Season 2 Episode 2:

Solving the Gender Pay Gap

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[00:00:11.40] This is In Solidarity, a podcast where we draw connections between power, place, and health, and discuss how our lives, our fates, are all interconnected. Here are your hosts, Ericka Burroughs-Girardi and Beth Silver.

[00:00:25.92] Hi, there. And welcome to In solidarity. I'm Beth Silver, here with my co-host, Ericka Burroughs-Girardi, for our second in a three-episode series covering the gender pay gap. Hey, Ericka, how's it going?

[00:00:37.83] Hey, Beth. I'm doing great. Our first episode was so informative, so I can't wait to see what episode two has in store. We have so much lined up. Once again, this is In Solidarity, a podcast from County Health Rankings & Roadmaps at the University of Wisconsin Population Health Institute, with support from the Robert Wood Johnson Foundation. Let's get started.

[00:01:00.18] In episode one, we introduced the gender pay gap with the help of Dr. Elise Gould of the Economic Policy Institute and our County Health Rankings & Roadmaps colleague, Dr. Elizabeth Blumberg. Dr. Blumberg explains some of the analysis in our 2022 National Findings Report, including the fact that on average, Hispanic women would need to work an additional 299 days to make what white men earn in a year.

[00:01:27.60] And Dr. Gould set the stage for this series, taking us through the history of women's wages and how and why that's changed over time.

[00:01:36.58] We ended our conversation with Dr. Gould, touching on some of the ways we can close the gender pay gap. We'll explore more strategies at the end of this episode with our colleague, Kiersten Frobom. She's a senior analyst from our Evidence and Policy Analysis team.

[00:01:52.02] Before we get to Kiersten, first up, we'll talk with Dr. Jessica Milli. Dr. Milli is an economist who founded Research 2 Impact, a consulting practice that leverages data and stories to drive social impact. We'll be talking with Dr. Milli about her work researching how the gender pay gap has harmed women's health and has been especially harmful to women of color.

[00:02:16.68] Dr. Milli is producing some top-notch research on this topic. Her firm has worked with the likes of the Center for American Progress and the National Women's Law Center, a group that has been fighting for gender justice for 50 years.

[00:02:29.92] What a lineup we have today. Let's get started with Dr. Milli, whose research aims to advance social and economic equality. Dr. Milli's work has been featured in Bloomberg, The Atlantic, MarketWatch, and Forbes. And I can't wait to talk with her. Please, help us Welcome Dr. Jessica Milli.
Hello, great to be here.

Well, thank you for joining us. And the theme that runs through our shows is the idea of social solidarity. So I want to start by asking you a question that we ask many of our guests-- what does social solidarity mean to you and how does it influence your work?

Well, I think the phrase, a rising tide lifts all boats, comes to mind. To me, social solidarity is this idea that we're all interdependent on one another, and that we can all benefit when we lift each other up. Unfortunately, I think this sort of me first mindset is really common in our society. And really, a lot of people tend to see social policies being discussed, and say, what about me? And if they don't see it as like an immediate benefit to them, they're really less likely to support those sorts of policies.

But what they don't realize is that even though those policies might not directly benefit them, they really provide substantial indirect benefits to society because again, we're all interconnected. So what I really try to do with my work is to both highlight the challenges that are facing different segments of the population, and the policy solutions that can address them, but also to ground that research in this larger public benefit.

So for example-- and I'm sure we'll talk more about this later-- but some of my work on the wage gap not only highlights the individual earnings gains that women can experience if we're able to tackle the gender wage gap, but it also shows that addressing pay inequality can reduce poverty, which can have all of these trickle-down impacts by reducing reliance on governments programs and things like that. It can increase spending and GDP, which can create jobs further down the line.

So I would argue that tackling the gender wage gap isn't a woman's issue, it's an economic issue that affects everyone. So if we were to, as a society, be able to recognize that everyone benefits from advancing social justice and reducing economic inequality, and really bring everyone to the table when we're having these conversations, I think we would be better able to tackle a lot of the social and economic challenges that are facing us today.

Dr. Mill, your research firm's focus is on social policy issues that disproportionately impact women, people of color, and people from other historically marginalized groups. Tell us about the importance of studying intersectionality-- the term coined by scholar and activist, Kimberly Crenshaw, to refer to the cumulative effect of multiple forms of discrimination.

