a general overview of wage and employment trends in the state. Subsequent releases will focus on specific categories of Ohio workers. During odd calendar years, Policy Matters releases a more comprehensive report called *The State of Working Ohio*. All reports can be downloaded at [www.policymattersohio.org](http://www.policymattersohio.org). The Economic Policy Institute's (EPI) *State of Working America* provided inspiration and some of the data for this report. The George Gund Foundation provides generous operational support to Policy Matters Ohio. The St. Ann Foundation provides special funding for public presentations on issues facing Ohio workers. Contact us at 216/931-9922 if you are interested in hosting a discussion about working Ohio.

## GLASS CEILINGS, MUD FLOORS

| Percentile | 1979<br>Wage | 2001<br>Wage | Percent<br>Change |
|------------|--------------|--------------|-------------------|
| 10th       | \$6.70       | \$6.36       | -5.07%            |
| 20th       | \$7.28       | \$7.50       | 3.02%             |
| 30th       | \$7.93       | \$8.69       | 9.58%             |
| 40th       | \$8.95       | \$9.91       | 10.73%            |
| 50th       | \$10.13      | \$11.17      | 10.27%            |
| 60th       | \$11.51      | \$12.66      | 9.99%             |
| 70th       | \$12.99      | \$14.92      | 14.86%            |
| 80th       | \$14.81      | \$17.98      | 21.40%            |
| 90th       | \$18.07      | \$23.02      | 27.39%            |

Source: Authors' analysis based on CPS data.

In contrast to men, women across the top 90 percent of the earnings spectrum experienced wage growth. However, the lowest-earning ten percent of women saw wage decline. Despite the overall growth, inequality between top-earning women and low to middle earners grew: women toward the top of the earnings spectrum experienced greater wage growth. As with men, women in the top decile made the largest strides since 1979, increasing their hourly wages by 27.4 percent. There are fissures in the metaphorical glass ceiling, but the mud floor remains intact, keeping many women in very low-wage jobs.

## WOMEN AND POVERTY WAGES

We define a poverty wage as one that fails to bring a family of four above the official poverty line with full-time, full-year work. In 2001, this wage was \$8.63 an hour or less. More than one fifth of Ohio workers earned poverty wages in 2001 even by official measures. And most observers now agree that the official poverty level is too low to cover basic needs. See <http://www.policymattersohio.org/familybudget.html> for more on critiques of the poverty line.

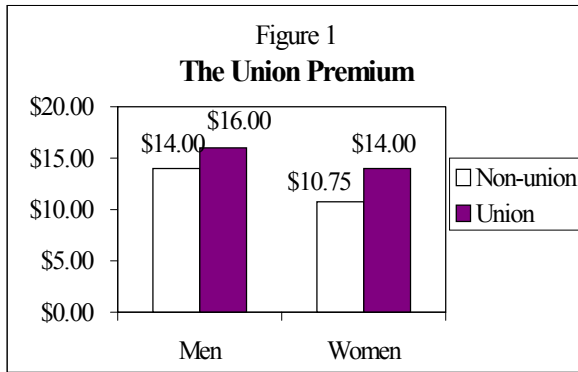
More Ohio women hold poverty wage jobs than men, but the percent of men in such jobs has grown, as Table 5 shows. In 1979, 37 percent of women held poverty wage jobs, compared to 10.5 percent of men. By last year, one in three women workers—roughly 30 percent of the working female population—held poverty-level jobs, while one in six men earned poverty wages. In addition to paying low wages, these jobs are less likely to provide health benefits, pensions and family leave than more lucrative occupations.

More than seven percent of Ohio households consist of a single mother and children (Census 2000). Given changes in welfare policy that increasingly emphasize work as a route out of poverty, it is important that we acknowledge the barriers to escaping poverty for many female-headed households.

|      | Men   | Women | Total |
|------|-------|-------|-------|
| 1979 | 10.5% | 37.0% | 23.9% |
| 1989 | 19.0% | 38.3% | 30.2% |
| 2001 | 16.7% | 29.7% | 23.5% |

Source: Authors' analysis based on CPS data.

