

Women's Policy Research

Half of Workers Lack Paid Sick Leave: Businesses and Families Suffer

Misha Werschkul

Many of us take it for granted that, when we or our family members are sick, we will have the freedom to stay home from work. Yet a new study by IWPR reports that only half of all workers in the United States have paid sick leave. Written by Dr. Vicky Lovell, this report, *No Time to be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, uses data from the Employee Benefits Survey from the U.S. Department of Labor. The study finds that nearly 60 million workers lack any paid sick leave and 89 million workers have less than seven days of paid sick leave per year. These workers have no support in the event that they or their family members become ill. The costs to society are substantial and include negative health effects for workers and their children, contagion among coworkers, reduced productivity, higher turnover, lost income, and increased need for health care resources. The study also finds that only one in three workers has paid sick leave to care for sick

children, which means that workers face difficult decisions about reporting for work versus caring for their families.

The lack of sick leave particularly disadvantages low-wage and women workers. Only one in four low-wage workers and one in six part-time workers have paid sick leave benefits. The majority of both groups of workers are women. Women are also disproportionately impacted because they perform the majority of caregiving work and are most likely to need to leave work to care for children and relatives.

Coverage rates vary by sector and by industry. Workers in state and local government are twice as likely to have sick leave coverage (89 percent) as private-sector workers (45 percent). The single worst record is that of the accommodations and food service industry, where 86 percent of the workers have no paid sick leave.

The IWPR report was presented at the introduction of the Healthy Families Act, new federal legislation proposed by Senator Edward Kennedy and Representative Rosa DeLauro. This act would require employers with 15 employees or more to offer a minimum of seven days of paid time off to employees who work 20 hours or more per week to use for their own health needs or to care for a sick family member. Currently, there is no federal legislation requiring that employers provide paid sick leave.

Paid sick leave provides workers with an opportunity to regain their health and return to full productivity at work, and can reduce employees' overall absence rates by preventing contagion among co-workers. When a child or other family member is sick, paid leave can also (*cont'd on p. 5*)



New Report Finds that Half of All Workers Do Not Have Paid Sick Leave—IWPR Study Director, Vicky Lovell releases the report, *No Time to be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, at a press conference on Capitol Hill on May 5th, 2004. (L to R) Heather Boushey, Center for Economic Policy Research, Rep. Lynn Woolsey (D-CA), Dr. Lovell, and Shaniqua Ballard, Parent Council of the Nation's Capital Child and Family Development Center.

We're Not There Yet: Gender Inequities in Earnings Persist

Misha Werschkul

The wage gap has even bigger effects than we thought. Women's economic progress over the past decades has been substantial, yet gender inequities in pay persist and carry enormous costs for women and their families, documents a new study by Dr. Heidi Hartmann of IWPR and Dr. Stephen Rose of Macro International. While news stories periodically draw attention to gender inequities in pay, there is a growing misconception that the movement (*cont'd on p. 7*)

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President's Message



Heidi Hartmann in the Forbidden City

I have seen the future, and it is China! A two week trip this past May organized by Global Interactions gave me the opportunity to meet with members of the All China Women's Federation in Shanghai and Beijing and to make my first visit to a country that is rapidly transforming itself into a marketized economy. Having heard many descriptions from friends who visited China in the 1960s, 70s, and 80s, I couldn't have been more surprised by the modern and sophisticated China that greeted me in Shanghai and Beijing.

It's impossible not to be impressed by the energy of a city like Shanghai that is striving so concentratedly to become world class, boasting iconic skyscrapers, a first-rate new art museum, and a shopper's paradise, with a huge variety of all kinds of merchandise available. Shanghai struck me as a cross between Manhattan and Las Vegas, supersized and still rapidly growing.

China has had strong economic growth for several years and, while many wonder how long it can be sustained, the drive of the Chinese people toward improving the quality of life and building a strong middle class seems unstoppable. Older, substandard housing is being bulldozed to be replaced by condo towers with two bedroom-two bath apartments, which according to our guide ordinary workers are able to purchase.

Yet the conversion of state-owned enterprises to profit-making businesses that must compete in the marketplace is leaving many urban residents unemployed, especially women, who, as is common around the world, had the less good jobs that were more likely to be eliminated. And migrants continue to pour in from the countryside looking for better opportunities. It's not unusual to see outside one's hotel, right next to the new high rises, neighborhoods where families are cooking and eating outdoors to escape small and crowded rooms.

