

EMPLOYMENT

FACT SHEET

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

April 2015

Women in the U.S. who work full time, year round are paid only 78 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 Latinas only 56 cents, for every dollar paid to white, non-Hispanic men.² These gaps translated into a loss of \$19,399 for African American women and \$23,279 for Latinas in 2013.³ Closing the wage gap is, therefore, particularly important for African American women and Latinas, who are already more likely to have lower incomes and to be in poverty than virtually all other groups.⁴ Although enforcement of the Equal Pay Act and other civil rights laws has helped narrow the wage gap over time, addressing the significant disparity that remains is critical for women 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 women and Latinas 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 82 cents for every dollar paid to her white, non-Hispanic female counterpart. The gap is larger for Latinas working full time, year round, who are paid just 73 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 83 cents for every dollar paid to her

African American male counterpart. The gap is smaller for Latinas working full time, year round, who are paid 93 cents for every dollar paid to their Latino counterparts.⁶

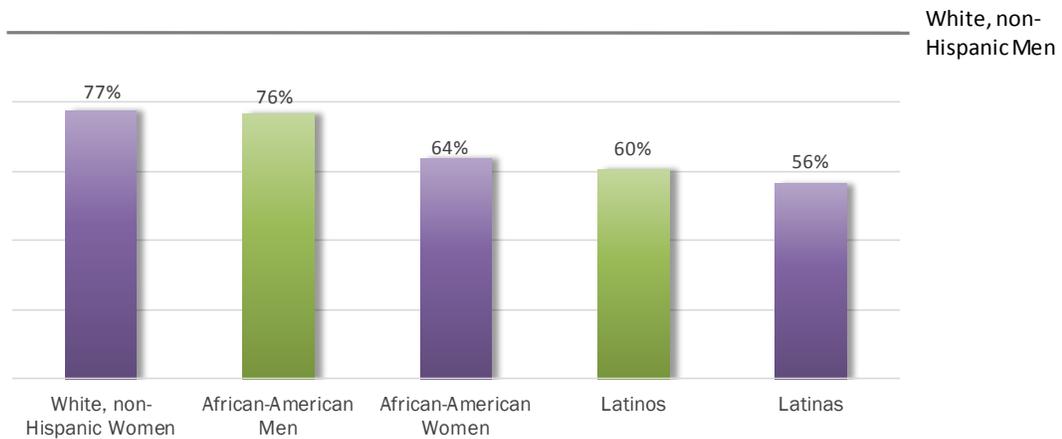
Women of Color Need a Pay Raise

The current economy has left women of color in precarious economic circumstances and they continue to encounter substantial barriers to advancement. African American women and Latinas 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.



Unfair Pay for Women and People of Color

Ratio of Median Earnings of Full-Time, Year-Round Workers, 2013



Source: Current Population Survey, 2014 Annual Social and Economic Supplement

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The wage gap is:

- Hurting minority women in low-wage jobs:** One reason for the wage gap is the overrepresentation of women of color in low-wage jobs such as child care workers, restaurant servers, and housekeepers. African American women's share of the low-wage workforce (11.6 percent) is nearly double their share of the overall workforce (6.1 percent)—and for Latinas this figure is more than double (15.0 percent v. 6.6 percent).⁹ In comparison, white, non-Hispanic men's share of the low-wage workforce (15.9 percent) is half the size of their share of the overall workforce (35.0 percent).¹⁰ Even in occupations that pay low wages men still out earn women. In the low-wage workforce, African American women working full time, year round are typically paid just 84 percent of what their white, non-Hispanic male counterparts are paid. For Latinas this figure is 78 percent.¹¹
- Hitting single moms hard:** The wage gap is particularly harmful for women who support families without the income of a second earner. African American women and Latinas are more likely than white, non-Hispanic women to be heads of households; many of these women support families on their own.¹² The effect of this pattern on family income is stark: married couples with children reported median family incomes in 2013 of \$84,916, while female-headed families with children reported a much lower figure: \$26,148.¹³ For each race and ethnicity, married couples with children had higher median family incomes than female-headed families with children.¹⁴
- Driving up poverty rates:** Unequal wages exacerbate poverty rates for many women of color and their families, even among lower-wage earners. In 2013, the Federal Poverty Level for a family of four was \$23,624.¹⁵ In 2013, Latinas 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.¹⁶
- Leaving minority women without a ladder to the middle class:** 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.”¹⁷

- **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 32 percent in constant 2013 dollars since 1974, African American and Latinas have seen much slower and smaller growth of 22 percent and 20 percent respectively.¹⁸

