

Women paid low wages: who they are and where they work

*Women are more likely to be low paid
if they are young, single, or less educated
or if they are employed in service occupations,
retail trade, agriculture, or personal services*

Marlene Kim

Research indicates that, over the past two decades, an increasing proportion of workers held jobs that pay low wages. Most of this research focuses on men, because the risk of falling into these jobs has increased for male workers. Yet it is important not to ignore the low-wage female workforce: women hold the majority (59 percent) of low-wage jobs,¹ and they are still more likely to be low paid than are male workers.

But what is the extent of low-paying work among women, who are these poorly paid women, and what types of jobs do they hold? In answering these questions, this article uses data from the March 1998 Current Population Survey.² As many in the field have done, low-wage workers are defined as those workers who could not support a family of four above the Government's official poverty level while working 52 weeks per year, 40 hours per week, or a total of 2,080 hours per year. For workers paid on an hourly basis, this means that low-wage workers are defined as those who were paid no more than \$7.91 per hour (\$16,450/2,080 hours) in 1998;³ for workers paid weekly, hourly wage rates were estimated by dividing the worker's usual weekly wages by usual hours worked per week. The sample includes all adult women aged 18 to 64 who were wage and salary workers; the self-employed were excluded.

Extent of women's low-wage work

In 1998, approximately 16 million women, or 39 percent of female wage and salary workers, were paid low

wages. Even among women who were of prime working age (those between the ages of 25 and 45), 31 percent worked in jobs that paid low wages. (See table 1.)

Of course, low wages may not necessarily relegate these women to a life of deprivation: women who receive low wages may live in families with other earners, so that their total family income may lift them above the poverty level. Or these women may live in small families (recall that low wages are defined as wage rates that are inadequate to support a family of four above the poverty level), so that their wages can adequately support themselves and their lesser number of family members. Thus, in order to better understand the consequences of being paid low wages, it is important to examine the extent to which low wages result in women living in or near poverty. In this regard, then, for each woman who received low wages, the article compares her total family income during the previous year (1997) with the Government's official 1997 poverty level⁴ and with 150 percent of that poverty level. This approach allows the proportion of low-paid women who are officially poor and the proportion who live in "near poverty" to be estimated.

The results indicate that among all adult women who were paid low wages, 17 percent lived in poverty and 31 percent lived below 150 percent of the poverty level. The following tabulation shows the poverty status and receipt of income transfers for low-wage working women in 1997:

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Category	Percent of—		
	All women workers	Low-wage women workers	Workers in category who are paid low wages
Poverty status:			
Below poverty level	8.27	16.94	78.87
Below 125 percent of poverty level	12.01	24.20	77.60
Below 150 percent of poverty level	15.69	30.59	75.11
Receive Earned Income Tax Credit	14.72	21.92	57.39
Receive public assistance	2.10	4.76	87.26

Further (although not shown in the tabulation), among women who were in their prime working years, 19 percent of those who were paid low wages lived in poverty, while 36 percent lived below 150 percent of the poverty level. Thus, whereas most women who were paid low wages escaped both poverty and near poverty, nearly one-third lived in families whose income fell below 150 percent of the poverty level, and approximately 1 out of 5 who were of prime working age lived in families officially defined as poor. Not surprisingly, a substantial percentage (79 percent) of female workers who were poor received low wages.

Who are the low-wage workers?

The low-wage female workforce is disproportionately young, less educated, and single. The first two columns of table 1 indicate that women under age 25 account for 17 percent of the total wage and salary workforce, but 31 percent of the low-wage workforce. The third column shows that among female workers between the ages of 18 and 25, 70 percent work in low-wage jobs. Given that many of these workers have not had an opportunity to gain skills (because they are too young to have finished college), that they may be in part-time or temporary jobs while attending school, and that they still may be living at home, these results are not surprising. But as the table also shows, low-wage work is common among prime-age workers as well—those who tend to be most committed to the labor force. Prime-age workers make up almost half (45 percent) of the low-wage female workforce, and approximately one-third work in low-wage jobs.

