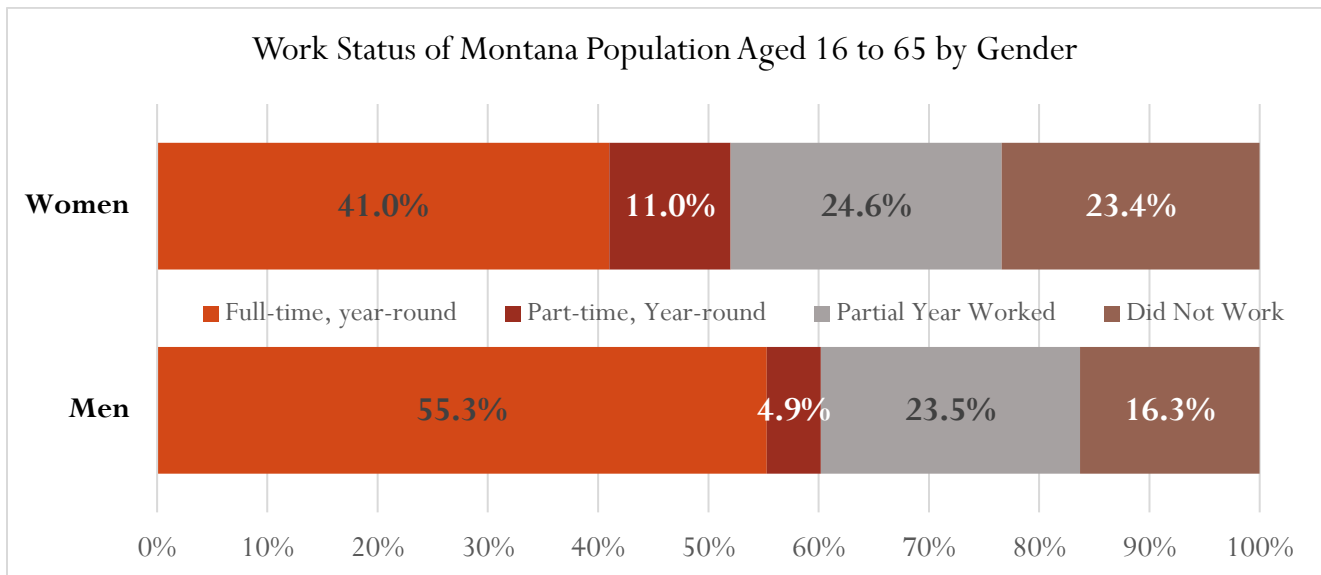


EQUAL PAY FOR EQUAL WORK MONTANA TASK FORCE

Equal Pay in Montana – Fact Sheet

EARNINGS¹

- Nationally, women workers earned 71.1% of men’s median earnings in 2016.
- Montana women workers earned 68.3% of the median earnings of their male counterparts (\$21,711 compared to \$31,798). When Governor Bullock started the Equal Pay for Equal Work Taskforce in 2013, this figure was 66.7%.
- Montana is in 33th place for gender equity among states and the District of Columbia (1 being the most equal pay).
- Some of the pay difference between women and men can be explained because women are more likely to work part-time jobs than men. Among Montanans aged 16 to 64, 55.3% of men work at least 35 hours for at least 50 weeks per year (full-time, year-round). In comparison, only 41% of Montana women are full-time, year-round workers.



