Research Overview: Economics

At the Women's Foundation of Minnesota, we know that when women thrive, so do their families and communities. To achieve economic security, women must first have economic opportunity, including access to education, employment, workforce development, and child care.

From unequal or low wages to work-family balance, addressing these barriers will improve the lives of women and of all Minnesotans. As Stephanie Coontz argues in her recent New York Times’ commentary: “Social and economic policies constructed around the male breadwinner model have always disadvantaged women. But today, they are dragging down millions of men as well. Paradoxically, putting gender equity issues at the center of social planning would now be in the interests of most men.” (Jan. 12. 2014)

In the following pages of this Economics section, the data show that Minnesota can do better when it comes to addressing the economic plight of women. The wage gap shortchanges women, regardless of education, age, race/ethnicity or region of the state. Women remain clustered in low-wage work, representing two-thirds of those in the state earning at or below the minimum wage and continuing to be the majority of those living below the poverty line.

Minnesota continues to be a national leader in women’s workforce participation and women earn a majority of all post-secondary degrees, yet these changes have not translated into economic equality.

Our working mothers are increasingly the primary breadwinners in their families and continue to shoulder the majority of both paid and unpaid caregiving in the state. Yet, many jobs do not provide the paid leave time and flexibility needed to be both a breadwinner and a caregiver. At the same time, affordable, quality childcare has grown increasingly out of reach, even for those in the middle class.

Helping women and men balance family and work responsibilities not only makes for healthier, happier families but reduces costly turnover and increases productivity.

Paying women the same as men for comparable work and paying everyone a livable wage benefits both men and women. It also helps families who increasingly depend on women’s income to achieve and maintain the middle-class American dream.

Reducing job clustering of women in certain job sectors increases the talent pool and maximizes opportunities for both employee and employer efficiency and productivity. Providing paid leave produces positive economic outcomes for employers and employees, in particular for women, but also for men.

It is our hope that this report will raise awareness about the road ahead to create equality for all women and girls. We will use it as a tool to advance progress and inspire more Minnesotans — citizens, businesses, philanthropists, teachers and leaders — to actively support economic opportunity for all of the state’s women and girls.
Minnesota's higher education system remains gendered. Business is the most common bachelor's degree field for Minnesota's 25-30 year old women and men. Beyond that, degrees break down along gendered lines. Among Minnesota's young bachelor's degree holders, after business women most frequently have degrees in education, medical/health and psychology while men have degrees in engineering, computer/information science and social sciences. The workforce nationally has become less segregated over time, but that desegregation has stalled since the mid 90's and now segregation is actually increasing among younger workers.

Occupational clustering contributes to the wage gap, threatens women's economic security and stability, and compromises the productivity of Minnesota's economy. Twenty-nine percent (29%) of Minnesota's white men work in sales, office and service compared to 63% of African American, 62% of American Indian and 57% of Latina women.

Women-owned businesses are concentrated in traditional fields. While women own 29% of businesses overall; they own 53% of healthcare and social assistance firms and 44% of educational firms.

Women remain underrepresented in the critical field of computer science. Only 17% of 2010 computer science bachelor's degrees earned in Minnesota went to women and only 20% of computer/information sciences degrees from Minnesota technical colleges were earned by women. Twenty-eight percent (28%) of the state's computer programmers, 25% of software engineers/developers and 19% of hardware engineers are women.

Minnesota's rental housing affordability is ranked among the worst in the Midwest, placing it out of reach for most Minnesota female-headed families. Sixty-seven percent (67%) of female-headed households in rental housing and 49% of those who own their home are paying costs that exceed 30% of their income. From 2008 to 2011, the proportion of renting female-headed households in extremely unaffordable units (paying more than 50% of income) increased by 46% (from 28% to 41%).

Lack of affordable housing has contributed to a 32% increase in the number of homeless people in the past six years, many of them women with children.

The average two bedroom apartment in Minnesota costs $836 a month. A full-time, minimum-wage ($7.25) worker earns $1,160 per month, leaving roughly $324 a month to pay for all other expenses including food, transportation, child care, etc.

Minnesota's children and young adults are most likely to be homeless. Children with parents and unaccompanied minors make up 24% of the Minnesota population, but represent 36% of Minnesota's homeless population. Young adults (18 to 21) are 6% of the population, but 10% of Minnesota's homeless population. Fifty-seven percent of the state's homeless young adults are women. Homelessness is a significant risk factor for young women, leaving them vulnerable to sexual exploitation and violence.

Female-headed households are less likely to be living in a home they own than other families, and the proportion of these households that own has declined.
Women of all types have a significant gap in income compared to the year-round median earnings of white males.

With increasing numbers of women breadwinners, the double disadvantage of lower wages across almost all occupations and lower wages in female dominated professions affects our families and communities. Not only are female-dominated occupations generally compensated at lower levels overall, women in these occupations generally earn less than comparable men in the same occupation. The wage gap grows for women when they have children (7%).

The fastest growing fields for women are healthcare-related and have among the highest pay gaps—with Minnesota women in healthcare practitioner or technician jobs earning 57¢ for every $1 earned by a man.