Well, intersectionality really involves the understanding that everyone is unique and everyone has certain characteristics that put them at a disadvantage in our society, as well as characteristics that can work more in their favor. And so the combination of these characteristics really means that different people will experience sexism, racism, classism, homophobia, and other forms of discrimination and bias differently.
I've had my own experiences with the gender wage gap as a white woman, but those experiences are going to be very different from those of a Black woman or a Latina woman. And so under an intersectional framework, all of these different experiences are brought to the table when studying social and economic issues, and developing policies to address them.

Understanding what works for a white middle-class, able-bodied heterosexual woman might not work for all women. And so without taking into account the diversity of those lived experiences among the group that you're trying to support, you get these policies and practices that really only work for some people and don't take into account the unique challenges that individuals face.

Yeah. And speaking of that layered effect that you're describing here, one of your papers published this year addresses how being a woman of color is worse than a double whammy when it comes to pay inequality. What does that mean and what are some of the key findings from this research?

It's pretty well-established now from previous research that women face a gender pay gap, that they're paid less than men for similar work. Equally well-established is the fact that there's a racial pay gap. But the key question our paper sought to answer was, are these pay gaps additive? Which means is the pay gap facing a Black woman, for example, equal to the sum of the gender and the racial pay gaps that they're faced with? Or is there something unique about being a Black woman that influences their earnings above and beyond the combination of these two independent forces?

And so what we found was that being a woman of color, in fact, was worse than a double whammy. That the wage gap facing women of color was greater than the sum of the gender and racial pay gaps. And this means that the labor market might be discriminating against women of color in very specific ways. That there are systemic barriers that they face in advancing in the workplace, that are unique to their identities as women of color.

An example could be the angry Black woman stereotype, where people believe that Black women are angry and contentious and that this negative perception is really unique for Black women. And because of this, when Black women outwardly express anger at work and the like, this sort of validates in people's minds the stereotype, and their leadership potential is called into question, which can lead to a lack of advancement opportunities, which can then have this snowball effect on the pay gap, and sometimes worse.

Yeah. And I've seen that play out. Not here at County Health Rankings & Roadmaps, but I've actually seen what you're describing play out in other times of my career. But in another report, Dr. Milli, that you worked on, that report is digging into the economic, educational, and health-related costs of being a woman. And you write that over the course of a career, the wage gap cost women $417,000.

And you say for Black and Hispanic women, it's approaching a million dollars and up. And as a woman of color, that's shocking to me. It also makes me very sad because income contributes to wealth. So really, when we talk about a gender pay gap, shouldn't we also be
talking about a gender wealth gap, especially since we know that wealth is much more unequally distributed than income?

[00:10:26.66] Absolutely. I mean, these numbers are really striking on their own, as you noted, but they're even more so when you think about the implications of missing out on all of that income over the course of your career. I mean maybe it's not in today's crazy housing market, but $400,000 could buy a house. And homeownership is the largest source of wealth among families. It could also send your children to a good college where they could get set on a path towards economic mobility and building wealth for future generations.

[00:11:02.39] But also, one of the things that we explored in that report was, what implications it would have for the retirement security of older women who tend to experience poverty at higher rates than older men if they had access to all of those earnings lost each year and were able to invest those earnings. And these statistics were really shocking to me too. If women were able to save 100% of the earnings they lost over the course of their careers due to the wage gap, we estimated that they would have $1.6 million more in retirement savings, by the time they reached age 65.

[00:11:46.66] For Black women, this would amount to 3.8 million. And for Latino women, it would be 4.5 million. But what's really interesting, I think, is that one estimate of the amount of income that you'd need in retirement in your accounts when you left the workforce, enabled in order to live comfortably on 65,000 a year until you reached age 90, was exactly $1.6 million. So really, if we could solve the wage gap issue, we could solve retirement security too. That's probably oversimplifying things, but I think you get the point.

[00:12:30.19] Can you tell us more about how these lifetime earnings losses might impact health?

[00:12:37.04] There's a whole lot of literature out there exploring the relationship between income and health status, and discrimination in the job market and just in social circles, and health outcomes. There's research showing that having lower earnings can be stressful because it puts you in a more financially precarious situation, and means that you might not be able to afford certain things that can contribute to your quality of life.

