

Equal Pay in Montana – Fact Sheet

EARNINGS¹

- Nationally, women workers earned 71.1% of men’s median earnings in 2014.
- Montana women workers earned 67.2% of the median earnings of their male counterparts (\$21,003 compared to \$31,254).
- Montana in 39th 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 working Montanans aged 16 to 64, 53.8% of men work at least 35 hours for at least 50 weeks per year (full-time, year-round). In comparison, only 40% of Montana women are full-time, year-round workers.

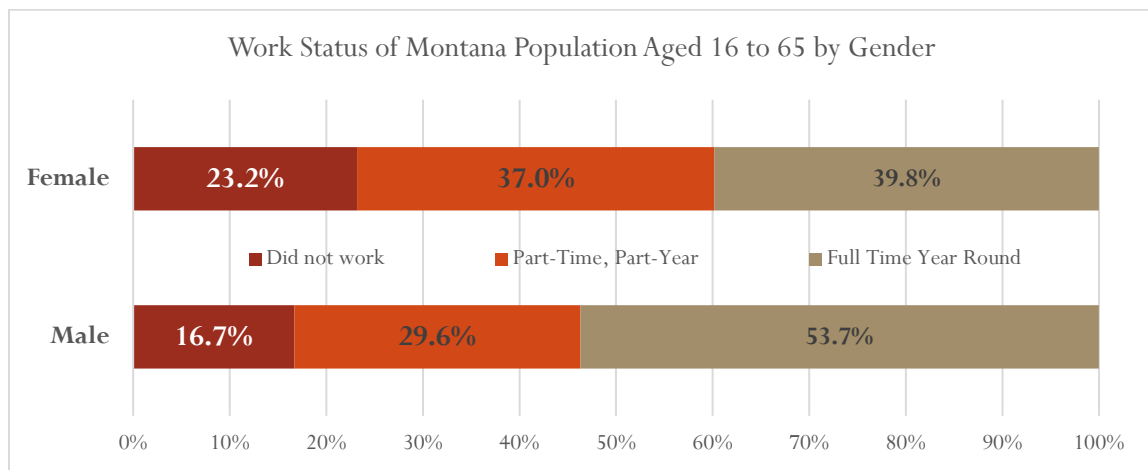


Figure 1: Work Status of Montana Population Aged 16 to 65 by Gender

- Among Montanans aged 16 to 64 years of age, 68% of men usually work 35 or more hours compared to only 49% of women.

¹ 2014 American Community Survey 5-Year Estimates, U.S. Census Bureau.

