



For Immediate Release:
Wednesday, December 20, 2006

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Running Faster to Stay in Place?

Women's Credentials On the Rise in Every State, But Wage Gap Fails to Close
Pay Gap Grows in 15 States
Report Lays Out Best/Worst State Economies for Women

Women have made great gains in education, managerial and professional jobs, and business ownership, according to the Institute for Women's Policy Research (IWPR), a Washington, DC, think tank that tracks women's well-being. In its new report, *The Best and Worst State Economies for Women*, IWPR highlights that despite women's quick-paced progress in some areas, fair compensation continues to elude them.

"Women are always the bridesmaid, never the bride when it comes to earnings" says Dr. Heidi Hartmann, IWPR president and economist. "Women have come a long way, but are still waiting for equal pay. In fact, at the current rate of progress, equal pay will take another 50 years."

Between 1999 and 2005, 15 states saw a widening of the wage gap between women and men, ranging from a 0.2 percentage point increase in North Dakota to an 8.1 percentage point increase in Idaho. Another 16 states experienced small gains, achieving less narrowing of the gap than the nation as a whole (4.3 percentage points). Only twenty, fewer than half, the states narrowed the gap more than the nation as a whole (which narrowed the gap from 27.3 to 23.0 percent). Real (inflation-adjusted) median annual earnings of women also fell nationwide for the last three years for which data are available (2003, 2004, and 2005).

Nationwide, women who work full-time, year-round have median annual earnings of \$31,800, only 77 percent of men's annual earnings of \$41,300. Washington, DC, included with the 50 states in the study has the highest women's earnings and also the smallest pay gap. Women who live in the District of Columbia earn \$42,400, 85.5 percent as much as men who live there. DC is the only jurisdiction where the level of women's median earnings is higher than the national median for men's earnings. For men 24 states have median earnings above the national median.

Despite a lag in wage parity, women are making gains in other areas related to employment and earnings. The proportion of women in managerial and professional occupations, for example, is on the rise, at 35.5 percent, up from 33.2 percent at the time of IWPR's last data release. The best states on this indicator are the District of Columbia (52.5 percent), Maryland (43.1 percent), Virginia (40.3 percent), Massachusetts (39.7 percent), and New Jersey (37.6 percent); the worst states are Idaho (27.1 percent), Tennessee (28.7 percent), Utah (28.8 percent), Arkansas (29.5 percent), and Nevada (29.6 percent).

"This year's reports cards were an eye-opener for us," said Dr. Amy Caiazza, Director of Democracy and Society Programs, and editor of earlier report cards. "Women made gains in credentials in a few short years in every state, but saw little closing of the wage gap in the same five year time-span. It seems like women are running faster just to stay in place."

The economic policy environments of the states were also examined in the study to assess women's economic progress. This area includes four factors highly influenced by policy and with great impact women's economic independence: percentage of women with a four-year college degree or more, women's poverty rates, health insurance, and women's business ownership.

Every state in the nation saw an increase in women's educational attainment between 2000 and 2005, ranging from an increase of 0.2 percentage points of women aged 25 and older with at least a Bachelor's degree in Wyoming to 8.5 percentage points in the District of Columbia.

"The leaps and bounds women have taken in terms of higher education are something we can point to as a sign of true progress," remarked Dr. Avis Jones-DeWeever, Director of Poverty, Education, and Social Justice Programs at IWPR. "Now the nation has got to make sure that educational gains translate into economic opportunity for women."

Slightly more than 87 percent of women in the United States live above the poverty line, but IWPR's report also finds that poverty is unevenly distributed among the states. Whereas, only 6.6 percent of New Hampshire women live in poverty, more than 18 percent of women in Louisiana live below the poverty line. Between 1999 and 2005, a higher share of women slipped into poverty in fifteen of the 50 states, despite a slight reduction (of 1.0 percent) in women's poverty nationwide.

The report also finds great disparities across states in women's health insurance coverage well, an indicator that often goes hand-in-hand with poverty. Whereas 91.0 percent of women in Minnesota, and 88.6 percent of women in Hawaii and Wisconsin have health insurance, only 70.8 percent of women in Texas and 73.2 percent of women Louisiana do.

"There's a real imbalance in women's economic progress," said IWPR Director of Employment and Work/Life Policy, Dr. Vicky Lovell. "The great strides in education and occupation type that many women have achieved are coupled with economic insecurity from falling real earnings and inadequate health insurance. From other research we know that the vast majority of long-term low-wage workers are women. There's no question but that some women at the bottom are doing worse."

In addition to examining women's employment and earnings and the economic policy environments in which they live, the study lays out the overall best and worst states for women economically in 2006.

IWPR ranked the best as the District of Columbia, Maryland, and Massachusetts, as the first, second, and third, followed by Minnesota (4th), Vermont (5th), Connecticut and New Jersey (6th), and Colorado (8th), for doing well on most of the indicators. The study gives honorable mention to Virginia, New Hampshire, Hawaii, and Alaska for ranking well on some of the indicators.

The states with the worst economies for women are Arkansas (51st), Louisiana (50th), and West Virginia (49th), at the three bottom places, followed by Mississippi (48th), Kentucky (47th), Montana (46th), Tennessee (45th), and New Mexico (44th). Dishonorable mention went to Alabama, Idaho, Wyoming, Idaho, Oklahoma, and Texas.

"It's no surprise that the best state economies for women are largely in the Northeast and Mid-Atlantic. Women have long fared better economically in these regions," noted IWPR program director Dr. Amy Caiazza. "Likewise, the Southern states are often, as expected, home to economies that work much less well for women, where earnings are typically low, poverty is high, and opportunity is limited."

The report recommends public and private policies to improve the status of women throughout the United States, including:

- Recruitment by employers of women into predominantly male jobs that are well paid, and active prevention of harassment.
- Improving educational and job training opportunities for women to enter these and other jobs.
- Protecting women's rights on the job, including the right to organize and the right to a discrimination and harassment-free job environment.
- Contract set-asides for women-owned businesses at all levels of government and an increase of public funds for technical assistance and small business loans.
- New federal and state laws to require employers to show that comparable jobs are paid fairly.
- Raising the federal minimum wage and local living wage laws.
- Increasing poverty alleviation initiatives like state tax credit policies modeled after the federal Earned Income Tax Credit program.
- Expanding public and employer-based health insurance programs to reach uninsured women who are ineligible for Medicaid.
- Implementing subsidized child care and family friendly paid parental and family care leave policies that allow workers the flexibility to meet their family responsibilities.

The report was written by a team of researchers at IWPR, led by economist and MacArthur Fellow Dr. Heidi Hartmann, and was based on analysis of federal-government data sources. IWPR, a non-profit, non-partisan think tank, has analyzed state-by-state differences in women's well-being since 1996 and is the only source of state-by-state indicators of women's economic progress. Today's release marks the tenth anniversary of the series.

The Institute for Women's Policy Research conducts rigorous research and disseminates its findings to address the needs of women, promote public dialogue, and strengthen families, communities, and societies. IWPR focuses on issues of poverty and welfare, employment and earnings, work and family issues, health and safety, and women's civic and political participation. IWPR's new Briefing Paper can be found on its website at www.iwpr.org.

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