



Gender Pay Inequality in the U.S. and Montana

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GENDER PAY INEQUALITY IN THE U.S. AND MONTANA

Introduction

Gender inequality, particularly as it pertains to pay, has been researched and examined for decades, but is particularly pertinent today as income inequality across the nation has become a hot button issue. As a topic, gender pay inequality is complicated having historic, economic, educational and social aspects. This paper will attempt to address on all of these areas and will also include many of the related policy endeavors past, present and future. Underlying everything will be the basic point that gender should not be the primary determinant of a child's future. The message of how income inequality and gender pay inequality hurt children has been emphasized with some frequency by the Annie E. Casey Foundation.¹

For the purposes of this paper we will use the most commonly understood term used by everyday people, which is "gender pay inequality." The term covers all of the different ways in which people talk about pay gap, wage gap, earnings gap, earnings ratio, etc.

HISTORY OF WORKFORCE PARTICIPATION

Women in the Workforce

Women have been in the workforce since recorded history and both genders have always been indispensable to the economic well-being of the household and family unit, whether it was men helping with weaving or women helping in the fields or with hunting-related tasks. The evolution of women working outside the home follows an interesting trajectory, paralleling significant social change in America. Much of this evolution has been tied to economic forces, such as the need for more workers during World War II. But the role of social change is equally significant and women fighting for the same rights as those enjoyed by men has been the consistent theme, which has driven much of this change.

Throughout this paper the term "working" is used to mean those who work outside the home and receive financial recompense for their work. The term is not meant to disparage women who are able to stay home to raise their children. Their work is important and makes just as great a contribution to society as employment outside the home.

As early as 1791, women were identified as a potential labor force. When Alexander Hamilton wrote his Report on Manufacturers,² seeking ways to develop industry in the United States, he identified women and children as a source of cheap labor. As more women gained employment, a backlash occurred: men saw this change as a threat to their jobs and unions' organizing efforts began to ignore the needs of working women. However, by 1820 female unions started taking up the cause of female workers and mill workers were fully active in unions by the 1840s. An alliance with working men's unions produced *The Voice of Industry*, a newspaper that lobbied against inhumane work conditions and for a 10-hour workday. Then in 1881, the Knights of Labor, the largest union in the country, voted to admit women. Gains were made through classic union-organizing techniques, stressing equal pay regardless of sex or color. However, this was not to be codified in America until the next century. Women workers slowly rose to leadership positions and unions relied heavily on the organizing efforts of women such as Mary Harris Jones, better known as "Mother Jones."³

Gains for women in the workforce through union representation diminished at the beginning of the 20th century as the philosophy of the American Federation of Labor (AFL) president Samuel Gompers

¹ Annie E. Casey Foundation. "Why Income Inequality Hurts Kids and Families," CaseyConnects, 11 Mar. 2014. <http://www.aecf.org/blog/why-inequality-hurts-kids-and-families/>. Accessed September 29, 2016.

² http://www.constitution.org/ah/rpt_manufactures.pdf.

³ Leckie, Shirley. "Women in the Workplace - A History: Labor Unions," TheLaborsite.com, www.thelaborsite.com/women1.cfm.

took hold. He shared society's belief that a woman's place was in the home. It was the union's stand that "it is wrong to permit any of the female sex of our country to be forced to work, as we believe that men should be provided with a fair wage in order to keep his female relatives from going to work." If women engaged in paid work, it was felt that respect for them would diminish and they would "bring forth weak children who are not educated to become strong and good citizens." Even though women laborers joined forces with middle- and upper-class women in an attempt to regain some power to improve working conditions they were unsuccessful.⁴

Discrimination against women entering the workforce continued throughout the Great Depression. Women looked for employment to contribute financially to their families when their husbands were laid off, but some public and private employers refused to hire married women. And unmarried women had to rely on traditionally female jobs that were scorned by men.⁵ Thus the depression of the 1930's pitted women against men in the workplace, the predominate perception being that if women no longer worked outside the home then jobs would free up for men. This was not the reality according to the U.S. Census Bureau; the number of women working in 1940 was two million more than in 1930, with the increase being mostly due to employers hiring more women because they could pay women less.⁶

Throughout this period, even though women held about one-fourth of industrial jobs and about half of farming jobs, men were still considered the household bread winners. The remaining female workforce worked domestic jobs. White women who were in the workplace were unmarried, separated or widowed; however, a disproportionately large number of women of color worked even after they married.⁷

World War II saw an unprecedented number of women coming into the workforce as factories desperately needed workers to replace the men who went to war. Many amenities that allowed for women to maintain a family and work long shifts came into existence, such as childcare, pre-made cooked meals and laundromats. Once the war was over, many women were forced out of the labor force, whether they wanted out or not. But having discovered that they could indeed contribute financially to the household and raise their children, women wanted to have the choice of working outside the home. By 1953, there were as many women working in wage-earning jobs as during the height of World War II. However, jobs remained low-paying and women were frequently expected to leave the workforce if they had babies.⁸

The impetus to change inequities between men and women has mostly been accomplished by women themselves. Feminism saw three big waves in America. The first wave was focused on middle- or upper-class white women and involved suffrage and political equality, which resulted in ratification of the 19th Amendment in 1920, giving women the right to vote. The suffragette movement started in 1848, taking 72 years to get women the right to vote – 144 years after men were given that right in the original U.S. Constitution.

The second-wave of feminism attempted to further combat social and cultural inequalities and is referred to as the Women's Liberation Movement. This movement began in the early 1960s and helped to exert political pressure to pass two important bills: the Equal Pay Act of 1963, which made it illegal to pay different wages for men and women performing the same work and the Civil Rights Act of 1964, which included making it illegal to discriminate based on gender.

The third-wave of feminism is continuing to address financial, social and cultural inequalities and includes renewed campaigns for greater influence of women in politics and the media. The push for greater representation of women continues today and separating pay equality from social equality is impossible.

⁴ Ibid.

⁵ Ibid.

⁶ "Working Women in the 1930s," *American Decades*, Ed. Judith S. Baughman, et al. Vol. 4: 1930-1939. Detroit: Gale, 2001. U.S. History in Context. Web. 3 Oct. 2016.

⁷ Shah, Dhara. "1954-1980 Women in Workforce (Revised)," *The Evolution of Women in the Workforce (1865-2015)*, 14 Apr. 2015, <http://workingwomen.web.unc.edu/2015/04/14/1954-1980-women-in-workforce-revised/>, Accessed November 2016.

⁸ Farmer, Ashley. "A Historical View of the American Workplace," *Gender News*, 25 Feb. 2013, <http://gender.stanford.edu/news/2014/historical-view-american-workplace>, The Clayman Institute for Gender Research, Stanford University.

Women of Color in the Workforce

Women cannot be generically lumped into one homogeneous group – there are too many dissimilarities among racial, ethnic and class categories. The following is another, albeit equally brief, summary of the history of women's work through the early 20th century within four different racial groups.

Black Women

The original domestic workforce in America were primarily the enslaved, indentured and semi-free black female laborers of colonial times. The 1870 Census showed that 52 percent of employed women worked in domestic and personal service. This remained the most common category of employment for women until World War II. Domestic service was one of the only choices for black women, who were excluded from most other occupations.⁹ By 1920, 40 percent of all domestic workers were black and more than 70 percent of all wage-earning black women worked as servants or laundresses.¹⁰ During the late 19th and early 20th centuries, in the South and the West, which remained predominantly rural, agriculture remained the central economic activity and the largest employer of women with 44 percent of African-American women being employed as farm workers.¹¹

However, the greatest impact on employment for black Americans came during World War I with the wartime need for labor and the resulting migration of black workers to northern cities. Even though employers tended to prefer immigrant European workers, white men perceived the newcomers to their cities as a threat, resulting in deadly racial riots. Despite being able to find more jobs in the North, black men could barely earn enough to support their families; therefore, black women continued to do paid work. From 1900 to 1930, black women were more likely to hold jobs than any other racial or ethnic group of women.¹²

When the depression years hit, unemployment was especially severe among black women who lost their jobs as domestic servants to white women entering the labor market. The 1930s saw congressional action, such as the National Labor Relations Act (Wagner Act), which supported workers' rights to form unions, engage in collective bargaining and participate in strikes. The Fair Labor Standards Act, which introduced the concept of the 44-hour, seven-day work week, established a minimum wage, guaranteed time-and-a-half compensation for overtime work in most professions and forbade child labor. However, domestic workers and farm laborers, who were overwhelmingly black, were excluded from both bills.¹³

Even though the economic stimulation of wartime bought relief to many, African-Americans had to fight hard to find that relief. Pressure exerted on President Franklin Delano Roosevelt resulted in an executive order prohibiting discrimination within the federal government. This activism and the need for workers led to one million jobs being held by African-Americans in wartime industries, 60 percent of whom were black women. Although post-war saw some of these gains lost, black women's employment history changed forever. Between 1930 and 1960, the share of black women employed in manufacturing jobs nearly doubled – even greater gains were made in clerical and sales work. This period saw the end of domestic service as the main employment industry for black women. By 1970, only 18 percent of African-American women were domestic servants.¹⁴

⁹ Caldwell, Maggie. *Invisible Women: The Real History of Domestic Workers in America*, Feb. 7, 2013 <http://www.motherjones.com>.

¹⁰ Part II, Comparative Occupation Statistics 1870 – 1930: A Comparable Series of Statistics Presenting a Distribution of the Nation's Labor Force, by Occupation, Sex and Age, U.S. Census Bureau, www.census.gov.

¹¹ Amott, Teresa, Julie Matthaei. *Race, Gender, and Work: A Multi-Cultural Economic History of Women in the United States*. (Boston: South End Press, 1996) Revised edition.

¹² Ibid.

¹³ Caldwell, Maggie. "Invisible Women: The Real History of Domestic Workers in America," *Mother Jones*, 7 Feb. 2013, <http://www.motherjones.com/politics/2013/02/timeline-domestic-workers-invisible-history-america>, Accessed November 2016

¹⁴ Amott, Teresa and Julie Matthaei. *Race, Gender, and Work: A Multi-Cultural Economic History of Women in the United States*, Revised ed. Boston: South End Press, 1996.

Militancy for basic rights for blacks was a constant since emancipation, but the civil rights movement, led by both men and women, came to fruition in the 60s. African-Americans of all ages participated in activism that eventually brought about extraordinary changes in U.S. law: voting rights expanded political power and civil rights legislation brought down some employment and educational barriers.¹⁵

The landmark legislation was the 1964 Civil Rights Act, which outlawed discrimination based on race, color, religion, sex or national origin. It ended unequal application of voter registration requirements and racial segregation in schools, in the workplace and in facilities that served the general public. In the workplace it established protection from bias on the basis of sex in hiring, promoting and firing. It also led to the creation of the Equal Employment Opportunity Commission (EEOC) to monitor and enforce provisions within the act.¹⁶

However, some sections of the Civil Rights Act did not help sub-groups of workers. For instance, although Title VII of the Civil Rights Act of 1964 bars employment discrimination on the basis of “race, color, religion, sex or national origin,” it applies only to employers with 15 or more employees, virtually excluding every domestic worker, many of whom were black, from its protections.¹⁷

Gains in the first half of the 20th century stalled for black women in the U.S. economic downturn of the 1970s. Industrial and manufacturing jobs moving to cheaper labor locations overseas hurt African-American workers in large cities. Even though the country has weathered recessions in the late 20th and early 21st centuries, by 2012 black workers had the highest unemployment rates in the nation.¹⁸ Although by 2014, the unemployment rates of black workers were the same as American Indians.¹⁹

American Indian Women

Before the European conquest, many American Indian tribes were characterized by sexual division of labor within a generalized egalitarian culture. Diverse social structures were the norm among the many different nations and tribes. The subsequent history of genocide, broken treaties, enforced relocations onto reservations and the deliberate policies of separation and annihilation of culture have not presaged economic success for American Indians. The reservation system was forced upon nations in the late 19th century, relocating tribal people from their ancestral homes to parcels of lands established specifically for their inhabitation, mostly determined as land not wanted by white settlers. Even though the reservation system appeared to acknowledge tribal sovereignty, President Ulysses S. Grant’s Peace Policy of 1868 called for the replacement of government officials by religious men, nominated by churches, to oversee the Indian agencies on reservations in order to teach and convert tribes to Christianity.²⁰ In addition, removal of American Indian children from their homes into boarding schools sought to break ties to families, communities and culture, thus ensuring lost transmission of traditional female roles and skills in Indian society.²¹

White government policy continued to find ways to take lands from tribes through the creation of the allotment system, culminating in the Dawes Act of 1887. This in effect stripped land ownership from tribal hands – land which had been collectively held and was the basis of tribal economic life. Each Indian family received 160 acres to be held in “trust” for 25 years. Citizenship was given to those who agreed, although

¹⁵ Leckie, Shirley. “Women in the Workplace - A History: Labor Unions,” TheLaborsite.com, www.thelaborsite.com/women1.cfm.

¹⁶ “The Civil Rights Act of 1964 and the Equal Employment Opportunity Commission,” The National Archives, Educator Resources, www.archives.gov/education/lessons/civil-rights-act. Page last reviewed 9 Oct. 2016.

¹⁷ Caldwell, Maggie. Invisible Women: The Real History of Domestic Workers in America, Feb. 7, 2013, <http://www.motherjones.com/politics/2013/02/timeline-domestic-workers-invisible-history-america>, Accessed November 2016.

¹⁸ Labor Force Characteristics by Race and Ethnicity, 2012. Bureau of Labor Statistic, October 2013 Report, www.bls.gov/opub/reports/race-and-ethnicity/archive/race_ethnicity_2012.pdf.

¹⁹ Labor Force Characteristics by Race and Ethnicity, 2014. Bureau of Labor Statistic, November 2015 Report, www.bls.gov/opub/reports/race-and-ethnicity/archive/labor-force-characteristics-by-race-and-ethnicity-2014.pdf.

²⁰ “Life on the Reservations.” US History, Pre-Columbian to the New Millennium, Section 40d. Independence Hall Association, c2008-2016. www.ushistory.org/Us/40d.asp.

²¹ Smith, Andrea. “Soul Wound: The Legacy of Native American Schools,” Amnesty International Magazine, March 26, 2007, <http://www.amnestyusa.org/node/87342>.

this later changed and was given only after the 25 years had passed. In general, granting U.S. citizenship to tribal members was a way to further remove cultural tribal affiliations, although it did grant access to the legal system and entry into the political process. Despite all this loss, the 1900 Census showed that nearly half of American Indian women who were able to get jobs were employed in the agricultural industry. The other half were divided between manufacturing (most likely traditional craft-making) and domestic or personal service work.²²

The disastrous allotment system was reversed by the 1934 Indian Reorganization Act, which sought to return to a form of the reservation system; however, little could be done to reverse the systematic annihilation of culture, social history and family stability. The employment boom created by World War II did create opportunities for American Indians and many left their reservations in search of jobs. It is not clear whether these manufacturing jobs benefited Indian women as much as men, as census data are not available for this sub-group during the war years. However, the post-war economic upturn did appear to bring more American Indian women into clerical, service and professional jobs and allow many to leave agricultural occupations.²³

Despite post-war social improvements in the U.S., American Indians during the 1950s saw the reversal of both progressive U.S. government laws and any economic advancement created by the wartime economy that benefited them. In the mid-1950s, there was a move to dissolve the special legal relationship between the U.S. government and American Indian tribes; additionally, federal economic development loans were terminated and federal relief services were simply cut off. Between 1950 and 1968, the Urban Relocation Program sped up the movement of American Indians from rural reservations to urban areas, a move which had already begun due to the lack of economic opportunity on many reservations. This resulted in many people with higher education and skill level moving to urban areas in search of better jobs, thus contributing to the growing disparity between on-reservation versus off-reservation American Indians. However, the percent of American Indian women participating in the labor force rose from 17 percent to 35 percent between 1950 and 1970 and by 1990 it had increased to 55 percent.²⁴

The Red Power movement of the late 1960s and 1970s coalesced into the American Indian Movement, which demanded workplace reforms and recognition of tribal sovereignty. Many of the leaders in the struggles were women who raised awareness of appalling conditions and practices on the reservations, including the enforced sterilization of thousands of Indian women.²⁵ The struggles for economic gains, to reclaim lost culture and to balance the tension between urban and non-urban tribal people is on-going. American Indians have the highest (official) unemployment rate of any racial group in the U.S. at 11.4 percent.²⁶

Hispanic Women

As with American Indian women, the history of Hispanic women is overlaid by the European conquest of the Americas, beginning with the subjugation of the Aztec Empire. After the Mexican-American War and the subsequent overtaking of lands in present-day U.S., by the late 19th century many Mexicans became citizens of the U.S. Political and economic impoverishment under the 34-year rule of Mexican dictator Porfirio Diaz set into motion a massive migration of Mexicans into the U.S. The 1930 census shows that 21 percent of working Hispanic women were employed in agriculture, 25 percent in manufacturing and 33 percent in private household service. No matter where they worked, Hispanic men and women earned

²² Amott, Teresa and Julie Matthaei. *Race, Gender, and Work: A Multi-Cultural Economic History of Women in the United States*, Revised ed. Boston: South End Press, 1996.

²³ Ibid.

²⁴ Amott, Teresa and Julie Matthaei. *Race, Gender, and Work: A Multi-Cultural Economic History of Women in the United States*, Revised ed. Boston: South End Press, 1996.

²⁵ Ibid.

²⁶ U.S. Census Bureau, www.census.gov.

less than their white counterparts. One study showed that in 1902, white women earned \$10-14 per week, while Hispanic women earned \$9 or less.²⁷

The labor shortages created by World War II pulled thousands of Mexican migrants into America under the Bracero Program, which granted Mexicans temporary work visas. Despite looking for work in the better paying wartime industries, many ended up as low-wage fieldworkers beholden to large agribusiness without any protections – it was called by one U.S. Department of Labor employee “legalized slavery.” Despite this, the post-war years saw employment rates for Mexican women working in agricultural work drop from 21 percent in 1930 to 6 percent in 1950. There was increased organizing for workers’ rights during the 1950s, culminating in the activism of the 1960s and the creation of the United Farm Workers of America, the labor union which brought about laws and contract changes to better conditions for agricultural workers. Eventually, many Mexican women joined other women of color in demanding change on issues important to women, including workplace conditions in traditionally female-dominated jobs.²⁸

During the 1970s and 1980s, more and more Mexican American women entered the labor force and by 1990, over 55 percent were employed, but many still in low-paid, seasonal jobs, resulting in high poverty rates.²⁹

Asian Women

Asian women are probably more diverse than any other racial or ethnic group in America today, but their history has a rich and long contribution to the labor force. The one commonality is that many Asians were brought into America as low-wage workers to support an economy that consisted mainly of white-owned enterprises. Despite their economic contributions, Asian immigrants were denied citizenship and discriminatory legislation was used to restrict their rights. Anti-immigrant sentiments resulted in 50 laws passed between 1850 and 1950, both at the state and federal level, to restrict and subordinate Asians.

