

### Women Still Paid Less Than Men: Oregon's Gender Pay Gap

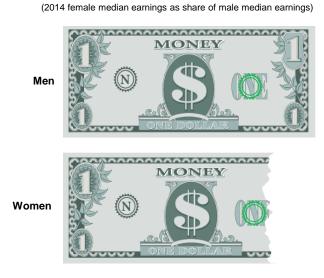
#### A View of the State of Working Oregon

Like the rest of the nation, Oregon has a gender pay gap: the typical woman in Oregon earns about 82 cents for every dollar that a man earns.<sup>1</sup>

The causes for why the typical woman earns less are complex. To some extent, the gap reflects the fact that she still serves as the family's principal caretaker — the vital work of raising kids, caring for an elderly parent or caring for a family member who has fallen ill. Those duties take her out of the workforce. The gap also reflects, in part, that employers have not valued the labor of women as highly as the labor of men. Indeed, it too reflects the persistence of gender discrimination.

There are steps that Oregon policymakers can take to even the playing field. These include investing in affordable, quality child care to expand access; requiring paid family leave for all workers; strengthening fair pay standards; and ensuring that workers can count on predictable work schedules. By helping eliminate the gender pay gap, lawmakers can increase the economic security of Oregon families and advance gender equity.

# Oregon women earn 82 cents for every dollar earned by men



In 2014, the typical (median) earnings for an Oregon woman age 16 and older working full time was about \$39,000.<sup>2</sup> The typical Oregon man earned nearly \$47,000 that year.

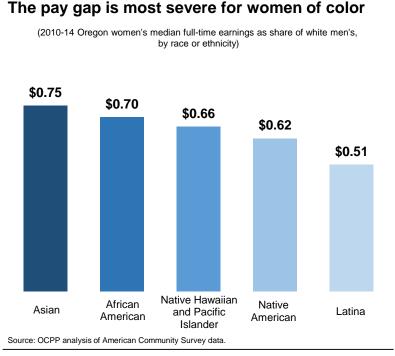
That means for every dollar the typical Oregon man earned, the typical Oregon woman earned just \$0.82.

Figure is for population over age 16 working full time. Source: OCPP analysis of American Community Survey data.

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A View of the State of Working Oregon is a series of occasional OCPP fact sheets explaining Oregon's economy from the perspective of working families.

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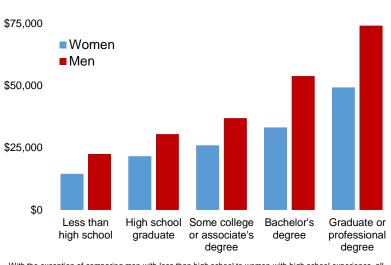


While the pay gap persists between men and women within most racial or ethnic groups,<sup>3</sup> it widens even further when comparing the earnings of women of color to those of white men.

For every dollar earned by white Oregon men between 2010 and 2014, Asian women earned \$0.75, African American women earned \$0.70, Native Hawaiian and Pacific Islander women earned \$0.66, Native American women earned \$0.62, and Latina women earned just \$0.51.<sup>4</sup>

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#### Gender pay gap exists regardless of education



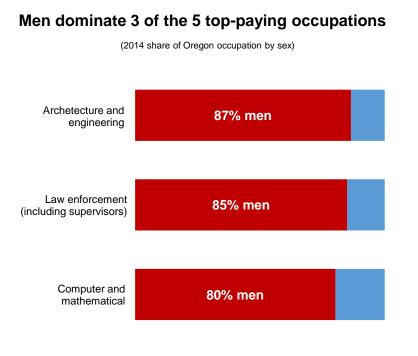
(2014 Oregon median earnings for population age 25+ by educational attainment)

Education is not a factor. The typical Oregon woman over age 25 earns less than her male counterpart with a similar level of educational attainment.

In fact, in 2014 the typical Oregon woman with a graduate or professional degree earned 8.4 percent less than the typical Oregon man with just a bachelor's degree.

