



# WHO EARNS?

A Fact Sheet on Gender and Employment in Minnesota

## Women in Minnesota work hard – and the state’s labor force statistics show this.

The state is consistently among the top states for women’s labor force participation. But the gender wage gap in Minnesota remains stubbornly wide, and negatively impacts women of color and Native American women to an even greater extent than white women.

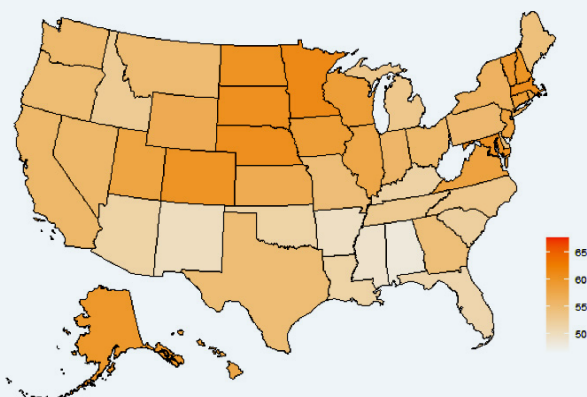
### Minnesota is a national leader in women’s workforce participation

**Minnesota is second in the nation for women’s workforce participation.** Sixty-one percent (61%) of women over 16 are in the workforce. Seventy-nine percent (79%) of Minnesota mothers with children under six participate in the labor force.<sup>1</sup>

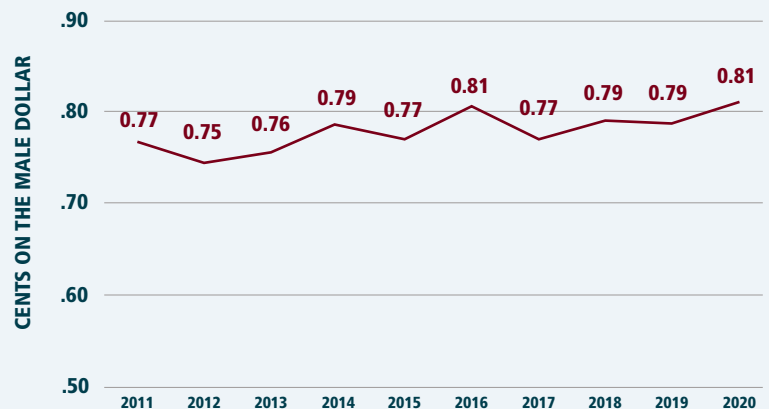
### Minnesota’s gender wage gap has remained stagnant over the past ten years and is larger than most other U.S. states.

Averaged over the past five years, Minnesota women who work full-time, year-round earn 79 cents for every dollar men make.<sup>2</sup> Among U.S. states, **Minnesota ranks 20th for the gender wage gap** - in other words, 31 states have smaller gender wage gaps than Minnesota.<sup>3</sup>

