

# EMPLOYMENT

## FACT SHEET

### How the Wage Gap Hurts Women and Families

April 2015

*Women who work full time, year round in the United States are paid only 78 cents for every dollar paid to their male counterparts.<sup>2</sup> This gap in earnings translates into \$10,876 less per year in median earnings, leaving women and their families shortchanged. Although enforcement of the Equal Pay Act and civil rights laws has helped narrow the wage gap over time, addressing the significant pay disparities that remain is critical for women and their families.*

#### Fair Pay is Crucial for All Women

*Women of color are paid less than white, non-Hispanic men.*

- African American women working full time, year round typically make only 64 cents for every dollar paid to their white, non-Hispanic male counterparts. For Latinas this figure is only 56 cents.<sup>3</sup>

*Mothers are paid less than fathers.*

- Mothers who work full time, year round typically have lower earnings than fathers (\$40,000 compared to \$56,999), meaning mothers only make 70 cents for every dollar paid to fathers.<sup>4</sup>

*Lesbian women still earn less than men, regardless of their sexual orientation.<sup>5</sup>*

- Women in same-sex couples have a median personal income of \$38,000, compared to \$47,000 for men in same-sex couples and \$48,000 for men in different-sex couples.<sup>6</sup>
- Lesbian women are far more likely than gay men to support children – 49 percent of lesbian and bisexual women report having a child compared to 19 percent of gay and bisexual men.<sup>7</sup>

#### **What closing the wage gap would mean to me this year:<sup>1</sup>**

- Five months' supply of groceries: \$3,161.50
- Three months' rent and utilities: \$1,950
- Three months' child care payments: \$2,550
- Four months' health insurance premiums: \$1,472
- Four months' student loan payments: \$1,308
- Seven tanks of gas: \$434.50

**Total: \$10,876**

*Women with disabilities have a wider wage gap than the wage gap between women and men overall.*

- Women with disabilities working full time, year round are typically paid just 69.5 percent of what men without disabilities working full time, year round are typically paid.<sup>8</sup>
- Women with disabilities working full time, year round are typically paid just 80.8 percent of what their male counterparts with disabilities are paid.

*Women are affected by the wage gap as soon as they enter the labor force.*

- The wage gap is smaller for younger women than older women, but it begins right when women enter the labor force. Women 15-24 working full time, year round are typically paid just 91.1 percent of what their male counterparts are paid. Among older women, the gap is even larger. Women 45-64 working full time, year round are typically paid just 73.6 percent of what their male counterparts are paid. For women still working at age 65 and older the figure is 76.4 percent.<sup>9</sup>

*Older women also experience a wage gap in retirement income, due in large part to the wage gap they experienced during their working years.*

- Based on today's wage gap, a woman who worked full time, year round would typically lose \$435,049 in a 40-year period due to the wage gap.<sup>10</sup> This woman would have to work more than eleven years longer to make up this gap. A typical woman working full time, year round who starts, but does not finish high school would lose \$332,704 over a 40-year period,<sup>11</sup> an enormous amount of money for women who are typically paid \$22,248 a year. This woman would have to work nearly fifteen years longer to make up this gap. These lost wages severely reduce women's ability to save for retirement.
- As a result of lower lifetime earnings and different work patterns, the average Social Security benefit for women 65 and older was about \$13,466 per year, compared to \$17,598 for men of the same age in 2013.<sup>12</sup>
- In 2010, women 50 and older received only 56 cents for every dollar received by men in income from pensions and annuities.<sup>13</sup> One study found that the typical woman worker near retirement with a defined

contribution plan or individual retirement account had accumulated \$34,000 in savings, while her male counterpart held \$70,000—more than twice as much.<sup>14</sup>

## **Women and their Families Count on Women's Earnings**

In 2013, women working full time, year round typically had lower earnings than men (\$30,157 compared to \$50,033).<sup>15</sup> Women's lower wages hurt women and families who rely on women's earnings for all or part of their income.

