LOOKING TOWARD THE WORKPLACE OF THE 21ST CENTURY: CLOSING THE POLICY GAP FOR WORKING WOMEN

by

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It is a pleasure to be here with you this evening. I would like to thank the Women's Studies Department for inviting me to speak in the Annual Nancy Yulee Lecture Series.

The George Washington University is the first university in the United States (and probably the world) to develop a master's degree program in women's studies and public policy. This program and the Institute for Women's Policy Research, which I direct, have been intertwined personally and institutionally for many years, and that is one of the reasons that I am so pleased to be speaking with you. Several of your faculty members have been instrumental to us in guiding the institute from its inception and in referring students to us as work study students, interns, and employees for nearly ten years. We are very fortunate to have had on our staff several alumnae of your program.

When I founded IWPR in 1987, I sought to create an institution to bring the burgeoning new research in women's studies to bear on the policy process in such a way as to improve the lives of women. It seemed to me there was a gap between the scholars' world and the public policy world—especially around causes of concern to women—precisely because women and women's issues had been overlooked for so long in both worlds. IWPR and the GWU women's studies program share the goal of making sure women are no longer overlooked and of linking the two worlds. IWPR exists to stimulate activity on behalf of women in both worlds and, especially, to bridge the gap between these two worlds—by stimulating, conducting, and disseminating policy-relevant research on issues important to women. We are pleased to have been able to work with the GWU women's studies and public policy program in doing so.

IWPR puts women at the center of all of our work—we ask questions from the vantage point of women. We also acknowledge and study the differences among women by race,
ethnicity, family status, age, and class, and we seek to do research that will help illuminate ways that the economic independence and security of women can be enhanced.

This evening I want to look at several important gender gaps that affect women--especially around employment, family, and public policy--assessing how much these gaps have closed and are likely to close in the next several decades. I also want to share with you some of the findings of our research studies at IWPR, which we hope have contributed, through providing information and insight, to helping to close these gaps.

**Women are Closing the Work Gap**

Women are entering the labor market in greater numbers and are remaining in it longer and for a larger proportion of their work lives. They have been increasing their education and on-the-job skills. They are working more hours and for better pay. They have taken on more financial responsibility for themselves and for their families. In a sense, as economic actors, women are becoming more like men.

Figure 1 illustrates the historic growth in women's labor force participation--a growth which has occurred in three ways. First, each new cohort (age group) of women has worked more than the one before. Second, each cohort of women has generally worked more as they have aged (until reaching retirement age). And, third, each cohort of women has worked more steadily during the child rearing years, spending less time out of the labor force when they have children. There is now no dip at all in average labor force participation rates for women in their 20's and 30's. And as Figure 2 shows, men's labor force participation has been falling, just as women's has been increasing, at almost every age. Today, women constitute 46 percent of the labor force overall and we can expect that proportion to reach 50 percent, or even more, over the next decade or two. Women are voting with their feet--by moving into the labor force and staying there. Clearly this trend is going to continue.
Figure 1.


Figure 2.

Women are Closing the Wage Gap

When women are asked, in survey after survey, what they want, most women respond: "pay equity," "better wages," or "more money." This may seem a bit simplistic, even crass, but in this economy, you must have money to survive. Women report that they believe they are not getting paid what they are worth (see, for example, Working Women Count, which reports the results of a recent survey by the Women's Bureau of the US Department of Labor).

This response is common up-and-down the income spectrum: women from the executive suite to the factory floor, from the office to the washroom generally feel they are underpaid. And this is so, despite the fact that the pay gap between women and men has narrowed significantly.

In the late 1960's and early 1970's, women earned 59 percent of what men earned (comparing the median earnings of men and women who worked full-time all year). Women now earn about 72 percent of what men earn. That is a significant change, though many would argue it is too little, too late--or at least two little, too slow. And part of the reason for the closing of the gap is that things have been getting worse for men. As Figure 3 shows, men's real wages (in 1994 dollars) have been gradually falling since the early 1970's; during this same time period, women's wages have continued to rise fairly steadily in constant dollars. According to IWPR calculations, about 3/5 of the narrowing of the gap is due to the fall in men's real earnings. This is not exactly what we meant when we said we wanted to catch up with men: that their wages should fall to meet ours!

But despite the negative wage trend for men, they still outearn women (on average) at every age. In fact, the wage gap grows as women and men age, as Figure 4 shows. The gap is relatively small for young women and men, but thereafter men's wages increase sharply while women's do not. The average woman in her working prime, that is, in her early forties, makes only about the same as a man in his late twenties.
Figure 3.

