

# The Impact of a Phenomenon:

## Women and Minorities in the Workforce and the Gender Wage Gap

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During the 20th century, women's contribution to the labor force grew considerably. Women worked more hours and pursued higher education in larger numbers. Advanced technical skills and higher levels of education were driving women's earnings closer to their male counterparts. Despite this progression, there is still an undeniable wedge, especially with the most recent results observed. This White Paper opens the questions and reasons for what is happening with these marginalized groups utilizing the UOP Career Optimism Index and more to highlight aspects of an enduring phenomenon.



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**The University of Phoenix Career Institute™** develops research-based solutions that break down broad, systemic barriers Americans face in their careers. To inform its ongoing mission, each year the Institute fields the Career Optimism Index™, one of the most comprehensive studies on career perceptions to-date, providing insights into workforce trends to identify solutions that support American workers. Authored by University of Phoenix College of Doctoral Studies researchers and faculty, this whitepaper series explores the research from the Career Optimism Index at a deeper level, exploring the “why” behind the data.



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# 1. Executive Summary

Most describe a phenomenon as an exceptional or unexpected occurrence or thing. Three such occurrences involving women, minorities and younger members of industry workforce are considered herein. First, the gender wage gap is inclusive of all women and establishes the starting point for this paper. Of the remaining two one resulted in positive changes for women and the other has resulted in devastatingly negative outcomes. Women have worked more hours and pursued higher education in larger numbers. Advanced technical skills and higher levels of education are driving women's earnings closer to their male counterparts, but other considerations contribute to an undeniable wedge. Despite this progression, noteworthy wage gaps between men and women continue.

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This white paper will cover the implications to women and minorities, providing some of the defining variables that highlight the disparities between most especially, women and men in the workplace. Utilizing research insights alongside some compelling statistical insights drawn from various texts and measured outcomes, this paper will also lend itself to industry leaders as a way to continue to open the potentials for elevating awareness and utilizing such insights as a resourcing mechanism for helping future business reassess these disparities.

## 2. How this information should be used by leaders?

This white paper can be used by leaders in business as a tool for information brokering, understanding and utilizing an informed approach when examining and self-reflecting on the potentials to not only understand this disparity phenomenon, but to also look at contributive factors that have helped propagate and endure along this chasm of inequality.

**This white paper should be used for:**

- Knowledge management
- Preventative programming measures for leaders in industry and HR Representatives

## 3. Introduction

Most describe a phenomenon as an exceptional or unexpected occurrence or thing. Two such occurrences involving women, minorities and the younger members of the workforce are considered.

First the gender wage gap includes all women and establishes the starting point for discussion. Of the remaining two one resulted in positive changes for women and the other has resulted in devastatingly negative outcomes. The occurrence that yielded positive results is the drive by women to seek higher education coupled with obtaining advanced technology skills and training.

Second is COVID-19 and the economic ramifications for women, minorities and generation z. As a barometer of women's standing in the workplace an examination of wages is explored. During the 20th century, women's contribution to the labor force grew considerably. Women have worked more hours and pursued higher education in larger numbers. Advanced technical skills and higher levels of education are driving women's earnings closer to their male counterparts, but other considerations contribute to an undeniable wedge. Despite this progression, noteworthy wage gaps between men and women continue.

## 4. What is the gender wage-gap?

What is the gender wage gap? The gender wage gap indicates the variance in wages between women and men. Although this gap has been calculated in numerous ways the result is consistent, women earn less than men. In 2017, more women 3.8 million than men 3.1 million were included in the working poor.<sup>1</sup> Based on the Current Population Survey (CPS) the working poor is a term used to describe people who work regularly but make a wage that falls below the national poverty level. In the same survey the overall working-poor rate was 5.3 percent for women and 3.8 percent for men while working-poor rates for Black women was 10 percent and Hispanic women 9.1 percent, which is more than twice those of White women at 4.5 percent.

“In 2017, more women 3.8 million than men 3.1 million were included in the working poor.”