Chinese Asian

At their most restrictive, these laws completely banned certain nationalities from immigrating to the U.S., such as The Chinese Exclusion Act of 1882, prohibiting Chinese immigration and effectively cutting off single women and the wives of, by then, U.S. citizens from coming to America.³⁰ However, World War II became a watershed time for Chinese workers. When China sided with the U.S. after war was declared against the Japanese, many Chinese, both men and women, joined the armed forces. In response to wartime labor shortages, the U.S. government prohibited discrimination against Chinese. The ironic discovery by white employers that Chinese were reliable workers began to turn the tide of anti-Chinese racism and the lessening of immigration restrictions.³¹

Changes in U.S. immigration law in the 1950s allowed many Chinese to come to the U.S.; additionally the Immigration Act of 1965 abolished racial quotas on immigration, resulting in a four-fold increase in the U.S. Chinese population. A significant portion of these were an elite group of professionals and graduate or research students fleeing the Cultural Revolution; however, many other Chinese immigrants were poor, rural women and their children being reunited with husbands. Wives had to work to help support their families. For instance, in San Francisco’s Chinatown, 68 percent of the women were employed outside the home, primarily in the garment industry. Chinese women organized and struggled to ensure adequate education,

²⁷ Amott, Teresa and Julie Matthaei. *Race, Gender, and Work: A Multi-Cultural Economic History of Women in the United States*, Revised ed. Boston: South End Press, 1996.

²⁸ Charleswell, Cherise. “Latina Feminism: National and Transnational Perspectives,” The Hampton Institute: A Working-Class Think Tank, 17 Oct 2014, <http://www.hamptoninstitution.org/latina-feminism.html#.WF6XA1MrKUk>.

²⁹ Amott, Teresa and Julie Matthaei. *Race, Gender, and Work: A Multi-Cultural Economic History of Women in the United States*, Revised ed. Boston: South End Press, 1996.

³⁰ Amott, Teresa and Julie Matthaei. *Race, Gender, and Work: A Multi-Cultural Economic History of Women in the United States*, Revised ed. Boston: South End Press, 1996.

³¹ Ibid.

including education for women, in their communities. The impressive upward mobility of second and third generations of Chinese Americans can be traced to the efforts of these 1960s immigrants.³²

Japanese Asian

The 1920 Census shows that 26 percent of Japanese women participated in the labor force, the second highest participation rate after black women. Between 1900 and 1930, about one-third of all employed Japanese American women were working in domestic service occupations. Obviously World War II played out differently for the Japanese than for other Asian groups, although labor shortages allowed work-release programs for domestic servants, clerical and some factory jobs for interned Japanese Americans. Many families struggled to recover from internment and overt racial hatred engendered by the Pearl Harbor attacks and the subsequent declaration of war.³³

Changes to U.S. immigration laws that lifted the ban on immigration from Asia did not result in an influx of Japanese because post-war economic opportunities in Japan grew. By the 1960s, occupational gains of Japanese American women meant many left domestic service and agricultural jobs to work in clerical (30 percent), professional (12 percent) and manufacturing (19 percent) jobs. Educational attainment was (and is) highly prized in Japanese culture, although even by 1990, work status still showed the effects of discrimination with Japanese American women being overrepresented in female-dominated professions, such as nursing and teaching and in low-wage female-dominated sectors, such as domestic service and clerical jobs.³⁴

1950s–1970s

The mid-20th century decades were absolutely pivotal in the evolution of women in the workforce, and those economic, cultural and social pressures are still playing out today. After the repressive 1950s, significant political pressure brought about many laws seeking to protect women in the workplace.

1950's

The creation of the ideal woman whose sole purpose in life was to be homemaker, housewife and mother can in part be attributed to post World War II economic expansion, reaction against the Rosie the Riveter unfeminine stereotype and the rise of consumer spending power mined by advertisers and corporate sponsorship of films and television shows.³⁵ The development of this gender role had ramifications for women in the workplace. The number of girls who entered college dropped during the 1950s and many who did go to university, did so only until they married and started a family. In fact, the then female president of the all-women Mills College in California said that “the curriculum for female students should prepare women to foster the intellectual and emotional life of her family and community.”³⁶

Women who did enter the work force generally worked in low-paying jobs, which were deemed suitable for women, such as nursing, teaching and secretarial. Contrary to the popular image of married women staying at home, 40 percent of married women with small children held a job.³⁷ The growing role of consumerism in American society is often cited as a reason for women in the 1950s becoming employed – they wanted enough money to achieve the higher standard of living made possible by the post-WWII economy.³⁸

³² Ibid.

³³ Ibid.

³⁴ Ibid.

³⁵ Holt, Jennifer. “The Ideal Woman.” Soundings, 2006 California State University Stanislaus, University Honors Program, www.csustan.edu/sites/default/files/honors/documents/journals/soundings/Holt.pdf.

³⁶ Stoneham, Nina. “Women’s Roles in the 1950s,” *American Decades*, Vol. 6. 2001. 278-280. Gale Group. 2005. 16 July 2008.

³⁷ Hammond, Kristyn. “American Women in the 50s,” Synonym. Leaf Group Ltd., 2001-2016 Web. 12 December 2014, classroom.synonym.com/american-women-50s-9170.html.

³⁸ Amott, Teresa and Julie Matthaei. *Race, Gender, and Work: A Multi-Cultural Economic History of Women in the United States*, Revised ed. Boston: South End Press, 1996.

1960's

The impetus of the Women's Rights movement was in part a reaction to the stagnation of women's choices during the 1950s. In 1961, President John Kennedy established the President's Commission on the Status of Women with Eleanor Roosevelt as chairwoman. The resulting 1963 report documented substantial discrimination against women in the workplace and made specific recommendations for improvement, including fair hiring practices, paid maternity leave and affordable child care. Soon thereafter, Congress passed the Equal Pay Act, making it illegal for employers to pay a woman less than what a man would receive for the same job. Demonstrable differences in seniority, merit, the quality or quantity of work or other considerations might merit different pay, but gender could no longer be viewed as a drawback on one's resume.³⁹

As mentioned above, the landmark legislation was the 1964 Civil Rights Act, which outlawed discrimination based on race, color, religion, sex, or national origin.

1970s

The sea-change continued as economic factors meant that it often took two wages to comfortably support a middle-class household and women once again returned to the workforce out of a perceived necessity.⁴⁰ Thus, economic factors drove many women into the labor market and social changes made it acceptable for them to be there.

The government agencies in charge of enforcing Title 7 of the Civil Rights Act did little actual enforcing until the 1970s. Sex discrimination cases were low on the Equal Employment Opportunity Commission's (EEOC) agenda until prodding by groups such as the National Organization for Women (NOW). For instance, it wasn't until the 1970s, when the NOW threatened to sue the EEOC to force it to comply that job-wanted classified ads were no longer published in separate listings for men and women. Classic help-wanted ads were exemplified by: "File Clerk: White, attractive, typing required..." or "Cashier-Food Checker: white, middle-aged woman, honest, alert, intelligent..."⁴¹

In 1978, the Pregnancy Discrimination Act was passed as an amendment to Title VII of the Civil Rights Act prohibiting employers from discriminating against pregnant women. And eventually, when the courts had invalidated other protective legislation, women found themselves eligible for many jobs formerly closed to them.

However, enforcement came through individual lawsuits. While having access to individual solutions is important, it is also true that working-class women and women of color are much less likely to pursue them. Cases can take many years to resolve and most working-class women have neither the time nor the resources necessary to pursue them. With legal and other individual strategies out of reach and vehicles for collective action (like unions) on the decline, working-class women are to this day largely left out.⁴²

Additionally during the 1970s, the Equal Pay Act was strengthened and further defined through two landmark court cases. *Schultz v. Wheaton Glass Co.* (1970) ruled that jobs needed to be "substantially equal" but not "identical" to fall under the protection of the Equal Pay Act and an employer could no longer change the job titles of women workers in order to pay them less than men. *Corning Glass Works v. Brennan* (1974) ruled that employers could not justify paying women lower wages because that is what they traditionally received under the "going market rate." A wage differential occurring "simply because men would not work at the low rates paid women" was deemed unacceptable.⁴³

³⁹ Rowen, Beth. "The Equal Pay Act: A History of Pay Inequity in the U.S." Infoplease. <http://www.infoplease.com/spot/equalpayact1.html>.

⁴⁰ Farmer, Ashley. "A Historical View of the American Workplace," *Gender News*, 25 Feb. 2013, <http://gender.stanford.edu/news/2014/historical-view-american-workplace>, The Clayman Institute for Gender Research, Stanford University.

⁴¹ Padavic, Irene, and Barbara Reskin. *Women and Men at Work*, 2nd ed. Thousand Oaks, CA: Pine Forge Press. 2002.

⁴² Brenner, Mark and Stephanie Luce. "Women and Class: What Has Happened in Forty Years?" *The Monthly Review*, vol. 58, no. 3, 2006, <http://monthlyreview.org/2006/07/01/women-and-class-what-has-happened-in-forty-years/>.

⁴³ Rowen, Beth. "The Equal Pay Act: A History of Pay Inequity in the U.S.," Infoplease. <http://www.infoplease.com/spot/equalpayact1.html>.

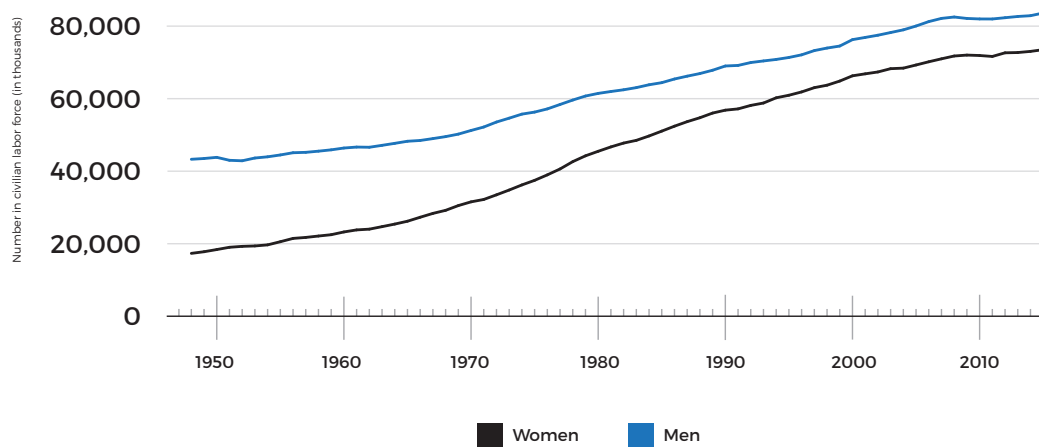
In 1974, domestic workers, primarily women, gained protections under new amendments to the 1938 Fair Labor Standards Act, but babysitters and companions of elderly persons were (and still are) excluded.⁴⁴

Each individual step towards a more equitable workplace was hard won, but gradually occupational segregation by gender began to break down as more and more women entered traditionally male-dominated jobs, such as bank managers, pharmacists and public relations specialists. However, there is still significant segregation by sex in occupations and industries. Throughout the last decades of the twentieth century and into the first two decades of this current century, women have become a prominent part of the American labor force. However, even though many women discovered they could work outside the home, simultaneously finding fulfillment in careers and raising their families, the challenge of making the promise of gender pay equality a reality remains.

Labor Force Participation by Gender

To set the context for gender pay inequality, it is necessary to provide some background data on participation rates of men and women in the U.S. labor force. The difference in participation rates has steadily narrowed over the years. In the 1970s, there was a difference of 38 percent, whereas in 2015 it was only 10 percent.⁴⁵ The U.S. Department of Labor figure below shows the civilian workforce participation rates for men and women; the steady rise in women working has pretty much paralleled men's since the late 1980s, although there are approximately 10 million fewer women than men in the workforce. The fact that there is relatively little difference in labor force participation between genders raises the question: Why is one half of the work force paid less than the other? A question we will look at in detail.

Figure 1: Civilian Labor Force by Sex.
Source: U.S. Bureau of Labor Statistics



* Includes persons in the civilian non-institutional population that are employed or actively looking for work, based on persons 16 years of age and older.

There is a plethora of data on what women earn versus what men earn and this data can be looked at in many different ways: by race, by age, by family status, by educational attainment to name just a few. The data section of this paper covers some aspects of this in order to show that no matter how one looks at it, women earn less than men.

⁴⁴ Caldwell, Maggie. "Invisible Women: The Real History of Domestic Workers in America," Mother Jones, 7 Feb. 2013, <http://www.motherjones.com/politics/2013/02/timeline-domestic-workers-invisible-history-america>. Accessed November 2016.

⁴⁵ Fullerton, Jr. Howard N. "Labor force participation: 75 years of change, 1950–98 and 1998–2025," Monthly Labor Review, vol. 122, no. 12, pp. 3-12, December 1999, Bureau of Labor Statistics, www.bls.gov/opub/mlr/1999/12/art1full.pdf.

Appendix A includes historical and current data, along with some explication, for the following:

U.S. data:

- Median annual earnings by gender for full-time, year-round workers.
- Median weekly earnings by gender of full-time salaried workers.
- Median annual earnings by race/ethnicity and gender.
- Earnings ratio of women by race compared to white men.

Montana data:

- Median annual earnings and earnings ratio by state and gender, for full-time, year-round workers.
- Montana urban versus rural earnings.
- American Indian earnings ratio in Montana.

The Pay and Earnings Gap

The gap between what women earn versus what men earn is often called the “wage gap,” although “earnings gap” is a better way of stating the problem of the discrepancy between what women earn versus what men earn. It is the difference between the median earnings of men and women; either the difference in the earnings ratio or the actual pay earned. Either way the outcome is reported in percentages.¹ To illustrate what this means, the following equations are helpful.²

$$\text{Earnings ratio} = \frac{\text{Women's median earnings}}{\text{Men's median earnings}}$$

$$\text{Pay gap} = \frac{(\text{Men's median earnings} - \text{women's median earnings})}{\text{Men's median earnings}}$$

In 2015, median annual earnings in the United States for women and men working full-time, year-round were \$40,742 and \$51,212 respectively, thus to determine the ratio and the pay gap:

$$\text{2015 earnings ratio} = \frac{\$40,742}{\$51,212} = 80\%$$

$$\text{2015 pay gap} = \frac{(\$51,212 - \$40,742)}{\$51,212} = 20\%$$

How Earnings ratio and pay gap are calculated (2015 earnings).

Sources: Association of American University Women.

¹ Hill, Catherine. The Simple Truth about the Gender Pay Gap, 2011, Association of American University Women, Substantially revised in fall 2016.

² Ibid.

THE COMPLEX CAUSES OF GENDER PAY INEQUALITY

All the numbers do not tell the whole story about why gender pay inequality exists in the U.S. There are many factors at work to explain the discrepancy in earnings between men and women and the following factors are accepted by most researchers as influencing the gap. There is robust research into the causes of gender pay inequality and these causes have been rigorously quantified; however, the way these causes reduce the options available to women is the narrative that must be changed and will be further explored in this paper. Research has also looked at how education, career choice or family choices subtly steer girls into work where they will end up earning less than men.

Education and Gender Pay Inequality

Educational attainment as one of the greatest predictors of future earnings is a long-accepted fact. Historically, women have had less education than men and held very different jobs than men. This is understood today as gender inequality, but was then accepted as a social norm. Using BLS data on full-time workers, the following table shows that more education translates on average to more income.⁴⁶ It does include the contributions to households made by workers under the age of 25 or who work only part-time.

Table 1: Median Usual Weekly Earnings of Full-time Wage and Salary Workers, Age 25 and Older, by Educational Attainment, by Race and Gender, 2014 Annual Averages.

Source: Bureau of Labor Statistics.

Education level	All men	All women	White women	African-American women	Asian women	Hispanic or Latino women
Less than a high school diploma	\$517	\$409	\$406	\$413	\$450	\$390
High school graduates, no college	\$751	\$578	\$591	\$50	\$543	\$517
Some college or associate's degree	\$872	\$661	\$678	\$600	\$706	\$604
Bachelor's degree only	\$1,249	\$965	\$974	\$870	\$1,037	\$852
Advanced degree	\$1,630	\$1,185	\$1,188	\$1,059	\$1,342	\$1,049

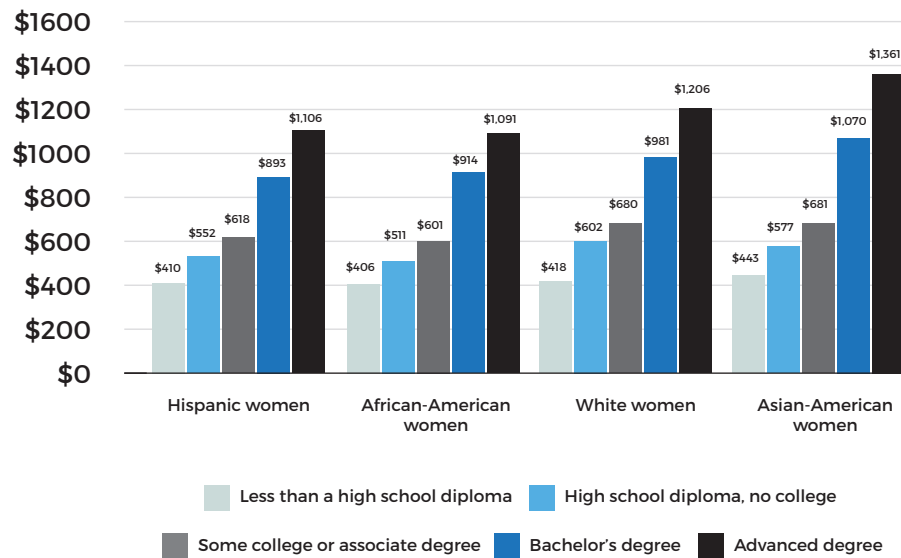
Figure 2 shows what women earn by race and educational attainment at the national level. In all education attainment levels (except a minor difference between white and Asian women with a high school diploma) Asian women out-earn their counterparts of other races. However, men out-earn both women taken as a whole and women in all different racial groups.⁴⁷

⁴⁶ Bureau of Labor Statistics, U.S. Department of Labor. "Median weekly earnings by educational attainment in 2014," The Economics Daily, 23 Jan. 2015, www.bls.gov/opub/ted/2015/median-weekly-earnings-by-education-gender-race-and-ethnicity-in-2014.htm (accessed October 13, 2016).

⁴⁷ Hill, Catherine. The Simple Truth about the Gender Pay Gap (Fall 2016), Association of American University Women, 2016, <http://www.aauw.org/research/the-simple-truth-about-the-gender-pay-gap/>.

Figure 2: Median Weekly Earnings of Women, by Race/Ethnicity and Level of Education, 2015.*

Source: U.S. Census Bureau, Current Population Survey, reported in U.S. Department of Labor, U.S. Bureau of Labor Statistics, 2015 Usual Weekly Earnings Summary, Economic News Release USDL-16-0111, Table 9.



