

## CLOSING THE WAGE GAP IS ESPECIALLY IMPORTANT FOR WOMEN OF COLOR IN DIFFICULT TIMES

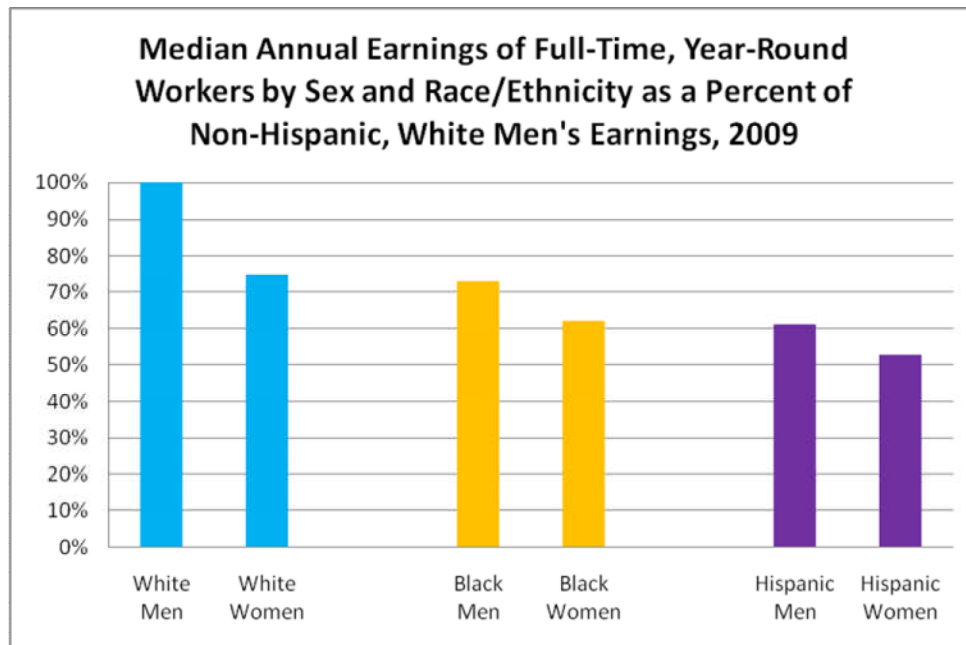
American women who work full-time, year-round are paid only 77 cents for every dollar paid to their male counterparts.<sup>1</sup> But the wage gap is even larger for many women of color,<sup>2</sup> with African-American women making only 62 cents, and Hispanic women only 53 cents, for every dollar earned by white, non-Hispanic men.<sup>3</sup>

These gaps translate into a loss of \$19,581 for African-American women and \$24,224 for Hispanic women every year.<sup>4</sup> Closing the wage gap is, therefore, particularly important for African-American and Hispanic women, who are already more likely to have lower incomes and to be in poverty than any other group.<sup>5</sup> Although enforcement of the Equal Pay Act as well as other civil rights laws has helped to narrow the wage gap over time, it is critical for these women of color and their families that the significant pay disparities that remain are addressed.

### The Wage Gap Persists for Many Women of Color When Race and Sex Are Considered Separately

The wage gap for African-American and Hispanic women persists even when the effect of race or sex is considered alone.

- The earnings of African-American and Hispanic women represent just 83 percent and 71 percent, respectively, of the earnings of white women.<sup>6</sup>
- African-American women earn roughly 85 percent of every dollar earned by their African-American male counterparts. The gap is similar for Hispanic women, who earn just 87 cents of every dollar earned by their Hispanic male counterparts.<sup>7</sup>



Source: U.S. Census Bureau, Current Population Survey, 2010 Annual Social and Economic Supplement

## Fair Pay for Women of Color Is Particularly Important in Difficult Times

Many women of color are in precarious economic circumstances in this difficult economy, and they encounter substantial barriers to advancement. African-American and Hispanic women are more likely than white, non-Hispanic men to work in jobs that pay at or below minimum wage, and they are also experiencing slower wage growth than white women.

- Last year, 7.7 percent of African-American and 8.5 percent of Hispanic women worked in jobs that paid at or below minimum wage, compared to just 4.3 percent of white non-Hispanic men.<sup>8</sup> These low-paying occupations, such as home health aides or maids and housekeepers, typically have a higher concentration of minority workers and a high number of female workers as compared to other, higher paying jobs.<sup>9</sup>
- The wages of many minority women are also increasing more slowly than those of other women. While women overall have seen their wages increase by 31 percent in constant 2009 dollars since 1970, African-American and Hispanic women have seen much slower and smaller growth of 25 percent and 18 percent respectively.<sup>10</sup>

Fair pay for women of color is thus particularly important in this difficult economy because the wage gap has a severe impact on the earnings of women of color and their families.