In Shanghai, women leaders are anxious to ensure that measures of women's status are included in the growth and well-being goals that are being set. Shanghai women believe they have the highest status of any women in China, yet even in Shanghai women do not hold as many leadership positions as men, either in the new enterprises or in the government, and like women in the US, are reported to earn about 75 percent of what men do on average. Sex-typed job advertising is not uncommon, nor is it uncommon to see ads for attractive young women or attractive young men for certain public relations positions. Many young people in the cities, the only places I visited, are learning English and taking American names, perhaps as a strategy to be more successful in international business. We met several young entrepreneurs at the helm of glossy magazines, clothing factories, and so on.

Particularly in Beijing, new NGOs are forming to address issues like domestic violence and the rights of migrant workers. These groups are striving to build the rule of law to hold government accountable and to protect people's rights. China itself has a unique opportunity now to attempt to extract good behavior from the foreign multinationals beating on the doors of its gigantic domestic market.

It remains to be seen, of course, how far privatization, free markets, and the development of civil society, will go. Despite all the problems we know about, not the least of which is the huge gender imbalance and the shortage of women in the population, my personal guess is quite far. However Chinese society evolves, its impact on the world will only grow.

Heidi Hartmann

Welfare Reform Leaves the Most Vulnerable Kids Behind

Jeannine Love

Most analyses of the effects of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) have focused on shrinking caseloads, but a forthcoming report written by Deanna M. Lyter, Melissa Sills, Gi-Taik Oh, and Avis Jones-DeWeever, *The Children Left Behind: Deeper Poverty, Fewer Supports*, takes a closer look at how PRWORA has affected our most vulnerable children. This study analyzes the changes in poverty status, family income, health insurance coverage, cash grant assistance, and food stamp usage of “near poor,” “quite poor,” and “extremely poor” children by comparing data from the Survey of Income and Program Participation (SIPP) data from 1996 and 2000.

The study shows that while poverty rates and use of cash assistance are decreasing, the economic situations of our nation’s most vulnerable children have deteriorated since the implementation of PRWORA. Our nation’s poorest and youngest children are now finding themselves even deeper in poverty with less access to important supports such as cash assistance, medical insurance, and food stamps. The study finds that, after PRWORA, the average monthly income of extremely poor families with children less than 6-years-old decreased by 20.8 percent, and the average monthly income of extremely poor families with children ages 6- to 17-years old decreased by 9.5 percent. During the same time period, the average monthly incomes of all near poor and quite poor single-parent families increased by a combined average of 7.7 percent. This discrepancy indicates that, while some families may be doing slightly better than they were prior to welfare reform, those who are extremely poor are becoming even poorer.

This deepening of poverty for the poorest families is occurring despite increased work effort by all low-income parents. Although workforce participation has offset the loss of cash benefits for near poor and quite poor families, including those with young children, the gains in work activity have not compensated for lost benefits among the extremely poor. In 1996, extremely poor children received AFDC at much higher rates than other poor children,

reflecting their greater need. But, between 1996 and 2000, welfare caseloads plummeted much faster than poverty rates; and, in 2000, extremely poor families were only slightly more likely to utilize cash assistance than quite poor families (31 percent and 29 percent, respectively). This reflects a reduction of almost 50 percent in cash assistance received by extremely poor families, despite increased need. Among the families hardest hit by this loss in income are those with children under the age of six; the very children most susceptible to the long-lasting negative effects of prolonged poverty.

The study also considers access to health insurance and food stamp receipt – two important supports for struggling families. Again, despite increased workforce participation, children in low-income single parent homes are more likely to be uninsured than their counterparts were prior to PRWORA (up to 22 percent in 2000 from 18 percent in 1996). Among extremely poor children, the uninsured rate increased even more dramatically, from 15 percent in 1996 to 25 percent in 2000. One goal of increased workforce participation is to increase access to private health insurance, and enrollment in private insurance for all low-income children has increased overall, by 3 percent. However, this

increase has not compensated for the simultaneous decline in Medicaid participation rates. Despite expanded Medicaid eligibility criteria, many parents do not realize that their children may be eligible for Medicaid or are dissuaded from applying due to language barriers and complicated enrollment procedures. Prior to welfare reform, children in extreme poverty were more likely to have health insurance than other poor children. This study finds that this trend has reversed: extremely poor children are now the least likely to have health insurance.