¹ 2016 and 2013 American Community Survey 5-Year Estimates, U.S. Census Bureau

- Women working fewer hours can help explain pay differences, but discrimination also plays a role. Women have lower incentive to work full time at lower wage rates, plus some studies have suggested that men are more likely to be hired for desirable full-time jobs than equally qualified women, thus forcing women to be concentrated in part-time employment.
- To account for fewer work hours in measuring gender pay inequity, you can compare only workers employed in full-time, year-round positions. The following statistics compare pay for **full-time, year-round** workers only:²
 - Montana women earned 73.6% of the median earnings of Montana men (\$32,887 compared to men's \$44,713), placing Montana 45th in pay equity when considering full-time workers. U.S. full-time, year-round women earn 79.6% of men's earnings.
 - When Governor Bullock started the Montana Equal Pay for Equal Work Taskforce in 2013, Montana women earned 72.9% of the median earnings of Montana men.³
 - Montana women earn less than men in every occupational category. The occupational groups with the most equal pay were Life, physical, and social science occupations (91.9%) and Healthcare support occupations (91.7%). The worst occupations for pay equity in Montana were Legal occupations (women's median pay at 59.7% of men's median pay) and Healthcare practitioners occupations (63.6%).
 - The Management industry had the smallest wage gap between women and men (96.9%) followed by the Accommodation and food services industry (86.9%) and the Real estate industry (85.4%). The worst performing industries for pay equity were Finance and insurance (59.9%) and Mining (60.7%). Healthcare has a pay gap of 65.3% despite women comprising 75.9% of the workers in the industry.
 - Montana state and local government workers face a pay gap of near 81%, while federal government workers have a larger gap of 75.3%.

PAY BY EDUCATION AND GENDER⁴

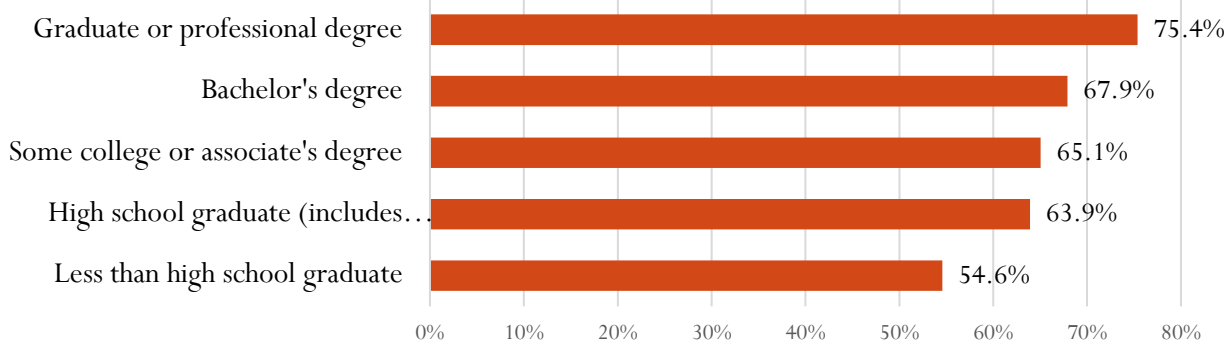
- In Montana, women are slightly more educated than men. More women than men have high school degrees (93.4% of women compared to 92.4% of men) and bachelor's degrees or higher (30.7% of women compared to 29.1% of men).
- The following chart illustrates the pay gap by education level for Montana. In general, pay inequity is greatest among low education groups, with the pay gap decreasing for advanced degrees. This chart includes all workers over 25, not just those working full-time.

² 2016 American Community Survey 5-Year Estimates, U.S. Census Bureau

³ 2013 American Community Survey 5-Year Estimates, U.S. Census Bureau. 2016 figure is not statistically different at 90% confidence.

⁴ 2016 American Community Survey 5-Year Estimates, U.S. Census Bureau

Montana Median Earnings for Women as a Percent of Men's by Education Attainment for Population 25 and Older



Source: 2016 American Community Survey (ACS) 5-Year Estimates, U.S. Census Bureau

LABOR MARKET STATUS⁵

- Women are less likely to be in the labor force than men, largely because women are more likely to take time off to care for their families. However, lower wages for women also reduce women's incentive to work, reducing the number of hours worked by women. 57.8% of Montana women are in the labor force, compared to 67.5% of Montana men. Montana women are more likely to be in the labor force than American women (57.0% of American women are in the labor force). Being in the labor force means that you are either working or looking for work.
- Montana women had an unemployment rate of 3.8% in 2017, compared to 4.3% for Montana men. Nationally, the unemployment rates are much closer, with 4.3% of women and 4.4% of men unemployed. Montana's difference has been narrowing over the years as the male-dominated industry of construction has continued to re-gain jobs lost during the recession, and the female-dominated industry of healthcare maintains steady growth.
- Women comprised 46.4% of Montana's labor force in 2017, with 242,000 women in the labor force compared to 280,000 men. Women comprised 46.4% of employment in 2017.