Trends in Real Median Annual Earnings, for Male and Female Full-Time, Year-Round Workers, 1960-1994

1994 Dollars

$40,000

$37,000

$34,000

$31,000

$28,000

$25,000

$22,000

$19,000

$16,000

$13,000

$10,000


Male

Female

$30,854 in 1994

$22,205 in 1994

Note: Persons 15 years and older with earnings beginning March 1980, and persons 14 years and older as of March for previous years. Prior to 1989, earnings are for civilian workers only.

Figure 4.

The Female-Male Wage Gap Over the Life Cycle (1994 Median Annual Earnings, by Age)

Note: Persons 15 Years and Older, Full-Time, Year-Round Workers

My view is that, although the gap remains large and worsens for women as they age, the wage gap is likely to continue to close over time. But just how much, and how fast, is the question. In the past several years, there appears to have been less progress in closing the gap than throughout the decade of the 1980's. While it is too soon to confirm a trend, this tendency toward stagnation is troubling.

Among the factors that will affect the rate of closure are these:

- **Resumed Real Wage Growth for Men.** Men's real wages are likely to begin to grow again, because U.S. productivity is again growing at a healthy rate. Obviously, it will be beneficial if they do increase, but if so, women's real wages will have to increase even faster than they have been in order for the wage gap to continue to close.

- **Growing Inequality.** Women at the bottom have been doing less well in recent years; their wages have fallen relative to better educated, higher earning women. Wages for women with only high school educations or less, like similar men, have actually fallen in real terms, while wages of college educated women have continued to grow. Earnings for women of color still lag behind those of white women, and in recent years, the gap has stopped closing and has even widened a bit, perhaps also because of reduced returns to those at, and near, the bottom. Since more women than men are clustered at the bottom of the wage scale, the continuing growth of inequality between the bottom and the top is likely to affect women more than men, contributing to a tendency to widen the female/male wage gap, rather than close it. The failure of the federally-set minimum wage to keep up with inflation contributes to this growing inequality, as does the falling share of unionized workers in the labor force as a whole.

- **Uneven Economic Growth.** The wage gap is affected by the job sectors in which growth occurs. Are the growing sectors ones in which women's earnings opportunities are relatively good or relatively poor? In the past few decades, women have benefitted from high growth in areas in which they were already working—health, education, and clerical work, for example; high rates of growth are not expected to continue uniformly in all these areas. Government cutbacks are likely to affect women's employment disproportionately, especially in the professions and management, since a high proportion of women professionals and managers work in the public sector.

- **Government Enforcement.** The size of the gap will also depend on government action in enforcing equal employment opportunity and affirmative action. Research done by the National Research Council/National Academy of Sciences as well as by IWRP has shown that these programs do work when enforced; they benefit both white women and women of color (as well as men of color). Cutbacks in budgets for the government enforcement agencies that occurred in the 1980's have not yet been fully restored.
Despite this mixed future picture suggested by these factors, however, one trend which is likely to continue to benefit women's wages is women's increasing educational attainment.

**Women are Closing the Education Gap**

Young women today are earning more than half the bachelors' and masters' degrees, and about forty percent of the Ph.D. degrees each year (as of 1992). Women are increasingly pursuing courses of study more like those men pursue, earning degrees in business, law, medicine, and computer science. Today women comprise almost forty percent of medical students\(^1\), and are approaching equality in law programs\(^2\). Despite greater similarity in women's and men's courses of study, however, there is still room for improvement in several areas. Less than ten percent of engineering Ph.D. recipients in 1992 were women, and psychology is the only broad science field in which women receive the majority share of doctorates earned. Also, minority women still comprised only five percent of Ph.D degrees earned by U.S. citizens in 1992.\(^3\)

As we have seen, women's earnings have been growing much faster than men's since 1975, and a large part of that growth is due to their rapid accumulation of human capital, both in the form of formal education and in the form of labor market experience. As Figure 5 shows, despite women's recent catch-up in college graduation rates, looking at the stock

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1. U.S. citizens only, excluding non-resident aliens. For medicine, the numbers exclude veterinary medicine, optometry, and pharmacology.


Figure 5.

