A variety of indicators can be used to measure women’s economic status. The four selected for this project are: the gender wage gap; the percentage of women over 25 with four or more years of college; the percentage of all businesses that are women-owned; and the percentage of women in poverty.

The declining wage gap summarizes women’s increasing labor market success and purchasing power relative to men’s. The increasing number of women with higher education indicates their growing potential earning power since increased education correlates with higher earnings. The rising number of women-owned businesses signifies not only their sizable economic contribution to society, but also a growing acceptance of women in fields formerly dominated by men.

Despite these strides, the number of women in poverty continues to increase, as the population of women increases and anti-poverty programs are inadequate to the need. Given the current trend toward devolving governance to the states, it is important to examine both women’s successes and their families’ ongoing needs on a state-by-state basis.

Over the past several decades women have been gradually achieving economic parity with men. The wage gap, one important indicator of women’s economic status, has narrowed significantly in the last ten years, with the ratio of women’s to men’s earnings rising from 63 percent in 1985 to 72 percent in 1994. Women over 25 are more likely to have a college education than they were previously and are closing the gap with men in college graduation rates. In fact, in recent years, women have earned more bachelors and masters degrees than men. More women entrepreneurs are establishing their own businesses, many to meet their needs for flexibility, others to escape the constraints of the glass ceiling.

These economic changes in women’s lives have enormous implications, both society-wide and within individual families. With greater economic participation, and economic power, women are also participating more in the political process as voters, candidates, and office holders.

At the same time, both women and men continue to spend less of their adult lives in marriages, and an increasing number of women find themselves the principal or sole wage earner in their families. That women still have less human capital (as measured by their years of schooling and years of labor market experience) and lower earning power than men, are located in disproportionately female, lower-paying occupations, and still have the major responsibility for child and elder care, all contribute to the inability of many women to support themselves above the poverty level. In addition, growing income inequality in the United States and falling real incomes at the bottom of the income distribution mean rising poverty for both women and men and, consequently, children. Yet the same economy that is generating increased poverty is also generating enormous opportunities for women and men at the top.
These mixed economic trends, as well as the enormous positive changes in women's lives, all demand increasing attention from policy makers at both the state and national level. As the data reported here show, states, in particular, have the opportunity to study differences in their performance regarding the economic progress of women and to enact policies that will improve the status of women in areas where their state lags.

**WAGE GAP**

- The District of Columbia has the smallest wage gap between men and women, with women earning 87.5 percent of men's earnings, while West Virginia ranks the lowest with the largest gap and a ratio of women to men's earnings of 58.9 percent.
- From 1980 to 1990, the wage gap narrowed in all fifty states and the District of Columbia. The state with the smallest change was Mississippi (2.1 percent), while Texas experienced the largest decrease in the wage gap (14.1 percent).
- The ratio of women's to men's earnings in the United States as a whole in 1994 was 72.0 percent.

**COLLEGE EDUCATION**

- The District of Columbia and West Virginia also occupy the first and last positions in this category. Thirty-point six percent of women 25 and older in the District of Columbia have four or more years of college, while only 10.9 percent of those in West Virginia do.
- Eleven states (Alaska, Colorado, Connecticut, Maryland, Massachusetts, Minnesota, Montana, New Hampshire, Utah, Vermont, and Washington) and the District of Columbia have a higher number of women with college degrees than women who dropped out of high school.
- 17.6 percent of all U.S. women 25 and older have four or more years of college compared to 23.3 percent of all U.S. men in the same age range.

**WOMEN BUSINESS OWNERS**

- The District of Columbia claims the highest percentage of businesses that are women-owned (41.3 percent), and Mississippi the lowest (30.2 percent).
- Women-owned businesses in the United States totaled $642.5 billion in sales receipts in 1992 and employed 6.3 million workers. It has also been projected that in 1996, women-owned businesses will generate sales of $2.3 trillion and employ 18.5 million workers.
- In the United States as a whole, women-owned businesses were 34.1 percent of all firms. Although the number of women business owners has been growing at twice the rate of men, women are still only about half as likely as men to own a business.

**WOMEN IN POVERTY**

- While only 7 percent of women in Connecticut live in households with below poverty level incomes, more than one in four women in Missippi live in poor households.
- According to the 1990 Census, 30.7 percent of women heading their own households were living in poverty; of those women heading families with children, the percent in poverty was 43.7. And in 1993, 21 percent of all children were living in poverty.
- In 1990, 13.2 percent of women and 8.8 percent of men ages 18 and over in the United States were living in poverty.

