

## WOMEN'S WAGE GAINS CONTINUE TO EXCEED THOSE OF MEN IN CALIFORNIA

**W**omen's wage gains surpassed those of their male counterparts across the earnings distribution in the early 2000s, reflecting, in part, women's concentration in sectors of the economy that experienced strong growth. As women's wages and the number of hours they work have increased, their earnings have become an increasingly important source of income for California's families. In fact, without wives' earnings, the average income of middle-income married couples with children would have declined between 1979 and 2005. This *Policy Points* describes wage and earnings trends for California's female workforce.

### KEY FACTS

- California's women experienced greater wage gains than men in the early 2000s.

The inflation-adjusted hourly wage of the typical female worker – the worker at the middle of the earnings distribution for women – increased by 5.3 percent between 2000 and 2006, while that of low-wage female workers – those earning at the 20th percentile of the earnings distribution for women – increased by 4.3 percent. High-wage female workers – those earning at the 80th percentile for women – experienced even greater gains. The inflation-adjusted hourly wage of high-wage female workers rose by 7.1 percent during this six-year period. In contrast, the typical male worker's inflation-adjusted hourly wage lost purchasing power between 2000 and 2006, while that of low-wage male workers was essentially flat. Moreover, although high-earning male workers' hourly wage gained purchasing power during this period, the gain was less than half that of their female counterparts.

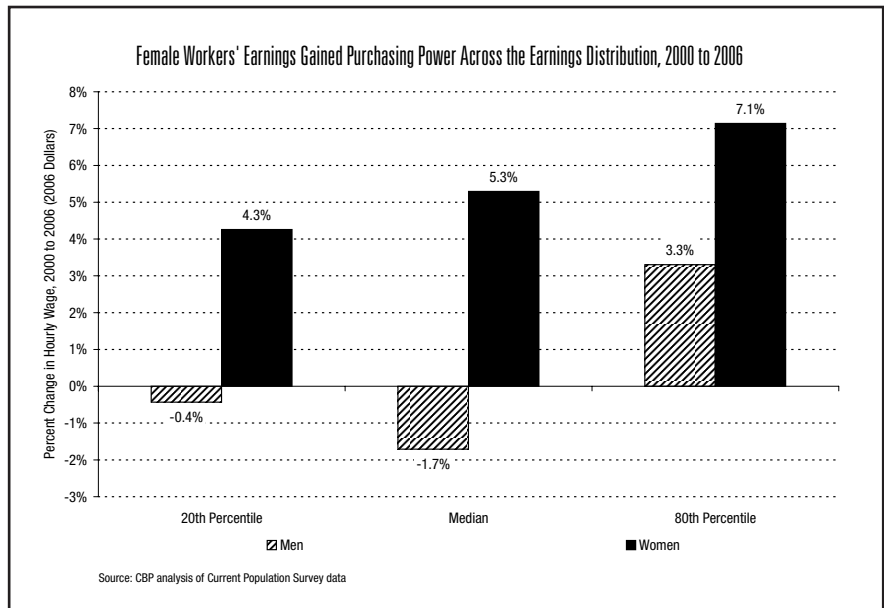
Women's wage gains during the first six years of this decade are consistent with a longer-term trend. Between 1979 and 2006, female workers' wage gains exceeded those of their male counterparts across the earnings distribution. However, high-wage female workers experienced considerably greater wage gains than did lower-wage female workers.

- Women's recent wage gains reflect, in part, female workers' concentration in sectors of the economy with strong growth.

Women were more likely than men to work in sectors of the economy that experienced strong job and wage growth between 2000 and 2006. One out of three female workers (32.5 percent) worked in educational and health services in 2006, as compared with one out of 10 male workers (10.4 percent). Employment in this sector increased at more than three times the rate of overall employment growth between 2000 and 2006. In addition, the typical educational and health services wage rose at nearly three times the rate of the typical wage for all sectors during the same period.

Women were also more likely than men to be employed in financial activities, which includes jobs in banking, insurance, and real estate. Nearly one out of 11 female workers

(8.8 percent) were employed in this sector in 2006, as compared with 5.8 percent of male workers. Job growth in financial activities was more than five times greater than overall job growth between 2000 and 2006. In addition, the typical financial activities wage increased at more than 16 times the rate of the typical wage for all sectors – a greater percentage increase than that of any other sector of the economy over this six-year period.



