11-2016

Recovery for All? A Snapshot of Women's Economic Status in New England

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NOVEMBER 2016

NEW ENGLAND WOMEN'S POLICY CONFERENCE

Ensuring Economic Equality for All Women and Their Families

Expand Opportunity and Build Equality for Women and Girls of Color

CENTER FOR WOMEN IN POLITICS AND PUBLIC POLICY
McCORMACK GRADUATE SCHOOL OF POLICY AND GLOBAL STUDIES
In Collaboration with the Carsey School of Public Policy, University of New Hampshire

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Introduction

The words "Great Recession" are no longer daily headline news. While the Great Recession officially began in December 2007, housing prices began to decline in 2006. Since then, media attention increasingly focused on the burst of the housing bubble, families facing foreclosure, rising unemployment, and a decline in the stock market decimating family savings. Job growth was limited and poverty was on the rise, especially among families from minority groups.

In 2010 we began to hear about the "recovery" from the Great Recession, as if the country had suffered through a bad case of the flu and now was back to good health. But how significant has the recovery been? Who has truly recovered?

This report asks those questions and puts a spotlight on the issue of whether and how much women have recovered in New England. Much of the research on the differential impact of the Great Recession has focused on the poor, the jobless, and the job seekers who have given up looking.[1] Research on the recovery also documents the rebound of large financial institutions and the ability of stock market investors to make gains again.[2] But what has happened to working women in general, and minority women[3] in particular?

Recent analyses of how the United States economy is faring approximately seven years after the end of the Great Recession indicate that there is some reason to be optimistic. Rising household incomes – even while not reaching pre-recession levels – as well as an improving job market and a decreasing poverty rate are positive signs that the nation is in recovery.[4] However, in the New England region, there is evidence of slow growth compared to the nation[5] even while regional employment continues to increase across all sectors.[6]

Broad economic indicators only give us a partial picture of how some subgroups and individuals are doing. Our focus is on the economic status of women both pre-recession and post-recession in New England – a region varied in its geography, industry, population, and economic activity. This report provides an intersectional analysis of women's earnings in each New England state and in the region as a whole, by looking at both women's earnings compared to men's and the earnings of minority women compared to white women and men. In addition, we pay specific attention to low-wage earners and minority women, thus allowing for a deeper and more nuanced examination of how subgroups of women workers who are facing the greatest wage disparities are faring in this regional economy.

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ACKNOWLEDGMENTS

The authors thank Sushmita Subedi, Doctoral Candidate in Public Policy, McCormack Graduate School of Policy and Global Studies, University of Massachusetts Boston, and Aimee P. Bell-Pasht, Master's Candidate in Applied Economics, University of Massachusetts Boston, for their valuable contributions to this project, including assistance with data collection and analysis.

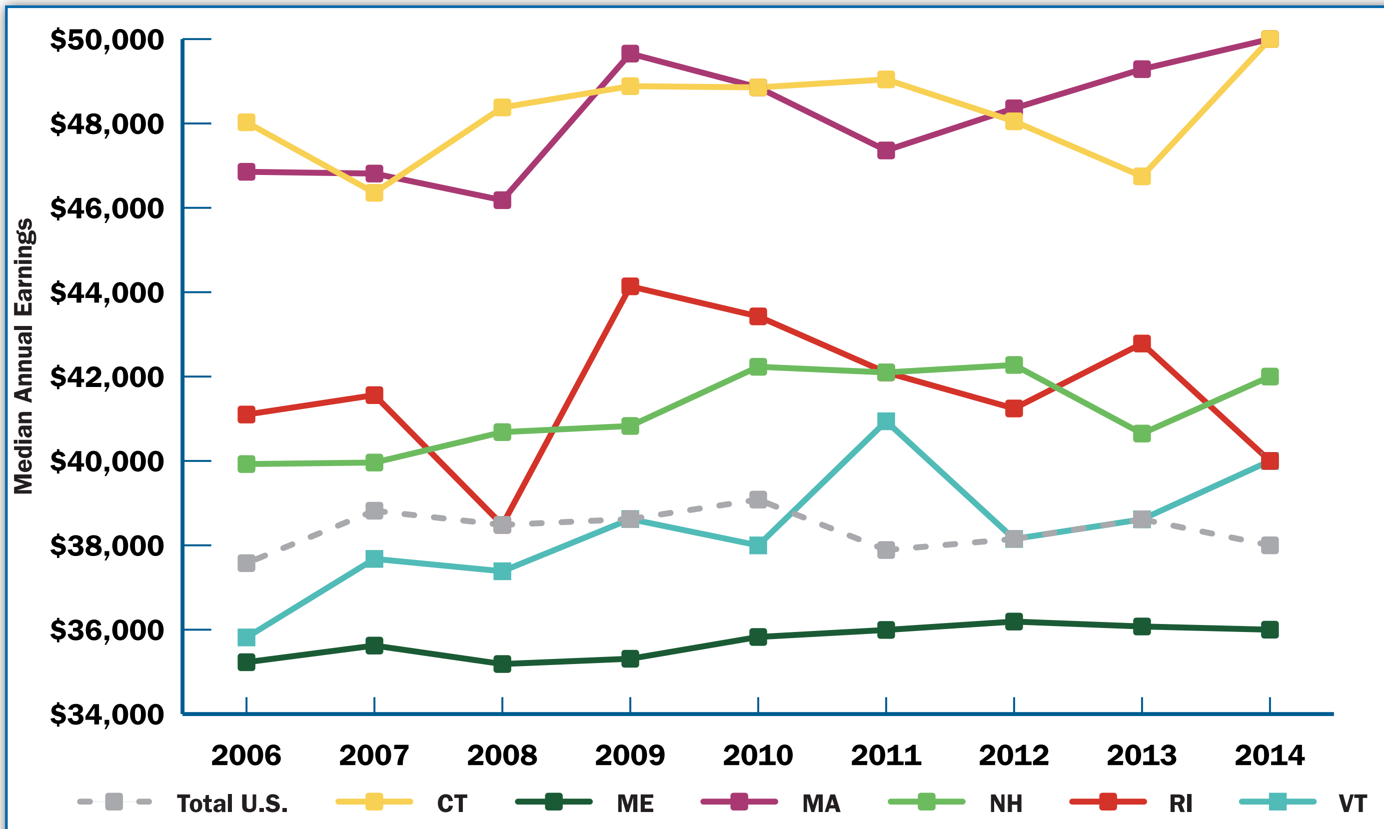
The Good News and the Bad News: Wage Increases and Wage Gaps

