

Report



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YOUNG MEN ARE STILL ECONOMICALLY BETTER OFF THAN YOUNG WOMEN

I. INTRODUCTION

Recent suggestions that young women may have surpassed young men in economic well-being seem to be affecting the political discourse about poverty. For example, John Edwards and Hillary Clinton singled out young men in their statements on what they would do about poverty if elected President, Edwards writing that “[w]elfare reform has helped reduce poverty rates among single mothers, but too many young men remain cut off from the hopes and routines of ordinary American life,”¹ and Clinton writing that “throughout this campaign I have been talking about the crisis of the 1.4 million young men of color in our country who are out of school and out of work.”²

The reality is that young women still trail young men in economic well-being, as this report details. Women can be harmed by the misimpression otherwise. This misimpression can lead to discrimination. In March 2007, Legal Momentum filed sex discrimination complaints against 34 “fatherhood” programs funded by the Bush Administration charging that these programs offered employment services to men that were not offered equally to women.³ This misimpression can also lead to policies that target resources only to groups that are disproportionately male. For example, some recent anti-poverty proposals have called for increases in federal Earned Income Tax Credit (EITC) earnings subsidies for low income non-custodial parents, who are mostly men, but not for increases in EITC subsidies for low income custodial parents, most of whom are single mothers. Yet there is a compelling case for EITC increases for both groups.

Legal Momentum has a long history of advancing public policies and fighting legal battles to improve poor women’s economic security, and we welcome a renewed focus on poverty by elected officials and advocacy groups. In hopes of advancing a comprehensive discussion, Legal Momentum analyzed U.S. Census Bureau data to focus on how young people of both sexes are faring in several key areas: economic circumstances, including employment and earnings; educational attainment; and single parenthood. This paper presents our findings.

II. HOW YOUNG WOMEN COMPARE TO YOUNG MEN

A. ECONOMIC CIRCUMSTANCES

Table 1 compares young women and men on ten measures of economic well-being. The statistics in this table, as well as in the other tables in this report, are the annual averages for those age 22 to 26 over the three year period covered by the U.S. Census Bureau Current Population Surveys (CPS) conducted in 2005, 2006, and 2007.⁴ (The CPS excludes those in prisons or other institutions.) All ten measures are worded so that the higher the number, the greater the well-being. The first column gives the women's amounts, the second column the men's amounts, and the third column the ratio of the men's amounts to the women's amounts. A ratio more than 1.00 indicates a greater average well-being for the men, and a ratio less than 1.00 indicates a greater average well-being for the women.

Young men are doing better than young women on all ten measures. They more often have a job, their incomes and earnings are higher, and they are less often poor. Particular results are described in detail below.

Table 1			
Economic Well-Being of Young Women and Men (Age 22-26)			
	Women	Men	ratio men amount to women amount
EMPLOYMENT			
Currently employed	68%	78%	1.14
Ever employed in prior year	76%	86%	1.13
Employed full-time year round prior year	41%	56%	1.36
EARNINGS			
Average earnings full-time year round earners	\$28,008	\$30,786	1.10
Average earnings all other earners	\$11,393	\$15,033	1.32
INCOME			
Average income	\$17,203	\$23,053	1.34
Income more than \$5,000	72%	83%	1.15
Income more than \$25,000	27%	38%	1.40
POVERTY STATUS			
Income above the poverty line	80%	87%	1.08
Income above half the poverty line	90%	94%	1.04

Employment

The CPS asks respondents both for their employment status at the time of the survey and for their employment history in the previous year. Compared to young women, young men are more likely to be currently employed, more likely to have been employed at least some time in the prior year, and more likely to have been employed full-time year round in the prior year.

Earnings

Annual earnings for young men who are employed full-time year round are about 10% higher than for young women who are employed full-time year round -- \$30,786 compared to \$28,008. Annual earnings for all other young men with earnings, which include part-time and/or part-year earners, are about 32% higher than for all other young women with earnings, \$15,033 compared to \$11,393.

Income and Poverty

Young men have an average income about one third higher than young women have. More women than men have a very low annual income of less than \$5,000, while more men than women have a “high” income over \$25,000.

The United States has an official poverty line that is used to calculate the number of persons officially considered to be poor.⁵ In 2006, the poverty line was \$10,924 for an individual, \$13,167 for a family of 2, and \$16,079 for a family of 3. Many poverty experts believe that the official poverty line is much too low because it has not been adjusted except for inflation in over 40 years.