Women’s Laborforce Participation Rate



Minnesota’s Gender Wage Gap Over Time



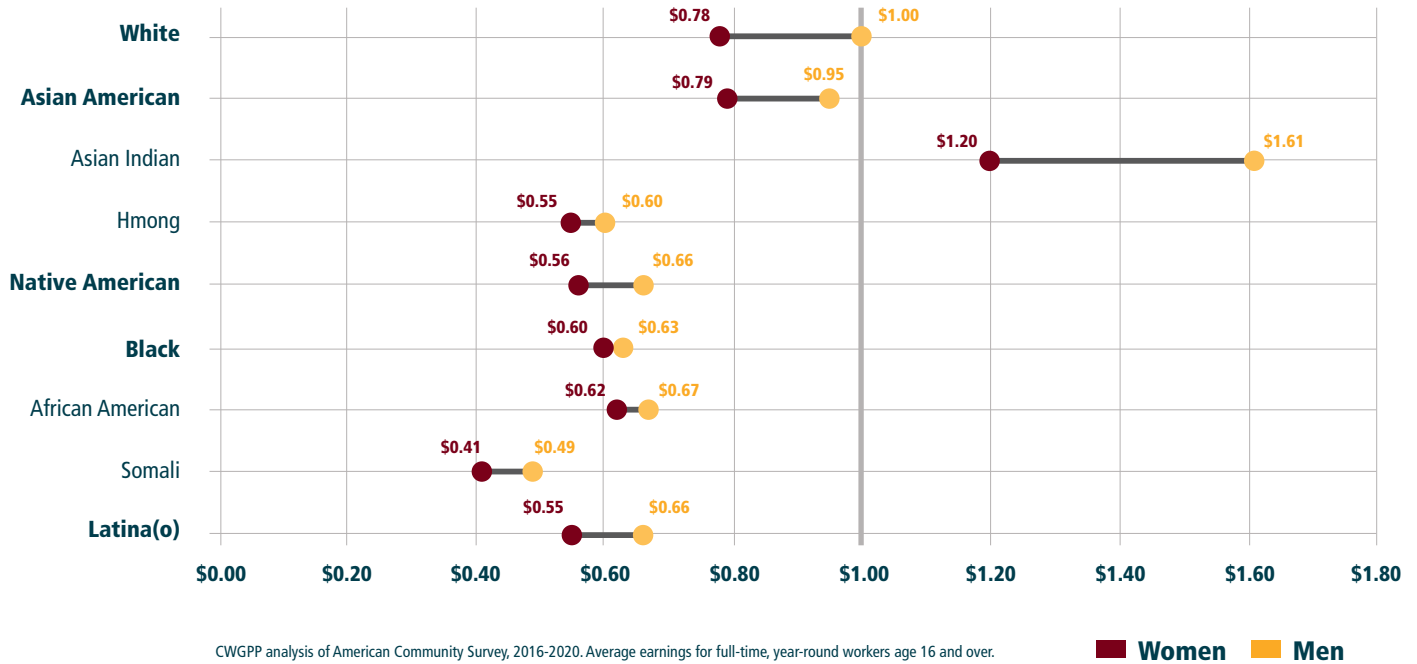
CWGPP analysis of American Community Survey, 2016-2020

## The Gender Wage Gap Across Race, Place, and Time

**Intersections with race and ethnicity make the wage gap much larger for women of color and Native American women.** For Minnesota women of all races and ethnicities, earnings lag those of men in their own racial or ethnic group, but the wage differential with white men is twice as large for Hmong, Native American, and Latina women and about three times greater for Somali women as it is for white women.<sup>4</sup>

### Minnesota Gender Wage Gap by Race and Ethnicity

*Average Wage and Salary Income Relative to White Men*



**While the gender wage gap is similar in rural and urban areas of the state, more rural women are in minimum wage jobs than urban women.** Women in the metro area make 79 cents for every dollar that men make, while women in Greater Minnesota make slightly more, 81 cents per dollar relative to men. But wages overall are lower for women and men in Greater Minnesota.<sup>5</sup>

**The gender wage gap accumulates over a lifetime.** The average Minnesota woman loses \$447,960 during her lifetime due to the wage gap alone.<sup>6</sup>

## Factors Behind the Gender Wage Gap

Women’s increased education and job experience led to a decline in the U.S. gender wage gap in the 1980s, but the past several decades have seen stagnation, including in Minnesota. Disparities in education are no longer a factor holding women’s wages back, as women in the US and Minnesota now outstrip men in educational attainment.<sup>7</sup> Women’s rates of unionization have also increased. Today, the largest factors behind the gender wage gap are occupation (51%); experience (14%), and unexplained factors, which reflect, at least in part, discrimination (38%).<sup>8</sup> Job experience is strongly impacted by women’s greater likelihood to work part-time or have interrupted career trajectories due to caregiving responsibilities.

