

NEWS

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Still A Man's Labor Market: The Long Term Earnings Gap

New Report Analyzes the Causes and Costs of the
Gender Wage Gap Over a 15-Year Period

Washington, DC – Women, in their prime earnings years, make only 38 cents for every dollar that men earn. 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. The typical prime age working woman earned only \$273,592 between 1983 and 1998 while the typical working man earned \$722,693 (in 1999 dollars). This gap of 62 percent is more than twice as large as the 23 percent gap commonly reported (based on the federal Current Population Survey).

The conventional method of measuring the wage gap compares the annual earnings of women and men who work full-time, full-year in a given year. According to Dr. Heidi Hartmann, President of the Institute for Women's Policy Research and co-author of the report, "This measure is misleading because it ignores the labor market experiences of over half of working women, who either 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 of balancing family and work responsibilities."

This new study looks at the labor market experiences of men and women across 15 years of the Panel Study of Income Dynamics, a longitudinal survey maintained by the

University of Michigan that tracks the same group of men and women over many years. By taking into account women's lower work hours and their years with zero earnings due to family care, the new measure provides a more accurate and complete estimate of the gender gap in earnings.

“The earnings gap is substantial,” said Dr. Stephen Rose, co-author of the report, “Women and their families suffer as a result of women's diminished earnings over their lifetimes and the resulting economic insecurity as they enter their retirement years.”

Some of the reasons for the continued gap in earnings are gender segregation in the labor market; sex discrimination in hiring, pay, and promotion; differential access to education and training; and differences in hours worked between women and men. According to Dr. Hartmann, a woman's decision to work fewer hours in order to provide family care is severely constrained by the lack of affordable, good quality child care, women's lower pay and inferior working conditions on the job, and social norms in their kinship network, religious group, or community.

According to Dr. Barbara Gault, director of research at IWPR, “The persistent and large gender gap in earnings points to the importance of strengthening enforcement of existing equal opportunity laws, increasing women's access to education and training in high paying fields, and providing necessary work supports for families such as flexible hours and job-guaranteed and paid leaves of absence for sickness and family care.” Dr. Hartmann states that “New legislation to address the lack of comparable worth, the tendency for female-dominated jobs to be paid less than comparable male-dominated jobs, is also needed.”

This report will be available online June 4th at <http://www.iwpr.org>.

Macro International, Inc. is an Opinion Research Corporation company (ORC Macro), headquartered in the Washington, D.C. area. ORC has conducted projects for

private and public sector clients in more than 100 countries, in such areas as education, welfare reform, and demographic and health services.

The Institute for Women's Policy Research is a public policy research organization dedicated to informing and stimulating the debate on issues of critical importance to women and their families. IWPR focuses on issues of poverty and welfare, employment and earnings, work and family issues, health and safety, and women's civic and political participation. The Institute works with policymakers, scholars, and public interest groups around the country. IWPR, an independent, non-partisan research organization, also works in affiliation with the graduate programs in public policy and women's studies at The George Washington University. IWPR is a non-profit, tax exempt organization, primarily supported by foundations.

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