Men and Women, 25 Years and Older, Who Have Completed 4 Years of College or More, 1960 -1995

(rather than the annual flow) of college graduates in the adult population reveals that women still lag behind men in college education; the catch-up in the stock occurs more gradually. Substantially more adult men than women have college degrees. Women still have some distance to go before their educational attainment equals that of men. As the catch-up process, both in education and in life-time labor force participation, continues, women's wages should continue to gain on men's.

Like government enforcement of equal opportunity in employment, government assistance with equal opportunity in education is necessary to women's continued educational achievement. Proposed cutbacks in federal grants and loans could seriously handicap women as they attempt to continue to close the education gap.

Whatever the difficulty, women are likely to continue to improve their educational status. Women are voting with their feet towards educational credentials. Women seem to believe educational credentials will help them overcome the barriers they face in the labor market--they know they can't depend on the old boys' network, so they go out there and get the skills they need. It's hard to keep women down, and it's especially hard to keep an educated woman down!

**Women are Closing the Jobs Gap**

The types of jobs that women hold are now more similar to those men hold. Women have been entering the professions and management jobs especially rapidly and have reached the point at which their representation in these occupational groups approximately matches their representation in the labor force as a whole. In 1993, women held 47.8 percent of all professional and managerial jobs. Some examples: They increased their proportion of personnel and labor relations managers, from 44 percent in 1983 to 61 percent in 1993. As financial managers, they increased their share from 39 percent in 1983 to 46 percent in 1993.
The health and medicine managerial occupations enjoyed an increase from 57 percent female to 71 percent female in this ten year period.

But women's and men's job patterns are still not equal enough. Substantial sex segregation is still found in the labor market. In law, women made up only 23 percent of the occupation in 1993. In that same year, women made up only 8.6 percent (a 0.5 percentage point increase from 1983) of the precision, craft and repair occupations. And they experienced a decline in their representation as machine operators, assemblers, and inspectors (from 42 in 1983 down to 39 percent in 1993). Women are still overrepresented in women's jobs, despite the general improvement that has occurred. Women still hold more of the lower paid jobs, the minimum wage jobs, the temporary jobs, and the part-time jobs (especially the involuntary part-time jobs, meaning they would rather have full-time jobs). Women hold about 60 to 65 percent of these less desirable jobs, including all forms of contingent work.

Women are also closing the "multiple jobs gap" or the having "too many jobs gap." Proportionately, more women now moonlight than men. Approximately 9 percent of women workers simultaneously held more than one wage and salary job compared to only 7 percent of male workers. Since 1970, women's employment as a whole has doubled overall, but women's multiple job holding has increased sixfold. Women are also beginning to close the


A recent IWPR study by Spalter-Roth and Hartmann, using a new definition of contingent work, estimates that, of all workers, about 1 out of 6 are contingent workers, 61 percent of whom are women. See Roberta Spalter-Roth and Heidi Hartmann, "Contingent Work: Its Consequences for Economic Well-Being, the Gendered Division of Labor, and the Welfare State," in Contingent Workers: From Entitlement to Privilege, edited by Kathleen Christiansen and Kathleen Barker (Ithaca, NY: ILR Press, forthcoming); also available as a discussion paper from the Institute for Women's Policy Research, Washington, DC.
"entrepreneurship" gap; women's self-employment has tripled over this same period (yet women are still under-represented in self employment and business ownership).

What about the future of the jobs gap? Both "high tech" and "high touch" jobs are expected to grow more rapidly than total employment. Many of the jobs that are growing the fastest are high touch jobs traditionally dominated by women: personal and home care aides, home health aides, physical therapy assistants and aides, occupational therapy assistants and aides, human service workers, and teacher aides and educational assistants. Rapid job growth is also predicted in the following high tech jobs, most of which are not typically held by women: systems analysts, computer engineers, medical records technicians, operations research analysts, data processing and equipment repairers, and sales workers in securities and financial services. In between high-tech and high-touch, combining some of the characteristics of both types of jobs, are several additional occupations that are expected to have high job growth: paralegals, medical assistants, surgical technologists, and dental hygienists. All of these occupations--high tech, high touch, or some of both--are expected to grow by 40 percent or more by the year 2005; some are expected to more than double in size. (For comparison purposes, the overall labor force growth rate for the same period is estimated at 14 percent.)

