

MONTANA

EQUAL PAY FOR EQUAL WORK

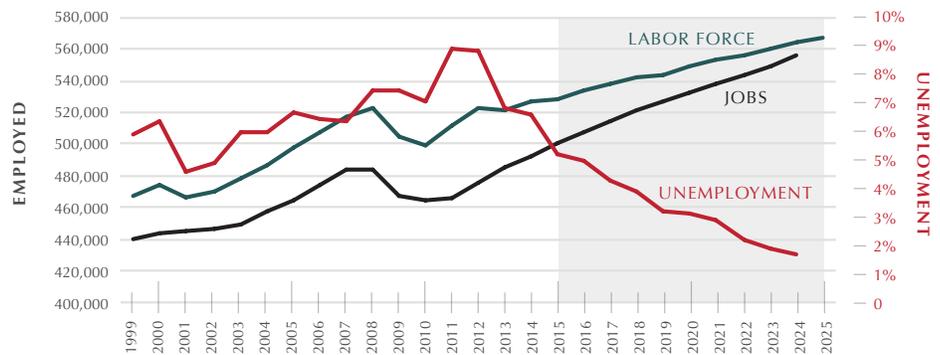
TASK FORCE

Quick Facts on Equal Pay

- Montana is expecting a worker shortage in the upcoming ten years as large number of baby boomers retire without sufficient young people to replace them.
- The Montana Department of Labor and Industry projects that Montana's labor force will grow by only 4,100 workers per year for the next ten years, leaving a shortfall in the amount of workers needed to fill the expected 6,500 jobs per year.
- Women are less likely to be in the labor force than men, and less likely to be employed in a full-time job. Women are often not in the labor force so they can care for their families.
- Greater labor force participation by women is a potential solution to Montana's worker shortages if we can offer better opportunity for work life balance.
- Caregivers are also good targets for recruitment due to previous experience and training prior to leaving the labor market to care for their families.

Women earn **67.5%** of men's median earnings in Montana, ranking Montana 39th for gender equity among states. Among full-time, year-round workers only, Montana women earn **74%** of men's median earnings (ranking 45th).

WORKER SHORTAGES EXPECTED



Source: Montana Department of Labor & Industry Employment Forecasts

- Extensive research has indicated that there are a number of factors that influence the gender pay gap, including occupational choice, industry, education, experience, part-time work, time out of the labor force, race, age, and union status.
- However, while these factors help explain a portion of the gender wage gap, research generally finds that 8 to 12% of the gap is unexplained. This unexplained portion of the gap is generally considered to be the portion of the wage gap due to discrimination.
- Research suggests discrimination is most likely due to unconscious cultural biases, not overt discrimination. Greater awareness of gender bias can help managers and coworkers be more aware of how their behavior may include subtle discrimination.
- One cause of the gender pay gap is that women tend to work in low-paying occupations. Roughly a third of all Montana women work in the sales and office support occupations, which are generally lower paying than computer, legal, engineering, or management occupations. Few women work in the higher paying fields.
- While the gender occupational imbalance is determined by worker choice, women are less likely to be hired into higher-paying jobs. Thus, the occupational differences are also partially due to discrimination in hiring practices.

¹ 2015 Labor Day Report, Montana Department of Labor and Industry. www.lmi.mt.gov.

² Unless otherwise noted, all data from 2014 American Community Survey 5-year Estimates, U.S. Census Bureau.

³ Gobillon, Meurs, and Roux. 2015. Journal of Labor Economics, V33 n2.

