

SPECIAL REPORT

Boom, Bust, and Beyond:

THE STATE OF WORKING CALIFORNIA

One Step Forward:

California Working

Women Make Gains

Over the Last Two

Decades

AUGUST 2003

A Publication of the California Budget Project

One Step Forward: California Working Women Make Gains Over the Last Two Decades

During the economic boom of the late 1990s and continuing through 2002, women in California made important economic gains. Wages increased for female workers across the earnings spectrum, women's employment in higher earning occupations increased, and the share of women with college degrees continued to grow. Still, women earned 83 cents for every dollar earned by men in 2002, and many female workers and their families lack health and pension coverage. This report describes trends in wages and employment of women, particularly those at the middle and low end of the wage distribution.

Key Findings

- The hourly wage of the typical woman working in California rose 23.7 percent between 1979 and 2002, while the wage of the typical man fell 7.3 percent.¹ Similarly, the hourly wage of low-wage female workers increased by 7.2 percent during the same period, while the wage of low-wage male workers fell by 15.4 percent. The wage gap between the typical woman and the typical man working in California narrowed between 1979 and 2002, with the median wage of women as a percentage of that of men increasing from 62.4 percent to 83.2 percent.
- Women's wage gains varied by race and ethnicity.² The inflation-adjusted hourly wage of the typical white female worker increased by 39.2 percent during this period, from \$12.16 per hour in 1979 to \$16.93 per hour in 2002. In contrast, the typical

Latina worker saw her hourly wage increase by 4.7 percent, from \$9.56 in 1979 to \$10.00 in 2002. Inflation-adjusted hourly wage growth during this period for the typical black and Asian female worker, at 25.5 percent and 27.1 percent respectively, was greater than that of Latinas but less than that of white women.

- Women's wages fared better than those of men regardless of educational attainment between 1979 and 2002. While the wages of the typical female worker without a high school diploma fell by 11.7 percent during this period, those of men fell by 29.2 percent. Likewise, the wages of the typical female worker with at least a bachelor's degree rose 37.2 percent, while those of similarly educated men increased by 14.7 percent. However, women continue to earn less than men at every level of educational attainment.

- An increasing share of women moved into higher paying occupations that experienced strong growth in hourly wages between 1989 and 2002. For example, the share of women working in professional specialty occupations increased from 16.8 percent of all women workers to 20.8 percent, and their inflation-adjusted hourly wage increased by 13.3 percent during the same period.
- While the share of women in contingent and alternative work arrangements is small, there was disproportionate growth in the number of women working for temporary agencies, the least economically secure of alternative work arrangements. Between 1995 and 2001, the number of California women employed by temporary agencies increased by 50.0 percent while the female workforce increased only 20.0 percent. In contrast, the

¹ The typical worker's wage refers to the median hourly wage, which is the wage at which 50 percent of workers have a higher wage and 50 percent have a lower wage. Low-wage workers are those earning wages at the 20th percentile, and high-wage workers are those with wages at the 80th percentile.

² The four racial and ethnic groups discussed here are mutually exclusive. Asians include Pacific Islanders; "black" is the term used by the Census Bureau and includes African-Americans.

number of California men working for temporary agencies declined by 30.8 percent over the same period, while the male workforce increased by 15.7 percent.

- In 2001, men were more likely to have job-based health coverage (65.2 percent) than women (61.8 percent). However, women were less likely to lack health coverage (16.8 percent) than men (19.6 percent), reflecting higher use of public programs such as Medi-Cal by women (14.4 percent) relative to men (9.2 percent).

However, the strong job growth of the late 1990s ended in 2001. The national recession officially began in March 2001; the monthly unemployment rate in California also began to rise in March, after three consecutive months at 4.7 percent.⁴ The state's unemployment rate continued to rise, and has remained over 6.0 percent throughout 2002 and the first half of 2003. Nearly 350,000 more Californians were unemployed in March 2003 than in March 2001. The impact of rising unemployment has varied by

gender. The share of unemployed males increased from 4.7 percent in January 2001 to 6.7 percent in January 2003. In contrast, the female unemployment rate was higher than that of males in January 2001 (5.1 percent), but slightly lower by January 2003 (6.6 percent).⁵

Women's Wage Gains Outpace Those of Male Workers

Over the past two decades, the wage gains of women workers have substantially exceeded those of their

Record Economic Growth of the Late 1990s Ends in 2001

From the mid-1990s through 2000, the nation enjoyed the longest economic expansion in history, in large part due to very strong economic growth in California. The economy created an average of 138,000 additional jobs per year over and above the increase in the state's labor force between 1993 and 2000. Half a million jobs were added between 1999 and 2000 alone.³

Table 1: Who Are California's Female Workers?

	1979	1989	2002
Female Workers as a Percentage of All Workers	42.8%	45.8%	46.1%
Age			
25 to 40 Years Old	57.1%	59.8%	47.4%
41 to 55 Years Old	31.6%	32.0%	42.9%
56 to 64 Years Old	11.3%	8.2%	9.7%
Race/Ethnicity			
White	71.5%	62.9%	52.5%
Latina	12.9%	18.7%	26.3%
Black	8.0%	7.6%	7.6%
Asian	7.6%	10.9%	13.6%
Education			
Less Than High School	15.0%	11.3%	11.6%
High School	34.0%	29.4%	21.9%
Some College	29.8%	31.4%	32.6%
Bachelor's Degree or Higher	21.2%	27.8%	33.9%
Region			
Los Angeles	33.4%	31.0%	27.5%
Bay Area	22.3%	23.5%	22.1%
All Other Regions	44.3%	45.5%	50.4%
Hours of Work			
Full-Time (35 Hours or More per Week)	79.0%	79.6%	79.9%
Part-Time (Less Than 35 Hours per Week)	21.0%	20.4%	20.1%

Note: These data describe the universe of workers whose wages are analyzed in this report. See the Methodology section for a detailed description.

