

# Women, Work and Wages in Mecklenburg County:

An Economic Impact Assessment  
February 2008

## EXECUTIVE SUMMARY

Prepared by:

**Harrison S. Campbell, Jr.**

Associate Professor of Geography  
University of North Carolina at Charlotte

Prepared for:

**Charlotte-Mecklenburg Women's Summit**

The primary purpose of this report is to estimate the economic impact of equalizing male-female workforce differences in Mecklenburg County, North Carolina. The report addresses two major questions:

- If women living in Mecklenburg County received the same earnings from work as men, how much more earnings would they realize and what economic impact would it have on the county? And
- If women living in Mecklenburg County participated in the labor force at the same rate as men, how much more additional earnings would accrue to them, and what impact would it have on the county economy?

Motivated and patterned after a similar statewide report performed in South Carolina, we find that although women in Mecklenburg fare better in the labor market than state or national averages, male-female differences in the labor market persist. Removing these barriers and inequalities would have a significant impact on women and the Mecklenburg economy.

A brief profile of working women in Mecklenburg County reveals:

- Among full-time wage earners in 2005, women had median earnings of \$34,171 compared with men's median earnings of \$45,048. Therefore, women's earnings were 76 percent of men's median earnings (i.e. 24 percent lower).
- Women's labor force participation, though rising, is still well below that of men. In 2005, women in Mecklenburg had a labor force participation rate of 66.9 percent versus 81.8 percent for men.
- Overall, women, especially African American women, had lower rates of educational attainment than men which contribute to higher overall rates of poverty in the female population.

- Women's lower earnings contribute to poverty which is highly correlated with educational attainment. Over 60 percent of women in poverty have no education beyond high school.

Highlights of the economic impact associated with eliminating gender-based differences in the workforce suggest:

- If women currently holding full-time jobs had comparable earnings to men, they would receive \$1.7 billion more in earnings each year.
- If women's labor force participation were equal to that of men, there would be 26,112 more women employed full-time earning a total \$1.2 billion annually. Further, an additional 16,910 women would be working part-time earning an additional \$212 million. Total new earnings from closing the participation gap would amount to nearly \$1.4 billion.
- After accounting for taxes and out-of-county spending, new consumption expenditures fueled by women's new earnings would expand the county's economic output by \$3.1 billion, create 28,887 new jobs and generate nearly \$1.1 billion in additional earnings to Mecklenburg households.
- Based on these estimates, complete closure of the earnings and participation gaps would generate about \$160 million in tax revenue to the city of Charlotte and Mecklenburg County annually.
- Even modest, incremental improvements in the status of working women would generate significant economic benefits.

The report concludes that:

- Closing the gender gap in Mecklenburg County is feasible but policy makers in the public and private sectors need to be involved.
- In the short-run, private sector initiatives might focus on policies that provide on-the-job training, skill acquisition, flexible work schedules, on-site or near-site day care and before-tax contributions to child care funds. Employers might realize benefits from worker training cost savings, added productivity and engendered worker loyalty.
- As part of a long-run solution, public policies might focus on programs that help women gain more formal education and training, especially in high-wage occupations and industries where women are currently underrepresented.
- Interruptions in work history disproportionately affect women to the detriment of their seniority and accumulated work experience. Hence, employers might also explore strategies to smooth the transition back to work after periods of leave. Such strategies might include workplace re-entry seminars or periodic workshops that prepare returning workers after a period of leave.
- The greatest and most equitable approach to closing the gender gap would be to target policies and outreach to African American and Hispanic / Latino women who experience the largest discrepancies in the workforce.