Low-income children are also less likely to receive food stamps after PRWORA than before (41 percent received food stamps in 2000, compared with 51 percent in 1996). This decline was also most substantial among extremely poor families and those families with the youngest children. The percentage of children living in extreme poverty but not receiving food stamps increased 32 percent for school-aged children and 44 percent for young children.

This study demonstrates how welfare reform, even in a time of immense economic growth, left our most vulnerable children behind. It is unlikely that this situation has improved since 2000, as poverty rates continue to climb in response to the 2001 recession.

SAVE THE DATE!

When Women Gain, So Does the World

IWPR’s Eighth International Women’s Policy Research Conference
June 19-21, 2005 — Washington, DC — www.iwpr.org

Co-sponsored by the Women’s Studies Program of George Washington University and the Friedrich Ebert Foundation, and held in conjunction with the Research Network on Gender, Politics, and the State (RNGS).

The 2005 conference will provide an exceptional forum for researchers, policymakers, scholars, professionals, advocates, and others to present their work on issues and policies impacting women. The debate promises to contribute significantly toward building and sustaining policies that work for women and their families at a critical time in our nation’s history.

Information such as paper submission deadlines, registration materials, a list of conference topics, scholarships, and accommodations are available on our website. Please visit www.iwpr.org.

Potential conference participants should note that the International Association for Feminist Economics (IAFFE) will be hosting their 14th Annual Conference at The George Washington University in Washington, D.C. during the weekend of June 17-19, 2005. Please plan to attend both conferences! For more information about IAFFE, please visit www.iaffe.org.

For more information, or if you have questions about the conference, please contact IWPR’s conference fellow, Elizabeth Mandeville, at conference@iwpr.org, or (202) 785-5100.

IWPR's Status of Women in the States Project: Nearing Completion

Liz Mandeville

This fall, IWPR will complete its ten-year *Status of Women in the States* project with the publication of our final nine reports, which will consider the status of women in Alaska, Idaho, Montana, Nevada, North Dakota, Oklahoma, South Dakota, Utah, and Wyoming. In addition to these publications, three states – Wisconsin, Minnesota, and Michigan – will be the focus of updated reports, made possible through the generous funding of donors in each of those states.

The *Status of Women in the States* reports consider the well-being of women state-by-state (and in the District of Columbia), by analyzing the experiences of women in five major issue areas: political participation, employment and earnings, social and economic autonomy, reproductive rights, and health and well-being. Within each of these areas, IWPR considers a number of indica-



L to R) Amy Caiazza, IWPR Study Director, Rep. Carolyn B. Maloney (D-NY), Irasema Garza, AFSCME, and Deborah Chalfie, National Women's Law Center at the April 20th release.

tors, including earnings, the wage gap, access to benefits, access to health care, voter turnout, women in leadership roles, and the existence of state legislation that promotes and protects women's rights.

The goals of the reports are threefold: 1) to analyze and disseminate information about women's progress in achieving rights and opportunities; 2) to identify and measure the remaining barriers to equality; and 3) to provide baseline measures and a con-



April 20th, 2004 Women's Economic Status Press Event—Kiran Ahuja, National Director of the National Asian Pacific American Women's Forum, speaks at the release of the new IWPR report, *Women's Economic Status in the States: Wide Disparities by Race, Ethnicity and Region*. (L to R) Rep. Rosa L. DeLauro (D-CT), and Barbara Gault, IWPR Director of Research.

tinuing monitor of women's progress throughout the country. A new addition to the *States* project that will be featured in this round of reports is a consideration of the experiences of Native American women within each of these states.

In preparing for the release of these reports, IWPR has worked closely with talented groups of researchers, advocates, and policymakers from each state, who have contributed invaluable advice and feedback on the content of each study. We would like to acknowledge and thank them for their work on and dedication to these projects.

