

# The Importance Of Fair Pay For Massachusetts Women

April 2012

*At the time of the Equal Pay Act's passage in 1963, women working full time, year round were paid merely 59 cents for every dollar paid to their male counterparts.<sup>1</sup> Enforcement of the Equal Pay Act and related civil rights laws has helped to narrow the wage gap, but significant disparities remain and must be addressed.*

Women have struggled to regain jobs in the recovery and continue to face high levels of long-term unemployment,<sup>2</sup> even as their families rely on them more heavily for financial support.<sup>3</sup> Wages overall are stagnating<sup>4</sup> and the wage gap has barely budged over the last ten years.<sup>5</sup> The gap particularly harms women in these economically difficult times, when women and families are especially financially vulnerable. Although Congress has taken initial steps to improve the laws that govern pay discrimination by passing the Lilly Ledbetter Fair Pay Act of 2009,<sup>6</sup> there is more that must be done to realize the decades-old promise of fair pay for equal work.

## The Gender Wage Gap Persists in Massachusetts

Although the gap between men's and women's wages has narrowed over the past five decades, the typical woman continues to be paid substantially less than the typical man.

- In 2010, the typical woman in Massachusetts working full time, year round was paid only 81 cents to every dollar paid to a man working full time, year round<sup>7</sup> – 4 cents narrower than the nationwide wage gap of 77 cents.<sup>8</sup>
- The wage gap is even more substantial for African-American and Hispanic women. White, non-Hispanic

women working full time, year round in Massachusetts were paid only 78 cents to every dollar paid to white, non-Hispanic men working full time, year round. However, African-American women working full time, year round in Massachusetts were paid only 62 cents and Hispanic women only 51 cents, to every dollar paid to white, non-Hispanic men who worked full time, year round.<sup>9</sup>

- The wage gap persists at all levels of education. In 2010, women in Massachusetts with a high school diploma were paid only 68 cents to every dollar paid to men with a high school diploma. Comparing women and men in Massachusetts with a bachelor's degree the figure was 70 cents. In fact, the typical Massachusetts woman who has received an associate's degree or completes some college still isn't paid as much as the typical Massachusetts man who only graduated from high school.<sup>10</sup>
- The wage gap exists across occupations. For example, Massachusetts women working full time, year round in 2010 in management, business, and financial occupations were paid only 71 cents to every dollar paid to men in the same occupations, and Massachusetts women working full time, year round in sales and related occupations were paid only 72 cents to every dollar paid to men in the same occupations.<sup>11</sup>

## Fair Pay Is More Important to Massachusetts Women Than Ever in This Struggling Economy

In the current economic crisis, many people are facing financial problems, stagnant wages, and unemployment. Women in Massachusetts already have higher rates of economic insecurity than do men in Massachusetts: in 2010, women working full time, year round typically had lower earnings than men (\$46,213 compared to \$56,959)<sup>12</sup> and were more likely to live in poverty (12.0 percent of Massachusetts women compared to 9.1 percent of men).<sup>13</sup> As a result, women are particularly vulnerable to economic hardship in today's struggling economy, when every dollar counts. For example:

- High unemployment rates for men have fallen since the end of the recession, but two-and-a-half years into the recovery, women's unemployment nationwide remained above its level at the end of the recession.<sup>14</sup> The unemployment rate for women in Massachusetts in 2011 was 6.2 percent, a 2.1 percentage point increase since the recession began in December 2007,<sup>15</sup> and 48.4 percent of jobless women workers in Massachusetts had been looking for work for 27 weeks or more.<sup>16</sup> Women's lower earnings contribute to the fact that women frequently have fewer savings to fall back on if they lose their jobs.<sup>17</sup> Nationally, the average weekly unemployment insurance benefit paid to women was \$259, while the average benefit for men was about \$310.<sup>18</sup> Worse yet, women who lose their jobs are also less likely than men to receive unemployment insurance benefits at all.<sup>19</sup>
- The economic crisis has affected all Americans, but has been particularly hard for women – who are already in a more precarious economic position than men because of lower earnings and higher poverty rates. Women are more likely to rely on public benefits like Medicaid, food stamps (SNAP), and

