

The Gender Wage Gap in Durham County

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Research Question

This report examines the size and nature of the gender wage gap in Durham County. Using statistical analysis, this report will explore how race, education, age, marital status, and employment sector effects the gender wage gap among Durham County workers. Based on this statistical analysis and interviews with community stakeholders, this report concludes with relevant policy recommendations for the City of Durham. Article 11 of the UN Convention on the Elimination of All Forms of Discrimination Against Women asserts that women have “The right to equal remuneration, including benefits, and to equal treatment in respect of work of equal value.”¹

Methods

This paper uses publicly available sample data of North Carolinians from the U.S. Census Bureau’s American Community Survey from 2015. The data analysis includes everyone within that sample living in Durham County and is at least 18 years old, yielding a sample size of 1,295 observations.

Summary

The city of Durham is the fourth largest municipality in North Carolina, with a population of 254,620 as of 2016.² The population of Durham is 50.3% white, 37.2 % black or African American, and 4.4% Asian.³ Sixty-four percent of Durham residents are of working age, between 20 and 65 years of age.⁴ My statistical analysis of wage data for workers in Durham County found a mean gender wage gap of 23.6%. While much of this gap may be accounted for by the pay discrepancies among the highest-paid workers, women also are more likely to work

¹ <http://www.un.org/womenwatch/daw/cedaw/text/econvention.htm#article11>

² <https://durhamnc.gov/DocumentCenter/View/12973>

³ <https://durhamnc.gov/DocumentCenter/View/12985>

⁴ <https://durhamnc.gov/DocumentCenter/View/12984>

low-wage jobs than men. Upon closer examination, the gender wage gap persists when comparing men and women of the same race, with white and black men and women showing the largest gender wage gaps by race (29% and 33.4% respectively). While there is no wage gap between men and women who have never been married, on average, men who have been married make 38.6% more than women who have been married. There is a 43.7% gender wage gap between male female workers with a high school education. The gender wage gap is somewhat smaller among workers with some college education, but this gap grows to 37.1% among workers with advanced degrees. Comparing wage gaps between employment sectors, we find that private for-profit and private non-profit employers each have a gender wage gap of about 19%, compared to a gap of 28.6% for government workers. Examining the gender wage gap among local government employees in the sample yields a shocking 39% wage gap.

Community stakeholders have identified family leave, childcare, and hiring and advancement policies as key barriers facing women in the workplace. Implementing CEDAW will set up a permanent government body to further research the wage gap among private and city employees and evaluate and recommend policy tools to combat the wage gap. Potential private and public sector policy tools include providing paid maternity leave for city employees, requiring employers to provide sick days for employees, and fair scheduling ordinances.

Introduction

This report measures and examines the dynamics of the gender wage gap in Durham County. Though the gender wage gap has been studied extensively in the past few years, the gap varies greatly by state and region, making national numbers an inaccurate metric to inform local policy. The goal of this report is to demonstrate the value of gender analysis to the City of Durham and urge the newly-formed Council for Women in Durham to take a lead role in

conducting statistical analyses and formulating policy recommendations to enhance the status of women in Durham. While the data used in this report provides a limited glimpse into the dynamics of the gender wage gap in the City of Durham, WomenNC hopes that this research will convince the City Council of the need for a concrete plan to conduct an in-depth investigation of the gender wage gap in Durham and take steps to reduce it. This research will also be presented at the United Nations Conference on the Status of Women in the spring of 2017 to highlight the work being done in North Carolina to empower women in the workplace.

The wage analysis based on this Durham County sample reveals that there is still much to be done to close the gender wage gap in our community. Implementing CEDAW at the city level and appointing the newly-formed Council for Women to spearhead women's initiatives would create an avenue by which Durham could commit to conducting sustained analysis of gender inequities in our communities and developing policy solutions to address them.

Findings

The average woman in Durham County makes \$39,488 a year, compared to an average wage income of \$51,681⁵ among men, resulting in a gender wage gap of 23.6%. Comparing median wages results in a wage gap of just 4.6%, which is small compared to the statewide median wage gap of 14% and a national wage gap of 20%.⁶ The large difference in the mean and median wage gaps implies that the gap is largely driven by pay discrepancies at the high-income end of the wage distribution, which are not reflected in the median wage gaps (see Figure 1 in the appendix). In other words, the wage gap is due in part to high-income men making much more money than the high-income women. However, in the sample analyzed, women are also

⁵ This difference is statistically significant, with a p-value <.0001

⁶ http://www.aauw.org/research/the-simple-truth-about-the-gender-pay-gap/#.WER_7j-YGSA.email

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overrepresented in low-wage jobs, making up the majority (54%) of minimum wage workers⁷ in Durham County. Women are also more likely to work low-wage jobs than men. Nearly 30% of Durham County women in the sample make minimum wage while only 25.3% of men do.