*Lower earnings have a serious impact on the economic security of the more than 7.3 million families headed by working single mothers.*<sup>16</sup>

- Working single mothers with children struggled to make ends meet in 2013. Over a quarter, or more than 2.0 million, of all such families were poor. Almost an additional 2.5 million working single mother families were struggling to make ends meet, falling between 100 and 200 percent of the Federal Poverty Level (FPL), meaning that more than six in ten (61.9 percent) of working single mother families lived below 200 percent of the FPL.<sup>17</sup> In 2013, the FPL for a single mother with two children was just under \$18,800.<sup>18</sup>

*Most two-parent families depend on women's wages, and so also suffer when women receive unfair pay.*

- Nearly 1.4 million married couples with children relied exclusively on women's earnings at some point in 2013, representing 5.6 percent of all married couples with children.<sup>19</sup>
- In 2013, more than 14.8 million married couples with children relied on both parents' earnings, representing 59.7 percent of all married couples with children.<sup>20</sup>

*The wage gap impacts single women with no children as well, who are also working to support themselves.*

- In 2013, the typical never-married woman with no children working full time, year round was paid 70.0 percent of what a man working full time, year round was paid.<sup>21</sup>

*Fair pay impacts married women with no children who are more likely to be solely supporting their family than married women with children.*

- Nearly 4.2 million married couples with no children relied exclusively on women's earnings at some point in 2013, representing 11.3 percent of all married couples with no children.<sup>22</sup>
- In 2013, almost 14.6 million married couples with no children relied on both partners' earnings, representing 39.2 percent of all married couples with no children.<sup>23</sup>

### **Closing the Wage Gap Would Significantly Improve Families' Finances**

Women have higher rates of economic insecurity than do men. In 2013, women were more likely to live in poverty (14.5 percent of women compared to 11.0 percent of men).<sup>24</sup> Women are thus more likely to rely on public benefits like Medicaid, the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps), and housing assistance.<sup>25</sup> Bringing women's earnings in line with men's earnings would greatly improve the economic situation for women and their families. An additional \$10,876 per year is enough to:

**... pay the median cost of rent and utilities for a year with nearly \$700 to spare, or the median mortgage payment and utilities for nearly a year,<sup>26</sup>**

Almost 1.4 million properties nationwide defaulted on a mortgage in 2013.<sup>27</sup> Earnings lost due to the wage gap could have made a substantial difference in helping these families stay in their homes. They could also affect whether a family can afford to pay rent.

**... or feed a household of four for a year and a five months with more than \$100 to spare,<sup>28</sup>**

The difficult economy has stretched family budgets for basic needs, particularly for households headed by women. In Fiscal Year (FY) 2013, women were about 61 percent of nonelderly adult recipients and 64 percent of elderly adult recipients. Additionally, more than half (57 percent) of all SNAP households with children were headed by a single adult, 92 percent of whom were women.<sup>29</sup> With the continuing economic crisis, SNAP participation remains high: SNAP served 46.5 million people in 22.7 million households on average each month in FY 2014.<sup>30</sup>

**... or pay a year and four months of full-time child care costs for a four-year-old with more than \$500 to spare,<sup>31</sup>**

Child care expenditures consume a large percentage of families' earnings, especially those earned by low-income and single mother families. In Nebraska, the state at the national median for child care costs, providing care for a four-year-old represented 32.3 percent of a single mother's income and 9.9 percent of a two-parent family's income.<sup>32</sup>

In 2011, the most recent year for which data are available, families living in poverty who paid for child care spent an average of 30.3 percent of their income on care, and families earning between 100 and 200 percent of the federal poverty line devoted an average of 18.0 percent of their income to care. Even higher-income families (above 200 percent of the FPL) paying for child care spent 6.3 percent of their income on care.<sup>33</sup> If women took home the earnings lost due to the wage gap, this financial pressure would be partly alleviated.

**... or pay for two years and five months of family health insurance premiums in an employer-sponsored health insurance program with over \$200 to spare,<sup>34</sup>**

Women spend a substantial amount of their income on out-of-pocket health costs and health insurance premiums, and they are more likely than men to experience serious financial hardship as a result of medical bills. In 2010, the most recent year for which these statistics are available, one-third of working-age women spent 10 percent or more of their income on these expenses, and nearly one-third of women who had medical bill or debt problems were unable to pay for basic necessities like food, heat, or rent because of their medical bills.<sup>35</sup> Closing the wage gap would provide essential help for women to pay for their medical expenses.

**... or pay for two years and seven months of student loan payments with almost \$100 to spare.<sup>36</sup>**

Student loan payments can consume a considerable portion of a woman's earnings, especially in the years immediately following post-secondary education. In 2013, it is estimated that seven in ten college seniors graduated with student loan debt. The average debt for students with loans was \$28,400.<sup>37</sup> Closing the wage gap would enable women to pay down student loan debt much faster.