## Major Components Behind the Gender Wage Gap



Figure based on data from Blau and Kahn 2017

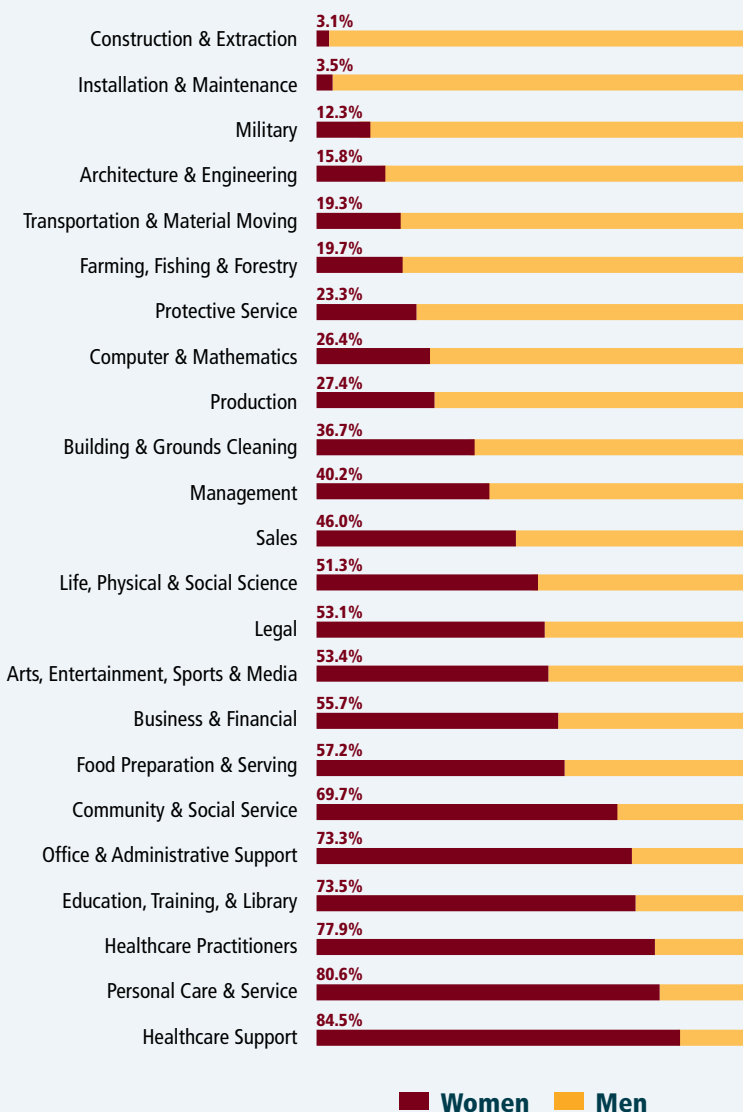
## Occupational Segregation

**Gender, race, and ethnicity often intersect to create wage disparities.** Work that is traditionally deemed “feminine”—related to the traditional roles carried out by women, such as caring for children or the sick—is generally paid less than positions deemed “masculine” such as the building trades. This is so even when feminine occupations, such as teaching or nursing, require more education. In some occupations, race and gender combine to pull wages down. For example, fields traditionally related to servitude such as domestic work or home health care are often filled by immigrant women and women of color. These physically and emotionally demanding jobs are often among the lowest paid. Men of color and immigrant men are also often segregated into certain kinds of jobs, but still usually earn more than women in the same or similar job categories.

### Many gender + race + ethnicity disparities occur in the service sector.

Service sector jobs – in fields such as health care, food service, and building and grounds maintenance – are low paid, and women and people of color are overrepresented within them.<sup>9</sup> Sixty percent (60%) of Minnesota service sector workers are women and 27% of them are women of color or Native American – much higher than their 10% share of the state’s total population. On average, women working in the service industry earn 71 cents for every dollar men make.<sup>10</sup> The average hourly wage for all workers in this sector is \$21.

## Gender Composition of Major Occupations in Minnesota



CWGPP analysis of American Community Survey, 2016-2020

Within the service sector, women - and men - of color are concentrated in some of the lowest-paying jobs where intersecting structures of race and ethnicity often result in low wages. For example, Latinas are twice as likely as other women to work in food preparation and service. While Latinas are more numerous than Latinos in this occupation, Latino men are twice as likely to be in food preparation and service than other men.<sup>11</sup>

### STEM jobs are among the best paid, and are male-dominated.

Individuals in STEM (Science, Technology, Engineering, and Math) occupations comprise 8% of Minnesota workforce and earn median wages of \$45 per hour, compared to \$23 an hour for non-STEM occupations.<sup>12</sup>

Women comprise 47% of the Minnesota workforce, but only 27% of the STEM workforce. All groups of women (except non-Hmong Asians) are underrepresented in STEM occupations, with women of color and Native American women making up only 5% of this workforce. African American and Native American women face the greatest underrepresentation in STEM occupations, with only one-fifth as many of these women working in STEM as would be expected based on their numbers in the state. Women in Greater Minnesota are half as likely to work in STEM as those in the Twin Cities metro area.