A clear factor in low-wage employment is the worker's education level. As their education levels increase, women are less likely to be paid low wages. Women with a high school education or less are overrepresented in low-wage employment, constituting 21 percent of low-wage female workers, but only 11 percent of all female workers. Those with some college courses or college degrees are underrepresented, composing half of the

female workforce, but only one-third of the low-wage female workforce. Among those without a high school education, 74 percent work in low-wage jobs; among college graduates, only 14 percent work in such jobs. (See table 1.)

Marital status is also correlated with low-wage employment. Married women are slightly underrepresented among low-wage workers, making up 49 percent of all female workers, but only 43 percent of all low-wage female workers. Women who have never been married are overrepresented, accounting for 28 percent of all female workers, but 36 percent of all low-wage female workers. Almost half (49 percent) of never-married women work in low-wage jobs. (See table 1.)

Race does not seem to be correlated with low-wage employment for women: low-wage workers are represented propor-

Table 1. Demographic characteristics of women in low-wage jobs, 1998

Category	Percent of—		
	all women workers	low-wage women workers	workers in category who are paid low wages
All women, 18–64 years	100.00	100.00	38.50
Age:			
18–24 years	16.87	30.61	69.92
25–45 years	55.46	44.96	31.24
45 years and older	27.67	24.43	34.01
Education:			
Less than high school	11.00	21.22	74.35
High school	36.08	41.86	44.70
Some college	32.88	29.86	34.99
College degree or higher	20.04	7.06	13.57
Race or ethnicity:			
White	80.43	79.42	38.05
Black	14.75	15.82	41.31
Native American .....	.91	.91	38.57
Asian	3.90	3.85	37.96
Hispanic (any race)	9.86	13.80	53.96
With no children less than 18 years old	56.04	53.02	36.45
With children less than 18 years old:			
1–2 children	36.05	37.39	39.95
3–4 children	7.58	9.25	47.02
5 or more children .....	.33	.34	40.60
With no children less than 6 years old	83.28	82.32	38.09
With children less than 6 years old:			
1–2 children	16.17	16.96	40.39
3 or more children .....	.54	.72	51.53
Marital status:			
Married	49.31	42.89	33.50
Separated, divorced, or widowed	22.45	20.96	35.98
Never married	28.24	36.15	49.33
Disabled	2.59	3.50	52.00
Noncitizen	6.31	9.76	59.63

tionally to their racial composition in the wage and salary workforce. Ethnicity, however, is a factor. Those of Hispanic descent are slightly overrepresented among low-wage workers, constituting 10 percent of the female workforce, but 14 percent of the low-paid female workforce. Fifty-four percent of female Hispanic workers are in low-wage jobs. (See table 1.)

Women who are not U.S. citizens also are overrepresented in low-paying employment, with 60 percent employed in low-paying jobs. Women who have a disability that limits the type or amount of work they can perform also are overrepresented, although only slightly, with 52 percent of their numbers working in low-wage jobs. (See table 1.)

As the last column of the table indicates, women with children face a slightly higher risk of being in a low-paying job than do childless women. In addition, those with three or more children under age 6 face an especially high risk, with 52 percent of such women working in low-paying jobs. Yet because the latter make up only a small proportion of the female workforce, women with children are not overrepresented in the low-wage workforce. For example, women with one or two children are 36 percent of the entire workforce, and 37 percent are in the low-paid workforce. Similarly, women with one or two children under age 6 constitute 16 percent of the entire wage and salary workforce and 17 percent of the low-wage workforce. (See table 1.)

Jobs of low-wage workers

As table 2 indicates, women who are paid low wages are clustered into certain types of jobs. Among industries, retail trade, agriculture, and forestry and fisheries are disproportionately represented in the low-paid female workforce. Retail trade appears to be the most important of these, because few women (less than 1 percent) work in the other two industries. Retail trade employs 21 percent of the entire female workforce, but 37 percent of the low-paid workforce. Seventy percent of all retail workers are low paid. Among those working in agriculture, 55 percent receive low wages.