California's Female Workers Were Concentrated in Sectors of the Economy with Strong Growth				
	Percentage of Workers, 2006		Percent Change, 2000 to 2006	
	Female	Male	All Workers	Median Hourly Wage (2006 Dollars)
Education and Health Services	32.5%	10.4%	10.9%	2.5%
Wholesale and Retail Trade	13.0%	14.1%	12.0%	7.7%
Professional and Business Services	10.7%	12.2%	8.9%	-4.9%
Financial Activities	8.8%	5.8%	15.7%	14.8%
Manufacturing	8.7%	15.7%	-22.6%	0.5%
Leisure and Hospitality	7.2%	7.0%	13.9%	6.2%
Public Administration	5.9%	5.4%	19.3%	5.8%
Other Services	5.3%	4.1%	4.2%	7.1%
Information	2.8%	3.6%	-22.0%	7.4%
Transportation and Utilities	2.5%	6.8%	-12.9%	3.7%
Other	2.6%	14.9%	11.7%	*
All Sectors	100.0%	100.0%	3.1%	0.9%

\* Not calculated.

Note: Totals may not sum to 100 percent due to rounding. Other includes farm, mining, and construction.

Source: CBP analysis of Current Population Survey data

■ **Married women are working more, while married men are working less.**

The average annual number of hours worked by married-couple families with children whose income is in the middle of the distribution rose by 6.7 percent between 1979 and 2005.<sup>1</sup> However, this trend is entirely driven by an increase in the number of hours worked by wives. Wives' average annual hours increased by 36.3 percent over this period – the equivalent of nearly eight additional weeks of work – while husbands' average annual hours declined by 5.1 percent – equal to approximately three weeks of work.<sup>2</sup> Nevertheless, wives still tended to work part-time in 2005 – the equivalent of 23 hours per week, on average.<sup>3</sup>

Unlike their married counterparts, single women worked fewer hours in 2005 than in 1979. Over this 26-year period, the average number of hours worked by middle-income single women declined by 7.1 percent – the equivalent of more than three weeks of work.<sup>4</sup> Nevertheless, single women tended to work close to full-time – the equivalent of more than 30 hours per week, on average – in both 1979 and 2005.

Wives' Annual Hours Worked Increased, 1979 to 2005					
	Average Annual Hours Worked				
	Husband	Wife	Husband and Wife Combined	Single Men	Single Women
1979	2,174	868	3,042	1,859	1,836
2005	2,063	1,184	3,246	1,767	1,706
	Percent Change				
1979 to 2005	-5.1%	36.3%	6.7%	-4.9%	-7.1%

Note: Includes individuals age 25 to 54 whose family income is in the middle fifth of the distribution. Only husbands and wives with children under age 18 are included. Totals may not sum due to rounding.  
Source: CBP analysis of Current Population Survey data

■ **Wives' earnings have significantly boosted family incomes.**

The purchasing power of the average income of middle-income married-couple families with children increased by 9.6 percent between 1979 and 2005. This increase reflects the growing importance of wives' earnings to family income. Over this 26-year period, wives' inflation-adjusted average earnings rose by nearly \$8,000 (74.3 percent), due to the increase in female workers' wages, as well as an increase in the number of hours worked by married women. As a result, wives' earnings increased from 16.4 percent to 26.1 percent of family income, on average. In fact, without the increase in wives' earnings over this period, these families' average income would have declined by 3.1 percent, after adjusting for inflation.

Wives' Earnings Boosted Family Income, 1979 to 2005			
	Average of Middle-Income Families (2005 Dollars)		Percent Change
	1979	2005	1979 to 2005
Family Income	\$64,293	\$70,463	9.6%
Wives' Earnings	\$10,538	\$18,366	74.3%
Family Income Without Wives' Earnings	\$53,755	\$52,097	-3.1%

Note: Includes married couple families with children under age 18 whose family income is in the middle fifth of the distribution and where both the husband and wife are age 25 to 54.  
Source: CBP analysis of Current Population Survey data

■ **The gender gap persists, despite women's wage gains.**

Although female workers' wage gains have exceeded those of their male counterparts over the past few decades, women as a whole continue to earn less than men. In 2006, the typical female worker earned 87 cents for every dollar earned by her male counterpart, up from 63 cents for every dollar in 1979. The 2006 wage gap was somewhat wider between high-earning men and women, and somewhat narrower between low-earning men and women. High-wage female workers earned 84 cents for every dollar earned by high-wage male workers, while low-wage female workers earned 92 cents for every dollar earned by low-wage men.

*Alissa Anderson Garcia prepared this Policy Points. 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. General operating support for the CBP is provided by foundation grants, individual donations, and subscriptions. Please visit the CBP's website at [www.cbp.org](http://www.cbp.org).*

## ENDNOTES

- <sup>1</sup> Includes husbands and wives age 25 to 54 who have children under age 18 and whose family income is in the middle fifth of the distribution.
- <sup>2</sup> Weeks of work calculation assumes 40 hours of work per week.
- <sup>3</sup> Hours of work per week calculation assumes 52 weeks per year.
- <sup>4</sup> Includes women age 25 to 54. "Single" includes those who are legally married, but whose spouse does not live in the household.