The general narrative about women's recovery from the Great Recession in New England contains both good and bad news. Overall earnings data generally confirm the good news for women. According to the American Community Survey (ACS) data, median earnings among women 18 to 64 years old who are employed full-time, year-round rose for all but one New England state – Rhode Island – from 2006 to 2014 (Figure 1). And the newly released ACS data show that annual earnings increased from 2014 to 2015 for women 16 and older in all six New England states, including Rhode Island.[7] However, the extent of the increase from 2006 to 2014 varies among states. For example, women in Vermont saw their annual earnings increase by an average of $4,184 (or 11.7 percent), while women in Maine experienced a more modest increase of $771 (or 4.1 percent) over nearly a decade.

Figure 1 also shows that earnings are highest in Connecticut and Massachusetts, and lowest in Maine. Earnings in New Hampshire, Rhode Island, and Vermont fall in between. Further, five of the six New England states have higher median earnings among women in 2014 compared with the U.S. overall.

Now for the bad news. The Great Recession, as we might have predicted, did not eliminate the long-term, systemic gender gap in wages. What is clear is that men have higher median earnings than women in all New England states, resulting in a gender wage gap across the region (Table 1). The higher pace of growth in women's earnings compared with men's resulted in a small decrease in the gap between women's and men's earnings, or an increase in women's earnings as a percent of men's (oftentimes called the gender earnings ratio). The gender earnings ratio increased in all New England states over the time period, with larger increases in four states (Maine, New Hampshire, Rhode Island, and Vermont). In Vermont

Figure 1. Median Earnings for Women Employed Full-Time, Year-Round in New England and U.S.



Source: Analysis of American Community Survey data, 2006-2014, by Kristin Smith. Notes: Includes women 18-64 years old employed full-time and year-round. Reports annual earnings in constant 2014 dollars based on the Consumer Price Index.

Table 1. Women's Annual Earnings Compared to Men's Annual Earnings, Pre- and Post-Recession, U.S. and New England States

	Median Annual Earnings				Women's Earnings as Percent of Men's Earnings	
	Pre-recession		Post-recession			
	Men	Women	Men	Women	Pre-recession	Post-recession
Total U.S.	$49,321	$38,165	$49,658	$38,623	77%	78%
Total New England	$57,090	$44,623	$56,830	$45,729	78%	80%
Connecticut	$61,064	$47,499	$61,866	$48,778	78%	79%
Maine	$46,972	$35,229	$44,713	$36,089	75%	81%
Massachusetts	$59,374	$46,972	$60,972	$48,879	79%	80%
New Hampshire	$57,090	$39,963	$55,000	$42,000	70%	76%
Rhode Island	$53,665	$41,562	$50,810	$42,096	77%	83%
Vermont	$45,211	$37,223	$45,729	$39,991	82%	87%

Source: Analysis of American Community Survey data, 2006-2014, by Kristin Smith. Includes women 18-64 employed full-time and year-round. Pre-recession includes 2006 and 2007; post-recession includes 2011-2014. Reports annual earnings in constant 2014 dollars based on the Consumer Price Index.

(the state with the smallest gap), women employed full-time, year-round earned 82 percent of men's earnings pre-recession, and earned 87 percent of men's earnings post-recession. Despite these gains, the gender wage gap that remains post-recession across the New England region is substantial.