A review of the most recent published Census Bureau data from 2018, revealed women of all races earned, on average, 82 cents for every \$1 earned by men of all races. When addressing the wage gap for women, it is imperative to emphasize that there are significant differences by race and ethnicity. The wage gap is larger for most women of color. The 2018 data indicated that 55 percent of black children live in households headed by single women, 38 percent live below the poverty level while 20 percent of white children live in households headed by women with 32 percent living in poverty.

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## 5. What causes a wage gap?

Wage gaps can be attributed to many causes such as differences in career industries and job roles. There are jobs that are traditionally based on gender norms or expectations such as caregivers and or child-care workers. These jobs are often lower paying and might have limitations on hours. Another consideration is variations in years of experience and hours worked. Typically, in a two-person household, women leave the workforce to accommodate caregiving for parents or children and tend to work less hours for the same reasons. Reduced hours coupled with less experience equals lower pay wages. In 2019 women earned \$545.7 billion less than men.<sup>2</sup> Hiring and compensation decision are often based on previous salary history putting women at deficit upon hiring. All of this can be viewed as long standing institutional gender-based bias against women.

“In 2019 women earned \$545.7 billion less than men.”

This fiscal handicap is cyclic and limits economic progress. Many factors such as discrimination, poverty, and social determinants of health are systemic, contribute to the gap and help to create challenges or barriers to wealth generation. Social determinants of health (SDOH) are the conditions in the environments where people are born, live, learn, work, play, worship, and age that affect a wide range of health, functioning, and quality-of-life outcomes and risks (DHHS).<sup>3</sup>

The US Department of Health and Human Services indicates that SDOH include but are not limited to secure housing, transportation, and communities; racism, discrimination and violence; education, job opportunities and income. Sustained exposure to any one of these adverse conditions could be harmful to progress but coupled with one or multiple others is in essence a blueprint to negative outcomes. Think of it in this way a child who goes to a poor school will receive a poor education leading to a low paying job as an adult. That child now an adult with a low paying job still lives in a poor neighborhood with limited services and access to financial resources raises a family in the same poor or inferior conditions and the cycle continues.