Poverty rates are higher for young women than for young men, in part because their incomes are lower, and in part because they are more likely to be single custodial parents with children dependent on their income as well. While 87% of young men are not poor, only 80% of young women are not poor. One in ten young women, compared to one in seventeen young men, has an income less than half the official poverty standard, the income level typically deemed as representing extreme poverty.

B. EDUCATIONAL ATTAINMENT

Table 2		
Educational Attainment of Young Women And Men (Age 22-26)		
	Women	Men
Not a High School Graduate	11%	15%
High School Graduate (no college degree)	54%	59%
College Graduate	34%	26%

Table 2 compares the educational attainment of young women and men. Educational attainment levels are more positive for young women than for young men: 11% of the women and 15% of the men have not completed high school; 54% of the women and 59% of the men have a high school degree but no college degree; 34% of the women and 26% of the men have a college degree (including those with only an Associate Degree).

However, although fewer are high school dropouts and more have college degrees, young women still earn less than young men. The earnings increase associated with their superior educational attainment is more than offset by the earnings decrease associated with their gender. As shown in Table 3, at each level of educational attainment young men earn more than young women. So long as men continue to out earn women at the same education level, women will have to achieve higher educational levels in order to achieve earnings parity.⁶

Table 3			
Average Earnings of Full-time, Year Round Earners: Young Women Compared to Young Men (Age 22-26)			
	Women	Men	ratio men's earnings to women's earnings
All	\$28,008	\$30,786	1.10
Not a High School Graduate	\$18,517	\$22,341	1.21
High School Graduate only	\$22,518	\$28,082	1.25
Bachelor's degree or higher	\$37,070	\$43,108	1.16

C. SINGLE PARENTHOOD

Social welfare policies in the United States make it difficult for parents, and especially single parents, to achieve economic security and a fair balance between employment and family. Unlike most rich countries, the United States does not have a children’s allowance program, meaning a public program that provides cash subsidies to parents to help offset the cost of raising children. Many jobs don’t pay enough for parents to afford decent child care, and subsidized child care is available only to a small fraction of parents. There is no federal requirement for employers to provide paid vacation or sick days, or paid time off to care for sick children. Parents who cannot find a job must turn to a demeaning and miserly welfare system.

Among women age 20 to 24, almost one of every seven (14%) is a single custodial parent. Only 2% of men in this age group are single custodial parents.⁷

III. YOUNG WOMEN AND MEN OF COLOR

A. ECONOMIC CIRCUMSTANCES

Just as young women as a group trail young men as a group on key measures of economic well-being, young women of color generally also trail young men of color on those measures. Table 4 compares young Hispanic women to young Hispanic men, and young (non-Hispanic) Black women to young (non-Hispanic) Black men on the same ten measures of economic well-being used in Table 1. In each comparison, the first column gives the women’s

amounts, the second column the men's amounts, and the third column the ratio of the men's amounts to the women's amounts. A ratio more than 1.00 indicates a greater average well-being for the men, and a ratio less than 1.00 indicates a greater average well-being for the women.

Young Hispanic women trail young Hispanic men on all ten measures. They are much less likely to be currently employed, and much more likely to have been jobless the entire prior year. Young Hispanic women who are employed earn less than young Hispanic men. Young Hispanic women have lower average incomes and they are more likely than young Hispanic men both to be poor and to be extremely poor.

Young Black men are doing better than young Black women on seven of the ten measures of economic well-being. Their incomes are higher, their earnings are higher, and they are less likely to be poor or to be extremely poor.

Young Black women are doing slightly better than young Black men on three of the measures: a current employment rate of 64% compared to 62% for the men; an ever employed in the prior year rate of 74% compared to 72% for the men; and a 71% rate of annual income above \$5,000 compared to a 70% rate for the men.

Table 4
Economic Well Being of Young Women and Men of Color (Age 22-26)

	Hispanic Women	Hispanic Men	ratio men amount to women amount		Black Women	Black Men	ratio men amount to women amount
EMPLOYMENT							
Currently employed	59%	84%	1.42		64%	62%	0.97
Ever employed in prior year	65%	88%	1.36		74%	72%	0.98
Employed full-time year round prior year	36%	63%	1.75		40%	43%	1.08
EARNINGS							
Average earnings full-time year round earners	\$23,566	\$24,998	1.06		\$26,147	\$27,174	1.04
Average earnings all other earners	\$10,256	\$14,816	1.44		\$9,710	\$13,143	1.35
INCOME							
Average income	\$12,493	\$20,053	1.61		\$15,553	\$16,758	1.08
Income more than \$5,000	60%	85%	1.41		71%	70%	0.98
Income more than \$25,000	17%	31%	1.87		23%	28%	1.22
POVERTY STATUS							
Income above the poverty line	75%	84%	1.12		69%	79%	1.15
Income above half the poverty line	88%	94%	1.07		84%	90%	1.07

