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## **The Gender Wage Gap in New York State and Its Solutions**

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Thank you for the opportunity to submit testimony on pay equity in New York State and to share the findings from research recently completed by the Institute for Women's Policy Research. During its almost twenty five years of existence the Institute has conducted extensive research on the gender wage gap and its impact on the well-being of women and their families. Our previous work includes "The Economic Status of Women in New York State" (Williams 2008).

In 2010, based on the US Census Bureau's American Community Survey, the median annual earnings of women working year-round, full-time were \$41,570, or \$8,658 less than those of men. The gender earnings ratio in New York was 82.8 percent, for a gender wage gap of 17.2 percent (see Table 1).

This gender wage gap has pernicious consequences for women and their families. 14.8 percent of women in New York State had incomes at or below the official poverty threshold (for families of their size and composition). This poverty rate for women in New York is approximately the same as that for women in the United States as a whole, with 28 states having less female poverty than New York State. This high female poverty rate for New York is surprising in light of the fact that, in terms of median earnings for women, New York State ranks 7<sup>th</sup> in the country, and women in New York State are more likely to be highly educated, to work in managerial and professional occupations, and to own businesses (See Table 1).

Issues of equal pay are an even more important in the current economic context. While many Americans are suffering in the recovery, women and single mothers are especially hurting. With the support of the Rockefeller, Ford, and Annie E. Casey Foundations, IWPR has published several reports in the past few months that shed light on how women have been faring during the recession and recovery. During the Fall of 2010 we conducted a national survey of 2,700 adults, asking them about their experiences since the beginning of the recession. The surveys show a desperate picture of hardship. For every indicator we examined, women were more likely to have suffered hardship than men. Nationally:

- 26 million women, compared with 15 million men, reported difficulty paying for necessities such as food.
- 46 million women, compared with 34 million men, reported difficulty paying for healthcare and medical bills.
- 41 million women, compared with 27 million men, reported difficulty paying utility bills.
- 32 million women, compared with 25 million men, reported difficulty paying their rent or mortgage.
- 37 million women, compared with 28 million men, reported difficulties in paying for transportation (Hayes and Hartmann 2011).

Lower earnings mean that women are less able than men to prepare for their old age or build up savings, and consequently are less able to draw on savings during hard times. 65 million women and 53 million men reported such difficulties (Hayes and Hartmann 2011). Indeed, in 2009 the average total income was \$22, 631 for women age 65 and older and \$38,675 for men age 65 and older (Hartmann 2011). In general women age 65 and older have lower incomes from earnings,

assets, pensions, Social Security, and other sources than do men of the same age group (Hartmann 2011).

There is not a single cause for the gender wage gap. Research suggests that various factors play a role, including discrimination, occupational segregation, and the undervaluation of women's work, as well as women's greater tendency to spend time out of the labor market caring for children and other family members (Rose and Hartmann 2004). IWPR's tracking of the gender wage gap by occupation shows that women typically earn less than men in whichever field or occupation they work (Hegewisch, Liepmann, Hayes and Hartmann 2010). Furthermore, our analysis and those of others examining the link between occupational segregation and median earnings by occupation show that occupations primarily employing women pay less than more integrated occupations and male-dominated occupations (Hegewisch, Liepmann, Hayes and Hartmann 2010).

Our state-by-state analysis of occupational segregation finds that the state with the greatest level of segregation—Wyoming—is also the state with the largest gender wage gap, whereas the jurisdiction with the lowest gender wage gap, Washington DC, has by far the lowest level of segregation between men and women workers compared with all the states. The 'Index of Dissimilarity,' the most commonly used measure of occupational gender segregation, shows that New York State is the eleventh least occupationally segregated state in the United States (among full-time, year-round working men and women)<sup>1</sup>. The Index of Dissimilarity in New York State is 0.497 among all full-time, year-round workers, while that of the entire United States is 0.506 (See Table 2). The Index can be interpreted as meaning that 49.7 percent of either New York's women or men would have to change occupations for women and men to be equitably represented in every occupation.