## 6. The Career Optimism Index and Working Mothers

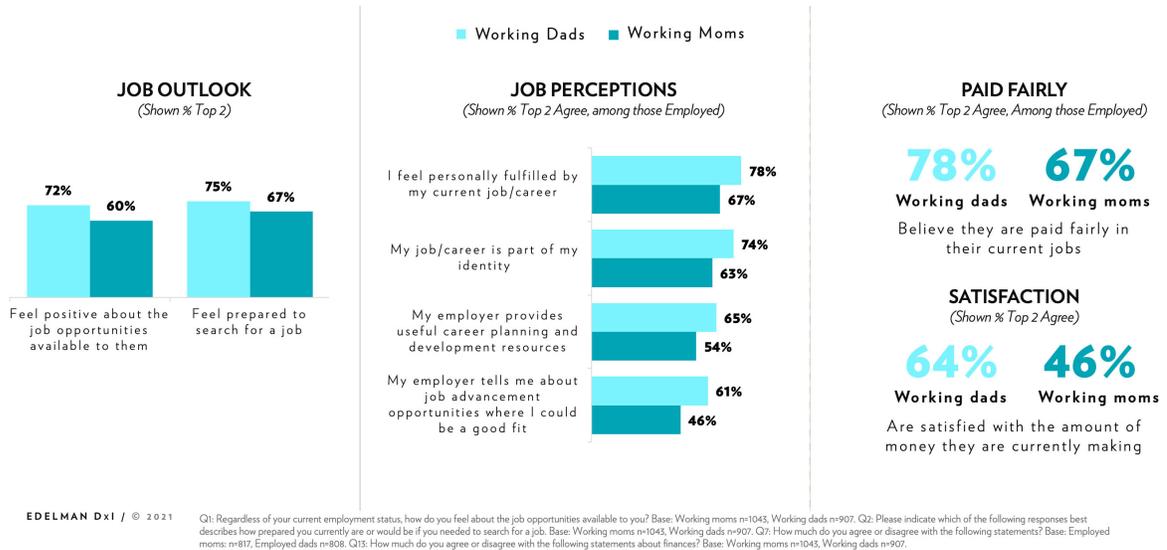


The University of Phoenix (UOP) Career Optimism Index revealed that working dads are more satisfied than working moms. Seventy eight percent of working dads as compared to sixty seven percent of working moms believe they are being compensated fairly.<sup>4</sup> The UOP Index data established that sixty- four percent of dads that work, as opposed to forty-six percent of moms that work, are satisfied with the amount of money they currently make.

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Figure 1:

## WORKING DADS MORE FULFILLED AND SATISFIED THAN WORKING MOMS



The stark difference in satisfaction further demonstrates that economic growth must be inclusive. Inclusive growth is advancing gender and race equity by cementing it into the economic growth process, systems and structure.<sup>5</sup> In essence, inclusive growth is the opportunity for progression of equity that benefits all families, businesses and communities.

## 7. Educational Achievement/ Technology Training

The second phenomenon is the shift towards higher education. The educational achievement of women 25 to 64 years of age in the workforce has grown substantively over the past fifty years.<sup>6</sup> The National Bureau of Economic research documented in 2016 women in this age group with college degrees has quadrupled where that of men has doubled. In 2018, 44 percent of women in this age range had a bachelor's degree and higher, as compared to 11 percent in 1970.<sup>7</sup> This trend has helped to decrease the wage divide but has not yet evened the playing field.

In the 2021 research Edelman found that even with the recent increase of technology skills for women eighty five percent of Americans believe that technology has caused a change in how people approach their jobs and many are concerned about the impact of technology on their careers or question what jobs will be eliminated or if humans will be replaced with robots or artificial intelligence.

“Technology has influenced the job environment, virtually everyone has a computer with email and technologies continue to increase, requiring more training, and education that do not necessarily result in higher pay especially for women and minorities.”

Technology has influenced the job environment, virtually everyone has a computer with email and technologies continue to increase, requiring more training, and education that do not necessarily result in higher pay especially for women and minorities in the workforce. For example, the Edelman 2021 findings support concern related to 1 in 5 jobs becoming recently automated. Despite the consideration of training and technology advancement, Covid-19 adds an additional phenomenon, as unemployment rises and more jobs were automated.

## 8. COVID-19

The third most significant and widespread phenomenon is the coronavirus pandemic, that has clearly illuminated the interconnectivity and interdependence of the SDOH on the financial success and well-being of minority populations. These determinants become important when investigating the extent and ways in which the events of 2020 interrupted normalcy and disrupted livelihoods in the United States and across the globe. COVID-19 has unmasked many economic or job-related inequities, barriers, and stressors for women, minorities and Generation Z among the current work force.

The labor force participation rate of all women with children 6 to 17 years old, was 76.5 percent March 2018.<sup>8</sup>

Many women left their jobs during the pandemic to take care of young children and supervise online learning for school-age children when in-person learning ceased, and daycare closed.

“Many women left their jobs during the pandemic to take care of young children and supervise online learning for school-age children when in-person learning ceased, and daycare closed.”

Based on reports from the U.S. Bureau of Labor Statistics the unemployment rate for women varied by race and ethnicity but the rate for women was 3.8 percent as compared to 3.9 percent for men in 2018. Since 2020 unemployment rates for Black people and other minorities are nearly double those of White workers.<sup>9</sup> The pandemic has caused the largest female-to-male gap in unemployment rates since 2000.<sup>10</sup> Recent reports indicate almost 450,000 more women than men have been displaced from employment.

## 9. The acute effect

Job losses have disproportionately affected minorities, women, younger workers, and workers with lower educational attainment or income, as evidenced by the UOP Career Optimism Index and the US Census Current Population Survey (CPS). The Census data revealed households with an annual income below \$30,000 realized double the unemployment rates of households with higher income and approximately 56 percent of job market exits, as a result of the pandemic, were women even though women only represent 48 percent of workforce. Improved socioeconomic structures could elevate the economic health of individuals, families and organizations.