Although the greatest number of low-wage workers (41 percent) are concentrated in the service sector, this is because that sector employs the largest share (47 percent) of all female wage and salary workers, rather than because low-wage workers are overrepresented within the industry. As the third column of the table indicates, service sector workers are slightly less likely than the average female worker to be low paid: thirty-four percent of all service sector workers are low paid, compared with 39 percent of all female workers. (See also table 1.) Within the service sector, only women working in personal services are overrepresented among low-wage workers: fifty-eight percent of those working within private household services, as well as 74 percent of those working in all other personal-service jobs, are low paid.

Women who work in service occupations, however, are disproportionately low paid. Women in service occupations represent 19 percent of all wage and salary workers, but are 35 percent

Table 2. Industries and occupations of low-wage women, 1998

Category	Percent of—		
	All women workers in labor force	Low-wage women workers	Workers in category who are paid low wages
Industry			
Agriculture	0.48	0.69	55.23
Mining .....	.18	.04	8.37
Construction .....	.73	.30	15.77
Manufacturing, durable goods	6.28	4.63	28.41
Manufacturing, nondurable goods	5.96	6.30	40.70
Transportation, communications, and utilities	5.19	2.67	19.90
Wholesale and retail trade	22.97	38.60	64.76
Wholesale trade	2.46	1.60	25.04
Retail trade	20.51	37.00	69.52
Finance, insurance, and real estate	7.62	4.14	20.94
Services	46.64	41.44	34.24
Private household services	1.15	1.73	58.08
Personal services, except private household	3.07	5.86	73.64
Forestry and fisheries .....	.06	.15	—
Public administration	3.89	1.02	10.08
Occupation			
Executive, administrative, and managerial	11.19	4.35	14.98
Professional	14.33	5.49	14.76
Technical	4.48	1.68	14.48
Sales	11.59	19.28	64.11
Retail sales	7.92	16.27	79.12
Administrative support, including clerical	27.65	20.32	28.31
Miscellaneous clerical and administrative support, including clerks and receptionists	15.82	13.91	33.8
Services	19.28	34.84	69.61
Private household services	1.02	1.58	59.65
Protective services .....	.85	.71	31.92
Services, except protective and private household	17.41	32.55	72.03
Food service workers	7.18	15.18	81.44
Personal-service workers .	2.96	5.46	71.06
Health service	4.56	7.07	59.76
Cleaning and building service	2.72	4.85	68.81
Precision production, craft, and repair	2.37	2.16	35.05
Machine operators, assemblers, and inspectors	5.39	6.59	47.07
Transportation and material moving	1.02	.99	37.53
Handlers, equipment cleaners, helpers, and laborers	2.17	3.26	57.76
Farming, forestry, and fishing .....	.52	1.04	77.32
Private sector	84.83	91.46	41.54
Government sector	15.17	8.54	21.69
Full time (35 or more hours per week)	82.37	67.50	24.08
Less than full time	17.63	32.50	54.16
No health insurance coverage by employer	45.87	68.10	57.20

NOTE: Dash indicates sample size too small to produce a valid estimate.

of low-paid female workers. Among women who work in these occupations, 70 percent receive low wages. Within service occupations, food service workers constitute the greatest share of low-paid employees (15 percent), followed by health service and personal-service workers (7 percent and 5 percent, respectively). Within service occupations, those who are most likely to be low paid include food service workers (81 percent are low paid), workers in personal services and cleaning and building services (71 percent and 69 percent, respectively, are low paid), and health services and private household services (60 percent of women in both occupations are low paid).

Sales occupations are also overrepresented among the low paid: those in sales occupations account for 12 percent of all workers, but 19 percent of all low-wage workers. Among sales workers, a high proportion, 64 percent, are low paid. Workers in retail sales occupations are largely driving these results: seventy-nine percent are low paid.

Women working in administrative support and clerical occupations make up 20 percent of all low-wage workers, although this is because these occupations are a large proportion (28 percent) of all jobs that employ women. Notice, though, that administrative support and clerical occupations are not disproportionately represented among low-wage workers. The high share of low-wage workers within this broad occupational category is driven by administrative support, such as clerks, receptionist, bank tellers, and duplicating machine operators. These workers account for 14 percent of those who are paid low wages.