## SOLIDARITY AND PROSPERITY: UNIONS HELP MEN AND WOMEN

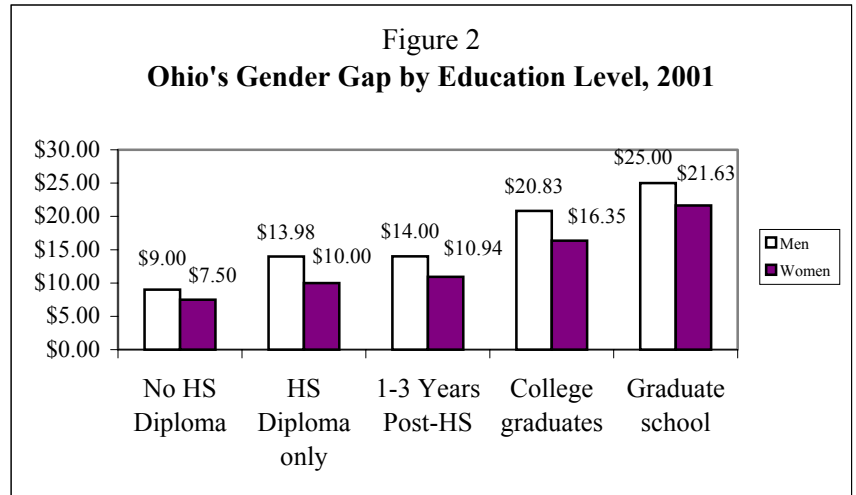


Source: Authors' analysis based on CPS data.

Both women and men enjoy a significant wage boost when they are able to secure unionized jobs, as Table 6 shows. Men in unions earn 12.5 percent more than their non-union counterparts. Unionized women pull in 23 percent more than their non-union sisters. The 23.2 percent wage gap between non-unionized women and men drops to just 12.5 percent when unions enter the picture. Women in unions earn as much as men who are not in unions.

## LEARNING AND EARNING

Both women and men benefit from increased education, but women typically earn between 71 and 86 percent of what men with similar education levels earn, as Figure 2 shows. On average, women with 1-3 years of education beyond high school earn less than men with just a high school diploma. Women with graduate education earn only marginally more than male college graduates.



Source: Author's analysis based on CPS data.

## METHODOLOGY

This report relies primarily on the CPS-ORG data of the US Census, gathered through monthly surveys of 50,000 households nationwide. Findings are adjusted for inflation and reported in 2001 dollars. Wage declines from the recession that began nationally in March 2001 (and perhaps slightly earlier in Ohio) are, for the most part, not captured by these numbers. For more help deciphering economic and statistical language, see [www.policymattersohio.org/saywhat1.html](http://www.policymattersohio.org/saywhat1.html).

Although women earn less than men even when their educational levels are similar, both men and women experience wage jumps when they secure additional education, particularly when they complete high school, college or graduate school

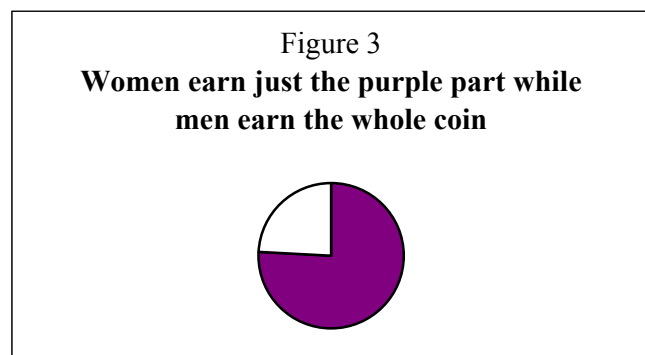
|              | No HS Diploma | HS only | 1-3 Years Post-HS | College graduates | Graduate Education |
|--------------|---------------|---------|-------------------|-------------------|--------------------|
| <b>Men</b>   | \$9.00        | \$13.98 | \$14.00           | \$20.83           | \$25.00            |
| Boost        |               | 55%     | 0%                | 49%               | 20%                |
| <b>Women</b> | \$7.50        | \$10.00 | \$10.94           | \$16.35           | \$21.63            |
| Boost        |               | 33%     | 9%                | 49%               | 32%                |

Source: Authors' analysis, based on CPS data.