- The effect of the wage gap is most difficult for women of color who are heads of households. African-American and Hispanic women are more likely than white women to be heads of households.<sup>11</sup> The effect of this pattern on household income is stark: Married households reported median incomes in 2009 of \$71,830, while female-headed households reported much lower earnings of \$32,597.<sup>12</sup> These trends persisted across race.<sup>13</sup>
- The wage gap also exacerbates poverty rates for many women of color and their families. In 2009, a Hispanic woman who was a relatively low-wage earner for her ethnic group and sex did not earn enough to bring a family of four above the Federal Poverty Level (FPL),<sup>14</sup> which was \$21,756 for a family of four in 2009.<sup>15</sup> However, a white, non-Hispanic man who was a relatively low-wage earner for his racial group and sex earned \$30,000 per year, sufficient to bring a family of four well above the poverty line.<sup>16</sup>
- The wage gap may also make it more difficult for women of color to move beyond the middle class. According to one analysis, only 26 percent of minority women live in families with an income considered to be “upper-middle-class and above,” defined as an income of \$58,000 or more, “while 40 percent of minority men, 46 percent of white women, and 60 percent of white men have achieved this level of family income.”<sup>17</sup>

Unfair pay also harms women of color who depend on unemployment insurance, which provides temporary income support to workers who lose their jobs and serves as a crucial safety net for many families in a difficult economy.

- Because unemployment benefits are tied to past wages and women’s wages lag behind men’s wages, unemployed women receive less in unemployment benefits than men.
- Not only do African-American and Hispanic women earn substantially less than white, non-Hispanic women and men, they are also more likely to be unemployed than white men.<sup>18</sup>

Closing the wage gap could have a dramatic effect on the ability of women of color to pay for

housing, put food on the table, and pay their bills, financial stresses particularly applicable to these groups of women.

- In one study by the Institute for Women's Policy Research, which was based on pre-recession data, 20 percent of African-American women, and 23 percent of Hispanic women, reported being very worried or fairly worried about having enough food for their families, compared to 10 percent of white women.<sup>19</sup>
- In addition, 48 percent of African-American women, and 42 percent of Hispanic women, reported not having enough money to pay a bill on time, compared to 26 percent of white women.<sup>20</sup>
- And 18 percent of minority women, versus 7 percent of white women, said they were fairly worried or very worried about their ability to pay their mortgage payments.<sup>21</sup>

### **The Wage Gap for African-American and Hispanic Women Varies by State**

The wage gap for African-American and Hispanic women working full-time, year-round varies widely by state, as indicated in Table 1 (see page 5). African-American women fare best in Nevada, where they earn 88.9 percent of what their white, non-Hispanic male counterparts earn, but worst in North Dakota, where they earn 37.8 percent. Hispanic women fare best in Vermont, where they earn 97.4 percent of what their white, non-Hispanic male counterparts earn, but worst in the District of Columbia, where they earn 34.9 percent.<sup>22</sup> Thus, while African-American and Hispanic women experience somewhat more muted wage gaps in certain states, in others they make barely more than *one-third* of what white, non-Hispanic men earn.

### **The Paycheck Fairness Act Would Help Women of Color**

Women of color and their families cannot afford unfair pay in this difficult economy. Fortunately, the Paycheck Fairness Act, currently pending in the 112th Congress, would help combat pay discrimination. The Act has twice passed the U.S. House of Representatives and was only two votes shy of receiving a Senate vote on its merits in the last Congress.

The Act would build upon the Equal Pay Act of 1963, which made it illegal for employers to pay unequal wages to men and women who perform substantially equal work. Among other things:

- The Act would allow victims of sex-based wage discrimination to receive full compensatory and punitive damages, as opposed to the more limited liquidated damages and back pay awards currently available under the Equal Pay Act. This change would be particularly important for women of color, because they could receive the same remedies for both race- or ethnicity-based discrimination and for sex-based discrimination.
- The Act would allow individuals who are victims of sex-based pay discrimination to seek justice as a class by automatically considering members part of a class action unless they choose to opt out, in conformity with the Federal Rules of Civil Procedure.
- The Act would tighten the affirmative defenses on which employers can rely to dispute the discriminatory nature of wage disparities, ensuring that an employer can excuse a pay differential for men and women only where it can show that the differential is truly caused by something other than sex, is related to job performance, and is consistent with business necessity.

