

Economic and Pay Equity Subcommittee

“The Cash Queens”

Final Recommendations & Report

The Hamilton County Commission on Women and Girls launched in January 2018 at the direction of County Commissioner Denise Driehaus with the intention of evaluating key issues affecting the quality of life, prosperity, and safety of women and girls in our community. Our subcommittee focused on economic and pay disparities that women and girls continually face and struggle to overcome in Hamilton County.

Our members self-selected this subcommittee and contributed a variety of perspectives and experiences:

- An African-American single mother who intimately knows the intersectionality of race and gender as it relates to obstacles for compensation parity and professional advancement.
- A corporate executive who has fiercely climbed the ladder at a local Fortune 100 company despite obstacles she has encountered due to her gender.
- A lesbian academic administrator who is acutely aware of discrepancies in compensation and benefits compared to her male counterparts in administration.
- A single professional who must rely on herself to provide for her future and retirement and is therefore focused on personal wealth and receiving the same opportunities as male peers.
- A Cincinnati high school student who has heard first-hand from her aunt about pay disparities and professional disadvantages due to gender.

While our subcommittee members walk different journeys in life, our shared commitment to advancing initiatives for women has brought us together with a common mission. Since officially convening in January as the “Cash Queens” subcommittee, we have completed a comprehensive research initiative evaluating the status of economic and pay equity for women and girls in Hamilton County, and several critical suggestions emerged that could help lead to parity in our community. We consulted with an economic expert at the UC Economics Center and evaluated research sponsored by The Women’s Fund at the Greater Cincinnati Foundation. One of our subcommittee members reached out to a local human resources trade organization to see if the industry was engaged with any efforts related to pay equity. A subcommittee member interviewed a women’s studies professor to get a historic perspective on this dynamic. We interviewed many, many women. Story after story recounted instances of pay discrepancies between female and male colleagues, occasions in which women were passed over for professional advancement because of their gender, and shocking accounts in which women were not offered the same bonus incentives as male counterparts. We discovered that in real and tangible ways,

this issue is affecting every woman you know – including your mother, your sister, your daughter, and your colleague.

The women we interviewed were generous with their time and transparency. But by in large, we discovered that others – human resources professionals, employers, and others in positions of authority – do not want to talk about this issue.

This is the focus of our subcommittee’s primary recommendation: to propose and support strategies that open a community dialogue about this issue and incentivize local employers to begin addressing it.

I. The Issue – A Baseline Perspective

Whether they know it or not, nearly every woman in Hamilton County is facing a series of challenges regarding economic and pay equity. By the year 2020, four in seven women in Greater Cincinnati are projected to work in occupations with a median wage that is inadequate to support a woman with one child without public assistance. A single parent with two children must earn around \$45,000 a year to cover basic family expenses. That’s equal to a full-time job earning \$22 an hour – nearly three times higher than the state’s minimum wage of \$8.30. And an alarming discovery involves the Cliff Effect, in which a woman is penalized with a loss of public assistance benefits when receiving a marginal raise. For example, if a woman receives a 90-cent raise and goes from making \$16.49 an hour to \$17.39 an hour, she will receive an annual raise of \$1,872 but loses public assistance benefits for childcare, leading to a net increase in costs of \$11,903. This cliff effect is especially pervasive within minority communities.

THE CLIFF EFFECT

<p>The Good News:</p> <p>A single mother receives a raise of 90¢ an hour</p> <p>The raise leads to an increase from \$16.49 an hour to \$17.39 an hour</p> <p>And an annual INCREASE of \$1872</p>	<p>The Bad News:</p> <p>The single mother loses her CHILDCARE BENEFITS</p> <p>And childcare costs will now be \$14,928</p> <p>Resulting in a net increase in COSTS of \$11,903</p>
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**Example based on a single mother with a preschooler and a school-aged child
From The Women’s Fund PULSE Briefing: Women, Poverty, and Cliffs – August 15, 2012*

A member of our subcommittee interviewed Chris Nicak, the associate director of research at the UC Economics Center, which executed the economic pay study championed by The Women’s Fund. Nicak says that pay disparities exist even at the top echelons of professional achievement, including male and female doctors. Some of this

disparity is tied to self-selection of professions – a female may choose to go into pediatrics while a male may select orthopedic surgery – but that self-selectivity does not account for all pay disparity.