Women are also more likely to make less than a living wage⁸ (38%) than men (34.5%).

Therefore, the gender

wage gap could be

driven by inequities at

both ends of the income

scale.

Race	Men's Mean Earnings	Women's Mean Earnings	Wage Gap
White	\$65,424	\$46,452	29%
Black	\$32,150	\$21,415	33.4%
Asian	\$65,092	\$57,750	11.3%
Bi-racial and others	\$29,468	\$22,503	23.6%

There is a substantial wage gap between workers of different races as well as between men and women of the same race. The largest pay disparities are between white men and black women and other women of color. While there is still a substantial wage gap between white men and Asian women, the gap is actually smaller than that between white men and white women. Between men and women of color, the gender wage gap as a percent is largest between black men and women. Other than white workers, none of the wage gaps between men and women of the same race are statistically significant because of their small sample size and resulting large sample variation (see Appendix Figure 2). However, though the gender wage gaps among racial minorities are not statistically significant, the observed size of the difference in income are nonetheless important to note.

The wage gap between men and women who have never married is all but nonexistent. However, the gap between men and women who have been married at some point is a staggering 36.8%. In a similar vein, Figure 3 in the appendix illustrates that the wage gap between men and

⁷ Defined as someone who earns less than $\$8 \times 50 \times 40 = \$16,000$ annually

⁸ Defined as making less than $\$12 \times 50 \times 40 = \$24,000$ annually

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women grows as a function of increased age. These findings together are consistent with the hypothesis of some social scientists that the wage gap grows as women grow older and having children, which brings with it an unequal burden of family responsibility and discrimination against women with children in employment and promotion.⁹

When comparing the earnings of men and women of the same education level, we see that the gender wage gap

Education	Men's Mean Earnings	Women's Mean Earnings	Wage Gap
Less than high school	\$18,673	\$18,143	2.8%
High school or GED	\$35,674	\$20,097	43.7%
Some college	\$32,588	\$24,807	23.9%
Bachelor's degree	\$59,956	\$47,547	20.7%
Advanced degree	\$103,696	\$65,257	37.1%

persists.¹⁰ While almost no wage gap exists between men and women with less than a high school degree, workers with a high school degree or equivalent education have the largest gender wage gap, at 43.7%. This may be a result of the fact that men with high school degrees may be more likely to take a job in construction or some other skilled vocation that pays more than the minimum wage while women with the same education are more likely to end up working in the service sector. The second largest gender wage gap among similarly educated people is among workers with advanced degrees.

Sector	Men's Mean Earnings	Women's Mean Earnings	Wage Gap
Private for-profit	\$46,887	\$37,731	19.5%
Private non-profit	\$53,075	\$42,840	19.3%
Government	\$61,499	\$43,902	28.6%

⁹ Misra, Joya. "The Gender Wage Gap in the United States and Cross Nationally" *Sociology Compass*. 2014.

¹⁰ The gender wage gap between workers with the same education level is statistically significant at the .02 level in all categories except for workers with less than a high school education

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The gender wage	Self-employed and other	\$101,542	\$27,123	73.3%
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gap persists across all employment sectors.¹¹ Private for-profit and private non-profit employees both exhibit approximately a 19% difference in the earnings of men and women. On average, women employed by the federal, state, and local government earn a shocking 28.6% less than the average male government employee. The gender wage gap among local government employees is even higher, at 39%. This could be a reflection of a high concentration of women in the field of public education, which pays less than many other government jobs.

To understand what factors underlie the trends I found in my statistical analysis, I reached out to community stakeholders who work to empower women in the workforce. Beth Briggs, Executive Director of Dress for Success Triangle (DFS), the local affiliate of a nonprofit established in 2008 to help underemployed and unemployed women find jobs, described some of the barriers facing the more than 9,000 clients her organization has served.¹² According to Briggs, childcare is the biggest challenge that her clients encounter. Because of long waiting lists for childcare subsidies and the general shortage of affordable childcare, many working women are forced to make informal childcare arrangements with family, friends, and neighbors. Briggs went on to explain that the wage gap grows throughout women's careers as they take time off to care for children and decline higher-paid positions that require travel. The second barrier to women is the implicit discrimination in hiring and advancement practices within companies. Dress for Success's 10-week program attempts to combat this by preparing clients to take charge in their interview, negotiate for a higher salary, and deflect employer inquiries about their marital status and child-rearing responsibilities.

