



Economic Policy Institute

# Women's Economic Agenda

## Creating an Economy That Works for Everyone

Over the last several decades, millions of women have joined the workforce and made huge gains in their educational attainment, which exceeds that of men. Yet women are still paid less than men. Indeed, gender wage disparities are present across the wage distribution and within education cohorts, occupations, and sectors—sometimes to a grave degree. Closing the wage gap is essential to helping women achieve economic security.

At the same time, the factors that have kept women's pay from growing over the last dozen years are the same forces that have suppressed wages for male workers. While an expanding and increasingly productive economy creates the potential for broadly shared prosperity, in recent decades economic gains have been captured almost exclusively by those at the top. This is because intentional policy choices made on behalf of those with the most wealth and power have made it harder for working people to get paid the wages they deserve. This fundamental shift in the way the economy works has affected the majority of workers—regardless of gender, race, ethnicity, or education level.

A progressive women's economic agenda must close the gender wage gap and raise wages to improve living standards for all working people. The following 12-point policy agenda will give low- and moderate-wage workers more economic leverage, change the rules so that a growing economy benefits hardworking Americans, and maximize women's economic security. Because low-wage jobs are disproportionately held by women, women are the primary beneficiaries of an agenda to raise wages for low- and moderate-wage workers.

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## ***Raise the minimum wage***

Raising the federal minimum wage will boost wages for millions of workers.

Nowhere in the United States can a minimum-wage worker—even one without children—earn enough to attain a secure yet modest lifestyle. Raising the minimum wage particularly benefits women. For example, raising the federal minimum wage to \$12 by 2020 would boost wages for one-fourth of the workforce, or 35 million working people—56 percent of whom are women.

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## ***Eliminate the tipped minimum wage***

Raising and eventually eliminating the subminimum wage (currently just \$2.13 per hour) for workers who earn tips will help boost wages and stabilize incomes for millions of service workers.

Two-thirds of tipped workers are women, yet they still make less than their male counterparts. At the median, women tipped workers make \$10.07 per hour, while men make \$10.63 (including tips).

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## ***Strengthen collective bargaining rights***

Making it easier for willing workers to form unions, increasing penalties for corporate violations of labor laws, defending collective bargaining in the public sector, and halting and reversing the spread of so-called right-to-work laws will give workers the leverage they need to bargain for better wages and benefits and to set high labor standards for all workers.

The erosion of collective bargaining has been the single largest factor suppressing wage growth for middle-wage workers over the last few decades. Women in unions are more likely to be paid higher wages and have access to benefits such as paid sick days and pensions. When unions are strong, those benefits and protections spread to nonunion workers as well.

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## ***Strengthen laws against discrimination in hiring, pay, and promotion***

Requiring employers to demonstrate that differences in hiring, pay, and promotion are based on factors other than sex or race and strengthening penalties for equal pay violations will reduce pay disparities based on race and gender.

Significant wage gaps still exist between men and women, with the median woman worker earning 83 percent of men's hourly wages. This wage disparity exists even among the most educated workers—among workers with an advanced degree, women make only 74 percent of men's hourly wages. Women of color face even larger wage gaps: Black women earn 65.4 percent and Hispanic women earn 56.5 percent of white men's hourly earnings.

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## ***Provide paid family leave***

Providing workers with paid family leave will enable them to take time off for the arrival of a child, or a serious health condition affecting themselves or a relative, without forcing them to choose between work and family.

Only 12 percent of private-sector employees have access to paid family leave. Without paid family leave policies, workers (particularly women) have difficulty balancing the demands of work and family.

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## ***Provide paid sick leave***

Ensuring all working people can earn paid sick time would allow them to meet their responsibilities at work and at home without compromising their family's economic security.

Over one-third (39 percent) of workers have no paid sick days. When these workers get sick, they are forced either to stay at home without pay and risk losing their job, or go to work and jeopardize their health and that of their colleagues.

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## ***Require fair scheduling practices***

Employers should be required to provide more advance notice in setting and changing work schedules. They should also be required to pay workers who have not received sufficient notice of last-minute schedule changes for hours lost, for “on-call hours,” for being scheduled on split shifts, and for instances when they are sent home before completing their assigned shifts.