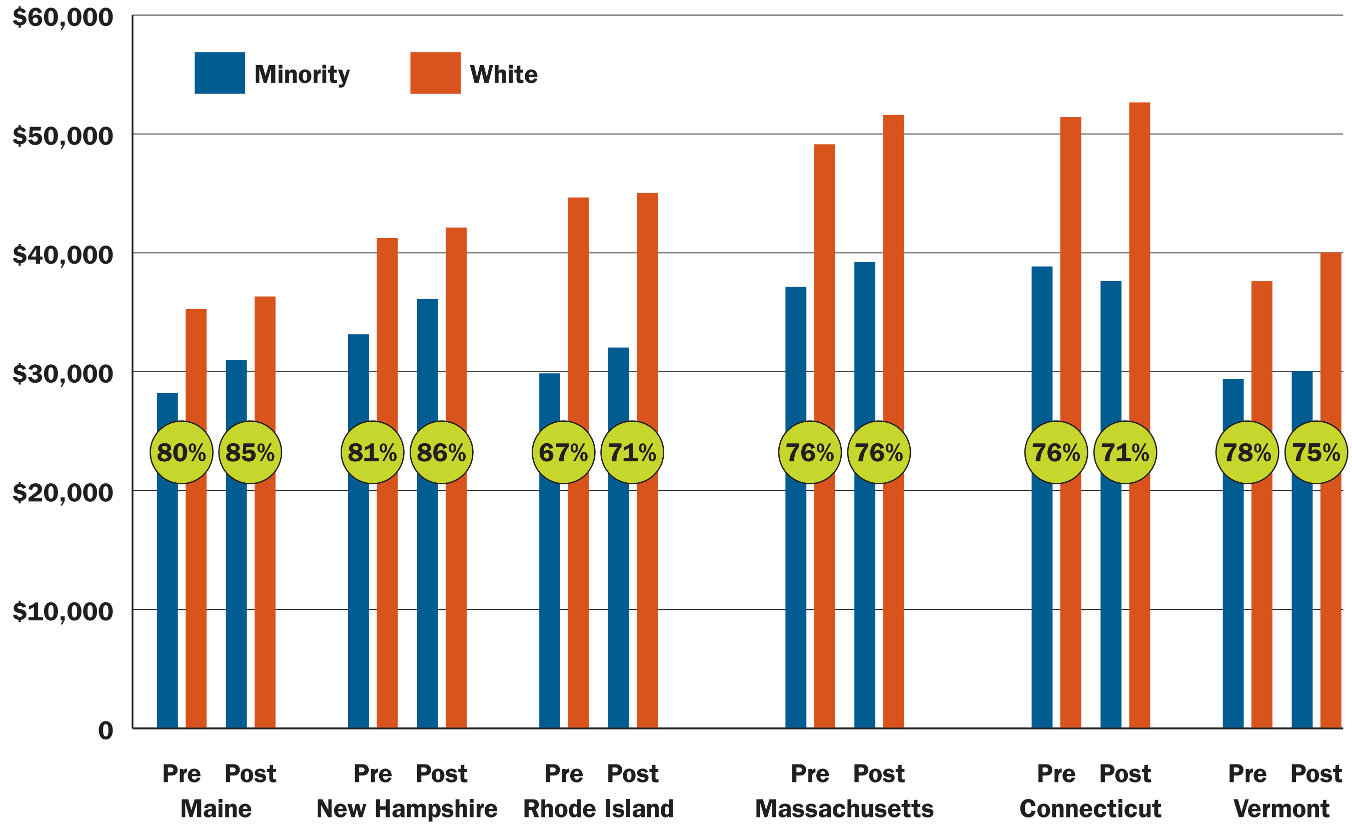
A very large wage gap is seen between minority women and white men across all New England states (*data not shown here but available on the web as indicated in the Data Used section at the end of the report*). In New England, minority women employed full-time, year-round earned 62 percent of white men's earnings in both pre- and post-recession time periods. In Connecticut, the wage gap between minority women and white men increased by a small amount over the time period studied. While the gap in earnings between minority women and white men decreased in the other five New England states, this is tempered by the magnitude of the post-recession gap ranging from the largest gap in Connecticut (a wage gap of 45 percent) to the smallest, yet noteworthy gap in Maine (a wage gap of 31 percent).

The economic picture is not straightforward when we compare minority women's earnings to white women's earnings, a gap that is often overlooked (Figure 2). Despite earnings growth for both minority and white women from pre-recession years to post-recession years, a sizable wage gap is visible between minority and white women and does not shrink over the recession.[8] Across all New England states, white men and white women earned more than minority women. In the pre-recession period, minority women in Rhode Island earned 67 percent of what white women earned (representing the largest gap), while in New Hampshire minority women earned 81 percent of what white women earned (representing the smallest gap). Does this disparity remain in the post-recession time period? The data show a mixed picture, with three patterns emerging across the New England states.

States on the left side of Figure 2 show a narrowing of the minority-to-white women's wage gap as the percent of minority women's earnings to white women's earnings increased. In other words, minority women's earnings grew at a faster pace over this time period than white women's earnings did in three states – Maine, New Hampshire, and Rhode Island – but the pattern was different in the other three states.

In Massachusetts, viewed in the middle of the figure, the minority-to-white women's earnings ratio remained steady at 76 percent, indicating that minority women's earnings and white women's earnings grew at the same pace in the pre- and post-recession periods. Finally, the minority-to-white women's earnings ratio decreased in two states – Connecticut and Vermont. In these states, minority women's earnings growth did not keep pace with white women's earnings growth and the earnings gap among women widened.

Figure 2. Minority Women's Annual Earnings as Percent of White Women's Annual Earnings, Pre- and Post-Recession, New England States



Source: Analysis of American Community Survey data, 2006-2014, by Kristin Smith.

Notes: Includes women 18-64 years old employed full-time and year-round. Pre-recession includes 2006 and 2007; post-recession includes 2011-2014. Minority includes black, Asian and Pacific Islander, Native American and Alaskan Aleut, and Hispanic. Reports earnings in constant 2014 dollars based on the Consumer Price Index.

While a state-by-state analysis of different economic conditions and demographic factors may help us understand the factors underlying these changes in the wage gaps, further study is needed for an in-depth exploration of the causes of this phenomenon.

Table 2 takes a closer look at the two New England states with the highest annual earnings and illuminates the differentiation in median annual earnings among minority women. By disaggregating minority women's earnings, it becomes clear that Asian, non-Hispanic women had the highest earnings among minority women, while Black,[9] non-Hispanic women, and Hispanic women had the lowest earnings. In fact, Asian, non-Hispanic women earned more than white, non-Hispanic women in pre-recession Connecticut, and nearly as much as white, non-Hispanic women in post-recession Connecticut and in Massachusetts during both time periods.

In addition, Hispanic women earned the lowest percent of white women's earnings in both Connecticut (62 percent pre-recession) and Massachusetts (65 percent pre-recession), and their earnings ratio decreased post-recession. The Black, non-Hispanic women's earnings ratio also declined. While the gender wage gap persisted, white women earned definitively more than Black, non-Hispanic and Hispanic women in these two states. The economic conditions of Connecticut and Massachusetts that facilitated white women's wage growth did not appear to have improved conditions for Hispanic and Black, non-Hispanic women, as we do not see increased earnings for these women but instead a persistent wage gap.

