

# PAY EQUITY/LIFE EQUITY SHOW US THE MONEY!

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Abbie Baynes, Esq.  
Katten Muchin Rosenman LLP  
401 S. Tryon Street, Suite 2600  
Charlotte, NC 28202  
Telephone 704 344-3082  
E-mail: [abbie.baynes@kattenlaw.com](mailto:abbie.baynes@kattenlaw.com)  
Website: [www.kattenlaw.com](http://www.kattenlaw.com)



# How did we get here?

- Two year effort to develop data about the economic impact of gender-based inequality. Study on pay equity issues commissioned by the Charlotte-Mecklenburg Women's Summit and the Charlotte Urban Institute of UNC-Charlotte.
- Study prepared by Harrison Campbell of UNC-Charlotte.
- Study funded by the John S. and James L. Knight Foundation of Miami, Florida.
- Patterned after similar study done in South Carolina.



# Why do a study?

- Move away from anecdotal evidence of gender-based inequality of data – harder to dismiss claims of inequality.
- Focus on economic impact of inequality will be a catalyst for change in Charlotte-Mecklenburg's financially-driven culture.



# Pay Equity: what did we study?

- If women living in Mecklenburg County received the same earnings from work as men, how much more would they earn, and what economic impact would these earnings have on the county?
- If women in Mecklenburg County participated in the labor force at the same rate as men, how much more would they earn, and what economic impact would these earnings have on the county?



# Pay Equity: what did we learn?

- Among full-time wage earners in 2005, women had median earnings of \$34,171 compared with men's median earnings of \$45,048. Women's earnings were 76 percent of men's median earnings (i.e. 24 percent lower).
- Women's labor force participation, though rising, is still well below that of men. In 2005, women in Mecklenburg County had a labor force participation rate of 66.9 percent versus 81.8 percent for men.
- Overall, women, had lower rates of educational attainment than men which contribute to higher overall rates of poverty in the female population.
- Women's lower earnings contribute to poverty, which is highly correlated with educational attainment. Over 60 percent of women in poverty here have no education beyond high school.



# Pay Equity: inequality present in all industries

Women earn from 40 to 88 percent of what men earn when the numbers are broken down by industry:

**Average Monthly Earnings by Selected Industry, Charlotte-Gastonia-Concord NC-SC MSA (NC Part), 2Q 2006**

Industry	Monthly Earnings		
	Women	Men	W/M Ratio
Total	\$3,001	\$4,845	0.62
Manufacturing	\$3,348	\$4,874	0.69
Retail	\$1,789	\$3,002	0.60
Finance and Insurance	\$4,747	\$9,385	0.51
Professional, Scientific and Technical Services	\$3,696	\$6,271	0.59
Health Care and Social Assistance	\$3,028	\$7,494	0.40
Public Administration	\$2,876	\$3,275	0.88
Source: North Carolina Employment Security Commission and US Census Bureau Local Employment Dynamics Program (LED), QWI Online, accessed 08/11/07 See <a href="http://lehd.did.census.gov/led/datatools/quiapp.html">http://lehd.did.census.gov/led/datatools/quiapp.html</a>			

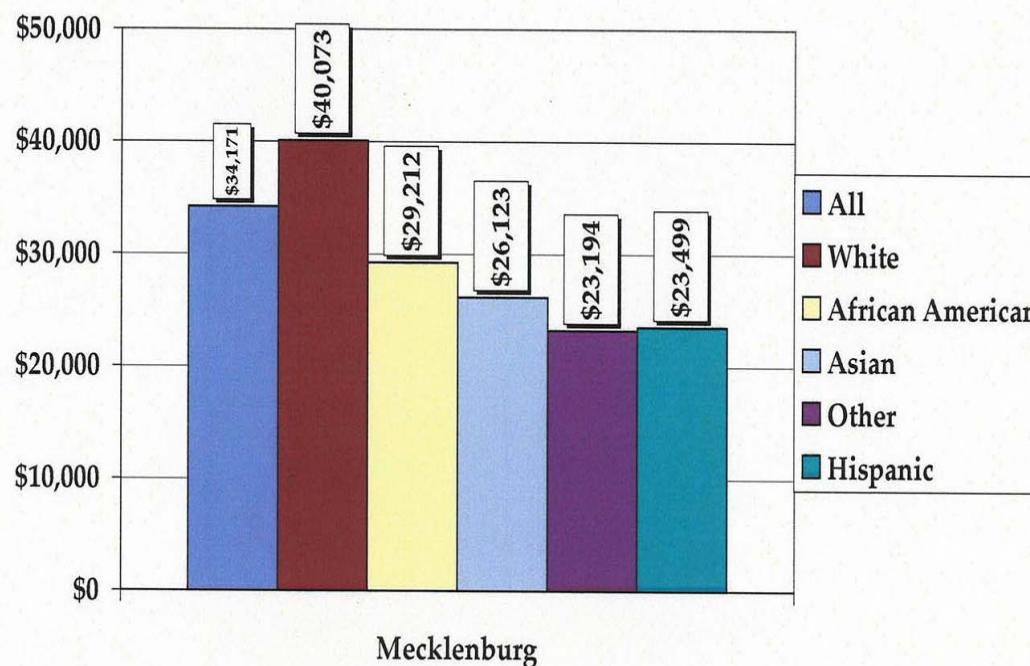
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# Pay Equity: differences among women

When broken down by race/ethnicity, education or economic status, disparities in earnings appear among women. For example, African American women earn 17 percent less than the female average, and earn 37 percent less than White women. The disparity is even greater among Asian and Hispanic/Latino women.