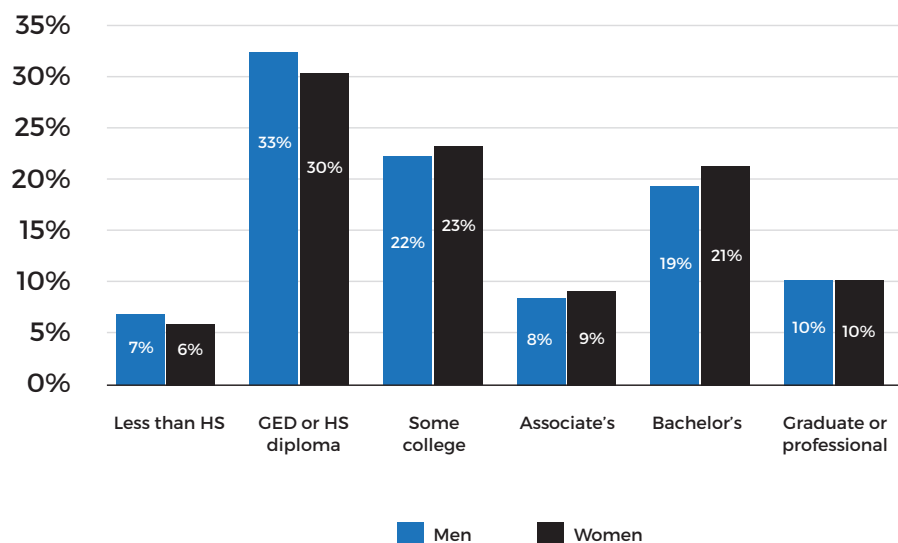
*Based on median usual weekly earnings of full-time wage and salary workers, ages 25 and older, 2015 annual averages.

Montana

Educational attainment differences between men and women in Montana are shown in Figure 3. This shows that in 2012, women out-performed men in attaining an associate's or bachelor's degree and that there was very little difference between the numbers of men and women getting a graduate or professional degree.⁴⁸ The number of women in Montana having a bachelor's degree or higher has increased by about 7 percent since 2000.⁴⁹

Figure 3: Montana Educational Attainment by Gender (Population Over 25).

Source: American Community Survey 1-Year Estimates 2012.

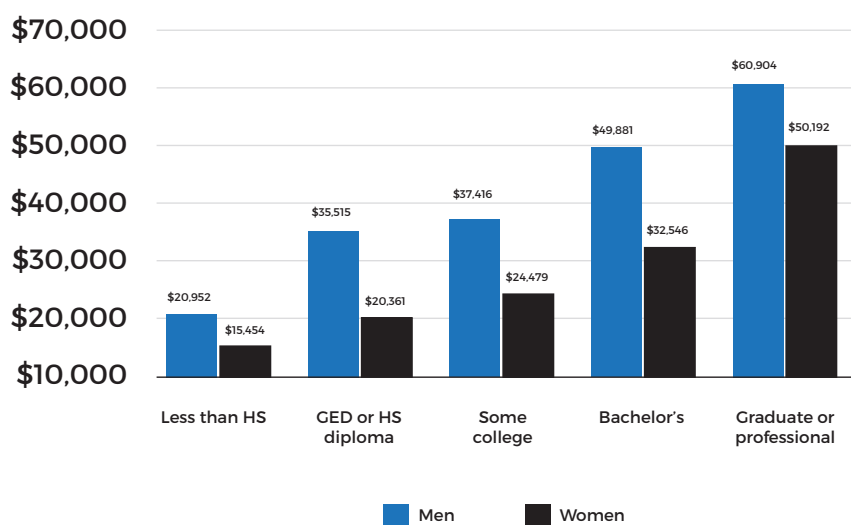


⁴⁸ Wagner, Barbara. "The Wage Gap: Economic Causes and Prevalence," Montana Equal Pay Summit, Montana State University, Bozeman, April 1 2014.

⁴⁹ "The Status of Women in Montana, 2015: Highlights," IWPR #R437. Institute for Women's Policy Research, 2015, <http://statusofwomendata.org/app/uploads/2015/08/Montana-Fact-Sheet.pdf>.

In Figure 3 we see the earnings ratio by educational attainment in Montana. Even though women have more years of undergraduate study and more undergraduate degrees than men and the same number of graduate level degrees as men, their earnings ratio is still lower. Montana women with less than a high school diploma earn 70 percent of what men earn (compared to 79 percent nationally); with graduate or professional degrees they earn just 75 percent of what men earn.⁵⁰ Educational attainment of American Indian women in Montana will be examined in the section of race and gender wage inequality.

Figure 4: Median Earnings in the Past 12 Months by Sex by Educational Attainment for Montanan Population, 25 Years and Over.
Source: 2015 American Community Survey 1-Year Estimates.



Trends in Educational Attainment

There has been a steady change in the number of men and women obtaining a bachelor's degree. In 2000, the difference by gender in college graduation was 4 percent with more women than men attained this degree. By 2015, this difference grew with 37.5 percent of younger women (25 to 34 years old) completing a bachelor's or higher degree in 2014, compared with 29.5 percent of men in the same age group.⁵¹ This increase in college attainment does not hold true for older women.⁵²

Choice of Major by Gender

The college major women choose versus what men choose is an important indicator about future career choices. According to the U.S. Department of Education in 2008 the most popular bachelor's degree for both men and women was a business degree. College majors by gender are seen in Table 2.

⁵⁰ Kuipers, Kathy J. and Celia C. Winkler. "The Status of Women in Montana," Women's Foundation of Montana, 2012.

⁵¹ Ryan, Camille L., and Kurt Bauman. "Educational Attainment in the United States: 2015," U.S. Census Bureau Report, P20-578, March 2016, <http://www.census.gov/content/dam/Census/library/publications/2016/demo/p20-578.pdf>.

⁵² Ryan, Camille L., and Kurt Baumann. "Women Now at the Head of the Class, Lead Men in College Attainment," Random Samplings, 7 Oct. 2015, <http://blogs.census.gov/2015/10/07/women-now-at-the-head-of-the-class-lead-men-in-college-attainment/>.

Table 2: Five Most Popular College Majors for Women by Degrees Awarded 2008.
Source: U.S. Department of Education.

Degree	Women	Men
Business Administration	49%	51%
Health Professions and Related Clinical Sciences	84%	15%
Social Sciences and History	50%	51%
Education	79%	21%
Psychology	77%	23%

Science, Technology, Engineering and Mathematics (STEM)

Career choices in STEM fields have gained a lot of attention lately. Occupations in STEM industries pay more, yet historically very few women look at STEM majors for college. In 2006, the Higher Education Research Institute found that 29 percent of male first-year college students planned to declare a STEM major, compared to 15 percent of female first-year college students. In the same year, women earned almost 60 percent of the bachelor's degrees in biology and half of the degrees in chemistry, but earned only about 20 percent of the bachelor's degrees in physics, computer science, and engineering. By 2010, women earned 42 percent of all undergraduate math and statistics degrees and 40 percent of physical sciences degrees but still only 18 percent of computer and information sciences degrees.⁵³

By 2012, 40 to 45 percent of the degrees in math, statistics and the physical sciences were conferred upon women and a majority of biology degrees (58 percent) were earned by women. However, this equality disappears in computer science and engineering majors, where women make up only 20 percent of the students in these majors.⁵⁴

The disparity in educational fields between genders is not seen until college or university. In 2009, high school girls and boys earned credits in advanced mathematics and science at similar rates, although the courses taken differed; girls preferred biology, whereas boys preferred physics and were more likely to have taken engineering.⁵⁵

The economic advantage of going into STEM fields quickly shows up in the gender earnings difference. For instance, the median annual earnings for men who are computer and information systems managers is \$95,242 compared to women's \$83,226, meaning women earn 87 percent of what men earn. In the 18 selected STEM occupations listed in an American Association of University Women report, the earnings difference between men and women ranged from 94 percent to 80 percent, showing a smaller gender wage gap than nearly all other occupations. However, the other side of this is that in all 18 STEM occupations listed women held fewer of the jobs; the lowest percentage (7 percent) of jobs held by women was in mechanical engineering and the highest (53 percent) was in biological sciences. The latter percent in biological sciences was an outlier as the next closest percent was 33 percent in chemists and material sciences occupations.⁵⁶ The good news in Montana is that approximately 32.4 percent of those working in STEM fields are women, compared with 29 percent nationwide.⁵⁷

⁵³ Ashcraft, Catherine, Elizabeth Eger, and Michelle Friend. Girls in IT: The Facts, National Center for Women and Information Technology, 2012, www.ncwit.org/sites/default/files/resources/girlsinit_thefacts_fullreport2012.pdf.

⁵⁴ Olson, Randy. "Percentage of Bachelor's Degrees Conferred to Women, by Major (1970-2012)," Randal S. Olson, 14 June 2014. University of Pennsylvania, Institute for Biomedical Informatics, <http://www.randalolson.com/2014/06/14/percentage-of-bachelors-degrees-conferred-to-women-by-major-1970-2012/>.

⁵⁵ National Science Board. Science and Engineering Indicators 2012, Arlington VA: National Science Foundation, 2012.

⁵⁶ St. Rose, Andresse. "STEM Major Choice and the Gender Pay Gap," On Campus with Women, vol. 39, no. 1, Spring 2010. Association of American Colleges and Universities, archive.aacu.org/volume39_1/feature.cfm?section=1.

⁵⁷ Kuipers, Kathy J. and Celia C. Winkler. "The Status of Women in Montana," Women's Foundation of Montana, 2012.

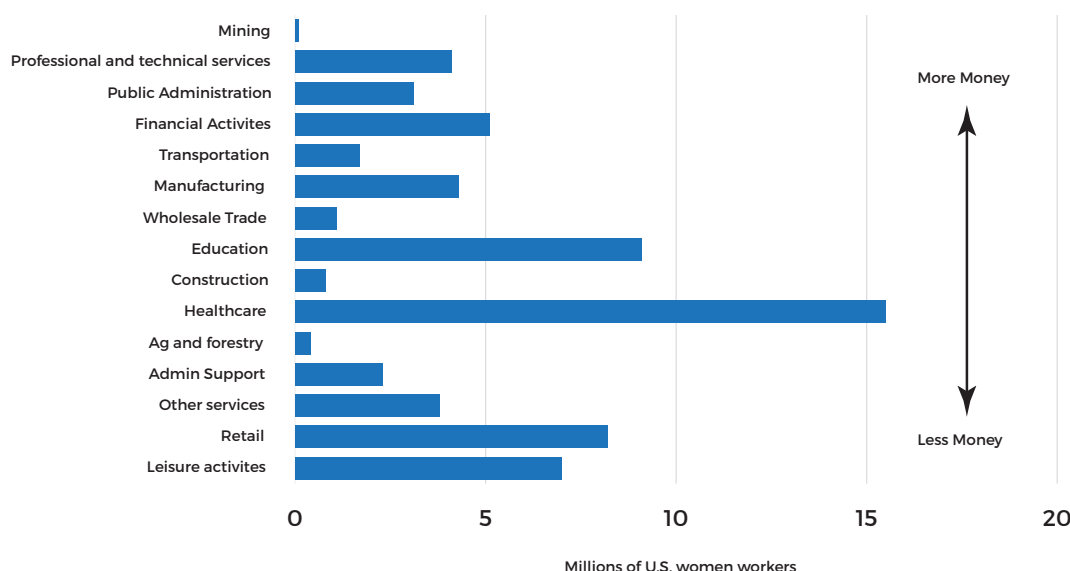
Occupation and Industry and Gender Pay Inequality

So why does gender pay inequality persist even when women are becoming better educated than men and education is a predictor of future earnings? Another major determinant of gender pay inequality lies in the gender segregation by occupations and industries.

An occupation is what actual work or set of tasks someone physically does and the industry is the broad category of establishments that produce similar products or services. If we take a teacher and a school janitor, both work in the education industry, but one is a teacher by occupation and the other is a building maintenance worker by occupation. The pay received by occupation is very different even in the same industry. This is very important when looking for reasons the gender wage gap exists. Women historically have chosen occupations that fall into industries that tend to pay less than jobs chosen by men (Figure 5).⁵⁸

Figure 5: U.S. Industries Where Women Work.

Source: Montana Equal Pay Task Force Using ACS, 2013, 3-Year Estimates.



Where are Women in Montana Working?

Women in Montana work in more or less the same occupations as they do nationally, with about 25 percent working in service-oriented occupations, such as health care services, office and administrative support services, and personal care services. 15 percent of Montana women work in the five highest-paying occupations: engineering, legal, healthcare practitioner, computer and math fields and social science fields. However, these occupations account for only 15 percent of all occupations in Montana.⁵⁹

In Montana, according to 2014 data, no industry paid women more than men. The pay gap was closest in the agriculture industry where women earned 93 percent of what men earned, although this industry is traditionally male-dominated and only 19 percent of the workers are female. The biggest wage gap is in the finance and insurance industry where women earn only 56 percent of what men earn. Women workers predominate in the health care industry, which employs approximately three-quarters of the Montanan workforce, but women working in this industry earn only on average 65 percent of what men earn.⁶⁰

⁵⁸ Wagner, Barbara. "The Pay Gap in 2016," Montana Equal Pay Taskforce, Chief Economist, MT Dept. of Labor and Industry, May 2016.

⁵⁹ Wagner, Barbara. "Equal Pay Day, Examining the Evidence for the Gender Wage Gap," Montana Economy At A Glance, April 2016, p. 5.

⁶⁰ Wagner, Barbara. "The Wage Gap: Economic Causes and Prevalence," Montana Equal Pay Summit, Montana State University, Bozeman, April 1 2014.

Gender and Careers

Occupational choice sounds like a clear-cut decision made by an individual; however, there is a body of literature that looks at a phenomenon called “channeling.” This means that from a very early age social and cultural norms tend to guide women into certain career choices by stereotyping what men and women are best suited to do.

Gender role self-perception begins early in life and has significant consequences on the career fields of choice. One researcher showed how self-perception of competence in mathematics eventually steered boys into careers in engineering, math and the physical sciences, and girls away from them.⁶¹ Channeling girls into certain career fields is exemplified in many of the books and materials used in primary education settings where men are often depicted as doctors, engineers and other masculine endeavors, whereas women as nurses, caregivers and other feminine pursuits – a not-so-subtle reinforcement of what are appropriate careers for women. Despite significant changes since the 1980’s in the activities and representation of women in society, the deeply held beliefs about gender continue.⁶²

The notion that biologically men are “better” at math than women has long been statistically and empirically discredited; however, the perception appears to persist. This cultural conceptual belief that men are better suited than women for certain endeavors certainly pertains to more than the field of math. Gender role beliefs tend to be culturally and societally based and begin in early childhood. Some beliefs are appropriate, some are pure myth, but there has been little change in gender stereotypes in the U.S. over the past 30 years.

Another study looking at gender’s role in career choice examined the medical field and the preponderance of men in surgery and of women in gynecology, pediatrics and general practice. After an extensive literature review, this study suggested:

“That in a domain where masculine discourses predominate, such as surgery, feminine qualities have less cultural worth and are therefore more marginalized. It therefore follows that it is harder for those who have constructed a feminine identity for themselves – more usually, though not exclusively, women – to imagine, access and engage in such a practice, especially when they simultaneously compare it (imaginatively or otherwise) to a practice such as pediatrics, which discursively embraces and values those same aspects of their identity.”⁶³

Gender and University Choice

To take the research one step further, if career choice and choice of major is somewhat determined by gender, what happens when we look at which universities and colleges people attend? One study looked at not only the differences in majors, but which institutions in America were likely to attract men versus women, showing that men are more likely than women to go to more prestigious colleges and universities. Women tend to earn their degrees at institutions with slightly higher acceptance rates, lower standardized test scores, higher student/faculty ratios, and lower fees. These factors also tend to channel women from lower income groups into less prestigious institutions. The prestigious institutions of higher learning are shown to accept more men and tend to offer programs traditionally dominated by men such as engineering.⁶⁴

⁶¹ Correll, Shelley J. “Gender and the Career Choice Process: The Role of Biased Self-Assessments,” *American Journal of Sociology*, vol. 106, no. 6 (May 2001), pp. 1691-1730.

⁶² Haines, Elizabeth L., Kay Deaux, and Nicole Lofaro. “The Times They Are A-Changing...Or Are They Not? A Comparison of Gender Stereotypes, 1983 to 2014,” *Psychology of Women Quarterly*, Mar. 2016. doi:10.1177/0361684316634081, <http://www.wpunj.edu/news/assets-2016/Hainesr32016.pdf>.

⁶³ Hill, Elspeth J. R., and James A. Giles. “Career Decisions and Gender: The Illusion of Choice?” *Perspectives on Medical Education*, vol.3, no. 3, 2014, pp. 151-154. doi: 10.1007/s40037-014-0128-x.

⁶⁴ Mullen, Ann L., and Jayne Baker. “Participation without Parity in U.S. Higher Education: Gender, Fields of Study and Institutional Selectivity,” *NASPA Journal About Women in Higher Education*, vol. 8, no. 2. 2015, pp. 172-188, DOI: 10.1080/19407882.2015.1057167.

The advantages of attending prestigious universities are greater than obtaining a degree at less high-status institutions; the following unabashedly elitist list, found on a college prep blog site sums up the advantages:

- Courses are more academically rigorous.
- Access to more valuable resources.
- Access to notable alumni.
- Socialization amongst other elite students.
- Advantage when applying to grad school.
- Higher starting salary and mid-career salary.⁶⁵

Gender Pay Inequality and Labor Force Experience

Labor force experience has many facets. It includes factors that give greater or lesser credit for age of entry into the workforce, working longer or shorter hours or taking time out of the work force to raise families.

Part-time/Full-time Work

To explain the gender wage gap, in addition to education, occupation and industry career field choices, research points to the fact that more women work part-time than do men; thus earning less and gaining less experience to further their careers. According to the BLS in 2015, of the U.S. population employed full- or part-time and over 16 years old, 43 percent of women worked full-time (35 hours per week or more) versus 57 percent of men. Conversely, 64 percent of women worked part-time (35 hours per week or less) compared to 36 percent of men.⁶⁶ Of the total Montana workers between 16 and 64 working full-time, year round (50-52 weeks per year), 66 percent were men and 53 percent were women.⁶⁷

However, nationally many workers have been unable to work as much as they would like to. One study showed that almost 5 percent of all women are involuntary part-time workers for reasons such as their hours being cut back or their inability to find full-time jobs. These women would work full-time if such hours were available; this compares with only 3.5 percent of men who say the same. Again, this disproportionately impacts minority women with 6 percent of black women and 7.5 percent of Hispanic women reporting that they would work full-time if they could.⁶⁸

Intuitively it is obvious that if you work less you earn less, but choosing to work part-time versus full-time has longer-term ramifications to future earnings than what your pay check is today. Experience and career upward mobility are also adversely affected. The choice to work part- or full-time has much of its beginnings in the sexual division of labor in the household and work/family balance, which disproportionately affects women.