Table 2. Minority Women's Annual Earnings Compared to White Women's Annual Earnings, Pre- and Post-Recession, CT and MA

Race & Ethnicity	Median Annual Earnings		Minority Women's Earnings as Percent of White Women's Earnings	
	Pre-recession	Post-recession	Pre-recession	Post-recession
Connecticut				
White, non-Hispanic	$51,381	$52,620	-	-
Black, non-Hispanic	$41,105	$40,000	80%	76%
Asian, non-Hispanic	$58,598	$52,620	114%	100%
Hispanic	$31,970	$31,572	62%	60%
Massachusetts				
White, non-Hispanic	$49,097	$51,555	-	-
Black, non-Hispanic	$38,752	$40,000	79%	78%
Asian, non-Hispanic	$46,814	$49,942	95%	97%
Hispanic	$31,706	$31,572	65%	61%

Source: Analysis of American Community Survey data, 2006-2014, by Kristin Smith.
Notes: Includes women 18-64 employed full-time and year-round.
Pre-recession includes 2006 and 2007; post-recession includes 2011-2014.
Data not shown for Native American and Alaskan Aleut populations due to small sample size.
Reports earnings in constant 2014 dollars based on the Consumer Price Index.

Table 3. Percent of Women Earning $20,000 or Less Annually Pre- and Post-Recession, U.S. and New England States

	Pre-recession	Post-recession
Total U.S.	33.3	35.3*
Total New England	28.9	30.3
Connecticut	26.2	29.1*
Maine	37.1	36.4
Massachusetts	27.7	29.0*
New Hampshire	29.1	30.2*
Rhode Island	32.5	33.1*
Vermont	31.9	32.8*

Source: Analysis of American Community Survey data, 2006-2014, by Kristin Smith.
Notes: Includes women 18-64 years old. Pre-recession includes 2006 and 2007; post-recession includes 2011-2014. The $20,000 cut-point is based on annual earnings in constant 2014 dollars based on the Consumer Price Index.
*Indicates statistically significant difference between pre- and post-recession at p<.05.

More Bad News: Low-Wage Workers Post-Recession

The negative impact of the Great Recession is most acutely experienced by those at the lowest end of the labor market. Clearly we have more inequality overall in post-recession America.[10] As Table 3 shows, there has been an increase in the percent of women earning $20,000 or less annually[11] in all states from pre- to post-recession, except in Maine (which showed no statistically significant change). It is striking that just under one third of women earn $20,000 or less annually in the New England states. While earnings have generally increased for women in the New England states, the proportion of women with low earnings has also risen, providing evidence of more pronounced wage inequality.

In order to gain further insight into how women and minorities are faring after the Great Recession, we selected three low-wage female dominated occupations that are largely comprised of minority women: Direct Care, Retail, and Early Care and Education. From pre- to post-recession, median earnings decreased in all six states among direct care and retail women workers. In early care and education, earnings decreased in three states (Connecticut, Rhode Island, and Vermont) and increased in three states (Maine, Massachusetts, and New Hampshire). High turnover is common among these low-wage occupations, and research shows that increasing wages are associated with job retention.[12]

In sum, the data show that many women are worse off after the Great Recession than they were before. There are more women working in low-wage jobs and there is still a significant gender gap in wages that is largely unchanged from pre- to post-recession. While we do see some increase in women's earnings, there is growing inequality in two states between white women's earnings and minority women's earnings. This is not a statement about cause and effect, but rather suggests that stimulus packages and job training programs cannot undo decades of systemic inequality produced by occupational segregation and discrimination in the labor force by gender and race. These data do, on the other hand, create a road map and a sense of direction about how policy – both public policy and voluntary private sector policy – must change. What is at stake is not only fairness and security for working women, but also the opportunity to address the growing economic inequality in our society, particularly for minority communities.

Table 4. Median Earnings of Women by Selected Occupation, Pre- and Post-Recession, New England States

	Direct Care		Retail		Early Care and Education	
	Pre-recession	Post-recession	Pre-recession	Post-recession	Pre-recession	Post-recession
New England	$23,486	$21,239	$15,266	$13,365	$17,127	$17,700
Connecticut	$27,403	$22,000	$14,092	$13,576	$17,615	$17,575
Maine	$19,611	$19,591	$14,092	$13,719	$11,743	$13,719
Massachusetts	$23,486	$22,356	$16,440	$13,095	$17,615	$19,000
New Hampshire	$23,486	$21,137	$17,127	$16,259	$17,127	$18,560
Rhode Island	$25,120	$22,356	$15,266	$10,723	$14,843	$13,211
Vermont	$22,836	$18,560	$13,702	$10,162	$17,615	$15,243

Source: Analysis of American Community Survey data, 2006-2014, by Kristin Smith.

Notes: Includes women 18-64 years old. Reports annual earnings in constant 2014 dollars based on the Consumer Price Index.

Direct Care workforce includes nursing, psychiatric, and home health aides; personal care aides; and personal care and service workers.

Retail workforce includes retail salespersons; counter and rental clerks. Early care and education workforce includes preschool and kindergarten teachers; and child care workers.

Key Policies to Advance Women's Economic Security: Going Beyond "Recovery"

Our targeted analysis of earnings data demonstrates that the nation's economic recovery is ongoing and not complete. Overall women's earnings have increased since the recession, but many women across the New England region are not faring well financially. This is particularly true for minority women, especially Hispanic women. Given that women's economic status is greatly influenced both by inadequate earnings and limited supports for caregiving and the health needs of workers and their families, policies that help bolster women's economic standing are essential to mitigating the lingering effects of the Great Recession.

In this section of the report we explore four areas of policy that could help ensure that more women have high-quality jobs, livable wages, and employment supports for caregiving. Going beyond conventional definitions of policy, we understand "policy" as a broad concept that includes actions taken in the public, private, and nonprofit sectors. In addition to public policy, such as legislation, regulations, and executive orders, voluntary employer policy can positively impact women's economic status by establishing levels of wages and salaries that are adequate and equitable for all workers, by offering paid supports for caregiving, and by enabling retirement savings.