Over one-third (34 percent) of women hourly workers in their prime childrearing years (age 26–32) receive their work schedules with advance notice of one week or less. Irregular work schedules lead to income instability (especially as low-income workers face the most irregular work schedules), and children of parents with irregular work schedules are more likely to have poorer cognitive and behavioral outcomes.

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## ***Provide accessible, affordable, high-quality child care and early childhood education***

The United States must invest in early childhood education and more affordable child care, ensuring parents do not need to choose between leaving the labor force and affording quality child care, and ensuring no children start their academic lives a step behind.

Monthly child care costs for two-child families exceed the cost of rent in 500 out of 618 metropolitan statistical and rural areas across the United States. Ensuring access to affordable child care lets parents more easily balance work and family, which in turn makes it easier for women to stay in the labor force and therefore achieve higher lifetime earnings. Quality child care requires a commitment to decent facilities and well paid staff, which will disproportionately benefit women.

In order to better prepare children who grow up in disadvantaged circumstances for school (and life beyond school), we need more high-quality pre-kindergarten programs. Such programs have been found to boost children’s skills across multiple domains, from higher test scores to improved high school graduation rates—and even better employment prospects and less involvement with criminal activity.

## ***Protect and expand Social Security***

Protecting and strengthening Social Security and pensions to address the growing retirement security crisis will ensure a higher standard of living for women, children, retirees, and people with disabilities.

More than half (53 percent) of elderly women are economically vulnerable, meaning one economic shock (for example, a healthcare crisis) could impoverish them. The average female retiree receives over \$300 less per Social Security check than her male counterpart. This is largely due to the wage gap between women and men, but also because women are often primary caregivers and must choose between caring for a sick or disabled family member or pursuing their own professional goals.

## ***Provide undocumented workers a path to citizenship***

President Obama's executive actions to defer the deportation of undocumented workers and issue them work authorization will provide these workers with basic workplace protections and enable them to earn higher wages. Congress needs to go further and provide undocumented immigrants a path to citizenship, which would more fully integrate them and allow them to earn and contribute more. Providing a path to citizenship for undocumented workers will not only lift their wages, but will also lift wages of U.S. workers in the same fields of work.

Women are concentrated in many occupations likely to be held by undocumented workers. For example, they make up 93.1 percent of in-home workers, who are much more likely to be immigrants.

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## ***Support strong enforcement of labor standards***

The enforcement of labor standards in the United States is so weak that hundreds of thousands of employers routinely fail to pay minimum wage or overtime, fail to protect employees from workplace hazards, fail to accurately classify workers, fail to pay payroll taxes or worker's compensation premiums, fail to provide family and medical leave, or even fail to pay employees the wages they've earned. More enforcement and tougher penalties are needed to deter these violations, and access to the courts must be available to harmed workers.

It is estimated that \$50 billion is stolen from employees each year due to employers not paying them the wages they are owed. Women are more likely than men to have their wages stolen because they are more likely to work in occupations in which rampant wage theft persists.

The Department of Labor's proposal to raise the overtime salary threshold to \$50,440 would directly benefit 13.5 million salaried workers—the majority of whom are women—by guaranteeing them the right to receive time-and-a-half pay for work beyond 40 hours each week that is now provided at no cost to the employer.

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## ***Prioritize wage growth and very low unemployment when making monetary policy***

A decision to raise interest rates is a decision to slow the economy and weaken job and wage growth. It is imperative that monetary policymakers keep their foot off the brakes and allow the recovery to proceed as quickly as possible. Policymakers should not seek to slow the economy until wages are growing at a brisk pace.

Over the past 35 years, the vast majority of workers endured stagnant wages despite economy-wide productivity growth of 65 percent.

Better wage growth is crucial to ensuring that gender and racial wage gaps close for the right reasons, with wages rising for all groups but more rapidly for groups currently disadvantaged in labor markets. Pursuing a full-employment economy by keeping interest rates low will help to tighten the labor market, thereby requiring employers to raise wages to get and keep the workers they need.