

EMPLOYMENT

FACT SHEET

Closing the Wage Gap is Especially Important for Women of Color in Difficult Times

April 2012

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,² as African-American women are paid only 62 cents, and Hispanic women only 54 cents, for every dollar paid to white, non-Hispanic men.³

These gaps translate into a loss of \$19,575 for African-American women and \$23,873 for Hispanic women every year.⁴ 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.⁵ Although enforcement of the Equal Pay Act and other civil rights laws has helped to narrow the wage gap over time, it is critical for women of color and their families that the significant pay disparities that remain are addressed.

Women of Color Are Paid Less Than White, non-Hispanic Women, 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 80 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 70 cents for every dollar paid to their white, non-Hispanic female counterparts.⁶

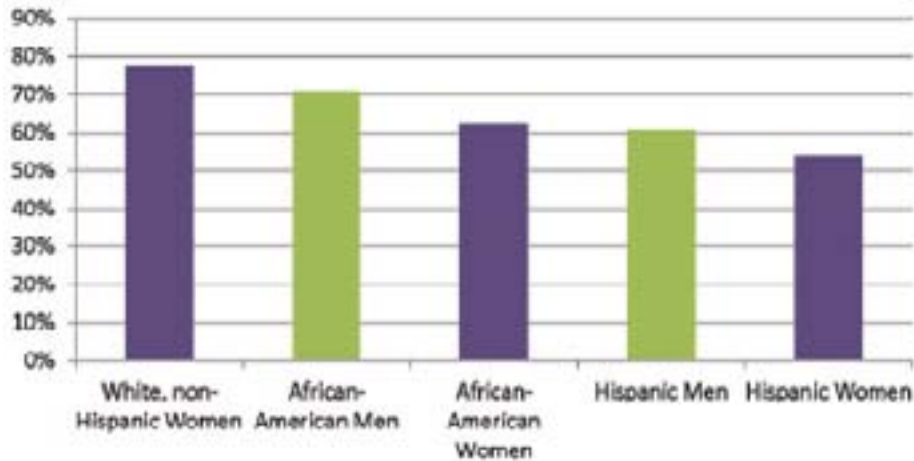
- The typical African-American woman working full time, year round is paid roughly 88 cents for every dollar paid to her African-American male counterpart. The gap is similar for Hispanic women working full time, year round, who are paid just 89 cents for every dollar paid to their Hispanic male counterparts.⁷

Women of Color Need Fair Pay in Tough 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 men to work in jobs that pay at or below minimum wage,⁸ and they have also experienced slower wage growth than women overall.⁹ The wage gap has a severe impact on these women and their families.

- In 2011, seven percent of African-American and Hispanic women worked in jobs that paid at or below the federal minimum wage, compared to less than four percent of white men.¹⁰ 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.¹¹ A woman working full time, year



Figure 1. Wage gap as compared to white, non-Hispanic men's earnings, 2010

Source: Current Population Survey, 2011 Annual Social and Economic Supplement

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round at the current federal minimum wage will be paid just \$14,500 annually.¹² That's more than \$3,000 below the federal poverty line for a mother with two children.¹³

- Median wages of minority women are also increasing more slowly than those of women overall. While women overall have seen their wages increase by 31 percent in constant 2010 dollars since 1979, African-American and Hispanic women have seen much slower and smaller growth of 25 percent and 15 percent respectively.¹⁴
- 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.¹⁵ The effect of this pattern on household income is stark: married households reported a median income in 2010 of \$72,751, while female-headed households reported a much lower median income of \$32,031.¹⁶ These trends persisted across race.¹⁷
- The wage gap also exacerbates poverty rates for many women of color and their families. In 2010, 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,¹⁸ which was \$22,113 for a family of four in 2010.¹⁹ However, a white, non-Hispanic man who was a relatively low-wage earner for his racial group and sex earned \$34,770 per year, sufficient to bring a family of four well above the poverty line.²⁰

- The wage gap may make 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."²¹

Unfair pay also harms women of color who depend on unemployment insurance (UI), 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 UI benefits are tied to past wages and women's wages lag behind men's wages, unemployed women receive less in UI benefits than men.
- Women of color are also more likely to need UI benefits because they are more likely to be unemployed than white, non-Hispanic men.²²

Closing the wage gap would have a dramatic effect on the ability of women of color to pay for housing, put food on the table, 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, 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.²³
- 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.²⁴
- 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.²⁵