### Gender, Race and Ethnicity of Minnesotans in STEM Occupations

	Men	Women
White	59.1%	21.3%
Black	2.6%	0.6%
Native American	0.1%	0.04%
Asian	8.1%	3.3%
Latina(o)	1.9%	0.8%
Other/Multiple	1.6%	0.7%
Total	73.3%	26.8%

CWGP analysis of American Community Survey, 2016-2020

## Wage and Occupational Segregation by Gender and Race

### The racial and gender demographics of an occupational sector is strongly correlated with average earnings.

Occupational segregation can vary substantially within sectors. In the service sector, janitors are primarily male and child care providers are female. Wage disparities due to gendered occupational segregation are not necessarily offset by education: on average, child care providers have some college education, but they make \$3.20 cents an hour less than janitors, who on average, only have a high school diploma.<sup>13</sup> Occupations that are dominated by women and require advanced degrees, such as teaching, tend to pay less than fields that require less education, but that are dominated by men, such as STEM.

Looking across occupational sectors, the interaction of gender and race comes into focus. Direct care workers—nursing assistants, home health aides and personal care aides—are disproportionately women of color, have some college education on average, and face high on-the-job injury rates (lifting patients, for example), yet they earn just \$16 an hour. Compare this to the \$24 an hour earned by construction laborers who are almost entirely white and male, have job injury rates half that of direct care workers, and typically only have a high school degree.<sup>14</sup>