With the exception of comparing men with less than high school to women with high school experience, all differences shown are statistically significant Source: OCPP analysis of American Community Survey data.

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#### Men are more likely to work in Oregon's top-paying occupations.

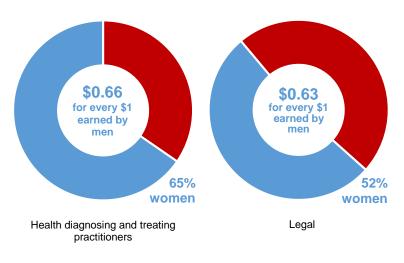
Men held 87 percent of architecture and engineering positions, 85 percent of law enforcement and 80 percent of computer and mathematical positions in 2014. These were three of Oregon's top five occupations ranked by median annual earnings for a full time worker.

Source: OCPP analysis of American Community Survey data.

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# Women in highest-paying fields face severe pay gaps

(2014 Oregon female share of occupations and share of male median earnings)



While women are more likely to hold positions in Oregon's two highest-paying occupations (health diagnosing and treating and legal occupations), those women face the most severe earnings gaps in the Oregon labor market.

Women working in health diagnosing and treating occupations earned just \$0.66 for every dollar earned by a man in 2014.<sup>5</sup> Women in legal occupations earned just \$0.63 on the male dollar.<sup>6</sup>

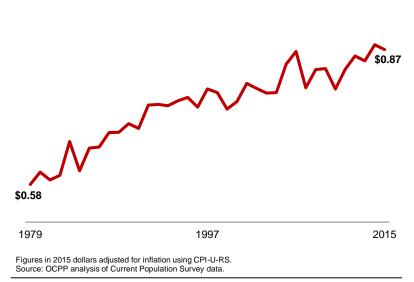
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Source: OCPP analysis of American Community Survey data.

### Typical hourly wages for Oregon women still trail men

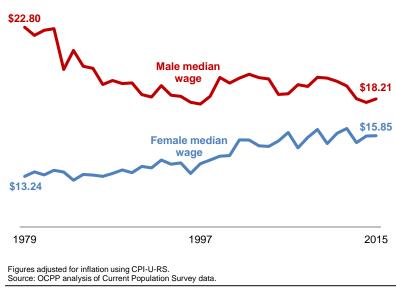
(1979-2015 Oregon female median wage as share of male median wage)



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# Narrowing wage gap mainly due to men's declining wages

(1979-2015 Oregon median wage in 2015 dollars)



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The gender pay gap is also evident when looking strictly at wages, rather than the broader measure of earnings. Wages are the hourly rate at which workers are paid; annual earnings are the total income earned in a year.

While it has narrowed over the last few decades, the wage gap between men and women in Oregon persists.

In 1979, the typical (median) Oregon woman earned just \$0.58 of each dollar earned by a man on an hourly basis, after adjusting for inflation.

By 2015, the typical woman earned \$0.87 for every dollar a man earned per hour.

The narrowing wage gap is in large part the result of declines in male wages.

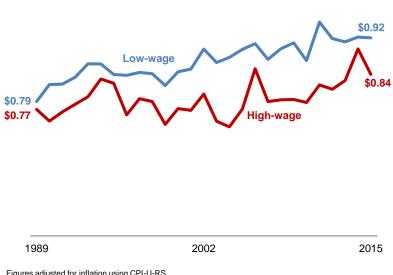
From 1979 to 2015, the typical Oregon woman saw her wage rise from \$13.24 to \$15.85 per hour after adjusting for inflation – an increase of \$2.61.

The typical Oregon man saw his wage decline by \$4.59, from \$22.80 to \$18.21 per hour in inflation-adjusted dollars, over that time.