¹¹ The gender wage gap between workers in the same employment sector is statistically significant at the .02 level in all categories except the private non-profit sector

¹² <https://trianglenc.dressforsuccess.org/about-us/>

Steven Frasca, Workforce Development Specialist at the Community Empowerment Fund, which serves people experiencing homelessness by helping them find employment and housing, identified the limitations of relying on the cooperation of for-profit employers to voluntarily take action against the gender wage gap. His experience contacting employers on behalf of CEF clients revealed that the voluntary adoption of policies to advance women and other marginalized groups in the workforce is not enough to totally ameliorate inequities. Even getting employers to fill out a general survey about their hiring needs yielded little cooperation. In his view, voluntary employer initiatives are insufficient means of combatting inequities. The adoption of equitable employment practices by individual organizations is no substitute for government policies that set uniform and enforceable standards.

Currently, the City of Durham has enacted no ordinances to address the gender wage gap locally. However, Mayor Pro Tempore Cora Cole-McFadden has demonstrated a commitment to advancing women within the ranks of city employees in her decades of service to the city government. This progress is reflected in the fact that 10 out of 25 city departments are led by women, though no analysis has been done on the advancement and hiring of women at lower levels of the organization. While the City of Durham has demonstrated that women's economic empowerment is important to them, there is still much that can be done to fight the gender wage gap among city employees and in the larger community.

The City of Durham provides some accommodations for working parents, but leaves possibilities for improvement. City employees are entitled to 12 weeks of job-protected unpaid leave as mandated by the federal Family and Medical Leave Act plus an additional 6 weeks of unpaid leave under the city's Paid Temporary Disability Leave Policy, which can be used by women to take time off of work if they become unable to work for a portion of their pregnancy.

The time off provided by these programs are unpaid, though women may choose to use paid vacation days and sick days while on maternity leave. Other accommodations for city employees with families includes up to 4 hours of parental leave per year to allow workers to go to parent-teacher conferences and similar activities, break time for nursing mothers, and flexible scheduling and telecommuting options. While these accommodations certainly help working mothers, the city of Durham can strengthen its commitment to working women by following the leadership of the city of Boston, which last year passed an ordinance granting its exempt employees 6 weeks of paid parental leave.¹³ Earlier this year, Durham County made history by implementing a 12-week paid paternity leave policy for their employees.¹⁴

Recommendations

In light of the trends revealed by this statistical analysis, there are a few steps Durham should consider to demonstrate its commitment to women's equality in the workplace.

- **Implement CEDAW on the local level.** Passing an ordinance to implement the principles of the Convention on the Elimination of all forms of Discrimination Against Women at the city level would provide a clear mandate to the Mayor's Council on Women and empower this body to conduct regular gender analysis and make policy recommendations to advance the status of women in Durham.
- **Grant city employees paid paternity leave, paid sick days, and family-friendly schedules.** Durham County and the city of Boston have both guaranteed paid paternity leave to their employees. When considering parental leave, the city may also discuss the possibility of providing more time off for parents after they return from paternity leave, in order to accommodate the responsibilities that follow parents throughout their

¹³ <http://www.cityofboston.gov/news/Default.aspx?id=20124>

¹⁴ <http://www.newsobserver.com/news/local/community/durham-news/article106070117.html>

children's lives. Giving parents paid time off to care for children will go a long way toward reducing the gender wage gap which in part results from the career setbacks experienced by women who bear a disproportionate amount of care work.

- **Conduct internal analysis of the wage data of Durham city employees.** Though the analysis in this report is not a definitive measure of the wage gap of local employees, the large gender wage gap observed among local employees included in the sample indicates that there may be practices within city employment that limit women's earning potential. City specific wage analytics will allow the city to monitor its hiring and promotions to ensure equity and to measure the progress the city makes in gender and racial equity.
- **Require prospective contractors to submit wage data by gender and race and take that data into account when awarding government contract.** The city of Durham already requires companies bidding for city contracts to provide data on the racial makeup of their workforce. Many federal contracts require companies to meet specific criteria in their employment practices and give preference to model employers when awarding contracts. Durham may adopt the use of public incentives for private companies to take voluntary initiative to improve working conditions and raise the standard for private employers more broadly.

Cities around the country are pioneering local ordinances that guarantee private employees paid family leave, paid sick days, and fair schedules. As of January 1st this year, San Francisco businesses with 50 or more employees must provide paid parental leave.¹⁵ Portland's paid sick leave mandate has been in effect for more than a year.¹⁶ Later this year, a Seattle

¹⁵ <http://sfgov.org/olse/paid-parental-leave-ordinance>

¹⁶ <https://www.portlandoregon.gov/sicktime/>

ordinance will go into effect that will give working parents predictable and flexible schedules.¹⁷

Unfortunately, North Carolina's House Bill 2 blocks local governments from passing ordinances that raise the minimum wage or require employers to provide paid sick leave.¹⁸ The city government is further constrained by North Carolina's use of a judicial doctrine known as Dillon's Rule to deny municipalities powers not explicitly enumerated in the state constitution or statute.¹⁹ If and when these laws are changed, the City of Durham should consider expanding paid maternity leave to private employees in addition to public employees. The establishment of the Durham Council on Women would facilitate the research and analysis necessary to implement major regulations at the local scale.