The Motherhood Penalty

Whether to have a child or not is an intensely personal choice, but time out of the workforce due to childbirth is a major factor in women losing ground in careers. An estimation that is not specific to women or motherhood, but is a startling fact is that if someone leaves the workforce for 6 months, it will take 20 years for their earnings to catch up to someone who never left the workforce.⁶⁹ In America, women tend to

⁶⁵ <http://student-tutor.com/blog/the-benefits-of-an-elite-university/>.

⁶⁶ Women of Working Age; Full-Time and Part-Time Employment, www.dol.gov/wb/stats/latest_annual_data.htm#part.

⁶⁷ "Work Status in the past 12 months, Table S2303," 2014 American Community Survey, 5-Year Estimates, 2010-2014. U.S. Census Bureau. https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_15_5YR_S2303&prodType=table.

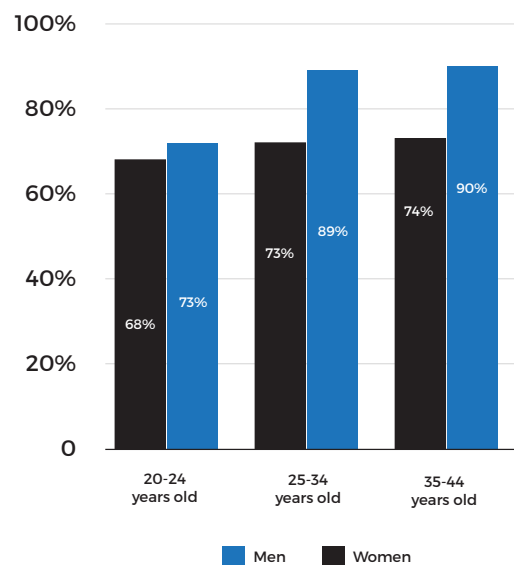
⁶⁸ Davis, Alysia, and Elise Gould. Closing The Pay Gap And Beyond: A Comprehensive Strategy for Improving Economic Security for Women and Families, Briefing Paper #412. Economic Policy Institute, 2015. <http://www.epi.org/publication/closing-the-pay-gap-and-beyond/>.

⁶⁹ Long-term Unemployment: Consequences and Solutions : Hearing Before the Joint Economic Committee, Congress of the United States, One Hundred Thirteenth Congress, First Session, April 24, 2013 (2013) (testimony of Keith Hall).

take on more child-rearing and household responsibilities than men and more women's than men's work choices are made to accommodate family responsibilities. This inequitable sharing of family tasks and responsibilities is less noticeable among families where both partners earn about the same amount or when partners hold shift-work jobs or are on more flextime schedules.⁷⁰ However, the types of work that allow for flexible scheduling and that tend to be less stressful are lower-paying. In higher-paying careers, men tend to reduce the number of hours they help in the household. Thus, the cycle of the lower-paid worker in a two-income family taking on more family responsibilities continues throughout the child-rearing years and by the time the child is 15 years old, the earnings gap between men and women in a two-income family has increased by 32 percent.⁷¹ This Motherhood Penalty has been shown empirically to result in lowered performance expectations, lower likelihood of hiring mothers and lower wage offerings.⁷²

Women participate less in the workforce than men during the critical career advancement years which, although women are having babies later in life than they used to, still coincide with childbearing and child-rearing years. Using 2015 data, the BLS reports that initially workforce participation among all workers in the 20 to 24 year old age bracket is about the same for women (68 percent) and men (73 percent). These data represent persons either in the labor force or actively looking for work. As seen in Figure 6, the difference in labor participation rates between men and women widens during the 25 to 34 and 34 to 44 age ranges.⁷³

Figure 6: Labor Force Participation Rate by Gender and Age Group, 2015 Annual Averages.
Source: 2015 Annual Averages; Current Population Survey, U.S. Bureau of Labor Statistics.



The table below shows the number of working mothers in Montana broken down by the age of the child. Besides showing the number of women potentially impacted by the Motherhood Penalty, it also indicates the need for childcare as seen later in the paper.

⁷⁰ Padavic, Irene, and Barbara Reskin. *Women and Men at Work*, 2nd ed. Thousand Oaks, CA: Pine Forge Press. 2002.

⁷¹ Angelov, Nikolay, Per Johansson, and Erica Lindahl, "Parenthood and the Gender Gap in Pay," *Journal of Labor Economics*, vol. 34, no. 3, (July 2016), pp. 545-579, <http://www.journals.uchicago.edu/doi/full/10.1086/684851>.

⁷² Correll, Shelley J., Stephen Benard, and In Paik. "Getting a Job: Is There a Motherhood Penalty?" *American Journal of Sociology*, vol. 112, no. 5, 2007, pp. 1297-1339

⁷³ Ibid.

Table 3: Number of Working Montana Mothers.

Source: Child Care Aware of America Using American Community Survey, U.S. Census Bureau, 2011 – 2013, Three-year Estimates.

Number of Working Women in Montana by Age of Child	
With infants under one year.	7,167
With any child under age 6.	28,264
With children under age 6 only.	15,510
With both children under age 6 and children age 6 to 17.	12,754
Married working mothers.	50,452
Single working mothers.	15,141

The opposite of the Motherhood Penalty is the Fatherhood Benefit: the wages of fathers tend to increase after a child is born and there is a greater likelihood of career advancement.⁷⁴ Mothers spend less time in the office after starting a family versus men, who tend to work more hours, with obvious ramifications for career advancement in a country that rewards long hours at work. In looking at men and women between the ages of 25 to 54 before having children, men worked an average of 40 hours per week compared to women, who worked 37 hours. After starting a family, men worked an average of 43 hours per week versus women's 35 hours. The cumulative loss of work experience and increased negative perception by employers provides a double hit to mothers in the workforce.⁷⁵

Gender Pay Inequality and Upward Mobility in the Workplace

No discussion on gender pay inequality would be complete without a brief mention of the glass ceiling effect. Although the bar is moving, with women breaking through every ceiling ever created in this country, the fact remains that in the workplace gender bias in higher level jobs exists and puts constraints on women's career upward mobility into better paying jobs. In the S&P Fortune 500 companies with high-level/high-earning jobs, there are a disproportionate number of men in leadership positions. Only 4.6 percent of the CEOs, 20 percent of board seats, 25 percent of executive and senior level management positions and 36 percent mid-level management positions are held by women and yet women make up 44 percent of all employees in the same companies.⁷⁶

Seeing the data on women in high-level jobs, it comes as no surprise that it is unusual for the woman to be the primary breadwinner in a two-income household, although today 37 percent of women are the highest earner in the family, up from 24 percent in 1987.⁷⁷

Even when women can break through the glass ceiling, upward mobility does very little to improve gender wage inequality; in fact it does the opposite. Women in the higher income percentiles earn less than men in similar income percentiles. Women in the 95th percentile earn 74 percent of what men in the same percentile earn. In the mid-50th percentile the earnings ratio falls to 83 percent. Then at the lowest 10th percentile, the gap narrows even further to 92 percent.⁷⁸

⁷⁴ Long-term Unemployment: Consequences and Solutions : Hearing Before the Joint Economic Committee, Congress of the United States, One Hundred Thirteenth Congress, First Session, April 24, 2013 (2013) (testimony of Keith Hall).

⁷⁵ Gould, Elise, Jessica Schieder, and Kathleen Geier. What is the Gender Pay Gap and is It Real? The Complete Guide to How Woman are Paid Less Than Men and Why it Can't Be Explained Away, Economic Policy Institute. 2016. <http://www.epi.org/publication/what-is-the-gender-pay-gap-and-is-it-real/>.

⁷⁶ Catalyst. Pyramid: Women in S&P 500 Companies, New York: Catalyst, September 19, 2016.

⁷⁷ Bureau of Labor Statistics, Current Population Survey, 2015 www.bls.gov.

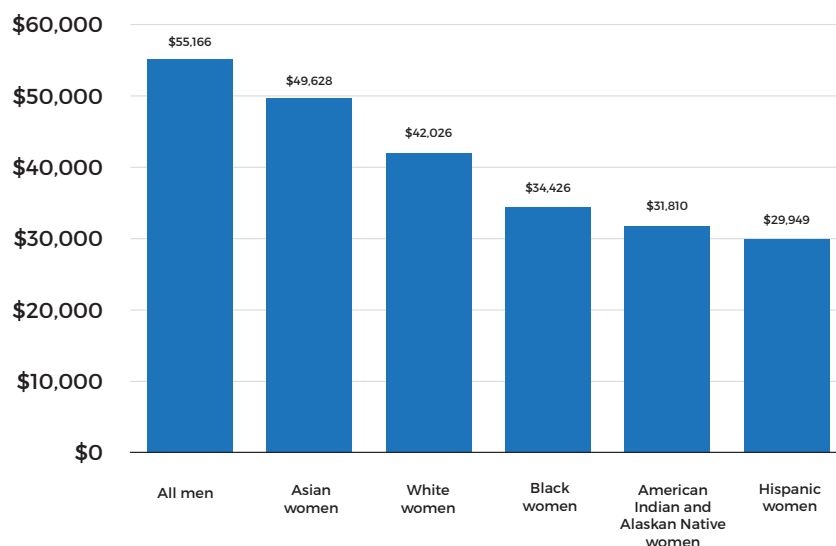
⁷⁸ Gould, Elise, Jessica Schieder, and Kathleen Geier. What is the Gender Pay Gap and Is It Real? The Complete Guide to How Woman are Paid Less Than Men and Why it Can't Be Explained Away, Economic Policy Institute. 2016. <http://www.epi.org/publication/what-is-the-gender-pay-gap-and-is-it-real/>.

Gender Pay Inequality and Race

Earlier, we looked at the median annual income of different racial groups by gender, which shows that gender pay inequality exists across race and between men and women within their racial/ethnic groups. Now we look at gender pay inequality for full-time/year-round female workers 15 years or older by gender and racial/ethnic groups compared to all men. Figure 7 shows the wage gap for each group of women, with Asian women being closest to what all men earn (almost 90 percent) and Hispanic women having the largest wage gap, earning only 52 percent of what all men earn.

All the factors we have discussed as being reasons for gender pay inequality (education, type of job, experience, motherhood, the glass ceiling, etc.) play into the wage gap for women of color. The question is do they play out differently for these women, resulting in a “double jeopardy” as described in one paper.⁷⁹ The answer is yes, but not in a simple way, although the bottom line is still inequities as laid out in Figure 7.

Figure 7: Median Annual Earnings by Gender and Race: All Men Compared to Women in Racial/Ethnic Groups, 2015.
Source: 1961-2015 Annual Social and Economic Supplements, Current Population Survey, U.S. Census Bureau, Women’s Bureau,

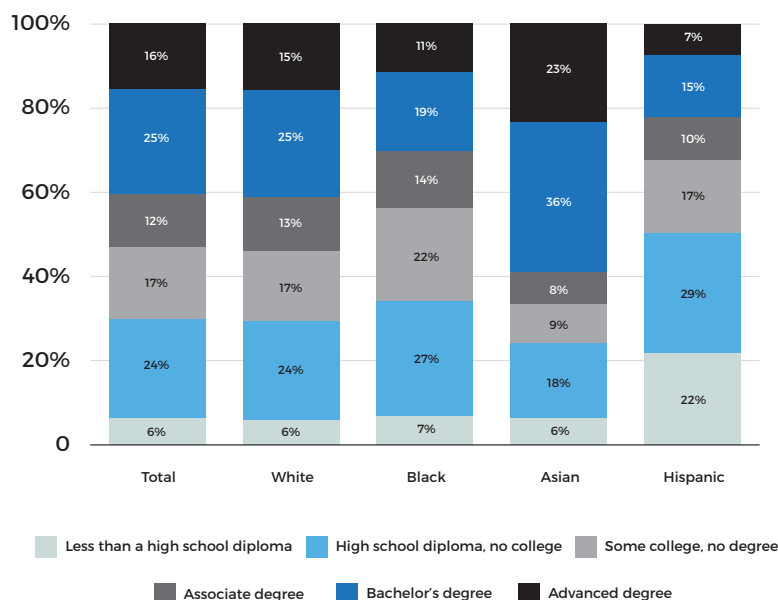


Department of Labor.

Figure 8 shows educational attainment within different racial groups for women over 25 years old in the labor force. The most striking finding in educational attainment by race is that 22 percent of Hispanic women have less than a high school diploma, a notably higher percentage than for any other group of women (for the other groups the percentage of those with less than a high school diploma varies between 5.8 percent and 6.8 percent). Asian women outpace other groups in attaining an undergraduate or advanced degree (36 percent and 23 percent, respectively). White women attain a bachelor’s degree at higher rates (26 percent) compared to African-American (19 percent) and Hispanic (15 percent) women.

⁷⁹ Greenman, Emily, and Yu Xie. “Double Jeopardy? The Interaction of Gender and Race on Earnings in the U.S.” *Social Forces; a Scientific Medium of Social Study and Interpretation*, vol. 86, no. 3, 2008, pp. 1217-1244. 86.3 (2008): 1217–1244, doi.org/10.1353/sof.0.0008.

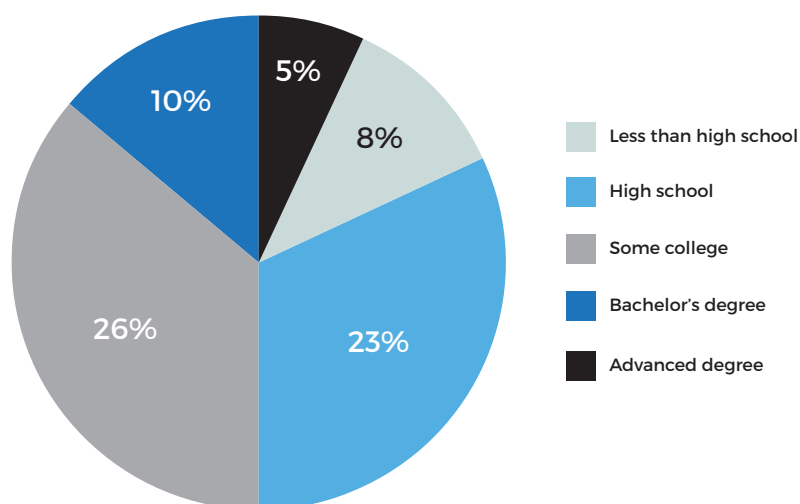
Figure 8: Educational Attainment of the Labor Force by Sex, Race and Hispanic Ethnicity, 2015 Annual Averages.



Source: 2015 Annual Averages, Current Population Survey, Bureau of Labor Statistics.

Figure 9 shows the same categories of educational attainment for all American Indian women over 25 years old in the U.S., not just those in the work force or actively looking for work. Thus, it cannot be directly compared to the previous figure. American Indian women's educational attainment overall shows that they fall behind on educational attainment after they graduate from high school. They are graduating from high school (23 percent) at approximately the same rate as all women who are currently in the labor force (24 percent) and many go on to gain some college education, but the rates of attaining an undergraduate or advanced degree are only 10 percent for undergraduate degrees and 5 percent for advanced degrees.

Figure 9: Educational Attainment All American Indian Women 25 Years and Over.



⁸⁰ Sex by Educational Attainment for the Population 25 years and Over (American Indian and Alaska Native Alone), Table B15002C, 2015 American Community Survey 1-Year Estimates, U.S. Census Bureau, American Factfinder, 2015, https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_15_1YR_B15002C&prodType=table

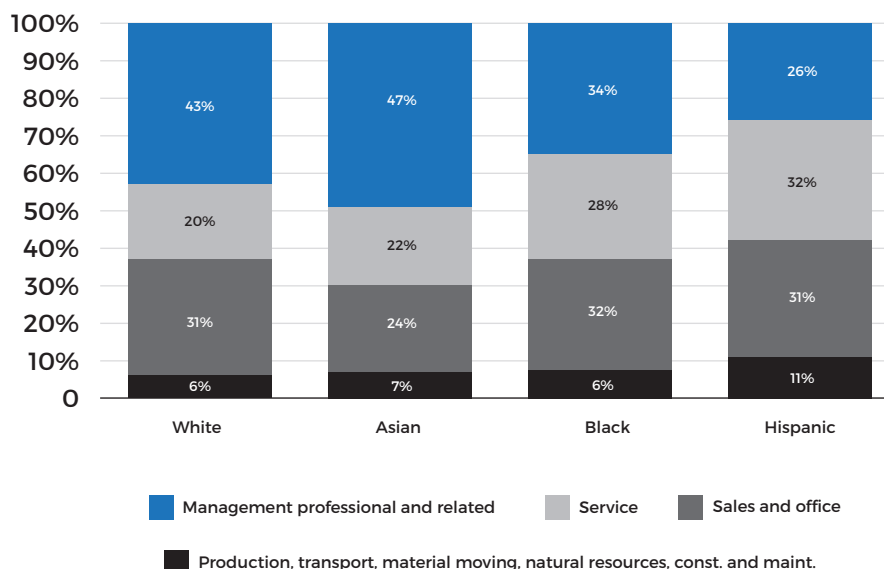
Source: 2015 American Community Survey, 1-Year Estimates.⁸⁰

Data on American Indian women's educational attainment in Montana is broken down into fewer groupings due to the small sample size, but it still shows 84 percent of American Indian women in Montana have a high school diploma or higher and slightly less than 10 percent have a Bachelor's degree or higher.⁸¹

Minority Women's Participation in Occupations and Industries

The industries in which women work make a big difference in their pay as seen in Figure 10, which shows that white and Asian women are more likely to work in the higher paying jobs and that most jobs in sales and service are held by African-American and Hispanic women.⁸²

Figure 10: Employed Women by Occupation, Race and Hispanic Ethnicity, 2012 Annual Averages.



Source: The Economic Status of Women, Women's Bureau, Bureau of Labor Statistics.

Minority Women Working Part-Time versus Full-Time

The split between all women in the labor force working full-time (75 percent) or part-time (25 percent) is not very different across racial groups. More black women (80 percent) and Asian women (79 percent) work full time than either white women or Hispanic women (both at 74 percent).⁸³

Research into gender wage inequality as it affects minority women is ongoing. One study that shows the entrenched nature of gender and race's interaction with earnings suggests that racial dynamics within families (gender roles and attitudes, marital relationship, gender division of household chores, etc.) and within racial groups might be an area for future research.⁸⁴

Union Status and Gender Pay Inequality

Overall, union membership has been declining in the U.S. Fifty years ago nearly a third of workers belonged to unions; in 2015 it was down to 11 percent of workers. The union membership rate was 12.2 percent for full-time workers, more than twice the rate of 5.9 percent for part-time workers. Men are slightly

⁸¹ Ibid.

⁸² "The Economic Status of Women of Color: A Snapshot," Fact Sheet, Women's Bureau, U.S. Department of Labor, 2013, https://www.dol.gov/wb/media/reports/wb_womencolorfactsheet.pdf.

⁸³ Women of Working Age; Full-Time and Part-Time Employment, www.dol.gov/wb/stats/latest_annual_data.htm#part.

