

Closing the Gaps in Tennessee: The Pay Gap & The Insurance Gap

*A Guide for Tennessee Voters
2016 Election
and
2017 Legislative Session*



Fellow Tennesseans:

AAUW of Tennessee is pleased to offer you this nonpartisan voter guide on the issues of the Pay Gap and the Insurance Gap as they exist in our state. We encourage you to use this as a guide for listening to and interacting with candidates running for office this election—particularly those seeking office in the Tennessee legislature. By speaking out on these issues, we can help to shape the conversation both now, during the election, and later, once the newly seated state legislature convenes in 2017. Shaping that conversation is crucial if we want to make Tennessee a better place for women and girls to work and learn.

Most importantly, we ask that you vote. Your vote is your voice, and we want to be sure that your voice is heard. But don't stop there: when the legislature convenes, let's continue to ask our leaders about the pay gap and the insurance gap and how they intend to solve them.

We hope you find this guide useful; in addition to the information provided here, there are references to source material should you want to read further.

Your fellow citizens,

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The American Association of University Women (AAUW) empowers women and girls through advocacy, education, philanthropy, and research. Our nonpartisan, nonprofit organization has more than 170,000 members and supporters across the United States, as well as 1,000 local branches and more than 800 college and university partners. Since AAUW's founding in 1881, our members have examined and taken positions on the fundamental issues of the day — educational, social, economic, and political. Learn more about AAUW at www.aauw.org.

*The AAUW Action Fund advances equity for women and girls through member activism and voter mobilization. The AAUW Action Fund **It's My Vote: I Will Be Heard** campaign harnesses the power of AAUW members to register and turn out millennial women voters nationwide at a time when, research shows, young women are less likely to vote. Learn more about the AAUW Action Fund at www.aauwaction.org.*



AAUW of Tennessee Voter Guide

When Women Vote, We Change the Conversation

Since 1926, AAUW of Tennessee (AAUW-TN) has strived to make Tennessee a better place for women and girls to work and learn. As a state affiliate of the American Association of University Women, AAUW-TN embraces the mission, value promise, and vision of our founding organization: to promote education and equity for women and girls. We are proud of AAUW's longstanding and successful history.

AAUW-TN is dedicated to making sure every woman is registered and has the information she needs to cast her vote. We encourage women voters to get involved in the political process, and to better understand the impact that legislative action – or lack thereof – can have on their lives and those of the people they love. In all of our activities, we remain strictly nonpartisan.

The current political landscape – which increasingly focuses on social issues – seldom includes or responds to women's voices. To create real change, women must be part of the conversation, and the most powerful way for us to speak is at the polls.



Gender Pay Gap

The gender pay gap is the difference in men's and women's median earnings, and it is a real and lasting problem. In 2015, women working full time in the United States typically were paid just 80 percent of what men were paid, a gap of 20 percent. At the rate of change between 1960 and 2015, women aren't expected to reach pay equity with men until 2059. The pay gap is even more pronounced for African American women, Native American women, and Hispanic women (The Simple Truth About the Pay Gap, AAUW, 2016).

The gender pay gap exists in every state and in almost every Congressional district. How does Tennessee stack up? Median earnings for men in Tennessee were \$42,525 compared to \$34,427 for women in 2015 — an earnings ratio of just 81 percent, or 19th out of all states and the District of Columbia. That's 81 cents on the dollar for full-time, year-round workers.

According to The Costs of Gender Bias in Tennessee's Workforce (2015), produced by the Tennessee Economic Council on Women (TECW), women comprise 47% of TN's workforce, while men now comprise only a slim majority (53%) of Tennessee's non-household workforce. Women are contributors and/or providers in a majority of Tennessee households, and in fact, mothers are working in 2 out of 3 Tennessee households with children under 18.

Moreover, as TECW argues in its 2015 report, eliminating gender bias in the workforce would promote financial stability of women & families, lower reliance on government assistance, strengthen businesses to



provide competitive economic advantages to Tennessee, and encourage the economic success of future generations.

