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Why Not a Dollar?

Evelyn Murphy

Sometimes I ask people, “What should women be earning today compared with men?” I don’t ask what women *are* earning, which hardly anyone can answer with certainty, but what women *should* be earning. Most people shrug and say they have no idea, or guess that it should be about eighty cents to a man’s dollar.

No one says, “One dollar.” That is the correct answer. There should be no gender wage gap at all.

Is that an exaggeration? Statisticians point out that women do not yet have quite as many years’ experience in the workforce as men have. It’s true that for the generation that began working in the 1960s, fewer women than men have a steady forty or fifty years of on-the-job experience. So maybe there should be a gap of a few pennies (at most!) to reflect that slight disadvantage. But not 23 cents’ worth! Social scientists hedge their conclusions about what causes that broad gap with disclaimers. They acknowledge that biases exist in their measurements. They admit that they cannot say for sure that differences between women and men in what’s called “merit” — education, experience, and other personal capital — add up to 23 cents. But despite the absence of rock-hard proof, this explanation has been accepted. Instead of demanding an immediate end to the wage gap, most Americans believe that it’s closing slowly, at an evolutionary pace, moving women penny by penny toward equality.

But that’s just not so. If the explanations heard forty years ago were correct — if the reason for the wage gap was indeed that there was a “merit gap” and that in 1965 women had inferior qualifications, little experience, and less career commitment — that gap would have disappeared by now. The wage gap should have closed more than a decade ago. Instead, for several years during the 1990s, it actually widened.¹ It should

Evelyn Murphy is the former lieutenant governor of Massachusetts. This article is taken from her book Getting Even (Touchstone) with permission. Copyright © 2005 by Evelyn Murphy.

have disappeared at every rung, from entry level to executive suite. Women have closed the education, career time, and commitment gap. So why hasn't the wage gap closed as well?

Some commentators answer this question by pulling out little slivers of data — comparing, say, male and female engineering graduate's starting salaries in a particular year — to announce that women are already even. Their claim is that young women and young men (in that job category, at least, for that year) made just about the same amount when they got their first jobs. Therefore, the claim goes, the gender wage gap is over: the very newest generation of adults has gotten even.

But that's just plain wrong. The only way to reach such a conclusion is to cherry-pick the most equal job category during its most equal year (ignoring the vast majority of working women, who are far from equal) — and then to ignore how those young women fare as the years go by. Otherwise, here's what you find: women start out behind, and the longer they work, the further behind they fall. One former bank clerk (now an administrator) told me that when she and her husband entered the job market in the 1970s, doing the same work, they “started off at the same range of pay and he just completely left me behind. His salary just kept going up and up every year, and mine just went up incrementally.”

That experience has continued for every generation since. We have heard in recent years that young women have caught up within high school and college, matching or surpassing young men as valedictorians, school newspaper editors, and the like. But that's no longer true once women and men start competing not for grades and accolades but for dollars. No matter how *nearly* equal some are at that first job, the wage gap between men and women in their age group keeps widening throughout their lives.

Take those new graduates just entering the job market, the data sliver sometimes held up as proof of emerging equality. For a brief shining moment in 1991, young women and young men in their first post college jobs did get much closer to even: the women earned \$20,556 while the men earned \$22,479, just (just!) a 9 percent difference. That sounds terrific: 9 percent, when only thirty years before it had been 41 percent. Had that apparent trend continued, women and men might be even by now. But it did not — not for their little sisters, for whom even the *entering* wage gap widened. The young women and men who entered the job market in 2003 were actually farther apart than their counterparts in 1991.² When these women started working, they earned 16 percent less than young men college grads. So much for the optimistic belief that the gender wage gap is steadily declining with each successive generation of workers.

Why have so many of us held that belief? Because most people thought that the wage gap was narrowing over the past forty years because women were catching up on “merit.” A close analysis of the data proved that it’s not so. The largest drop in the wage gap — a hefty 8 cents during the 1980s — came not because women were catching up, but because men’s real wages were declining, as manufacturing left the United States. Women caught up at men’s expense. That’s much of the story of the post-World War II American economy: in bad economic times, men’s wages flatten, even decline; women catch up only by comparison, not because they’re actually gaining more equal treatment on the job. Look at that unpleasant *increase* in the starting wage gap between female and male college graduates in 1991 and 2003. American women’s hard work, increasing skills, and improving qualifications do *not* put us on an inevitable course toward equal pay.

**IF YOU GRADUATED IN 1991, YOUR
RAISES HAVE NOT KEPT PACE WITH MEN’S**

Let’s illustrate that more fully by looking at what’s happened to a single generation of women and men — a generation whose mothers worked, whose entire lives had been spent under the assumption that they should and would be equal on the job.

What happened to your wages if you graduated from college and entered the job market in 1991? Over the decade, their raises did not keep pace with men’s. At the beginning of the decade, they were making 91 cents to a man’s dollar. By the end of the decade, these very same women were making only 89 cents to a man’s dollar. These women fell behind. They lost money. Their wage gap widened.

Let me repeat that: Their wage gap expanded during the nation’s biggest economic expansion since the 1950s. It expanded for the generation of women and men *most equally prepared* for the job market in history. The wage gap widened. In 2003, the twenty-five-to-thirty-five-year-old women who had graduated from college were making, on average, \$47,364 — and the men who had graduated alongside them were making, on average, \$53,271. Women’s real wages had grown by 130 percent — while men’s real wages had grown by 137 percent.