⁸⁴ Greenman, Emily, and Yu Xie. "Double Jeopardy? The Interaction of Gender and Race on Earnings in the U.S." *Social Forces; a Scientific Medium of Social Study and Interpretation*, vol. 86, no. 3, 2008, pp. 1217-1244. 86.3 (2008): 1217-1244, doi.org/10.1353/sof.0.0008.

more likely to be union members than women (11.5 percent versus 11 percent). This gap in membership between men and women has decreased sharply since the early 1980s, when the gap was greater than 10 percent. In Montana, nearly 14 percent of all workers are in unions.⁸⁵

In the U.S. in 2014, women who are union members earned more than their non-union counterparts, with the median weekly earning for women in unions being \$899 versus \$687 for non-union women workers – a difference of nearly 31 percent. Additionally, almost 75 percent of women who belong to a union or who are covered by a union contract participate in a pension plan, compared to 42 percent of non-union women.⁸⁶ Women in Montana who are unionized earn \$125 more per week, on average, than those who are not represented by a union.⁸⁷

As beneficial as it is for women to be a union member, the fact remains that there has been and continues to be a decline in the influence of and membership in American unions. Unions have historically been most effective in organizing manufacturing jobs which, worked well in the 1950s and 1960s, when over 25 percent of Americans were employed in manufacturing. Today, only about 14 percent are employed in manufacturing, meaning there has been a massive loss of jobs in that sector.⁸⁸ The shift in our economy has had several causes, among them: technology replacing human workers, the globalization of the world economy leading to more companies going off-shore to low labor cost locations and political shifts that led to the outlawing of closed shops and mandatory union membership.

Measurable and Unmeasurable Factors that Explain Gender Pay Inequality

Some factors contributing to gender pay inequality have been measured: education, occupation and industry choice, experience (time in and out of the labor market, etc.), labor market status (part-time versus full-time), race and union status. “Measured” means that economists et al have statistically calculated that if the causes of the gender wage gap equals 100 percent, then the factors listed above can be measured to show they account for X percent of that gap. Despite this quantification of the causes of gender pay inequality, there has always remained an unmeasurable portion of the gap. As seen at the beginning of this paper, gender wage inequality is changing and the pay gap is narrowing and the same can be said for the unexplained portion of that pay gap. According to one study, just the unexplained portion, in 1980 it was 48.5 percent and in 2010 it was 38 percent.⁸⁹

Table 4 shows the effect of explainable variables in two research papers by the same authors. The negative percentage in both education columns is due to the fact that women have made great strides in educational attainment.^{90 91}

⁸⁵ Union Members — 2015, USDL-16-0158, January 28, 2016. Bureau of Labor Statistics, www.bls.gov/news.release/pdf/union2.pdf.

⁸⁶ The Status of Women in the States 2015, Institute for Women's Policy Research, 2016. Page 51. www.statusofwomendata.org.

⁸⁷ “The Status of Women in Montana, 2015: Highlights,” IWPR #R437, Institute for Women's Policy Research, 2015, <http://statusofwomendata.org/app/uploads/2015/08/Montana-Fact-Sheet.pdf>.

⁸⁸ Bailly, Martin Neil, and Barry P. Bosworth. “U.S. Manufacturing: Understanding Its Past and Its Potential Future,” *Journal of Economic Perspectives*, vol. 28, no. 1, 2014, pp. 3-26.

⁸⁹ Blau, Francine D., and Lawrence M. Kahn. “The Gender Wage Gap: Extent, Trends and Explanations,” IZA Discussion Paper no. 9656. Bonn, Germany: Institute for the Study of Labor, 2016.

⁹⁰ Ibid.

⁹¹ Blau, Francine D., and Lawrence M. Kahn. “The Gender Pay Gap: Have Women Gone as Far as They Can?” *Academy of Management Perspectives*, vol. 21, no. 1, 2007, pp. 7-23.

Table 4: Measurable Contributing Factors to the Wage Differential between Men and Women, 1998 and 2010.
Source: Blau & Kahn, *Academy of Management Perspectives*, 2007 and Blau, & Kahn, *Institute for the Study of Labor*, 2016.

Variable	Effect of Gender Gap in Explanatory Variables, 1998	Effect of Gender Gap in Explanatory Variables, 2010
Education	-6.7%	-7.9%
Labor Force Experience	10.5%	14.1%
Race	2.4%	4.3%
Occupation	27.4%	32.9%
Industry	21.9%	17.6%
Union Status	3.5%	-1.3%
Unexplained	41.1%	38%

The changing degree with which different variables affect the overall gender wage inequality is interesting but explainable and is seen in the data already presented in this paper. Women are accessing more education and they are making inroads into previously male-dominated jobs. In addition, as seen in the history section, federal regulations have been passed to address unequal pay. However, occupations in which women work, race and labor force experience continue to have an increasing effect on gender wage inequality while education, industries worked in and union status have decreasing effects on the gender gap.

Although we have used the work of Blau and Kahn (2016) to illustrate the measurable factors that help explain gender wage inequality, it should be pointed out that other researchers report different percentages for the unexplained factors; these differences are due to how their models are constructed and how job and/or worker variables were factored in.⁹² However calculated, “Generally, even those studies that incorporate both types of variables leave a substantial portion of the wage gap unexplained.”⁹³ Some research has attempted to examine the non-measurable causes for the unexplained wage gap. Psychological attributes or non-cognitive skills is one of the more recent explanations of gender wage inequality. These are approached by studying gender differences in preferences and behaviors, such as willingness to engage in salary negotiation (male) or better interpersonal skills (women) and how they affect labor market outcomes.⁹⁴ Gender dynamics within families, as mentioned earlier in the section on race, is another overall area that has research potential.⁹⁵

Looking Deeper into Unmeasurable Factors in Gender Pay Inequality

The above, primarily human-capital, theories are used by most researchers to explain gender pay inequality. Although very useful, they do not get how we, as a society, view the inherent worth of women versus men or how girls learn to be oriented to make future choices. How institutional sexism affects gender wage inequality and what role gender role socialization plays are two important factors that warrant closer examination.

⁹² Levine, Linda. *The Gender Wage Gap and Pay Equity: Is Comparable Worth the Next Step?* Library of Congress, Congressional Research Service, Washington, D.C. 2004. UNT Digital Library, <http://digital.library.unt.edu/ark:/67531/metadc824687/m1/1/>.

⁹³ Ibid, page 10.

⁹⁴ Blau, Francine D., and Lawrence M. Kahn. “The Gender Wage Gap: Extent, Trends and Explanations,” IZA Discussion Paper, no. 9656. Bonn, Germany: Institute for the Study of Labor, 2016.

⁹⁵ Greenman, Emily, and Yu Xie. “Double Jeopardy? The Interaction of Gender and Race on Earnings in the U.S.” *Social Forces; a Scientific Medium of Social Study and Interpretation*, vol. 86, no. 3, 2008, pp. 1217-1244. 86.3 (2008): 1217–1244, doi.org/10.1353/sof.0.0008.

The question is what role unmeasurable factors like discrimination play in the wage gap when controls are put into place for all measurable factors? Discrimination, per se, cannot be measured in the same ways that educational attainment can be measured for example. But empirical studies, as described below, often show that practices in recruiting, hiring, and salary and pay incentive do favor men over women.

We have already looked at how women are channeled into different educational fields and universities than men. Several studies shed light on the factors behind the explainable variables that indicate there is institutional bias towards men. One such study showed that when both genders graduated from a law school the pay gap was relatively small, but after 15 years, while controlling all other potential variables, women only earned 60 percent of what the men earned. Likewise, in a hiring experiment, pretend job-seekers of both genders applied for certain jobs with similar resumes, but women were less likely to be hired than men except in a blind study where the firm was unaware of the applicant's gender.⁹⁶ Another study showed that even when controlled for education and skill level, occupations that hire more women than men pay less.⁹⁷

Empirical experiments have shown that women are less likely to initiate salary/wage negotiations and that when they do they are more likely to be penalized than their male counterparts. One study examined whether the social cost of initiating salary negotiations is different for men and women. The findings included:

- A suggestion that women's reluctance to negotiate salary is because they know it will cost them.
- Although in general employers were less willing to hire both men and women who initiated negotiations, women are more likely to feel the negative effect of negotiating.
- The perception seemed to be that women who negotiate are too demanding and not nice; these factors do not explain the lack of resistance to a man negotiating.⁹⁸

In the eyes of women, the fact of being treated differently because of their gender is a reality. According to a 2016 Pew Research poll about a quarter of women (27 percent) say their gender has made it harder for them to succeed in life; only 7 percent of men felt the same. Conversely, men are much more likely than women to say their gender has made it easier to succeed (30 percent vs. 8 percent). An earlier Pew Research Center survey (2013) found that about 18 percent women say they have faced gender discrimination at work, including 12 percent who say they have earned less than a man doing the same job because of their gender.⁹⁹

Such polls make it clear that the systemic nature of gender inequality cannot be ignored. Institutional sexism, deeming that women are somehow less than men, is pervasive and has evolved over decades and centuries. Sexism is baggage that women live with; it has been knowingly and unknowingly carried forward from past generations. A few facts that illustrate its pervasive nature: though women make up about 50 percent of America, they only earned the right to vote when the 19th Amendment was passed in 1920; women represent only 19 percent of the U.S. Congress; Title IX of the Education Amendments made discrimination in education based on gender illegal in 1972; no women graduated from the U.S. service academies until 1980 – and the list goes on and on.

The systemic nature of exclusion is slowly being recognized in some industries; summed up by a quote about access to high-level positions from a recent poll among Silicon Valley leaders: "A lot of people have

⁹⁶ Blau, Francine D., and Lawrence M. Kahn. "Gender Differences in Pay," *Journal of Economic Perspectives*, vol. 14, no. 4, 2000, pp. 75-99, DOI: 10.1257/jep.14.4.75.

⁹⁷ Levanon, Asaf, Paula England, and Paul Allison. "Occupational Feminization and Pay: Assessing Causal Dynamics Using 1950–2000 U.S. Census Data," *Social Forces*, vol. 88, no. 2, 2009, pp. 865-891, academic.oup.com/sf/article/88/2/865/2235342/Occupational-Feminization-and-Pay-Assessing-Causal.

⁹⁸ Bowles, Hannah Riley, Linda Babcock, and Lei Lai. "Social Incentives for Gender Differences in the Propensity to Initiate Negotiations: Sometimes It Does Hurt to Ask," *Organizational Behavior and Human Decision Processes*, vol. 103, no. 1, 2007, pp. 84-103.

⁹⁹ Patten, Eileen. "Racial, Gender Wage Gaps Persist in U.S. Despite Some Progress," *FactTank: News in the Numbers*, July 1, 2016. Pew Research Center, <http://www.pewresearch.org/fact-tank/2016/07/01/racial-gender-wage-gaps-persist-in-u-s-despite-some-progress/>.

incredible narratives, but most of the people at the top were always going to be people at the top – they had uncomplicated access to opportunity that women and people of color and other minorities simply don't.”¹⁰⁰

Gender Role Socialization

An important theme throughout much of this paper has been how women tend to make different choices and are channeled into different work-lives whether in education, in career, in number of hours worked or any of the many factors that are deemed causes of gender pay inequality. Being socialized into gender roles is the process by which all social institutions inculcate acceptable behavior, speech, dress, aspirations and leisure activities and ultimately what are acceptable careers. Gender role socialization has been researched by social scientists with different findings. Some argue that it orients girls toward family and child-rearing, thus work-related choices tend to favor jobs that pay less, but allow for them to focus on their family. Other researchers disagree and have shown that today career commitment is just as important to women and in fact, work effort is equal between genders. A more interesting thought is how the lifelong process of social control plays out through work and career. Even individuals, who have risen above the concept of childhood gender role socialization, are still subjected to gender-biased rewards and punishments in the workplace.¹⁰¹

¹⁰⁰ “The View from the Valley,” *The Atlantic*, vol. 318, no. 4, 2016, pp. 66-69. (Quote is from Rob Markman, manager of artist relations at the company Genius.)

¹⁰¹ Padavic, Irene, and Barbara Reskin. *Women and Men at Work*, 2nd ed. Thousand Oaks, CA: Pine Forge Press. 2002.

FAMILIES AND GENDER PAY INEQUALITY

So far we have looked at gender pay inequality as it plays out for men versus women, but not how this gap plays out for families. No matter one's opinion on the changing American family, today's families are no longer the traditional nuclear family of yesteryear, and this is important to note as we look at how the earnings gap affects children nationally and Montana specifically. According to the Pew Research Center, there are several facts that differentiate today's modern American family:

- Americans are getting married for the first time later in life, with the median age being 29 for men and 27 for women.
- Mothers are also waiting longer to have children. Back in 1960, 40 percent of women ages 15 to 24 were mothers with infants. In 2011, it was 22 percent.
- Fertility rates for American women have dropped to 1.9 children in 2011, down from 3.7 children in 1960.
- 37 percent of lesbian, gay, bisexual and transgender adults have had a child at some point in their lives. About half of LGBT women under the age of 50 have a child under 18 years old; as do 20 percent of gay men.
- Blended families are common, with almost half of young people (18 to 29) having a step-sibling compared to only 16 percent of adults 65 or older.
- In 2011, women who are not married accounted for 41 percent of births, compared to just 5 percent in 1960. 72 percent of black women who are unmarried are mothers, 53 percent of Hispanic women and 29 percent of white women.
- Intermarriage among people of different races is increasingly common. In 1980, just 7 percent of all marriages in the U.S. were between spouses of a different race or ethnicity. In 2010, that share doubled to 15 percent of all new marriages in the U.S.¹⁰²

Montana Families

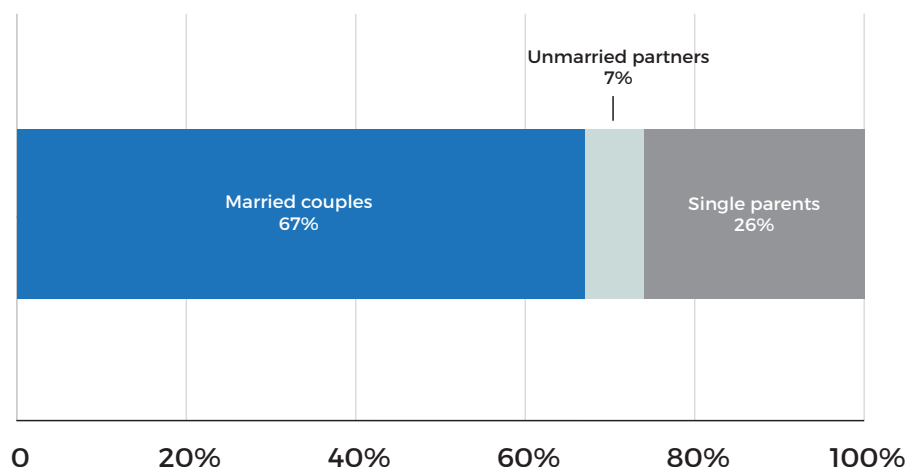
When we look at earnings, what difference does gender pay inequality make to families? There is robust data from the Montana Department of Labor and Industry about how Montana families, and the breadwinners in those families, fare. So it makes sense to look at the earnings data to determine who is the primary breadwinner, the mother or the father, not just by all working men and women. This will lead to some specific insights about how mothers in Montana are disproportionately affected by gender pay inequality. In an analysis, "Montana's Breadwinner Mothers", the parent with the highest earnings (both wage and self-employment income are included) is counted as the breadwinner.¹⁰³ A snapshot of what Montanan families look like and who brings in financial support is shown in Figures 11 and 12.

¹⁰² Krogstad, Jens Manuel. "Five Facts about the Modern American Family," FactTank: News in the Numbers, April 30, 2014. Pew Research Center, <http://www.pewresearch.org/fact-tank/2014/04/30/5-facts-about-the-modern-american-family/>.

¹⁰³ Bradley, Christopher. "Montana's Breadwinner Mothers," Montana Economy at a Glance, March 2015. Montana Department of Labor, & Industry Research & Analysis Bureau, <https://lmi.mt.gov/Portals/135/Publications/LMI-Pubs/Articles/2015/0315-MontanasBreadwinnerMothers.pdf>.

Figure 11: Montana Families by Family Composition.

Source: Montana Economy at a Glance, March 2015, Montana Department of Labor and Industry Research and Analysis Bureau.*

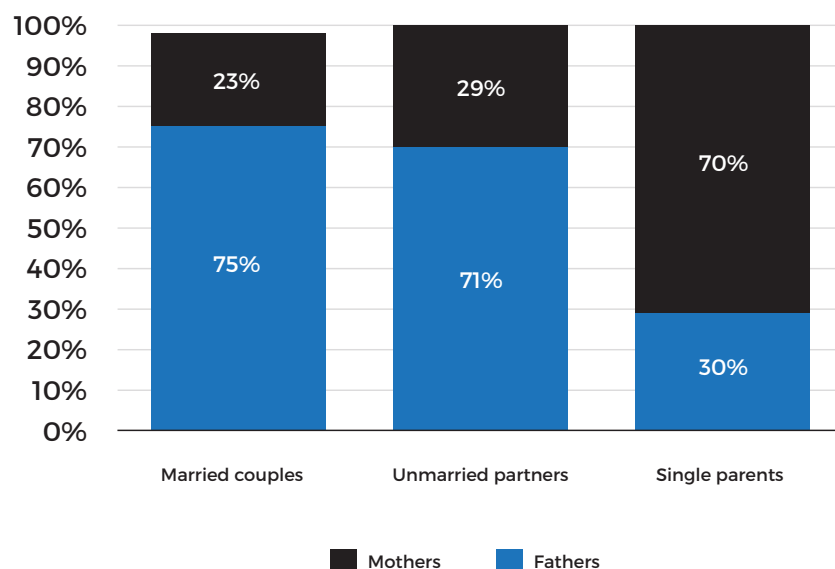


*American Community Survey, 2011-2013, Public Use Microdata Sample.

Montana family composition pretty much mirrors the national data. In 2014, American families were comprised of 61 percent married couples, 7 percent unmarried partners and 16 percent single parents.¹⁰⁴ The only significant difference between Montana breadwinners by family type is that nationally 80 percent of breadwinners in single families are mothers (compared to 70 percent in Montana). Just over 20 percent of single parent families in Montana are headed up by women.¹⁰⁵

Figure 12: Breadwinners in Montana Families by Gender of Parent.

Source: Montana Economy at a Glance, March 2015, Montana Department of Labor and Industry Research and Analysis Bureau.*



*American Community Survey, 2011-2013, Public Use Microdata Sample.

¹⁰⁴ Ibid.

¹⁰⁵ "Households and Families, Table S1101," 2015 American Community Survey, 5-Year Estimates, 2011-2015. U.S. Census Bureau, https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_15_5YR_S1101&prodType=table.

When looking at earnings within all Montana family types, there is an \$18,000 difference in median earnings between father and mother breadwinners who work full-time. Breadwinning mothers earn 60 percent of what breadwinning fathers do, a larger discrepancy than the 73 percent found between all Montana men and women who work full-time, year-round (as shown in Appendix A, Table A2). Many of the previously discussed explanatory factors can help explain this greater gender wage inequality between working mothers and fathers: the higher likelihood of mothers taking on a greater share of child-rearing responsibilities resulting in less upward career mobility, the need for greater flexibility in work schedules, fewer career advancement opportunities – all of which can be summarized by the motherhood penalty.