**STATE OF THE STATES**

The indicators show a wide disparity between the "best" and "worst" states. Four states -- Hawaii, California, Vermont and Maryland -- rank among the best third of the states on all four issues. Six states -- West Virginia, Mississippi, Alabama, Tennessee, Kentucky and Louisiana -- rank among the lowest third of the states on all four issues.
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Despite these strides, the number of women in poverty continues to increase, as the population of women increases and anti-poverty programs are inadequate to the need. Given the current trend toward devolving governance to the states, it is important to examine both women's successes and their families' ongoing needs on a state-by-state basis.

Over the past several decades women have been gradually achieving economic parity with men. The wage gap, one important indicator of women's economic status, has narrowed significantly in the last ten years, with the ratio of women's to men's earnings rising from 53 percent in 1985 to 72 percent in 1994. Women over 25 are more likely to have a college education than they were previously and are closing the gap with men in college graduation rates. In fact, in recent years, women have earned more bachelors and masters degrees than men. More women entrepreneurs are establishing their own businesses, many to meet their needs for flexibility, others to escape the constraints of the glass ceiling.

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Other findings:

- The District of Columbia ranks in the best third in three out of the four categories: wage gap, college education, and business ownership (worst third for poverty).

- Alaska ranks in the best third in three out of four categories: wage gap, college education, and poverty (worst third for business ownership).

- Ohio, Indiana, and Illinois all rank in the worst third for both the wage gap and college education. Much of the Middle Region, North and South, ranks in the worst third on these two indicators.

- Western states make up almost the entire best third for women-owned businesses.

- Southern states from Arizona to South Carolina make up almost the entire worst third for poverty (South Dakota is the only northern state in the bottom third).  

- Georgia ranks in the middle third for business ownership and college education, and the best third for the wage gap, despite the extremely poor performance of its neighbors.

- While Arkansas is in the worst third for poverty, college education, and business ownership, it reaches the best third for the wage gap. (This only means that the men are just as poor as the women.)

THE CPA-IWPR PARTNERSHIP

The Institute for Women’s Policy Research (IWPR) and the Center for Policy Alternatives (CPA), both non-profit public policy and research organizations, collaborated on this project designed to rank and map data describing women’s opportunities in the states. Over the past ten years CPA and IWPR have conducted extensive research, public education, and outreach on the economic status of women in the states.

IWPR is a nonpartisan, scientific research organization that serves as a resource in the public policy arena by providing statistically reliable data on issues from the perspective of women, children and families. IWPR is currently working on a larger, two-year project to produce and disseminate state-by-state reports on the status of women which are designed to improve the ability of advocates and policy makers at the state level to address women’s economic issues. IWPR expects to release 14 state reports in October of 1996.

CPA works to encourage progressive change in domestic policies throughout the 50 states. CPA provides ideas, strategy and advice to a network of more than 6000 state legislators, administrators, opinion leaders and advocates. Through its Commission on Women’s Voices for the Economy, CPA is building consensus in the states on a new women’s economic agenda via education and policy analysis.

NOTES:

1 The ratio of median earnings of women working full-time, full-year to median earnings of men working full-time, full-year expressed as a percent. (The chart portrays the wage ratio as a percent. Strictly speaking the gap is 100 percent minus the ratio: a ratio of 70 percent translates into a gap of 30 percent.) IWPR analysis of 1990 Census data from the Public Use Microdata Sample, Bureau of the Census, U.S. Department of Commerce.


4 Percent of women ages 25 and older who have completed four or more years of college. Population Reference Bureau analysis of 1990 Census data in “What the 1990 Census Tells Us About Women,” Table 13, 1993.


Proportion of women ages 18 and over living in households whose total income falls at or below the federally defined poverty level for a household of their size and composition. Population Reference Bureau analysis of 1990 Census data in "What the 1990 Census Tells Us About Women," Table 22, 1993.


It is frequently argued that the Southern states tend to have a lower cost of living than the Northern states and therefore use of a standard national poverty line tends to overestimate poverty in these areas and underestimate poverty in high cost areas (such as major metropolitan areas). While this is likely true, at this time the government has not yet developed regional poverty standards (National Research Council, Measuring Poverty: A New Approach, National Academy Press, Washington, DC, 1995). Moreover, many of the Southern states also rank low in education, which directly contributes to the low earning power of their residents.
Other findings:

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