Looking at ways to lessen occupational gender segregation is important, not only because it is a major cause of the gender wage gap, but also because occupational gender segregation is economically inefficient. Occupational segregation restricts people from entering occupations in which they would perform well and be more satisfied.

While many experts believe that outright discrimination is no longer the most important factor in explaining the gender wage gap in the United States (Blau and Kahn 2007), IWPR's recent review of employment discrimination litigation shows that barriers in hiring, sexual harassment, and unequal access to promotions continue to prevent women's equal access to the better paying jobs (Hegewisch, Deitch, and Murphy 2011).

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<sup>1</sup> The 'Index of Dissimilarity' is a measure of occupational segregation. It reflects the number of women or men who would have to change occupations to achieve the same gender composition in each occupation as in the entire labor force. The index goes from 0 (no occupational gender segregation) to 1 (greatest segregation; Duncan and Duncan 1955). The formula for the Index of Dissimilarity is 
$$D = \frac{1}{2} \left( \frac{f_i}{F} + \frac{m_i}{M} \right)$$
, where:  $f_i$  is the number of female workers in occupations  $i$ ,  $F$  is the number of female workers in the labor force,  $m_i$  is the number of male workers in occupation  $i$ ,  $M$  is the number of male workers in the labor force, and  $O$  is the total number of occupations.

Another factor for consideration in discussions of decreasing the gender wage gap is ‘pay secrecy.’ There is some evidence that pay secrecy, workplace policies/environments that discourage or prohibit employees from sharing information about their earnings, may cause a larger gender wage gap, though there is no direct relationship between ‘pay secrecy’ and the gender wage gap (Hegewisch, Williams, and Drago 2011). The IWPR/Rockefeller Survey of Economic Security reveals that pay secrecy is quite commonplace. Among all workers surveyed, 51 percent of women and 47 percent of men reported that in their workplaces discussion of pay information is discouraged by managers, or prohibited and/or punishable (Hayes and Hartmann 2011). Additionally, a higher rate of single mothers, 63 percent, reported experiencing pay secrecy in their workplaces. However, pay secrecy is less prevalent in the public sector; most government workplaces have grade and step systems which make wage and salary information publically available. Indeed, the survey found that 18 percent of women and 11 percent of men in the public sector experience pay secrecy, while 62 percent of women and 60 percent of men in the private sector experience it. Because the gender wage gap is larger in the private sector, it is possible that the greater pay secrecy in the private sector contributes to lesser gender equity there relative to the public sector.

New York State can work to abate its gender wage gap through educating the public about the importance of equal employment opportunity, equal pay and the value of entering nontraditional fields. Further training can be provided to career counselors, teachers, and others to ensure that student of all ages are exposed to a wide range of career opportunities, including those that are nontraditional for their gender. State-funded job training and educational programs can ensure that a substantial share of women is trained in non-traditional fields that pay more. Further education can be targeted at employers and unions, and enforcement of EEO and equal pay requirements by New York State agencies can be strengthened. Such steps would help women achieve greater economic security and move them toward achieving economic equity with men.

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**Table 1. Overview: State-by-State Rankings and Data on Indicators of Women's Social and Economic Status, 2010**