Ensuring women's economic security will undoubtedly take a multi-pronged approach with leaders and stakeholders from all sectors engaged collectively in pressing forward on several key issues. The four issues we prioritize and discuss here were included in the *Call to Action: A Policy Framework for Women's Economic Security* that was developed with input from participants of our inaugural New England Women's Policy Conference held in November 2014. Since then, we have seen movement on several of these issues in the region.

Our review of the "state of play" for each policy we address – minimum wage, paid family and medical leave, paid sick days, and pay equity – offers a synopsis of key efforts and action taken in each of the New England states. It outlines how existing policy gaps that leave women economically vulnerable are being addressed through legislative action, coalition efforts, public-private partnerships, and employer initiatives.

Minimum Wage: Moving from Minimum Labor Standards to Livable Wages

Minimum wage policies are important for all low-wage workers, but especially for women and minority women. More than two and a half million people work at or below the minimum wage across the United States and 62.8% are women.[13] Minority women make up almost half (47%) of the female low-wage workforce: 18% are Black women, 23% are Hispanic women, 6% are Asian, Pacific Islander or Hawaiian women, and 1% are Native American women. These same patterns are also seen in the New England states.[14]

Recently, there has been an unprecedented level of activity, both nationally and in New England, around the importance of raising the minimum wage. The national "Fight for $15" movement has helped to change the discourse around this issue by reframing the goal. Those involved in this movement argue that it's not enough to raise the current national minimum wage of $7.25 by tiny dollar increments, but that we need a "livable wage" for all workers that enables families to meet monthly expenses and potentially save for college and retirement. A number of studies have tried to calculate what a livable wage is, starting with the pioneering work of Diane Pearce[15] and continuing with more recently developed tools, such as MIT's Living Wage Calculator.[16] The cost of living varies significantly across regions of the U.S., and household size and number of children living at home also differ. Therefore, the exact amount of a livable wage will vary as well.

Given that there is a significant gap between the current federal standard and a wage that could be deemed "livable,"[17] many states have chosen to take a stepped approach to increasing the minimum wage. An example of this is Massachusetts, where successful minimum wage legislation brought the level from $9.00 to $10.00 in 2016 with the next increase to $11.00 coming in 2017. Massachusetts has also been on the forefront in organizing home health care workers, an historically critical segment of the low-wage workforce engaged in important work caring for elders and the disabled. With the backing of the Service Employees International Union (SEIU) 1199, home health care workers won a raise to $13.38 per hour in 2015, and will earn $15.00 an hour starting in 2018.

Similar "step" approaches have been legislated in Vermont and Connecticut. In both states, the current minimum wage is $9.60 per hour. In Vermont, it will go up to $10.50 in 2018 and in Connecticut, it will increase to $10.10 in 2017. In Rhode Island, legislation advanced the minimum wage to $9.00. This will perhaps make Rhode Island more attractive to businesses, but certainly disadvantage women workers in Rhode Island as well as their families.

The New England state that has barely exceeded the current national standard is Maine, which has a minimum wage of $7.50, only twenty-five cents above the amount required by federal law. Maine's ballot initiative to raise the minimum wage to $12.00 an hour by 2020 was approved by voters in the 2016 general election. However, that is four years away and will still put Maine workers' wages significantly below the goal of the national "Fight for $15" campaign. Despite a campaign to raise the minimum wage in New Hampshire, the wage remains the lowest in New England at the federal level of $7.25.

The treatment of tipped workers is an emerging and important issue related to the minimum wage workforce. In the past, minimum wage workers employed in restaurants and hotels, and in other service occupations where they receive tips, had a federal minimum wage of $2.13/hour. There has been a movement for "equal treatment" among minimum wage workers, and we have begun to see efforts at the state level to set a requirement that these workers be paid $7.25 or more as base pay. All the New England states are "equal treatment states" and pay tipped workers a base pay of $7.25/hour (ME), or more (CT, MA, NH, RI, VT).

The New England states, like other "equal treatment states," have used public policy measures to ensure that tipped workers are not dependent on the generosity – or lack thereof – of customers. Rather it is the responsibility of employers to provide a base pay of at least the federal minimum wage before tips.

Paid Family and Medical Leave: From Job Protection to Income Security

Since the Family and Medical Leave Act (FMLA) was passed in 1993, granting unpaid family and medical leave to some American workers, those concerned with economic security for women and their families have sought to improve the statute. Four key dimensions have been the focus of either proposed multi-issue legislation, such as the FAMILY (Family and Medical Insurance Leave) Act or amendments to existing federal statute and/or new state laws. These include: 1) Wage replacement (up to a capped percent of wages or salaries) for all or part of the allowed 12-week leave period; 2) Increasing access to job-protected leave for more workers, by changing employee eligibility requirements including firm size; 3) An expanded definition of "family" to cover more than the "parent, child or spouse" of the employee taking leave; and 4) An expansion of the "reasons for leave" that would go beyond the current language of the law which only allows workers to take unpaid FMLA leave for one's own serious health condition, the serious health condition of a parent's child or spouse, or the care of a newly born or newly adopted child.

While all four dimensions, if passed, would have a positive impact on the economic security of women workers and their families, the dimension that would have the most direct and measurable impact is the addition of some kind of wage replacement for leave takers. The fact that the FMLA provides only unpaid leave means that the law is effectively only able to be used by workers with wages or salaries high enough to allow them to save money before the leave period and use savings during the leave period, or some kind of economic safety net provided by a spouse or others. National surveys have shown consistently over a 20-year period[18] that low-wage workers either take short leaves, or apply for public subsidies such as the Supplemental Nutrition Assistance Plan (SNAP) or Temporary Assistance to Needy Families (TANF) to help them pay basic expenses, or decide not to take the leave for which they are eligible because their families cannot afford to go without even a day of lost wages.