[00:13:12.13] And add to this, the fact that women often feel the need to work harder in order to be seen as equally capable as their male colleagues. And the fact that they have to contend with all of this while being the primary caregiver of their families. And all of the stress then can lead to burnout and a host of other health issues. Stress, for example, weakens the immune system, leaving you more vulnerable to getting sick. It can also result in other health issues like high blood pressure and other heart health issues.

[00:13:51.91] Other researchers have explored the link between the wage gap and mental health, finding that women who earn less than their male colleagues are much more likely to be diagnosed with conditions like anxiety and depression, and that makes sense, I think. When you think about it, if you found out that you were earning less than your colleagues, you might start
to second-guess yourself, doubt your abilities, worry that you're not doing good work, or that you might be fired.

And so you push yourself to go above and beyond to demonstrate your value, or you might even start losing motivation and find less value in the work that you're doing. And unfortunately, this, I think, can become sort of a self-fulfilling prophecy because these mental health challenges can also have negative impacts on job performance.

What about the less obvious things that aren't maybe captured in the gender pay gap? I'm talking about the unpaid work that women do.

Yeah, absolutely. I mean there's a whole host of things that aren't reflected in the gender wage gap figures, for example, the usual wage gap figure that we see in the news all the time, that's only reflective of the gap between men and women who work full time year-round, and so it doesn't capture this fact that women are substantially more likely to work part-time than men or part year, compared with men. And women who work part-time are way more likely to do so for family caregiving reasons. So as you say, we're not capturing this in the wage gap figures. And if we were to account for all of this, we would see that wage gap widen significantly.

And we have this whole cultural idea in our society that women are the primary caregivers of their families. And over time, this has led to the devaluation of care work in our society. It's traditionally unpaid. And the work that is paid by childcare workers, tends to be paid very low. And women are disproportionately working in those types of occupations, which can again feed into that wage gap figure as well.

What about the impact on poverty, specifically, children living in poverty? How would closing the gender pay gap lessen poverty and in turn, improve Children's Health?

So in a former life, when I was working at the Institute for Women's Policy Research, I actually did an analysis with some of my colleagues that tried to answer exactly these questions. For this question specifically, we created a model that estimated what individual women would earn if they were paid the same as comparable men. So those with the same level of education, years of experience, living in the same region, and so on.

And then applied those counterfactual earnings to the female population of the United States. And what we found was that about 60% of working women would experience an increase in earnings, with an average increase of approximately $7,000 per year. And at the time that we did this study, this meant that the current poverty rate would be cut in half, as a result of these increased earnings. So a decline from about 8% to just below 4%.

We also found that if women were paid the same as comparable men, about 25.8 million children would benefit from the increased earnings of their mothers. And 2.5 million children, about half of those currently living in poverty, would be lifted out of poverty as a result.
Well, Dr. Milli, a lot of your work also has to do with policy reform and solutions. So what are some of the most important reforms that would address this?

Well, this is always a tricky question because a lot of the reasons why we have pay inequality in the first place is because of these deeply seated biases, stereotypes, and other systemic barriers that have been erected over time to preserve the status quo. Beyond that, there's so much else that contributes to pay inequality, like differences in access to education, the devaluation of work traditionally done by women and people of color, and so on. So if we really want to tackle the wage gap, I think there really needs to be a cultural shift. And that work is definitely happening right now, but it's really slow-moving.

But some of the things that are a bit more achievable in the short term include things like salary history bands. So this would prohibit employers from asking job candidates for their most recent salary or their salary history, prior to making an offer of employment because we have wage inequality for women and people of color and other marginalized groups. And basing your salary offer on those artificially lower salaries is just going to perpetuate that pay inequality.

In the last several years, there's been a lot of state and local action on this. So far, I think we've seen 21 statewide laws prohibiting employers from requesting salary history information from job applicants. Other things like pay transparency protections allowing workers to discuss their pay with their colleagues without fear of retaliation from their employers can help. If you don't know what your colleagues and your peers are earning, there's not a good chance that you're going to be able to realize that you're being underpaid and negotiate for more.