“As a result of the pandemic, approximately 56 percent of job market exits were women even though women only represent 48 percent of workforce.”

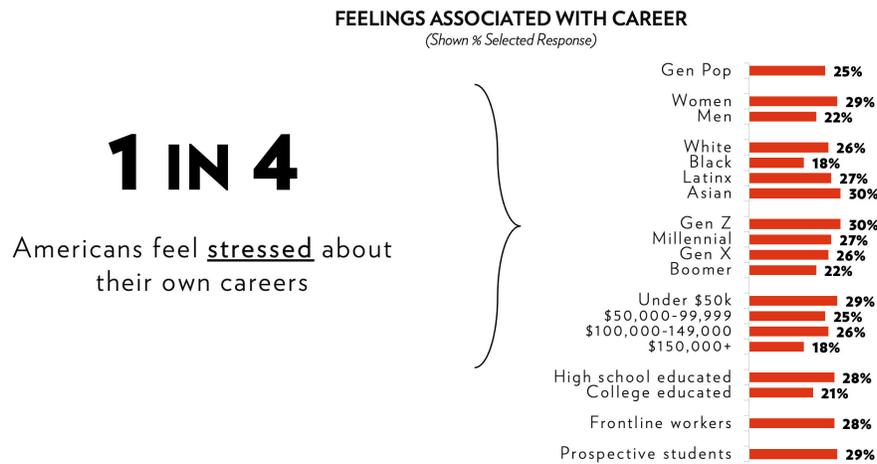


# 10. Women and minority optimism according to the UOP Career Optimism Index

There are extensive acute and on-going challenges facing working adults. In spite of this the Career Optimism Index indicates most Americans 70 percent are generally optimistic about their careers. However, women, younger generations and those with lower incomes do not share this high level of optimism.

Figure 2:

**THESE CHALLENGES HAVE LEFT MANY AMERICANS FEELING STRESSED ABOUT THEIR CAREERS – ESPECIALLY WOMEN, YOUNGER GENERATIONS AND THOSE WITH LOWER INCOMES**



EDELMAN Dxi / © 2021 Q9: Which of the following feelings do you associate most with your own career? Base: Gen Pop n=5000, Women n=2340, Men n=2656, White n=3027, Black n=325, Latinx n=1193, Asian n=259, Gen Z n=401, Millennial n=1684, Gen X n=1665, Boomer n=1197, Income Under \$50k n=1489, Income \$50,000-\$99,999 n=1537, Income \$100,000-\$149,999 n=863, Income +\$150,000 n=912, Prospective students n=872, Frontline workers n=1667



Based on the UOP Index findings many do not see a clear path to career advancement in their current jobs or believe they have access to the tools needed for professional development. For example, forty three percent of Americans live paycheck to paycheck, 51 percent of women and 36 percent of men. Additionally, survey respondents report feeling underemployed, easily replaceable and 40 percent worry about losing their jobs due to the pandemic.

The UOP Career Optimism Index illuminated workforce challenges of Black and other minority families concentrated in states that have unfavorable economic and social conditions and are overrepresented in nine of the ten lowest-wage jobs considered high-contact and essential services. The Index shows Black workers are more likely than white workers to be in support roles, which are slower growing and lower-paying than directive roles. Support roles have a much higher risk of automation, which increases black workers' relative risk of automation.

# 11. The trifecta of the gender wage gap, education and training, and COVID-19

The trifecta of the gender wage gap, education and training, and COVID-19, influence women and minorities in the workforce in substantial ways. Continuing research in this area will develop more on what is already known about the wage gap for women and minorities at a time when employment is influenced by a pandemic. As a result of multiple ongoing phenomenon these populations continue to face concern about the future of employment and economic equality in the workforce.

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