**Every Woman Matters. Every Dollar Matters.  
The Wage Gap Matters.**

<sup>1</sup> National Women's Law Center (NWLC) calculations for each item based on the following sources: Groceries - U.S. Department of Agriculture (USDA), Official USDA Food Plans: Cost of Food at Home at Four Levels, U.S. Average, June 2013 (2013), available at <http://www.cnpp.usda.gov/USDAFoodPlansCostofFood> (last visited April 8 2015). Calculation is based on the USDA thrifty food plan for a family of four (two adults 19-50 and children 6-8 and 9-11) estimated at \$632.30 per month. Child Care - Child Care Aware of America, Parents and the High Cost of Child Care: 2013 Update (Nov. 4, 2013), Appendix 1, available at <http://www.naccrra.org/about-child-care/cost-of-child-care>. Average costs for child care in a center in Nebraska for a four-year-old (\$7,800 annually in 2013 or \$650.00 per month). Nebraska cost for this type of child care falls at the median of all state averages (including the District of Columbia). Rent and Utilities - U.S. Census Bureau, American Housing Survey: 2013, Table C-10-AO. Housing Costs—All Occupied Units, available at <http://www.census.gov/programs-surveys/ahs/> (last visited April 8, 2015). Median housing costs for renters (\$850 per month in 2013). Health Insurance Premiums - U.S. Department of Health and Human Services, Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey: 2013. Table II.D.2 (2013) Average total employee contribution (in dollars) per enrolled employee for family coverage at private-sector establishments that offer health insurance by firm size and State: United States, 2013, available at [http://meps.ahrq.gov/mepsweb/data\\_stats/summ\\_tables/insr/state/series\\_2/2013/tiid2.htm](http://meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/state/series_2/2013/tiid2.htm). Average monthly employee contribution for employer-based family coverage (\$4,421 annually or \$368 per month). Loan Payments - The Project of Student Debt, Student Debt and the Class of 2013 (Nov. 2014), available at <http://ticas.org/sites/default/files/legacy/fckfiles/pub/classof2013.pdf>. Average monthly payment for a class of 2013 bachelor's degree graduate with the average student debt of \$28,400 for students who had loans. Calculation assumes ten-year standard repayment plan and all debt in the form of direct unsubsidized loans and single taxpayer status (6.8 percent interest). Initial monthly payment of \$327 calculated using the Department of Education's loan repayment calculator available at <https://studentloans.gov/myDirect-Loan/mobile/repayment/repaymentEstimator.action>. Tanks of Gas - Calculations based on average tank of gas in 2013 and about a 17-gallon gas tank. Gas prices from U.S. Energy Information Administration, Weekly Retail Gasoline and Diesel Prices, available at [http://www.eia.gov/dnav/pet/pet\\_pri\\_gnd\\_dcus\\_nus\\_w.htm](http://www.eia.gov/dnav/pet/pet_pri_gnd_dcus_nus_w.htm) (last visited April 10, 2015). Average cost of all grades of gasoline in 2013 rounded to \$3.58 per gallon.

<sup>2</sup> NWLC calculations from U.S. Census Bureau, Current Population Survey, 2014 Annual Social and Economic Supplement [hereinafter CPS, 2014 ASEC], Table PINC-05: Work Experience in 2013 – People 15 Years Old and Over by Total Money Earnings in 2013, Age, Race, Hispanic Origin, and Sex, available at <http://www.census.gov/hhes/www/cpstables/032014/perinc/toc.htm> (last visited Sept. 29, 2014). Women working full time, year round had median annual earnings of \$39,157 in 2013. Men working full time, year round had median annual earnings of \$50,033 in 2013.

<sup>3</sup> *Id.* White, non-Hispanic women make 77 cents for every dollar made by their white, non-Hispanic male counterparts.

<sup>4</sup> NWLC calculations based on CPS, 2014 ASEC using Miriam King et al, "IPUMS, Current Population Survey: Version 3.0)", available at <https://cps.ipums.org/cps/index.shtml>. Mothers and fathers have at least one related child under 18 at home. Figures are median annual earnings for 2013.

<sup>5</sup> M.V. Lee Badgett, Holning Lau, Brad Sears, Deborah Ho, The Williams Institute, Bias in the Workplace: Consistent Evidence of Sexual Orientation and Gender Identity Discrimination (Jun. 2007) <http://williamsinstitute.law.ucla.edu/wp-content/uploads/Badgett-Sears-Lau-Ho-Bias-in-the-Workplace-Jun-2007.pdf> at 14.

