

EMPLOYMENT

FACT SHEET

Closing the Wage Gap is Crucial for Women of Color and Their Families

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American women who work full time, year round are paid only 77 cents for every dollar paid to their male counterparts.¹ But the wage gap is even larger for many women of color working full time, year round, as African-American women are paid only 64 cents, and Hispanic women only 55 cents, for every dollar paid to white, non-Hispanic men.² These gaps translate into a loss of \$18,817 for African-American women and \$23,298 for Hispanic women every year.³ 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.⁴ Although enforcement of the Equal Pay Act and other civil rights laws have helped narrow the wage gap over time, addressing the significant disparity that remains is critical for women of color and their families.

Women of Color Are Paid Less Than White, non-Hispanic Women and Less Than Men of Color

The wage gap for African-American and Hispanic women working full time, year round persists even when the effect of race or sex is considered alone.

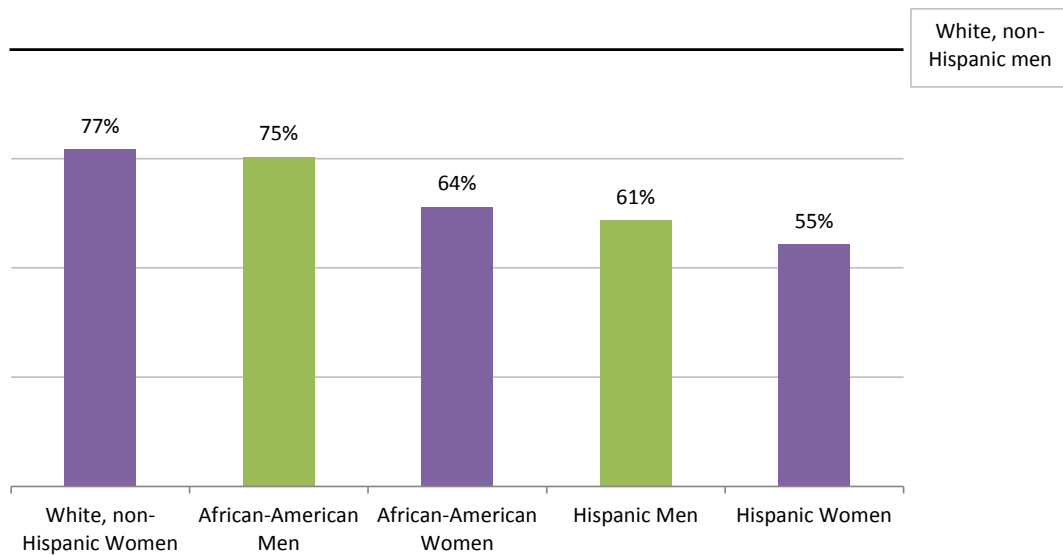
- The typical African-American woman working full time, year round is paid roughly 83 cents for every dollar paid to her white, non-Hispanic female counterpart. The gap is larger for Hispanic women working full time, year round, who are paid just 72 cents for every dollar paid to their white, non-Hispanic female counterparts.⁵
- The typical African-American woman working full time, year round is paid roughly 85 cents for every

dollar paid to her African-American male counterpart. The gap is smaller for Hispanic women working full time, year round, who are paid 91 cents for every dollar paid to their Hispanic male counterparts.⁶

Women of Color Need Fair Pay

The current economy has left women of color in precarious economic circumstances and they continue to encounter substantial barriers to advancement. African-American and Hispanic women are more likely than white men to work in jobs that pay at or below minimum wage,⁷ and they have also experienced slower wage growth than women overall.⁸ The wage gap has an especially severe impact on these women and their families.



Figure 1. Wage gap as compared to white, non-Hispanic men's earnings, 2011

Source: Current Population Survey, 2012 Annual Social and Economic Supplement

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The wage gap is:

