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CENTER FOR WOMEN IN POLITICS AND PUBLIC POLICY
JOHN W. McCORMACK GRADUATE SCHOOL OF POLICY AND GLOBAL STUDIES
UNIVERSITY OF MASSACHUSETTS BOSTON

Testimony on the Equal Pay Act [H. 1733/S. 983]

Submitted by Ann Bookman, PhD
Director, Center for Women in Politics and Public Policy
Professor, Department of Public Policy and Public Affairs
John W. McCormack Graduate School of Policy and Global Studies
University of Massachusetts Boston

July 21, 2015

I speak to you today as Director of UMass Boston's Center for Women in Politics and Public Policy at the McCormack Graduate School where I am also a faculty member in the Department of Public Policy and Public Affairs.

I want to thank the distinguished members of the Joint Committee on Labor and Workforce Development for giving me the opportunity to provide testimony on the Equal Pay Act, a critical piece of legislation for working women in Massachusetts. Despite the fact that federal legislation guaranteeing equal pay for equal work was passed by Congress over 50 years ago in 1963, we still have significant gender-based inequality in pay.

Since I believe that the Committee already has access to information on the broad dimensions of this problem, I will focus my remarks on how the wage gap affects low- and moderate-income women workers, and especially women of color who are concentrated in low-wage jobs. Given the growing wealth gap in the United States, and the stagnation in wages since the late 1970s, it is getting harder and harder for working families to achieve and maintain a middle-class life style. I will argue therefore that it is particularly important to achieve pay equity for women in low-wage jobs to give them a fair chance at meeting the needs of their families. For these women – who are among the growing 40% of women who are the primary breadwinners in their families – every dollar counts. If we want to assist low-wage working women in achieving greater economic resources and security, closing the gender gap in wages is one of the most effective tools we have at our disposal.

We know that pay inequality depresses women's wages and keeps women from achieving economic security in the short-term, as well as impacting their ability to save for retirement.¹ We also know that Massachusetts women on average earn 81 cents to the man's dollar² and that this wage gap is slightly lower than the gap for all women in the U.S.³

What is less well known is that the wage gap is considerably larger for two particular groups of women of color. It is especially large for African American and Hispanic women. The ratio of earnings between African American women and non-Hispanic men in Massachusetts is 61% and for Hispanic women it is 50%.⁴ I should also note at the outset that I will not be discussing Asian American women because their earnings ratio is 79%, just slightly worse than that of white women.⁵

Most research on the gender gap in pay focuses on its impact on professional women who are middle- or upper-income earners in highly skilled occupations, such as medicine, law and business. This has led to the mistaken view that pay equity is largely an issue for white, professional women. We, at the Center for Women in Politics and Public Policy, disagree. Based on our recent research on the extent of the gender gap in pay for women in low-income and moderate-income jobs, we have found that the pay gap is significant for women at the bottom of the wage scale in certain occupations, and is particularly wide for Hispanic women.

So what are the occupations in which the gender gap in pay is particularly wide?

In April 2015, the Center for American Progress (CAP) released a list of the “Top Ten Occupations with the Worst Wage Gap.” While some of the jobs listed are on the upper end of the earnings scale (such as personal financial advisors, physicians and surgeons), other occupations on this list are at the lower end of the earnings scale with low median weekly earnings.⁶ So this list demonstrates two points: First, wage inequality impacts women workers across industries, incomes, and skill levels; and second, that low-wage occupations are well-represented in the group where the wage gap is the largest.

While the Center for American Progress (CAP) reported on national earnings data for a wide range of occupation and disaggregated by gender, for today’s hearing we have analyzed state-level data to better understand the wage gap in low- and moderate-income jobs in Massachusetts, and disaggregated the data by both gender and race/ethnicity. All wage gaps presented below were calculated using 2013 American Community Survey Estimates (ACS).⁷

The following analysis of four low-wage occupational groups includes two of the occupational groups on CAP’s “Top 10 Worst” list – sales jobs and janitorial/cleaning jobs – and two additional occupational groups that have significant workforces in Massachusetts – home health aides/nursing assistants on the one hand and administrative/office assistants, on the other.⁸ We selected these two additional occupational groups because health care and professional/financial services are both important industries in the Commonwealth.

