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The Lingering Wage Gap from Rosie the Riveter to #MeToo

During women's history month, the World War II image of Rosie the Riveter is justifiably celebrated, not only because it captures a fabulous gesture of proud defiance, but also because it signals the importance of women's contributions to the U.S. war economy.¹ But when men came home from the war, women were pushed out of the well-paying manufacturing jobs and sent back to the kitchen – or at least to jobs of low pay and little respect. Even for women whose paychecks were essential to their families' incomes, there was no protection against getting fired simply for being a woman. In her history of women in the American workforce, historian Alice Kessler-Harris comments that “questions the war had brought to the fore – like equal pay, child care, and community centers for wage-earning women – lost immediacy as women faced the reality of poorly paid jobs or none at all.”² But despite the hurdles put in their path, women have continued to participate in the workforce – and in the economy – in growing numbers since 1945. A few things remain stubbornly unchanged: affordable child care is non-existent, discrimination endures, and women are still shunted into lower-paying and contingent work. The impact is not just to stunt women's wages, but to stifle our economy more generally.

For national fiscal health, as well as for women and their families, eliminating the gap between men's and women's wages would have a significant and positive impact. Economists estimate that bringing women's wages up to equal men's would raise women's earnings by more than 17%, and family incomes would climb by almost \$7,000 per family annually, or \$245.3 billion nationwide. Despite the positive impact, our efforts to address pay disparities remain halting and ineffective. We have all heard the statistic: women earn only 77% of men's wages in the United States. While this figure represents progress of sorts compared to past decades, much of the increase has come at the top, where high-earning professional women have narrowed the gap slightly. And sadly, women's wages have gained relative to men's earnings in large part only because men's wages have declined. The median wage per hour for women in 1979 was 62.7% that of men's wages. That figure rose to 82.8% in 2012, but a quarter of that growth came from men losing ground. In the past decade, women have not made any progress at all, with the wage gap overall remaining stubbornly at 77%. Women of color fare even worse. While white women make 82% of what all men make and Asian women make 95%, African American women make only 71% of what all men make and Hispanic women just 62%. While some European countries have slightly better numbers, overall it is a grim picture.

Women are found throughout the workforce but are concentrated in the low-wage sector; in fact, women make up 53% of the low-wage workforce. (The low-wage workforce, or working poor, is defined as persons who spent at least 27 weeks in the labor force but whose incomes were nonetheless below the official poverty level.) They are domestic workers, caring for children and the elderly, cleaning houses, or otherwise serving in someone's home; they wait tables or act as hostesses in restaurants; they are “independent contractors,” cutting hair and doing makeup and nails, cleaning offices and homes, and taking care of lawns and gardens. They work for small businesses as receptionists and secretaries. Many of them work part-time jobs. These facts have a growing relevance, because not only is this group already surprisingly large, but these jobs are also the ones more and more people will hold in coming years. Projections for job growth forecast that, in the future, we will see the biggest increases in job catego-

1 This paper is adapted from C. Fredrickson: *Under the Bus: How Working Women Are Being Run Over*, New York 2015, The New Press.

2 A. Kessler-Harris: *Out to Work: A History of Wage-Earning Women in the United States*, New York and Oxford 1982, Oxford University Press, p. 253.

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ries that are low paid and currently dominated by women. An overview of the statistics for the U.S. helps underscore the vital importance of addressing the inequality in women's wages:

- Women are now 63.9% of breadwinners or co-breadwinners (co-breadwinners are those who earn at least a quarter of their families' income).
- Women are 63% of minimum-wage workers. (Minimum-wage workers are approximately five percent of all workers, and their numbers are growing.) In 2013, 16.8 million women earned less than \$11 per hour.
- Women are 73% of tipped employees, including waiters, manicurists and hairdressers. These workers make only \$2.13 per hour before tips.
- Women are 86% of personal care aides, a profession expected to grow 49% from 2012 to 2022. Within that category, they are 94% of child care workers and 88% of home health aides.
- Women are 35% of the country's 10.3 million independent contractors.
- Women are 63% of part-time workers.

In trying to address the lingering pay gap, our first project must be to understand why it is that women are paid so poorly. Direct discrimination is responsible for a large share of the wage discrepancy, with a little more than 40% of the difference in pay not attributable to work experience, education or type of job – basically, employers are paying women less just because they are women. In this moment of #MeToo, a vital part of the conversation needs to be about addressing the loss of income women suffer due to sexual harassment in the workplace. According to Equal Rights Advocates, an advocacy group working for low-wage women, over the course of two years, federal employees lost more than \$4.4 million in wages and took more than 973 000 hours of leave per year due to sexual harassment, and other research shows that sexual harassment “has negative consequences for workers, including increased job turnover, higher absenteeism, reduced job satisfaction, lower productivity, and adverse health outcomes.”³

A second drag on women's wages, besides direct discrimination, is the indirect discrimination that comes from our society undervaluing so-called women's work – almost half of the wage gap is due to this entrenched occupational segregation, with traditional women's jobs paying less than men's jobs, even with comparable education and skills. Many women continue to work in fields dominated by women workers, fields which are paid less than those dominated by men. Many of these “traditional” jobs are minimum-wage and subminimum-wage jobs, and women make up the majority of the workforce earning such small wages. This group of workers has so little political power that the U.S. minimum wage remains at historically low levels, and women who earn the subminimum wage paid to tipped employees have their pay stuck at \$2.13 per hour, where it has been since the early 1990s.

The economy depends on the labor of women. Rising wages for female workers would expand the pie for everyone. But how do we make that happen? Of critical importance, we need to beef up enforcement by equal employment agencies. We also need to make it easier for women to sue when subject to pay discrimination and workplace harassment by barring the use of practices like nondisclosure agreements and forced arbitration that take away access to the courts and undercut efforts to penalize bad behavior. A higher minimum wage would also help women and their families disproportionately, as would paying comparable wages for jobs of equal value and skills. #MeToo registers today because when women do not have economic power and an ability to change jobs easily, sexual predators control their fate – and that hurts all of us. It is time to learn from Iceland, which now requires that employers be certified to show they pay fairly or face significant fines. The real #MeToo should be the understanding that equal wages for women benefit us all. That is a hashtag we could really celebrate.

3 H. Antecol, D. Cobb-Clark: The Changing Nature of Employment-Related Sexual Harassment: Evidence from the U.S. Federal Government, 1978-1994, in: *Industrial and Labor Relations Review*, Vol. 57, No. 3, 2004, pp. 443-461, here p. 445.