



JULY 2019 | FACT SHEET

# Data Reveal Michigan Women Face Obstacles to Economic Security

Although women in Michigan have made many advances over the years and are an increasing share of Michigan's workforce and increasingly important to their families' economic security, Michigan women continue to face barriers to opportunity and economic security. Women in Michigan continue to experience a wage gap for doing the same work as men, with women of color experiencing even larger wage gaps, and are also overrepresented in the low-wage workforce. At the same time, the high cost for child care takes up a large share of women's incomes, forcing low-wage mothers to struggle between paying for care for their children or putting food on the table.

Michigan must do more for women and pursue concrete policy changes to put women on the pathway to economic security and ultimately, gender justice.

## The wage gap shortchanges Michigan women and their families

When comparing all men and women who work full time, year-round in Michigan, women are paid just 78 cents for every dollar paid to men.<sup>1</sup> But the wage gap experienced by many Michigan women of color is even larger. For every dollar paid to white, non-Hispanic men in Michigan:

- Black women are paid 64 cents;
- Native women are paid 61 cents; and
- Latinas are paid 58 cents.<sup>2</sup>

For women overall in Michigan, the wage gap amounts to a loss of nearly \$11,300 each year – enough to pay for more than 13 months' worth of rent, 3 years of health insurance premiums, or nearly 16 months' worth of child care costs.<sup>3</sup>

This means by the time they've spent 40 years on the job, women will have lost \$452,000 in earnings and would have to work more than 11 years longer in order to catch up to men's lifetime earnings.<sup>4</sup> And these losses are even larger for many women of color in Michigan; compared to white, non-Hispanic men in Michigan:

- Black women would lose \$755,600;
- Native women would lose \$834,520; and

- Latinas would lose \$891,200 over a 40-year career.

As a result, Michigan women of color would need to work well into their 80s in order to catch up to what white, non-Hispanic men were paid by age 60.<sup>5</sup>

And Michigan mothers experience an even larger wage gap; they are paid just 71 cents for every dollar paid to fathers.<sup>6</sup> And mothers of color experience even larger wage penalties. For every dollar paid to white, non-Hispanic fathers in Michigan:

- Black mothers are paid 52 cents;
- Native mothers are paid 56 cents; and
- Latina mothers are paid 51 cents.<sup>7</sup>

## One in seven Michigan women lives in poverty

The annual earnings losses for Michigan mothers amount to nearly \$17,000.<sup>8</sup> These lost wages reduce women's ability to invest in their families and save for retirement. They also contribute to Michigan women, children, and families experiencing higher rates of poverty than women nationwide:

- Nearly 1 in 7 Michigan women (13.9 percent) lived below the federal poverty line in 2017, compared to 11.2 percent of Michigan men. Nationwide, 12.4 percent of women lived in poverty in 2017.
- Michigan Black women (25.2 percent), Latinas (20.9 percent), female-headed households (37.7 percent), and children (19.5 percent) were also more likely to live below the poverty line than these groups nationally.<sup>9</sup>
- One in four pregnant women in Michigan (25.0 percent) lived in poverty in 2017, compared to 22.3 percent nationally.<sup>10</sup>

## Michigan women are overrepresented in low-wage and minimum wage jobs

Occupational segregation plays a role in Michigan's large wage gaps and women's ability to support their families. While women make up 48 percent of Michigan's overall workforce, women make up 68 percent of the low-wage workforce (those who are in jobs that typically pay \$11.50 or less – or about \$23,920 per year) and are 2.3 times more likely than men to hold low-wage jobs in the state.<sup>11</sup> And while mothers of children under age 3 make up 10.0 percent of workers overall – their share of the low-wage workforce is more than double that – 20.6 percent. Pregnant workers are

also overrepresented in low-wage jobs compared to their share of the workforce overall.<sup>12</sup>

In addition, Michigan women make up about 6 in 10 minimum wage workers (Michigan's minimum wage is \$9.45 per hour, or about \$19,656 per year)<sup>13</sup> and more than 3 in 4 tipped workers.<sup>14</sup> Nearly 1 in 5 Michigan women (18.9 percent) working in tipped occupations and more than 1 in 4 Michigan women of color (25.3 percent) working in tipped occupations lived below the federal poverty line in 2017 – both rates higher than the national figures.<sup>15</sup>

Low-wage workers are the least likely to have access to paid leave – but are also the workers least able to afford to go without pay.<sup>16</sup> These workers are also less likely than workers overall to have health insurance and are much less likely to have health insurance through their employer or a union.<sup>17</sup> And the schedules associated with many low-wage and tipped occupations – involving evening, overnight, weekend, or irregular hours – can wreak havoc on working parents' ability to meet caregiving responsibilities.<sup>18</sup>

## Michigan parents struggle to afford child care costs

Michigan low-wage and minimum wage workers – most of whom are women – would also pay a tremendous amount of their earnings on child care costs. The average cost of fulltime center-based child care for a 4-year-old (\$8,678) would amount to 36 percent of a low-wage worker's paycheck and 44 percent of a minimum wage worker's paycheck.<sup>19</sup> As a result, many women in low-wage jobs struggle to pay for other necessities such as food and rent while paying for child care, or are forced to settle for lower-cost, and often lower-quality, care.