**Women's Full-Time Earnings by Race/Ethnicity, Mecklenburg 2005**



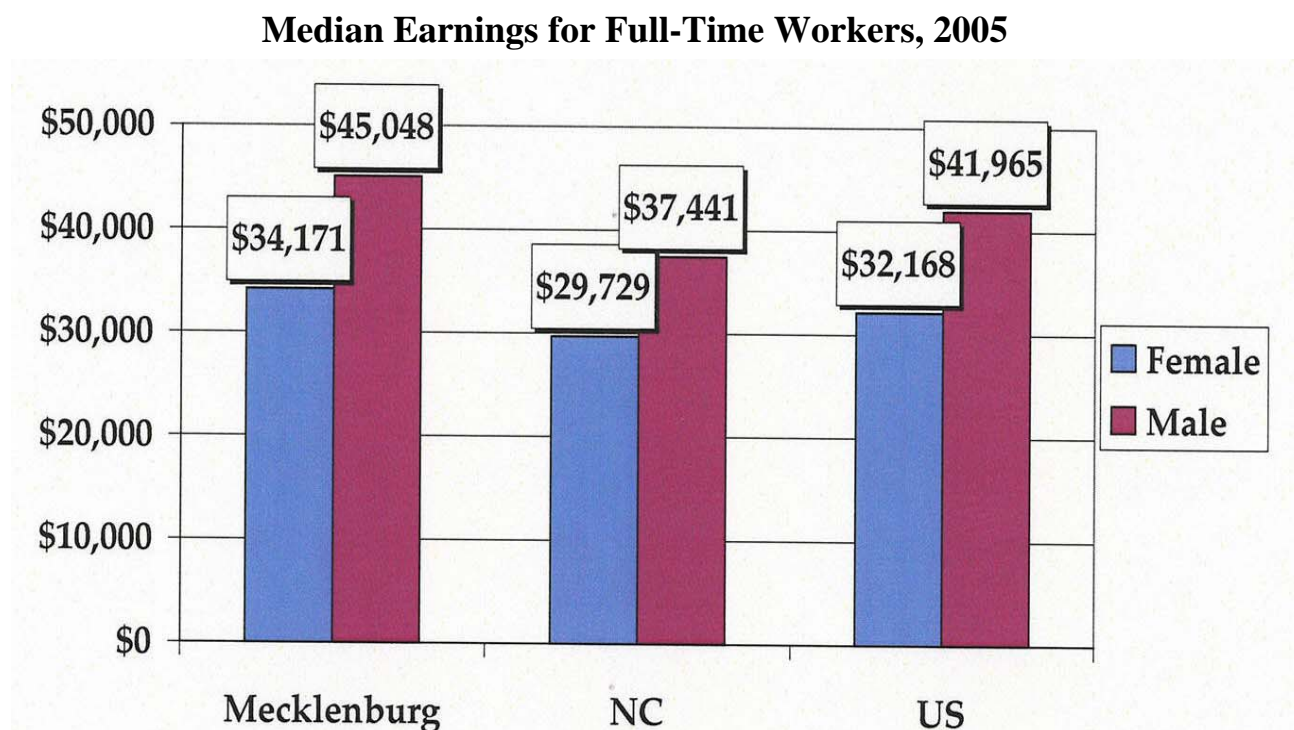
Source: U.S. Census Bureau 2000, Table PCT86.





# Pay Equity: the good news...and the bad news!

Women in Mecklenburg County do better in this market than women throughout North Carolina and the United States



Source: US Census, 2005 American Community Survey, Table B20017

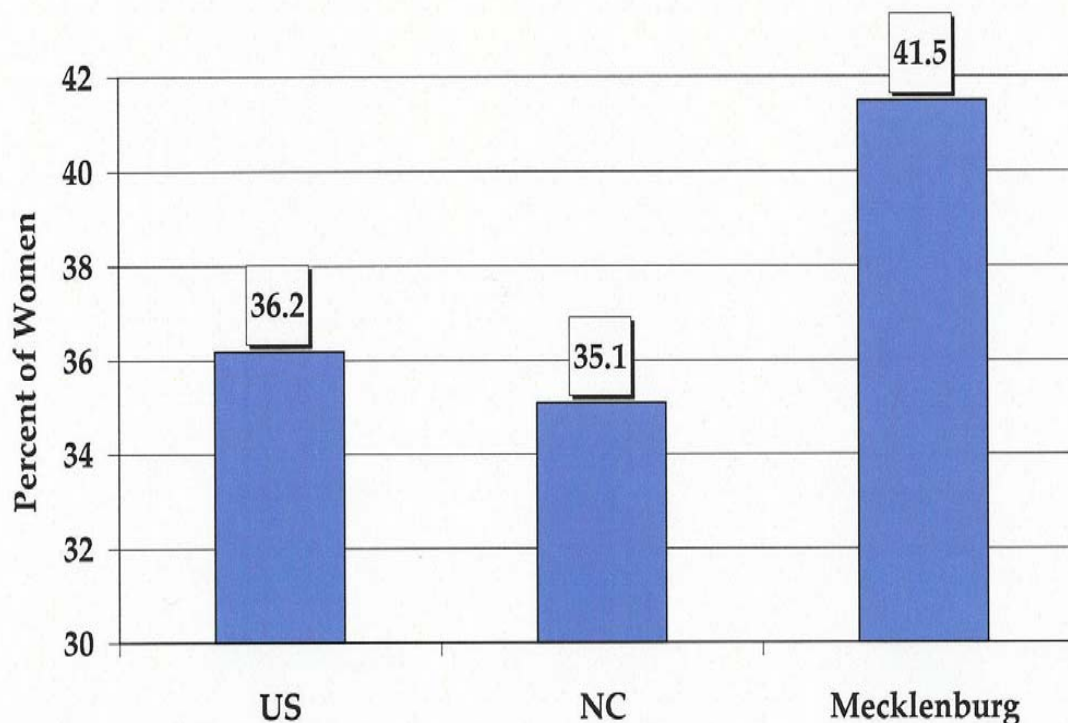




# Pay Equity: the good and the bad, continued:

Women hold more managerial positions in Charlotte, as a percentage of the population, than they do in N.C. or the U.S.