housing assistance,<sup>20</sup> services which many states have cut during the crisis.<sup>21</sup> About 19 percent of non-elderly adult Massachusetts women and 31 percent of Massachusetts children relied on Medicaid in 2010.<sup>22</sup> In December 2011, the most recent month for which data are available, Massachusetts provided food stamp benefits to more than 845,300 children and adults, an increase of nearly 42,900 from the previous year.<sup>23</sup> For many low-wage workers, these programs provide crucial support to meet basic needs when wages aren't enough. For example, for a full-time, year-round worker at Massachusetts' minimum wage, the annual pay is less than the poverty line for a family of three.<sup>24</sup>

- Recent tightening of state budgets has caused many states to cut back on necessary services. In Massachusetts, enacted cuts to education, health care, and child care<sup>25</sup> disproportionately affect women and will create further hardship for Massachusetts women and their families.
- In 2011, women made up about two-thirds of all workers that were paid minimum wage or less, totaling almost 2.4 million women 16 and older.<sup>26</sup> In Massachusetts, the minimum wage was \$8.00 per hour, equivalent to only about \$16,000 a year for those working full time year round. Moreover, the minimum cash wage for tipped employees in Massachusetts was just \$2.63 per hour, equivalent to an annual base pay of only about \$5,260 for those working full time, year round.<sup>27</sup> Nationally, women make up almost two-thirds (64.0 percent) of workers in tipped occupations.<sup>28</sup> Raising the minimum wage would help close the wage gap for Massachusetts women.

### Fair pay would help close the wage gap and increase women's economic security.

1 U.S. Census Bureau, Current Population Survey, 2011 Annual Social and Economic Supplement, Historical Income Tables – People, Table P-40: Women's Earnings as a Percentage of Men's Earnings by Race and Hispanic Origin: 1960 to 2010, available at <http://www.census.gov/hhes/www/income/data/historical/people/index.html> (last visited Oct. 4, 2011).

2 See NWLC's "Modest Recovery Beginning for Women" (March 9, 2012) available at <http://www.nwlc.org/sites/default/files/pdfs/marchmodestrecoveryfactsheet.pdf>.

3 Heather Boushey, Center for American Progress, "Not Working: Unemployment Among Married Couples" (May 6, 2011), available at <http://www.americanprogress.org/issues/2011/05/pdf/maritalunemployment.pdf>.

4 Heidi Shierholz and Lawrence Mishel, Economic Policy Institute, "The sad but true story of wages in America" (March 15, 2011), available at [http://www.epi.org/publication/the\\_sad\\_but\\_true\\_story\\_of\\_wages\\_in\\_america/](http://www.epi.org/publication/the_sad_but_true_story_of_wages_in_america/).

5 Between 2001 and 2011 the wage gap closed by less than one cent. The wage gap in 2001 was 76.3 cents compared to 77.4 cents in 2011. See U.S. Census Bureau, Income, Poverty, and Health Insurance Coverage in the United States: 2010 – Report and Detailed Tables [hereinafter Income, Poverty, and Health Insurance Coverage], Table A-5: Number and Real Median Earnings of Total Workers and Full-Time, Year-Round Workers by Sex and Female to Male Earnings Ratio: 1960 to 2010 (2011) available at <http://www.census.gov/hhes/www/income/income.html> (last visited Sept. 28, 2011).