Source: CBP analysis of Current Population Survey data

³ See California Budget Project (CBP), *Boom, Bust, and Beyond: The State of Working California* (January 2003), for more information on economic trends in California.

⁴ National Bureau of Economic Research, *The Business-Cycle Peak of March 2001* (November 26, 2001), downloaded June 15, 2002 from <http://www.nber.org/cycles/november2001/recessions.pdf> and Employment Development Department, *Civilian Labor Force, Employment, and Unemployment – Updated 4/9/2003*, downloaded April 24, 2003 from [http://www.calmis.ca.gov/file/lfhist/cal\\$shlf.txt](http://www.calmis.ca.gov/file/lfhist/cal$shlf.txt).

⁵ Monthly unemployment rates for men and women are 12-month moving averages.

male counterparts (Table 2).⁶ While the hourly earnings of male workers still exceeded those of their female counterparts in 2002, the inflation-adjusted wage of the typical female worker as a percentage of male hourly earnings increased from 62.4 percent in 1979 to 76.0 percent in 1989 and to 83.2 percent in 2002 (Table 3).

The narrowing of the gender wage gap reflects an increase in women's earnings, coupled with a decline in the median hourly wage of men. The typical California female worker's wage rose by 23.7 percent between 1979 and 2002, after adjusting for inflation. In contrast, the typical male worker's wage actually declined by 7.3 percent

during the same period. The disparity was especially wide between 1979 and 1989, when the typical female worker's wage increased by 14.3 percent, while that of male workers fell by 6.2 percent. Between 1989 and 2002, the wage of the typical female worker rose by 8.2 percent, while that of male workers decreased by 1.2 percent.

For both low- and high-wage workers, the wage gains of female workers substantially surpassed those of men. Women across the

Table 3: Women's Hourly Wages as a Percentage of Men's Hourly Wages

Year	20 th Percentile	Median	80 th Percentile
1979	68.0%	62.4%	65.5%
1989	78.7%	76.0%	74.0%
1990	80.7%	76.9%	74.3%
1991	86.7%	74.9%	76.8%
1992	86.1%	80.8%	79.9%
1993	84.4%	79.0%	77.0%
1994	93.3%	82.7%	78.3%
1995	92.4%	80.4%	79.2%
1996	93.3%	86.6%	82.3%
1997	90.9%	83.6%	83.0%
1998	87.5%	80.0%	80.8%
1999	85.3%	83.7%	82.3%
2000	86.9%	78.0%	79.9%
2001	84.2%	80.9%	79.2%
2002	86.1%	83.2%	80.1%

Source: CBP analysis of Current Population Survey data

wage distribution posted gains between 1979 and 1989, with wages increasing by 2.9 percent for low-wage workers and by 20.4 percent for high-wage workers.

These gains continued between 1989 and 2002, with increases in hourly wages of 4.2 percent for low-wage female workers and 16.0 percent for high-wage female workers. In contrast, the hourly wages of low-wage male workers declined 11.1 percent between 1979 and 1989 and 4.8 percent between 1989 and 2002. High-wage

Table 2: Hourly Wage by Gender (2002 Dollars)

Year	Women			Men		
	20 th Percentile	Median	80 th Percentile	20 th Percentile	Median	80 th Percentile
1979	\$8.03	\$11.64	\$17.21	\$11.82	\$18.66	\$26.28
1989	\$8.26	\$13.30	\$20.73	\$10.50	\$17.51	\$28.01
1990	\$8.07	\$13.34	\$20.01	\$10.01	\$17.34	\$26.95
1991	\$8.37	\$13.02	\$20.92	\$9.66	\$17.38	\$27.24
1992	\$8.38	\$13.70	\$21.67	\$9.73	\$16.96	\$27.13
1993	\$8.27	\$13.48	\$21.20	\$9.80	\$17.07	\$27.55
1994	\$8.40	\$13.50	\$21.60	\$9.00	\$16.32	\$27.60
1995	\$7.85	\$13.18	\$21.41	\$8.49	\$16.40	\$27.03
1996	\$7.99	\$13.69	\$21.68	\$8.56	\$15.80	\$26.34
1997	\$7.62	\$13.18	\$22.02	\$8.38	\$15.78	\$26.52
1998	\$7.71	\$13.22	\$22.24	\$8.81	\$16.53	\$27.54
1999	\$7.82	\$13.54	\$23.10	\$9.17	\$16.19	\$28.05
2000	\$8.17	\$13.57	\$23.49	\$9.40	\$17.41	\$29.41
2001	\$8.21	\$14.22	\$23.97	\$9.75	\$17.57	\$30.25
2002	\$8.61	\$14.40	\$24.04	\$10.00	\$17.30	\$30.00
Percent Change						
1996 to 2002	7.8%	5.2%	10.9%	16.8%	9.5%	13.9%
1979 to 1989	2.9%	14.3%	20.4%	-11.1%	-6.2%	6.6%
1989 to 2002	4.2%	8.2%	16.0%	-4.8%	-1.2%	7.1%
1979 to 2002	7.2%	23.7%	39.6%	-15.4%	-7.3%	14.2%

Source: CBP analysis of Current Population Survey data

⁶ Wages presented in this report differ from those in California Budget Project, *Boom, Bust, and Beyond: The State of Working California* (January 2003), because they are presented in 2002, not 2001, constant dollars.

male workers made gains during both periods, but their wage increase between 1989 and 2002 was less than half the increase of their female counterparts (7.1 and 16.0 percent, respectively).

While wage gains of females outpaced gains of the typical male between 1989 and 2002, the trend reversed in the final years of the economic expansion. The typical wage of female workers increased 5.2 percent between 1996 and 2002, as compared to a 9.5 percent gain for the typical male worker. Similarly, hourly earnings of low-wage female workers increased 7.8 percent between 1996 and 2002, whereas the hourly wage of their male counterparts increased by 16.8 percent. The typical woman's

wage came closest to reaching the typical man's wage in 1996, when her hourly earnings were 86.6 percent of those of the typical man. However, the percentage dropped to 83.2 percent in 2002 (Table 3).