¹⁷ <https://www.seattle.gov/laborstandards/ordinances/secure-scheduling>

¹⁸ <http://www.npr.org/sections/thetwo-way/2016/03/24/471700323/north-carolina-passes-law-blocking-measures-to-protect-lgbt-people>

¹⁹ <http://www.nlc.org/local-government-authority>

Appendix

Figure 1

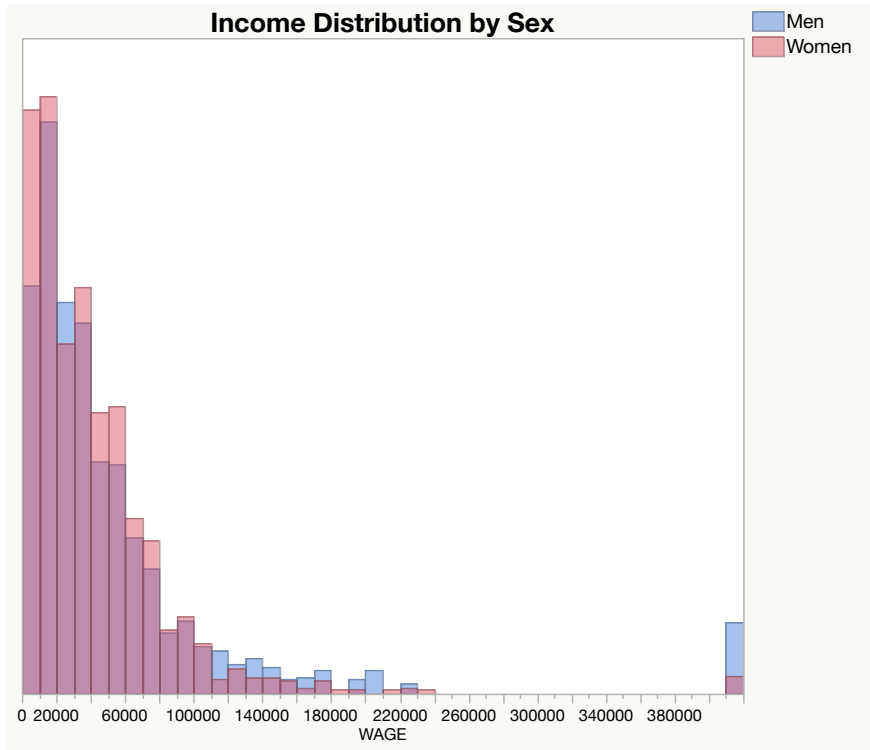


Figure 2

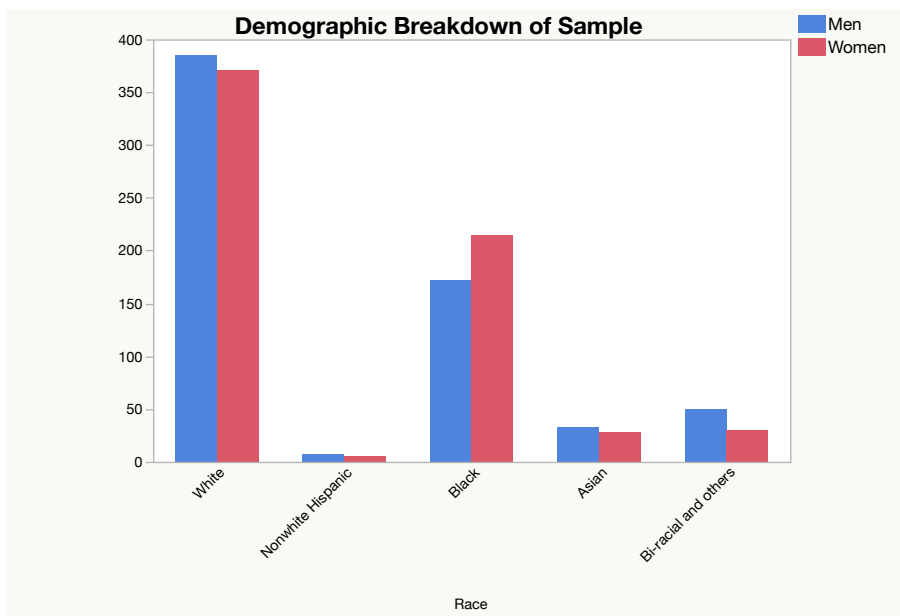


Figure 3