Efforts to pass paid leave have not gained traction at the federal level, but there have been a limited number of successful efforts at the state level, and more are in the pipeline. To date, three states have passed and enacted paid leave laws – California (2004), New Jersey (2009), and Rhode Island (2014). In addition, New York passed a paid leave bill that will be implemented in 2018.[19] It is noteworthy that all four states have pre-existing Temporary Disability Insurance (TDI) systems created decades ago that ensure workers paid time off from work when they have a disabling medical condition. Therefore, these four states had the infrastructure for an insurance system in place, and the precedent of having paid time off unrelated to job injury prior to the consideration of paid leave bills by policy makers.

It's important to recognize that, over the last few years, there has been a substantial amount of research on paid leave in New England states, with many states receiving support through the Department of Labor's Paid Leave Analysis Grant Program (Women's Bureau).[20]

While there has been a 20-year debate about what mechanism should be used for wage replacement, the model that has been adopted thus far is a payroll deduction in which workers themselves fund a paid leave system, akin to insurance. There has been discussion about requiring employers to contribute to a wage replacement fund, yet these have failed to pass the scrutiny of state legislators. Although, nationally, 12% of employees[21] have access to paid FMLA as company policy as the vast majority of firms do not make this benefit available to their employees.

The current situation in New England is that one state – Rhode Island – has passed a "Temporary Caregiver Insurance" law that requires wage replacement for four weeks of family leave and, importantly, guarantees return of the leave taker to his/her job after leave. This aspect of job protection, while part of the federal FMLA, is not part of the paid leave laws in California and New Jersey. Variations of this policy approach were contained in bills considered by Connecticut, Massachusetts, and New Hampshire state legislatures, as well as Vermont which is in the process of drafting a paid leave bill for the next session. If these proposed bills pass, these states will be the first without pre-existing TDI systems to adopt and implement a wage replacement program for workers taking family and medical leave.

Beside wage replacement, several New England states have expanded the provisions of the FMLA in other ways. For example, Connecticut, Maine, Rhode Island, and Vermont have expanded the definition of a "family member" who can be cared for beyond parent, child, and spouse. In Connecticut, Rhode Island, and Vermont, state law now includes civil union/domestic partners and parents-in-law as family. In Maine, state law now includes domestic partners, children of domestic partners, and siblings of the leave taker as family. No states have amended the FMLA to provide wage replacement but instead have put forth new legislation.

Several states have expanded FMLA to cover more workers by changing the eligibility requirements of the size of employers who are covered. For example, in Maine, state law now allows FMLA to apply to private employers with 15 or more employees (rather than the minimum of 50 in the federal statute) and to cover workers employed by city or town agencies/offices with 25 or more employees. Similarly, in Vermont, state law now mandates that FMLA cover employers with ten or more workers who take parental leave, and cover employers with 15 or more workers for employees taking other family leaves and medical leaves. Finally, there are a few New England states that have tried to expand the reasons for leave.

Paid Sick Days: Healthy Workers and Families as Essential to Economic Security

While the FMLA covers leave for a "serious health condition," paid sick days are critically important as they cover all kinds of other illnesses, from the common cold, to a stomach virus, to a broken leg. As Smith and Adams note, "Paid sick leave differs from paid family and medical leave in that the former requires little or no advance notice and tends to require shorter periods away from work."[22]

Far too many workers in the United States are not afforded the ability to take days off from work when sick, when a family caregiving need arises, or when there are safety needs related to domestic violence or sexual assault. The numbers tell it all: Four in ten private sector workers lack access to paid sick time[23] and, according to Family Values at Work, "more than half of working mothers (54 percent) do not have even a few paid sick days they can use to care for their sick children."[24]

The issue of paid sick days is significant for female workers, particularly those who are low-income, who work part-time, and who are in small firms. It is low-wage workers, such as food service, direct care[25] and child care workers – most of whom are women[26] – who are the least likely to have paid sick days. For instance, nearly 80 percent of food service workers lack access to paid sick days[27] and 50 percent of those in retail don't have paid sick days.[28]

Employees who lack access to paid sick time are faced with the potential of receiving a reduced paycheck, heading to work sick, and, in some cases, being fired. This is why advocates, researchers, and policy makers have placed so much emphasis on this issue over the past decade or so to prompt action to ensure access to earned sick time. And action has taken place all across the country with advocacy coalitions, mayors, legislators, and other elected officials providing leadership to require and/or expand access to paid sick time. The growing momentum for paid sick days has entailed ballot and legislative initiatives as well as the adoption of city ordinances, leading to 37 total paid sick time laws in 5 states, 29 cities, 2 counties, and Washington, D.C.[29]

Of the five states across the country that have statewide paid sick day laws, three are in New England. In 2011, Connecticut became the first state in the nation to pass a law, followed by Massachusetts in 2014, and

Vermont in 2016. These state laws vary in terms of who is covered by the law, what reasons are allowed, amount of sick time afforded, maximum amount that can be earned, and carry forward provisions, among other differences. Yet they all represent movement forward in the effort to recognize that employees have short-term health and caregiving needs that necessitate time away from their job without a loss of pay – or fear of job loss.

Connecticut's law provides one hour of paid sick time for every 40 hours worked and applies to those working for employers who have 50 employees or more. As the third state in the country to guarantee paid sick leave after voters approved a ballot initiative, Massachusetts employees can now earn one hour of paid sick leave for every 30 hours worked, capped at 40 days of leave annually. Small employers with 10 or fewer workers don't have to provide paid sick leave, but their employees can earn and use up to 40 hours of unpaid sick time. Most recently, Vermont enacted a law that goes into effect on January 1, 2017 which requires employers to provide employees with at least 24 hours (or 3 days) of paid sick leave during a 12-month period. After the initial year, employers will be required to provide employees with 40 hours (or 5 days) of paid sick leave.

