



*If there's a  
War on Women,*

*Women  
are  
Winning*

# Women of America

You've been told you are pathetic victims...

... of a vicious patriarchal system that holds you down.

... of an unfair business world that imposes an invisible, impenetrable "glass ceiling" on your career advancement.

... of a "gender wage gap" in which employers pay you only 77 cents for every dollar a man earns.

*If all of this were actually true, ladies,  
why would you bother to get out of bed each day?*

None of it *is* true, of course; not any more. Let's set the record straight ... and scoff at those who call you victims of men. You've won that war.

Now it's time to point your high heels at the one culprit that really does treat you shabbily: *government*.

Tax, regulation and entitlement policies affect you in ways you may not imagine. Some policies pit women against women. Others limit your choices to fit some nameless bureaucrat's ideal. Still other policies, claiming to be "anti-discrimination," actually discriminate against women.

You've proven you're more than capable of winning in a "man's" world. Now let's see what we can do about winning in a "government's" world."

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*Women are  
surpassing men  
in  
many social  
measures*

*H*ere are a few facts that you should know about women.

In 2012-13, women earned:

- 57% of all Bachelor's degrees.
- 60% of all Master's degrees.
- 51% of all PhD degrees.
- An equal number of medical degrees.
- An equal number of legal degrees.

Women outperform men in several quality of life measures as well:

- Women have a longer life expectancy by about 5 years.
- Women have a lower unemployment rate.
- Fewer women are in jail.
- Fewer women are on drugs.

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“Gender wage gaps” are a direct result of personal life choices

First of all, the “gender wage gap” you’ve heard about is a ruse.

The *77 cents on the dollar* assertion can only be arrived at by averaging the wages of all full-time men with all full-time women, with no consideration given to the many personal choices that directly affect earnings.

*Averaging all full-time 17-year-old boys’ wages with all full-time 37-year-old men’s wages might yield a “boy wage gap,” but it would be just as meaningless.*

We need an honest apples-to-apples comparison, and that requires factoring in the many personal life choices—educational choices, career choices, work schedule choices, and family-related choices—that directly affect earnings potential and wages.

It begins with our educational choices. A choice to obtain a college degree enhances our future wage potential. And yet...

- Not all *college majors* are equal in terms of earnings potential.
- Not all *career paths* are equal in terms of earnings potential.
- Not all “*full-time*” *work weeks* are equal in terms of earnings potential.

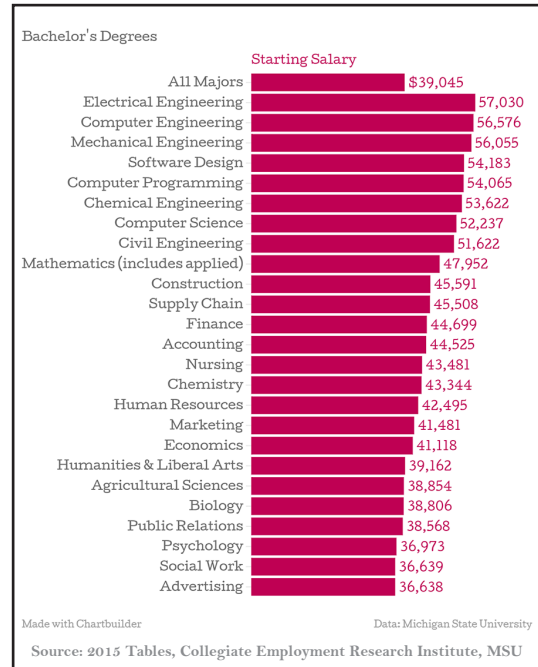
Let’s look at some of the personal life choices that can cause the wages of men and women to differ.

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*College majors  
have  
different  
earnings  
potential*

*I*n terms of earnings potential, all college majors are not equal.

More women major in psychology, English, and social work, while more men major in engineering, chemistry, and computer science. No one's choice is wrong; it is simply a preference as to what one wants to do. Yet each major has a *different earnings potential*, as this chart reveals:



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Each  
career path  
has  
different earnings  
potential

Career choices are very personal, and we make those choices for a variety of reasons and personal preferences.

It may be that a career path aligns with our natural interests. Or it may fit with our unique abilities.

No career path is better than another, but each career path carries with it a *different earnings potential*, and some are much greater than others. A pharmacist, for example, has a greater earnings potential than a librarian.

A choice to pursue a career in engineering or computer sciences (which far more men pursue) will enhance one's earnings potential more than a career in education or psychology (which far more women pursue).

Earnings potential also differ within the same broad career field. For example, four people working in the legal field—as a trial lawyer, a paralegal, a judge, and a court reporter—will each have a different earnings potential.

The Pew Research Center acknowledges that, while women have increased their presence in higher paying male-dominated jobs, women generally continue to pursue more lower-paying occupations than men.