Wage Gains Vary by Race, Ethnicity

Although women of all races and ethnicities experienced wage gains between 1989 and 2002, there were significant differences between groups (Figure 2). The inflation-adjusted wage of the typical white female worker increased by 20.9 percent during this period, from \$14.00 per hour in 1989 to \$16.93 per hour in 2002. In contrast, the typical Latina worker saw her wage increase by 9.9

percent, from \$9.10 in 1989 to \$10.00 in 2002. Inflation-adjusted hourly wage growth during this period for the typical Asian female worker, at 10.8 percent, was greater than that of Latinas but less than that of white women. Black female workers had the weakest wage growth between 1989 and 2002 with the typical hourly wage increasing only 2.8 percent, from \$14.00 to \$14.40.

In addition to experiencing stronger wage growth between 1979 and 2002, white women generally earned higher wages than women of other races and ethnicities (Table 4). In 1979, black and Asian female workers typically earned 94 cents for each dollar earned by the typical white woman, and Latina workers earned 78

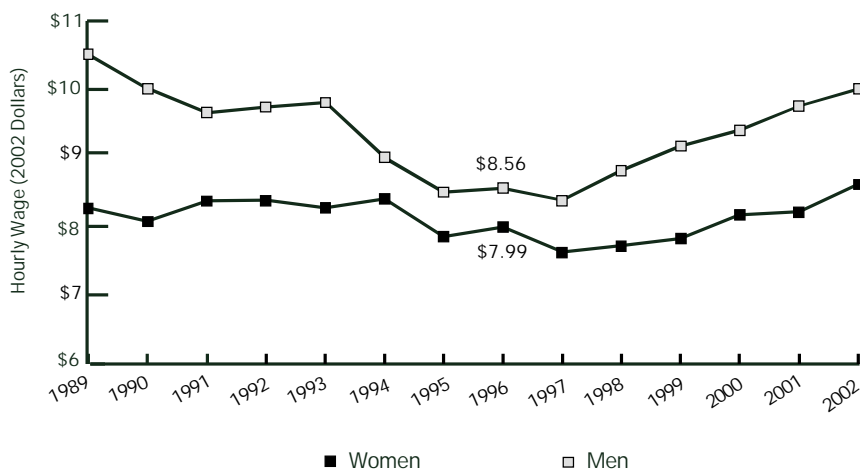
Welfare Reform and Women's Wages: A Connection?

As the nation debated the 1996 federal welfare reform law, many analysts expressed concern that the labor market would not provide enough jobs for women to leave welfare for work. However, the strong economy of the late 1990s generated more jobs than many anticipated. The number of families receiving cash assistance declined sharply as the participation of single mothers in the labor force reached historically high levels. A question still remains whether the new entrants to the labor force, predominately single mothers, suppressed wage levels for low-wage workers.

Low-end wages of women began to lose ground relative to men's wages after 1996 (Figure 1). While wages of low-wage workers rose for both women and men between 1997 and 2002, the increase in women's wages (13.0 percent) was much less than the increase in men's wages (19.3 percent). This difference increased the wage gap between low-wage female and male workers, following a narrowing wage gap during the early 1990s. In 1997, the hourly wage of low-wage female workers was 9.1 percent lower than the comparable male wage. In 2002, wages of low-wage female workers were 13.9 percent lower than those of men.

In comparison, the wage gap between female and male median workers widened slightly from 16.4 to 16.8 percent between 1997 and 2002. However, the gap for the median worker increased less than the gap for low-wage workers. Thus, while it is true that in the period after welfare reform the wages of low-wage female workers benefited from the overall economic boom, the data presented here suggest that their wages might have risen even more substantially in the absence of welfare reform.

Figure 1: 20th Percentile Wages by Gender



Source : CBP analysis of Current Population Survey data

cents for every dollar the typical white woman earned. By 2002, the wage gap between white women and women from all other racial and ethnic groups had increased, with black women earning 85 percent, Asian women earning 86 percent, and Latinas earning just 59 percent of white women's hourly wages.

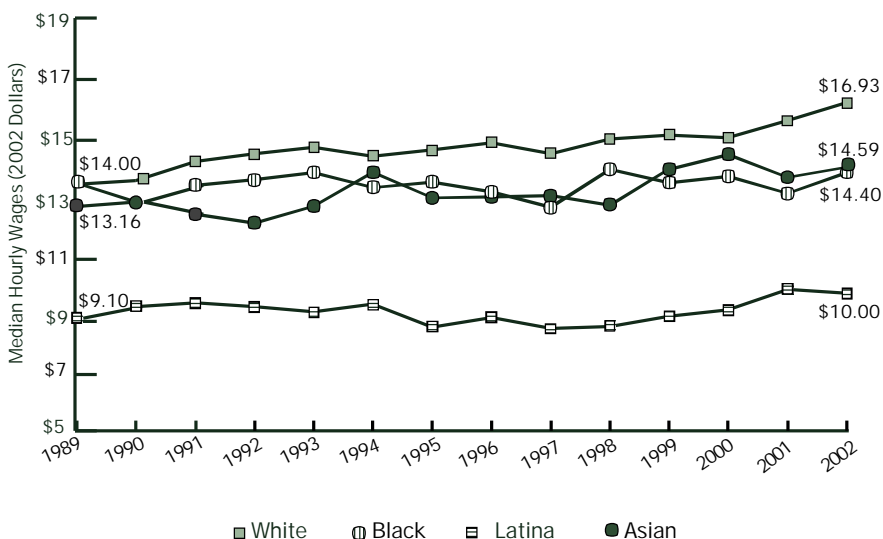
The difference between the hourly wages of women and men varied by race and ethnicity as well, with male workers consistently earning higher wages than female workers between 1979 and 2002 (Figure 3). By 2002, black women had made the most progress toward wage equality with black men by narrowing the gap between the typical female worker's hourly wage and that of the typical male worker, from 73 cents on the dollar in 1979 to 96 cents on the