In the most recent legislative session, a bill was under consideration in the Rhode Island Legislature that would require employers to provide paid sick leave, at a rate of one hour per 30 hours worked, up to a maximum of 56 hours annually. The sick and safety leave could be used for medical reasons, preventative medical care, and care of a family member.

Pay Equity: Wage Parity, Not Incremental Progress

Women continue to face a persistent wage gap that keeps female workers earning less than men and disproportionately affects minority women. Even with the 1963 federal Equal Pay Act and state nondiscrimination and equal pay laws in place, women continue to earn between 76 and 87 cents to the male dollar across New England. The earnings ratio is 76% in New Hampshire and 78% in Maine, 80% in Rhode Island, 83% in Connecticut and in Massachusetts, and 87% in Vermont.[30]

As our earlier analysis indicates, the wage gap between white women and minority women from pre- to post-recession is substantial. In two states, the gap even widened. While we note a slight decrease in the gap between white and minority women in half of the New England states (Maine, New Hampshire, and Rhode Island) – representing movement in the right direction – the gap remains considerable in these states and is due in part to decreased annual earnings among men. Our findings point to the importance of addressing the particular causes and implications of the gap on minority women and women of color. Policy action on all levels must confront the reality that, especially for Hispanic and Black women, a woman's race and/or ethnicity is a factor in how much she earns compared to white men, and, as we show in some detail on p. 5, to white women.

The issue of pay equity is one that has taken on considerable momentum over the past few years. Increased public attention has resulted in part due to President Obama whose very first bill signing was for the Lilly Ledbetter Fair Pay Act which extended the time period in which claimants can bring pay discrimination claims. President Obama has also taken regulatory and executive action to address wage inequities.[31] Congressional action on the Paycheck Fairness Act stalled due to gridlock.[32] Yet the issue has remained on the radar of policy makers – especially state lawmakers – and was highlighted during the recent presidential campaign.[33]

With no Congressional action, many states across the country, including many in New England, are working toward the adoption of measures to eliminate the gender wage gap. From task forces to coalitions to first-ever legislative protections to innovative public-private partnerships, several New England states are tackling wage inequities in innovative and multi-faceted ways.

Vermont took comprehensive action in 2013 with a law that requires employers to prove they have legitimate business reasons for paying workers unequal wages and to protect workers who discuss their pay. The law included an improved process to ensure that state government contracts pay equal wages.[34] The measure also provides protections for employees who request flexible work arrangements and for mothers who need to express breast milk at work.

In 2013, Connecticut Governor Dannel P. Malloy created the state Gender Wage Gap Task Force which identified "pay secrecy" as a factor in slower compensation growth among women workers[35] and in 2015 signed into law a pay equity act to encourage wage transparency by barring employers from prohibiting employees from voluntarily discussing their wages with other employees and/or with third parties.

Pay transparency was at the core of a 2014 New Hampshire law that allows employees to freely discuss their pay. The measure prevents employers from retaliating against an employee who files a pay discrimination complaint and applies even in cases when the "complaint only results in an informal investigation by the employer and does not rise to the level of a formal legal complaint."[36]

In 2015, Rhode Island Governor Gina Raimondo established the Rhode Island Pay Equity Tip Line for employees to report gender-based wage discrimination.[37] She also tasked the Rhode Island Commission on Women with creating an Equal Pay Certification Status to be awarded to Rhode Island businesses that demonstrate a commitment to equal pay practices.[38]

Most recently, driven by a strong coalition of more than 50 organizational members, Massachusetts adopted what is considered the most expansive pay equity law in the nation which prevents employers from requiring applicants to disclose salary history "as a condition of being interviewed, or as a condition of continuing to be considered for an offer of employment."[39] This first-in-the-nation ban on inquiring about salary history comes in addition to a strong pay transparency component intended to eliminate pay secrecy policies, which prevent employees from discussing their compensation with other workers.[40]

The law, effective July 1st 2018, also clarifies that a job title or job description alone does not determine whether work can be considered comparable and encourages employers to proactively take steps to eliminate wage discrimination on the basis of gender.[41] The law provides a three-year statute of limitations and plaintiffs can immediately bring their claims in court.[42] Massachusetts' recent record of accomplishment on pay equity also includes innovative initiatives by Boston Mayor Martin Walsh who, in 2015, launched a program entitled AAUW Work Smart in Boston that provides free salary-negotiation workshops with the goal of training half of the working women in the city in an effort to close the wage gap.[43] This large-scale, grassroots effort to empower working women in the city comes in addition to the city's private-public endeavor to eliminate the gender wage gap through the Boston Women's Workforce Council which works with businesses to "remove the visible and invisible barriers to women's advancement, and ensure that 100% of the talent pool is used to make Boston the best area in the country for working women."[44]

In 2016, Massachusetts Treasurer Deb Goldberg released a toolkit for employers so they can determine whether there is a pay gap in their organization and take steps to eliminate it. This online resource "describes how to do an internal audit of a workplace's pay system, how to make the pay scale and pay raises transparent and performance-based, and how to provide a more flexible workplace for employees."[45] It also offers a wage gap calculator that provides the average wage gap facing women in their industry.

Over the past few years, pay equity has risen to the top of policy agendas of elected officials – from statewide officeholders to legislators to municipal leaders. While several New England states have enacted relatively strong equal pay laws and others are looking to increase protections, legislative approaches addressing pay inequity can entail limitations due to enforcement challenges and the need for employees to take action themselves to redress pay inequities, which may involve filing claims and/or lawsuits. A multi-sector and multi-level approach that incorporates both public and private sector efforts that also provides resources and tools for women is necessary to eliminate pay disparities.

Pay equity will be achieved with this kind of three-pronged approach that addresses gaps in existing laws and regulations, works with the business and employer communities to find solutions that are effective, and empowers women by equipping them with tools and resources to take action.

