

# The State of Women of Color in the United States

Although They've Made Incredible Strides, Many Barriers Remain for This Growing Population

Sophia Kerby July 17, 2012

# Introduction

The role of women of color in shaping our country's economic and political climate is becoming increasingly significant as national demographic trends continue to shift toward women of color becoming the majority among all women. Today women of color comprise 36.3 percent of our nation's female population and approximately 18 percent of the entire U.S. population. And by 2050 there will be no racial or ethnic majority among the general population of the United States. As our country rapidly grows more diverse, women of color are consequently a growing demographic.

But women of color today are largely underrepresented in the national debate on key issues, including reproductive health care, women's rights, and the economy—despite the direct impact these issues have on their families and communities. In fact, women of color have a lot at stake in the policy decisions being made, especially relating to jobs, the economy, and health care, because they are most likely to benefit from reforms intended to equalize opportunity for all Americans.

To be sure, women of color have made incredible strides in educational attainment and in the workplace—especially in entrepreneurship—yet their earnings and net wealth still pale in comparison to white women. They also lag behind in political leadership positions and still face unique health disparities. So their voices are critical to shaping the policies that affect their lives.

This issue brief examines the state of women of color in the United States at large in regards to four key areas: the workplace wage gap, health, educational attainment, and political leadership. While conversations in the mainstream media would suggest that women of color are a monolithic entity, it is important to note that women of color are a diverse group with a variety of experiences. We offer specific data points on various

racial and ethnic groups where available as we present the issues of greatest importance to women of color today, but remember that data are not always available for direct comparisons of different groups of women of color compared to their white counterparts.

# The workplace wage gap

While women of color have made significant strides in the workforce over the past decade, they still face unique employment barriers that harm their economic security. Despite efforts to lessen its effects, a significant pay gap still exists between men and women. And the gap is more pronounced among women of color: While women overall make 77 cents for every dollar the average white male makes, black women and Hispanic women only make 70 cents and 61 cents, respectively. The gender-based wage gap uniquely harms women of color who face greater occupational segmentation, even lower wages, and punishingly higher rates of unemployment than white women.

Women of color currently make up about <u>33 percent</u> of the female workforce and are twice as likely as their white female counterparts to be employed in lower-wage sectors such as the service industry. Not surprisingly, then, the earnings of women of color continue to lag behind their white counterparts. The wage disparity limits women of color from obtaining economic security by depressing their lifetime earnings: Estimates show that women lose an <u>average of \$434,000</u> in their lifetime from the gender-based wage gap, and women of color are hit harder by this loss because they have lower-wage jobs and higher rates of unemployment.

Additionally, women of color also experience lower median weekly earnings, higher rates of poverty, and greater unemployment. In comparison to white women, whose median usual weekly earnings are \$703, black women only earn \$595 and Latina women just \$518. Women of color also report living in poverty at much higher rates: In 2008 poverty rates among women were more than double for women of color compared to white women. The poverty rate of white, non-Hispanic women is 10.3 percent, compared to American Indian women and black women who had the highest poverty rates at 27.6 percent and 26.6 percent, respectively.

Black and Latina women are also disproportionately unemployed. During the first quarter of 2012, black and Latina women saw <u>rates of unemployment</u> at 13.3 percent and 11.4 percent, respectively, which were much higher than the 7.2 percent unemployment rate for white women.

If these trends continue, women of color will be left behind and their families and communities will be adversely affected, especially as more women become breadwinners—earning either as much or more than their husbands—in their households. According to a recent <u>CAP report</u>, in Hispanic households about 4 in 10 working wives were bread-

winners in 2010—nearly double the rate in 1975. And among black households, more than half (53.3 percent) of working wives were breadwinners. As women continue to be providers, eliminating the pay gap is crucial for these communities to prosper.

## Occupational segmentation

One obvious reason for this workplace wage gap is that discrimination and labor segmentation over the years has restricted women to low-income jobs. In fact, women are three times more likely to work in administrative positions and are overrepresented in lower-paying occupations of the professional sector such as education and health care. In 2007 less than 15 percent of women were employed in management, business, and financial operations occupations.

