

Gender pay gap narrows -- for unexpected reasons

The disparity's decrease isn't because women are making great strides but because men's wages are eroding, data show.

By Molly Hennessy-Fiske, Times Staff Writer
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WASHINGTON — Marie White is a healthcare aide who looks after patients in their homes in Sonoma County, Calif. There's a shortage in her female-dominated profession, which has helped workers unionize and command better pay over the last five years — driving the pay ceiling from \$6.75 to \$10.50 an hour.

"By organizing, a good many of us have been able to get out of the minimum-wage category," White said.

John Wilson of Los Angeles, meanwhile, is still trying to find a job that pays as much as he earned 12 years ago. Laid off in 1994 from a software programming job that paid \$50,000 a year with full health benefits, Wilson went to work as a security officer earning minimum wage.

Now he works at the Lantana Media Campus in Santa Monica, providing security for such celebrities as Ben Affleck and Cameron Diaz. He has worked his way up to \$12.25 an hour, but pays about \$100 a month for health insurance for his 15-year-old daughter.

Even though Wilson is making half of what he did before, he feels lucky: Many security guards he knows, mostly men, earn minimum wage without benefits.

White's and Wilson's experiences illustrate a noteworthy trend in the 21st century economy: Women are closing in on men when it comes to wages, but not for the reasons anticipated — or hoped for — when gender pay equity became a rallying cry in the 1970s.

Data show that the pay gap has been narrowing not because women have made great strides, labor experts say, but because men's wages are eroding.

The disparity in median hourly pay between men and women narrowed to 18.3% in August from 21.5% five years earlier, according to recently released census figures. In addition, the U.S. Labor Department noted recently that the wage differential in 2005 was the smallest since the department began tracking it 33 years ago, when it was 36.9%.

Even when men's and women's work patterns are taken into account — men tend to work more hours — the pay gap is narrowing. The difference between men's and women's median annual earnings shrank between 2000 and 2005 from 26.3% to 23%, or 77 cents on each dollar earned by men. Women earned an average \$31,858 and men \$41,386.

The gap was even smaller in California: 17.8%, with women earning \$37,076 and men \$45,126.

However — as the economy expanded, profits rose and unemployment fell — men's hourly wages declined a total of 2% from 2000 to 2005 while women's rose 3%, census records show. Women's gains were barely enough to keep up with inflation.

"Wages generally have been depressed, but men's have been more depressed," said Michele Leber, chair of the Washington-based National Committee on Pay Equity, who called the trend "discouraging."

Economists say the forces behind these trends show that men and women are experiencing the economy in different ways.

In the U.S., men have tended to dominate in blue-collar and manufacturing jobs, which have been disappearing — or seeing downward wage pressure — for the last few decades.

Women, on the other hand, have been more prevalent in service jobs such as healthcare, which historically have been lower-paying but have seen wages rise in recent years.

Indeed, economists note that among those with a high school education or less, men's wages have been falling while women's have been rising due to increased demand for service-sector jobs.

Meanwhile, better-educated women have seen their pay rise — but not as much as their male counterparts have. So women's gains relative to men's appear to be coming mostly in lower-wage jobs.

The gap started narrowing in the 1980s due largely to women's increased access to education and better-paying jobs. In the 1990s, their gains leveled out while men's wages rose at all skill levels, thanks to the economic expansion fueled by the dot-com boom, economists say.

Women lost some ground in the recession after 2001, said Heather Boushey, an economist at the Washington-based Center for Economic and Policy Research, and have seen their wage gains resume only recently.

"This year [women's relative pay] reached a new peak, but I don't think it was much to get excited about, especially since the only reason was because men's wages fell faster," Boushey said.

Some say a vanishing pay gap should be celebrated as good news, no matter what the reason.

"All we care about is the ratio," said Claudia Goldin, a Harvard University economics professor who has studied women in the workforce.

While men may be earning less, women are earning more on average than they used to, which is in itself an achievement, said Francine D. Blau, the Frances Perkins professor of Industrial and Labor Relations and Labor Economics at Cornell University.

Indeed, she said, achieving pay equity almost requires a slowdown in men's wage growth. "You can't have it both ways," Blau said. "For women to catch up, their wages have to grow more."

But other economists and pay equity advocates say the whole idea of narrowing the gap was to help women and their families earn substantively more.

"We're closing the wage gap in exactly the wrong way," said Rebecca Blank, dean of the University of Michigan's Gerald R. Ford School of Public Policy. "The idea was that women's wages were supposed to rise, not that men's wages would fall to women's level."

Economist Jared Bernstein of the Economic Policy Institute in Washington said: "Low-wage men have just been taking it on the chin. What you would like to see, especially during a period when the economy is growing at a good clip, is men's wages rising but women's wages rising more as they move toward equal pay for equal work."

Blank said that men and women's wages would probably stabilize and then rise during the next two decades as baby boomers retire and the labor supply dwindles.

White, the home health worker, said she hoped something could be done sooner to help workers — both men and women — who had seen their pay suffer. She noted that although her pay had risen in recent years, "it's still not a living wage."

"You have loads of people down at the bottom and super jobs at the top and the middle class in between being really squeezed," she said. "It's got to get better because we can't survive on these wages. It's scary."