<sup>6</sup> Gary J. Gates, The Williams Institute, Same-sex and Different-sex Couples in the American Community Survey 2005-2011 (Feb. 2013) <http://williamsinstitute.law.ucla.edu/wp-content/uploads/ACS-2013.pdf>. Figures only include people in labor force. Due to data limitations, they do not include lesbian or gay individuals who are not part of a couple. These figures are median annual personal income for all workers in the labor force – these figures differ from the median annual earnings for full-time, year-round workers reported for the wage gap and are not directly comparable.

<sup>7</sup> Gary J. Gates, The Williams Institute, Family formation and raising children among same-sex couples, National Council on Family Relations, Family Focus on LGBT Families Issue FF51 (Dec. 2011), <http://williamsinstitute.law.ucla.edu/wp-content/uploads/Gates-Badgett-NCFR-LGBT-Families-December-2011.pdf>.

<sup>8</sup> NWLC calculations from CPS, 2014 ASEC using CPS Table Creator, available at <http://www.census.gov/cps/data/cpstablecreator.html> (last visited Sept. 30, 2014). Ratio of median person earnings for men and women working full time, year round, with and without a disability.

<sup>9</sup> *Supra* note 2.

<sup>10</sup> *Id.* These calculations were not adjusted for inflation and assume a constant wage gap overtime. Assumes a constant gap of \$10,876 annually, calculated by subtracting women's median earnings (\$39,157) from that of men (\$50,033).

<sup>11</sup> NWLC calculations from CPS, 2014 ASEC, Table PINC-03: Educational Attainment—People 25 Years Old and Over, by Total Money Earnings in 2013, Work Experience in 2013, Age, Race, Hispanic Origin, and Sex, available at <http://www.census.gov/hhes/www/cpstables/032014/perinc/toc.htm> (last visited Sept. 30, 2014). This compares median earnings for men and women with some high school who did not graduate or receive a G.E.D. who are 25 and older, and who worked full time, year round. Men in this group had median earnings of \$30,565 while women in this group had median earnings of \$22,248 for a gap of \$8,318 annually. This calculation assumes a constant gap and is not adjusted for inflation.

<sup>12</sup> NWLC calculations based on U.S. Social Security Administration, Annual Statistical Supplement to the Social Security Bulletin, 2014 (Feb. 2014), Table 5.A16-Number and average monthly benefit for adult beneficiaries, by sex, type of benefit, and age, December 2013, available at <http://www.ssa.gov/policy/docs/statcomps/supplement/2014/5a.html#table5.a16>. The average monthly benefit for all female beneficiaries 65 and older was \$1,122.20, or about \$13,466 per year as of December 2013, compared to \$1,466.49 per month, or \$17,598 per year for all male beneficiaries 65 and older. Benefits are slightly higher for both women and men receiving benefits as retired workers.

<sup>13</sup> Employee Benefit Research Institute, EBRI Databook on Employee Benefits, Tables 8.1 and 8.2 Retirement Annuity and/or Employment-Based Pension Income Reciprocity, Males and Females (Sept. 2011), available at <http://www.ebri.org/pdf/publications/books/databook/DB.Chapter%2008.pdf> (last visited Dec. 30, 2013). Based on annual figures for pensions and annuities, (\$8,400 for women versus \$15,000 for men).

<sup>14</sup> Leslie E. Papke, Lina Walker, & Michael Dworsky, *Retirement Security for Women: Progress to Date and Policies for Tomorrow* (2008), available at [http://www.brookings.edu/~media/projects/retirementsecurity/03\\_retirement\\_women.pdf](http://www.brookings.edu/~media/projects/retirementsecurity/03_retirement_women.pdf).

<sup>15</sup> *Supra* note 2.

<sup>16</sup> NWLC calculations from CPS, 2014 ASEC, Table POV-15: Families with related children under 18 by householder's work experience and family structure, available at [http://www.census.gov/hhes/www/cpstables/032014/pov/pov15\\_100.htm](http://www.census.gov/hhes/www/cpstables/032014/pov/pov15_100.htm) (last visited Sept. 29, 2014). The term "single mothers" refers to female-headed families with children. Figure includes all individuals with work experience during the year, not just full-time, year-round workers.

<sup>17</sup> *Id.* Federal poverty line used in these calculations refers to the Census Bureau's federal poverty thresholds used to calculate poverty levels.