- The Act would clarify that individuals need not point to a comparable employee's pay in the same office to prove pay discrimination, but may instead look at the employer's pay practices across the same county or similar political subdivision, and in some commonsense circumstances, between broader groups of employees in the employer's offices.
- The Act would facilitate detection of pay discrimination by prohibiting punishment of employees who voluntarily share salary information with coworkers; by requiring a subset of private employers to submit pay data by race, sex, and national origin to the Equal Employment Opportunity Commission; and by reinstating the collection of gender-based data in the Current Employment Statistics survey.

**TABLE 1: State by State Wage Gap for Women of Color and White, Non-Hispanic Men Working Full-Time, Full-Year<sup>23</sup>**

State	African-American Women/ White Men	Hispanic Women/ White Men
Alabama	55.8%	41.1%
Alaska	55.7%	52.0%
Arizona	70.4%	55.5%
Arkansas	65.6%	57.1%
California	64.2%	42.4%
Colorado	61.2%	54.3%
Connecticut	55.4%	46.6%
Delaware	66.1%	51.0%
District of Columbia	45.6%	34.9%
Florida	61.4%	57.5%
Georgia	58.6%	45.1%
Hawaii	85.6%	60.1%
Idaho	45.4%	53.4%
Illinois	63.3%	47.2%
Indiana	61.6%	49.3%
Iowa	55.0%	54.4%
Kansas	66.1%	55.4%
Kentucky	67.5%	59.9%
Louisiana	47.6%	54.3%
Maine	56.1%	84.9%
Maryland	65.4%	47.2%
Massachusetts	65.1%	49.9%
Michigan	64.2%	54.6%
Minnesota	63.2%	54.4%
Mississippi	54.8%	67.1%
Missouri	69.6%	60.2%
Montana	*	72.1%
Nebraska	68.5%	72.1%
Nevada	88.9%	50.1%
New Hampshire	59.3%	52.9%
New Jersey	58.7%	44.0%
New Mexico	54.3%	54.6%
New York	66.8%	54.0%
North Carolina	64.9%	44.9%
North Dakota	37.8%	68.0%
Ohio	66.1%	60.3%
Oklahoma	59.7%	49.9%
Oregon	62.7%	45.7%
Pennsylvania	66.8%	55.1%
Rhode Island	62.3%	46.3%
South Carolina	58.2%	44.6%
South Dakota	63.0%	68.6%
Tennessee	69.2%	56.9%
Texas	58.7%	44.3%
Utah	48.2%	51.5%
Vermont	*	97.4%
Virginia	73.4%	54.5%
Washington	66.8%	46.7%
West Virginia	44.9%	57.8%
Wisconsin	69.7%	52.0%
Wyoming	65.0%	54.7%

\*Estimates are not made in some states where sample sizes are insufficient.

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<sup>1</sup> NWLC calculations from U.S. Census Bureau, Current Population Survey, 2010 Annual Social and Economic Supplement, Table PINC-05: Work Experience in 2009 – People 15 Years Old and Over by Total Money Earnings in 2009, Age, Race, Hispanic Origin, and Sex, *available at* <http://www.census.gov/hhes/www/cpstables/032010/perinc/toc.htm> (last visited Apr. 11, 2011).

<sup>2</sup> This fact sheet addresses the wage gap only for African-American and Hispanic women, but the wage gap for Asian American women also is significant. Asian women make 82 cents for every dollar earned by white, non-Hispanic men, and 82 cents for every dollar earned by Asian men. *Id.* Asian women earn \$3,798 more per year than white women. *Id.* However, these aggregate statistics for the Asian community may mask substantial disparities within this diverse population.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> NWLC calculations from U.S. Census Bureau, Current Population Survey, 2010 Annual Social and Economic Supplement, Table PINC-05: Work Experience in 2009 – People 15 Years Old and Over by Total Money Earnings in 2009, Age, Race, Hispanic Origin, and Sex, *available at* <http://www.census.gov/hhes/www/cpstables/032010/perinc/toc.htm>, and Table POV-01: Age and Sex of All People, Family Members and Unrelated Individuals Iterated by Income-to-Poverty Ratio and Race, *available at* <http://www.census.gov/hhes/www/cpstables/032010/pov/toc.htm> (last visited Apr. 12, 2011).

<sup>6</sup> NWLC calculations from U.S. Census Bureau, Current Population Survey, 2010 Annual Social and Economic Supplement, Table PINC-05: Work Experience in 2009 – People 15 Years Old and Over by Total Money Earnings in 2009, Age, Race, Hispanic Origin, and Sex, *available at* <http://www.census.gov/hhes/www/cpstables/032010/perinc/toc.htm> (last visited Apr. 11, 2011).