dollar. White women also significantly closed the gender wage gap; the typical white female worker earned 60 cents for every dollar earned by white male workers in 1979 but was earning 80 cents on the dollar by 2002. Asian women, who typically earned 67 cents for every dollar earned by Asian men

in 1979, made the least progress toward wage equality of all racial and ethnic groups analyzed. By 2002, the wage gap between Asian female and male workers had closed by only 10 cents and, with the typical Asian woman earning 77 cents for every dollar earned by the typical Asian man, was the widest for all racial and ethnic groups. Latinas closed the wage gap by 14 cents between 1979 and 2002, with the wage

for the typical Latina worker rising from 69 cents for every dollar earned by the typical Latino male worker to 83 cents on the dollar. This decline in the wage gap is largely due to the 12.9 percent decline in the median wage of Latino male workers between 1979 and 2002.

Figure 2: Women's Wage Gains Vary by Race and Ethnicity



Source: CBP analysis of Current Population Survey data

Table 4: Women's Median Hourly Wages by Race and Ethnicity as a Percentage of White Women's Hourly Wages

Year	Black	Latina	Asian
1979	94%	78%	94%
1989	100%	65%	94%
1990	95%	67%	95%
1991	94%	65%	87%
1992	94%	63%	83%
1993	94%	61%	86%
1994	92%	64%	96%
1995	92%	58%	89%
1996	88%	59%	87%
1997	87%	58%	90%
1998	93%	56%	85%
1999	89%	58%	92%
2000	91%	60%	96%
2001	84%	62%	87%
2002	85%	59%	86%

Source: CBP analysis of Current Population Survey data

The Impact of Education on the Gender Wage Gap

While men have higher hourly wages than women regardless of educational attainment, the gender wage gap is narrowest for women with at least a bachelor's degree, who earned 82.2 percent of men with the same level of education in 2002. In

general, women who attain additional education

experience greater wage gains than do men (Table 5). In 2002, the hourly wage of the typical woman with a high school diploma was 51.8 percent higher than that of the typical woman without a high school diploma; for men the difference was 44.4 percent. Women with at least a bachelor's degree had a median hourly wage

that was 54.5 percent higher than did women with some college. In contrast, men with at least a bachelor's degree had a median hourly wage that was 46.2 percent higher than did men with some college.

The hourly earnings of women at all levels of education fared much better than the wages of men with comparable

levels of education between 1979 and 2002 (Figure 4). While the median wage of both women and men with less than a high school diploma decreased over the period, the wage of the typical man declined two and one-half times as much as that of women (a 29.2 percent decline and an

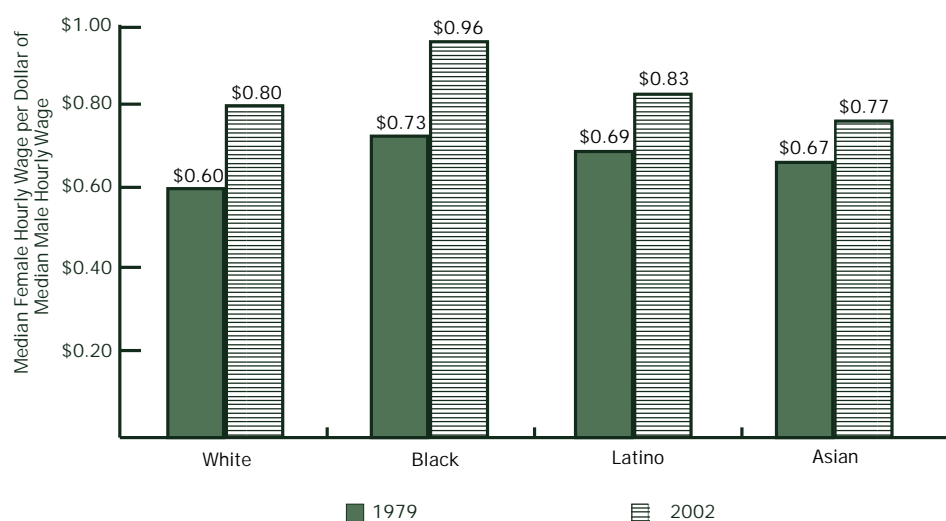
11.7 percent decline, respectively).

The typical wage of women with a high school degree but no additional education grew slightly more than inflation, increasing by 0.8 percent. In contrast, the typical wage of men with the same level of education fell 21.4 percent. The typical hourly wage of women with a college education also rose more than that of college-educated men (37.2 percent vs. 14.7 percent, respectively).

Women's Wage Gains Vary by Sector and Occupation

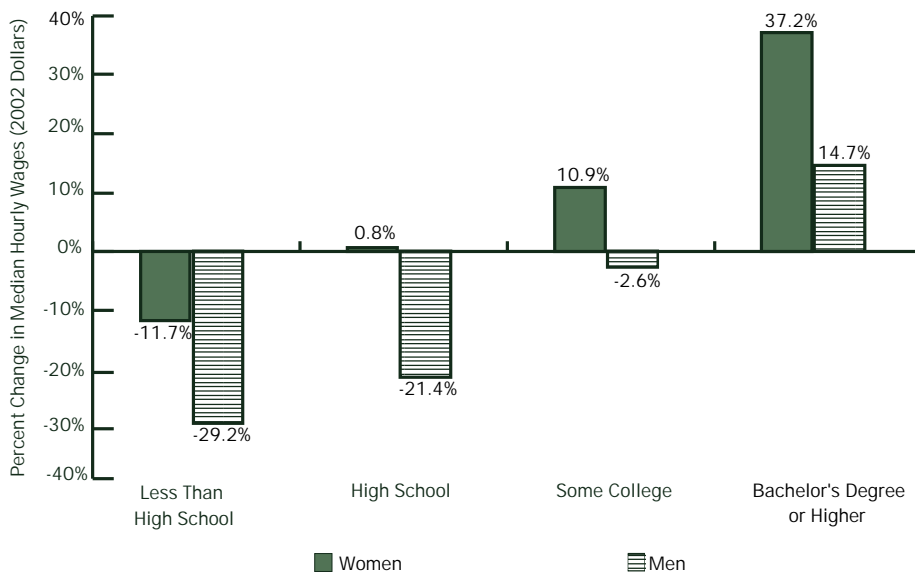
Wage trends for women varied considerably by sector between 1989 and 2002 (Table 6). Hourly wages of women working in government increased by 13.5 percent, after adjusting for inflation, and those of women working in the finance,