It is intuitively obvious that in families with two earnings, even if the mother earns far less than the father, that the family has higher income than single-parent families, whether the sole parent is a father or a mother. However, when looking at only single-parent families, there is significant difference between what single fathers earn versus what single mothers earn. In Montana, single mother breadwinners earn 61 percent of what single father breadwinners do.¹⁰⁶ Again, explanations for this difference can be found earlier in this paper: educational attainment, occupation and industry, and hours worked. But whatever the measurable explanations, the bottom line is that single mother breadwinners have a much harder time providing for their children than single father breadwinners do.

Montana's Low-Income Families and Gender Pay Inequality

Low-income families in Montana are more adversely affected by gender wage inequality than higher earning families, even though the wage gap is often larger for high earners – when you start out with less you end up with less. In 2013, Montana ranked 46th in the nation in how much all women working full-time, year-round earned with the average annual wage being \$31,600.¹⁰⁷

Upward social mobility is harder for women at the lower end of the income scale. Almost half of women born to parents in the bottom income quintile remain there as adults, compared to 35 percent of men. The bottom line is that women born poor are more likely to remain there than men, making gender wage inequality a double hit for low-income women. Even though the gender wage gap narrows as one goes down the wage scale, it is harder for women than for men to climb out of poverty.¹⁰⁸

When looking at low-income earning families and gender wage inequality, it is important to differentiate between the federally designated Federal Poverty Line (Table 5) and what people need to earn to support a family, known as a living wage. We will discuss a living wage later in this paper.

¹⁰⁶ Bradley, Christopher. "Montana's Breadwinner Mothers." Montana Economy at a Glance, March 2015. Montana Department of Labor, & Industry Research & Analysis Bureau, <https://lmi.mt.gov/Portals/135/Publications/LMI-Pubs/Articles/2015/0315-MontanansBreadwinnerMothers.pdf>

¹⁰⁷ "How the States Measure Up: Women's Status on the Employment & Earnings Composite and Its Components, 2013." Table 2.1 (p.39) in The Status of Women in the States: 2015, Institute for Women's Policy Research, 2015, download at <http://www.iwpr.org/publications/pubs/the-status-of-women-in-the-states-2015-full-report>.

¹⁰⁸ Reeves Richard V., and Joanna Venator. "Gender Gaps in Relative Mobility," Social Mobility Memos, 12 Nov. 2013, The Brookings Institute. www.brookings.edu/blog/social-mobility-memos/2013/11/12/gender-gaps-in-relative-mobility/.

Table 5: 2016 Federal Poverty Guidelines.

Source: Federal Register, 81 FR 4036, January 25, 2016, pages 4036-4037.

# of Persons in Family	Annual Family Income
1	\$11,880
2	\$16,020
3	\$20,160
4	\$24,300
5	\$28,440
6	\$32,580
7	\$36,730

Federal Poverty Line and Montana Families

Just over 16 percent of all women in Montana live at or below the Federal Poverty Line (FPL). For American Indian women it's more than double at 37 percent.¹⁰⁹ According to Montana KIDS COUNT in 2014, 7 percent of married-couple families and 32 percent of single-parent families live in poverty as defined by the FPL. However, this vastly undercounts the number of families struggling to support a family, as the FPL is not sufficient for a family to live on with any degree of stability.

Working Poor Families in Montana

The FPL is used to determine someone's eligibility for benefits such as the Supplemental Nutrition Assistance Program (SNAP) and states base their benefits on scales tied to the FPL. Thus, many low-income people in Montana, working or not, receive public assistance. Approximately 34 percent of Montana families who have a working parent still earn less than the FPL.¹¹⁰ Also, 36 percent of working Montanan families earn below 200 percent of the FPL – for a family of four this is \$48,600.¹¹¹

Living Wage and Montana Families

The living wage refers to the amount a worker needs to earn to meet their own or their family's basic needs. It is important in this discussion because even if pay parity is achieved between men and women in Montana, a worker may still not earn enough to support his or her family. A living wage has been calculated for the state of Montana and for each Montanan county.¹¹²

The living wage calculator estimates the wage needed to support families with many different family compositions. Table 6 shows some of these family types and what they would need to earn per hour to have a living wage. It juxtaposes a living wage alongside a poverty wage and the federal minimum wage. It gives a real sense of the gap between reality and need. The living wage is the annual total needed to pay for such basic necessities as childcare, food, medical expenses, housing, income taxes and transportation.

¹⁰⁹ Poverty Status in the Past 12 Months, 2010-2014 American Community Survey, 5-Year Estimates, <https://factfinder.census.gov/>. (2011-2015 now available; ID # is S1701.)

¹¹⁰ Dillon, Thale. "Children in Working Poor Families," Montana KIDS COUNT Issue Brief, vol. 2, no. 1, Winter 2013, http://montanakidscount.org/issue_briefs/children-working-poor-families/.

¹¹¹ Montana Spotlight on Poverty and Opportunity, www.spotlightonpoverty.org, which uses data from the U.S. Census Bureau's American Community Survey, 2013.

¹¹² Glasmeier, Amy K. "Living Wage Calculator: Living Wage Calculation for Montana," Massachusetts Institute of Technology, 2016, <http://livingwage.mit.edu/states/30>.

Table 6: Living Wage Calculation for Montana.*

Hourly wage	1 adult 1 child	1 adult 3 children	2 adults (one working) 1 child	2 adults (one working) 3 children	2 adults (both working) 1 child	2 adults (both working) 3 children
Living Wage	\$22.05	\$37.16	\$20.72	\$26.55	\$12.34 per adult	\$19.22 per adult
Poverty wage	\$7	\$11	\$10	\$13	\$5	\$6
Federal minimum wage	\$8.05	\$8.05	\$8.05	\$8.05	\$8.05 per adult	\$8.05 per adult

*For two adult families where both adults are in the labor force, both adults are assumed to be employed full-time. For two adult families where one adult is not in the labor force, one of the adults is assumed to be employed full-time, while the other non-wage-earning adult provides full-time child care for the family's children. Full-time work is assumed to be year-round, 40 hours per week for 52 weeks, per adult.¹¹³

Based on the above calculations, someone earning 200 percent of the FPL (34 percent of Montana's working families fall into this category) would still not earn enough to make a living wage. A family of three (two working parents, plus one child) at 200 percent of the FPL earns \$48,600, but to earn a living wage they would need to earn \$24.68 per hour or \$51,507 annually (based on working 2,087 hours per year).

In a hypothetical case of a household with both parents working full-time, year-round, employed in the same mid-level occupation, such as education, fathers would have median earnings of \$46,262 while the mother would have median earnings of \$29,661 for a combined household annual income of \$75,923.¹¹⁴ If mom's earnings were in parity with the father's, their combined income would be \$92,524 or \$44 per hour. This income would bring the family above the living wage, allowing their child opportunities that are out of reach for families who are at the living wage level. To emphasize the need for gender wage equity in such a field, 78 percent of the jobs are held by women. In addition, most occupations within the education industry require an investment in skills and training for which there would be an expectation of a greater return.

Unfortunately if one does the same math in the low-paying service industry, such as personal care or service occupations, the outcome is not so good for families and illustrates that in many occupations even working full-time year-around does not pay for basic needs. In such a low-wage service occupation, the father's median earnings are \$16,973, while the mother's earns only \$12,949¹¹⁵ for a combined annual income of \$29,922. If mom's earnings were in parity with the father's, their combined income would be \$33,946, not level with 200 percent of the FPL. This does not begin to address the needs of the approximately 76 percent of low-income families in Montana who work at least part-time. Such income inequality among working poor families adversely affects children, a topic discussed in a previous Montana KIDS COUNT Issue Brief.¹¹⁶

¹¹³ Nadeau, Carey Anne. Living Wage Calculator: User's Guide / Technical Notes, 2015 update, Department of Urban Studies and Planning, Massachusetts Institute of Technology, <http://livingwage.mit.edu/resources/Living-Wage-User-Guide-and-Technical-Notes-2015.pdf>.

¹¹⁴ "Occupation by Sex and Median Earnings in the Past 12 Months (in 2014 Inflation-Adjusted Dollars) for the Civilian Employed Population 16 years and Over," 2010-2014 American Community Survey, 5-Year Estimates, U.S. Census Bureau, ID # S2401, https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_14_5YR_S2401&prodType=table

¹¹⁵ Ibid.

¹¹⁶ Dillon, Thale. "Children in Working Poor Families," Montana KIDS COUNT Issue Brief, vol. 2, no. 1, Winter 2013, http://montanakidscount.org/issue_briefs/children-working-poor-families/.

According to the Alliance for a Just Society, gender and race are the two characteristics of a population that make it least likely to earn a living wage. Only 29 percent of families with a woman earner and one child make a living wage and only 19 percent of families with a Native American (male or female) earner and one child do. In two-earner families with two children, there is a larger discrepancy in the likelihood of earning a living wage between white families (43 percent) and Native American families (26 percent).¹¹⁷

Gender Wage Inequality and Single Mothers

Because many of the above calculations are based on a single mother with children, it is necessary to take a short detour to address some of the commonly held misperceptions about single moms so we can better understand the reality in terms of gender wage inequality. According to a report by the U.S. Census Bureau:¹¹⁸

Most single parents are mothers:

- Approximately 82.2 percent of custodial parents are mothers, and 17.8 percent of custodial parents (approximately 1 in 6) are fathers.

Of the mothers who are custodial parents:

- 44.2 percent are currently divorced or separated.
- 36.8 percent have never been married.
- 18 percent are married (In most cases, these numbers represent women who have remarried).
- 1.1 percent were widowed.

Most single mothers are employed:

- 76 percent of custodial single mothers are gainfully employed (53.2 percent work full time, year-round and 22.8 percent work part-time or part-year).

Most single mothers and their children do not live in poverty:

- 30.4 percent of custodial single mothers and their children lived in poverty (compared to 18.8 percent for custodial single fathers and their children).

Most single mothers do not receive public assistance:

- 41.3 percent of custodial mothers received some form of government assistance
- 32.3 percent received Supplemental Nutrition Assistance Program (SNAP) benefits.
- 6.8 percent of custodial single moms received Temporary Assistance for Needy Families (TANF).

Most single mothers are young:

- 37.2 percent of custodial single mothers are 40 years old or older.

Most single mothers are raising one child:

- 57.2 percent of custodial mothers are raising one child from the absent parent.
- 44.1 percent have two or more children living with them.

Reversing Gender Pay Inequality for Single Mothers in Montana

34 percent of female-headed households (with or without children) in Montana have been determined to be at the federal poverty level (FPL). This percentage increases for female-headed households with related children under 18 years old (45 percent) and related children under 5 years old (65 percent).¹¹⁹ The poverty rate in Montana for single women would fall from the current 28 percent to 17 percent if they earned the

¹¹⁷ "Montana Equity in the Balance," The Job Gap, Economic Prosperity Series, 2014, Alliance for a Just Society, www.aallianceforajustsociety.org.

¹¹⁸ Grall Timothy S. "Custodial Mothers and Fathers and Their Child Support: 2009," Current Population Reports, Dec. 2011, Economics and Statistics Administration, U.S. Census Bureau, www.census.gov/prod/2011pubs/p60-240.pdf.

¹¹⁹ "Selected Population Profile in the United States: Montana," (ID # S0201), 2015 American Community Survey, 1-Year Estimates, U.S. Census Bureau (accessed using American FactFinder), factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_15_1YR_S0201&prodType=table.

same as comparable men, a reduction of 38 percent. If all working women (both single and married) earned the same as comparable men, the state's current poverty rate would fall from 8 percent to 4 percent, a drop of 43 percent..¹²⁰

Economic Impact of Reducing Gender Wage Inequality

Before looking at the policies that have narrowed and can narrow gender wage inequality, it is important to look at how gender wage equality could impact the economy of the nation, states and communities. Looked at in the negative sense: What is lost because of the current wage gap in Montana? It is estimated that the combined total loss due to gender pay inequality is more than \$1.4 billion. In other words, because of the \$12,680 gap between the average pay for men and women working full-time, year-round, dollars are not going into raising families, supporting local businesses and fueling the economy in general.

According to a recent report by the Institute for Women's Policy Research, if the wages of all working women over the age of 18 in America were the same as men's, it would have resulted in an increase of 2.8 percent in the national gross domestic product. The earnings increase for the country in 2014 would have been \$482.2 billion. This is calculated for women and men of the same age, level of education, and urban/rural residence, and who work the same number of hours. For Montana a similar calculation would have resulted in a 2.7 percent boost to the state's economy.¹²¹

Many women who work to support their families still need to turn to government assistance programs to make ends meet. Nationally more than 60 percent of families with children work while receiving food stamps.¹²² As shown above, bringing women's wages on parity with men's will not solve the poverty problem, but for some wage levels it will reduce the number of families that have to turn to such income-based programs as SNAP and Medicaid. Reducing the need for government assistance programs is different than reducing the availability of such programs for women and their families who still rely on them; support for and strengthening of the social safety net must be maintained for those not working or those earning below the means tests.¹²³

¹²⁰ "Figure 1. Current Poverty Rate and Estimated Rate if All Working Women and if Working Single Mothers Earned the Same as Comparable Men, by State, 2014," In "Status of Women in the States: The Economic Impact of Equal Pay by State," IWPR #R468, p. 2. Institute for Women's Policy Research, 2016, www.iwpr.org/publications/pubs/the-economic-impact-of-equal-pay-by-state.

¹²¹ "Status of Women in the States: The Economic Impact of Equal Pay by State," IWPR #R468, Institute of Women's Policy Research, 2016, www.iwpr.org/publications/pubs/the-economic-impact-of-equal-pay-by-state.

¹²² Rosenbaum, Dottie. "The Relationship between SNAP and Work Among Low-Income Households," January 30, 2013, Center for Budget and Policy Priorities, Jan. 2013, www.cbpp.org/sites/default/files/atoms/files/1-29-13fa.pdf.

¹²³ Kuipers, Kathy J. and Celia C. Winkler. "The Status of Women in Montana," Women's Foundation of Montana, 2012.

POLICY SOLUTIONS: PAST, PRESENT AND FUTURE IN THE U.S. AND MONTANA

Past

The U.S. has made many past legislative attempts to address gender wage inequality. The chart below depicting the Federal Equal Pay Legislation Time Line shows these pieces of legislation in much more detail than was given in the history section of this paper. Despite these efforts, which began in 1920, the fact remains that gender wage inequality persists.

Federal Equal Pay Legislation Time Line:¹²⁴

- 1920 • The Department of Labor Women's Bureau was founded to promote the welfare of wage-earning women.
- 1938 • The Fair Labor Standards Act was enacted to improve labor conditions and practices for workers by regulating minimum wage, overtime pay, record keeping and labor standards.
- 1945 • The Women's Equality Bill, the first federal pay equity legislation, was introduced by AAUW member Rep. Chase Going Woodhouse (D-CT).
- 1963 • The Equal Pay Act became law requiring employers to give women and men employees equal pay for equal work.
- 1964 • Title VII of the Civil Rights Act was passed barring employment discrimination on the basis of race, color, religion, sex or national origin specifically in hiring, firing, promotion and wages.
- 1967 • The Age Discrimination in Employment Act became law protecting workers 40 years and older.
- 1972 • Title IX of the Education Amendments, the first comprehensive federal law to prohibit sex discrimination in education, was enacted.
- 1990 • Title I of the Americans with Disabilities Act was passed to protect against discrimination based on disability status, including in employment.
- 1994 • The Fair Pay Act, which addresses unequal pay between female-dominated jobs equivalent to male-dominated jobs, was first introduced. The legislation also takes steps to protect employees who discuss their salaries and requires employers to file wage information with the EEOC. As of the 114th Congress, the bill has yet to pass.
- 1997 • The Paycheck Fairness Act, an update to the Equal Pay Act, was first introduced. It would close loopholes, strengthen incentives to prevent pay discrimination and prohibit retaliation against workers who discuss wages. Every year since 1997, the legislation has been reintroduced, even passing the House in 2009 before falling short in the Senate. As of the 114th Congress, the bill has yet to pass.
- 2009 • The Lilly Ledbetter Fair Pay Act was enacted to address the unfortunate Supreme Court ruling that sided with Ledbetter's employer in her gender discrimination case, thereby overturning 40 years of precedent in discrimination cases. The law clarifies that pay discrimination can occur when a pay decision is made, when an employee is subject to that decision or at any time that an employee is injured by it.
- 2014 • President Barack Obama signed AAUW-supported executive orders to increase pay protections for women. The provisions collect more wage data and target federal contractors to protect workers from retaliation and labor law violations.

¹²⁴ Hill, Catherine. The Simple Truth about the Gender Pay Gap (Fall 2016), Association of American University Women, 2016, <http://www.aauw.org/research/the-simple-truth-about-the-gender-pay-gap/>.

Federal Policies Addressing Gender Wage Inequality

Some examples of bills introduced in Congress, but not yet passed, are:

The Paycheck Fairness Act has been proposed to strengthen the Equal Pay Act of 1963. This legislation has been introduced in Congress during several past sessions, the latest being 2016. It is a broad piece of legislation that, among other things, facilitates class action lawsuits, establishes comparable worth guidelines among establishments with different conditions and lifts the cap on punitive and compensatory damages for gender discrimination lawsuits.¹²⁵ It would also ban salary secrecy while narrowing what counts as a legitimate business justification for gender pay disparities.¹²⁶

The Fair Pay Act: Although states have passed comparable worth legislation, it has yet to be specifically passed at the federal level. As seen below, several states have moved forward to introduce comparable worth legislation at the state level.

The Pay Equity for All Act was introduced in 2016 and clarifies some of the language in the Fair Pay Act. One change enacted by the 2016 Pay Equity Act prohibits employers from asking potential employees about their wage history. The idea behind this is that pay should be based on what the job is worth, not what a person has been paid in the past, and that women, who have generally been paid less, are disproportionately impacted by revealing their salary history.

Prior to the introduction of any comparable worth legislation at the federal level and the ensuing state statutes or regulations, there was intense debate about whether it would work. Criticisms of the principle of equal pay for equal work include criticism of the mechanisms used to achieve it and the methodology by which the gap is measured. Opponents of comparable worth have also dubbed it as an attempt at social engineering. Some of the research dates back to 1985 or earlier; however a more recent analysis (2004) claimed that a comparable worth policy would offer a solution limited to raising the wages of workers in traditionally female jobs, which would increase unemployment in fields dominated by women and would reduce incentive for women to continue competing in male-dominated jobs.¹²⁷

State Statutes that Address Gender Wage Inequality

There are different policy approaches that states have adopted to address gender wage inequality. The statutes are aimed at addressing pay secrecy, the undervaluation of women's work, low wages and low tipped minimum wage. The first two are specific to unequal pay, while the others are protections and low-wage issues that affect low-income families and particularly low-income female-headed households. Many states have enacted state laws to address these issues.