Women in Managerial Positions, 2000



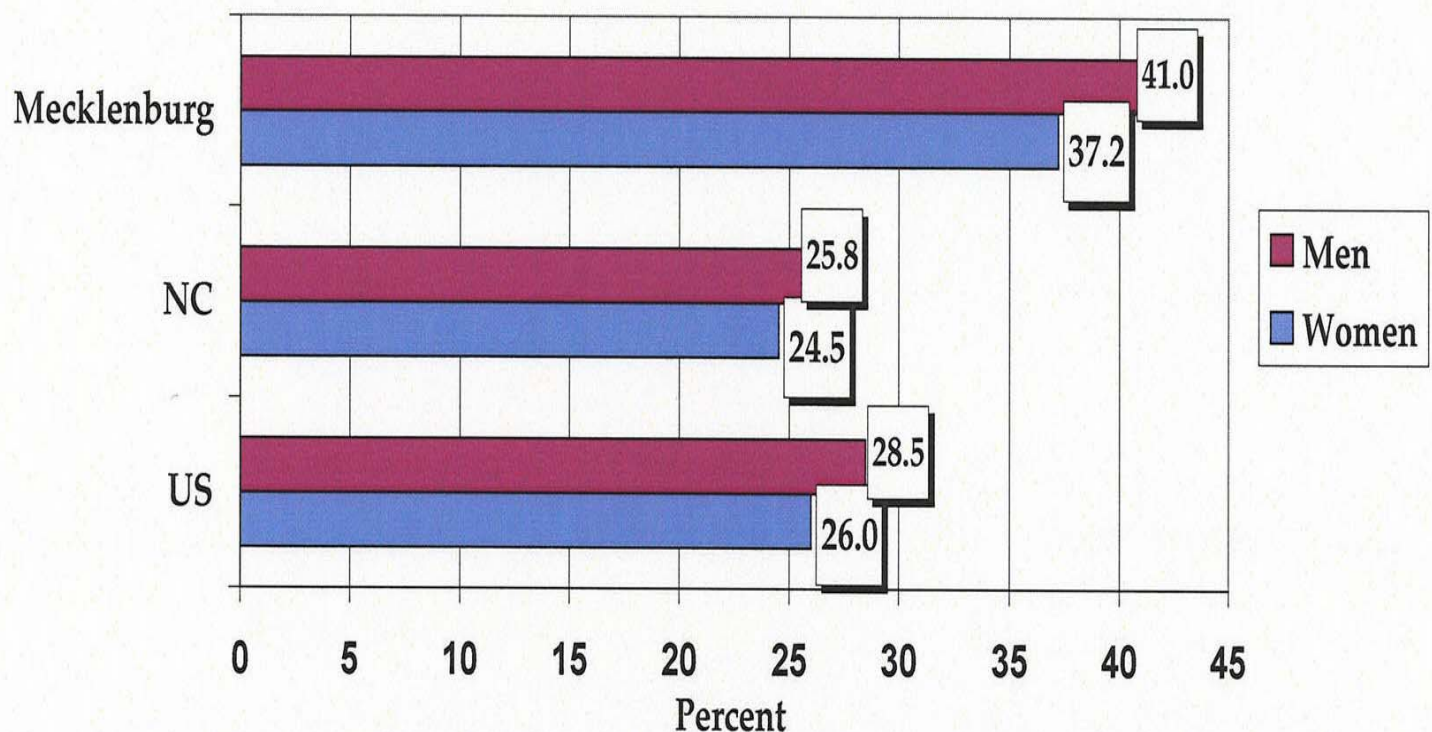
Source: U.S. Census Bureau 2000, Table PCT86.



# Education statistics:

Women in Mecklenburg County get college degrees at much higher rates than women across the rest of the state and the nation, but still lag men.

Percent of Population Age 25+ with Bachelor's Degree or Higher



Source: Author calculations based on US Census Bureau, 2005 American Community Survey, Table B17001.



# Education statistics:

However, women in our area graduate from high school and attend (but don't graduate from) college at higher rates than men.

**Educational Attainment of the Population Age 25+ by Sex, Mecklenburg 2005 (%)**

	Female	Male
< High School	10.6	11.7
High School Graduate	22.1	21.2
College 1-3 Years	30.1	26.2
Bachelor's Degree	27.1	28.1
Advanced	10.1	12.8

Source: Author calculations are based on US Census Bureau, 2005 American Community Survey, Table B15002. Note: "College 1-3 Years" includes those with some college and those with Associate degrees. "Advanced" includes Master's, Professional and PhD Degrees.