The decline in private sector unionization in recent decades is a primary reason for the fall in men's wages.<sup>7</sup>

#### Wage gap is most severe for high-wage women

(1989-2015 Oregon female wage as share of male wage at 20th and 80th percentiles in 2015 dollars)



Figures adjusted for inflation using CPI-U-RS. Source: OCPP analysis of Current Population Survey data.

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#### Women's labor force participation trails men's

shown. Source: OCPP analysis of Current Population Survey data.

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The gender wage gap remains widest for high-wage women.

In 1989, low-wage women's (those earning at the 20th percentile) wages were just \$0.79 for every dollar their male counterpart made, after adjusting for inflation. By 2015, low-wage women's wages were\$0.92 on the male dollar, an increase of 13 cents.

High-wage women (those earning at the 80th percentile) during that time saw their wage gap close by just seven cents, edging up from \$0.77 to \$0.84 after adjusting for inflation.

A greater share of women have entered the workforce over the last generation, while the share of men who work has declined. Still, the labor force participation of women trails that of men.

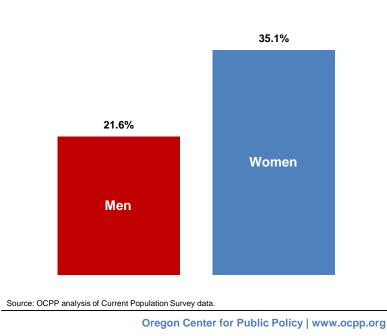
In 1979, Oregon women's labor force participation rate — the share of women who are employed or actively looking for work — stood at 51.1 percent. By 2015, it had risen to 56.1 percent. Men's labor force participation rate declined from 78.0 to 66.1 percent over that time.

Caregiving still falls mainly on women, which keeps many of them, particularly lowincome women, out of the workforce.<sup>8</sup>



#### Oregon women more likely to work part time

(2015 share of labor force working less than 35 hours per week)



For women who do enter the workforce, they are more likely than men to work part time, reflecting the fact that the responsibility of caretaking still falls mainly on women.<sup>9</sup>

In 2015, more than one in three Oregon women (35.1 percent) in the workforce worked part time, compared to just over one in five Oregon men (21.6 percent) in the workforce.

Part-time jobs often lack benefits needed for family security, like health insurance and paid sick leave.

#### How Oregon can close the gender pay gap

While the factors underlying the gender pay gap in Oregon and across the nation are complex, the data and research reveal some of the key drivers for why women tend to earn less than men. They also point to policy solutions that can reduce the gender pay gap and its impacts, which will increase the economic security of women and families.

To some extent, the gender pay gap reflects the fact that women still bear the principal responsibility for caring for family members. While the share of fathers who stay home to raise children has increased, women are still the ones primarily responsible for that work.<sup>10</sup> Women also devote more time caring for elderly parents — twice as much according to one study.<sup>11</sup> Caretaking responsibilities make it difficult for women to enter and remain in the workforce. Caretaking also makes part-time work more common for women than for men. The time away from the workforce can mean reduced work experience and lower seniority for women, factors that affect earnings, savings and retirement income.<sup>12</sup>

The gender pay gap also reflects the fact that some employers do not value the labor of women the same as the labor of men. Employers tend to hire men in most of Oregon's highest-paying occupations. And while women are the majority in some of Oregon's high-paying occupations, those occupations contain the most severe pay gaps. One national study suggests that as women move into certain lines of work, those jobs begin to pay less.<sup>13</sup> But even within the same industry, men tend to earn more than women.



Ultimately, there is a gender differential in what employers pay that cannot be explained by differences in work experience, industry and occupation.<sup>14</sup> That is evidence that employers engage in gender discrimination.<sup>15</sup>

Lawmakers in Oregon can help close the gender pay gap by advancing public policies that directly address the pay differential, as well as those that help women enter and stay in the workforce.