Women choose to do this as a matter of personal preference, however. It is not a result of male discrimination.

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Time  
committed  
to the  
workplace  
affects  
earnings potential

Some career fields require a greater time commitment to the workplace than others.

A full-time lawyer might be expected to work 60+ hours per week at the law firm. A full-time teacher, on the other hand, may spend 35 hours per week at the school under a 10-month annual contract.

Both are “full-time,” since the U.S. Labor Department defines “full-time” as 35 or more hours per week.

Comparisons of women’s “full-time” and men’s “full-time” find that women *work about 10 percent fewer hours* than men.

Women also tend to prefer jobs with more flexible work schedules, while men choose ones with inflexible schedules.

Example — Yale Law Women. Those who get into Yale Law are some of the smartest, most ambitious women in the country. Yet according to a Yale Law Women annual survey, these women choose the firms with the flexible schedules, not the ones that demand 60 to 80 hour weeks. Yale Law female graduates want to work for firms that have flexible schedules where they can combine their family life with their work life.

Women who choose jobs with flexible schedules are likely to earn less than those who choose jobs with inflexible schedules, yet they may be happier over the long term with their work-life balance. Their personal choices should not be discouraged or disparaged.

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When  
everything is  
constant, the  
“gender wage  
gap” disappears

Numerous econometric studies have shown that when everything is constant, the “gender wage gap” disappears.

If you look at a male and female legal associate, or a first year lawyer in the same firm, for example, they earn the same. Likewise, a first year supermarket cashier—male or female—make about the same. June E. O’Neill’s recent study for the National Council for Public Policy is the latest to bear this out.

Research by the Federal Reserve Bank of New York of recent graduates in 500 different occupations across nineteen industries found that *childless women actually out-earn their male peers in 29 of 73 majors at the start of their careers.*

By mid-career, however, men out-earn women. Why? By mid-career, a significant number of men and women have families and children, and women are more likely than men to adjust their work commitment, or interrupt their careers for a time, to care for family and children.

When men and women make the identically same choices, there is no gender wage gap. But the reality is that men and women do not make the same choices.

Choices in the workplace are a good thing. It enables women to set their own priorities, pursue their own dreams and organize their lives in ways that make them healthier and happier.



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Many  
government  
tax policies  
effectively pick  
“winners & losers”  
among women

Tax laws and the way they are written may actually end up being a driver in the choices that women make or, worse, punishing some women while favoring others.

**The “Marriage Penalty”** — Fact: 72% of women who are married and file joint tax returns with their husbands earn less than their husbands, yet their salary is taxed at their husband’s higher marginal tax rate *solely because they file jointly*. Thus the tax rates of these *married* women are automatically higher than *non-married* women who earn the exact same salary!

**Earned Income Tax Credit** — Put into place in the 1970s as an incentive to move low-income people from welfare dependency to work, the EITC significantly increased the labor participation rate of lower-skilled *unmarried* mothers, but it significantly decreased the workforce participation of *married* mothers as they discovered their work and earnings only reduced their family’s EITC credit.

#### About Current & Proposed Tax Schemes

We currently have a *progressive tax* system: a scale of 7 tax rates (10% to 39.6%) that increase as “*taxable income*” increases; and myriad deductions and loopholes to effectively reduce “taxable income.” **It generally punishes higher earners/achievers, entrepreneurs, businesses and some women and their families.**

A proposed *flat tax* system is a single tax rate applied to all *income* of workers and businesses, typically with no—or very limited—deductions or loopholes.

A proposed *fair tax* system is a single tax rate applied to all *purchases* and eliminates all current federal taxes on *income*.

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*Many government  
regulations  
hurt—  
or cause indirect  
discrimination  
against—  
women*

Government regulations are created to encourage some type of “preferred” behaviors, but they can have unintended negative consequences. Some good-sounding anti-discrimination regulations, for instance, result in discrimination against women. A prime example:

*Mandatory Maternity Leave* — Government-mandated maternity leave has an obvious financial impact on businesses, so they must factor in “presumed” maternity costs associated with female hires when making hiring and salary decisions.

Large businesses can often shift the new mom’s workload to other employees during her absence, but smaller businesses with fewer employees are forced to hire a temporary replacement. In such cases, maternity leave can cost the business twice: in the salary paid to the new mom on leave, and in the salary paid to the temp who replaces the mom.

Given the choice of hiring a man or a woman of equal qualifications, a business might well find it financially prudent to hire the man to avoid the costs associated with these mandatory regulations altogether.

Moreover, this regulation demands extra workplace benefits to women who *have* children at the expense of women who *do not have* children. Yet the salary and benefit packages will likely be the same for *all* women in the same job.

Economists have shown that states with stricter maternity leave regulations see real wages for *all* women—not just the ones who have kids—fall dramatically.