(see Table 6). Men see a 55 percent raise when they finish high school, a 49 percent raise for finishing college and an additional 20 percent boost for finishing graduate school. Women enjoy a 33 percent raise for graduating high school, a 49 percent raise for completing college and a 32 percent boost for finishing graduate school.

### WHY THE GAP?

Many of this generation's daughters have been raised to play soccer, aspire to ambitious careers, and study as hard as and for as long as their brothers. But as Figure 3 shows, there remains a big wage gap. Why, given the many societal changes that have taken place, does the gender gap endure? There are several frequently cited reasons. First, jobs that have historically been held by women remain lower paying than jobs traditionally held by men, even if they require similar skill levels. Although both women and men have become more flexible in their career choices, barriers remain to non-traditional employment. Second, men (22.8 percent) remain slightly more likely than women (18.8 percent) to complete college or graduate school in Ohio<sup>2</sup>. This could explain a small part of the difference, but wage disparities endure even when controlling for education. Third, some women accumulate fewer consecutive years in the workplace because they are more likely to take time off from careers or work part time while they are raising children. In general, women still bear disproportionate shares of work in the house or with children. Finally, studies show that up to half of the gender wage gap comes from different



forms of discrimination: not valuing skills and jobs commonly held by women, crowding women in low-paying fields and expecting that women are not aggressive or ambitious enough to do a job well. For more on reasons for the gender gap, see <http://www.policymattersohio.org/wagegap1.htm>.

Source: Authors' analysis, based on CPS data.

<sup>2</sup> American Community Survey, United States Census, 2000.

## PROSPERITY FOR OHIO'S WOMEN AND MEN

No matter what the reasons for the persistent gender gap, there is much that Ohio can do to help women *and* men thrive in the workplace.

**EDUCATION:** Both sexes enjoy big wage gains when they complete more school, and among more educated workers the gender gap is smaller. Increasing high school graduation rates and making higher education accessible to more people in Ohio is crucial. We have the tenth highest university tuition in the country, and we rank 39<sup>th</sup> in the proportion of the population with a Bachelor's Degree according to the Ohio Board of Regents Factbook. Both women and men enjoy a 49 percent raise if they graduate from college. The Buckeye State should make sure that all qualified students have that chance.

**UNIONIZATION:** Unions bring about substantial wage gains for both men and women, and they reduce the gender gap. Yet Ohio's unionization rate has been declining. We can encourage a union-friendly climate by awarding contracts and government aid only to those companies that agree not to fight union drives. We can also promote union-employer collaborations for training and solving workforce problems.

**FAMILY FRIENDLY POLICIES:** The gender gap is often attributed to women having taken time off from paid work to raise their children. At the same time, women who work while their children are young are often targeted for criticism. These Mommy Wars help nobody: most mothers and fathers want to be able to have time with their children and not have their earning potential permanently limited as a result. Workplaces should uniformly offer paid parental leave for both parents when families have a new child. When possible, companies should allow for flex-time, voluntary part-time work, paid or unpaid time off for school events, and child care in the workplace. Employers who offer these benefits should be given preference in their dealings with the state.

**QUALITY CHILD CARE:** Childcare is one of the biggest items in working family budgets and childcare worries are one of the biggest reasons why parents lie awake at night. We must work to provide quality affordable child care for all of Ohio's children and we should join the growing number of states that offer refundable state Earned Income and Child Care Tax Credits.

**SHARED PROSPERITY:** Changes in welfare policy have meant that families are increasingly expected to escape poverty through work. But many jobs, particularly those available to single women who head families, do not pay enough to make a family self-sufficient. Given more restrictive new welfare policies, we must repair other parts of the safety net, making sure that Medicaid and economic support are available to low-income working families, and that those who lose jobs can qualify for Unemployment Insurance.

*These ideas are part of Policy Matters' vision for an economy that helps women and men thrive. Other groups may endorse a different approach, but no solution can be found without a good understanding of how our economy has treated both sexes, and a lively debate about how to bring equity and prosperity to Ohio. Help us start the discussion by inviting us to present this data to your organization. Contact Policy Matters at 216/931-9922.*