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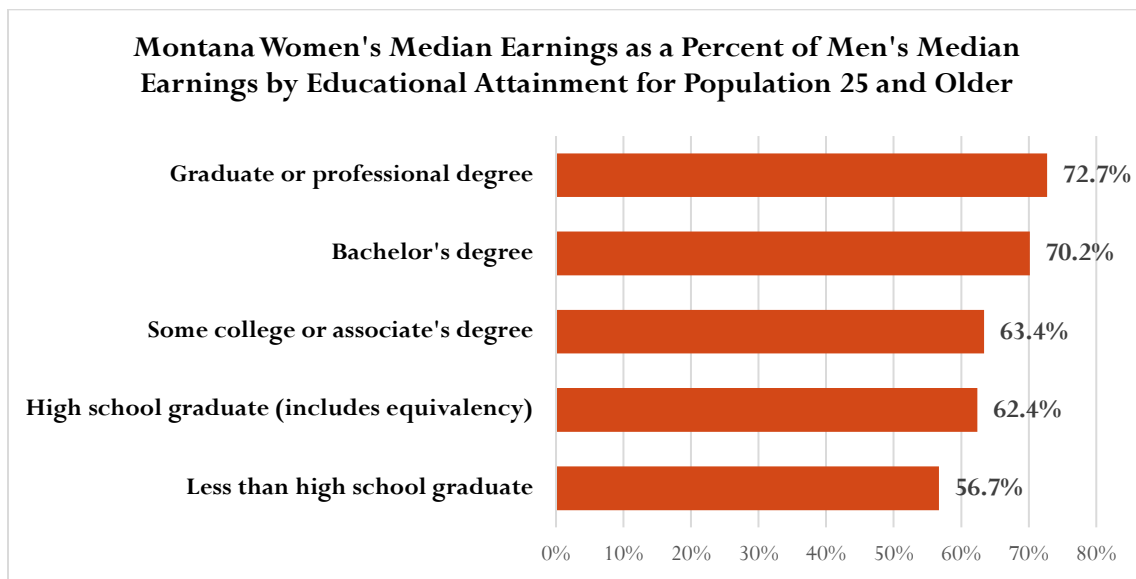
- Women working fewer hours can help explain pay differences, but discrimination also plays a role. Women have lower incentive to work full time at lower wage rates, plus some studies have suggested that men are more likely to be hired for desirable full-time jobs than equally qualified women, thus forcing 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:
 - Montana women earned 74% of the median earnings of Montana men (\$32,293 compared to men's \$43,490), placing Montana 45th in pay equity when considering full-time workers. U.S. full-time, year-round women earn 79.1% of men's earnings.
 - Montana women earn less than men in every occupational category. The occupational groups with the most equal pay were Community and Social Services and Food Preparation and Serving. The worst occupations for pay equity in Montana were Production occupations (women's median pay at 58% of men's median pay) and Legal occupations (51%).
 - No industry paid women more than men. The best industry for pay equity in 2014 was Agriculture (women's wages were 93% of men's), although only 19% of Agriculture workers are women. The Finance and Insurance industry is consistently in the worst performing industries for pay equity, where women are paid only 56% of men's wages in 2014. Women's wages are less than men's even in the Health Care industry, where women comprise over three-quarters of the workers, but earn median wages that are only 65% of men's.
 - Montana local government workers have the best pay equity in Montana, with women's median earnings at 84.8% of men's median earnings, followed by federal workers (77%) and state workers (79%). Private for profit workers experienced the greatest pay inequity with full-time women workers earning only 68% of their male counterparts.

PAY BY EDUCATION AND GENDER

- In Montana, women are slightly more educated than men. More women than men have high school degrees (93.0% compared to 91.9%) and bachelor's degrees or higher (29.6% compared to 28.6%). A greater portion of men have graduate or professional degrees (8.9% compared to 9.6%).

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- The following chart illustrates the pay gap by education level for Montana. Gender pay inequity is greatest among non-high school graduates with women's earnings only 57% of men's earnings. Pay inequity decreases at higher education levels, with women earning 73% of men's earnings at the graduate level. This chart includes all workers over 25, not just those working full-time.



LABOR MARKET STATUS²

- 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. 60% of Montana women are in the labor force, compared to 68% of Montana men. Montana women are more likely to be in the labor force than American women (56.7% 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 3.2% in 2015, compared to 4.9% for Montana men. Nationally, the unemployment rates are much closer, with 5.2% of women and 5.4% of men unemployed. Montana's large difference is likely because the male-dominated industry of construction has been slow to re-gain the jobs lost during the recession, while the female-dominated industry of healthcare has posted steady strong employment growth.

² Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, 2015 annual averages.

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- Women comprised 47% of Montana's labor force in 2015, with 246,000 women in the labor force compared to 276,000 men. Women comprised 47.5% of employment in 2015.

PAID LEAVEⁱ

- 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.ⁱⁱ
- 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.

FAMILIES

- Over 59% of Montana families have a woman in the labor force. Among married couple families, 62% include the wife working (roughly 124,478 married women working in Montana).
- Among Montana families with a child under 18 living at home, 68% have a working mother (70,477 families).
- Among Montana families with children under 18 living at home, 20% rely solely on a female as a breadwinner, with either no husband present or the husband not in the labor force (20,567 families).
- There are an additional 3,391 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.

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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.³

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

³ Joint Economic Committee Democratic Staff, U.S. Congress. 2016. "Gender Pay Inequality: Consequences for Women, Families, and the Economy" [Gender Pay Inequality](#)

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suggested that having more women in technology and science fields would narrow the gender pay gap.

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.

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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.

ⁱ 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.

ⁱⁱ 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.