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*Government  
entitlement  
programs such as  
social security  
hurt women  
(and men!)*

*S*ocial security data show that 29% of women over age 65 rely on Social Security for 90% of their income. When you look specifically at single women, that number jumps to almost 50% reliance on Social Security.

While liberals claim that's why we need this progressive entitlement program, others point out that these retirees are getting a very poor deal generally and a poor rate of return on their life-long personal investment.

Under Social Security, if you're in the top 10% of earners, you will get back much less than you put in. If you're in the remaining 90% of earners, the best case scenario is that most of the time you will get back what you put in. But that's all.

Unlike private retirement plans, a woman has no access to her Social Security money. She can't tap into those investment dollars for emergencies during her life, nor can she leave her investment dollars to her family. Her investment dollars do not grow or compound over time. Worse, her benefits are entirely dependent on the discretion and decisions of Congress.

*Consider this:* If Jane Doe earns \$100,000 each year for 40 years, government collects \$15,300 each year (15.3% total tax from Jane and her employer), for a total of \$612,000. If Jane dies before reaching retirement age, the \$612,000 is simply forfeited to the government. Neither Jane nor her heirs ever derive benefit from her 40-year half-million-dollar-plus "retirement/Medicare savings account" with the government.

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Women want  
reliable,  
personalized  
health care  
choices,  
not government  
mandates

For some time, liberals have baited women with the broad promise of “women’s health care.” The Affordable Care Act (ACA) has proven how bad liberal-designed government programs can be for women.

The ACA law did the exact opposite of what it promised. ACA promised women quality, *affordable* health care that wouldn’t “get between a woman and her doctor.” Instead, the ACA caused millions of women to lose their preferred health care plans, along with many of the doctors and hospitals they liked and wanted to keep. Women were forced to purchase a one-size-fits-all government-designed ACA insurance plan and watch helplessly as costs soared!

Women, *indeed all Americans*, deserve reliable, personalized health insurance options, not government mandates. That requires a robust open marketplace of insurance companies from which to choose, and a robust variety of insurance plans that can be *tailored to their unique lifestyles and needs*. No one should be forced to pay for care—even birth control and pregnancy-related care—that they don’t need or want.

**Health Savings Accounts**— About 20 million Americans now enjoy this free-market consumer-based choice, but all women (and men) should have the HSA option.

Paired with a low-cost, high deductible catastrophic health insurance plan, a HSA is a personal savings account for medical expenses. Individuals choose the amount of pre-tax dollars to set aside, and control how the funds are used throughout the year to pay personal health expenses. Funds not used roll over to the next year. Best of all, HSAs are owned by the individual and move from job to job.

# Going forward...

American women have won any *male-led* War on Women, but the same cannot be said for the *government's* War on Women.

Government tax, regulation and entitlement policies are antiquated and in need of a complete overhaul. Women expect fair and equitable treatment from government policies, and we can achieve it if we set our minds to the task.

- *Equitable tax policies*—A federal *Flat Tax* system would be a vast improvement over the current *Progressive Tax* system, which picks “winners and losers” and punishes entrepreneurs, businesses, individual achievers and some women and their families.
- *Equitable regulatory policies*—Regulations (particularly health care and labor regulations) that limit women’s economic choices or favor/punish certain choices must end. Women are sophisticated decision-makers. Government can’t presume to know what is best for all women, nor should it try.
- *Equitable entitlement policies*—Social Security, sold nearly a century ago as a defined benefit pension plan, is evolving into a means-tested welfare scheme. It cannot be both. Women (and men!) should insist that Social Security be overhauled as *either* a pension plan or a welfare program.

If reconstituted as a welfare program, government’s mandatory FICA wage deductions should end, and women (and men) should be able to invest their hard-earned wages in reliable retirement programs of their own choosing.

# Women Can't Be Stopped

*“It is time to leave the question of the role of women in society up to Mother Nature—a difficult lady to fool. You have only to give women the same opportunities as men, and you will soon find out what is or is not in their nature.*

*What is in women’s nature to do they will do, and you won’t be able to stop them.*

*But you will also find, and so will they, that what is not in their nature, even if they are given every opportunity, they will not do, and you won’t be able to make them do it.”*

—Clare Boothe Luce, circa 1950

Women have proven the validity of Ambassador Clare Boothe Luce’s prediction more than a half century ago: women won’t be stopped from excelling, and women won’t be forced into roles they don’t choose.

*“These are expected and fully acceptable consequences of freedom.*

*When we say, men tend to do this, and women that—we are dealing in averages, not absolutes. There is a sizable percentage of women who will make the same decisions as a man. ... But we need to recognize and respect the desires of those who take different paths in their pursuit of happiness.”*

—Dr. Christina Hoff Sommers  
author of CBLPI policy paper, “Take Feminism Back”

## About the Clare Boothe Luce Policy Institute

Founded in 1993, our mission is to prepare young women for effective leadership and to promote leading conservative women.

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