SALES

The sales sector in Massachusetts is certainly a low-wage sector as median annual earnings for these workers are approximately \$20-22,000. According to data available from the Massachusetts Executive Office of Labor and Workforce Development⁹, in May 2014, there were 68,350 cashiers employed across the state and the median annual earnings for cashiers totaled \$20,180. Retail salespersons totaled 113,950 with median annual earnings of \$22,220. Additionally, there were 53,580 customer service representatives with annual median earnings of \$37,870.

If we focus on two particular occupations in sales – cashiers and retail workers – we see that these low-paying positions are filled mainly by women, for example (using weighted estimates of ACS data), 65% of cashiers across the state are female. While the gender wage gap for Black/African American women is slightly worse than the gap for all women, Hispanic women face a much wider wage gap when compared to all men. Hispanic women earn 50 cents to the man’s dollar, as shown in Table 1. When you disaggregate the data further, the pay inequality expands. When comparing African American women to white (non-Hispanic) men – rather than all men – the wage gap expands by 3%, and if you look at Hispanic women to compared to white men (non-Hispanic), they earn 44 cents for every dollar a white

man earns. Whatever comparisons you make in the sales sector, Hispanic women are losing money in their paychecks compared both to all men and white men.

Table 1. Wage Gap, Cashiers, Customer Service Representatives, and Retail Salespersons, Massachusetts

	Wage Gap Compared to Men
All Women	88%
Black/African American Women	86%
Hispanic Women	50%
<i>Center for Women in Politics and Public Policy's calculation of American Community Survey 2013 IPUMS Data.</i>	

HOME HEALTH AIDES and NURSING ASSISTANTS¹⁰

Women are highly concentrated in certain occupations in the health care sector: in fact, 86% of nursing assistants and home health aides are female (given weighted ACS estimates). According to data available from the Massachusetts Executive Office of Labor Workforce Development in May 2014,¹¹ there were 20,950 home health aides employed in the state with median annual earnings of \$26,750 and 40,740 nursing assistants with similar earnings of \$29,170. So while the median annual earning are slightly higher than in sales, these are still low-wage jobs.

Based on American Community Survey 2013 estimates, if you compare the wages for all men to the wages for all women, African American women, and Hispanic Women, the wage gap is fairly similar as it falls between 75-78% as shown in Table 2. However, if you look at the extent of the wage gap between Hispanic women and Hispanic men, it increases substantially to 59%. The reasons for this are not clear, and certainly bear further research, but once again we see Hispanic women with the largest wage gaps.

Table 2. Wage Gap, Nursing, Psychiatric, and Home Health Aides, Massachusetts

	Wage Gap Compared to Men
All Women	75%
Black/African American Women	78%
Hispanic Women	75%
<i>Center for Women in Politics and Public Policy's calculation of American Community Survey 2013 IPUMS Data.</i>	

ADMINISTRATIVE and OFFICE ASSISTANTS

We also wanted to examine occupations that provide slightly higher income levels – sometime called moderate-income jobs – but still occupations that do not provide “family-sustaining” wages, given the high cost of living in Massachusetts, so we looked at occupations classified as administrative or office assistants which tend to be located in financial services companies and education institutions.

According to data available from the Massachusetts Executive Office of Labor and Workforce Development, in May 2014, 38,870 persons were employed in the occupational category that included

bookkeeping, accounting, and auditing clerks with median annual earnings of \$42,190. There were 45,310 secretaries and administrative assistants¹² employed in the Commonwealth with median annual earnings of \$45,310.

As demonstrated in Table 3 below, the wage gap for all women in these jobs is 84%, while the wage gap for Hispanic women compared to men is 74%. This Massachusetts earnings ratio is consistent with national data showing that Hispanic women are concentrated in low-earning office positions.

Table 3. Wage Gap, Bookkeeping, Accounting and Auditing Clerks, Secretaries and Administrative Assistants, Massachusetts

	Wage Gap Compared to Men
All Women	84%
Black/African American Women	N/A (<i>inadequate sample</i>)
Hispanic Women	74%
<i>Center for Women in Politics and Public Policy's calculation of American Community Survey 2013 IPUMS Data.</i>	

JANITORS/CLEANERS, MAIDS and HOUSEKEEPERS

According to May 2014 data available from the Massachusetts Executive Office of Labor and Workforce Development, janitors and cleaners (not including maids and housekeeping cleaners) total 53,630 in the state with median annual earnings of \$30,120. In the more female-dominated occupation of maids and housekeeping cleaners who do comparable work, median annual earnings for the 19,310 employees in that occupational group in the state were \$24,000 – and aggregated difference of \$6,000 a year.

