The Importance Of Fair Pay For California Women

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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.1 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,2 even as their families rely on them more heavily for financial support.3 Wages overall are stagnating4 and the wage gap has barely budged over the last ten years.5 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 2009,6 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 California

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 California working full time, year round was paid only 84 cents to every dollar paid to a man working full time, year round7 – 7 cents narrower than the nationwide wage gap of 77 cents.8
- The wage gap is even more substantial for African-American and Hispanic women. White, non-Hispanic women working full time, year round in California were paid only 76 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 California were paid only 64 cents and Hispanic women only 42 cents, to every dollar paid to white, non-Hispanic men who worked full time, year round.9

- The wage gap persists at all levels of education. In 2010, women in California with a high school diploma were paid only 73 cents to every dollar paid to men with a high school diploma. Comparing women and men in California with a bachelor’s degree the figure was 74 cents. In fact, the typical California woman who has received an associate’s degree or completes some college still isn’t paid as much as the typical California man who only graduated from high school.10

- The wage gap exists across occupations. For example, California women working full time, year round in 2010 in management, business, and financial occupations were paid only 76 cents to every dollar paid to men in the same occupations, and California women working full time, year round in sales and related occupations were paid only 66 cents to every dollar paid to men in the same occupations.11
Fair Pay Is More Important to California Women Than Ever in This Struggling Economy

In the current economic crisis, many people are facing financial problems, stagnant wages, and unemployment. Women in California already have higher rates of economic insecurity than do men in California: in 2010, women working full time, year round typically had lower earnings than men ($41,302 compared to $49,453) and were more likely to live in poverty (15.0 percent of California women compared to 12.5 percent of men). 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. The unemployment rate for women in California in 2011 was 11.4 percent, a 6.2 percentage point increase since the recession began in December 2007, and 45.1 percent of jobless women workers in California had been looking for work for 27 weeks or more. Women’s lower earnings contribute to the fact that women frequently have fewer savings to fall back on if they lose their jobs. Nationally, the average weekly unemployment insurance benefit paid to women was $259, while the average benefit for men was about $310. Worse yet, women who lose their jobs are also less likely than men to receive unemployment insurance benefits at all.

• 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, services which many states have cut during the crisis. About 13 percent of non-elderly adult California women and 38 percent of California children relied on Medicaid in 2010. In December 2011, the most recent month for which data are available, California provided food stamp benefits to almost 3,904,100 children and adults, an increase of over 334,000 from the previous year. 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 California’s minimum wage, the annual pay is less than the poverty line for a family of three.

• Recent tightening of state budgets has caused many states to cut back on necessary services. In California, enacted cuts to education, health care, and CalWORKs disproportionately affect women and will create further hardship for California 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. In California, the minimum wage was $8.00 per hour, equivalent to only about $16,000 a year for those working full time year round. The minimum cash wage for tipped employees in California was also $8.00 per hour. Nationally, women make up almost two-thirds (64.0 percent) of workers in tipped occupations. Raising the minimum wage would help close the wage gap for California women.

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

6 Better late than never! One in five workers is now paid the minimum wage or less, and the average weekly unemployment insurance benefit for men was about $310. Women’s lower earnings contribute to the fact that women frequently have fewer savings to fall back on if they lose their jobs. For example, women who lose their jobs are also less likely than men to receive unemployment insurance benefits at all.
7 In California, the minimum wage was $8.00 per hour, equivalent to only about $16,000 a year for those working full time year round. The minimum cash wage for tipped employees in California was also $8.00 per hour. Nationally, women make up almost two-thirds (64.0 percent) of workers in tipped occupations. Raising the minimum wage would help close the wage gap for California women.

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.
12 Supra note 7.
14 Supra note 2.
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 (UCEX) 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).
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 POVS3: Poverty Thresholds by Size of Family and Number of Related Children Under 18 Years: 2010, available at http://www.census.gov/hhes/www/cps/ptables032011/gov/new35_000.htm (last visited Dec. 20, 2011).
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/minwage2011bls.htm. This is true for both those 16 and older (63 percent) and 25 and older (67 percent).
28 NWLC calculations from U.S. Department of Labor, Bureau of Labor Statistics, Current Population Survey, Table 31: Employed persons by detailed occupation, sex, race, and Hispanic or Latino ethnicity, 2011 annual averages, available at http://www.bls.gov/cps/cosaat11.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, nonsupervisors; taxi drivers and chauffeurs; parking lot attendants; hairdressers, hairstylists, and cosmetologists; barbers; miscellaneous personal appearance workers; bagage porters, bellhops, and concierges; and gaming services workers.