Because part-time work usually pays a lower hourly rate than full-time employment, part-time workers represent a disproportionate share of low-wage workers. They constitute 18 percent of all workers, but 33 percent of all low-wage workers. Fifty-four percent of part-time workers are likely to receive low wages, compared with 24 percent of full-time workers. Those who work in the private sector also are overrepresented among low-wage workers: forty-two percent of women working in the private sector receive low wages, compared with 22 percent who work for various levels of the government.

Women who work in low-paying jobs are less likely to receive employer-provided health insurance. Specifically, 68 percent of women who received low wages were not covered by employer-provided health insurance during 1997. This percent-

age is much higher than that of the total wage and salary workforce, of which 46 percent were not covered by such plans. Among all female workers who were not covered by employer-provided health insurance, most (57 percent) worked in low-wage jobs.

Poverty and income supports

The chief consequence of receiving low wages is that many low-paid women live in poverty. As the tabulation on page 27 shows, low-wage workers are more likely to live in poverty and in near poverty compared with other workers—31 percent of low-wage workers had earnings of less than 150 percent of the poverty line; in contrast, 16 percent of all female workers were below that level. In addition, of all workers living in poverty or near poverty, three-quarters are paid low wages.

Because of their low wages, many women received the Earned Income Tax Credit in 1997. The credit is a publicly provided wage subsidy for low-paid workers. Twenty-two percent of women who were paid low wages received this tax credit, compared with 15 percent of all women workers. The credit also seems to be reaching its intended target of low-wage workers: among women who received it, most (57 percent) were paid low wages.

Only 5 percent of low-wage women workers received public assistance during 1997, most likely due to the restrictive eligibility requirements of welfare programs. Among the few female workers who received such assistance, 87 percent were paid low wages.

NEARLY TWO OUT OF FIVE WOMEN work in jobs that pay low wages. Women are more likely to be low paid if they are young, single, or less educated or if they are employed in certain jobs. Those working in service occupations, retail trade, agriculture, and personal-service industries are likely to receive low wages, as are women who work part time. In addition, low-paying jobs are not likely to offer women health insurance benefits. The consequence of low-paying employment is often living near the poverty level. One-third of women who are paid low wages live below 150 percent of the poverty level. As a result, 1 out of 5 low-paid women workers receive the Earned Income Tax Credit. □

Notes

¹ See Jared Bernstein, *Demand Shifts and Low-Wage Workers* (Washington, DC, Economic Policy Institute, 1999), mimeograph; and Jared Bernstein and Heidi Hartmann, "Defining and Characterizing the Low-Wage Labor Market," Chapter 1 in Kelleen Kaye and Demetra Smith Nightingale (eds.), *The Low-Wage Labor Market: Challenges and Opportunities for Economic Self-Sufficiency* (Washington, DC, Urban Institute Press, 2000), mimeograph.

² The March 1998 Current Population Survey is a national data set compiled by surveying a representative sample of approximately

60,000 households in the United States. The survey asks respondents about their demographic characteristics, as well as whether they are employed. If they are, the survey inquires about their usual hours and earnings and the occupation and industry in which they work. It also asks workers about their income, earnings, and participation in welfare during the previous calendar year (in this case, 1997), as well as whether the employer on their main job provided health insurance during the past calendar year. Although the job they held during the previous year may differ from the job they currently hold, informa-

tion about recent welfare participation and access to health insurance is still important.

Earnings are reported only for a worker's primary job; therefore, to the extent that poorly paid workers are moonlighting, their total earnings are underestimated in this article. But because the article focuses on women who hold low-paying jobs and the characteristics of these jobs, the findings do not change. The poverty status of these women, shown in the tabulation on page 27, takes into consideration the total earnings from all jobs they held, because poverty is calculated on the basis of one's total earnings from all jobs, together with

any unearned income (such as public assistance) one receives, as well as the total earnings and unearned income of all other family members.

³ In 1998, the poverty level was \$16,450 per year for a family of four. Only those reporting hourly earnings of at least one dollar were counted.

⁴ Because poverty levels vary by family size (women with larger families have a higher poverty threshold, meaning that they require more income to maintain an adequate standard of living), the article uses the poverty threshold that corresponds to the appropriate family size for each woman who received low wages.

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