

Recent Female College Graduates Earn Less than Their Male Counterparts in Illinois, With Important Exceptions

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Straight out of college, men working full time earn higher incomes than women working full-time in Illinois. When incomes are evaluated by field of degree, the gender gap persists in most areas of study but disappears in science and education.

The Economic Policy Institute (EPI) recently released a study, *The Class of 2017*, which found that men earn an average of \$3 more an hour than women right after they graduate college (Kroeger & Gould, 2017). The wage gap exists even though newly graduated men and women have about the same amount of education and experience. The study finds that, on average, men ages 21-24 earn \$20.87 an hour while women ages 21-24 earn \$17.88 an hour in the United States, a nearly \$3 difference per hour (Gould & Kroeger, 2017).

The wage gap may be a bit overstated in the recent study because the EPI does not account for degree attained. Given that men are more likely to join science, technology, engineering, and mathematics (STEM) careers and women are more likely to join hospitality and caregiver careers, the wage gap may be influenced by primary college major. But does the wage gap still persist when looking within fields of degree?

To find out, the Illinois Economic Policy Institute (ILEPI) evaluated *American Community Survey* (ACS) data for Illinois (Ruggles et al., 2016). Income data were analyzed from 2009 to 2015 for people ages 21-25 in Illinois with *only* a bachelor's degree who work at least 35 hours a week. Degrees with the largest amounts of recent graduates were selected and incomes are adjusted for inflation using the Consumer Price Index (CPI-U).

Even when looking by field of study, an income gap persists in many areas. Recent graduates with degrees in business, communications, fine arts, and social science and history experience gender wage gaps in Illinois. Across all majors, women earn \$0.85 for every dollar that men earn straight out of college, on average. The largest wage gap is for young college-educated workers with social science, history, public policy, and social work degrees; women comprise 48 percent of these degrees but earn only \$0.75 for every dollar that their male counterparts earn in the state. Women ages 21-25 with business and economics degrees make \$0.89 per dollar earned by men ages 21-25 with business degrees.

ACS 2009-2015 (Adjusted by CPI-U) Workers Ages 21-25 Working 35+ Hours Per Week	Male	Female	Findings		
	Real Wage & Salary Income	Real Wage & Salary Income	Wage Gap	Total Gap	Female Share of Degrees
All Majors	\$39,335	\$33,316	\$0.85	-\$6,019	54.8%
Communications	\$36,471	\$31,919	\$0.88	-\$4,552	68.4%
Education Administration & Teaching	\$30,270	\$31,824	\$1.05	\$1,554	79.6%
Engineering	\$49,777	\$49,100	\$0.99	-\$677	20.2%
Biology, Life, & Physical Sciences	\$29,406	\$29,800	\$1.01	\$394	51.0%
Psychology	\$26,833	\$27,183	\$1.01	\$350	70.5%
Fine Arts	\$31,931	\$28,266	\$0.89	-\$3,665	67.5%
Business & Economics	\$42,997	\$38,240	\$0.89	-\$4,757	43.9%
Social Science, History, & Social Work	\$41,372	\$31,137	\$0.75	-\$10,235	47.6%
All Other Majors	\$37,203	\$33,926	\$0.91	-\$3,277	56.7%

However, there is little to no gender income gap for education degrees and science-based degrees in Illinois. Recent female college graduates with education administration and teaching degrees earn \$1.05 per dollar that recent male college graduates take home with the same degrees. The primary reason for the lack of an income gap in education is the presence of teachers unions in Illinois' public schools, because entry-level teachers in a district are all paid the same collectively-bargained salary regardless of their gender or other characteristics. Additionally, women ages 21-25 in scientific fields – engineering, psychology, and biology, life, and physical sciences– earn between \$0.99 and \$1.01 for every dollar earned by men ages 21-25 in the respective degrees.

Thus, with important exceptions, a gender income gap exists for newly-graduated Illinois residents who have similar educational and work experience. The average recent female college graduate who works full time earns about \$6,000 less in annual wage and salary income than the average recent male graduate who works full time, despite women accounting for a majority (55 percent) of workers earning degrees. Full-time female workers ages 21-25 with business and economics degrees earn nearly \$4,800 less than their male equivalents; for recent graduates with social science, history, public policy, and social work degrees, the annual wage gap is more than \$10,200 on average. However, women with education and science-based degrees earn about as much as their male counterparts straight out of college.

To improve the gender income gap, Illinois must enact public policies that incentivize sectors to eliminate pay discrimination on the basis of gender and to learn from industries that hire recent college graduates with education and science-based degrees. The State must also encourage public schools and science and technology firms to continue their current employment practices of equal pay for equal work.

Sources

Gould, Elise and Teresa Kroeger. (2017). *Straight Out of College, Women Make About \$3 Less Per Hour than Men*. Economic Policy Institute.

Kroeger, Teresa and Elise Gould. (2017). *The Class of 2017*. Economic Policy Institute.

Ruggles, Steven; Katie Genadek; Ronald Goeken; Josiah Grover; and Matthew Sobek. (2016). *Integrated Public Use Microdata Series: Version 6.0 [dataset]*. Minneapolis: University of Minnesota. <http://doi.org/10.18128/D010.V6.0>.