Figure 3: Gender Wage Gap Varies by Race and Ethnicity



Source: CBP analysis of Current Population Survey data

Figure 4: Change in Median Hourly Wages by Gender and Education Level, 1979 to 2002



Source: CBP analysis of Current Population Survey data

insurance, and real estate sector rose by 19.4 percent. However, these sectors combined employed less than 15 percent of all women workers in 2002. Women in the service sector, which employed 51.2 percent of all women workers in 2002, experienced a smaller, but still significant, 7.1 percent increase in the typical worker's hourly wage, from \$14.00 to \$15.00 during the same period. Hourly wages in the retail sector, which employs

12.7 percent of the state's female workforce and is one of the lowest paying industries, grew by an impressive 19.0 percent between 1989 and 2002.

One factor contributing to the overall growth in women's wages is that an increasing share of women moved into higher paying occupations that experienced strong wage growth between 1989 and 2002. As the share of women employed in professional

specialty occupations increased from 16.8 percent of all women workers in 1989 to 20.8 percent in 2002, the hourly wage of women in those occupations increased by 13.3 percent after adjusting for inflation, from \$20.31 to \$23.00 (Table 7).⁷ Likewise, the share of women workers employed in executive, administrative, and managerial occupations rose from 15.3 percent to 18.4 percent during the same period, and the hourly

wages of women in those occupations increased from \$17.51 in 1989 to \$20.65 in 2002 (18.0 percent) in inflation-adjusted dollars.

Growth in women's hourly wages outpaced that of men in almost all industries and occupations between 1989 and 2002 (Tables 6 and 7).⁸ During this period, men experienced declining hourly wages in sectors and occupations where women had significant wage growth. Due to these

Table 5: 2002 Wage Differentials for Additional Education by Gender

	Median Hourly Wage				Wage Differential		
	Less Than High School	High School	Some College	Bachelor's Degree or Higher	High School vs. Less Than High School	Some College vs. High School	Bachelor's Degree or Higher vs. Some College
Women	\$7.60	\$11.54	\$14.00	\$21.63	51.8%	21.3%	54.5%
Men	\$10.00	\$14.44	\$18.00	\$26.31	44.4%	24.7%	46.2%

Source: CBP analysis of Current Population Survey data

⁷ The professional specialty category includes engineers, architects, physicians, registered nurses, teachers, lawyers, athletes, and actors.

⁸ The industries and occupations included in this analysis are those in which the largest share of women are employed.

trends, the gap between men's and women's wages narrowed during this period in all but two of these industries and occupations.⁹ However, in spite of their gains, women earned between 63.3 percent and 87.6 percent of men's wages in each of these industries and occupations in 2002.

Women in Contingent and Alternative Work Arrangements

The Bureau of Labor Statistics describes contingent workers as, "those who do not have an implicit or explicit contract for ongoing employment."¹⁰ Alternative work arrangements, which include independent contractors, on-call workers, workers paid by temporary agencies, and

workers provided by contract firms, may or may not be considered contingent depending on whether the arrangement is expected to last. These arrangements are often associated with lower wage and benefit levels, as well as a lack of security and upward mobility.

In 2001, 4.6 percent of California's female workers were employed as independent contractors, 2.0 percent as on-call workers, and 2.0 percent as temporary agency workers. While the share of women in contingent and alternative work arrangements is small, the disproportionate growth in the number of women working for temporary agencies, the least economically secure of the alternative

work arrangements, is troubling. Between 1995 and 2001, the number of California women employed by temporary agencies increased 50.0 percent, while the female workforce increased only 20.0 percent. In contrast, the number of women working as independent contractors fell by 32.2 percent in the same period. During the same period, the number of California men working for temporary agencies declined by 30.8 percent, while the male workforce increased by 15.7 percent. The number of men working as independent contractors also fell during this period, but by 10.1 percent compared to the 32.2 percent decline for women.¹¹ Independent contrac-

Table 6: Median Hourly Industry Wages of Women and Men (2002 Dollars)

Industry	1989			2002			Percent Change, 1989 to 2002	
	Median Wage of Female Workers	Median Wage of Male Workers	Female-to-Male Median Wage Ratio	Median Wage of Female Workers	Median Wage of Male Workers	Female-to-Male Median Wage Ratio	Median Wage of Female Workers	Median Wage of Male Workers
Manufacturing (Non-durables)	\$10.85	\$16.80	64.6%	\$12.00	\$16.40	73.2%	10.6%	-2.4%
Manufacturing (Durables)	\$14.00	\$19.61	71.4%	\$14.42	\$20.00	72.1%	3.0%	2.0%
Services	\$14.00	\$17.51	80.0%	\$15.00	\$18.56	80.8%	7.1%	6.0%
Retail Trade	\$8.40	\$12.27	68.5%	\$10.00	\$12.00	83.3%	19.0%	-2.2%
Finance, Insurance, and Real Estate	\$14.00	\$21.01	66.7%	\$16.73	\$25.62	65.3%	19.4%	22.0%
Transportation and Utilities	\$15.82	\$19.61	80.7%	\$16.65	\$19.00	87.6%	5.2%	-3.1%
Government	\$15.25	\$21.01	72.6%	\$17.31	\$23.08	75.0%	13.5%	9.9%

Source: CBP analysis of Current Population Survey data

⁹ The wage gap grew by 1.7 percent in sales occupations and by 1.4 percent in the finance, insurance, and real estate industry between 1989 and 2002.