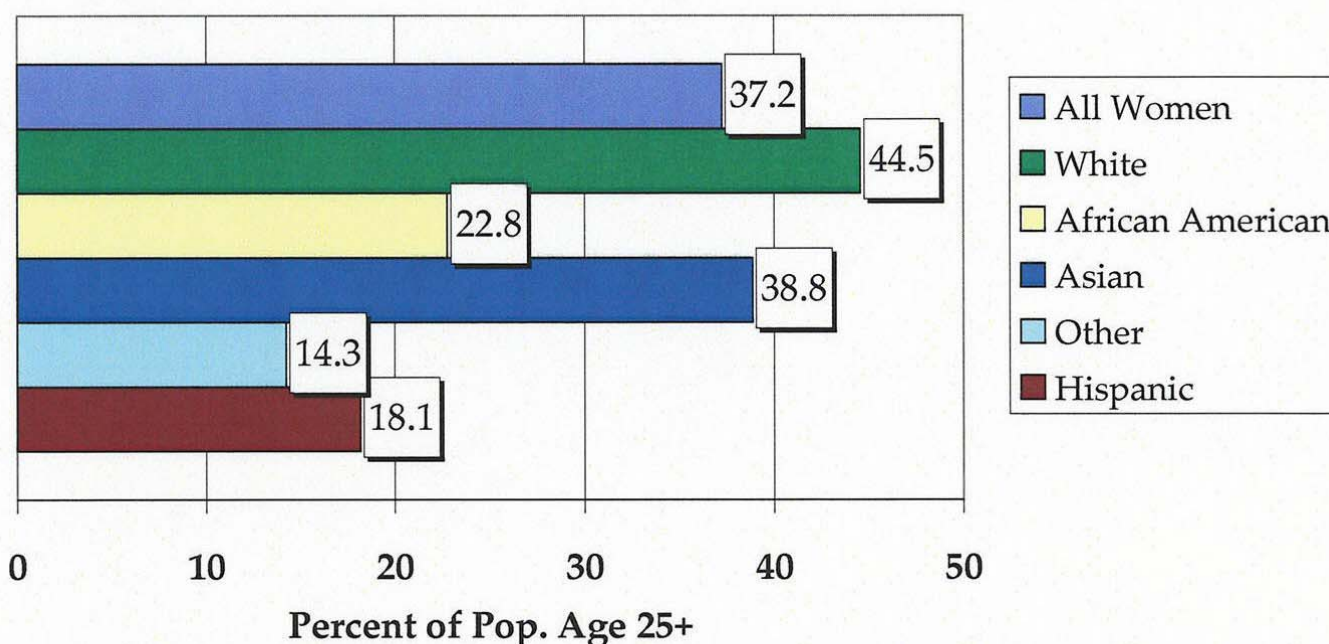
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# Education statistics - continued:

When the education statistics are broken down, disparities emerge based on race and ethnicity:

College-Educated Women Age 25+ in Mecklenburg by Race/Ethnicity (%), 2005



Source: Author calculations are based on US Census Bureau, 2005 American Community Survey Tables 15002, 15002A-1

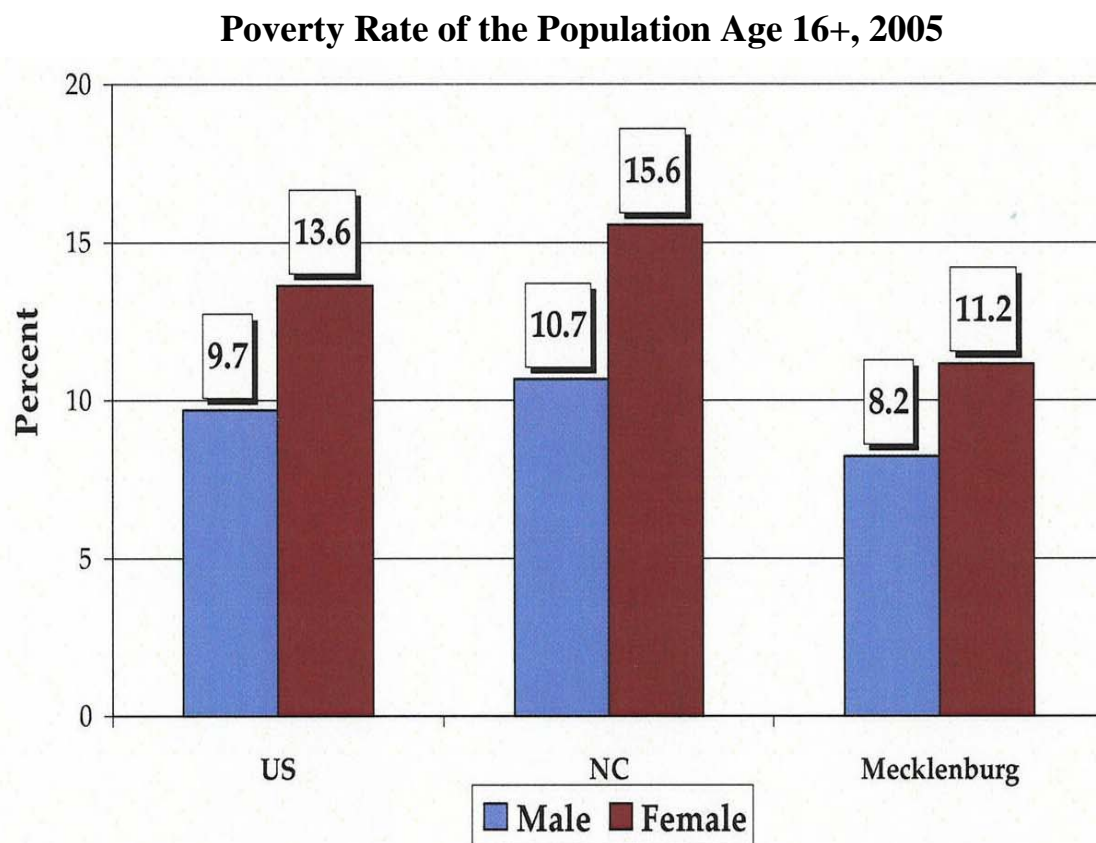
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# Economic statistics: poverty rates

Poverty rates mirror the data for education: the population as a whole is better off, comparatively speaking, in Mecklenburg County. But women fare worse than men in all three areas.