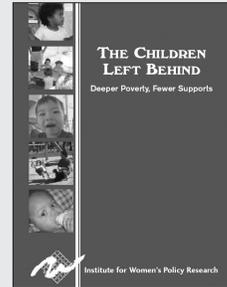
As a part of the 2004 series, we released *Women's Economic Status in the States*, a report examining several aspects of women's economic status: women's earnings, the wage gap, the occupations and industries in which women work, women's business ownership, and women's poverty. Our press event was held on Capitol Hill and featured Congresswomen Carolyn Maloney and Rosa DeLauro; IWPR Director of Research Barbara Gault and Study Director Amy Caiazza; Kiran Ahuja of the National Asian Pacific American Women's Forum; and Irasema Garza of AFSCME.

In October, with funding from the Rockefeller Family Fund, IWPR will release a national report that considers the need for expanded early child care and education in

NEW RELEASES

Report

The Children Left Behind: Deeper Poverty, Fewer Supports by Deanna M. Lyter, Ph.D., Melissa Sills, M.A., Gi-Taik Oh, Ph.D., and Avis Jones-DeWeever, Ph.D. This study looks at the impact of welfare reform on children, utilizing two waves of data from the 1996 panel of the Census



Bureau's Survey of Income and Program Participation (SIPP), collected just prior to and roughly four years after welfare reform. Specifically, this study examines the situations of low-income children in single parent families both before and after welfare reform. August 2004. D457. ISBN 1-878428-82-9, 56 pages, \$15.00. Order form on back cover.

Report

No Time to be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave by Vicky Lovell, Ph.D. Only half of all workers in the United States have paid sick leave, according to this report, jeopardizing health, productivity, and economic security. The report provides specific policy recommendations to reduce the costs of not having paid sick leave, while improving employment and health outcomes. This report was published as a part of IWPR's ongoing project on job quality issues. May 2004. B242. ISBN 1-878428-87-X, 19 pages, \$10.00. Order form on back cover.

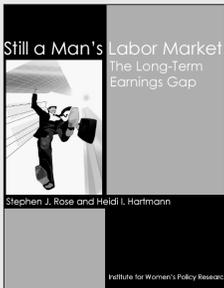


the states. In addition to the national overview of these issues, the report will include two state studies on early care and education in Wisconsin and New Mexico.

IWPR would also like to recognize the generous foundations that have made our *States* project possible in 2004 (see IWPR general and project support, pg. 7).

Report

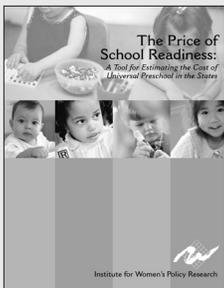
Still a Man's Labor Market: The Long-Term Earnings Gap by Stephen J. Rose, Ph.D.



and Heidi I. Hartmann, Ph.D. In a groundbreaking new study, economists Heidi Hartmann, of the Institute for Women's Policy Research (IWPR) and Stephen Rose, of ORC Macro have teamed up to provide new estimates of the long-term gender earnings gap showing that women earn 62 percent less than men earn over a 15-year period. This report analyzes the causes and costs of the long-term earnings gap. June 2004. C355. ISBN 1-878428-85-3, 45 pages, \$15.00. Order form on back cover.

Report

The Price of School Readiness: A Tool for Estimating the Cost of Universal Preschool in the States by Stacie Carolyn Golin, Ph.D., Anne W. Mitchell, and Barbara Gault, Ph.D.



Following an investigation of how IWPR could most effectively provide research assistance to those working to expand and improve early education, IWPR, in partnership with Early Childhood Policy Research, created a model to estimate the cost of universally accessible preschool at the state level. This report presents the model and details how policymakers, advocates, researchers and other stakeholders can estimate the cost of universal preschool in their jurisdictions. July 2004. G713. ISBN 1-878428-77-2, 58 pages, \$25.00. Order form on back cover.

Right: Heidi Hartmann, President of IWPR, speaks at the introduction to the Healthy Families Act, sponsored by Sen. Edward M. Kennedy (D-MA) and Rep. Rosa L. DeLauro (D-CT). (L to R) Jody Heymann, Harvard School of Public Health, Rep. Rosa DeLauro (D-CT), Dr. Hartmann, George Askew, Docs for Tots, and Debora L. Ness, National Partnership for Women and Families.