Table 4. Wage Gap, Janitors and Building Cleaners, Maids and Housekeeping, Massachusetts

	Wage Gap Compared to Men
All Women	63%
Black/African American Women	69%
Hispanic Women	54%
<i>Center for Women in Politics and Public Policy's calculation of American Community Survey 2013 IPUMS Data.</i>	

Although it appears (in Table 4) that the wage gap for Black/African American women is slightly smaller for all women – 69% compared to 63% – again the biggest disparity is for Hispanic women who make 54 cents for every dollar men make. It is also interesting that if you compare the two groups of women of color to white men – rather than to all men – the wage gap increases for both. The wage gap between Black women and white men increases to 63% (the same as for all women), and if you look at the wage gap between Hispanic women and white men it increases to 49%. No matter how the data are disaggregated, what is clear is that Hispanic women come out on the bottom.

MASSACHUSETTS CASE: Recent OFCCP Ruling

Related to the occupations of janitorial and housekeeping work, there is a recent example of pay discrimination here in Massachusetts that highlights the pressing need for action to close the wage gap. Although the numbers of women workers are small, the case is a stark example of the larger occupation patterns described above.

This case of wage inequality affected low-income female employees who were primarily women of color. Earlier this year, it became known that Lahey Clinic Hospital, Inc. would pay \$190,000 to resolve allegations of systemic pay discrimination at its medical center in Burlington. A compliance review by the U.S. Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) found that the nonprofit hospital and medical center discriminated against 38 female housekeepers by paying them 70 cents less per hour than their male counterparts. Investigators determined that, from 2010 to 2012, Lahey Clinic failed to pay certain female housekeepers — predominantly Haitian, Creole-speaking women — at the same rate as the men who held the same job.¹³

We applaud the actions of the OPCCP, and we hope that other employers in the health care sector will investigate their wage rates for male and female workers in similar occupations and address any systematic wage gaps they find before federal action is needed.

In sum, our analysis of state-level data in Massachusetts demonstrates three key findings:

1. Earnings differentials based on gender exist across a number of low-wage occupational sectors in our state.
2. Earning differentials based on gender tend to be worse for women of color who are African American and Hispanic.
3. Earnings differentials are particularly egregious for Hispanic women. In some cases, we see Hispanic women being paid half - or less than half - of what men are being paid. The wage deficits we identified in the sales and cleaning occupations are quite pronounced.

The Hispanic population in Massachusetts, as you know, is growing and one in ten Massachusetts residents is Hispanic.¹⁴ The gender wage gap experienced by Hispanic women – an increasingly significant part of the state's working population – is quite concerning. I hope this Committee will pay particular attention to the challenges Hispanic women workers are experiencing.

Closing the wage gap through the provisions of this legislation would help to ensure that many women who are currently struggling financially have a better chance of achieving economic security, and would be a particular boon to some of the state's immigrant population from Spanish-speaking countries. This is important not only for these women and their families, but for our Commonwealth and its economy.

In closing, the Center for Women in Politics and Public Policy at UMass Boston would like to continue to be a resource to this committee and to the Massachusetts Legislature on a variety of policy issues related to the equitable treatment of working women in the Commonwealth.¹⁵ As you may know, our center spearheaded the first biennial New England Women's Policy Conference last fall at the John F. Kennedy Presidential Museum and Library – and the conference became the launching pad for ongoing regional initiative.

Before the conference, we and other members of the Planning Committee drafted a "Call to Action: A Policy Framework for Women's Economic Security" that highlights five key policy areas. You will not be surprised to learn that the first area of focus is "wage and income security," and the first issue in that category is pay equity. So we at CWPPP will be continuing to produce policy-relevant research on pay equity. I hope the need for this kind of research will become irrelevant in the future because we will have laws on the books in Massachusetts like the Equal Pay Act. In the meantime, I invite you to call upon me, and the center's researcher staff, for additional data and analysis when you are considering legislation that impacts the economic security of working women and their families.

BIO

Ann Bookman, PhD

Ann Bookman, a nationally known researcher and policy expert on women's issues, work-family balance and community engagement, is Director of the Center for Women in Politics and Public Policy (CWPPP) at University of Massachusetts Boston and a Professor at the John W. McCormack Graduate School of Policy and Global Studies. CWPPP works to advance women's public leadership at all levels of government and in the nonprofit sector. Through educational programs and research, the center addresses the needs of a diverse cross-section of women, particularly in the public policy making process.