In a 2016 report, the Institute for Women's Policy Research (IWPR) has estimated that eliminating the pay gap would reduce the poverty level of working women in Tennessee from 10.1% to 5.7%. For working single mothers, poverty rates could fall from 37.3% to 26%. IWPR further estimates that the elimination of the pay gap could also increase the state's GDP by 2.9% or \$8.7 billion.

The pay gap affects women in other troubling ways: women pay their student loans off at a much slower rate than men do and therefore pay more interest. Conversely, because retirement contributions are tied to salary, women earn less interest on their retirement investments than men do.

As inaction on this issue continues at the federal level, states are moving forward with their own laws to ensure equal pay. Representative Clemmons and Senator Kyle sponsored the "Tennessee Pay Equality Act," which would clarify employer defenses that are acceptable for paying employees differently, protect employees who discuss or disclose their wage information, and put other protections in place to reduce the gender pay gap. Unfortunately, though, the bill has yet to pass.

In *The Fight for Pay Equity: A State Road Map for Tennessee*, AAUW reports that our state has some equal pay protections, but they are incomplete. Women deserve strong protections guaranteeing equal pay. During this election, you can help fight for fair pay by holding your



legislators and candidates accountable for their votes and statements on the gender pay gap.

Listen for:

- ❖ “Equal pay for equal work”; “wage gap”; “wage/pay discrimination”; “Tennessee Pay Equality Act”; “Tennessee Pay Equality Transparency Act”; “pay gap”; “fair pay”; “comparable worth”

Ask the Candidates:

- ❖ How would you address the pay gap between men and women? How would you address the pay gap for female minorities and mothers?
- ❖ Do you support efforts to close legal loopholes and improve the effectiveness of existing civil rights laws aimed at closing the pay gap between men and women?
- ❖ Do you support passage of the legislation introduced by Rep. Clemmons and by Sen. Kyle, the “Tennessee Pay Equality Act”?
- ❖ Research indicates that closing the pay gap would pump an additional \$8.7 billion into Tennessee’s economy (2.9% of state GDP). What could we do with that additional \$8.7 billion?

Resources:

- ❖ The Simple Truth about the Gender Pay Gap
www.aauw.org/research/the-simple-truth-about-the-gender-pay-gap/
- ❖ Research Indicates Pay Gap Will Not Close for 136 Years
www.aauw.org/article/pay-gap-will-not-close-until-2152/
- ❖ The Fight for Pay Equity: A State Road Map for Tennessee
www.aauw.org/files/2016/09/Tennessee-Pay-Gap-2016.pdf
- ❖ The Costs of Gender Bias in Tennessee's Workforce (2015)
www.tennesseewomen.org/genderbias15.pdf
- ❖ The Economic Impact of Equal Pay by State by Institute for Women's Policy Research (February 2016)
www.iwpr.org/publications/pubs/the-economic-impact-of-equal-pay-by-state

Health Care: The Insurance Gap in Tennessee

AAUW-TN believes all Tennesseans should have access to high-quality affordable healthcare – *as a basic right*. Failure to provide for and protect that *right* over time takes a toll on our economy in indirect costs. Unlike employees protected by federal laws under large employee group plans, self-employed people or small business owners must buy higher cost plans on the individual or small group insurance market. Younger, healthy people may pay smaller premiums, but as college students or as new entrants into the job market, they start out at lower pay.

While all Americans benefit from meaningful health care reform, the issue has particular resonance for women. According to the U.S. Department of Labor, women make approximately 80 percent of all family health care decisions, and about 60 percent of women report that they assume primary responsibility for decisions regarding family health insurance plans. Over time, these factors add up for too many women and their families with unpaid medical bills and long-lasting debt as a result of health problems.