Source: Author calculations based on US Census Bureau, 2005 American Community Survey, Table B17001.



# Economic statistics: poverty rates

**Women in Mecklenburg County who are living in poverty have higher rates of employment than women in the rest of the state and across the country.**

**Work Status of Women in Poverty Age 16+, 2005 (%)**

Female	US	NC	Mecklenburg
Worked full-time, year-round	6.4	7.5	9.4
Worked part-time or part-year	36.6	39.1	45.8
Did not work	57.0	53.4	44.8
Source: Author calculations are based on US Census Bureau, 2005 American Community Survey, Table B17004			



# Economic statistics: poverty rates

Again, there are racial and ethnic differences in poverty rates:

**Poverty Rate of Population Age 16+, 2005**

	US	NC	Mecklenburg
Male	9.7	10.7	8.2
Female	13.6	15.6	11.2
White	11.1	11.5	6.8
African American	24.9	26.3	18.9
Asian	11.7	14.6	NA
Other	23.3	36.5	NA
Hispanic	22.7	31.8	17.3
Source: Author calculations are based on US Census Bureau, 2005 American Community Survey, Table B17001A-I			

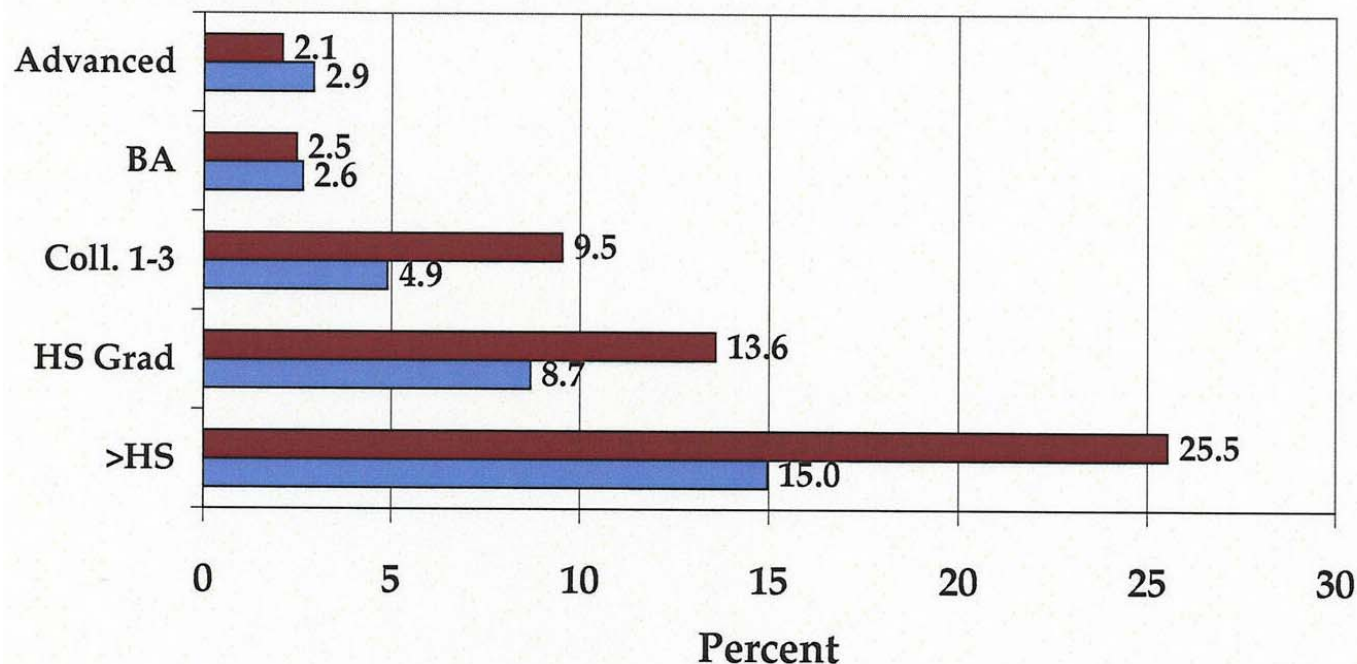




# Economic statistics: poverty rates vs. education

Poverty rates decline with education. As the following chart shows, as education (measured by the number of years in school after high school) increases, the poverty rate (as a percentage of the total population) decreases.

Mecklenburg Poverty Rate by Educational Attainment, 2005 (%) Population Age 25+



# Economic statistics: impact of poverty rates on children

As most households in poverty here are headed by women, children are affected directly by the poverty statistics. Sixteen percent (16%) of our children live in poverty.

Children In Poverty, 2005

	US	NC	Mecklenburg
Number	13,008,489	438,097	32,769
In married-couple family (%)	33.5	28.9	29.9
Male householder, no wife present (%)	7.4	6.7	6.2
Female householder, no husband present (%)	59.1	64.3	63.9
Overall Child Poverty Rate (%)	18.2	21.0	15.8
Source: Author calculations based on US Census Bureau, 2005 American Community Survey, Table B17006			



# Pay Equity: lifetime loss of earnings for women

## Lifetime impact of the earnings gap on women

- For 2007 high school graduates, a woman will earn \$700,000 less over her lifetime than a man who graduated at the same time
- For 2007 college graduates, the number increases to \$1.2 million
- For 2007 law, medical and business school graduates, women's earnings will lag behind men's by \$2 million over a lifetime.