### The Gender and Racial Wage Gap in Select Occupations<sup>15</sup>



#### Childcare Providers:

94% female  
82% white

Avg. hourly wage \$14



#### Direct Healthcare Workers:

84% female  
62% white

Avg. hourly wage \$16



#### Janitors:

29% female  
73% white

Avg. hourly wage \$17



#### Registered Nurses:

89% female  
85% white

Avg. hourly wage \$40



#### Physicians:

37% female  
77% white

Avg. hourly wage \$141

Minnesota's population is 79% white and 21% non-white

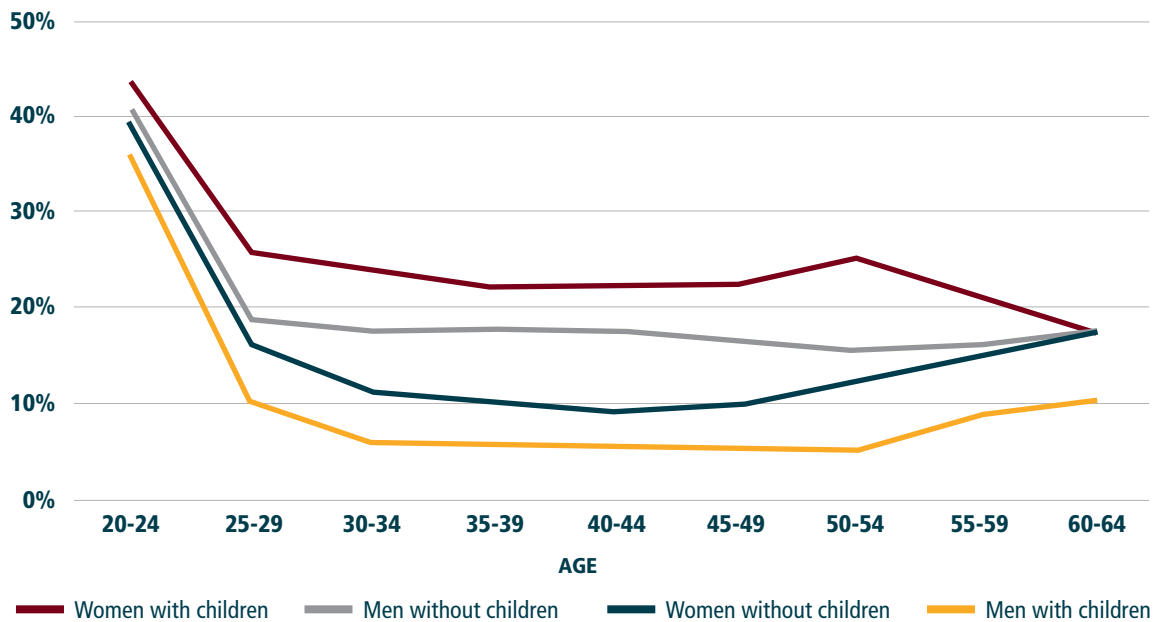
## Experience

### Part-time work and career interruptions impact experience.

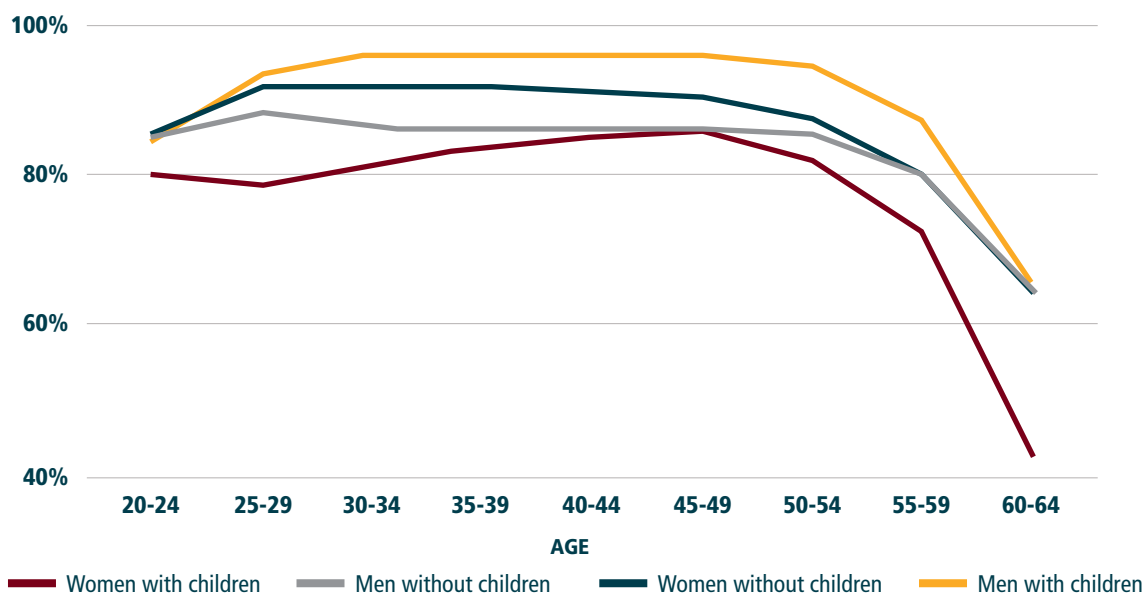
The majority of part-time workers in Minnesota are women. While women comprise 47% of the Minnesota workforce overall, they comprise 64% of those that work part-time. Minnesota women are nearly twice as likely to work part-time than men (31% compared with 16%). Black and Latina women are more likely to work part-time than other women.<sup>16</sup>

Many women choose part-time work or exit paid employment due to care responsibilities. The high cost of child care, combined with the gender wage gap, means that leaving the workforce or reducing paid work hours to assume child-care responsibilities may make short-term fiscal sense for individuals or families—but it has long-term consequences for women’s lifetime earnings and financial security in old age. Minnesota women with children are more likely than women without children and men to work in part-time jobs.<sup>17</sup> Parenthood also impacts labor force participation rates, with women with children are more likely to be out of the labor force, compared to women without children and men (with or without children).<sup>18</sup>

**Part-time Minnesota Workers by Gender and Parental Status**



**Minnesota Labor Force Participation Rate by Gender and Parental Status**



CWGGPP analysis of American Community Survey, 2016-2020

CWGGPP analysis of American Community Survey, 2016-2020

## The Care Penalty

Part-time work and repeated exits result in lifetime earnings losses. Even with similar work experience and sociodemographic characteristics, women in part-time jobs earn about 20% less than women in full-time jobs in the US, suggesting that choosing a part-time job because of care responsibilities can reduce mother's lifetime earnings significantly.<sup>19</sup>