Pay equity policies matter. Minnesota has a model Local Pay Equity law based on the concept of comparable worth. And in fact the overall pay gap for Minnesota women employed by local government is almost half that (13%) of that for those employed by the private sector (23%).

Minnesota ranks 39th in the country for % growth in women-owned firms and 32nd in revenue growth. In 2012, Minnesota’s unincorporated, full-time self-employed women had the highest pay gap (46¢ on a comparable man’s dollar) by sector.

The pay gap compared to white men is larger for women of color and women from immigrant and refugee communities, leading to significant lifetime loses and higher poverty rates. National research estimates lifetime losses for Latinas at $900,000 over a career. Minnesota’s working women of color who are mothers are also more likely to be the primary or sole breadwinner for their family.

Although women are receiving the majority of degrees, they need them to earn as much as men with less formal education. Minnesota women (25-30 years old) with a Master’s degree who are working full-time earn $4,816 less than a comparable man with a bachelor’s degree and earn just $1,184 more per year on average more than men with AA degrees. Because of lower post-graduate salaries and the need for higher degree acquisition to earn similar salaries, young women also shoulder disproportionate levels of student loan debt.

The pay gap continues for younger women. After controlling for degree, occupation, specialty, hours worked and other factors, research shows a 7% unexplained gap right out of college and another study shows a $16,000 gap right out of medical school.

Unconscious bias and stereotyping on the part of both men and women contributes to the pay gap. A 2012 National Academy of Sciences study involving science faculty from research-intensive universities rating randomly assigned male or female applications for a laboratory manager position found that both male and female faculty rated the male applicant as significantly more competent and hireable than the (identical) female applicant and offered a higher starting salary and more career mentoring to the male applicant.

At the current rate, the pay gap in Minnesota will not be closed until 2060.

Women make up the majority of low-wage workers in Minnesota. 63% WOMEN 37% MEN
Minnesota is a national leader in women’s workforce participation. While the number of working mothers has declined nationally in recent years, in Minnesota it has only increased. Workforce participation of mothers with children under six has increased the most—from 74% in 2000 to 79% in 2011.

Today, being a worker with caregiving responsibilities is the rule rather than the exception. The US has among the longest working hours in the developed world, coupled with among the lowest levels of public assistance for caregiving.

While some progress has been made, division of household labor remains unequal. Minnesota mothers with children under six that work full time spend almost an hour more per day on caregiving and housework than similarly situated fathers.

Motherhood, the most prominent form of caregiving, is a key trigger for negative gender stereotyping at work.

Family responsibility discrimination cases increased by 400% between 1989 and 2008, at the same time as other types of discrimination cases have declined. People, including employers, assume that mothers are less competent and less committed than non-mothers or fathers and offer women lower salaries, are less likely to promote women or offer them mentoring or additional education in part because of the threat that they may become mothers.

Seventy-five percent (75%) of Minnesotans who provide 20+ hours per week of regular unpaid care or assistance to a friend or family member who has a health problem, long term illness or disability are women. Two thirds of unpaid caregivers for the elderly are women. These caregivers are more likely than others to be at risk for physical strain, emotional stress and financial hardships.

From December 2010 to September 2013, the number of families on waiting lists for Minnesota basic sliding fee childcare assistance increased by 85%. At the same time, the percentage of childcare provider costs that the state reimburses for children in assistance programs dropped from 56-68% in 2004 (depending on type of provider) to around 25% in 2012. Both point to a real decrease in the state’s commitment to families struggling with care costs and quality.

In Minnesota, low-wage women, disproportionately women of color and immigrants, make the upper middle-class dual-earner family lifestyle possible. Ninety-five percent (95%) of Minnesota’s childcare workers are women and 80% of personal care attendants and they make just $10 an hour on average. The state’s low reimbursement rates for subsidized child care contributes to below living wages for Minnesota childcare workers.

The majority of Minnesota women do not use paid leave to help manage their dual roles of worker and caregiver, in part because they lack benefits. Estimated leave usage ranges from a high of 49% among Minnesota white women to a low of 38% for Latina/Hispanic women. Only 12% of US workers have access to paid family leave benefits through their employers. Eighty-percent (80%) of low-wage workers (a majority are women) do not have access to paid sick days.

Low-wage workers are more likely to have unpaid caregiving responsibilities, in part because they have less ability to pay someone else to assume these responsibilities, and they are more likely to be paid caregivers themselves. Yet, these same workers are much less likely to have access to paid leave, making it more likely they will have to quit their jobs to manage their own health needs as well as those of their dependents.

Minnesota has expanded access to federal FMLA benefits to some part-time workers and smaller employers and increased the allowable uses of paid sick leave for those who have it. Unfortunately, many do not have paid leave options, so most low-wage workers can’t afford to take the time off.

Working mothers in Minnesota are increasingly the primary breadwinners in the family.