*Source: Murphy – “Gender Wage Gap: Are you paid as much as a man if he had your job?” (womensmedia.com)*



# Pay Equity: what did we learn?

## Pay Equity Economic Impact Results

- If women working full time in Mecklenburg County had comparable earnings to men, they would receive \$1.7 billion more in earnings each year.
- If women's labor force participation were equal to that of men, there would be 26,112 more women employed full-time and earning a total \$1.2 billion annually. Further, an additional 16,910 women would be working part-time and earning an additional \$212 million. Total new earnings from closing the participation gap would amount to nearly \$1.4 billion.
- After accounting for taxes and out-of-county spending, new consumption expenditures fueled by women's new earnings would expand the county's economic output by \$3.1 billion, create 28,887 new jobs and generate nearly \$1.1 billion in additional earnings to Mecklenburg households.
- Based on these estimates, complete closure of the earnings and participation gaps would generate about \$160 million in tax revenue to Charlotte and Mecklenburg County annually.
- Even modest, incremental improvements in the status of working women would generate significant economic benefits.



# What if...?

## Men and women were paid the same salaries for like jobs?

**The Gender Wage Gap in Mecklenburg County, 2005**

	Men	Women
Full-time Median Annual Earnings	\$45,048	\$34,171
Full-time Employment	159,632	117,054
Total full-time Earnings	\$7,191,102,336	\$3,999,852,234
Total full-time Earnings @ \$45,048	\$7,191,102,336	\$5,454,785,072
Aggregate Earnings Gap		\$1,736,317,264
Source: Author calculations are based on US Census Bureau, 2005 American Community Survey, Table B17004		

The chart above shows that among full-time employees, women were paid 75.9% as much as men. Balancing the pay scales would add \$1.7 billion each year to the local economy. The chart shows information for full-time employees only. If part-time workers' earnings were equalized, another \$212 million would be added annually to our local economy.

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# What if...?

Men and women were both in the work force at equal levels (same “participation rates”)?

- Men: 287,704 over age 16 in this area, 81.8% of whom work
- Women: 303,267 over age 16, 66.9% of whom work
- \$3.1 billion in additional revenue per year if female participation rates become equivalent to those of men.



# Impact of closing the gender gap:

Even if smaller steps were taken to close the gap, there would be a significant local economic impact.

**Economic Impact of Incremental Gender Gap Progress**

Degree of Closure	Women's Earnings \$Mill	Economic Output \$Mill	Jobs	Total Household Earnings \$Mill	City and County Tax Revenue \$Mill
10%	\$312.5	\$313.1	2,889	\$418.9	\$16.0
25%	\$781.2	\$782.6	7,222	\$1,047.3	\$40.0
50%	\$1,562.4	\$1,565.3	14,444	\$2,094.6	\$80.0
100%	\$3,124.7	\$3,130.5	28,887	\$4,189.2	\$160.0
Note: Monetary values at 2005 price levels					





# Reasons for the Wage Gap:

- Gender-based discrimination
- Occupational segregation (lower pay in jobs where women predominate)
- Undervaluing female contributions in workplace
- Sexual harassment causing women to leave or lose their jobs

*Source: National Study of the Changing Workforce (2002)*



# Life equity

- Work-life integration – balance between personal, family and job responsibilities.
- Differing family responsibilities between women and men account for the majority of the wage gap in the United States.
- In Mecklenburg County, 83.5% of caregivers are women.
- Women may be unable to work because they lack affordable child care or care for others they support.

*(Study: Family Caregiver Support Program for Mecklenburg County, 2002-2007)*

- Increasing demands of work and other activities for all employees. 2002 study showed:
  - 67% of parents reported that they did not have enough time with their children
  - 52% of employees reported they could not accomplish what they needed to get done in a week



# Issues in work-life integration:

- Cost of child care, especially for low and moderate income parents.
- Availability of after-school programs for older children.
- “Sandwich” generation: women caring for children and elderly parents or relatives at the same time. On average, women spend 17 years of their lives caring for children and 18 years caring for elderly parents.

*(White House Conference on Aging, December 2005)*



# Life Equity: Employers must recognize changing workplace demographics:

Based on a 2001 report from the Charlotte-Mecklenburg Workforce Development Board:

- As of 2002, an estimated 40% of employees had some type of responsibility for elder care.
- By 2009, an estimated 85% of the local workforce will be made up of working parents.



# Life equity: local child care options

- Licensed child care available for children from birth through age 12. Licensed care includes daycare and after-school care.
- In 2007, 173,607 children in Mecklenburg County in this age group, but only 30,322 were enrolled in some form of licensed care.
- Vast majority of children are cared for by family members or patchwork of after-school activities.
- A study about school age children across the state shows that 22% have no after-school adult supervision. In Mecklenburg County, this translates to 33,313 children.