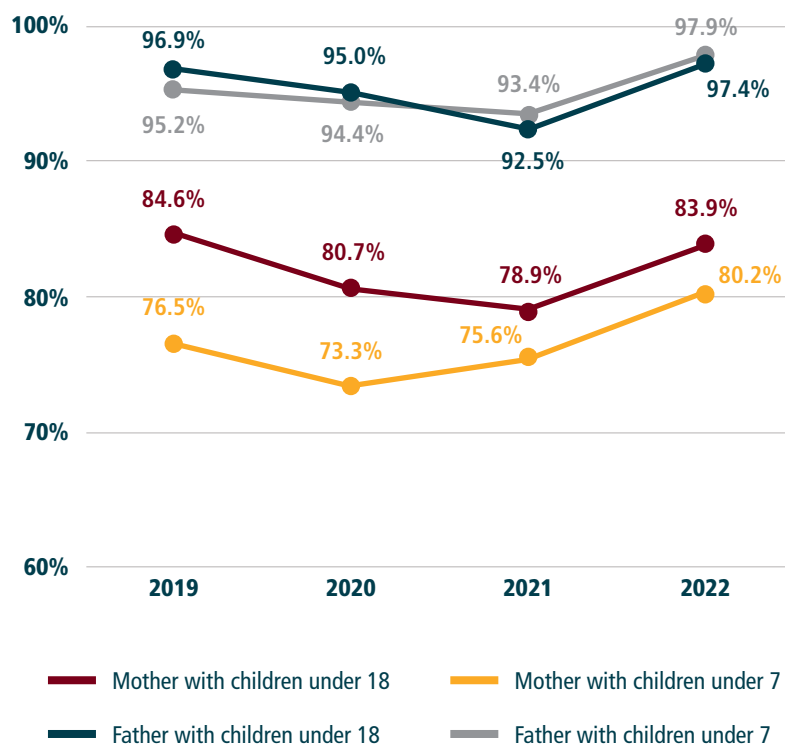
According to one study, women who took just one year off between 2001-2015 earned 39% less than women who did not take a labor break in that period. When averaged across those same 15 years, women overall earned 51% less than men.<sup>20</sup> These losses are amplified throughout women's working lives as they lose retirement benefits, wage growth, and opportunities for promotion and progression. We have calculated the unpaid care penalty for Minnesota women in our companion report, [Who Cares? A Fact Sheet](#) on Unpaid Carework in Minnesota.

### COVID-19 & Mothers Exit and Return to the Labor Force

The sudden increase in care burdens when schools and many child care centers closed due to COVID-19, led many Minnesota women to leave the workforce. Others left as businesses closed. In Minnesota, the sharpest drops in labor force participation were among women with children under seven. (For more detail see [COVID-19's Unequal Impacts on Minnesota Workers](#).)

While most women returned to work in 2022 as care options returned and employment opportunities surged, the gap will have lasting consequences for these women's lifetime earnings.

**COVID-19: Minnesota Labor Force Participation by Gender and Parental Status**



CWGPP analysis of American Community Survey, 2016-2020<sup>21</sup>

# Policies to Address the Gender Wage Gap

*Knowing the key drivers of the gender wage gap allows for tailored policy solutions.*

**De-segregate Occupations.** Male-dominant occupations pay better, and women and people of color are underrepresented within some of the highest-paying occupations in fields such as STEM.

- **Expand Minnesota’s comparative worth legislation to the private sector.** Minnesota requires state and local governments to ensure that jobs of similar skill, effort, responsibilities, and conditions are similarly compensated.<sup>22</sup> Expand this successful 1982 legislation to private employers.
- **Provide pathways for women to enter non-traditional fields.** Increase the effectiveness of the existing state grant program that seeks to increase the number of women in high-wage, high-demand, nontraditional occupations.<sup>23</sup> Direct all state job training programs to offer pathways for women to enter non-traditional fields.
- **Raise the minimum wage to a living wage.** Because female-dominated occupations are overrepresented in minimum wage jobs, raising the minimum wage can address occupational segregation. A living wage for an adult with one child in the Twin Cities is about \$37 an hour – far more than the 2023 state minimum wage for large employers of \$10.59 and the Minneapolis minimum wage of \$15.19 an hour.<sup>24</sup>

**Combat Discrimination.** In addition to enforcing existing state and federal discrimination laws, incentivize employers to avoid discrimination and offer employees tools to identify and confront it.