<sup>7</sup> *Id.* Additionally, the wage gap between African-American and Hispanic men as compared to white, non-Hispanic men is 72.9 percent and 61.1 percent, respectively.

<sup>8</sup> U.S. Dep't of Labor, Bureau of Labor Statistics, Characteristics of Minimum Wage Workers, 2010, *available at* <http://www.bls.gov/cps/minwage2010.htm> (last visited Apr. 12, 2011).

<sup>9</sup> NWLC calculations from U.S. Dep't of Labor, Bureau of Labor Statistics, Household Data Annual Averages, Table 11: Employed Persons by Detailed Occupation, Sex, Race, and Hispanic or Latino ethnicity, *available at* <http://www.bls.gov/cps/cpsaat11.pdf> (last visited Apr. 8, 2011).

<sup>10</sup> U.S. DEP'T OF LABOR, BUREAU OF LABOR STATISTICS, HIGHLIGHTS OF WOMEN'S EARNINGS IN 2009, at 1 (2010), *available at* <http://www.bls.gov/cps/cpswom2009.pdf>.

<sup>11</sup> NWLC calculations from U.S. Census Bureau, Current Population Survey, 2010 Annual Social and Economic Supplement, Table POV-04: Families by Age of Householder, Number of Children, and Family Structure, *available at* <http://www.census.gov/hhes/www/cpstables/032010/pov/toc.htm>.

<sup>12</sup> WOMEN OF COLOR POLICY NETWORK, INCOME AND POVERTY IN COMMUNITIES OF COLOR, at 3(2010), *available at* <http://wagner.nyu.edu/wocpn/publications/files/IncomeAndPovertyInCommunitiesofColor.pdf>.

<sup>13</sup> *Id.*

<sup>14</sup> NWLC calculations based on U.S. Census Bureau, 2009 American Community Survey data. Public Use Microdata files retrieved from the Census Bureau are top-coded for certain categories which cause slight differences in data retrieved from Census' person income tables. These calculations refer to a Hispanic woman whose earnings represent the 25<sup>th</sup> percentile of earnings for all Hispanic women.

<sup>15</sup> U.S. Census Bureau, Current Population Survey, 2010 Annual Social and Economic Supplement, Table POV-35: Poverty Thresholds by Size of Family and Number of Related Children Under 18 Years: 2009, *available at* <http://www.census.gov/hhes/www/cpstables/032010/pov/toc.htm> (last visited Mar. 31, 2011). The Federal Poverty Level assumes a family of four with 2 adults and 2 children.

<sup>16</sup> NWLC calculations based on U.S. Census Bureau, 2009 American Community Survey data. Public Use Microdata files retrieved from the Census Bureau are top-coded for certain categories which cause slight differences in data retrieved from Census's person income tables. These calculations refer to a white, non-Hispanic man whose earnings represent the 25<sup>th</sup> percentile of earnings for all white, non-Hispanic men.

<sup>17</sup> VICKI LOVELL, HEIDI HARTMANN, AND CLAUDIA WILLIAMS, WOMEN AT GREATER RISK OF ECONOMIC INSECURITY: A GENDER ANALYSIS OF THE ROCKEFELLER FOUNDATION'S AMERICAN WORKER SURVEY 3(2008), *available at*

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<http://www.iwpr.org/publications/pubs/women-at-greater-risk-of-economic-insecurity-a-gender-analysis-of-the-rockefeller-foundation2019s-american-worker-survey>.

<sup>18</sup> U.S. Dep't of Labor, Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey, Tables A-2 and A-3, *available at* <http://www.bls.gov/news.release/empsit.nr0.htm> (last visited Apr. 4, 2011).

<sup>19</sup> WOMEN AT GREATER RISK OF ECONOMIC INSECURITY, *supra* n. 17, at 7.

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

<sup>21</sup> *Id.*

<sup>22</sup> NWLC calculations from U.S. Census Bureau, 2009 American Community Survey, Tables B20017B, H, I: Median Earnings in the Past 12 Months (in Inflation-Adjusted Dollars) by Sex by Work Experience in the Past 12 Months for the Population 16 Years and Over with Earnings in the Past 12 Months, *available at* [http://factfinder.census.gov/servlet/DatasetMainPageServlet?\\_program=ACS&\\_submenuId=&\\_lang=en&\\_ds\\_name=ACS\\_2009\\_1YR\\_G00\\_&ts](http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=ACS&_submenuId=&_lang=en&_ds_name=ACS_2009_1YR_G00_&ts) (last visited Apr. 4, 2011).

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