The occupations that are expected to add the largest number of jobs, some of which are large occupations that are not particularly rapidly growing, also include several disproportionately held by women: cashiers, janitors and cleaners including maids, retail sales workers, waitpersons, registered nurses, and nursing aides, orderlies, and attendants. Each of these occupations is expected to grow by 400,000 to 600,000 jobs by 2005.7

Thus many of the new jobs that will be available to women are those in which women already predominate and many also are among the lower paying jobs (home health aide, personal and home care aide, cashier, maid). It will be difficult to reduce the concentration of women at the bottom of the labor market if the bottom experiences most of the job growth.

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And if two million more women with lower skills enter the job market from the welfare rolls, there will likely be further downward wage pressure on already low-wage jobs. If the public sector continues to be cut back and employment growth in education, health, and management slows, many of the labor market sectors that provided excellent job growth at good wages to women in the past will shrink in relative importance.

Barring a recession, there will be plenty of new opportunities for women, but many will not be especially well-paying. Once again, women's future labor market opportunities will depend on the ability of the government to enforce anti-discrimination laws, which would ensure that women get a fair share of all the available jobs.

Are Women Closing the Family Gap?

Do women have the same relationship to families as men? Obviously not, but in several ways their relationship is becoming more similar, while important differences remain. Figure 6, which shows the proportions of working parents in all families with minor children, indicates that women have been taking on more financial responsibility for families. Dual earner couples, in which both parents work for wages, have grown from about 1/3 of families with children in 1975 to nearly half in 1994. The proportion of families with only working mothers in the family has nearly doubled from about 1/10 to nearly 1/5. Women are more likely to be breadwinners than ever before—they are now just about as likely as men (about 7 out of 10), or nearly so, to be working to support children at home.

Women are not, however, equally likely to have a wife at home to take care of daily family life, which, let's admit, we all need. Twenty percent of families with children have a father working outside the home and a mother at home, whereas only a very few of the 19 percent of families with working mothers (in single earner families) include a husband at home. Most of the latter families are headed by mothers alone (and only about three percent
Figure 6.
The Increasing Responsibility of Women Workers For Family Financial Needs

Percent of All Families with Children in Each Family Type

Note: Data for 1994 are not directly comparable with data for prior years because of major revisions in the survey questionnaire and data collection methodology that were introduced in January 1994 as well as the use of the 1990 census-based population controls that were introduced into the estimation process at the same time.

of all families with children are headed by an unmarried working father, so that men are much, much less likely than women to experience the difficulties of single parenthood).

Women have closed the gap of family provider; what needs to be done is for men to close the gap of family worker. Men are able to have a family and a career, while women are more likely to pursue a career alone. I consider myself very, very lucky to have been fortunate enough to have three wonderful daughters and a man who shares the child rearing and many of the family chores and a career to which I am dedicated; most women simply don't have that opportunity. But even in the family realm some progress has been made; not only have men been increasing, slightly, their time spent on housework, women have been spending less—for several reasons. First, when women work outside the home they simply spend less time working inside the home (teenage children are apparently doing more and more families are using child care providers). Second, women have reduced family care time by having fewer children and having them closer together. Third, men are spending more time on a few of the domestic chores, especially child care, cooking, and shopping. (But, by and large, they still don't do the laundry. While working on my dissertation on the economic history of housework in the United States, I found out why Chinese men were able to get into the laundry business during the California gold rush. It seems that prior to the arrival of the Chinese immigrants, the miners had been sending their laundry by boat to Hawaii—the clean laundry came back six months later. That shows you the lengths some men will go to not do the laundry!)

What does the future hold for the family gap? I expect to see the underlying demographic trends that pull us toward greater equality in financial support to continue in the same direction. The birth rate is likely to continue its historic decline (although short term increases will also likely occur from time to time) and the proportion of families headed by single parents is likely to continue to grow. Since women's labor force participation will continue to grow, more and more married couple families will have two earning parents, and the proportion of so-called traditional families, distinctly in the minority now, will become
even more of a minority form. I also expect to see some progress by men in closing the family work gap. The more women work for pay outside the home, the more family responsibilities men necessarily take on. Men of conscience know and understand this, and are increasingly doing their share of family work.

Are We Closing the Policy Gap?