- **Pay Secrecy:** As of February 2016, seven states had enacted laws that prohibit employer retaliation against employees who inquire about other employees' wages or disclose their own. An additional 23 states were currently considering such legislation, some as part of more comprehensive equal pay laws.¹²⁸ Montana, with its biennial legislative session, was not on the 2016 list. Legislation is planned for the 2017 session.
- **Undervaluation of Women's Work:** As of January 2015, the District of Columbia and at least five states – Iowa, Minnesota, Montana, Washington, and West Virginia – have comparable worth statutes

¹²⁵ Boccia, Romina. "The Unintended Consequences of the Paycheck Fairness Act," Position Paper no. 33, Independent Women's Forum, Nov. 2010, www.iwf.org/files/f769b4c8154411ad2b5c46951ae0abdf.pdf.

¹²⁶ Covert, Bryce. "New California Law is a Big Step Forward for Working Women," ThinkProgress, 1 Sep 2015, www.thinkprogress.org/new-california-law-is-a-big-step-forward-for-working-women-d1c039b035a8#c8bad1mjs.

¹²⁷ Levine, Linda. The Gender Wage Gap and Pay Equity: Is Comparable Worth the Next Step? Library of Congress, Congressional Research Service, Washington, D.C. 2004, UNT Digital Library, <http://digital.library.unt.edu/ark:/67531/metadc824687/m1/1/>.

¹²⁸ Lally, Rosemarie. "Proposed State Laws Address Pay Secrecy," Society for Human Resource Management, 23 Feb. 2016, www.shrm.org/resourcesandtools/legal-and-compliance/state-and-local-updates/pages/proposed-state-laws-address-pay-secrecy.aspx.

or regulations for public employees to address the undervaluation of work performed mainly by women.¹²⁹

- **Low Wages:** As of August 1, 2016, 29 states and the District of Columbia had a minimum wage that was higher than the federal minimum wage of \$7.25. The District of Columbia has the highest minimum wage at \$10.50/hour. The states of Georgia and Wyoming have the lowest minimum wage (\$5.15/hour) of the 45 states that have a minimum wage requirement. Montana's minimum wage at \$8.05 is higher than the federal level.¹³⁰
- **Low Tipped Minimum Wage:** As of 2016, seven states required employers to pay tipped workers the full state minimum wage: Alaska, California, Minnesota, Montana, Nevada, Oregon, and Washington. An additional 26 states and the District of Columbia required employers to pay tipped workers above the federal tipped minimum wage of \$2.13 an hour. Seventeen states require employers to pay workers at least the federal tipped minimum wage.¹³¹

The following states passed strong legislation in 2016:

- California limits the excuses employers can use to pay women less than they pay men to only a "bona fide factor other than gender," such as education, training, or experience (as opposed to reasons based solely on gender stereotypes).
- Maryland prohibits employers from assigning or directing employees into less-favorable career tracks or withholding information about promotions.
- Massachusetts prohibits employers from asking potential employees about their salary history.
- Tennessee subjects employers who violate the law to high fines and damage payments, emphasizing the seriousness of a violation.¹³²

Montana

The Montana Human Rights Act, Title 49 makes it illegal for an employer or labor organization to discriminate against someone on the basis of sex. It originally passed in 1974 and has been amended periodically since then. As seen in the list above, Montana has passed laws to address women's wages in general and tipped workers specifically.

Minimum Wage

Montana passed its minimum wage law in the 2007 session after voter-initiated state statute (I-151) was approved by popular vote in the November 7, 2006 election. Montana is one of 11 states where minimum wages are linked to a consumer price index. As a result of this linkage, the minimum wages in these states are normally increased each year, generally around January 1st.¹³³

Comparable Worth

In accordance with the 2009 Lilly Ledbetter Fair Pay Act, Montana passed the equal pay for women for equivalent service (Montana Code annotated 39-3-104). This enacted the comparable worth theory for employees in the public sector and holds that if two jobs are not similar in duties or conditions, but

¹²⁹ The Status of Women in the States 2015, Institute for Women's Policy Research, 2016, www.statusofwomendata.org.

¹³⁰ "Minimum Wage Laws in the States - August 1, 2016," U.S. Department of Labor, Wage and Hour Division, www.dol.gov/whd/minwage/america.htm.

¹³¹ "Minimum Wages for Tipped Employees - August 1, 2016," U.S. Department of Labor, Wage and Hour Division, www.dol.gov/whd/state/tipped.htm.

¹³² Hill, Catherine. The Simple Truth about the Gender Pay Gap (Fall 2016), Association of American University Women, 2016, <http://www.aauw.org/research/the-simple-truth-about-the-gender-pay-gap/>.

¹³³ "Minimum Wage Laws in the States - August 1, 2016," U.S. Department of Labor, Wage and Hour Division, www.dol.gov/whd/minwage/america.htm.

are nonetheless of equal value to the employer, they should be compensated equally.¹³⁴ It requires equal compensation for work of comparable worth, measured by the skills and effort required by a job, and the level of responsibility and working conditions that accompany it. The law specifically addresses that:

“It is unlawful for the state or any county, municipal entity, school district, public or private corporation, person, or firm to employ women in any occupation within the state for compensation less than that paid to men for equivalent service or for the same amount or class of work or labor in the same industry, school, establishment, office or place of employment of any kind or description.”¹³⁵

Minimum Tipped Wage

In the administrative rules under the Montana Minimum Wage and Overtime Compensation Act (Montana Code Annotated, sections 39-3-401 to 39-3-409), Montana determined that a tipped worker was to receive at least the state minimum wage.

To Address Gender Wage Inequality the Future Must Include

Access to STEM Jobs

A big step would be to improve women’s access to higher-paying jobs in male-dominated employment fields. Good mid-level jobs often pay sustainable wages on which women can raise a family. They include jobs in the key growth sectors of manufacturing, information technology, and transportation, distribution, and logistics. Employers have indicated their challenges in filling such positions and both women and employers would benefit if gender-based job segregation were addressed.¹³⁶

A recent White House initiative, Computer Science for All,¹³⁷ and other entities, such as the National Science Foundation (NSF), have established goals and programs to increase computer literacy throughout the U.S., especially in under-represented groups, such as students with disabilities and minority students. Among other federal grant opportunities, the NSF announced new grant programs to expand computer science education. Of particular importance to young women are grants that support research to integrate computer science into K-12 STEM education (STEM+C). As noted earlier, helping women access STEM jobs is a positive strategy for increasing women’s earnings in traditionally male-dominated fields. Another program, Innovative Technology Experiences for Students and Teachers (ITEST), promotes interest in and capacity for STEM jobs as early as Pre-K.¹³⁸

Flexible Work Schedules

Traditional workplace hours and scheduling are slowly catching up to the needs of the modern family. Juggling work and family is a major impediment to gender wage equality, especially given that women are still primarily handling most family responsibilities, even in a two-income household. According to a 2014 Nielson Harris Poll, today’s younger female workers understand this and are increasingly choosing jobs that offer such flexibility. The poll reported that nearly half of workers had passed up jobs due to lack

¹³⁴ “Montana Equal Pay Acts: What You Need to Know,” BLR (Business and Legal Resources), www.blr.com/Compensation/Discrimination/Equal-Pay-Acts-in-Montana#.

¹³⁵ “State Equal Pay Laws – August 2016,” National Conference of State Legislatures, www.ncsl.org/research/labor-and-employment/equal-pay-laws.aspx.

¹³⁶ Hegewisch, Ariane, Marc Bendick Jr., Barbara Gault, and Heidi Hartmann. Pathways to Equity: Narrowing the Wage Gap by Improving Women’s Access to Good Middle-Skill Jobs, Institute of Women’s Policy Research, 2016. www.iwpr.org.

¹³⁷ “Fact Sheet: New Progress and Momentum in Support of President Obama’s Computer Science for All Initiative,” The White House, Office of the Press Secretary, 14 Sept. 2016, www.whitehouse.gov/the-press-office/2016/09/14/fact-sheet-new-progress-and-momentum-support-president-obamas-computer.

¹³⁸ “Computer Science Is for All Students!” National Science Foundation, www.nsf.gov/news/special_reports/csed/.

of workplace scheduling flexibility; conversely almost one-third of workers felt they had not been hired because of their need for flexible work hours.¹³⁹

Unstable shift-work schedules, just-in-time scheduling practices and being assigned irregular shift times further destabilize workers who are seeking to balance work and families. In addition, without knowing how many hours they will work, workers earnings become uncertain. Over one-third of women hourly workers in their prime childrearing years (age 26 to 32) receive their work schedules with less than one week of advance notice. Unfortunately this uncertainty creates family dynamic problems and stress and translates to:

“Children of parents with irregular work schedules being more likely to have cognitive and behavioral challenges. Toddlers whose mothers work nonstandard hours demonstrate worse sensory perception, memory, learning, problem solving, verbal communication and expressive language. Preschoolers whose mothers work nonstandard hours are more likely to experience depression, anxiety, withdrawal and aggression.”¹⁴⁰

Unpredictable scheduling practices particularly hit lower income, predominantly female, service workers who have little recourse against abusive employers.¹⁴¹

Family Leave

Although the Family and Medical Leave Act of 1993 guarantees 12 weeks of job-protected family leave, this only applies to large employers and workers with a minimum job tenure, thus half of all workers do not qualify. Today, paid family leave policies are very much up to individual companies because there is no national standard regulating how employers implement the law. Without family paid leave, many parents and workers have returned to work early due to financial need after the birth of a child or when caring for a sick family member.

According to the Economic Policy Institute’s analysis of Bureau of Labor data in 2014, 88 percent of private-sector workers lacked access to paid family leave.¹⁴² Research examined the labor market outcomes of California’s law mandating paid family leave. Results indicated that there was a reduced likelihood of mothers quitting their jobs prior to childbirth, an increased likelihood of mothers returning to work in the first year after childbirth, as well as an increase in wages and hours worked during the second year after childbirth.¹⁴³

Because there is currently no national mandate that ensures workers have access to paid sick days, single mothers without paid family leave often have to choose between bringing in wages and caring for a sick child.¹⁴⁴

¹³⁹ Nielsen (2014). Harris Poll of 4,096 U.S. Adults (aged 18+), conducted online May 27-30, 2014, www.theharrispoll.com.

¹⁴⁰ Davis, Alysa, and Elise Gould. Closing The Pay Gap And Beyond: A Comprehensive Strategy for Improving Economic Security for Women and Families, Briefing Paper #412, Economic Policy Institute, 2015, <http://www.epi.org/publication/closing-the-pay-gap-and-beyond/>.

¹⁴¹ Johnston, Laurie. Abusive Scheduling Practices: Ever-Evolving Exploitation, August 2014, Political Theology Today, www.politicaltheology.com.

¹⁴² Davis, Alysa, and Elise Gould. Closing The Pay Gap And Beyond: A Comprehensive Strategy for Improving Economic Security for Women and Families, Briefing Paper #412, Economic Policy Institute, 2015, <http://www.epi.org/publication/closing-the-pay-gap-and-beyond/>.

¹⁴³ Charles L. Baum & Christopher J. Ruhm, 2016. "The Effects of Paid Family Leave in California on Labor Market Outcomes," *Journal of Policy Analysis and Management*, vol. 35, no.2, pp. 333-356.

¹⁴⁴ Glynn, Sarah Jane. "Explaining the Gender Wage Gap," May 19, 2014, Center for American Progress, 19 May 2014, www.americanprogress.org/issues/economy/reports/2014/05/19/90039/explaining-the-gender-wage-gap/.

Affordable Childcare

The lack of availability of quality and affordable child care is not a new issue and is an ongoing challenge for working families. Early care and education programs that offer full-day programs are needed to help single parents earn enough to make ends meet. This issue is two-pronged: quality and affordability. The former is the subject for another paper, but affordability is particularly pertinent to the topic of this one. One study showed that child care is more expensive than rent in 500 out of the 618 metropolitan and non-metropolitan areas studied across the country.¹⁴⁵

Addressing the Culture of Gender Inequality in the Workplace

Addressing broad underlying economic and social factors that contribute to gender wage inequality will do much to address the underlying workplace inequities. Policies that encourage broad-based wage growth will help and, as mentioned, there are specific steps the federal government and states can make to improve wage outcomes for women. In addition, employers can move forward to address the issues.

Employers can take steps to ensure a committed future workforce by ensuring that workplace policies, such as recruitment, hiring, family leave and internal pay audits, are encouraging to qualified female applicants.¹⁴⁶ Suggestions from the Institute of Women's Policy Research cluster around reducing workplace discriminatory practices based on gender. Recruitment practices should ensure that:

- Recruitment and outreach materials use inclusive language and images.
- Job vacancies and opportunities are placed so they reach women as well as men.
- Recruitment and selection processes are free of gender bias.
- Facilities are adequate and include protective gear that is appropriate to different genders.
- The work environment is inclusive and there are clear steps to address harassment and discrimination.
- It is clear that women are expected to advance and thrive in the company.¹⁴⁷

Internal review of workplace practices will ensure employers stay welcoming to female employees, such as:

- Setting targets and measuring their company's progress toward greater gender inclusiveness.
- Evaluating their wage and promotion practices to ensure equity.
- Implementing policies to prevent harassment of women workers, especially within nontraditional fields, where it is more prevalent.¹⁴⁸

A large U.S.-based, global firm, Salesforce, conducted a pay audit of its 17,000 global employees to determine if men and women were paid equally for comparable work. Results showed that about 6 percent of their workforce required a pay adjustment and the company invested over \$3 million to eliminate statistically significant differences in pay. The company also instituted the High-Potential Leadership Program, designed to provide leadership skills to advance women in the workplace. The program has led to a 33 percent increase in the number of women who were promoted in 2015.

In the last year, Salesforce has increased parental leave to 12 weeks off at 80 percent of total pay, including base and bonuses. The company also introduced a new gradual return program, which offers new parents

¹⁴⁵ Gould, Elise, Tanyell Cooke, and Will Kimball. 2015. "What Families Need to Get By: EPI's 2015 Family Budget Calculator," Issue Brief no. 403, Economic Policy Institute, 2015, www.epi.org/publication/what-families-need-to-get-by-epis-2015-family-budget-calculator/.

¹⁴⁶ Hegewisch, Ariane, Marc Bendick Jr., Barbara Gault, and Heidi Hartmann. Pathways to Equity: Narrowing the Wage Gap by Improving Women's Access to Good Middle-Skill Jobs, Institute of Women's Policy Research, 2016, www.iwpr.org.

¹⁴⁷ Ibid, page 34.

¹⁴⁸ Kuipers, Kathy J. and Celia C. Winkler. "The Status of Women in Montana," Women's Foundation of Montana, 2012.

the flexibility to work reduced hours for the first four consecutive weeks of returning to work, at full pay.¹⁴⁹

But the fact remains that change is slow and despite initiatives that have made it a leader in the field of gender pay equality, Salesforce's employees are 70 percent men and 30 percent women, with 81 percent of leadership positions held by men. For such a large firm to make positive steps to address its gender pay inequality sets a good precedent, but it is only one firm.¹⁵⁰

Montana Family Policies

How does Montana fare in offering family friendly policies, while balancing the needs of employers?

Montana has a higher minimum wage (\$8.05) than the federal minimum wage of \$7.25. However, businesses with gross annual sales of \$110,000 or less have a state minimum wage of \$4.00.¹⁵¹ The state does not require employers to offer paid medical, family or sick leave; families are covered only by the federal Family and Medical Leave Act, which, as seen above, inadequately covers all workers.

It is unfortunate that the state ranked low (49th) on the Institute for Women's Policy Research Work and Family Composite Scorecard. The composite score ranked the states' performance across three components of work-family policy – paid leave, dependent and elder care, and childcare – and a fourth component; the gender gap in labor force participation of parents of children under 6.¹⁵² This fourth component looks at the lack of flexibility in and availability of jobs for women with younger children.

The cost of childcare is challenging to families working in Montana where in 2015, the average annual cost of child care for one child in Montana was approximately \$8,000, more than half the poverty threshold for a one-parent, one-child family of \$15,825.¹⁵³

Non-Legislative Initiatives to Address Gender Wage Inequality in Montana

The Equal Pay for Equal Work Task Force was set up by executive order in 2013. The task force's purpose is to:

“Gather information, furnish advice and provide the Governor recommendations on policies and actions to insure that Montana workers earn equal pay for equal work, regardless of gender, so that Montana becomes an equal pay leader state that sets national standards for public-private policy partnerships on closing the wage gap.”

In 2016, the task force reported several successes since its inception, which include:

- Developing a self-audit tool for Montana employers to review and analyze their compensation system and pay practices to ensure compliance with federal equal pay laws and to assess whether race- or gender-based wage disparities exist. (A Self-Audit Primer for Montana Employers).
- Developing a recruitment tool for Montana employers to ensure they are reaching out to find the best, most qualified potential employees (Recruit Your Way to Success).
- Receiving a federal grant to study paid family leave, which generated three reports: a model policy proposal, a business survey and a public opinion poll.
- Conducting WageSmart wage negotiations trainings throughout Montana, including bringing StartSmart

¹⁴⁹ Robbins, Cindy. “Equality at Salesforce: The Equal Pay Assessment Update,” Salesforce, 8 Mar. 2016, www.salesforce.com/blog/2016/03/equality-at-salesforce-equal-pay.html.

¹⁵⁰ Lam, Bourree. “One Tech Company Just Erased Its Gender Pay Gap,” The Atlantic, Nov 10, 2015, www.theatlantic.com/business/archive/2015/11/salesforce-equal-pay-gender-gap/415050/.

¹⁵¹ “Minimum Wage Laws in the States - August 1, 2016,” U.S. Department of Labor, Wage and Hour Division, www.dol.gov/whd/minwage/america.htm.

¹⁵² The Status of Women in the States 2015, Institute for Women's Policy Research, 2016, www.statusofwomendata.org.

¹⁵³ “State Childcare Facts in the State of: Montana,” 2016 State Fact Sheets, Child Care Aware of America, 2016.

trainings to all Montana college campuses. Focus was on boosting women's skills in negotiating wages and salaries that are commensurate with their worth.

- The Department of Administration conducted a pay audit for state employees. Findings showed greater gender equity for state employees than in the private sector, but there were significant numbers of female employees who are underemployed. A second pay audit is being conducted along with recommendations.
- State contract language for the purchase of goods and services was amended to comply with the Equal Pay Act of 1963.
- The state human resource department is proposing changes to EEO/Nondiscrimination/Harassment Prevention rules.

Three bills were proposed in the 2015 Montana Legislative session. Only one passed, HB 306, which provides for unemployment insurance benefits for victims of domestic violence, sexual assault and stalking. Plans to introduce legislation during the 2017 session are currently being formed.