Other things like requiring salary or wage bands in job postings can also help. But other sort of, I would say, non-wage related policies can include family-friendly workplace policies like paid family and medical leave, which are also essential to supporting women in the workplace. The US is the only developed country in the world that doesn't mandate paid family leave for new mothers, leaving many to cobble together leaves through paid sick leave or vacation, or to take unpaid leave, which usually results in them returning to work early, which can have tremendous negative health impacts.

And I suspect that there's a pretty strong link between that and the disparities in maternal health outcomes between Black women and other women. And so paid family leave can provide that source of income for women while they're on leave. It can strengthen their attachment to the labor force, increasing the likelihood that they'll return to work after their leave is done, which again has implications for the wage gap, has implications for their promotion, and advancement opportunities as well.

The final thing that I would say about this is that it's not enough to have these family-friendly workplace policies. We have to normalize them. We have to normalize taking leave, and not just by women. We need to get to a place where it's normal for new fathers to take time off of work to bond with their children, that it's normal for a man to take time away from work to care for his aging parents. Because if we don't do this in conjunction with passing these policies, we're still going to have the society that expects women to be the primary caregivers for
their households, and women are still going to continue to face discrimination and bias in the workplace because of that, which will continue to perpetuate this pay inequality.

[00:22:48.96] What do you think is standing in the way of some of these solutions? And maybe even more important than that, what do you think is standing in the way of the cultural shift that you spoke about, that is needed?

[00:23:02.54] I mean, honestly, I think one of the biggest challenges is that we as a society are really afraid to look in the mirror and confront all of the biases and discrimination, that, up till now, has really been hidden under the surface. If we don't post salaries and don't let employees talk about their wages, we won't have to take a hard look at our hiring and compensation practices and explain ourselves.

[00:23:31.30] I mean it's also beneficial for those with power, so for example, businesses, to keep things as they are. They save money by paying women less than men, whether deliberately or not. And if we're really truly sincere in our desire to tackle the wage gap, I think a lot of employers are going to find themselves in the position of having to adjust their payrolls pretty substantially.

[00:23:57.68] And so that's scary and that's hard work, but as we talked about at the beginning of our conversation-- the idea of social solidarity-- people often lose sight of the fact that when we support each other and lift each other up, We all benefit. And so again, I come back to this idea that tackling the gender wage gap isn't a women's issue. It's a social and economic issue that can really benefit society if we're able to tackle it.

[00:24:31.96] Wow, thank you Dr. Milli for joining us. So well said. And we're so happy you could share your work with us on In Solidarity.

[00:24:38.65] [MUSIC PLAYING]

[00:24:40.43] Yeah, it was great to talk with you.

[00:24:42.25] [MUSIC PLAYING]

[00:24:47.55] Our next guest is a colleague of ours whose primary aim is to share strategies that can improve health and equity in communities. She's a member of our Evidence and Policy Analysis team, a group of researchers who have evaluated more than 400 strategies to improve community health. Welcome, Kiersten Frobom. Hi, Kiersten.

[00:25:08.70] [MUSIC PLAYING]

[00:25:13.45] Hi, Ericka, thanks so much for having me on the podcast today.

[00:25:17.48] Good to see you, Kiersten. We've mentioned What Works for Health a few times on this series so far. Can you tell us a little bit more about the database of strategies and how they work?
Yeah. So What Works for Health can be found on the County Health Rankings website. And it's a database of strategies that can help communities achieve their health priorities. So thinking not only to things like clinical care and diet and exercise, but also upstream to what influences our health, things like housing, transportation, employment, education, we also feature all of that.

We also have some new strategies this year. So thinking as broadly to things like reparations, universal basic income, baby bonds. We also have some curated lists. So if communities are looking to address priorities around climate change, there's a curated list of strategies for that. And they can find all of that on the County Health Rankings website.

Kiersten, what are some strategies your team has analyzed that could help close the gender pay gap?

So Ericka, I'll note that we don't have a curated list on What Works for Health on the gender pay gap yet, so listeners should go to What Works for Health but then also look to things like Economic Policy Institute and some of the other organizations that you have represented on this series so far. These organizations have really strong agendas that focus on a few areas.