- Hurting minority women in low-wage jobs:** In 2012, more than seven percent of African-American and eight percent of Hispanic women worked in jobs that paid at or below the federal minimum wage, compared to less than four percent of white men.⁹ A woman working full time, year round at the current federal minimum wage will be paid just \$14,500 annually.¹⁰ That's nearly \$3,600 below the federal poverty line for a mother with two children.¹¹ Low-paying occupations, such as home health aides, maids and housekeepers, and servers, typically have a higher concentration of minority and female workers as compared to other, higher paying jobs.¹² Even in the occupations that pay low wages and are female-dominated, men still out earn women.¹³
- Hitting single moms hard:** The wage gap is particularly harmful for women who support families without the income of a second earner. African-American and Hispanic women are more likely than white, non-Hispanic women to be heads of households; many of these women support families on their own.¹⁴ The effect of this pattern on household income is stark: married households reported median incomes in 2011 of \$74,130, while female-headed households reported much lower income of \$33,637.¹⁵ These gaps persisted across race.¹⁶
- Driving up poverty rates:** The wage gap also exacerbates poverty rates for many women of color and their families. In 2011, the Federal Poverty Level for a family of four was \$22,811.¹⁷ In 2011, a Hispanic woman working full time, year round who was a relatively low-wage earner (at the 25th percentile) for her ethnic group and sex did not earn enough to bring a family of four above the Federal Poverty Level. The same was true for an African-American woman working full time, year round who was a relatively low-wage earner for her ethnic group and sex. However, a white, non-Hispanic man working full time, year round who was a relatively low-wage earner for his racial group and sex earned \$35,000 per year, an amount sufficient to bring a family of four well above the poverty line.¹⁸
- Leaving minority women without a ladder to the middle class:** The wage gap makes it more difficult for women of color to move upward through 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."¹⁹

- **Changing at a snail's pace:** Median annual earnings of minority women are also increasing more slowly than those of women overall. While women overall have seen their earnings increase by 29 percent in constant 2011 dollars since 1974, African-American and Hispanic women have seen slower and smaller growth of 24 percent and 19 percent respectively.²⁰

Closing the Wage Gap Would Ease the Strain on Minority Women and their Families

Closing the wage gap would make it far easier for women of color to put food on the table, pay for housing, and pay their bills, relieving financial stresses that these women are especially likely to experience.

- In one study by the Institute for Women's Policy Research focused on economic insecurity after the Great Recession, 31 percent of African-American women, and 28 percent of Hispanic women, reported having a "somewhat difficult" or "very difficult" time

paying for food for their families, compared to 22 percent of white women.²¹ In the same survey, 14 percent of African-American women and 13 percent of Hispanic women reported that in the past year they have been hungry because they couldn't afford food, compared to 7 percent of white women.²²

- In addition, 52 percent of African-American women and 48 percent of Hispanic women reported having a "somewhat difficult" or "very difficult" time paying monthly utility bills, compared to 34 percent of white women.²³
- And 33 percent of African-American women and 31 percent of Hispanic women versus 21 percent of white women, said they had problems paying their rent or mortgage in the past year.²⁴

Every Dollar Counts. It Is More Important Than Ever to Close the Wage Gap for Women of Color.

- 1 National Women's Law Center (NWLC) calculations from U.S. Census Bureau, Current Population Survey, 2012 Annual Social and Economic Supplement (hereinafter "CPS, 2012 ASEC"), Table PINC-05: Work Experience in 2011 – People 15 Years Old and Over by Total Money Earnings in 2011, Age, Race, Hispanic Origin, Sex, and Disability Status, available at <http://www.census.gov/hhes/www/cpstables/032012/perinc/toc.htm> (last visited Sept. 12, 2012). Figures are median annual earnings for full-time, year-round workers.
- 2 Ibid. This fact sheet only addresses the wage gap for African-American and Hispanic women, but the wage gap for Asian women also is substantial. Asian women working full time, year round make less than 78 cents for every dollar paid to white, non-Hispanic men working full time, year round and less than 74 cents for every dollar paid to Asian men working full time year round. The typical Asian woman is paid \$547 more per year than the typical white, non-Hispanic woman. However, these aggregate statistics for the Asian community may mask substantial disparities within this diverse population.
- 3 Ibid. Annual gaps are calculated by subtracting the median annual total money earnings of African-American and Hispanic women working full time, year round from that of white, non-Hispanic men working full time, year round.
- 4 NWLC Insecure and Unequal: Poverty and Income Among Women and Families, 2000-2011 (Sept. 17, 2012), available at <http://www.nwlc.org/resource/insecure-and-unequal-poverty-and-income-among-women-and-families-2000-2011>.
- 5 *Supra* note 1.
- 6 Ibid. Additionally, African-American and Hispanic men are paid much less than white, non-Hispanic men as well. African-American men working full time, year round make less than 75 cents for every dollar paid to white, non-Hispanic men working full time, year round. For Hispanic men, the figure is 61 cents.
- 7 Bureau of Labor Statistics, Characteristics of Minimum Wage Workers: 2012 (2013), Table 1: Employed wage and salary workers paid hourly rates with earnings at or below the prevailing federal minimum wage by selected characteristics, 2012 annual averages, available at <http://www.bls.gov/cps/minwage2012tbls.htm#1>.
- 8 NWLC calculations from CPS, 2012 ASEC, Table P-38: Full-Time, Year-Round Workers by Median Earnings and Sex available at <http://www.census.gov/hhes/www/income/data/historical/people/>. Earnings for Asian women were not recorded until 1988 and could not be compared over this time frame. Figures are for median annual earnings for full-time, year-round workers. Racial definitions changed in the Census data with the 2002 data. After this point the earnings are for Black Alone and White Alone (earlier just Black and White).
- 9 *Supra* note 7.
- 10 NWLC calculation assuming 40 hours per week, 50 weeks per year at \$7.25 per hour.
- 11 U.S. Census Bureau, 2011 Poverty Thresholds by Size of Family and Number of Children, available at <https://www.census.gov/hhes/www/poverty/data/threshld/index.html> (last visited Mar. 5, 2013).
- 12 NWLC calculations from U.S. Department of Labor, Bureau of Labor Statistics, Current Population Survey, 2012 Annual Averages, Table 11: Employed persons by detailed occupation, sex, race, and Hispanic or Latino ethnicity and Table 39: Median weekly earnings of full-time wage and salary workers by occupation and sex, available at <http://bls.gov/cps/cpsa2012.pdf>. Women and minorities make up a disproportionate share of the work force in these positions. These positions may be minimum wage and many are low-wage positions. See also Bureau of Labor Statistics, Occupational Employment Statistics, available at http://www.bls.gov/oes/current/oes_stru.htm, for more detail on hourly wages of specific occupations.
- 13 See NWLC, The 10 Largest Jobs Paying Under \$10.10/Hour Are Majority Women (Mar. 2013), <http://www.nwlc.org/resource/10-largest-jobs-paying-under-1010hour-are-majority-women>. In each of the ten occupations for which data are available, female full-time workers have lower median usual weekly earnings than do male full-time workers (NWLC calculations based on U.S. Bureau of Labor Statistics, Women and the Labor Force, A Databook, Table 18: Median usual weekly earnings of full-time wage and salary workers by detailed occupation and sex, 2011 annual averages, <http://www.bls.gov/cps/wlf-databook-2012.pdf>). There were an insufficient number of male full-time workers who were combined food preparation and serving workers or childcare workers to examine the wage gaps in these occupations.