Bookman has over three decades of experience working in academia and in government. She has directed several university-based research centers, including the MIT Workplace Center at the Sloan School of Management, where she oversaw research on redesigning the workplace to ensure gender equity and family support. She was a Presidential Appointee in the first term of the Clinton administration and served as Policy and Research Director of the Women's Bureau at the U.S. Department of Labor. Bookman was also Executive Director of a bipartisan Commission that studied the impact of the FMLA on workers and employers. She was principal author of the commission's report to Congress, "A Workable Balance."

Bookman earned her PhD from Harvard University and a bachelor's degree from Barnard College. Her first co-edited book, *Women and the Politics of Empowerment (1988)*, was pioneering for highlighting the political leadership of poor and working class women from diverse racial and ethnic backgrounds. Her latest book, *Starting In Our Own Backyards: How working families can build community and survive the new economy (2004)*, has been cited as "paradigm-shifting" for bringing community organizations and community engagement into the debate on the changing role of women in the workplace and the family.

Bookman lives in Boston and is a Board Member of several community-based organizations in the city, including Nurtury, an innovative early care and education agency serving low-income children and their families. In the spring of 2014, Bookman was appointed by Boston's Mayor Martin Walsh to serve on the Boston Women's Commission. In the spring of 2015, she was appointed by Treasurer Deborah Goldberg to a state-wide Financial Literacy Task Force.

Notes

Given that sample sizes from the American Community Survey on Massachusetts earnings data are relatively small due to multiple levels of analysis based on occupation, sex, race, and ethnicity, only those statistics found statistically significant are included in the data analysis included here.

The Center for Women in Politics and Public Policy thanks UMass Boston Master's Candidate (Applied Economics) Michael J. McCormack for his contributions to data collection and analysis used here.

Sources

¹ The Institute for Women's Policy Research projects that, at the current pace, Massachusetts women's median earnings for full-time, year-round workers will not reach 100% of men's until the year 2058. Retrieved from <http://statusofwomendata.org/explore-the-data/employment-and-earnings/additional-state-data/equal-pay-projections>.

² Institute for Women's Policy Research. "Status of Women in the State." Retrieved from <http://statusofwomendata.org/explore-the-data/state-data/massachusetts>.

³ American Association of University Women. "The Gender Pay Gap by State and Congressional District." Retrieved from <http://www.aauw.org/resource/gender-pay-gap-by-state-and-congressional-district>.

⁴ National Women's Law Center. "Gender Gap, State by State." Retrieved at www.nwlc.org/wage-gap-state-state.

5 Ibid.

6 Baxter, Emily. 2015. "How the Wage Gap Differs by Occupation." Retrieved from <https://www.americanprogress.org/issues/women/news/2015/04/14/110959/how-the-gender-wage-gap-differs-by-occupation>.

⁷ Steven Ruggles, J. Trent Alexander, Katie Genadek, Ronald Goeken, Matthew B. Schroeder, and Matthew Sobek. *Integrated Public Use Microdata Series: Version 5.0* [Machine-readable database]. Minneapolis: University of Minnesota, 2010.

8 The occupational group that includes administrative and office assistants is likely dispersed across several sectors, yet essential to the Commonwealth's leading industries such as financial services and higher education.

⁹ Massachusetts Executive Office of Labor and Workforce Development. "Occupational Employment and Wages All Industries." Retrieved from http://lmi2.detma.org/lmi/lmi_oes_a.asp on July 15, 2015.

¹⁰ The Bureau of Labor Statistics and the American Community Survey use different slightly occupations titles for the occupations of nursing assistants.

¹¹ Massachusetts Executive Office of Labor and Workforce Development. "Occupational Employment and Wages All Industries." Retrieved from http://lmi2.detma.org/lmi/lmi_oes_a.asp on July 15, 2015.

¹² Not including legal, medical, and executive.

¹³ U.S. Department of Labor. 2015 "Lahey Clinic Settles Pay Discrimination Case with U.S. Labor Department." Retrieved from <http://www.dol.gov/opa/media/press/ofccp/OFCCP20142056.htm>.

¹⁴ Pew Research Center. Demographic Profile of Hispanics in Massachusetts, 2011. Retrieved from <http://www.pewhispanic.org/states/state/ma>.

¹⁵ Besides CWPPP, there are other research centers within the University of Massachusetts system that can be of value and assistance to your committee, particularly the Center for Social Policy at the University of Massachusetts Boston and Center for Women and Work at the University of Massachusetts Lowell.