Nicak says that women should, in many cases, be compensated more than men in cases where women are more educated and better qualified than their male peers in the same job, which is a common occurrence. Male employees are rewarded with higher compensation when they have children, while females are penalized. Nicak suggested that one key way to improve wage parity is to advocate for paternity leave, indicating to society that both genders can take time off when a child is born.

Nationally, other resources are researching the dynamics of economic and pay equity. **The National Women's Law Center says that white women who work full time make 78 cents on the dollar compared to their male counterparts.** Intersectionality, defined as the interconnected nature of social categorizations such as race, class, and gender, creates overlapping and interdependent systems of discrimination or disadvantage. The intersectionality of economic and pay disparity reveals an even bleaker perspective when we evaluate wage disparities through the intersection of gender and race.

Black women make 64 cents on the dollar, and Latina women make 56 cents on the dollar compared to a white man. Education is not necessarily the great equalizer. As educational attainment increases, the gap between the actual hourly wage of men and women grows larger, doubling from high school to advanced degrees.

We interviewed Dr. Amy C. Lind, the Mary Ellen Heintz Professor and Department Head for the Department of Women's, Gender, and Sexuality Studies at the University of Cincinnati. Dr. Lind says the intersectionality of gender and race is a critical issue for Greater Cincinnati, especially regarding economic and pay equity. She suggests that life is very different for black women in our region than it is for white women. Dr. Lind says the so-called feminization of poverty reveals that women who are poor, especially single mothers, are the poorest of the poor. The previously described Cliff Effect further exacerbates the challenges of poverty, which is racialized in segregated cities like Cincinnati, where more African Americans are living in poverty versus white people, relative to the total population of the community.

Collectively, this dynamic of pay inequity presents a hidden impact on several fronts:

- Women are carrying more debt than their male counterparts.
- Women do not have the opportunity to create as much wealth, including buying homes and saving for retirement.
- Women experience pay inequity early in their careers and spend the rest of their professional ascent struggling to overcome that inequity. While they receive raises and bonus compensation, their male peers do too, at greater levels.
- Women face setbacks for taking maternity leave or exiting the workforce to provide childcare.

- Women have fewer resources to pursue entrepreneurial ventures, with investors and other financial backers revealing gender bias when meeting female business owners.
- Pay inequity is present in female-dominated professions like teaching and nursing, but it is also widespread in corporate America – including law firms, banks, and even the CEO suite.

II. Findings from Community Feedback – No One Wants to Publicly Discuss This

Our subcommittee's interviews with community members revealed several findings that were disheartening, disappointing, and discouraging. In addition to the UC Economics Center and Women's Studies experts referenced above, our subcommittee conducted interviews with women in both the for-profit and non-profit sectors; almost every woman across both sectors acknowledged she, or someone close to her, had directly experienced the impact of gender-based economic and pay disparity. Our sources revealed that the implications of pay disparities reach far beyond the paycheck.

Many interview subjects mentioned they were concerned about discussing this publicly for fear of being labeled a troublemaker or facing professional retribution. Some of our sources involve local CEOs, senior executives, and civic leaders who want to remain private about their experiences; we are keeping our sources anonymous out of respect for their privacy and confidentiality.

- One source working in the insurance industry revealed a \$25,000 pay gap between herself and a male co-worker. Another woman working in the non-profit sector discovered a \$13,000 pay gap between herself and a male coworker who had less experience and served in a junior position. Both women mentioned the implications these pay gaps will have regarding their retirement.
- One of our members interviewed the president of a local human resources organization who said she could not remember any training her organization had provided its members related to pay equity. She acknowledged this is an issue, but stated it is difficult for companies to address because "the size of the organization matters." Pay disparity seems to be the issue that no one wants to talk about because, if it is recognized as a problem at the organizational level, there may be a resulting pressure to address the problem.
- We talked to a female professor who says the wage gap is still very much an issue within academic circles, even after publicized cases of professors discovering pay disparities. This professor says the "Old Boys" network is still alive and well at colleges in Greater Cincinnati with male professors socializing exclusively and making decisions that professionally exclude female peers.

- We talked to another professional in academics who revealed that in the 1960s and 1970s, men working at the university were given stipends for cigarettes as part of their compensation. This female professional asked university administration officials for an equivalent stipend to save for retirement but was denied this benefit. And while interviewing for a position with the university, officials said she was only being considered for the role because they could offer her a lower compensation as a woman.