### Invest in affordable, quality child care

Expanding access to affordable, quality child care is essential to closing the pay gap and increasing family economic security. Access to affordable child care is the single most important factor in promoting women's workforce participation. The experiences of other countries show that when child care is publicly provided, men and women in dual-earner families work a similar number of hours.<sup>16</sup>

By some measures, child care in Oregon is the least affordable in the country.<sup>17</sup> The typical annual cost of center-based care for a toddler in Oregon was nearly \$12,000 in 2014, making it more expensive than tuition and fees for in-state residents at the University of Oregon.<sup>18</sup> For low- and middle-income families, the cost of child care can eat up much of their monthly budgets. While Oregon's Employment Related Day Care (ERDC) program offers subsidized child care to qualifying parents, the legislature has not fully funded the program, so it has a waiting list for participants. ERDC currently serves only about 7,500 families.

Lawmakers can make quality, affordable child care more widely available by making strong investments in ERDC. This means raising the income limits of the program so that it helps not just low-income families but also moderate- and middle-income families who also struggle to afford quality care. It also means improving reimbursements for child care providers, who are predominantly women, so workers are paid a living wage.

### Require paid family leave for all Oregon workers

Parents should not be forced to decide between keeping their job and caring for a newborn child or tending to a seriously ill family member. While the 2015 legislature enacted a paid sick time law that offers most workers the ability to take a few days off to recover from an illness or tend to a sick family member, it does not help families when longer term family caretaking needs arise. Lawmakers should require paid family and medical leave so that no worker is forced to quit their job to tend to the needs of their family.

#### Give workers predictable schedules

Women make up a disproportionate share of the many workers who get little advance notice of their work schedule, which can change from week to week.<sup>19</sup> For such workers, planning for child care and other familial responsibilities becomes a difficult and stressful task.

Lawmakers should enact legislation that ensures workers have more predictability in their work schedules. This would include requiring employers to give adequate advance notice when setting and changing work schedules. Lawmakers should also require employers to fairly compensate workers for "lost hours," which arise when workers are required to be on call, are scheduled for a



split shift or are sent home before the end of a scheduled shift. Workers are often not paid for these work hours.

#### Enact stronger fair pay standards

Women deserve to be paid the same as men for doing the same work. The federal Equal Pay Act (1963) helped narrow the pay gap some by making it illegal to pay women less on the basis of sex. Yet, the act does not require employers to prove that differences in pay between men and women are based on work performance. Oregon lawmakers can close this loophole and advance pay equity by enacting fair pay standards for men and women performing substantially similar work.

#### Conclusion

Oregon's gender pay gap perpetuates economic insecurity for women and working families. The legislature should enact policies that directly address the pay differential, as well as those that help women enter and stay in the workforce. Pay equity is not only fair, it is good for the well-being of Oregon families.

#### Endnotes

<sup>1</sup> This fact sheet presents an incomplete picture of gender inequity in Oregon's labor market. Transgender and gender non-conforming Oregonians often face some of the most severe barriers in the workforce. Unfortunately, official labor market data sources do not count transgender or gender non-conforming people in their surveys. For that reason, this fact sheet focuses solely on gender inequities between men and women.

<sup>2</sup> Earnings are the sum of wage or salary income and net income from self-employment. Unless otherwise noted, all figures in this fact sheet are OCPP analysis of American Community Survey and Current Population Survey data.

<sup>3</sup> Median earnings of full-time working African American, Native American, Asian and Latina women are each less than median earnings of men within the racial or ethnic group. For Native Hawaiians and Pacific Islanders, the gap in median earnings was not statistically significant.

<sup>4</sup> The American Community Survey publishes data in one-year and five-year estimates based on 12 and 60 months of collected survey data, respectively. One-year estimates provide the most recent estimates but come with greater chance of error, especially when looking at subsets of the population for whom the sample size is small. Five-year estimates provide less recent but more accurate estimates, thanks to their larger sample size. For this reason, we chose to present median earnings by sex and by race or ethnicity using five-year estimates.