State	Median Annual Earnings Full-Time, Year-Round for Employed Women, 2010*		Median Annual Earnings Full-Time, Year-Round for Employed Men, 2010*		Earnings Ratio between Full-Time, Year-Round Employed Women and Men, 2010*		Percent of Civilian Women in the Labor Force, 2010*		Percent of Employed Women, Managerial or Professional Occupations, 2010*		Percent of Women with Health Insurance, 2010***		Percent of Women Twenty-Five Years and Older with Four or More Years of College, 2010		Percent of Businesses that are Women-Owned, 2007		Percent of Women Living Above Poverty, 2010**	
	Dollars	Rank	Dollars	Rank	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank
Alabama	\$31,321	42	\$41,895	39	74.8%	40	54.1%	50	36.0%	47	80.9%	31	21.9%	46	28.1%	19	81.3%	48
Alaska	\$42,376	6	\$56,643	6	74.8%	38	65.4%	4	41.6%	12	77.7%	40	29.7%	17	25.9%	35	89.6%	4
Arizona	\$35,947	20	\$43,594	28	82.5%	8	55.9%	46	38.1%	29	80.0%	34	24.8%	37	28.1%	19	83.8%	37
Arkansas	\$29,148	50	\$39,082	49	74.6%	41	56.0%	45	35.9%	44	75.9%	44	19.1%	50	24.5%	49	81.9%	45
California	\$41,302	8	\$49,453	16	83.5%	3	57.9%	39	39.4%	21	77.6%	41	29.7%	15	30.3%	9	85.0%	30
Colorado	\$39,638	13	\$50,237	13	78.9%	18	63.6%	12	42.1%	10	81.8%	28	36.2%	3	29.2%	13	86.9%	17
Connecticut	\$46,004	4	\$60,168	2	76.5%	33	61.4%	14	43.2%	5	89.6%	6	34.8%	6	28.1%	19	89.6%	5
Delaware	\$39,508	14	\$49,013	17	80.6%	11	60.6%	23	41.8%	11	89.4%	8	27.6%	24	25.9%	35	88.7%	6
District of Columbia	\$56,127	1	\$61,381	1	91.4%	1	63.6%	11	59.7%	1	92.9%	2	48.9%	1	34.5%	1	80.7%	50
Florida	\$32,762	31	\$40,731	47	80.4%	12	56.0%	44	36.3%	45	73.0%	50	24.9%	34	28.9%	14	84.2%	34
Georgia	\$34,709	26	\$43,344	29	80.1%	15	59.0%	32	39.4%	20	75.6%	46	27.4%	25	30.9%	5	82.7%	42
Hawaii	\$36,242	19	\$45,443	25	79.8%	16	61.6%	17	35.5%	50	90.9%	4	29.7%	18	31.0%	4	88.6%	7
Idaho	\$30,403	47	\$41,128	44	73.9%	43	58.3%	37	35.6%	49	76.7%	42	23.2%	41	23.5%	49	84.0%	35
Illinois	\$38,638	16	\$50,549	12	76.4%	34	61.0%	21	39.7%	18	83.0%	23	30.7%	12	30.5%	6	86.5%	21
Indiana	\$32,221	35	\$44,851	26	71.8%	47	59.3%	30	36.5%	43	81.6%	30	22.4%	44	26.8%	31	85.2%	29
Iowa	\$33,186	30	\$42,250	34	78.5%	22	64.2%	10	37.4%	36	88.1%	11	25.2%	33	25.5%	43	87.2%	14
Kansas	\$32,204	36	\$43,773	27	73.6%	44	63.5%	13	38.8%	24	82.2%	27	29.7%	16	27.5%	25	86.2%	23
Kentucky	\$31,628	40	\$40,911	46	77.3%	26	55.3%	47	38.1%	30	80.2%	33	20.9%	47	25.6%	41	81.5%	47
Louisiana	\$30,600	46	\$45,524	23	67.2%	50	57.4%	41	36.7%	39	75.8%	45	22.3%	45	27.3%	26	81.3%	49
Maine	\$33,873	27	\$43,029	30	78.7%	20	61.1%	20	41.2%	13	88.6%	10	27.7%	23	25.6%	41	87.2%	15
Maryland	\$47,175	2	\$57,017	4	82.7%	6	65.2%	5	47.2%	2	87.0%	13	35.7%	4	32.6%	2	89.9%	2
Massachusetts	\$46,213	3	\$56,959	5	81.1%	9	63.0%	15	46.4%	3	95.6%	1	38.7%	2	29.8%	11	88.0%	10
Michigan	\$36,413	17	\$48,953	18	74.4%	42	58.4%	36	36.4%	44	84.7%	19	24.9%	35	30.4%	7	83.8%	38