III. **Our Recommendations**

Our subcommittee explored a variety of recommendations intended on accomplishing three goals:

- How might we improve employers' understanding of pay disparity in Hamilton County and inspire action?
- How might we get female-focused organizations to commit to "walking the walk" within their own organizations, eliminating pay disparity?
- How might we eliminate the pay disparity for all women?
 - 78 cents per dollar for white women
 - 64 cents per dollar for black women
 - 56 cents per dollar for Latina women

In using these goals to guide our strategic direction, we explored initiatives related to policy, programs, publicity campaigns, and community engagement. We divided these strategies into a continuum of simpler initiatives called "The Walk," and more complicated initiatives called "The Hike." We are confident that while these efforts are challenging, they offer even greater potential for pay equity for every female in Hamilton County. We offer the recommendations below with the sincere belief that these strategies combined can be a catalyst for real change in improving the lives of every woman and girl in our community.

Recommendation

4. Our community would benefit from a public relations campaign to highlight positive stories from employers who adopt gender-based pay equity practices. This could take the form of a partnership with private businesses and nonprofits or as an initiative of an advocacy group or chamber of commerce.

As previously described in this report, our subcommittee discovered that economic and pay equity is an issue that few people want to discuss – whether those people involve women who have directly experienced disparity, or they are HR professionals or other

corporate leaders who are hesitant to acknowledge the dynamic out of concerns they would be obligated to begin addressing it.

We suggest that a strategy focused on raising awareness would help bring this issue to light and introduce it to the broader community conversation. This suggestion intends to improve understanding about this issue and begin to inspire action within corporate circles and publicly recognize companies who are already making strides to eradicate pay disparity.

Our group believes this strategy would best be championed by a community partner like the Cincinnati USA Regional Chamber of Commerce or another public-private partnership.

Recommendation

- 3.** Hamilton County should create incentives for businesses to adopt compensation practices that help eliminate pay disparities. The County could incentivize this behavior through the tax incentive packages developed by the Hamilton County Development Corporation to attract and retain businesses, or through developing purchasing policies to incentivize county contractors.

Our subcommittee acknowledges that some employers may initially demonstrate hesitation to address any gender-based economic and pay disparities at work within their professional footprint. With that acknowledgement, we suggest a nominal tax incentive that would assist employers in instituting financial initiatives that create parity between similarly educated, experienced, and qualified male and female employees.

We recommend that this tax incentive could either be offered by Hamilton County through the Hamilton County Development Corporation, the City of Cincinnati – the municipality in our region with the highest concentration of jobs, or the 48 other political jurisdictions within Hamilton County.

We also suggest that employers cease asking prospective employees about their prior compensation levels. When an employer asks a female candidate about their compensation history, the employer relies on data reflecting pay disparities to formulate their own proposed compensation level. This practice preserves the pay disparity a female candidate has experience and has the potential to compound that disparity. Rather than inquiring about prior compensation levels, employers should establish pay scales for open positions independently and based on the requirements of the role and the qualifications of a prospective candidate.

Our group proposes that this recommendation could be executed via two different strategies: Hamilton County could incentivize companies conducting business with the County to adopt this practice; or home rule political jurisdiction, like the City of Cincinnati could legislate this practice.

Our subcommittee also suggests that employers demonstrate more transparency about compensation and benefits for open positions. This is already a best practice that is already demonstrated by organizations within the public sector, including municipalities, universities, and organizations receiving public funds. We believe that the County and its affiliates could also compel companies to demonstrate compensation transparency to conduct business within Hamilton County.

The “Cash Queens” subcommittee appreciates the opportunity to serve all citizens of Hamilton County, but we are especially honored to champion initiatives that intend to improve the quality of life for women and girls who live and work here. We thank every source who spent time supporting our research and are especially grateful for their transparency and candor regarding their personal journeys as women experiencing economic and pay disparities. We also thank the Hamilton County Commissioners for reviewing this report and supporting the Commission’s work.

Respectfully Submitted,

Economic and Pay Equity Subcommittee

“The Cash Queens”

Katy Crossen, Woman Chair

Mia Huber, Girl Chair

Desiré Bennett

Terri Holden

Andrea Poling