Remember, these are no longer baby boomers, the ones who were just breaking open the doors to women’s employment, fighting male chauvinist attitudes and general social resistance, and who may have aimed too low, considering that often their mothers didn’t work. These young adults grew

up with mothers who were just as educated, qualified, employed, and employable as their fathers. These young men and women didn't simply grow up believing that women could work, if given a chance, they actually knew women who were bus drivers and doctors, heavy-metal guitarists and helicopter pilots, corporate managers and professional tennis players, state senators and Supreme Court justices. These aren't the trailblazers. These are the trail followers.

Remember, too, that most of these college-educated women could not afford to drop out of work for a couple of years to be stay-at-home moms. These women took their maternity leave (and some husbands even took paternity leave) to have a child — and then had to go right back to full-time work. Those families needed both paychecks — the wife's and the husband's — just to keep up their standard of living.³

These full-time, year-round working women hadn't even hit their thirty-fifth birthdays, and they were already behind by \$6,000 a year — when they had started only \$2,000 a year behind. That's a lot of tamales, diapers, or movies. Add that up for a few years, and that's a Ford F'50 SuperCrew instead of a Chevy Cavalier. That's a renovated kitchen, a year's college tuition, a time-share in Florida, a significant retirement fund contribution.

Young women with only a high school diploma fell even further behind during these years. When between the ages of eighteen to twenty-four these women entered the job market in 1991, working year-round and full-time, they were earning an average of \$13,558 while men with their age, education, and experience earned \$16,550. That was a nasty 18 percent gap.⁴ By 2003, these women earned 22 cents less for every dollar their counterparts took home. Having started out earning \$3,000 a year less than their male peers, these women were now earning \$7,000 a year less — an enormous bite out of a low-wage paycheck.

Women who graduated from professional schools and started their working careers in 1991 fared a little better than the other working women. When between the ages of twenty-five and thirty-four these women entered the job market, working year-round and full-time, they were earning an average of \$43,429 — while men with their age, credentials, and experience earned \$61,038. That was a nasty 29 percent gap for a group of people with the same qualifications. By the year 2003, female J.D.s, M.B.A.s, and M.D.s between the ages of thirty-five and forty-four were making an average of \$97,756 each year while men their age, with the same credentials, made \$113,805, out earning them by only (only!) 14 percent.

Except for that small number of high-earning women with professional degrees, this recent generation of women starting their working careers

followed that same old trend: the longer they worked, the more they fell behind.

**WOMEN FALL FARTHER BEHIND MEN
OVER A LIFETIME**

The wage gap is an expanding bullet in a woman's finances, tearing away at her checkbook more and more each year. Perhaps that's why, for so many women, the creeping suspicion that things are unfair transforms into a smoldering sense of outrage somewhere between the ages of thirty-five and forty-five. Having expected that by working hard they would earn the appropriate rewards, they look around in some shock and reluctantly realize that the men they graduated with or were hired alongside are farther along in their finances and careers. They come to the distressing conclusion that either they've utterly bungled their careers, or they've been cheated out of their rightful earnings.

Heidi Hartmann, president of the Institute for Women's Policy Research, who's been tracking the shifts in men's and women's wages for decades, says that when times are good, men advance more than women do. Nobody knows why. But understanding why is important. For that brief moment between 1993 and 2000, women should have gotten even. These were the most promising set of circumstances since the mid-1960s, which saw the Equal Pay Act passed in 1963; Title VII of the Civil Rights Act, which banned gender discrimination at work, passed in 1964; and an Executive Order banning discrimination by federal employees and federal contractors, issued in 1965. That's when we as a nation started paying attention to the idea that women deserve equal pay.

In the 1990s, more than a generation later, women were as qualified as men in just about every particular. This was the decade in which the economy's transformation from brawn to brains, from a manufacturing to a service-and information-based economy, seemed complete. And that's where women are just as well equipped as men: in human relations, in verbal and numeric skills (if you look at the SATs or GREs), in solving problems and creating ideas. America's commitment to reaching wage equality for women, and all that meant for women and men becoming socially equal as well, had failed.

If women's earnings could not catch up to men's in a time of nearly unreal prosperity, at a time when women's qualifications had caught up, what was holding them back?

The answer is simple: discrimination.

Notes

1. Policy analysts pinned the explanation of why the gender gap widened in the mid-1990s on “welfare reform.” Their theory: Since almost all — 90 percent of welfare recipients were women, when these low-skilled, untrained mothers lost their welfare support and were forced to join the full-time workforce in low-paying jobs, their wages dragged the average of women’s overall wages down. That explanation sounds plausible. But it’s wrong. Women’s wages dropped between 1993 and 1996 — before Congress passed the welfare reform law in 1996. A number of states experimented with reforming welfare before national legislation took effect. In these states, some welfare recipients did trickle into minimum-wage work before national welfare reform passed — but not enough of them to drag down the overall average of women’s wages. Even in August 1996, when welfare reform passed, welfare recipients still had more time before they had to seek work. Not until 1997, 1998, and 1999 did large numbers of former welfare recipients start working in low-paying jobs. And in those years, contrary to welfare reform theories, average women’s wages increased — and the wage gap narrowed.
2. Table P-32, “Educational Attainment — Full-Time, Year-Round Workers 18 Years Old and Over, by Mean Earnings Age and Sex: 1991 to 2003,” U.S. Census Bureau, Historical Income Tables — *People*, Washington, D.C., 2005.
3. Lawrence Michel, Jared Berstein, John Schmidt, *State of Working America 1998-99*, Economic Policy Institute, Washington, D.C., Chapter 1: Family Income.
4. “Educational Attainment — People 25 Years Old and Over by Median Income and Sex: 1991 to 2001,” in U.S. Census Bureau, Historical Income Tables — *People*, Washington, D.C.