Montana's Current Labor Market

One last look at Montana is potentially good news for women. According to the Montana 2016 Labor Day Report, the state has a labor shortage. Montana's economy has shown strong growth over the past five years, reducing unemployment and increasing wages. The economy is projected to expand adding about 9,200 jobs in 2017; however, population data shows that Montana's labor force will grow slowly, adding only 4,500 workers to fill these jobs. So long as women have access to the skills and training demanded by employers they will be able to benefit from the tight labor market. If employers are able to give workers more hours this will also help women, who disproportionately hold more part-time work than men and who would work full-time if they could. However, workers might face the need to relocate to communities where jobs are offered, often a difficult decision in a two-income earning family.¹⁵⁴

Conclusion

Staying on the current trajectory, full-time, year-round workers aged 16 and older in Montana will not reach gender wage equality until 2080.¹⁵⁵ The current trajectory refers to the slow convergence of male and female wages (as shown in Appendix A, Figure 1A), the reasons for which have been discussed earlier. Also discussed earlier, gender wage inequality is not just about the measurable reasons for its existence, it is also about systemic sexism in our society that too often relegates women to a "less than" status compared to men. Americans have long held certain core values; high on the list are opportunity for all and equality of all. Gender wage inequality runs counter to both of these values. The reality is that the American Dream – if you are determined and work hard you will get ahead – is increasingly unattainable by many struggling families. Addressing gender wage inequality is an important step to ensuring more women and families can support their children and help them thrive.

¹⁵⁴ State of Montana Labor Day Report 2016, Montana Department of Labor and Industry, 2016.

¹⁵⁵ The Status of Women in the States 2015, Institute for Women's Policy Research, 2016, www.statusofwomendata.org.

APPENDIX A

DATA SECTION ON EARNINGS

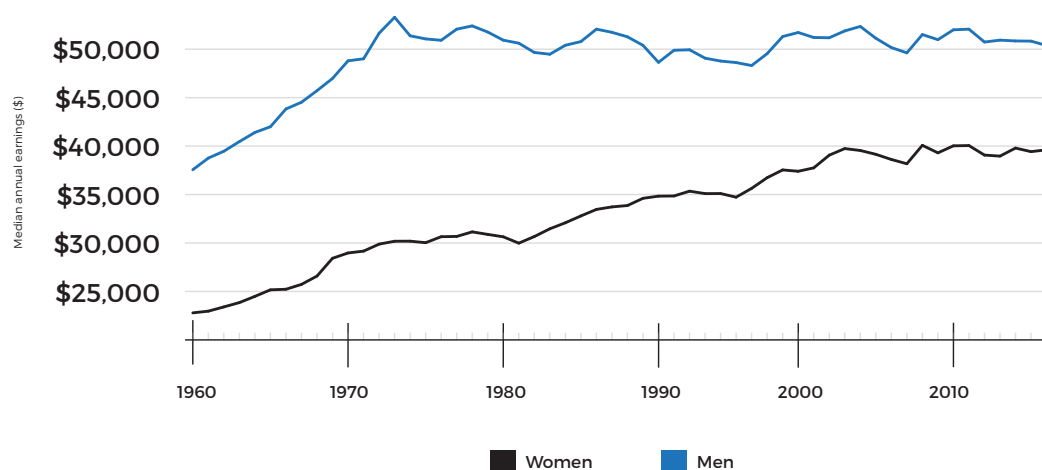
Data Sources

Federal agencies, such as the Bureau of Labor Statistics (BLS) and the Census Bureau (two sources used in this paper), generally use earnings when they report on American workers. However, some other sources compare actual median hourly wage to graphically show what people get from employment. As with all statistics, numbers often look different depending on what data is collected and this is true when calculating gender pay inequality. The actual numerical/percentage disparity in what women earn compared to what men earn depends on whether one looks at full-time versus part-time workers or median annual wage versus median weekly wage.¹ This paper looks to compare similar data to show gender pay inequality. The bottom line is that no matter what numbers are used to count it, gender pay inequality exists across the board.

Data on Earnings

We need to look at how women's wages have fared against men's over time. Figure A1 shows the median annual earnings of all women versus all men from 1960 to 2014. While the gap has narrowed, the difference is clearly shown. In 1973, women earned 57 percent of what men earned (\$30,182 versus \$53,294) whereas in 2013 they earned 77 percent of what men earned. This is the most commonly cited number in discussions about gender pay inequality. What is interesting is that the narrowing of this gap is not only due to women getting paid more, it is also due to the gradual flattening of men's wages as can be seen from the trajectory of men's earnings in Figure A1. The closing wage gap is not necessarily to be celebrated if some of the narrowing is due to half the workforce earning less.

Figure A1: Median Annual Earnings by Sex, 1960 to 2014 for Full-time, Year-round Workers.
Source: U.S. Bureau of Labor Statistics.

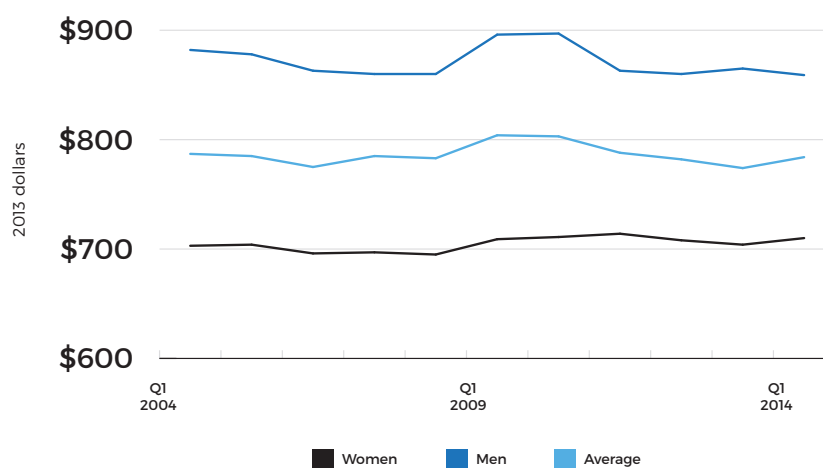


Another way to compare the income of men and women is to look at an annual snapshot of the usual weekly earnings of full-time wage salary workers. Figure A2 shows only full-time workers whereas Figure A1 shows all earnings no matter the hours worked. The wage gap has been pretty consistent between 2004 and 2014 (as expressed in constant 2013 dollars). In the first quarter of 2004, when women worked full-time they

¹ Glynn, Sarah Jane. "Explaining the Gender Wage Gap," May 19, 2014, Center for American Progress, 19 May 2014, www.american-progress.org/issues/economy/reports/2014/05/19/90039/explaining-the-gender-wage-gap/.

earned 80 percent of what men earned and in the first quarter of 2014, they earned 83 percent as much as men.² Again this narrowing gap does not show that women necessarily earned more, as their median weekly earnings in 2004 was \$702 and in 2014 it was \$709, but men's wages fell during this period (from \$881 in 2004 to \$860 in 2014). Thus, about 30 percent of the reduction in the gap between what male and female workers earned since 1979 is due to the decline in men's wages.³ Examining an overall wage stagnation and a weak economic recovery that has disproportionately affected male workers is not the focus of this paper, but the fact remains that men's wages have seen less real increase since the 1970's while women have made strides in certain causative factors of gender pay inequality such as increased educational attainment.⁴

Figure A2: Median Weekly Earnings, 2004–2014, Inflation-adjusted Median Usual Weekly Earnings of Full-time Wage Salary Workers, by Gender, Seasonally Adjusted, First-Quarter.
Source: U.S. Bureau of Labor Statistics.



Both Figure A1 and Figure A2 show how all women fare against all men in earnings. They do not adequately tell the story of how minority women fare compared to white men, nor do they show earnings differences between men and women within the same racial or ethnic groupings. The above data all use the Bureau of Labor Statistics' Current Population Survey (CPS). However the CPS data does not include data for smaller-sized demographic groups. For these we have to go to the Census Bureau's American Community Survey (ACS). At 6.6 percent, Native Americans make up the largest non-white racial group in Montana,⁵ thus it is important to look how American Indian women fare on the earnings gap.

Table A1 shows the earnings of women in different racial groups against white men. None of the five groups of women earns more than white men. Asian women earn the closest at 90 percent with Hispanic women earning the lowest at 54 percent of what white men earn, and American Indian and Alaskan Native women earn 58 percent of what white men earn.⁶

² Bureau of Labor Statistics, U.S. Department of Labor, The Economics Daily, Median weekly earnings, 2004–2014, http://www.bls.gov/opub/ted/2014/ted_20140423.htm

³ Gould, Elise, Jessica Schieder, and Kathleen Geier. What is the Gender Pay Gap and is it Real? The Complete Guide to How Women are Paid Less than Men and Why it Can't be Explained Away, October 20, 2016, Economic Policy Institute, www.epi.org.

⁴ Madrick, Jeff and Nikolaos Papanikolaou. The Stagnation of Male Wages, May 2008, Bernard Schwartz Center for Economic Policy Analysis (SCEPA), The New School for Social Research, www.thenewschool.edu.

⁵ Quick Facts, Montana, United States Census Bureau, www.census.gov.

⁶ Hill, Catherine. The Simple Truth about the Gender Pay Gap (Fall 2016), Association of American University Women, 2016, <http://www.aauw.org/research/the-simple-truth-about-the-gender-pay-gap/>.

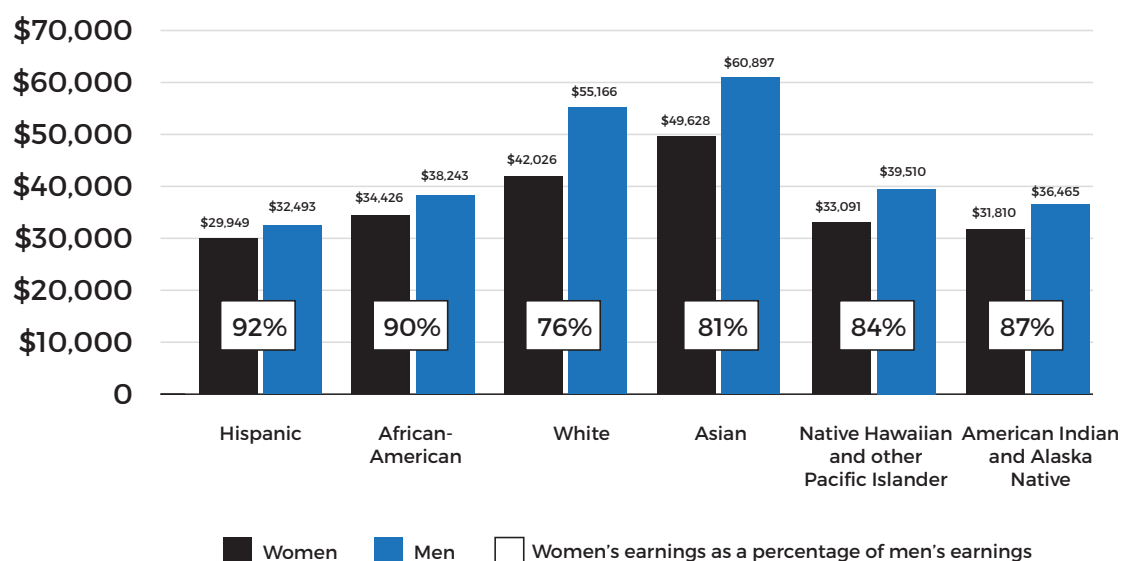
Table A1: Earnings Ratio of Women Compared to White Men, by Race/Ethnicity, 2015
Sources: The Simple Truth.^{7*}

	Current Population Survey (CPS)	American Community Survey (ACS)
Hispanic or Latina	54%	54%
African-American	63%	62%
White (non-Hispanic)	75%	76%
Asian	85%	90%
Native Hawaiian and other Pacific Islander	--	60%
American Indian and Alaska Native	--	58%

*U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements, Table P-38 and U.S. Census Bureau, 2015 American Community Survey, 1-Year Estimates.

It is possible to break this down further and compare what women earn versus men in their own racial/ethnic groups. This is shown in figure A3. Even though Asian women earn 90 percent of what white men earn, they still earn only 81 percent of what Asian men earn. It is interesting to note that even though Hispanic women earn 54 percent of what white men earn they are almost even with Hispanic men at 92 percent. In fact women in all racial groups, except white women, earn at least 80 percent or more of the men in the same racial group. White women however earn 76 percent of what white men earn, making the gap between white men and women the largest wage gap of all races.

Figure A3: Median Annual Earnings, by Race/Ethnicity and Gender, 2015.
Source: U.S. Census Bureau, 2015 American Community Survey, 1-Year Estimates.



⁷ Hill, Catherine. The Simple Truth about the Gender Pay Gap (Fall 2016), Association of American University Women, 2016, <http://www.aauw.org/research/the-simple-truth-about-the-gender-pay-gap/>.

Montana Data

Before we leave the numbers, we will look at earnings data specific to Montana. They show that as of 2014, it was estimated that 47.5 percent of women 16 years old and over participated in the workforce versus 53 percent of men, thus Montana's labor force participation by gender mirrors that of the national rate which shows that 53 percent of men and 47 percent of women over the age of 16 work in the civilian labor force.⁸

Gender Pay Inequality in Montana

The annual median earnings, which includes 15-year-olds, in Montana for 2014 were \$33,443 for women and \$46,123 for men.⁹ Earnings in Montana are lower than nationally. The U.S. Department of Labor data show that full-time annual earnings in the U.S. are \$39,428 for women and \$50,383 for men.¹⁰

According to the American Community Survey, for Montana workers ages 16 and older, the earnings gap in the state is wider than the national with women earning 77 percent of men nationally and women earning 73 percent of men in Montana.¹¹ Every state in the nation has an earnings gap, with Montana ranking 46th in the nation in the size of the gap. However, when compared to the neighboring western states, we are in the middle (Table A2). The earnings difference in Montana has changed since 2014, when women earned only 67 percent of what men earned, meaning that as it has nationally, the gap between what men and women earn is narrowing.¹²

Table A2: Median Annual Earnings and Earnings Ratio for Full-Time, Year-Round Workers, by State and Gender, 2015.
Source: The Simple Truth.^{13*}

State	Male	Female	Earnings Ratio	National Rank
Colorado	\$51,628	\$41,690	81%	22
South Dakota	\$42,605	\$33,268	78%	32
Idaho	\$43,264	\$31,808	74%	44
Montana	\$46,123	\$33,443	73%	46
North Dakota	\$52,031	\$37,016	71%	47
Utah	\$50,741	\$36,060	71%	48
Wyoming	\$55,965	\$36,064	64%	50

*American Community Survey Date.

Breaking the data down further into job sectors, Montana local government workers have the best pay equity in Montana, with women's median earnings at 85 percent of men's median earnings, followed by federal workers (77 percent) and state workers (79 percent). Private for-profit workers experienced the greatest pay inequity with full-time women workers earning only 68 percent of their male counterparts.¹⁴

⁸ Quick Facts, Montana, United States Census Bureau.

⁹ Hill, Catherine. The Simple Truth about the Gender Pay Gap (Fall 2016), Association of American University Women, 2016, <http://www.aauw.org/research/the-simple-truth-about-the-gender-pay-gap/>.

¹⁰ Women in the Labor Force, Women's Bureau, US Department of Labor, www.dol.gov.

¹¹ Hill, Catherine. The Simple Truth about the Gender Pay Gap (Fall 2016), Association of American University Women, 2016, <http://www.aauw.org/research/the-simple-truth-about-the-gender-pay-gap/>.

¹² "The Status of Women in Montana, 2015: Highlights," IWPR #R437, Institute for Women's Policy Research, 2015, <http://statusofwom-enda.org/app/uploads/2015/08/Montana-Fact-Sheet.pdf>.

¹³ Ibid.

¹⁴ Equal Pay in Montana – Fact Sheet, Montana Equal Pay for Equal Work Task Force, www.equalpay.mt.gov using 2014 American Community Survey Year Estimates, U.S. Census Bureau.

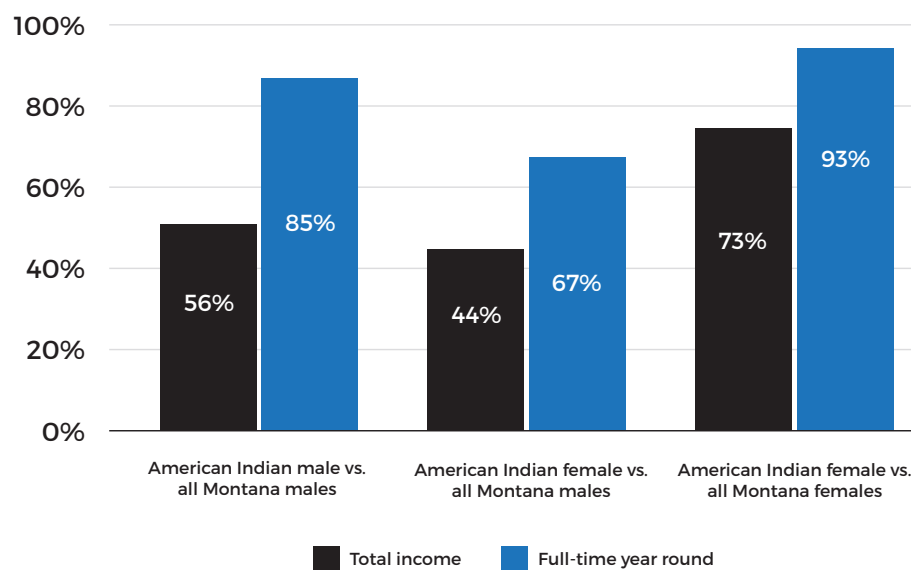
Montana - Urban Versus Rural Areas

Where someone lives does have an effect on gender pay inequality. In Montana, the divide is primarily rural versus urban. Nationally there is a difference in the earnings ratio for women living in metropolitan and non-metropolitan areas. Metropolitan areas are basically defined as a geographical region with a relatively high population density at its core and close economic ties throughout the area, with non-metropolitan being the opposite. The gender gap in median hourly wages is 83 percent in metro areas and 82 percent in non-metro areas, not a significant difference.¹⁵

American Indian Women in Montana

Gender pay inequality for American Indian women in Montana is seen in Figure A4. This shows the difference in earnings ratio between American Indians when they are working full-time, year-round and the difference between earnings ratio in total income (which takes into account factors such as unemployment and underemployment). American Indian women in Montana earn almost 93 percent of what all Montanan women earn, but only 67 percent of what Montana's men earn. Where the difference is most marked is in the total earnings – American Indian women earn only 44 percent and American Indian men earn only 56 percent of the total Montana male earnings.¹⁶

Figure A4: American Indian Earnings Ratio in Montana
Source: Women's Foundation of Montana, using ACS 2010 data (Table B19326).



¹⁵ Sommeiller Estelle, Mark Price, and Ellis Wazeter .Income inequality in the U.S. by State, Metropolitan Area and County, June 16, 2016, Economic Policy Institute Report #107100, www.epi.org.

¹⁶ Kuipers, Kathy J. and Celia C. Winkler. "The Status of Women in Montana," Women's Foundation of Montana, 2012, <http://wfmontana.org/wp-content/uploads/2014/09/2012SWR.pdf>.