- 14 NWLC calculations from CPS, 2012 ASEC, Table POV-04: Families by Age of Householder, Number of Children, and Family Structure, *available at* <http://www.census.gov/hhes/www/cpstables/032012/pov/toc.htm> (last visited Sept. 12, 2012). In 2011, 45 percent of all African-American families and 55 percent of African-American families with children were headed by single women. In 2011, 27 percent of all Hispanic families and 30 percent of Hispanic families with children were headed by single women. In 2011, 14 percent of all white, non-Hispanic families and 20 percent of white, non-Hispanic families with children were headed by single women. Of course, married women may also be the sole supporters of their families. Some households where women are heads of household do have a second earner.
- 15 NWLC calculations from CPS, 2012 ASEC, Table HINC-01: Selected Characteristics of Households by Total Money Income in 2011, *available at* <http://www.census.gov/hhes/www/cpstables/032012/hhinc/toc.htm> (last visited Sept. 12, 2012).
- 16 Ibid.
- 17 *Supra* note 11. The Federal Poverty Level assumes a family of four with two adults and two children (\$22,811).
- 18 NWLC calculations from CPS, 2012 ASEC. 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 25th percentile of earnings for all Hispanic women, an African-American woman whose earnings represent the 25th percentile of earnings for all African-American women, and a white, non-Hispanic man whose earnings represent the 25th percentile of earnings for all white, non-Hispanic men. Earnings include wage and salary, farm, and business income.
- 19 Vicki Lovell, Heidi Hartmann, and Claudia Williams, Institute for Women's Policy Research. Women at Greater Risk of Economic Insecurity: A Gender Analysis of the Rockefeller Foundation's American Worker Survey (2008), *available at* <http://www.iwpr.org/publications/pubs/women-at-greater-risk-of-economic-insecurity-a-gender-analysis-of-the-rockefeller-foundation2019s-american-worker-survey>.
- 20 *Supra* note 8. Wages for white women increased by 31 percent in the same time.
- 21 Jeff Hayes, Heidi Hartmann, Institute for Women's Policy Research. Women and Men: Living on the Edge: Economic Insecurity After the Great Recession (Sept. 2011), IWPR/Rockefeller Survey of Economic Security, *available at* <http://www.iwpr.org/initiatives/iwpr-rockefeller-report/rockefeller-publications>. See Table 4.8 Current Difficulty Paying for Basic Needs.
- 22 Ibid. See Table 4.4 Food Insecurity in the Past Year.
- 23 Ibid. See Table 4.9 Current Difficulty Paying Monthly Bills and Expenses.
- 24 Ibid. See Table 4.3 Problems Meeting Expenses in the Past Year.