Entrepreneurialism⁶

- Roughly 17.4% of Montana firms with paid employees were owned by women. An additional 20% of Montana firms are equally male and female owned.
- However, the pay gap among entrepreneurs in Montana may be wider than the pay gap for workers. Self-employed women in Montana earned only 63.5% of men's median earnings in 2016, compared to earning 77.3% of men's median earnings if they worked as a private sector wage and salary employee.

⁵ Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, 2017 annual averages.

⁶ 2015 Survey of Entrepreneurs, U.S. Census Bureau and 2016 5-Year American Community Survey.

PAID LEAVE⁷

- An estimated 13,000 Montana parents that could benefit from a paid leave program each year, with potential wages lost due to unpaid parental leave rising to \$44.9 million.
- Paid family leave provides benefits to employers. Research suggests that providing paid leave improves employee morale, decreases turnover, and may increase productivity levels at little cost to the employer. Paid family leave increases job attachment, and allows the worker to continue essential work functions, to retain skills, and to provide advice and technical support for replacement workers.
- Paid family leave also provides societal benefits by increasing labor force participation, keeping more workers out of poverty, reduce bankruptcies, and improve foreclosure rates. Research suggests that paid family leave reduces the likelihood of mothers needing public assistance.
- Increased access to paid family leave can reduce the gender wage gap by increasing women's wages in the short-run and increasing men's share of household duties in the long-run.

FAMILIES⁸

- Over 58% of Montana families have a woman in the labor force. Among married couple families, 61% include the wife in the labor force (roughly 124,000 married women working in Montana).
- Among Montana families with a child under 18 living at home, 68% have a working mother (70,000 families).
- Among Montana families with children under 18 living at home, 19% rely solely on a female as a breadwinner, with either no husband present or the husband not in the labor force (19,700 families).
- There are an additional 3,500 families with children under 18 where the mother is the sole parent in the household, but they are not in the labor force. Support for the child would need to come from sources other than wage earnings, such as self-employment, child support, government support, or alimony. These mothers may be more active in the work place with higher wages or greater childcare support.

⁷ Paid leave research comes from Gault et al. March 2014. Paid Parental Leave in the United States: What the Data Tell Us About Access, Usage, and Economic and Health Benefits. Institute for Women's Policy Research, p.8-16., and from New Joint Negotiating Committee for Higher Education Staff (JNCHES). Feb. 2011. The Gender Pay Gap- A Literature Review. Universities and Colleges Employers Association. www.ucea.ac.uk/en/publications/index.cfm/njeor. Calculation based on the 2012 ACS 3-year estimates and BLS Current Population Survey 2013; assumes both men and women in the labor force take one month of unpaid leave with average monthly earnings of \$2,618 for women and \$3,922 for men.

⁸ 2016 American Community Survey 5-Year Estimates, U.S. Census Bureau

Impact of the Pay Gap on Women's Social Security and Poverty

- The pay gap has large impacts on women's retirement and income security. In 2014, the median annual income of women aged 65 and older was \$17,400, only 56% of men's.⁹