- **Prohibit employers from asking about previous wages.** When employers rely upon previous pay history to determine compensation, they can perpetuate gender pay gaps.
- **Institute wage transparency laws.** Minnesota statute should include the right to know the pay levels of workers doing the same work. Follow California, Colorado, and New York City by requiring employer disclosure of pay ranges for positions. Go beyond these states and include the right to know the pay levels of workers doing the same work. Finally, make employer gender pay gap reporting obligatory, as required in the European Union.<sup>25</sup>
- **Expand the MN Equal Pay Certificate.** To be in good standing for state contracts, the 2014 Women’s Economic Security Act requires large firms to obtain an Equal Pay Certificate, demonstrating pay equity in their firms.<sup>26</sup> Expand this certificate to smaller contractors, and market the certification to the public as a metric for choosing firms with whom to do business.

**Address Experience Deficits Caused by the Care Penalty.** Time spent on care instead of in the workforce drives gender wage gaps. We outline detailed policy proposals in [Who Cares?](#), to provide a stronger care infrastructure and to encourage men to share more responsibility for the care for children and other family members.



## Minnesota at a Glance

- In 2021, **Minnesota was the 22nd most populous state** in the U.S. with about 5.7 million residents. Females represent 49.9% of the state's population, and males 50.1%.<sup>31</sup>
- **Just over half of Minnesotans live in the Twin Cities metro area.** About 55.2% live in the Twin Cities metro and 44.8% in Greater Minnesota.<sup>32</sup>
- The percentage of Minnesota households with a **same-sex married couple** was 0.49%. Just over 8% of adults aged 18 and over identify as Lesbian, Gay, Bisexual or Transgender (LGBT).<sup>33</sup>
- Minnesota's **racial and ethnic composition** is 79% white and 21% non-white including 6.4% Black, 5.5% Latinx, 4.9% Asian, 3.4% other or multiple, and 0.9% Native American.<sup>34</sup>

## About the Fact Sheet

This fact sheet was prepared by Youngmin Chu, doctoral student at the Humphrey School of Public Affairs and Dr. Christina Ewig, Director of the Center on Women, Gender and Public Policy. It was made possible by financial support of the Carlson Family Foundation and the Humphrey School of Public Affairs.