So first, I would say enforcing and strengthening fair pay laws. We don't have a ton about this on What Works for Health, but we do have some supporting strategies. Experts argue that the gender wage gap persists because it's hidden. So there's a lot of increasing interest in transparency laws. These really help women. So requiring companies, for example, to report their wage data by gender, have been shown to decrease the wage gap, and also puts the onus on employers to demonstrate that they're paying fairly and not on the employees, on the women.

Moving to this sort of second point of emphasis is increasing wages. So including raising the minimum wage but not only that. And we do have a couple of things on What Works for Health about this. So we just, overall, have not increased alongside productivity since the 1970s, which obviously, reduces opportunities and workers-- or excuse me, earnings over worker's lifetimes, but especially women because they're paid less and steered into careers that are lower pay, gender-segregated, and are paid less than men, even when they work in male-dominated fields. So raising wages for everyone will especially help women.

And the strategies on What Works for Health that relate to this are not only living wage and minimum wage strategies, but we also have one career pathways programs. It allows employees to gain education and credentialing while still working, and can offer a range of options for women, particularly, getting women into fields which have unions and collective bargaining rights is something that's been shown to boost their pay and power.

And then the last connection of What Works for Health. So women bear this unfair share of caregiving and household responsibilities, but as long as they have this disproportionate share, they need more formal support to work in fields that have higher pay and sometimes longer hours, things like that. So we have a lot on What Works for Health about this supporting affordable, accessible child care and early childhood education so that women can participate
fully in highly paid and quality paid work. So we have strategies about increasing kindergarten programs, providing child care subsidies, and offering flexible scheduling, for example.

[00:28:48.07] Well, it all makes sense. Do you have any examples of communities or even states that have employed the strategies that you've researched? And have they had any success?

[00:28:58.62] I'm so glad that you asked about this because I think the success is the most exciting part. So each strategy on What Works for Health too, I'll just note, has its own implementation section where interested people can see whether it's been implemented locally or at the state or national level, and how it's going, as well as looking to implementation resources, where if they want to implement it, how they can do that. So for example, the federal government expanding publicly funded pre-K has implications at the state and the local level.

[00:29:29.13] Around the gender pay gap, there's a handful of states, so far, that require reporting gender wage data. And more are considering packages of these, like wage transparency policies. Some states, California, for example, requires company boards to have a certain number of women. But where there's really a lot of progress—and I think as we continue to add strategies and build out What Works for Health, we'll start to look at this global progress and how it's informing more places in the US as well.

[00:29:56.34] Canada has a Pay Transparency Act that requires employers to post a salary range, prohibit them from asking about salary history, which can replicate this unfair pay cycle, and requires employers to report their gender earning gaps. And that's been shown to really reduce the gap. The UK, Australia, and the European Union also are starting to have a lot of these similar requirements. So we're seeing a lot of progress, and I think we'll see a lot of new evidence coming out about how well, about what's working the best. And that will hopefully be replicated in the US.

[00:30:27.03] So the last thing I'll note too as a point of connection with What Works with Health is that we do have a curated list on racial wealth building. And so income is obviously just one piece of what makes families financially secure, and people also need to build wealth. And the wealth gap is actually much larger than the income gap, so like between individuals of color and white individuals, as well as between the genders.

[00:30:51.99] And this especially matters for women because if they earn less over their whole lifetimes, they have less capacity to build wealth. And there's a lot of strong research on this showing, so for example, that the gender wealth gap makes women and their families then less resilient to big economic shocks like a recession, like a pandemic, and so forth. So I would really hope listeners would hop over to the curated list on racial wealth-building. That's where they should look for how to close the wealth gaps.

[00:31:18.45] Yeah, that's a great-- the curated list are great resources. And What Works for Health has a new equity analysis framework. And I was curious how that new analysis might inform the gender pay gap discussion.
Yeah. So we're starting to build this out on the website. Right now, the strategies have a disparity rating. So this new equity analysis is adding a lot more nuance to the strategies. And with the new framework, there is a write-up in each strategy explaining how we rated its potential impact on disparities and then describing the evidence behind our rating. And then there's a historical context section.

So with these equity analyses, we're trying to illustrate the root causes of the problem more, as well as what's been tried to address it, and how that's impacting different groups of people. So anyone from different race or ethnicities, different genders, people of different abilities, and so forth, basically, whatever research is available to talk about equity impacts.

