

Wake County Task Force on Employment and Wage Issues for Women Report

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Executive Summary

Large gender wage gaps continue to exist in the United States, despite the efforts of many advocacy groups, business leaders, and politicians in recent years. President Obama, for example, delivered a major speech on the gender pay gap in January and reaffirmed his commitment toward reducing the pay gap in a White House proclamation on April 12, designated as Equal Pay Day.

Major studies of this issue by the Bureau of Labor Statistics (BLS) and labor economists demonstrate that the pay gap has lessened in the United States over the last thirty years, but it remains a significant issue. In a recently released Pew Research Center analysis of BLS data, women in 2015 earned 83 percent as much as men. When factors such as race and ethnicity are considered, the gap between white men and women of color is more extreme. White men averaged \$21 in terms of median hourly earnings, while white women averaged \$17 per hour. Black and Hispanic women earned significantly less than their white counterparts (\$13 per hour and \$12 per hour, respectively).

This gap persists when controlling for factors such as educational level. When considering men and women with a bachelor's degree or higher, the pay gap between men and women is approximately 21 percent. White men earned a median average hourly wage of \$32, while white women earned \$25 per hour. Black and Hispanic women again earned less than white women (\$23 per hour and \$22 per hour, respectively).

The research on reasons for these persistent wage gaps points to differences in labor force experience, occupation or industry, and discrimination on the part of managers. National Bureau of Employment Researcher (NBER) economists Francine Blau and Lawrence Kahn, however, caution that discrimination may not be solely based on managers' perceptions that women are less equal in the workplace, as issues like gender differences in risk aversion and negotiation could play a role in the pay gap between genders.

Although research based on national labor statistics is useful in understanding the situation that women face in their professional lives, it does not fully explain the unique circumstances that women face in local or regional economies. This study examines the gender pay gap in Wake County and looks at three key variables that affect the pay differences: race and ethnicity, education level, and type of work. In addition, we compare wage data for men and women in three counties often considered to be dynamic for their respective regions of the country: Suffolk County, MA (the Boston area), Travis County, TX (the Austin area), and Wake County. Although these counties have some differences in terms of demographics, they are all state capitals and economic hubs for their states with major technology companies, as well as research and development firms.

In comparing the three counties, we found the following major conclusions related to the gender pay gap:

1. In terms of race and ethnicity, Wake County has the largest wage gaps between men and women for whites and Asians and was close to having the largest wage gaps for blacks and Hispanics.
2. Wake County had the largest wage gap between men and women at all educational levels, in comparison to the other two counties.
3. Across the various work categories used by the United States Census Bureau, Wake County had the largest wage gaps between men and women in three-quarters of the groups.

The bottom line is that Wake County has a significant pay gap problem—one that is worse than in areas of the country to which it is compared.

Brief Summary of Results

Hypothesis: Wake County's pay gap between men and women would be greater than that in Suffolk County, MA or Travis County, TX due to its location in the United States southeast—historically where the largest pay gaps exist between men and women.

Method: We used Census Bureau data contained in the 2015 American Community Survey to determine median pay¹ for men and women in each of the three counties. We were tasked with analyzing demographic data, as much as available, as it pertained to the median pay of men and women in those three counties. We were able to create data tables on race/ethnicity, education levels, and type of work. Other variables, such as age and length of time in the workforce, would have produced interesting results, but the data, at least in terms of median income, did not exist at the county level. Significant surveying involving sampling is possible to get some of this data for comparative purposes, but that was left to later research.

Results: As referenced in the executive summary, women in Wake County fare significantly worse in terms of the pay gap, as compared to women in Suffolk and Travis counties.

In the following charts, the highest gap for each county is highlighted in yellow. The highest gap in each demographic level compared across the counties is in bold.

Race/ethnicity

Out of 4 races/ethnicities, Wake County has the highest wage gap in 2 of them (50%).