MASSACHUSETTS STATE EQUAL PAY FACT SHEET

- 6 Pub. L. No. 111-2, 123 Stat. 5 (2009).
- 7 NWLC calculations from U.S. Census Bureau, 2010 American Community Survey [hereinafter NWLC calculations from 2010 ACS], Table R2001: Median Earnings for Male Full-Time, Year-Round Workers and Table R2002: Median Earnings for Female Full-Time, Year-Round Workers, *available at* <http://www.census.gov/acs/www/> (last visited Sept. 22, 2011).
- 8 Income, Poverty, and Health Insurance Coverage, Table A-5: Number and Real Median Earnings of Total Workers and Full-Time, Year-Round Workers by Sex and Female to Male Earnings Ratio: 1960 to 2010 (2011) *available at* <http://www.census.gov/hhes/www/income/income.html> (last visited Sept. 28, 2011).
- 9 NWLC calculations from U.S. Census Bureau, 2008-2010 American Community Survey three-year estimates, Tables B20017B, H, I: Median Earnings in the Past 12 Months (in Inflation-Adjusted Dollars) by Sex by Work Experience in the Past 12 Months for the Population 16 Years and Over with Earnings in the Past 12 Months, *available at* <http://www.census.gov/acs/www/> (last visited Dec. 16, 2011).
- 10 NWLC calculations from 2010 ACS, Table B20004: Median Earnings by Sex by Educational Attainment for the Population 25 Years and Over, *available at* <http://www.census.gov/acs/www/> (last visited Dec. 9, 2011). These data include all workers 25 and over and is not broken down by work experience.
- 11 NWLC calculations from 2010 ACS, Table B24022: Sex by Occupation and Median Earnings for the Full-Time, Year-Round Civilian Population 16 Years and Over, *available at* <http://www.census.gov/acs/www/> (last visited Dec. 9, 2011).
- 12 *Supra* note 7.
- 13 NWLC calculations from 2010 ACS, Table C17001: Poverty Status in the Past 12 Months by Sex by Age, *available at* <http://www.census.gov/acs/www/> (last visited Sept. 22, 2011).
- 14 *Supra* note 2.
- 15 U.S. Department of Labor, Bureau of Labor Statistics, Table 14: Employment status of the civilian noninstitutional population by sex, race, Hispanic or Latino ethnicity, marital status, and detailed age, 2011 annual averages (2012), *available at* <http://www.bls.gov/lau/ptable14full2011.pdf> (last visited March 5, 2012) and U.S. Department of Labor, Bureau of Labor Statistics, Table 14: Employment status of the civilian noninstitutional population by sex, race, Hispanic or Latino ethnicity, marital status, and detailed age, 2007 annual averages (2008), *available at* <http://www.bls.gov/lau/table14full07.pdf> (last visited Dec. 9, 2011). For individuals 16 and older.
- 16 Unpublished data from U.S. Department of Labor, Bureau of Labor Statistics, Current Population Survey (2012).
- 17 David C. John, Retirement Security Project, "Disparities for Women and Minorities in Retirement Saving" (Sept. 1, 2010), *available at* [http://www.brookings.edu/testimony/2010/0901\\_retirement\\_saving\\_john.aspx](http://www.brookings.edu/testimony/2010/0901_retirement_saving_john.aspx).
- 18 U.S. Department of Labor, Employment and Training Administration, Office of Unemployment Insurance, Benefit Accuracy Measurement Survey (Dec. 22, 2011). Estimates based on sample cases from the BAM survey, which includes the State UI, Unemployment Compensation for Federal Employees (UCFE), and Unemployment Compensation for Ex-Service Members (UCX) programs only and does not include payments for Extended Benefits or Emergency Unemployment Compensation. Data are from October 2010 to September 2011, and do not control for hours worked (e.g. full-time vs. part-time status).
- 19 Vicki Lovell, Institute for Women's Policy Research, Testimony before the House Ways and Means Committee, Subcommittee on Income Security and Family Support, "The Unemployment Insurance Modernization Act: Improving UI Equity and Adequacy for Women" (Sept. 19, 2007).