And we know that policies often aren't implemented equitably, nationally, or within a state, and so this is causing these disparate or different outcomes between people's health and economic stability. We also have guiding questions in this equity analysis section to help communities understand how they can implement a strategy more equitably in their context, and regarding the gender pay gap.

So this is like an equity issue, and this is where we probably talk about it a lot in different strategies. This is an issue of structural discrimination, and we know that there's research showing the negative effects on women's mental health. And then it's associated with women's higher rates of anxiety and depression. And then there are life force effects, obviously.

So being paid unfairly affects women's entire lives and affects our status in society, our power, our opportunities, and then the resources that we have over our lifetime. So I think there's a lot of new and important research coming out on this topic. And this equity analysis section is where I think listeners will probably find the most rich detail about that.

Wow, Kiersten, you talked a lot about federal governments and some state government, and how they are addressing the gender pay gap. What about what are you reading about how companies are addressing it, and even individuals?

So I think, ideally, we would implement these types of strategies at a state or a national level. So something like the EU, for example, in part, because when companies are given the option to opt-in, they often don't, or it creates this competitive environment where some companies are participating, and there's concern about driving folks to other places to work.

But I think that companies and governments in places that are implementing these laws are often working together. So companies that want to participate, want everybody to participate, and then they want to demonstrate like, hey, we're doing this well. Come work for us. I think it is Iceland that all the companies have to participate, and then they get a certification that they've demonstrated that they pay fairly. And then if they're not able to demonstrate it, they're penalized.
It's one thing to have governments require it. And like you said, it creates sort of a level playing field between companies so there's not a competitive advantage or disadvantage. But there's still evidence that some companies in this country are doing things, whether to address the gender pay gap, whether it's because they think that is going to help them attract employees, or for part of their corporate social responsibility, or whatever the reason, some of them are doing it? And do you have any research on the ones that have, and whether or not they've been successful in that?

The example that comes to mind is probably the research that's been done on transparency in academia. And from what I know about that, it's looking very positive. Like having more wage transparency is in fact reducing the gender wage gap. And I think we especially see it among women with advanced degrees in fields where there's been a lot of secrecy being underpaid for their credentials.

That makes sense. Thank you so much, Kiersten. It's so important to describe the problem and talk about the ways communities, policymakers, activists all of us, can work to eliminate the gender pay gap.

Thank you, Beth and Erica. I really appreciate the opportunity to talk about this. I'm so excited about all the progress that's happening.

Thanks.

Thanks, Kiersten.

So Erica, were two episodes in. One more episode to go. What are your thoughts so far?

Oh, Beth, where do I begin? Hispanic and Black women are increasingly going into lower-paid jobs. It's driving a wider pay gap for women of color at the same time that the gap is closing for white women.

I also thought it was fascinating to hear Dr. Milli detail how lifetime earnings losses might impact women's health. All the more reason to get moving on those strategies that we've talked about today. Next up on In Solidarity, we'll talk with Dr. Jessamyn Schaller, professor of economics at Claremont McKenna College. Dr. Schaller's work includes contributions to the recent report from the American Association of University Women, called The Simple Truth About the Gender Pay Gap.

Unfortunately, there are lots of people out there who still don't believe that the gender pay gap even exists. In our next episode, we're going to get into some myth-busting with Dr. Schaller. We're also going to talk to Dr. Jonathan Heller of the Population Health Institute here at the University of Wisconsin. He's working on narrative change as a form of power. We'll
talk to him about how we can transform some of these toxic narratives that lead to women being undervalued and underpaid. Lots to look forward to. Until then, I'm Beth.

[00:37:22.83] And I'm Ericka.

[00:37:23.79] And we're In Solidarity. Connecting power, place, and health. In solidarity is a production of County Health Rankings & Roadmaps from the University of Wisconsin, with funding from the Robert Wood Johnson Foundation. Views expressed by guests of In Solidarity are their own. Their appearance on In Solidarity does not imply County Health Rankings and Roadmap's endorsement. To learn more about our guests' work, to discover additional resources on the topics we've discussed, or to find out how healthy your community is, visit us at countyhealthrankings.org.

[00:37:57.56] [MUSIC PLAYING]