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## Citations

- 1 CWGPP analysis of American Community Survey 2016-2020, "American Community Survey 5 Year Estimates" (extracted from IPUMS USA, University of Minnesota, 2022), <https://usa.ipums.org/usa/>.
- 2 CWGPP analysis of American Community Survey 2016-2020, "American Community Survey 5 Year Estimates." Average earnings of full-time year-round workers age 16 and over in Minnesota. We use the Bureau of Labor Statistics definition of full-time, year-round workers as all people 16 years old and over who usually worked 35 hours or more per week for 50 to 52 weeks.
- 3 National Women's Law Center, "Lifetime Wage Gap Losses for Women: 2021 State Rankings" (Washington, D.C.: National Women's Law Center, March 2021), <https://nwlc.org/wp-content/uploads/2021/03/Women-Overall-Lifetime-Losses-2021-v2.pdf>.
- 4 CWGPP analysis of American Community Survey 2016-2020, "American Community Survey 5 Year Estimates."
- 5 Christina Ewig et al., "2022 Status of Women & Girls in Minnesota" (Women's Foundation of Minnesota, Center on Women, Gender, and Public Policy, 2022), <https://www.hhh.umn.edu/sites/hhh.umn.edu/files/2022-10/WFMM-2022-Status-of-Women-Girls-in-MN.pdf>.
- 6 National Women's Law Center, "Lifetime Wage Gap Losses for Women: 2021 State Rankings."
- 7 In Minnesota, 19% of women have BA degrees compared to 17% of men, and 7% of women have Masters degrees compared to 5% of men. (CWGPP analysis of American Community Survey 2016-2020, "American Community Survey 5 Year Estimates.") For U.S. analysis see Francine D. Blau and Lawrence M. Kahn, "The Gender Wage Gap: Extent, Trends, and Explanations," *Journal of Economic Literature* 55, no. 3 (September 2017): 789–865, <https://doi.org/10.1257/jel.20160995>.
- 8 The numbers do not add up to 100% because other factors, such as education and unionization, reduce the gap. Blau and Kahn, "The Gender Wage Gap."
- 9 We define service occupations as the following major occupational groups based on the Standard Occupational Classification system used by the Bureau of Labor Statistics: Healthcare Support, Protective Service, Food Preparation and Serving, Building and Grounds Cleaning and Maintenance, and Personal Care and Service.
- 10 CWGPP analysis of American Community Survey 2016-2020, "American Community Survey 5 Year Estimates."
- 11 CWGPP analysis of American Community Survey 2016-2020. Latina/os make up 12% of food preparation and service workforce in the state, with 13% of Latina workers and 11% of Latino workers in this industry.
- 12 CWGPP analysis of American Community Survey 2016-2020; CWGPP analysis of Occupational Employment and Wage Statistics 2021, "Occupational Employment and Wage Statistics" (Bureau of Labor Statistics, Department of Labor, 2022), [www.bls.gov/oes](http://www.bls.gov/oes).
- 13 CWGPP analysis of American Community Survey 2016-2020, "American Community Survey 5 Year Estimates."
- 14 Wage rates from CWGPP analysis of American Community Survey 2016-2020; CWGPP analysis of Occupational Employment and Wage Statistics 2021, "Occupational Employment and Wage Statistics." Injury rates for direct care workers in 2020 were 414.3 cases per every 10,000 workers compared to 207.1 cases per every 10,000 construction laborers according to Bureau of Labor Statistics, "Injuries, Illnesses, and Fatalities Home : U.S. Bureau of Labor Statistics. Table R98 Detailed Occupation by Selected Natures (Rate).," 2020, <https://www.bls.gov/iif/ncf/nonfatal-injuries-and-illnesses-tables.htm#charts>.
- 15 We used 2016-2020 ACS data to calculate the proportion of female and white, educational level, and women's wages relative to men's by occupation. For hourly wage, we draw on 2021 Occupational Employment and Wage Statistics (OEWS). Only annual wage data are available for some occupations. In these cases, we divide mean annual wage with working hours a year (2,080 = 52 weeks \* 40 hours).
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- 21 We pool observations from January-May for the years 2019, 2021, and 2022 and March-May for 2020 (the height of the COVID-19 pandemic). The analysis includes only 25- to 54-year-old individuals in Minnesota. Children under 7 and 18 includes parents whose youngest child living in their household is 6 and under and 17 and under, respectively.
- 22 Faith Zwemke, Bonnie Watkins, and Nina Rothschild, "Pay Equity: The Minnesota Experience (6th Edition)" (Saint Paul, MN: Legislative Office on the Economic Status of Women, 2016).
- 23 Legislature of the State of Minnesota, "Women's Economic Security Act (WESA)" (2014), <https://www.revisor.mn.gov/laws/2014/0/Session+Law/Chapter/239/>; Office of Minnesota Attorney General Keith Ellison, "Report of the Minnesota Attorney General's Advisory Task Force on Expanding the Economic Security of Women" (Saint Paul, MN: Office of the Minnesota Attorney General, March 2022), 25, <https://www.ag.state.mn.us/Office/Initiatives/WESA/Taskforce.asp>.
- 24 Living wage is the hourly rate that an individual must earn to support themselves or their family. Living Wage Calculation for Hennepin County, Minnesota, <https://livingwage.mit.edu/counties/27053>
- 25 European Commission, "Commission Proposes Measures to Ensure Equal Pay," Text, European Commission - European Commission, March 4, 2021, [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_21\\_881](https://ec.europa.eu/commission/presscorner/detail/en/ip_21_881).
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- 29 U.S. Census Bureau, "New Household Pulse Survey Data Reveal Differences between LGBT and Non-LGBT Respondents During COVID-19 Pandemic," Census.gov, accessed July 15, 2022, <https://www.census.gov/library/stories/2021/11/census-bureau-survey-explores-sexual-orientation-and-gender-identity.html>.
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