¹⁰ Bureau of Labor Statistics, *Contingent and Alternative Employment Arrangements, February 2001*, downloaded from www.bls.gov/news.release/conemp.nr0.htm on April 1, 2003. See California Budget Project, *Boom, Bust, and Beyond: The State of Working California* (January 2003), for a more detailed discussion of contingency work arrangements.

¹¹ CBP analysis of unpublished tabulations from the Contingent and Alternative Work Arrangement Survey.

tors tend to earn more, have higher levels of education, and have a greater preference for their work arrangement than do temporary agency or on-call workers.¹²

Union Wage Premium Widens

The typical female worker covered by a union contract earned \$4.50 per hour more than her non-union counterpart in 2002, compared to a \$3.85 per hour gap between union and non-union male workers (Figure 5).¹³ However, the gap between union and non-union female workers' wages increased by 11.9 percent between 1989 and 2002, while the gap between

union and non-union male workers' wages increased by 16.7 percent during the same period. The gap increased less for women even though the wage of the typical female union worker increased by 7.5 percent between 1989 and 2002, whereas the wage of the typical male union worker increased by only 0.2 percent over the same period.

Many Workers' Wages Are Insufficient to Support a Family

Nearly one in ten of California's female workers (8.3 percent) earn less than \$6.97 per hour, the wage needed to move a full-time worker heading a

family of three above the 2002 federal poverty line (Table 8). This is nearly twice the 4.2 percent of women workers earning poverty-level wages in 1979, but less than the 11.5 percent in 2001. The decline in the share of women workers earning poverty-level wages between 2001 and 2002 is likely due to the increase in the state's minimum wage to \$6.75 in January 2002. In contrast, the share of male workers earning poverty-level wages has been consistently lower than that of women: 1.4 percent in 1979, 7.1 percent in 2001, and 5.8 percent in 2002.

A far greater share of women

Table 7: Median Hourly Occupational Wages of Women and Men (2002 Dollars)

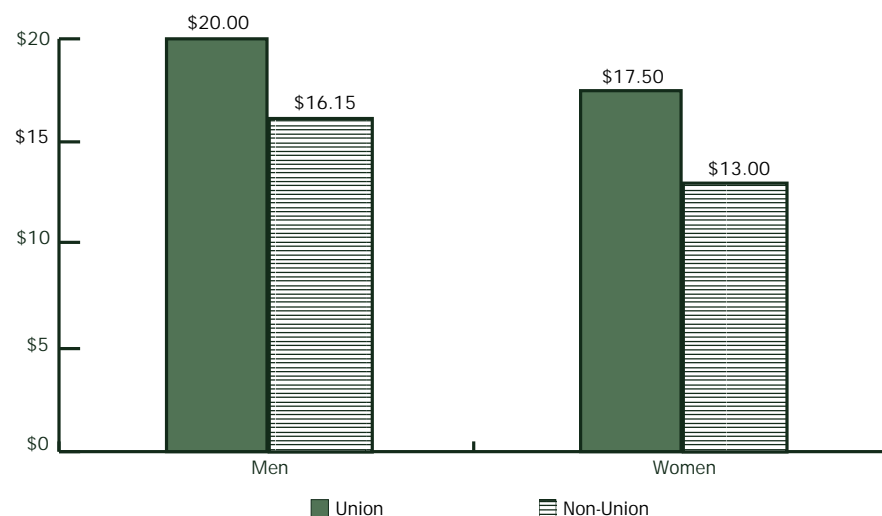
Occupation	1989			2002			Percent Change, 1989 to 2002	
	Median Wage of Female Workers	Median Wage of Male Workers	Female-to-Male Median Wage Ratio	Median Wage of Female Workers	Median Wage of Male Workers	Female-to-Male Median Wage Ratio	Median Wage of Female Workers	Median Wage of Male Workers
Administrative and Clerical Support	\$12.32	\$14.70	83.8%	\$13.00	\$15.00	86.7%	5.5%	2.0%
Professional Specialty	\$20.31	\$26.26	77.3%	\$23.00	\$28.83	79.8%	13.3%	9.8%
Precision Production, Craft, and Repair	\$11.20	\$18.08	62.0%	\$13.00	\$16.40	79.3%	16.0%	-9.3%
Executive, Administrative, and Managerial	\$17.51	\$24.51	71.4%	\$20.65	\$26.73	77.2%	18.0%	9.1%
Services	\$7.91	\$11.20	70.6%	\$8.49	\$10.00	84.9%	7.3%	-10.7%
Machine Operators, Assemblers, and Inspectors	\$8.05	\$13.11	61.4%	\$8.00	\$12.23	65.4%	-0.6%	-6.7%
Sales	\$11.38	\$17.51	65.0%	\$11.87	\$18.75	63.3%	4.3%	7.1%

Source: CBP analysis of Current Population Survey data

¹² Bureau of Labor Statistics, *Contingent and Alternative Employment Arrangements, February 2001*, downloaded from www.bls.gov/news.release/conemp.nr0.htm on April 1, 2003.

¹³ Workers covered by a union contract include members of labor unions as well as non-members whose wages and benefits are covered by labor union contracts.

Figure 5: 2002 Median Hourly Wage by Gender and Union Coverage



Source: CBP analysis of Current Population Survey data

\$12.71 per hour in 2002.