Our most difficult problem, it seems to me, is that our public policies continue to be based on the "traditional" model of a male worker with a wife at home. Our federal income taxes, social security system, and unemployment insurance benefits all do more for the family with a male breadwinner and an at-home wife, despite public opinion to the contrary. For example, our income tax system allows the splitting of family income between a working spouse (usually the husband) and a nonworking spouse (usually the wife), so that when two men have the same earnings, the man with a wife at home often pays substantially less taxes than a man with a working wife. When a working wife earns about the same as a working husband, the tax penalty on marriage itself is fairly high (it can be several thousand dollars per year), so that the couple would be, tax-wise, better off unmarried. There is no marriage penalty for the couple in which one spouse doesn't work. Under social security, married women who have worked all their lives and contributed taxes to the system often receive no more in retirement benefits than wives who never worked outside the home. Some years ago, men whose working wives died had to sue in order to get the widower's benefit to which their minor children were entitled, whereas widowed women got them automatically--those families with working wives just did not fit the traditional norm and so they were underserved until the system was challenged. Unfortunately, far too many mismatches remain in our public policies. With respect to unemployment insurance, benefits are more generous for those workers who are "fully committed" to the labor force, generally defined as full-time work. Recent IWPR research shows that many part-time workers (and workers with inconsistent
labor force attachment or low earnings) tend to be excluded by earnings tests, which measure not only the level of earnings but also their accumulation over the course of a year. In addition, family-related reasons for leaving work are generally not considered valid reasons and eligibility is often denied in such cases. Thus, women workers are more likely to be excluded from receiving unemployment insurance benefits.  

There are a host of public policies that need reform in order to make them more equitable across the genders. Most of all, I would focus on policies that increase women's wages. I believe public policy, and advocacy by women's organizations, should focus on the primary area women workers report being concerned about: pay. We need pay equity—pay rates that are based on women's understanding of what a job is worth. The proposed Fair Pay Act, introduced by Congresswoman Eleanor Holmes Norton, would help achieve pay equity in the United States. The best way to get men to close the family gap—to get men to do more housework—is to close the wage gap. Pay equity policy is an essential component of raising women's wages; equal opportunity and affirmative action alone are not sufficient. An IWPR study of pay equity adjustments made in state civil services shows that pay can be raised in women's jobs without major disemployment effects and that the male-female-male pay gap is narrowed by such measures.

Other ways to improve women's wages include raising the national minimum wage and increasing union representation among women workers. Our research at IWPR shows, for example, that unions tend to raise women's wages more than men's, other things being

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equal. And two-thirds of minimum wage workers are women; raising the minimum wage will help women disproportionately.

We have all heard a lot in the past few years about child care and dependent care needs. I couldn’t agree more—if public policy were based more on the model of a typical woman’s life cycle than a typical man’s, we would already have policies that address child care and dependent care needs. The United States should have universally available, publicly funded child care, like several other advanced industrial countries such as France and Sweden already have. Much as we try to encourage businesses to participate in providing child care, in my view, giving children a good start in life, through organized child care, is a public function, and should be publicly subsidized if not publicly provided. Investing in our children is simply a good investment. Paid family care leaves would also be of great benefit to women and men who are raising children or have elderly parents to care for, while they also hold down jobs. IWPR research shows that a new insurance system, much like the current Temporary Disability Insurance systems operational in five states, could also provide partial wage replacement for family care reasons as well as sickness and disability (as they do now) for about the same cost as the current unemployment insurance system. These family care


issues, child care and paid family leave, will, I believe, be addressed in the near future, because they are absolutely necessary to increasing economic security for women and families. With more women working outside the home, child care costs loom large as a portion of family budgets and lost earnings from missing work to take care of family needs (such as care for a new born or an ill child or elderly parent) can wreak havoc on family incomes.

But I want to close with a policy initiative which is less discussed but is just as central to enabling workers to cope with their personal lives and family needs: a shorter working day. A shorter working day for everyone, for example six hours, would contribute enormously to the quality life as it would relieve the time squeeze that occurs when all the adults in the family are working. It would also contribute to gender equality in the home and workplace if both men and women worked a six-hour day. The standard work day has not been reduced since the 1938 Fair Labor Standards Act set the work week at 40 hours and the standard day at eight hours. One way for workers to share in future productivity growth, in addition to or in lieu of future wage increases, is to reduce working hours (but not total pay). This option is now being seriously considered in other countries and deserves greater consideration here.

I believe all of the policies I have mentioned—pay equity, public provision of child care, paid family care leave, and a shorter working day—will be adopted during my lifetime to close the policy gap. We have a tremendous opportunity now to lead, to point to the real problems and offer real solutions that take into account the needs of all adults as workers and nurturers and of dependent family members as well.

We have an opportunity to lead the public policy debate and close the policy gap. We as scholars and researchers can work to bring about needed changes through our research and public education.