B. EDUCATIONAL ATTAINMENT

Table 5 compares the educational attainment of young women and men of color. Educational attainment levels are more positive for young Hispanic women than for young Hispanic men: 17% of the Hispanic women but only 10% of the Hispanic men have a college degree; 38% of the Hispanic men but only 29% of the Hispanic women have not completed high school. Likewise, educational attainment levels are more positive for young Black women than

for young Black men: 24% of the Black women but only 16% of the Black men have a college degree; 16% of the Black men but only 13% of the Black women have not completed high school.

	Hispanic Women	Hispanic Men		Black Women	Black Men
Not High School Grad	29%	38%		13%	16%
High School Grad only	54%	52%		64%	68%
College Grad	17%	10%		24%	16%

However, although fewer are high school dropouts and more have college degrees, young women of color still earn less than young men of color. The earnings increase associated with their superior educational attainment is more than offset by the earnings decrease associated with their gender. As shown in Table 6, at each level of educational attainment young Hispanic men earn more than young Hispanic women, and young Black men earn more than young Black women.

	Hispanic Women	Hispanic Men	ratio men amount to women amount		Black Women	Black Men	ratio men amount to women amount
All	\$23,556	\$24,988	1.06		\$26,147	\$27,174	1.04
Not a High School Grad	\$17,324	\$20,612	1.19		\$18,369	\$19,214	1.05
High School Grad only	\$21,778	\$24,806	1.14		\$22,044	\$25,011	1.13
Bachelor's degree or more	\$34,499	\$41,928	1.22		\$36,016	\$37,770	1.05

C. SINGLE PARENTHOOD

Young Hispanic women are much more likely to be single custodial parents than young Hispanic men. Among those age 20 to 24, 15% of the Hispanic women but only 2% of the Hispanic men are single custodial parents. Similarly, young Black women are much more likely to be single custodial parents than young Black men. Among those age 20 to 24, 27% of the Black women but only 2% of the Black men are single custodial parents.

IV. CONCLUSION

As this analysis reveals, young men as a group are still better off economically than young women as a group. The comparison provides no support for policies that discriminate against women or that target new government anti-poverty aid only to groups that are disproportionately male.

¹ John Edwards, *Building One America*, 1 Pathways 8, 9 (Winter 2008), available at <http://www.pewcenteronthestates.org/uploadedFiles/One%20in%20100.pdf>.

² Hillary Clinton, *Pragmatic Solutions for Reducing Poverty and Inequality*, 1 Pathways 11, 12 (Winter 2008).

³ The complaints were filed with the U.S. Department of Health and Human Services, and are still under investigation. Detailed information about the complaints is available at http://legalmomentum.org/legalmomentum/inthecourts/currentandrecentcases/2007/03/legal_momentum_and_now_file_co.php

⁴ All table statistics were calculated by the author using the CPS Table Creator found at http://www.census.gov/hhes/www/cpstc/cps_table_creator.html.

⁵ For a detailed comparison of women's poverty to men's poverty, see the Legal Momentum annual poverty reports available at http://www.legalmomentum.org/legalmomentum/issues/womenspoverty/annual_poverty_reports/

⁶ For a more detailed discussion of the effect of education on the gender pay gap, see the Legal Momentum report *Women: Now Learning More, But Still Earning Less* (Oct. 2007), available at http://legalmomentum.org/legalmomentum/files/lm_genderpaygapreport.pdf

⁷ All the single parent rates cited in this report were calculated by the author using: 1) the number of single parents reported in the Census Bureau FG5 tables for "America's Families and Living Arrangements: 2006" found at <http://www.census.gov/population/www/socdemo/hh-fam/cps2006.html>; and 2) the total population figures in the Census Bureau "annual estimates" tables for 2006 for "National Sex, Age, Race, and Hispanic Origin" found at <http://www.census.gov/popest/national/asrh/NC-EST2006-asrh.html>.

Founded in 1970 as NOW Legal Defense and Education Fund, Legal Momentum is the nation's oldest legal advocacy organization dedicated to advancing the rights of women and girls. Legal Momentum is a leader in establishing litigation and public policy strategies to secure equality and justice for women. Legal Momentum occupies a unique position as a multi-issue organization dedicated solely to women's rights. Its strategic litigation, advocacy, and public education programs use the power of law to open opportunities for women and ensure that all women can build safe and economically secure lives for themselves and their families.