Health care security is therefore intrinsically tied to economic security, and this relationship is particularly true for women, who disparately feel these negative outcomes. They comprise a larger share of health care consumers, and pay out-of-pocket costs disproportionate to their income since they must pay more for certain more types of care and are more likely than men to work part-time, thus forcing them to cut spending elsewhere or to ultimately drop their coverage, losing that protection against unforeseen events, the reason for buying insurance in the first place.



In Tennessee, the coverage gap exacerbates these concerns. As reported by the Tennessee Justice Center, 280,000 people in our state — including 24,000 veterans — have no health insurance coverage because they do not qualify for TennCare and they cannot afford to buy insurance through the Healthcare Marketplace. Although a plan proposed by Governor Haslam, “Insure Tennessee,” would have closed this gap by drawing down federal tax dollars (specifically Medicaid funding) that is already set aside for Tennessee, the Tennessee Legislature did not pass this bill.

Every state participates in the Medicaid program to a certain extent because it allows states to share with the federal government the cost of insuring people with low incomes. Some basic eligibility requirements of Medicaid are mandated by the federal government, but as long as a state meets those minimum standards, it has the flexibility to design its own program. Each state’s government determines the level at which it will participate in Medicaid.

Tennesseans are currently paying federal taxes that are flowing to other states that have chosen to expand Medicaid coverage. The Tennessee Justice Center reports that we could gain more than \$1 billion of new purchasing power by bringing our federal tax dollars back to Tennessee.

Research published by the State Health Reform Assistance Network shows that states that expand Medicaid save money and generate new revenue. Those new dollars can offset costs associated with expansion and can sometimes stretch far enough to be used for other state initiatives. Broader effects of expanding Medicaid include a growth in



jobs, a reduction of unpaid costs of care provided by hospitals, and, of course, a reduction in the number of people who are uninsured.

Listen for:

- ❖ “Insure Tennessee”; “insurance gap”; “insurance coverage for Tennesseans”; “expanding Medicaid in Tennessee”

Ask the Candidates:

- ❖ How would you address the insurance gap in Tennessee?
- ❖ Do you support state legislation that would expand access to Medicaid in Tennessee?
- ❖ Research indicates that states that expand access to Medicaid garner savings and generate revenue. How could you put that additional revenue to work in Tennessee?

Resources:

- ❖ Quick Facts on Health Care (AAUW)
www.aauw.org/files/2015/03/Health-care-nsa.pdf
- ❖ Women and Health Coverage: The Affordability Gap
www.commonwealthfund.org/usr_doc/1020_Patchias_women_hlt_coverage_affordability_gap.pdf



- ❖ Closing the Coverage Gap in Tennessee
www.tnjustice.org/gap
- ❖ Closing the Gap: Our Economy
www.tnjustice.org/gap/economy
- ❖ States Expanding Medicaid See Significant Budget Savings and Revenue Gains
www.rwjf.org/en/library/research/2015/04/states-expanding-medicaid-see-significant-budget-savings-and-rev.html
- ❖ Medicaid Financing and Expenditures (Congressional Research Services)
www.fas.org/sgp/crs/misc/R42640.pdf

Additional Information about AAUW of Tennessee

We aim to shape the public dialogue on women and girls, as well as to open doors to new educational opportunities and skills for the 21st Century work force. We do this through advocacy, education, philanthropy, and research. We are part of the national AAUW network that supports our work throughout Tennessee.

Our Tennessee organization (aauw-tn.aauw.net) unifies our presence throughout the state, facilitating the work of our nine branches in Columbia, Knoxville, Martin, Maryville, McMinnville, Memphis, Murfreesboro, Nashville, and Oak Ridge.

Becoming a Member

AAUW membership is open to college students and anyone with a college degree, including a two-year degree. Contact the State Membership Vice President, Letha Granberry (lethagranberry@yahoo.com) for current membership incentives or join on line at AAUW at www.aauw.org.

In principle and practice, AAUW values and seeks a diverse membership. There shall be no barriers to full participation in this organization on the basis of gender, race, creed, age, sexual orientation, national origin, disability, or class.



Learn more about AAUW of TN at aauw-tn.aauw.net

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