	Wake County			Suffolk County			Travis County		
	Male	Female	Gap%	Male	Female	Gap %	Male	Female	Gap %
White alone	61526	48271	21.54374	62186	55091	11.40932	50967	42033	17.52899
Black (alone or in combination)	37904	34797	8.197024	40658	40750	-0.22628	41802	36719	12.15971
Hispanic or Latino	24645	23905	3.002637	36033	33355	7.432076	31546	27372	13.23147
Asian (alone or in combination)	75830	49705	34.45206	52888	50372	4.757223	76494	52071	31.92799

Education Level

Out of 5 education levels, Wake County has the highest wage gap in all of them (100%).

	Wake County			Travis County			Suffolk County		
	Male	Female	Gap %	Male	Female	Gap %	Male	Female	Gap %
Less than high school graduate	21513	12723	40.85902	21825	14461	33.74112	22768	17960	21.11736
High school graduate	30568	22232	27.27035	27977	23309	16.68513	29537	22677	23.22511
Associate's degree or some college	40310	30075	25.39072	37202	29814	19.85915	39662	30902	22.08663
Bachelor's degree	65963	40269	38.95214	54752	38918	28.91949	52295	44184	15.51009
Graduate or professional degree	82654	50093	39.39434	76400	46857	38.66885	70014	55012	21.42714

Type of Work

Out of 12 fields of work, Wake County has the highest wage gap in 9 of them (75%).

	Wake County			Suffolk County			Travis County		
	Men	Women	Gap %	Men	Women	Gap%	Men	Women	Gap %
Management	87825	61328	30.17022	80906	60912	24.71263	80263	57206	28.72681
Business and Financial Operations	67104	50560	24.65427	68636	60379	12.03013	64950	50286	22.57737
Computer, Engineering, and Science	82943	62370	24.80378	65807	52216	20.65282	77700	53215	31.51223
Community and Social Service	40816	40755	0.149451	41918	40146	4.227301	37754	36150	4.248556
Legal	105023	49353	53.00744	94438	64175	32.04536	109097	66617	38.93783
Education, Training, and Library	43355	34272	20.95029	40323	38512	4.491233	41707	39517	5.250917
Arts, Entertainment, and Sports	44435	27795	37.44796	41526	39393	5.136541	37211	32475	12.72742
Healthcare	82002	50846	37.9942	65477	61220	6.50152	69811	53132	23.89165
Service	20918	15308	26.81901	24669	18984	23.04512	20147	15328	23.91919
Protective Service (Fire, Police)	40886	33329	18.4831	48983	28129	42.57395	41987	30459	27.45612
Sales and Office	37748	27880	26.14178	35312	30009	15.01756	35658	27568	22.68776
Natural Resources, Construction, and Maintenance	28202	21400	24.11886	35548	38370	-7.93856	25568	30632	-19.806

Discussion and recommendations: This is an exploratory study based on limited data. As mentioned above, other demographic variables could be examined, but the scope of the project did not allow for this. This study is also a snapshot of one year—2015. A more thorough study would examine data for men and women’s pay across time to determine if a trend exists for any or all of the counties. The major limitation of the study is that it does not attempt to answer the question of why the wage gap exists in these three counties and why it is more significant in Wake County than in the other two counties studied.

In terms of recommendations for future study or consideration, we propose the following:

1. Wake County should examine the pay data for men and women in county offices. Although this study would exclude the private sector, analysis of public sector wages and the reasons for any pay gap would be instructive.
2. The Task Force could ask organizations in the private and nonprofit sectors to release their pay data for men and women. Results from this study could be compared to the study of public sector employee pay data.
3. A more thorough study of the initiatives used in Suffolk and Travis counties to deal with the pay gap could be undertaken to determine if Wake County might propose similar initiatives to reduce the pay gap between men and women.

Note

¹We used median instead of mean pay because it reduces the impact of outlier salaries. Therefore, it is more representative of the “typical” pay of men and women.