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 4).²⁶ African-American women working full time, year round fare best in Oregon, where they are paid almost 75 percent of what their white, non-Hispanic male counterparts are paid, but worst in Louisiana, where they are paid just 47 percent of what their white, non-Hispanic male counterparts are paid. Hispanic women working full time, year round fare best in Vermont, where they are paid over 91 percent of what their white, non-Hispanic male counterparts are paid, but worst in Alabama, where they are paid just over 40 percent of what their white, non-Hispanic male counterparts are paid.²⁷ Thus, while African-American and Hispanic women have made small gains in closing the wage gap in some states in recent years, in others they make less than half of what their white, non-Hispanic male counterparts are paid.

When Every Dollar Counts, It Is More Important Than Ever to Close the Wage Gap

Women of color can never afford unfair pay, but in tough economic times, the consequences of the wage gap are particularly dire for them and the families who depend on their wages.

Table 1. State by state wage gap for women of color as compared to white, non-Hispanic men

State	African-American Women	Hispanic Women
Alabama	56.6%	40.8%
Alaska	67.4%	58.5%
Arizona	67.2%	52.8%
Arkansas	63.3%	52.3%
California	63.5%	42.3%
Colorado	60.5%	52.7%
Connecticut	59.0%	48.0%
Delaware	66.9%	50.1%
District of Columbia	50.6%	41.2%
Florida	61.2%	57.4%
Georgia	61.5%	46.5%
Hawaii	62.0%	62.0%
Idaho	61.7%	54.0%
Illinois	64.3%	47.8%
Indiana	64.7%	53.0%
Iowa	59.3%	57.1%
Kansas	63.7%	53.6%
Kentucky	69.6%	55.8%
Louisiana	47.1%	53.4%
Maine	62.2%	67.6%
Maryland	66.5%	46.3%
Massachusetts	61.7%	50.5%
Michigan	65.3%	55.5%
Minnesota	60.3%	52.6%
Mississippi	54.0%	56.3%
Missouri	68.3%	59.3%
Montana	59.0%	69.5%
Nebraska	62.5%	53.1%
Nevada	63.2%	50.8%
New Hampshire	68.5%	66.9%
New Jersey	59.5%	43.8%
New Mexico	55.8%	53.2%
New York	66.4%	55.1%
North Carolina	64.6%	47.5%
North Dakota	54.0%	70.9%
Ohio	66.5%	59.3%
Oklahoma	63.4%	50.8%
Oregon	74.9%	50.1%
Pennsylvania	66.7%	54.6%
Rhode Island	61.9%	44.1%
South Carolina	57.8%	47.8%
South Dakota	56.9%	57.3%
Tennessee	69.0%	52.2%
Texas	58.8%	44.4%
Utah	48.5%	48.2%
Vermont	73.5%	91.8%
Virginia	58.6%	56.0%
Washington	63.8%	47.3%
West Virginia	64.0%	62.7%
Wisconsin	63.6%	54.8%
Wyoming	50.2%	50.5%

Source: NWLC calculations from American Community Survey 2010 Three-Year Estimates. Figures are median earnings for individuals who worked full time, year round.