However, the percentage of women earning low hourly wages declined between 1979 and 2002, except for the share earning below the poverty level for a family of three (Table 8). During the same period, the share of men earning low wages increased for all measures. This reflects the overall wage trends for men and women between 1979 and 2002.

workers fail to earn enough to purchase basic necessities. Nearly three-quarters (73.3 percent) of California's female workers earned less than the hourly wage needed by a single parent to support a family of three (\$21.22), and 42.8 percent earned less than the amount needed by a family of four supported by two full-time workers (\$12.71 per hour) in 2002.¹⁴ Men are somewhat more likely to earn enough to raise a family; nearly two-thirds (63.5 percent) earned less than the single-parent wage of \$21.22 per hour, and 33.2 percent earned less than the two-working-parent wage of

Table 8: Percentage of Workers with Low Hourly Wages by Gender

	Below Poverty Threshold (Family of Three)	Below Poverty Threshold (Family of Four)	Below CBP Basic Family Budget (Family of Three)	Below CBP Basic Family Budget (Family of Four)
1979				
Total	2.6%	13.0%	74.2%	37.3%
Women	4.2%	21.7%	90.5%	56.2%
Men	1.4%	6.6%	62.0%	23.1%
1989				
Total	7.7%	17.9%	72.6%	38.2%
Women	10.2%	22.9%	82.7%	48.1%
Men	5.6%	13.6%	64.1%	29.9%
2001				
Total	9.1%	18.7%	67.8%	38.6%
Women	11.5%	22.0%	75.0%	44.1%
Men	7.1%	15.9%	61.6%	33.9%
2002				
Total	7.0%	18.2%	68.0%	37.6%
Women	8.3%	21.1%	73.3%	42.8%
Men	5.8%	15.8%	63.5%	33.2%
Percentage Point Change, 1979 to 2002				
Total	4.4%	5.2%	-6.2%	0.3%
Women	4.1%	-0.6%	-17.2%	-13.4%
Men	4.4%	9.2%	1.5%	10.1%

Notes: Poverty threshold hourly wage equivalent for a family of three (one adult and two children): \$2.87 (1979), \$4.80 (1989), \$6.86 (2001), \$6.97 (2002). Poverty threshold hourly wage equivalent for a family of four (two adults and two children): \$3.62 (1979), \$6.05 (1989), \$8.63 (2001), \$8.77 (2002). CBP basic family budget statewide hourly wage equivalent for a family of three (one adult and two children): \$9.25 (1979), \$15.15 (1989), \$20.89 (2001), \$21.22 (2002). CBP basic family budget statewide hourly wage equivalent for a family of four (two working adults and two children): \$5.54 (1979), \$9.07 (1989), \$12.51 (2001), \$12.71 (2002).

Source: CBP analysis of Current Population Survey data

¹⁴ These figures are based on the CBP's basic family budget as described in *Making Ends Meet: How Much Does It Cost to Raise a Family in California?* (September 2001).

California's Low-Wage Female Workers

An estimated 870,000 California women worked at or near the minimum wage in 2002. Contrary to popular perception, the overwhelming majority of California's lowest-wage female workers are adults and the majority work full-time.¹⁵ More than eight out of ten California women (83.8 percent) who earned at or near the minimum wage (between \$6.75 and \$7.75 per hour) in 2002 were adults (Table 9). Over half (50.7 percent) worked full-time (at least 35 hours per week), with most of the remainder working between 20 and 34 hours per week. Nearly half (46.7 percent) were Latinas and over one-third (36.6 percent) had at least some college education. Low-wage female workers were more likely to work part-time (49.2 percent) and have higher education levels (36.6 percent) than their male counterparts (30.5 percent and 31.3 percent, respectively). The retail trade sector employed 40.7 percent of female workers at or near the minimum wage, while 36.1 percent worked in the service sector and 10.5 percent worked in the manufacturing sector.

Women More Likely to Have Health Coverage

Women are more likely to have health coverage than men. In 2001, 16.8 percent of women between the ages of 18 and 64 lacked health coverage, as compared to 19.6 percent of men aged 18 to 64. This difference is primarily due to substantially higher use of public programs such as Medi-Cal by women (14.4 percent) relative to men (9.2 percent). Men, however, are more likely to have job-based coverage (65.2 percent) than women (61.8 percent), which partially offsets women's higher receipt of Medi-Cal.¹⁶ Fewer women work for employers that offer health insurance than men (82.3 versus 84.3 percent), and fewer women who work where health insurance is offered are eligible for such coverage than men (87.8 versus 93.1 percent). Moreover, female employees are less likely than male employees to participate in employers' health plans, even

when eligible, often because they are covered by another plan, such as a spouse's plan, or because the plan offered by their own employer is too expensive.¹⁷

Women Less Likely to Have Pension Coverage

The share of workers with employer-provided pension coverage fell by 9.9 percentage points from 1979-81 to 1988-90, but increased by 5.4 percentage points during the 1990s (Table 10). National research suggests that

Table 9: Who Are California's Low-Wage Workers? (2002 Hourly Wages Between \$6.75 and \$7.75)

	Women	Men
Percentage of Low-Wage Workers	52.9%	47.1%
Age		
16 to 19 Years Old	16.2%	16.0%
20 to 24 Years Old	24.6%	25.9%
25 and Older	59.2%	58.1%
Hours of Work		
35 Hours or More per Week	50.7%	69.6%
Less than 35 Hours per Week	49.2%	30.5%
Education		
Less Than High School	35.4%	43.0%
High School	28.0%	25.6%
Some College and Higher	36.6%	31.3%
Race/Ethnicity		
White	36.2%	31.7%
Latino	46.7%	53.1%
Black, Asian, and Other	17.0%	15.2%
Major Industry		
Agriculture, Forestry, and Fisheries	3.8%	16.0%
Manufacturing	10.5%	10.2%
Retail Trade	40.7%	33.9%
Services	36.1%	23.3%
Other	9.0%	16.6%

Source: CBP analysis of Current Population Survey data

¹⁵ In contrast to other data presented in this report, the data presented in this section include workers between the ages of 16 and 64 in order to include teenagers. See Methodology section.