In communities of color the labor segmentation becomes even more apparent. In 2007 only <u>5.6 percent</u> of black women and <u>4.8 percent</u> of Latina women were in management positions. The service industry was the most common occupation for black and Latina women, at 27 percent and 30 percent, respectively. And the health care industry is the largest employer for Asian American and Pacific Islander women.

Women of color are underrepresented in professional and managerial positions and face significant barriers in transitioning out of low-wage jobs. Some of the barriers that hinder women of color from advancing are lower levels of educational attainment—as explored in more detail later in this issue brief—and lack of workforce training.

## Business ownership

One area where women of color have made significant progress, however, is in entrepreneurism. Businesses owned by women of color play a key role in the current marketplace. Currently 1.9 million firms are majority owned by women of color, generating \$165 billion in annual revenue and employing 1.2 million people.

Latina-owned businesses are the <u>fastest-growing segment</u> of the women-owned business market, and are starting up at <u>six times the national average</u>. Currently, 1 in 10 of all women-owned businesses are owned by Latinas. Across the country, Latina-owned businesses have total receipts of <u>\$55.7 billion</u> and total receipts have grown by <u>57.8 percent</u> since 2002.

African American women are also pioneers in the business world. According to the Center for Women's Business Research, black women are starting businesses at three to five times the rate of all businesses. Despite facing financial obstacles companies started by African American women grew nearly <u>67 percent</u> between 2002 and 2007

#### Health

Women of color have disproportionately higher rates of diabetes, obesity, heart disease, hypertension, and certain forms of cancer, and also have increased mortality rates for certain forms of cancer. While white women are more likely to have breast cancer, black women have higher mortality rates from breast cancer. Every year, for example, 1,722 African American women die from breast cancer—an average of five African American women per day. There are also higher death rates from cervical cancer among older Hispanic women, Asian American women, and American Indian/Alaska Native women than among white women.

Increased coverage will reduce these disparities by improving access to adequate health insurance and health care for women of color. Let's look at each of these areas in turn.

#### Insurance coverage

While women of color represent 36.3 percent of the U.S. female population, they account for 53.2 percent of uninsured women, with Hispanics having the highest uninsured rates across all other racial and ethnic groups. Insurance coverage provides women with increased access to preventive health care that will significantly help reduce the onset of certain diseases that disproportionately affect women of color, such as diabetes, obesity, heart disease, and breast cancer.

An estimated 5.5 million African Americans, 6.1 million Latinos, 2.7 million Asians, and 300,000 Native Americans—many of them women—are currently receiving expanded preventive service coverage under the Affordable Care Act. According to a report by the Kaiser Family Foundation, 31 percent of Native American women and 20 percent of Asian Pacific Islander women lacked insurance coverage in 2006. Increased insurance coverage under Obamacare will reduce health disparities among women of color and provide adequate health services to these women.

#### Medicaid

More than 50 million people <u>are currently</u> enrolled in Medicaid—the joint federal-state health insurance program for the poor—and women <u>represent</u> more than two-thirds of the adults who receive it. Nearly <u>60 percent</u> of children participating in Medicaid are from communities of color. Since women of color are disproportionately represented in low-wage jobs, they often do not have access to employer-sponsored health insurance.

In 2010, 28 percent of African Americans relied on Medicaid compared to 11 percent of non-Hispanic whites. As many as 9 million low-income Latinos will gain health care coverage due to the expanded Medicaid eligibility under Obamacare.

# Family planning

Women of color have historically had substandard health care and education, which has often led to higher rates of unplanned pregnancies. Disparities in reproductive health have caused Latina women to experience unintended pregnancies at double the rate of white women, and African American women experience unintended pregnancies at three times the rate.

Due to unequal pay and high unemployment rates among women of color, high costs often deny many of these women access to contraception. Removing the financial hurdles to obtaining contraception will grant women of color access to this vital health service.

### Educational attainment

While college tuition continues to skyrocket, it's well known that postsecondary education is linked to future economic prosperity. This makes it that much more important that more communities of color attain college degrees at higher rates. Women of color have seen the most advances in educational attainment as women among most racial and ethnic groups are receiving degrees at higher rates than men.