<sup>18</sup> U.S. Census Bureau, CPS, 2014 ASEC, Table POV35: Poverty Thresholds by Size of Family and Number of Related Children, available at <http://www.census.gov/hhes/www/cpstables/032014/pov/toc.htm> (last visited Oct. 8, 2014). Exact figure is \$18,769.

<sup>19</sup> NWLC calculations from U.S. Census Bureau, America's Families and Living Arrangements Survey: 2014, Table FG1: Married Couple Family Groups, by Family Income, and Labor Force Status of Both Spouses: 2014, available at <http://www.census.gov/hhes/families/data/cps2014FG.html> (last visited April 8, 2015). Family households are used in this figure to be consistent with the statistics on single mothers. Data are from the CPS, 2014 ASEC but are for the year 2013. No children means no own children under 18 present in the household. There may be older children who could possibly live with these couples.

<sup>20</sup> *Id.*

<sup>21</sup> NWLC calculations from CPS, 2014 ASEC using CPS Table Creator, available at <http://www.census.gov/cps/data/cpstablecreator.html> (last visited Oct. 8, 2014). Figure is the ratio of median annual person earnings, compared to men regardless of marital status and number of related children under 18 living in the household. No children means no own children under 18 present in the household. There may be older children who could possibly live with these women.

<sup>22</sup> *Supra* note 19. Family groups are used in this figure so these data are not directly comparable to the earlier statistics on single mothers. Data are from the CPS, 2014 ASEC but are for the year 2013. No children means no own children under 18 present in the household. There may be older children who could possibly live with these couples.

<sup>23</sup> *Id.*

<sup>24</sup> NWLC, *Insecure and Unequal: Poverty and Income Among Women and Families, 2000-2013* (Sept. 2014), available at [http://www.nwlc.org/sites/default/files/pdfs/final\\_2014\\_nwlc\\_poverty\\_report.pdf](http://www.nwlc.org/sites/default/files/pdfs/final_2014_nwlc_poverty_report.pdf). Poverty rates are for people 18 and older.

<sup>25</sup> NWLC, *Cutting Programs for Low-Income People Especially Hurts Women and Their Families* (Feb. 2015), available at <http://www.nwlc.org/resource/cutting-programs-low-income-people-especially-hurts-women-and-their-families>.

<sup>26</sup> *Supra* note 1 – Rent and Utilities. Median housing cost for owners was \$929 per month in 2013.

<sup>27</sup> RealtyTrac®, *1.4 Million U.S. Properties with Foreclosure Filings in 2013 Down 26 Percent to Lowest Annual Total Since 2007* (Jan. 16, 2014), available at <http://www.realtytrac.com/content/news-and-opinion/2013-year-end-us-foreclosure-report-7963>. Data are from the 2013 Year-End Foreclosure Report.

<sup>28</sup> *Supra* note 1 – Groceries.

<sup>29</sup> Kelsey Farson Gray, Mathematica Policy Research, *Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2013*, at xviii and 50 (Dec. 2014), available at <http://www.fns.usda.gov/sites/default/files/ops/Characteristics2013.pdf>.

<sup>30</sup> NWLC calculations from USDA, Food and Nutrition Service, *Supplemental Nutrition Assistance Program Data* (March 6, 2015), available at <http://www.fns.usda.gov/pd/34SNAPmonthly.htm> (last visited April 10, 2015).

<sup>31</sup> *Supra* note 1 – Child Care.

<sup>32</sup> *Id.* at Appendix 3.

<sup>33</sup> U.S. Census Bureau, *Who's Minding the Kids? Child Care Arrangements: Spring 2011, Detailed Tables, Table 6: Average Weekly Child Care Expenditures of Families with Employed Mothers that Make Payments, by Age Groups and Selected Characteristics: Spring 2011* (2013), available at <http://www.census.gov/programs-surveys/sipp/data/tables/2008-panel/2011-tables.html>.

<sup>34</sup> *Supra* note 1 – Health Insurance Premiums.

<sup>35</sup> R. Robertson and S.R. Collins, *The Commonwealth Fund, Women at Risk: Why Increasing Numbers of Women Are Failing to Get the Health Care They Need and How the Affordable Care Act Will Help* (2011), available at <http://www.commonwealthfund.org/Publications/Issue-Briefs/2011/May/Women-at-Risk.aspx>.

<sup>36</sup> *Supra* note 1 – Loan Payments.

<sup>37</sup> *Id.*