MEDIA HIGHLIGHTS

Alice Ashe

IWPR has seen an increase in worldwide media coverage over the past few months. IWPR received widespread coverage of *Still a Man's Labor Market: The Long-Term Earnings Gap*, by Dr. Heidi Hartmann and Dr. Stephen Rose, ORC Macro. Dr. Hartmann was interviewed about the report on ABC's Sunday morning show, *Business Week*, which was a follow-up to a two-page feature article in *BusinessWeek* magazine. A feature article on the report also appeared in the *New York Times* business section. Dr. Hartmann discussed the findings on the NPR show "Talk of the Nation" and was quoted in the *Miami Herald*, the *Baltimore Sun*, the *Salt Lake City Tribune*, and on *ABCNews.com*, among others.

Women's Economic Status in the States: Wide Disparities in Race, Ethnicity, and Region, was cited in over 85 newspapers, including articles in *The New York Times*, the *Wall Street Journal*, the *Christian Science Monitor*, the *Boston Globe*, and the *Wall Street Journal Europe* (Brussels, BE). Dr. Amy Caiazza appeared live on CNN Financial Network's *Money and Markets* program, and IWPR staff were quoted in front-page articles in the *Montgomery Journal* (Rockville, MD), the *Detroit News*, the *Reno Gazette-Journal*, and the *Times Recorder* (Zanesville, OH), the *Las Vegas Sun*, and the *Lansing State Journal*.

IWPR's recently released report on paid sick leave, *No Time To Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, received significant media attention at the state level. Statistics from the report and quotes from Dr. Vicky Lovell were published in the *Hartford Courant*, the *Daily Local News* (West Chester, PA), the *Post-Standard* (Syracuse, NY), the *Record-Searchlight* (Redding, CA), and the *Daily News* (Jacksonville, NC). Dr. Hartmann also spoke alongside Congresswoman Rosa DeLauro at a press event that introduced Senator Kennedy's and Congresswoman DeLauro's Healthy Families Act, which would require employers to provide a minimum of 7 paid sick days to employees. Dr. Lovell was quoted on the Healthy Families Act in the *Minneapolis Star Tribune*.

Institute staff were quoted widely in response to the Wal-Mart class action sex discrimination suit. "It is very telling that the largest employer in the nation is potentially displaying this magnitude of discrimination...it will influence workers to be more demanding and change what they're willing to put up with," said Dr. Barbara Gault in *The State* (Columbia, SC).

An Associated Press story on the gender salary gap in the workforce included a quote from Dr. Hartmann, and ran in over 180 newspapers across the country. Dr. Hartmann was also quoted in a *New York Times* article on Social Security.



Half of Workers Lack Paid Sick Leave (cont'd from p. 1) reduce job turnover by preventing the need for workers to take unauthorized time off work, which can lead to job termination.

The IWPR study recommends that all employers provide paid sick leave benefits for workers; wage replacement be added to unpaid sick leave; care for sick family members be covered under paid sick leave; the availability of sick-child care be expanded; and work schedules be made more flexible so workers can adapt their hours at work to fit the demands of their health-related caregiving responsibilities.

This study was funded by the Ford Foundation and the Annie E. Casey Foundation. The new report, as well as the accompanying press release and fact sheet, is available on IWPR's website: <http://www.iwpr.org>.



Meet a Board Member: Martha Darling

Mel Beras

Martha Darling's career path has guided her from politics to the aerospace industry to education, with stints in Paris, Seattle, Washington, DC, and Ann Arbor. Along the way, she picked up invaluable knowledge and skills, and, since 2000, she has brought them to the IWPR Board of Directors where she serves as secretary. Her participation within IWPR is important to Darling because, "IWPR's robust research capability provides both public and private sector policymakers with solid economic analyses

of the differential effects of certain policies on men and women. Informed policy formation then becomes possible."

Darling, who currently works as an education policy consultant in Ann Arbor, Michigan, says her interest in women's issues "goes back a long way." She began her career in 1970 in Paris after obtaining her Master's degree from the Woodrow Wilson School of Public and International Affairs at Princeton. While in France, she authored *The Role of Women in the Economy*, a 10-nation study published by the Organization for Economic Co-operation and Development (OECD), as well as several other public policy reports. During her four years abroad, she says she gained a deep understanding of "the ways certain policies, such as Social Security, Medicare, and child care, can have impacts that are quite different for women and men, with significant implications for their economic prospects."