But women of color continue to experience setbacks in breaking into more lucrative fields such as math and science, face financial difficulties, and have lower completion rates in comparison to white women. In 2010, 30 percent of white women had a college degree or higher, compared to 21.4 percent of black women and a mere 14.9 percent of Hispanic women.

Additionally, while women of color have steadily progressed in postsecondary education, those efforts do not always translate into equal earnings later down the road. According to Census data in regards to work-life earnings, regardless of degree obtained white women make more than black and Hispanic women among full-time, year-round workers.

# College enrollment and completion

As our nation's demographics continue to change, it's imperative that attaining a college degree becomes a priority among women of color. Financial instability and fewer resources and opportunities are just some of the barriers that women of color face in postsecondary education. Below are some key points highlighting the advances and challenges for women of color in postsecondary education.

- Women of color are disproportionately represented among low-income students. A report by the Center for Women Policy Studies find that more than one-third—34.9 percent—of all women students are low income, but more than half of African American women students (52.6 percent) and Latina students (50.8 percent) are low income.
- Despite progress, women of color are the most underrepresented in science. In a 2010 Bayer Corporation study, 77 percent of those polled noted that "women and underrepresented minorities are missing from the U.S. STEM [science, technology, engineering, and math] workforce."
- Women of color have a higher percentage of college completion. In the 2008-09 school year, women of color generally earned a greater share of college degrees compared to their male counterparts than white, non-Hispanic women.
- Women of color continue to make strides in advanced studies. The number of master's degrees earned by women of color doubled from 1997 to 2007, and the number of doctoral degrees they earned increased by 63 percent over the same time period.

Women of color have made significant strides in completing college at higher rates and obtaining advanced degrees in higher numbers, but lower completion rates than white women and financial barriers continue to hinder their full potential, particularly among Latinos—the fastest-growing population—who continue to have the lowest educational attainment levels.

## Political leadership

Although women of color have made substantial advances in the workforce, business, and educational attainment, this group continues to be greatly underrepresented in positions of power in government. Women currently comprise only 17 percent of Congress, and the numbers are particularly bleak for women of color.

Of the 90 women serving in the current 112th U.S. Congress, women of color comprise only 27 percent. Women of color are completely absent in the Senate, and only 24 currently serve in the House of Representatives. Of those serving in the House, more than half (13) are African American women, less than one-third (7) are Latinas, and only two are Asian Pacific Islanders. A Native American woman has never served in Congress.

Women face unique barriers in running for office. Studies show that women are less likely to be encouraged to run for office and the demands of child care and household tasks hinder women. Below are some of the key facts highlighting the lack of representation of women of color serving in political office:

- There are even fewer women of color serving as statewide elective executives—such as governor, lieutenant governor, or attorney general—than in Congress. Women of color comprise 14.9 percent of female state elective executives, including the first two women of color to serve as governors—Gov. Nikki Haley (R-SC) and Gov. Susana Martinez (R-NM).
- State legislatures are even less representative of our current demographics. Of the 1,749 women in state legislatures, women of color represent 20.1 percent of the female state legislators and 4.8 percent of the total state legislators.
- There are currently no women of color in the Senate. The only woman of color to serve in the Senate was Carol Moseley Braun (D-IL), an African American who served from 1993 to 1999.
- In the nation's 100 largest cities, only two women of color are currently serving as mayors. Previously only eight women of color have served—seven African American women and one Latina.

### Conclusion

Women of color are a key growing demographic in the United States, representing 36.3 percent of the country's female population today and about 18 percent of the entire U.S. population. As women of color continue to shape our political and economic climate, it's imperative to acknowledge that they are not a monolithic entity.

As stated above, women of color have different experiences in the workforce and political leadership. Each demographic faces different health disparities and advances in educational attainment, making it that much more important that we acknowledge their diverse perspectives, particularly in the national discourse on issues directly impacting their families and communities.

Sophia Kerby is the Special Assistant for Progress 2050 at the Center for American Progress.