Minnesota	\$39,289	15	\$50,081	15	78.5%	23	66.5%	2	41.2%	14	90.2%	5	31.6%	11	26.8%	31	88.3%	9
Mississippi	\$28,879	51	\$38,613	50	74.8%	39	54.2%	49	37.7%	33	76.2%	43	20.6%	49	26.9%	30	78.4%	51
Missouri	\$32,481	32	\$42,282	33	76.8%	32	60.5%	25	38.5%	26	82.9%	24	25.7%	31	26.1%	33	85.2%	28
Montana	\$30,306	48	\$41,339	42	73.3%	46	60.3%	26	38.1%	28	78.4%	38	29.3%	19	24.6%	48	85.9%	24
Nebraska	\$32,022	38	\$41,929	38	76.4%	36	66.4%	3	37.4%	34	85.4%	17	28.7%	21	25.7%	40	87.5%	12
Nevada	\$35,363	23	\$42,689	31	82.8%	4	60.1%	24	30.9%	51	73.3%	49	20.9%	48	28.6%	16	85.7%	25
New Hampshire	\$40,185	12	\$51,530	9	78.0%	24	65.6%	6	42.6%	8	85.9%	16	33.0%	9	25.8%	39	90.8%	1
New Jersey	\$45,936	5	\$57,978	3	79.2%	17	60.8%	22	43.0%	7	84.4%	21	34.6%	7	27.3%	26	89.7%	3
New Mexico	\$32,234	34	\$41,023	45	78.6%	21	55.0%	48	39.1%	22	75.0%	48	24.8%	36	31.7%	3	81.6%	46
New York	\$41,570	7	\$50,228	14	82.8%	5	58.5%	35	42.4%	9	86.5%	14	32.7%	10	30.4%	7	85.2%	27
North Carolina	\$33,188	29	\$41,138	43	80.7%	10	58.5%	34	39.8%	16	79.0%	36	26.6%	27	28.2%	17	83.2%	39
North Dakota	\$31,027	43	\$42,214	35	73.5%	45	66.6%	1	36.5%	42	89.1%	9	29.2%	20	24.7%	47	85.7%	26
Ohio	\$35,284	25	\$45,859	21	76.9%	30	59.6%	29	37.1%	37	84.9%	18	24.1%	40	27.7%	23	84.8%	33
Oklahoma	\$30,901	44	\$40,458	48	76.4%	35	57.0%	42	36.6%	40	75.4%	47	22.6%	43	25.3%	45	83.9%	36
Oregon	\$35,301	24	\$45,685	22	77.3%	28	59.1%	31	38.7%	25	78.5%	37	28.3%	22	29.7%	12	84.8%	32
Pennsylvania	\$36,338	18	\$47,038	19	77.3%	29	58.1%	38	39.8%	17	87.6%	12	26.5%	28	27.0%	29	86.7%	19
Rhode Island	\$40,532	10	\$50,567	11	80.2%	13	61.2%	19	39.7%	19	86.3%	15	29.9%	14	27.3%	26	86.4%	22
South Carolina	\$31,518	41	\$41,381	41	76.2%	37	57.4%	40	36.9%	38	78.3%	39	24.6%	38	27.6%	24	82.4%	43
South Dakota	\$30,876	45	\$37,442	51	82.5%	7	64.6%	9	38.9%	23	84.4%	20	26.4%	29	22.1%	51	85.0%	31
Tennessee	\$31,854	39	\$41,415	40	76.9%	31	56.4%	43	37.8%	32	82.3%	26	22.8%	42	25.9%	35	83.2%	40
Texas	\$33,689	28	\$42,044	37	80.1%	14	58.6%	33	38.2%	27	70.4%	51	25.4%	32	28.2%	17	83.1%	41
Utah	\$32,163	37	\$46,609	20	69.0%	49	60.1%	27	36.6%	41	81.8%	29	26.4%	30	24.9%	46	86.9%	18
Vermont	\$35,891	21	\$42,562	32	84.3%	2	64.9%	7	43.2%	6	91.9%	3	35.1%	5	26.0%	34	87.3%	13
Virginia	\$40,669	9	\$51,597	8	78.8%	19	61.6%	18	44.4%	4	83.9%	22	33.8%	8	30.1%	10	88.5%	8
Washington	\$40,246	11	\$52,080	7	77.3%	27	59.7%	28	40.4%	15	82.9%	25	30.4%	13	28.7%	15	86.6%	20
West Virginia	\$29,651	49	\$42,126	36	70.4%	48	49.5%	51	36.2%	46	79.7%	35	17.8%	51	28.0%	22	82.2%	44
Wisconsin	\$35,490	22	\$45,523	24	78.0%	25	64.7%	8	37.4%	35	89.4%	7	26.7%	26	25.9%	35	87.2%	16
Wyoming	\$32,426	33	\$50,854	10	63.8%	51	62.1%	16	38.0%	31	80.4%	32	24.3%	39	25.5%	43	87.6%	11
<b>United States</b>	<b>\$36,551</b>		<b>\$46,500</b>		<b>78.6%</b>		<b>59.2%</b>		<b>39.4%</b>		<b>81.0%</b>		<b>27.9%</b>		<b>27.6%</b>		<b>85.1%</b>	