¹⁶ Data from the 2001 California Health Interview Survey, downloaded from <http://www.chis.ucla.edu/> on October 14, 2002. Data are not directly comparable to insurance rates reported by the US Census Bureau.

¹⁷ E. Richard Brown, et al., *The State of Health Insurance in California: Findings from the 2001 California Health Interview Survey* (UCLA Center for Health Policy Research: June 2002), pp. 34 and 40.

the rise in employment-based pension coverage during the 1990s is most likely attributable to the expansion of 401(k) and other “defined contribution” plans.¹⁸ However, the broad trend of increasing pension coverage masks a number of significant disparities linked to race, ethnicity, and gender. The share of male workers with job-based pension coverage declined by 7.6 percentage points from the early 1980s to 1999-2001. Pension coverage fell for white and Latino men, while increasing modestly for black and Asian male workers.

The share of female workers with job-based pension coverage remained essentially unchanged at 39.2 percent between the early 1980s and the most recent period, while that of men declined from 50.4 percent to 42.8 percent during the same time period. However, trends varied by race and ethnicity. Pension coverage improved for white, black, and Asian female workers, while falling by 7.9 percent for Latinas. The gender gap in pension coverage narrowed for white women, as a result of an increase in female coverage coupled with a

decline in male coverage, and for Latinas, due to a larger coverage drop for Latino males than the drop for Latinas. In the most recent period, Latinas were actually more likely to have job-based pension coverage than their male counterparts. The gap remained fairly constant for black and Asian workers.

Conclusion

While California’s working women made real economic gains during the past two decades, much of the relative improvement was due to a decline in the inflation-adjusted wages of men. Despite greater wage gains, the typical woman earns 83 cents on the dollar compared to the typical man. While women have increased their numbers in higher paying occupations, a greater share remain in low-paying administrative, clerical, and sales work. A significant share of California’s working women earn wages below the amount needed to make ends meet and do not have health or pension coverage. Finally, it is still unclear whether the current economic downturn will erode the progress made by California’s working women toward economic security.

Table 10: Share of Workers with Employment-Based Pension Coverage

	<u>1979-81</u>	<u>1988-90</u>	<u>1999-2001</u>	Percentage Point Change 1979-81 to 1999-2001
Total				
All	45.7%	35.8%	41.2%	-4.5%
White	48.4%	40.8%	49.7%	1.3%
Black	46.2%	39.1%	49.9%	3.7%
Latino	35.5%	22.6%	24.6%	-10.9%
Asian	42.5%	37.0%	44.5%	2.0%
Women				
All	39.2%	33.4%	39.2%	0.1%
White	39.8%	35.7%	45.1%	5.2%
Black	43.7%	36.1%	47.0%	3.4%
Latino	33.3%	25.0%	25.4%	-7.9%
Asian	39.8%	33.4%	41.7%	1.9%
Men				
All	50.4%	37.5%	42.8%	-7.6%
White	54.5%	44.7%	53.3%	-1.2%
Black	48.4%	41.8%	52.4%	3.9%
Latino	36.8%	21.5%	24.1%	-12.7%
Asian	44.7%	40.1%	47.2%	2.5%

Source: Economic Policy Institute analysis of Current Population Survey data

¹⁸ Lawrence Mishel, Jared Bernstein, and Heather Boushey, Economic Policy Institute, *The State of Working America, 2002-03* (Cornell University Press: 2002), p. 145. See California Budget Project, *Boom, Bust, and Beyond: The State of Working California* (January 2003), for more information on pension coverage.

Methodology

Current Population Survey data for median and average hourly wages are calculated from each year's Current Population Survey Outgoing Rotation Group (CPS ORG) files. The California Budget Project (CBP) used a sample from the CPS ORG data for analyzing hourly wages that includes respondents who:

- Are between 25 and 64 years of age;
- Are employed in the public or private sector (excluding the unincorporated self-employed);
- Worked within the range of 1 to 99 hours per week, or hours vary; and
- Earned hourly wages between \$0.50 and \$100 per hour (in 1989 CPI-U-RS adjusted dollars).

The CPS ORG files that the CBP used were supplied by the Economic Policy Institute (EPI) and include the following adjustments. The EPI imputed hourly wages for individuals who did not report an hourly wage, but who reported weekly earnings or whose weekly earnings were top-coded. The hourly wage was calculated using weekly earnings divided by usual weekly hours. The hours of those who reported varying hours worked were imputed based on the usual hours worked of persons with similar characteristics.

Current Population Survey March Supplement

The EPI used the March Supplement of the CPS, also known as the Annual Demographic File, to estimate the share of workers with employer-provided pension coverage for the years 1979-81, 1988-90, and 1999-2001. This analysis included private wage and salary workers ages 18 to 64 who worked at least 20 hours per week for at least 26 weeks in the previous year. EPI combined data for three years in order to increase the reliability of estimates for each period. For a more detailed discussion of the data analyzed in this report see the California Budget Project, *Boom, Bust, and Beyond: The State of Working California* (January 2003), pp. 114-115.

Delaine McCullough prepared this report. The California Budget Project (CBP) was founded in 1994 to provide Californians with a source of timely, objective, and accessible expertise on state fiscal and economic policy issues. The CBP engages in independent fiscal and policy analysis and public education with the goal of improving public policies affecting the economic and social well-being of low- and middle-income Californians.

Support for this report was provided by a grant from The Women's Foundation. General operating support for the California Budget Project is provided by foundation grants, individual donations, and subscriptions. Please visit the CBP web site at www.cbp.org.

California Budget Project
921 11th Street, Suite 502, Sacramento, CA 95814
(916) 444-0500 • cbp@cbp.org • www.cbp.org
August 2003