This was excellent preparation for the experience she counts among her most challenging – her time spent on Capitol Hill. Darling tackled politics first as a White House Fellow and Executive Assistant to the

former Secretary of the Treasury, W. Michael Blumenthal, in 1977, and then as Senior Legislative Aide to U.S. Senator Bill Bradley from 1979 until 1982. She quickly developed a passion for the Senate, which she describes as more collaborative than the House. Today, Darling explains, "The Senate has a flavor that is different from the House. Senators are less anchored in the short-term and tend to take a longer view on issues."

A graduate of Reed College in Portland, Oregon, Darling then worked for Seattle-First National Bank and the Boeing Company, where she retired from the position of Senior Program Manager in 1999.

Now living and working in Michigan with her husband Gilbert Omenn, a Professor of Internal Medicine and Genetics at the University of Michigan, Darling facilitates projects to improve K-12 education. She has consulted for the National Academy of Sciences and for Museums in the Park (Chicago's major museum consortium). She also proudly serves on a number of other boards including the Ann Arbor Symphony Orchestra, Reed College, and the White House Fellows Foundation.



Member Profile: Susan Scanlan

Mel Beras

As a women's policy pioneer on Capitol Hill, Susan Scanlan plays an instrumental role in a movement that has opened opportunities for women in recent decades. Scanlan, now the president of the Women's Research and Education Institute (WREI), first became "entranced with feminist concerns" in 1973, while working for a California congressman. One of her chief projects in this role was to help open the U.S. military academies to women. Scanlan was part of a team who confronted the top brass at the Pentagon and eventually won entrance for women into West Point, Annapolis, and the Air Force Academy.

In 1977, Scanlan helped found the bipartisan Congresswomen's Caucus (now the Congressional Caucus for Women's Issues) under the leadership of Representatives Elizabeth Holtzman (D-NY) and Margaret Heckler (R-MA). WREI was organized at that same time as the research arm for women in Congress (then only one woman in the U.S. Senate and 17 in the House of Representatives). Twenty-seven years later, WREI is going strong and still serves the research and policy needs of the 70 women now serving in Congress, along with their male counterparts. Scanlan says, "The task is to take complex data from the voluminous tables of the Census Bureau, extract and interpret what that data says about women, and then translate it into a format that meets the 'quick and dirty' needs of frantic Congressional staff."

At the Caucus and WREI, Scanlan has contributed to many landmark legislative victories for women. These include the Equal Credit Opportunity Act, the Rural Women's Inheritance Act, and the FLMA. She has also worked to reform survivor's benefit policies for the spouses of federal and military employees, improve enforcement of Title IX,

and increase federal spending for research, detection, prevention, and treatment of diseases that disproportionately affect women. Among WREI's activities are the *Women in the Military* project, which for nearly 20 years has monitored the status of women in the U.S. armed forces and all uniformed professions—including policing, firefighting, and peacekeeping. A more recent undertaking, *Crossing Borders*, analyzes the effects of U.S. immigration law and policy on women. WREI also sponsors the *Congressional Fellowships on Women and Public Policy* program, which places talented graduate students in Congressional offices for eight months of hands-on policymaking experience. Over 240 outstanding women have been WREI Fellows over the past 24 years. WREI's biennial *American Woman* book series—now in its ninth edition—is a demographic portrait of the health, education, employment, political participation, family formation, and other statistically measurable aspects of women's lives. Scanlan says that WREI relies on IWPR's *Status of the Women in the States* reports and other IWPR research as "the go-to source for accurate information on women's economic standing."