# Life equity: child care costs are high

Child care is expensive:

	<u>Weekly cost</u>	<u>Annual cost (52 weeks)</u>
<b>Preschool</b>	\$128-170	\$6,656-8,840
<b>School age</b>	\$79-138	\$4,108-7,176

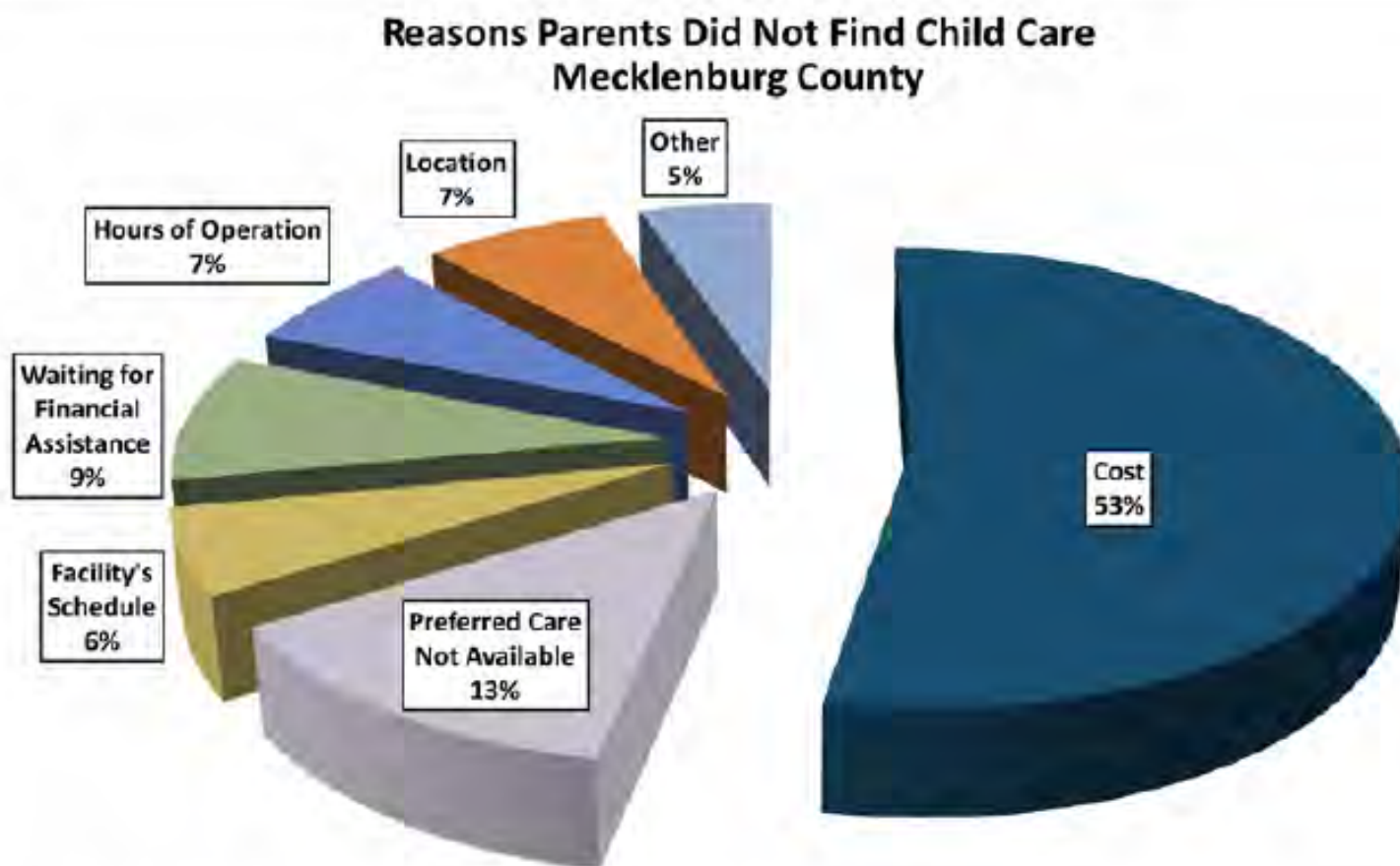
*Source: Child Care Resources, Inc. (December 2007)*

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# Life equity: child care cost prohibits many from using it

Cost is the primary reason why Mecklenburg County parents did not find childcare:



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# Life equity: child care cost mitigation

- Child care subsidies are available through federal and state government programs.
- In December 2007, 7,926 children in Mecklenburg County received subsidies. Another 5,557 children were on the waiting list for subsidies.
- Income threshold to qualify for subsidy is \$44,191 for a family of four.
- Cost of providing full childcare subsidies to all children on the waiting list is \$31.8 million for one year.
- Many households here are in the bubble – median income in Mecklenburg County is \$47,400; too high for subsidy but cost of childcare still strains family resources.