STEM

- According to the National Science Foundation, 27.5% of all science and engineering jobs were held by women in 2010. The percentage of women in these jobs has increased only slightly since 1993 when women held 23% of science and engineering jobs.
- Women comprise over 50% of social scientists and psychologists, but the average across all science and engineering occupations is held down by the very low number of women engineers. Women comprised only 13% of engineers in 2010.
- Although the number of women working in computer/mathematical sciences nearly doubled from 1993 to 2010, the percentage of women in computer/mathematical sciences declined from 31% to 25%.
- Women leave engineering fields because of wage discrimination and wrongfully denied promotions, according to research published by the National Bureau of Economic Research.
- Women are more likely to leave science and engineering jobs than men, and more likely to leave science and engineering jobs than other fields.
- A study published by the National Bureau of Economic Research found that women are the grantees of only 7.5% of all patents granted, and 5.5% of commercialized patents granted. The gender gap in patenting has been attributed to women's underrepresentation in the patent-intensive fields of electrical engineering and mechanical engineering.
 - The study also found that eliminating the gender gap in patenting would increase GDP per capita in the U.S. by 2.7% and the number of commercialized patents by 27%.
- If including healthcare as a STEM field, women hold the majority of STEM & Healthcare jobs at 56% of the workforce.
- Research published this year in the American Economic Review found that the technology and science fields have a work environment that allows for more flexible work schedules, thus resulting in lower wage penalties for working mothers balancing priorities. The research suggested that having more women in technology and science fields would narrow the gender pay gap.

⁹ Joint Economic Committee Democratic Staff, U.S. Congress. 2016. "Gender Pay Inequality: Consequences for Women, Families, and the Economy" <http://www.jec.senate.gov/public/cache/files/0779dc2f-4a4e-4386-b847-9ae919735acc/gender-pay-inequality---us-congress-joint-economic-committee.pdf>

STEM EDUCATION

- Students taking advanced math and science classes in high school have higher labor market returns and higher job satisfaction.
- At the eighth grade level, male students perform slightly better than female students on math and science exams, but the gender difference is not consistent across racial groups. White males had higher scores than white females, but black females performed better than black males. No gender performance differences are evident in other racial groups.
- Gender differences in math and science manifest in high school with female students being less likely to take advanced classes and less likely to take advance placement exams in STEM fields.
- Only 19% of students taking the AP exam for computer science were female.
- Women have earned about 57% of all bachelor's degrees, and about half of all science and engineering degrees since the late 1990s. However, there are differences in the types of science and engineering degrees held, with men holding the majority of degrees in engineering, computer sciences, and physics.
- The share of degrees awarded to women in computer science, economics, engineering, math, and physics degrees awarded to women has been declining since 2000.
- The share of computer science degrees awarded to women has fallen from 28% in 2000 to 18% in 2011.
- Women comprise 45% of all master's level science and engineering degrees, but represent a smaller minority of graduate students in engineering (23% female), computer science (25% female), physical sciences (33% female), and economics (38% female).
- The number of masters degrees awarded to women has increased in most science and engineering fields.
- Women comprise 47% of doctorate degrees awarded in all fields, but less than one-third of doctorates in physical sciences, mathematics, computer science, and engineering.
- The number of advanced degrees awarded to women has been increasing over the last decade in the science and engineering fields, even in those fields where the share of women has been decreasing.

Women in Corporate Leadership

- Encouraging women to take leadership positions in STEM fields and all occupations is not only good for these women and their families, but it boosts the productivity, diversity, and creativity of their employers.

- According to the report “Linking Performance and Gender Balance on the Board” by Catalyst, Fortune 500 companies with three or more women on their Board of Directors gain a significant performance advantage over those with the fewest women, including:
 - A 73% return on sales;
 - A 83% return on equity; and
 - A 112% return on invested capital.
- A similar study by McKinsey & Company, “Women Matter 2012: Making the Breakthrough” found that women with a high percentage of women on the executive committee had higher returns on equity by 41% and 56% better operating results than companies with all-male executive committees.
- According to a report by Catalyst, only 4% of Fortune 500 companies have CEOs that are women. There are more CEOs named Dave (4.8) than women CEOs. There are also more CEOs named John than women CEOs.

WAGE TRANSPARENCY IMPROVES WORKER PRODUCTIVITY

- Transparent pay setting processes allow for open conversations between managers and workers about performance disparities and steps to achieve higher pay.
- Transparent pay setting clarifies how wages are linked to performance, thus lowering turnover and improving productivity, worker morale, and job satisfaction.
- Economic research suggests both male and female workers increase their work effort when provided information about relative earnings.