<sup>5</sup> Health care diagnosing and treating practitioners include a long list of medical practitioners and technicians. Health aides and other health care support occupations are classified differently. For a complete list of health care diagnosing and treating occupations see section 29-0000 of the Standard Occupation Classification system, available at http://www.bls.gov/soc/2010/soc290000.htm.



<sup>6</sup> Legal occupations include lawyers and judicial law clerks, judges, magistrates, paralegals and legal assistants, and other judicial and legal support workers. They do not include legal secretaries. For a complete list of legal occupations see section 23-0000 of the Standard Occupation Classification system, available at http://www.bls.gov/soc/2010/soc230000.htm

<sup>7</sup> Oregon Center for Public Policy, *Unions Are Key to Reducing Inequality*, September 2, 2015, available at http://www.ocpp.org/2015/09/02/20150902-unions-income-inequality-oregon/.

<sup>8</sup> Winston, Pamela. *Work-Family Supports for Low-Income Families: Key Research Findings and Policy Trends*, United States Department of Health and Human Services, March 2014, available at https://aspe.hhs.gov/sites/default/files/pdf/76856/rpt\_WorkFamily.pdf.

<sup>9</sup> The Current Population Survey tracks both workers working part time voluntarily and workers working part time for economic reasons, sometimes referred to as involuntary part time. This category refers to workers who work less than 35 hours per week due to economic reasons like unfavorable business conditions, inability to find full-time work and seasonal declines in demand. In 2015, 23.3 percent of Oregon men working part time reported doing so for economic reasons compared to just 15.7 percent of Oregon women. That Oregon women working part time were less likely to be doing so for economic reasons suggests that many were unable to take on more hours, consistent with the reality that women tend to bear the responsibility of caretaking.

<sup>10</sup> Livingston, Gretchen. *Growing Number of Dads Home with the Kids*, Pew Research Center, June 2014, available at http://www.pewsocialtrends.org/2014/06/05/growing-number-of-dads-home-with-the-kids/.

<sup>11</sup> Grigoryeva, Angelina. *When Gender Trumps Everything: The Division of Parent Care Among Siblings*, Center for the Study of Social Organization, April 2014, available at https://www.princeton.edu/csso/working-papers/WP9-Grigoryeva.pdf.

<sup>12</sup> Haveman, Heather A. and Lauren S. Beresford. *If You're So Smart, Why Aren't You the Boss? Explaining the Persistent Vertical Gender Gap in Management,* The Annals of the American Academy of Political and Social Science, May 2011, available at http://escholarship.org/uc/item/1xf2r797.

<sup>13</sup> Levanon, Asaf, Paula England and Paul Allison. *Occupational Feminization and Pay: Assessing Causal Dynamics Using 1950-2000 U.S. Census Data*, Social Forces (2009) 88 (2), 865-891, available at http://statisticalhorizons.com/wp-content/uploads/2012/01/88.2.levanon.pdf.

<sup>14</sup> Liner, Emily. *A Dollar Short: What's Holding Women Back from Equal Pay?*, The Third Way, March 2016, available at http://www.thirdway.org/report/a-dollar-short-whats-holding-women-back-from-equal-pay.

<sup>15</sup> Ibid.

<sup>16</sup> Warner, Judith. *To Fight Inequality, Support Women's Work*, Center for American Progress, September 2015, available at https://www.americanprogress.org/issues/women/report/2015/09/29/122152/to-fight-inequality-support-womens-work/.

<sup>17</sup> Child Care Aware of America. *Parents and the High Cost of Child Care: 2015 Report*, available at http://usa.childcareaware.org/wp-content/uploads/2016/03/Parents-and-the-High-Cost-of-Child-Care-2015-FINAL.pdf.

<sup>18</sup> OCPP analysis of Oregon Department of Human Services and University of Oregon data.

<sup>19</sup> Golden, Lonnie. *Irregular Work Scheduling and Its Consequences*, Economic Policy Institute, April 9, 2015, available at http://www.epi.org/publication/irregular-work-scheduling-and-its-consequences/.

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