- 20 See NWLC's "Protecting Low-Income Programs in Deficit Reduction Plans is Vital to Women and Their Families" (Aug. 23, 2011), *available at* <http://www.nwlc.org/resource/protecting-programs-low-income-people-deficit-reduction-plans-vital-women-and-their-familie>.
- 21 Nicholas Johnson, Phil Oliff and Erica Williams, Center on Budget and Policy Priorities, "An Update on State Budget Cuts: At Least 46 States Have Imposed Cuts That Hurt Vulnerable Residents and the Economy" (revised February 9, 2011), *available at* <http://www.cbpp.org/cms/index.cfm?fa=view&id=1214> (last visited Oct. 4, 2011).
- 22 NWLC calculations from 2010 ACS, Table C27007: Medicaid/Means-Tested Public Coverage by Sex by Age, *available at* <http://www.census.gov/acs/www/> (last visited Dec. 9, 2011).
- 23 U.S. Department of Agriculture, Supplemental Nutrition Assistance Program: Current Participation (Persons), data as of March 1, 2012, *available at* <http://www.fns.usda.gov/pd/29SNAPcurrPPh.htm> (last visited March 5, 2012). Data for December are preliminary.
- 24 The current federal minimum wage is \$7.25. For an individual who works full time, year round, (2,000 hours) this amounts to annual earnings of \$14,500. The poverty line for one parent and two children was \$17,568 in 2010. U.S. Census Bureau, Current Population Survey, 2011 Annual Social and Economic Supplement, Table POV35: Poverty Thresholds by Size of Family and Number of Related Children Under 18 Years: 2010, *available at* [http://www.census.gov/hhes/www/cpstables/032011/pov/new35\\_000.htm](http://www.census.gov/hhes/www/cpstables/032011/pov/new35_000.htm) (last visited Dec. 20, 2011).
- 25 Erica Williams, Michael Leachman, and Nicholas Johnson, Center on Budget and Policy Priorities, "State Budget Cuts in the New Fiscal Year Are Unnecessarily Harmful: Cuts Are Hitting Hard at Education, Health Care, and State Economies" (updated July 28, 2011), *available at* <http://www.cbpp.org/cms/index.cfm?fa=view&id=3550> (last visited March 5, 2012).
- 26 U.S. Department of Labor, Bureau of Labor Statistics, Characteristics of Minimum Wage Workers, 2011, Table 1. Employed wage and salary workers paid hourly rates with earnings at or below the prevailing Federal minimum wage by selected characteristics, 2010 annual averages (2011), *available at* <http://www.bls.gov/cps/minwage2011tbls.htm>. This is true for both those 16 and older (63 percent) and 25 and older (67 percent).
- 27 NWLC calculations from U.S. Department of Labor, Wage and Hour Division, "Minimum Wage Laws in the States – January 1, 2012," *available at* <http://www.dol.gov/whd/minwage/america.htm> and "Minimum Wages for Tipped Employees" *available at* <http://www.dol.gov/whd/state/tipped.htm> (last visited Jan. 17, 2012). National Employment Law Project, Map of Minimum Wage Laws, *available at* <http://www.raisetheminimumwage.com/pages/map> (last viewed Jan. 17, 2012). Where state minimum wages fell below the federal level, states were listed as observing the federal minimum wage of \$7.25 an hour for non-tipped employees and \$2.13 an hour for tipped employees. Annual wage figures calculated assuming 40 hour work weeks for 50 weeks a year. Who constitutes a "tipped worker" varies by state.
- 28 NWLC calculations from U.S. Department of Labor, Bureau of Labor Statistics, Current Population Survey, Table 11: Employed persons by detailed occupation, sex, race, and Hispanic or Latino ethnicity, 2011 annual averages, *available at* <http://www.bls.gov/cps/cpsaat11.pdf>. Includes the following occupations: waiters and waitresses; bartenders; counter attendants, cafeteria, food, and coffee shop; dining room and cafeteria attendants and bartender helpers; food servers, non-restaurant; taxi drivers and chauffeurs; parking lot attendants; hairdressers, hairstylists, and cosmetologists; barbers; miscellaneous personal appearance workers; baggage porters, bellhops, and concierges; and gaming services workers.