High-quality childcare is out of reach for many Minnesota families, especially those headed by women

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<th>Cost of Minnesota Accredited Center-based childcare as a percent of median family income for families with children under 6, 2011</th>
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<tr>
<td>2 Parent Family</td>
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<td>w/ 1 Infant 1 Preschooler</td>
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<td>Affordable Care (10%)</td>
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Minnesota’s female-headed families have few financial assets, making them four times more likely than other family households to be in “asset poverty,” a measure that establishes a minimum threshold of wealth needed for household security: 41% of single parent households statewide, 56% in St. Paul and 63% in Minneapolis do not have enough savings or wealth to provide for basic needs during a sudden job loss or medical emergency.  

While the “mancession” has abated, bringing Minnesota men and women’s unemployment rates closer to equal, just 1% apart, unemployment rates for female-headed families are nearly twice as high.  

Women remain underrepresented among those receiving unemployment benefits. While Minnesota did adopt several provisions encouraged in the federal American Recovery and Reinvestment Act to make the Unemployment Insurance system more inclusive of women, 55% of recipients are men, while they make up just half of the Minnesota workforce. Many women, disproportionately women of color, who do not qualify for these benefits must turn to the much more stigmatized support of Minnesota’s welfare program (MFIP).

The poverty rate for Minnesota’s African American families with children is higher than the national average, 13.9% for married households in Minnesota compared to 11% nationally and 58.7% for Minnesota’s female-headed families versus 47.5% nationally. Poverty rates are also high for Latina (50%) and Native American (52.1%) female-headed families.

There are more than twice as many Minnesota elder women living in poverty than men (38,463 compared to 16,915). Minnesota women over 65 have lower retirement earnings (almost 50% less) due in part to the pay gap, workforce clustering and disproportionate caregiving responsibilities.

With longer life expectancies than men, women tend to live more years in retirement and have a greater chance of exhausting their savings and assets. Older women are also much more likely than their male counterparts to live alone during retirement – 72% of Minnesota’s seniors living alone are women.  

### INSTITUTIONAL FACTORS THAT LEAD TO LIFELONG DISPARITIES

Disparities in access to high quality early education and care for Minnesota’s infants, toddlers and preschoolers are often accompanied by disparity in health and social well-being. Research shows that these disparities get magnified over time, showing up later in college readiness and completion and ultimately in earnings and overall economic and social well-being.
What can you do?
Research shows that policies, programs, and conditions at the federal, state, local, and workplace levels can remove barriers and contribute to a more productive, stronger Minnesota for all. We encourage you to support the following policies and programs by contacting policymakers and business leaders.

- Close the gender pay gap.
- Increase the minimum wage to $9.50.
- Expand access to high-quality, affordable early learning and childcare.
- Expand family and sick leave for working families.
- Protect caregivers and pregnant women from discrimination in the workplace.
- Enhance employment and housing protections for victims of domestic and sexual violence.
- Provide incentives to move more women into nontraditional, high-wage jobs.
- Support women-owned small business development in traditionally male dominated industries.
- Support programs that assist older women’s economic security with retirement savings plans and protecting caregivers from financial hardship.

About Status of Women & Girls in Minnesota

Launched in 2009, Status of Women & Girls in Minnesota is an ongoing collaborative research project of the Women’s Foundation of Minnesota and the University of Minnesota Humphrey School of Public Affairs’ Center on Women & Public Policy.

The project represents a unique approach to research by using a gender-race-geography-equity lens. Experts from academia, government, nonprofit and private sectors, elected bodies and philanthropy participated in working groups and reviewed data on women and girls in Minnesota to identify the key issues outlined in the research, and proffer solutions. For a full list of working group members, please visit WFMN.ORG.

The data reviewed and included here comes from published reports produced by government agencies and nonprofits, and original gender-based analysis of publicly available datasets (primarily the American Community Survey). Tables that provide additional detail and geographic breakdowns are available at WFMN.ORG.

A note about race, ethnicity and sex
Throughout this report, we use the words Latina/o, American Indian, African American, Asian American and White to represent racial/ethnic categories. We recognize that individuals identify in various ways and some may not use these words, preferring other identifiers. The American Community Survey and many other surveys and data collection tools include self-identification data items in which participants choose the race or races with which they most closely identify, and indicate whether or not they are of Hispanic or Latino origin (often the only categories for ethnicity).

We recognize that racial categories are a socially-political construct for the race or races that respondents consider themselves to be and “generally reflect a social definition of race recognized within the context of the United States (Census Bureau).”

For the purpose of Census Bureau surveys and the decennial census, sex refers to a person’s “biological” sex and participants are offered male and female as options. Throughout this report we use the terms men and women, male and female and are relying on the self-identification of individuals. We recognize that individuals identify in various ways and some individuals may express their gender and/or sex differently. While working with the limitations of available survey data, we acknowledge and respect the variation in these expressions.

ONLINE TOOL:
Gender Equality Explorer
Create tables, maps and reports to illustrate, analyze and understand the status of women and girls across the United States and in your community.

More at www.GenderEqualityExplorer.org
Engineered and powered by Social Explorer.

For more information:
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