



Pay Equity Reduces Poverty

Pay equity policies directed at eliminating the undervaluing of traditionally female job titles will lift many women and people of color out of poverty. Pay equity does this by correctly valuing female occupations. Although critics argue that correctly valuing female job-titles would benefit only the middle-class and single women without children, research has shown this is not true – pay equity has the potential to lift many, especially women and their families out of poverty.¹

Correctly valuing “women’s work” has the potential to reduce poverty among the working poor. Across occupations, for women of color, pay equity for traditionally female job titles reduced the percentage of workers earning poverty-level wages by nearly half (49%). The comparable figure for white women was 40%; for men of color, 37.1%; and for white men 31.8%. Among the working poor in occupations dominated by people of color, pay equity raised 60% of them above the poverty threshold for a family of 3, and in occupations dominated by women of color, lifted 52% out of poverty.² Correctly valuing “women’s work” can provide most women with the ability to earn enough money to sustain their families and to drastically reduce the percentage of women at or below the poverty level.

Research also indicates that correctly valuing “women’s work” may have a far greater impact than the living wage in helping women achieve economic self-sufficiency and transition off public assistance. In job titles typically dominated by people of color, where workers earn approximately 66% of what white men earn, eliminating the market discrimination almost completely eliminated the disparity, bringing the earnings ratio up to approximately 94%; by contrast, living wage policy had little impact on gender/race differentials.³ *Pay equity reform has the power to drastically decrease the number of people below the poverty line and to eliminate the wage discrimination that has kept working women at the bottom of the pay scale.*

¹ Figart, Deborah M. and June Lapidus. 1996. “The Impact of Comparable Worth on Earnings Inequality.” *Work and Occupations* 23:297-318.

² Lapidus, Jane and Deborah M. Figart. 1998. “Remedying ‘Unfair Acts’: U.S. Pay Equity by Race and Gender.” *Feminist Economics* 4(3): 7-28.

³ Stone, Pamela and Arielle Kuperberg. 2005. “Anti-Discrimination vs. Anti-Poverty? A Comparison of Pay Equity and Living Wage Reforms.” *Journal of Women, Politics & Policy* 27:23-29. Reported in *Women, Work, and Poverty: Women Centered Research for Policy Change* (Hawthorne Press).

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