Increasing Women's Economic Security: Policy Approaches Within Our Reach

"Now, here, you see, it takes all the running you can do, to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that!"

– Lewis Carroll, *Alice Through the Looking Glass*

The new data contained in this report could be summed up as "running to stay in place." But we are not living in a fantasy land imagined by Lewis Carroll. We are living in New England and this is the economic reality many workers are experiencing after the Great Recession.

Our findings show that wage inequality continues to impact working women. Some men are not faring well either, and many families are struggling in the post-recession years. While we do see a small increase in women's earnings overall, the gender-based wage gap persists, and the wage gap for minority women – particularly Hispanic women – has increased in two states. Whether one compares minority women to all men, white men, or white women, we see a troubling gap. This gap, combined with the increase in the percent of women making $20,000 a year or less that we document, and decreased earnings for female direct care and retail workers, is evidence of the increasing inequality in our region.

The policy challenge before us is how to achieve economic security for all women in a way that advances greater equality for everyone – women and men, workers and employers.

It is time to level the employment playing field and take a universal approach to the economic needs that affect most families. Rather than think about policy change in piecemeal fashion, we need to consider a package of policies that will provide sustainable support for working women – particularly minority women and those in low-wage jobs – and their families. The framework of a livable wage combined with other benefits that provide additional income to households – such as paid sick days and paid family and medical leave – provide important guidance to both public policy and private sector stakeholders and leaders concerned about economic justice. We propose a high-quality jobs policy agenda that draws on the belief that there is dignity and value in all paid work. The concept of "high-quality jobs" is complex and definitions used in major federal legislation and scholarly literature vary. In all cases, a high-quality job is not simply about how much workers are paid. Rather, it is a multi-dimensional term that usually includes six key components: decent wages and benefits; ongoing training and opportunities for advancement; paid sick days, paid family and medical leave, and paid short-term disability; and adequate hours and predictable schedules.[46]

This kind of policy agenda seeks to dismantle the foundations of occupational segregation that reinforce inequality based on gender and race/ethnicity. When we as a society begin to disassociate particular jobs with gendered assumptions and low-level wages – and instead ask how much families need to secure a place in the middle class – then we can craft policies that will reverse decades of growing economic inequality.

In February of 2009, President Obama proposed an economic stimulus package called the American Recovery and Reinvestment Act (ARRA). This was an important job creation initiative at a time when job loss was rampant. While the Labor Department now issues encouraging statistics on jobs growth, we must ask what kind of jobs are being created? This report suggests that we need a new comprehensive agenda for post-recession America that goes beyond a short-term economic stimulus approach. A multi-issue policy agenda that will reduce the numbers of those living in poverty and increase the number of high-quality jobs.

When we think about whether this type of policy approach is possible in the New England region, it is important to analyze the distinct political and economic conditions of each state, including opportunities and barriers. At the same time, we want to highlight the importance of state level action, especially when we see gridlock at the national level. Let us not forget that FMLA-type laws were adopted by states before federal legislation was passed.

The aim of this report is to provide some of the data that leaders in the public, private, and nonprofit sectors will need to work collaboratively and create new evidence-based policy. We focus on the interconnections between four distinct policies, discussed above, that are in play in New England. If cross-sector policy initiatives adopt a high-quality jobs litmus test when assessing policy proposals, this region will move toward increased economic security and greater equality for all women and their families.

Data Used

This brief uses American Community Survey (ACS) data from 2006-2014 collected by the U.S. Census Bureau obtained from the IPUMS files compiled by the Minnesota Population Center analyzed by Dr. Kristin Smith. The ACS collects individual earnings from income earned from wages, salary, own business, or farm in the previous 12 months. The minority-to-white earnings ratio is calculated as median minority women's earnings divided by median white women's earnings multiplied by 100. The minority-to-white earnings gap is calculated by subtracting minority women's median earnings from white women's median earnings and dividing this by white women's median earnings. A similar methodology is used to calculate the other earnings gaps and ratios included in this report. All analyses show data for women or men age 18 to 64, the typical working age population. In order to increase our sample size of minority women in the three northern New England states (Maine, New Hampshire and Vermont), we pool ACS data into pre-recession years (2006 and 2007) and post-recession years (2011-2014). All analyses are weighted using person-level weights provided by the Census Bureau. Percentages presented in the text are statistically significant (at $p<.05$).

Additional tables showing pre-recession, recession, and post-recession estimates may be found at: http://scholarworks.umb.edu/newomenspolicyconf/2016.

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ABOUT THE NEW ENGLAND WOMEN'S POLICY INITIATIVE (NEWPI)

The New England Women's Policy Initiative (NEWPI) coordinates the efforts of a diverse cross-section of stakeholders working to improve the economic status of all women and their families. Spearheaded by the Center for Women in Politics and Public Policy, NEWPI works to implement a multi-issue policy agenda with leaders and organizations from the private, public, and nonprofit sectors leading change for women and their families across racial/ethnic, age, and class lines. NEWPI's four key components include: regular regional and state-level convenings, a policy network and online learning community, policy-relevant research, and policy action to focus attention on key policy issues needed to advance women's economic security.

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Established in 1994, UMass Boston's Center for Women in Politics and Public Policy at the John W. McCormack Graduate School of Policy and Global Studies works to advance women's public leadership and policies that make a difference in the lives of all women. Through its innovative Gender, Leadership, and Public Policy graduate programs (certificate and Master of Public Administration), public forums, and policy-relevant and action-oriented research, it works to ensure that the voices, expertise, and experiences of all women are valued and included in civic discourse and in policy making. In partnership with nonprofit organizations, private companies, and all levels of government, the center helps strengthen democratic values in public life and build a prosperous economy for all, particularly low-wage workers and women of color. All center initiatives and research explore the intersection of gender, race/ethnicity, and class on policy making and politics.

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