IWPR General and Project Support

Support for IWPR's research, education, and outreach activities is funded primarily from foundations, organizations, and individuals. We are able to fulfill our mission of providing information about economic indicators, social trends, and the effects of significant public policies on women and their families with the generous support of: the John S. and James L. Knight Foundation for a study on home-based early child care; AARP for their continued support for research on women's poverty; the Ford Foundation for research on job quality for low-wage workers, paid family leave, higher education and welfare reform, interfaith activism, and *The Status of Women in the States* project; the John D. and Catherine T. MacArthur Foundation and the A.L. Mailman Foundation for our research on child care issues; the David and Lucile Packard Foundation for research on universal pre-K; the Levi Strauss Foundation and the Rockefeller Family Foundation for *The Status of Women in the States* project; the Joyce Foundation for work on employment retention; the Women's Foundation of Minnesota, the Women's Foundation of Montana, the Women's Foundation of Oklahoma, the Women's Fund of the Greater Milwaukee Foundation, and the Otto Bremer Foundation for *The Status of Women in the States* project; the Annie E. Casey Foundation for work on access to unemployment insurance, paid sick leave, and job quality; the American Association of University Women for research on the educational status of women; the James A. and Faith Knight Foundation for the production of a tool kit on county-level data analysis; the Nokomis Foundation for funding *The Status of Women in Michigan* report; and to the New Prospect Foundation and the Stewart R. Mott Charitable Trust for general support funding.

And special thanks to all of IWPR's generous and loyal members and donors. Your commitment to IWPR makes our work possible.

IWPR 2004 Summer Interns

—thank you for your hard work! (L to R) Sonia Punwani, Laura Cederberg, Erin Bunger, Melissa Beras, Emily Trevathan, Alice Ashe, Tori Key, and Jeannine Love.

We're Not There Yet: Gender Inequities in Earnings Persist

(cont'd from p. 1) for pay equity is finished and that women should be content with the gains that they've made. This new study finds that the pay gap remains substantial, women are disadvantaged in the labor market due to occupational segregation and discrimination, and that the cumulative economic impacts for women are profound. Using data from the Panel Study of Income Dynamics (PSID) from 1983 to 1998, Rose and Hartmann find that women earn considerably less than men over their working years and that the gendered division of labor and inequities of pay are self-reinforcing. The study finds that, over 15 years, women only earn 38 cents for every dollar men earn. The typical prime-age working woman in the sample earned only \$273,592 between 1983 and 1998, while the typical working man earned \$722,693 (in 1999 dollars).

While the most commonly cited one-year measure of the wage ratio is approximately 77 percent (i.e. women earn 77 percent of what men earn), Rose and Hartmann find a much lower ratio of 38 percent when they look at men and women's earnings over the entire 15-year period. This new, more inclusive, 15-year measure adds to the growing body of wage gap literature. The report argues that the traditional measure of the wage gap is misleading because it ignores the labor market experiences of over half of working women, who often work part-time or take time out of the labor force for family care. The long-term gender earnings gap measures not only women's earnings losses in a given year, but also the cumulative effect on women's earnings over time.

The study identifies several factors that help to explain the gap in earnings: occupational segregation, educational differences, differences in work hours, and years out of the labor force. The earnings gap (the disparity between men and women's earnings) is 62.1 percentage points for all women and men. Adjusting for differences in years out

of the labor force accounts for 18.3 points of the gap, and adjusting for differences in hours worked when working accounts for another 15.8 points. *The remaining unexplained gap is 28 percentage points.* This gap likely includes the effect of discrimination in hiring, promotion or pay, as well as the effects of unequal social norms at home and at work. Even when the wage gap is adjusted for observable differences in hours worked and for years out of the labor market, the wage gap calculated by Hartmann and Rose is larger than the commonly cited gap of 23 percent.

Hartmann and Rose's study also finds that career interruptions have serious consequences for women's future earnings and advancement. Women are more likely than men to work part-time, to work part of the year, or to take time entirely out of the labor force. Women experience severe setbacks when they take time out of the labor force – women who take one year out of the labor force lose 34 percent of earnings over the 15 year period; women who take four or more years out of the labor force lose 62 percent.

The authors also find significant segregation between 'male sector' and 'female sector' occupations. And this segregation is not innocent: earnings are substantially higher in men's jobs than in women's jobs, even when the same level of education is required. On average, women in the top tiers of women's jobs earn less than men in the bottom tier of men's jobs, and women are disproportionately concentrated in low paid jobs.

Clearly, inequities in pay are not a thing of the past and the implications of the continuing gap in earnings are significant for men, women, and families. Women's lower earnings limit their ability to provide for their families and to experience economic security throughout their lives and in retirement.

This new report, entitled *Still a Man's Labor Market: The Long-Term Earnings Gap*, is available in PDF format on IWPR's website: www.iwpr.org/pdf/C355.pdf. Or see the order form on the back cover.



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