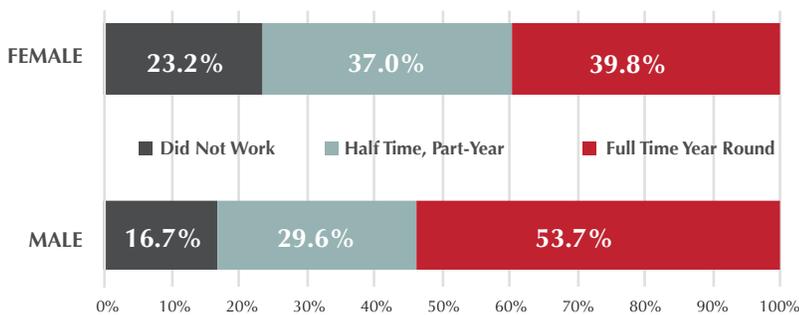
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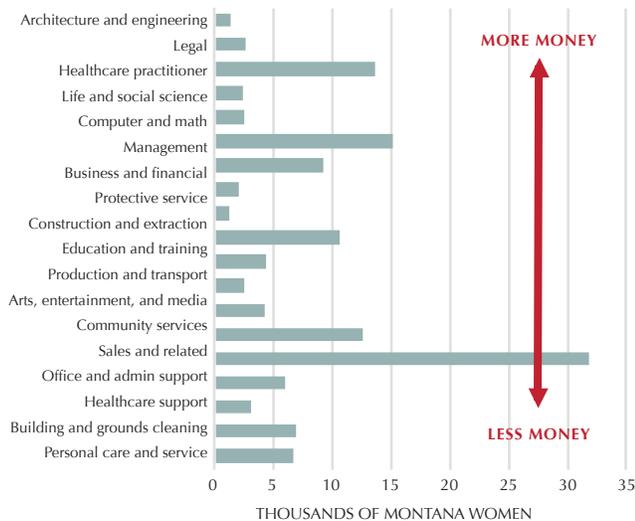
- Resume studies are a group of gender pay gap research studies where the same resume is sent to employers, but half the resumes have a male applicant and the other half show a female applicant. These resume studies consistently find that men are more likely to be offered the job than the women, and the starting salary offer is higher for the male applicant than the female, despite having the exact same resume with no differences except the name. Male and female managers are equally likely to display hiring bias.
- A recent study in the Journal of Labor Economics compared the hiring rates for equally skilled and experienced workers and found that for low-wage jobs, females were 9% less likely to be hired than a similarly skilled male. Yet for high-wage jobs at the top of the career ladder, females were 50% less likely to be hired than as similarly skilled male applicant.
- Resume studies imply that women’s choices to work fewer hours, in more part-time jobs, and in occupations that pay lower wages may not be due to choice alone, but also due to bias in hiring practices.
- Across all occupational groups, there is a pay gap, meaning that women cannot choose an industry where pay is equitable for men and women. The gap also is not related to the number of women who work in the occupation – even though healthcare support occupations (like nursing) are over 85% female, women still face a 15% pay gap in these occupations. Legal occupations have an even balance of women working, with 52% of the workforce as female, but women in legal occupations have median earnings that are only 51.4% of men’s.

WORK STATUS OF MONTANA POPULATION AGED 16 TO 65 BY GENDER

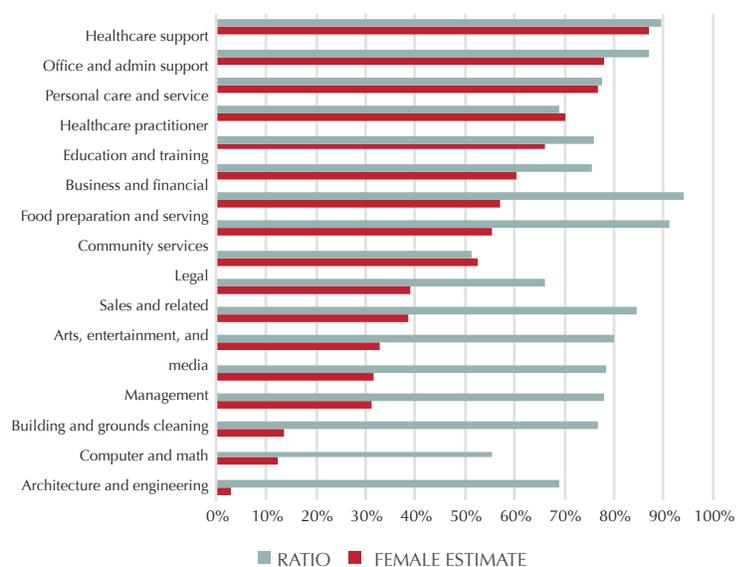


WOMEN WOULD HAVE GREATER INCENTIVES TO WORK MORE HOURS IF THEY WERE OFFERED EQUITABLE PAY AND OPPORTUNITIES.

WOMEN TEND TO WORK IN LOWER PAYING OCCUPATIONS



PAY GAP EXISTS IN EVERY OCCUPATIONAL GROUP



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