Few families in Michigan get help affording the cost of child care. In Michigan, only 5.7 percent of children eligible under federal law – 11.5 percent of eligible Black children, 2.8 percent of eligible Latinx children, 5.8 percent of eligible Native children, and 3.9 percent of eligible white children – receive help through the Child Care and Development Block Grant, the major federal child care program (compared to 7.8 percent of eligible children served nationally).<sup>20</sup>

Even as parents in Michigan struggle to afford child care costs, the workers who provide the care make very low salaries that make it difficult to support themselves and their own families. Child care workers in Michigan – 95 percent of whom are women – are typically paid just \$10.65 an hour (\$22,152 per year).<sup>21</sup>

## About Mothering Justice

*Mothering Justice is a grassroots organization dedicated to returning decision-making power to the ones affected the most - mothers. We do this by educating, empowering, and encouraging women to take back their families, communities, and government! To learn more, go to <https://motheringjustice.org/mamas-agenda/>.*

- 1 NWLC, The Wage Gap, State by State, available at <https://nwlc.org/resources/wage-gap-state-state/>.
- 2 NWLC, The Wage Gap, State by State, available at <https://nwlc.org/resources/wage-gap-state-state/>.
- 3 Median gross rent for Michigan is \$835 per month and comes from U. S. Census Bureau, 2017 American Community Survey (ACS) 1-Year Estimates. Gross rent is the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid by the renter (or paid for the renter by someone else). Average monthly employee contribution for employer-based family coverage in Michigan is \$304. Data come from U.S. Department of Health and Human Services, Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey: 2017, Table II.D.2, Average total employee contribution (in dollars) per enrolled employee for family coverage at private-sector establishments that offer health insurance by firm size and State: United States, 2017. Child Care Aware of America, The US and the High Cost of Child Care: 2018, Appendix I. Average annual cost of full-time center-based child care in Michigan for a four-year-old is \$8,678 annual or \$735 monthly.
- 4 NWLC, The Lifetime Wage Gap, State by State, available at <https://nwlc.org/resources/the-lifetime-wage-gap-state-by-state/>.
- 5 NWLC, The Lifetime Wage Gap, State by State, available at <https://nwlc.org/resources/the-lifetime-wage-gap-state-by-state/>.
- 6 NWLC, The Wage Gap for Mothers by Race, State by State, available at <https://nwlc.org/resources/the-wage-gap-for-mothers-state-by-state-2017/>.
- 7 NWLC, The Wage Gap for Mothers by Race, State by State, available at <https://nwlc.org/resources/the-wage-gap-for-mothers-state-by-state-2017/>.
- 8 NWLC, The Wage Gap for Mothers by Race, State by State, available at <https://nwlc.org/resources/the-wage-gap-for-mothers-state-by-state-2017/>.
- 9 NWLC, Women and Poverty, State by State, available at <https://nwlc.org/resources/women-and-poverty-state-state/>.
- 10 NWLC calculations based on U.S. Census Bureau, 2017 American Community Survey using IPUMS.
- 11 NWLC, Women and Men in the Low-Wage Workforce, available at <https://nwlc.org/resources/interactive-map-women-and-men-low-wage-workforce/>. The low-wage workforce can be defined in a number of ways. This defines low-wage jobs as those that paid a median hourly wage of \$11.50 or less in 2017.
- 12 NWLC calculations based on U.S. Census Bureau, 2017 American Community Survey using IPUMS.
- 13 NWLC, Women and the Minimum Wage, State by State, available at <https://nwlc.org/resources/women-and-minimum-wage-state-state/>.
- 14 NWLC, Women in Tipped Occupations, State by State, available at <https://nwlc.org/resources/one-fair-wage-women-fare-better-in-states-with-equal-treatment-for-tipped-workers/>.
- 15 NWLC, Women in Tipped Occupations, State by State, available at <https://nwlc.org/resources/one-fair-wage-women-fare-better-in-states-with-equal-treatment-for-tipped-workers/>.
- 16 Julie Vogtman and Karen Schulman, NWLC, Set up to Fail: When Low-Wage Work Jeopardizes Parents' and Children's Success, available at <https://nwlc.org/wp-content/uploads/2016/01/FINAL-Set-Up-To-Fail-When-Low-Wage-Work-Jeopardizes-Parents%E2%80%99-and-Children%E2%80%99s-Success.pdf>.
- 17 NWLC calculations based on U.S. Census Bureau, 2017 American Community Survey using IPUMS. 82 percent of low-wage workers had health insurance in 2017, compared to 90 percent of workers overall. 50 percent of low-wage workers had health insurance through an employer or union in 2017, compared to 70 percent of workers overall.
- 18 Julie Vogtman and Karen Schulman, NWLC, Set up to Fail: When Low-Wage Work Jeopardizes Parents' and Children's Success, available at <https://nwlc.org/wp-content/uploads/2016/01/FINAL-Set-Up-To-Fail-When-Low-Wage-Work-Jeopardizes-Parents%E2%80%99-and-Children%E2%80%99s-Success.pdf>.
- 19 Child Care Aware of America, The US and the High Cost of Child Care: 2018, Appendix I. Average annual cost of full-time center-based child care in Michigan for a four-year-old is \$8,678 annual or \$735 monthly. Low-wage workers working full time year round at \$11.50 per hour would make \$23,920 annually. Minimum wage workers in Michigan working full time year round at \$9.25 per hour would make \$19,240 annually.
- 20 Rebecca Ullrich, Stephanie Schmit & Ruth Cosse, CLASP, Inequitable Access to Child Care Subsidies, [https://www.clasp.org/sites/default/files/publications/2019/04/2019\\_inequitableaccess.pdf](https://www.clasp.org/sites/default/files/publications/2019/04/2019_inequitableaccess.pdf).
- 21 Child care workers wages based on U.S. Department of Labor, Bureau of Labor Statistics, May 2018 State Occupational Employment and Wage Estimates: Michigan, [https://www.bls.gov/oes/current/oes\\_mi.htm](https://www.bls.gov/oes/current/oes_mi.htm). Annual wages assume a 40 hour work week for 52 weeks. Workforce data are NWLC calculations based on U.S. Census Bureau, 2017 American Community Survey using IPUMS, available at <https://ipums.org/>.