# Life equity: elder care statistics

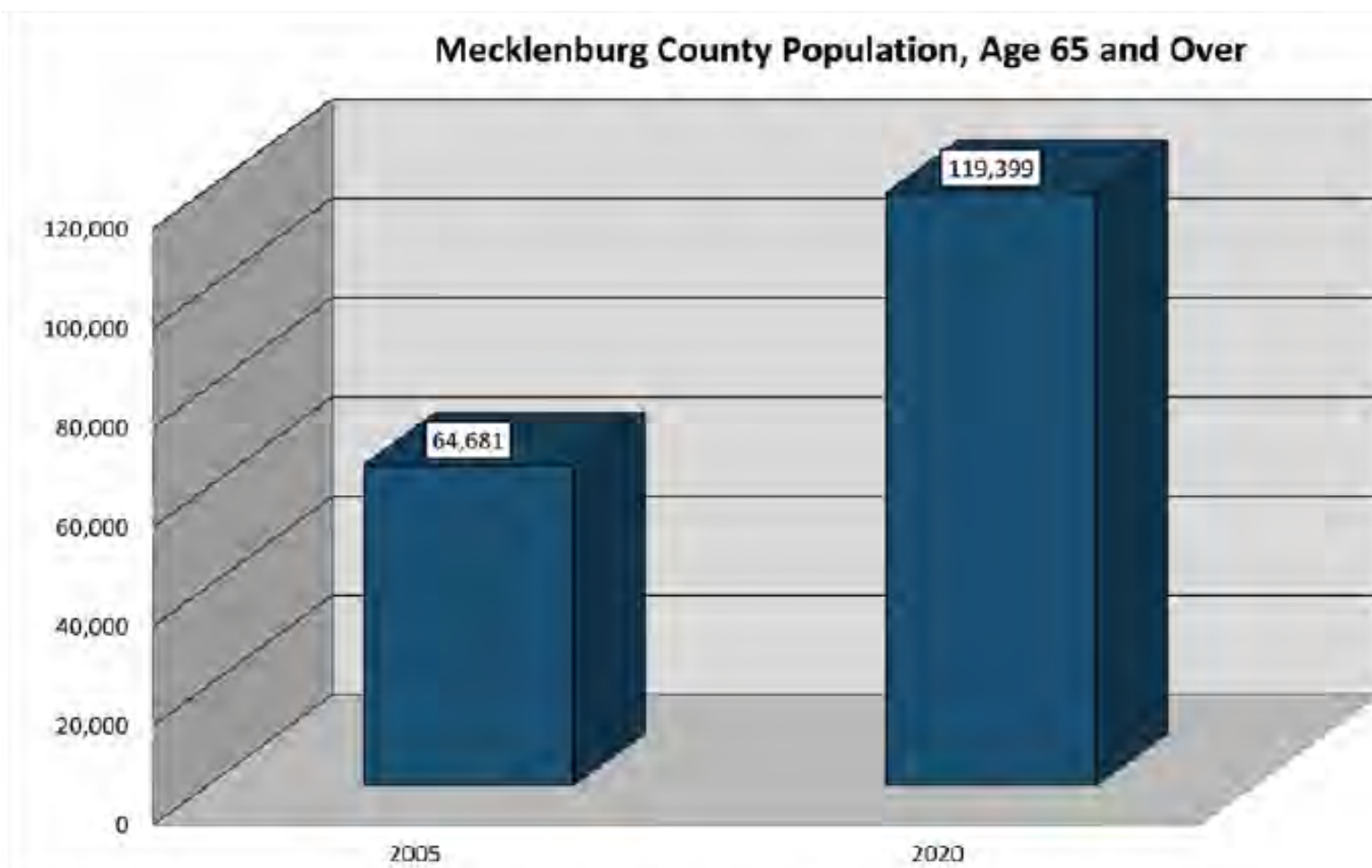
- Huge growth projected for local population aged 65 and older
- Of the people needing care, 46% are expected to need help with basic daily activities (eating, dressing, bathing, movement communication)
- Nationally, women provide about 70% of the care for their elderly relatives. Two-thirds of these women work.
- Average caregiver provides 25 hours of care per week. Primary caregivers provide nearly 50 hours per week – more than a full-time job.
- Average caregiver loses \$659,000 in lifetime wages and pension wealth due to care giving. Employers lose an estimated \$33 billion per year in employee productivity due to elder care responsibilities.

*Source: Joint Economic Committee of the U.S. Congress Fact Sheet on Cost of Elder Care (2007)*



# Life equity: demographics statistics

In Mecklenburg County, the number of people aged 65 and older is projected to grow 85% between 2005 and 2020.



Source: NC State Demographer's Office, 2005 estimates and 2020 projections, [http://demog.state.nc.us/frame\\_start.html](http://demog.state.nc.us/frame_start.html).

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# Life equity: elder care options

## Types

### Adult daycare centers

- 1 private facility
- 11 public facilities cost \$40-\$60 per day. Cost is subsidized. Capacity of 468 is not filled, but 50 people are on the waiting list for subsidies so they can attend.
- In-home aide services
- Family member

## Funding

Mecklenburg County Department of Social Services provides \$4.5 million per year. Dramatic growth in population over age 65 will create a need for additional funding.



# Where do we go from here?

## Women's Summit Proposals on Pay Equity:

**Goal:** To realize the full economic benefits of ending the wage gap

### Action steps:

- Sponsor a women's forum on pay equity/life equity to provide education and information about this broad issue as well as skills development in such areas as salary negotiations
- Present the findings of its economic assessment and pay equity study to local business and community organizations
- Join other organizations in supporting passage of the federal Fair Pay Restoration Act
- Observe Equal Pay Day on April 22, 2008, to raise awareness about how to solve wage inequity



# Where do we go from here?

## Women's Summit Proposals on Life Equity Issues:

### Goals:

- Address the need for child and elder care, especially among low- to moderate-income families
- Create a cultural shift that supports care giving responsibilities, which fall disproportionately on women

### Action steps:

- Form a dependent-care coalition
- Identify resources to support its staffing
- Child Care Resources Inc., the Council on Aging, and Partners in Out-of-School Time would serve as content experts and work collaboratively with the Women's Summit
- Cost: \$80,000 per year for two years for a full-time coalition staff member and related support



# Life Equity: where do we go from here?

## Purposes of the coalition:

- Educate decision makers and the public about the impact of dependent care issues on women, children, families, employers and Mecklenburg County
- Document the costs, both direct and indirect, of not addressing the issue of family care in the immediate or near term
- Build public and private sector will to address the huge gap of dependent care resources relative to need

## The Summit's role would include these activities:

- Convening meetings across diverse leadership groups
- Increasing awareness of the dependent care needs of low-income working women and the inadequacy of funding/services to address these needs
- Improving understanding of the impact of dependent responsibilities on the successful employment of women
- Advocating for increased local, county, and state investment in dependent care services/subsidies