- 1 National Women's Law Center (NWLC) calculations from U.S. Census Bureau, Current Population Survey, 2011 Annual Social and Economic Supplement, Table PINC-05: Work Experience in 2010 – People 15 Years Old and Over by Total Money Earnings in 2010, Age, Race, Hispanic Origin, and Sex, *available at* <http://www.census.gov/hhes/www/cpstables/032011/perinc/toc.htm> (last visited Sept. 27, 2011).
- 2 *Ibid.* Annual gaps calculated by subtracting the annual total money earnings of African-American and Hispanic women from that of white, non-Hispanic men. This fact sheet addresses the wage gap only for African-American and Hispanic women, but the wage gap for Asian women also is substantial. Asian women make nearly 80 cents for every dollar paid to white, non-Hispanic men, and nearly 80 cents for every dollar paid to Asian men. The typical Asian woman is paid \$1,039 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.*
- 4 *Ibid.*
- 5 *Ibid.* NWLC calculations from U.S. Census Bureau, Current Population Survey, 2011 Annual Social and Economic Supplement, 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/032011/pov/toc.htm> (last visited Sept. 27, 2011).
- 6 NWLC calculations from U.S. Census Bureau, Current Population Survey, 2011 Annual Social and Economic Supplement, Table PINC-05: Work Experience in 2010 – People 15 Years Old and Over by Total Money Earnings in 2010, Age, Race, Hispanic Origin, and Sex, *available at* <http://www.census.gov/hhes/www/cpstables/032011/perinc/toc.htm> (last visited Sept. 27, 2011).
- 7 *Ibid.* Additionally, the wage gap between African-American and Hispanic men as compared to white, non-Hispanic men is about 71 percent and 61 percent, respectively.
- 8 Bureau of Labor Statistics, Characteristics of Minimum Wage Workers: 2011 (2012), Table 1: Employed wage and salary workers paid hourly rates with earnings at or below the prevailing Federal minimum wage by selected characteristics, 2011 annual averages, *available at* <http://www.bls.gov/cps/minwage2011tbls.htm#1>.
- 9 NWLC calculations from U.S. Department of Labor, Bureau of Labor Statistics, Highlights of Women's Earnings in 2010 (2011), Table 15: Median usual weekly earnings of full-time wage and salary workers, in constant (2010) dollars, by sex, race, and Hispanic or Latino ethnicity, 1979-2010 annual averages *available at* <http://www.bls.gov/cps/cpswom2010.pdf>. Earnings for Asian women were not recorded until 2000 and could not be compared over this time frame. Figures are for median usual weekly earnings.
- 10 *Supra* note 8.
- 11 NWLC calculations from U.S. Department of Labor, Bureau of Labor Statistics, Current Population Survey, Table 11: Employed persons by detailed occupation, sex, race, and Hispanic or Latino ethnicity, *available at* <http://www.bls.gov/cps/cpsaat11.pdf> and Table 39: Median weekly earnings of full-time wage and salary workers by occupation and sex, *available at* <http://www.bls.gov/cps/cpsaat39.pdf> (last visited March 14, 2012). 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.
- 12 NWLC calculation assuming 40 hours per week, 52 weeks per year at \$7.25 per hour.
- 13 U.S. Census Bureau, Current Population Survey, 2011 Annual Social and Economic Supplement, Table POV35: Poverty Thresholds by Size of Family and Number of Related Children Under 18 Years: 2010, *available at* http://www.census.gov/hhes/www/cpstables/032011/pov/new35_000.htm (last visited Nov. 17, 2011).
- 14 *Supra* note 9.
- 15 NWLC calculations from U.S. Census Bureau, Current Population Survey, 2011 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/032011/pov/toc.htm>. (last visited Sept. 27, 2011). 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.
- 16 NWLC calculations from U.S. Census Bureau, Current Population Survey, 2011 Annual Social and Economic Supplement, Table HINC-01: Selected Characteristics of Households by Total Money Income, *available at* <http://www.census.gov/hhes/www/cpstables/032011/hhinc/toc.htm> (last visited Sept. 27, 2011).
- 17 *Ibid.*
- 18 NWLC calculations based on U.S. Census Bureau, 2010 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 25th percentile of earnings for all Hispanic women. Earnings include wage and salary, farm, and business income.
- 19 U.S. Census Bureau, Current Population Survey, 2011 Annual Social and Economic Supplement, Table POV-35: Poverty Thresholds by Size of Family and Number of Related Children Under 18 Years: 2010, *available at* <http://www.census.gov/hhes/www/cpstables/032011/pov/toc.htm> (last visited Sept. 27, 2011). The Federal Poverty Level assumes a family of four with two adults and two children.
- 20 *Supra* note 18. These calculations refer to 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.
- 21 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 (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>.
- 22 U.S. Department of Labor, Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey, Table A-2: Employment status of the civilian population by sex and age and Table A-3: Employment status of the civilian population by race, sex, and age, *available at* <http://www.bls.gov/news.release/emp-sit.nr0.htm> (last visited Apr. 6, 2012). Not all unemployed workers are eligible for UI benefits.
- 23 *Supra* note 21, at 7.
- 24 *Ibid.*
- 25 *Ibid.*
- 26 NWLC reports all data on median earnings by race, ethnicity, and sex that are reported by the Census Bureau in the American Community Survey (ACS). In order to control for large margin of errors for some state statistics, calculations for state by state wage gaps use 2010 ACS three-year estimates (2008-2010 ACS data) rather than 2010 one-year figures.
- 27 NWLC calculations from U.S. Census Bureau, 2010 American Community Survey three-year estimates, 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://factfinder2.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t> (last visited Dec. 16, 2011).