Notes: These indicators were developed by the Institute for Women's Policy Research as part of its "Status of Women in the States" initiative; more information can be found at: <http://www.iwpr.org/initiatives/the-status-of-women-and-girls>

\* Persons 16 years and older in the civilian, non-institutionalized population. \*\* Women 18 years and older in the civilian, non-institutionalized population. \*\*\* Women aged 18 to 64, in the civilian, non-institutional population.

Sources: Data on "Percent of Businesses that are Women-Owned" are from the U.S. Census Bureau 2007 Survey of Business Owners; data for other indicators are from the U.S. Census Bureau 2010 American Community Survey.

**Table 2. Index of Occupational Dissimilarity, Full-Time Year-Round Workers**

State	Dissimilarity	Rank
Alabama	0.555	40
Alaska	0.543	34
Arizona	0.507	16
Arkansas	0.558	42
California	0.477	2
Colorado	0.495	8
Connecticut	0.492	5
Delaware	0.512	18
District of Columbia	0.328	1
Florida	0.515	20
Georgia	0.517	21
Hawaii	0.506	15
Idaho	0.559	43
Illinois	0.496	9
Indiana	0.529	29
Iowa	0.551	37
Kansas	0.532	32
Kentucky	0.546	35
Louisiana	0.592	48
Maine	0.554	38
Maryland	0.478	3
Massachusetts	0.483	4
Michigan	0.513	19
Minnesota	0.494	7
Mississippi	0.574	46
Missouri	0.526	26
Montana	0.572	45

State	Dissimilarity	Rank
New Hampshire	0.531	31
New Jersey	0.492	6
New Mexico	0.554	39
New York	0.497	11
North Carolina	0.528	28
North Dakota	0.608	49
Ohio	0.525	25
Oklahoma	0.568	44
Oregon	0.504	14
Pennsylvania	0.527	27
Rhode Island	0.524	24
South Carolina	0.546	36
South Dakota	0.583	47
Tennessee	0.523	22
Texas	0.529	30
Utah	0.512	17
Vermont	0.538	33
Virginia	0.497	10
Washington	0.500	12
West Virginia	0.609	50
Wisconsin	0.523	23
Wyoming	0.613	51
OVERALL	0.506	

**Notes:** Full-time, Year-round work is defined as 35 hours per week usually worked and 50-52 weeks in the previous 12 months. This measure is drawn from 465 occupations (though not every state employs people in every occupation).

**Source:** IWPR analysis of the 2005-2009 American Community Survey