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 Latinas reported having

a “somewhat difficult” or “very difficult” time paying for food for their families, compared to 22 percent of white women.¹⁹ In the same survey, 14 percent of African American women and 13 percent of Latinas reported that in the year prior to the study they had been hungry because they couldn’t afford food, compared to 7 percent of white women.²⁰

- In addition, 52 percent of African American women and 48 percent of Latinas reported having a “somewhat difficult” or “very difficult” time paying monthly utility bills, compared to 34 percent of white women.²¹
- And 33 percent of African American women and 31 percent of Latinas, versus 21 percent of white women, said they had problems paying their rent or mortgage in the year prior to the study.²²

For women of color and their families, every dollar counts. That’s why it’s 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, 2014 Annual Social and Economic Supplement, 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/pinc05_000.htm (last visited Sept. 30, 2014).

² *Id.* This fact sheet only addresses the wage gap for African American and Latinas, but the wage gap for Asian American women also is substantial. Asian American women working full time, year round make nearly 79 cents for every dollar paid to white, non-Hispanic men working full time, year round and nearly 74 cents for every dollar paid to Asian American men working full time year round. Asian American women are typically paid \$937 more per year than white, non-Hispanic women. However, these aggregate statistics for the Asian American community may mask substantial disparities within this diverse population.

³ *Id.* Annual gaps are calculated by subtracting the annual total money earnings of African American women and Latinas 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, 2000-2013* (Sept. 29, 2014), *available at* <http://www.nwlc.org/resource/insecure-unequal-poverty-among-women-and-families-2000-2013>. Compares poverty rates for adults 18 and older for women and men, for white, non-Hispanics, Asian Americans and Native Americans. Only Native American women have higher poverty rates than Latinas and African American women.

⁵ *Supra* note 1.

⁶ *Id.* Additionally, African American men and Latinos are paid much less than white, non-Hispanic men as well. African American men working full time, year round make nearly 76 cents for every dollar paid to white, non-Hispanic men working full time, year round. For Latinos, the figure is 60 cents.

⁷ Bureau of Labor Statistics, *Characteristics of Minimum Wage Workers: 2013* (2014), Table 1: Wage and salary workers paid hourly rates with earnings at or below the prevailing federal minimum wage by selected characteristics, 2013 annual averages, *available at* <http://www.bls.gov/eps/minwage2013.pdf>.

⁸ NWLC calculations from U.S. Census Bureau, Current Population Survey, 2014 Annual Social and Economic Supplement, 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/>. Between 1974, the first year which earnings data are available for Latinas, and 2013 median earnings for African American women increased by 22 percent, Latinas by 20 percent, and white, non-Hispanic women by 38 percent. Earnings for Asian American 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 NWLC, *Underpaid and Overloaded: Women in Low-Wage Jobs*, (July 2014) at 14 *available at* http://www.nwlc.org/sites/default/files/pdfs/final_nwlc_lowwagereport2014.pdf. The “low-wage workforce” is defined in this analysis as workers in jobs that typically pay \$10.10 or less per hour.

¹⁰ *Id.*

¹¹ *Id.* at 17.

¹² NWLC calculations from U.S. Census Bureau, Current Population Survey, 2014 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/032014/pov/toc.htm> (last visited Oct. 27, 2014). In 2013, 42 percent of all African American families and 52 percent of African American families with children were headed by single women. In 2013, 26 percent of all Latino families and 31 percent of Latino families with children were headed by single women. In 2013, 13 percent of all white, non-Hispanic families and 19 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.

- ¹³ NWLC calculations from U.S. Census Bureau, Current Population Survey, 2014 Annual Social and Economic Supplement, Table FINC-03: Presence of Related Children Under 18 Years Old-All Families by Total Money Income in 2013, Type of Family, Work Experience in 2013, Race and Hispanic Origin of Reference Person, available at http://www.census.gov/hhes/www/cpstables/032014/faminc/finc03_000.htm (last visited Oct. 17, 2014).
- ¹⁴ *Id.* Races/ethnicities included are white, non-Hispanic; African American; Asian American; and Latino.
- ¹⁵ U.S. Census Bureau, 2013 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 Oct. 16, 2014). The Federal Poverty Level assumes a family of four with two adults and two children (\$23,624).
- ¹⁶ NWLC calculations based on U.S. Census Bureau, 2013 Current Population Survey data, Miriam King, Steven Ruggles, J. Trent Alexander, Sarah Flood, Katie Genadek, Matthew B. Schroeder, Brandon Trampe, and Rebecca Vick. *Integrated Public Use Microdata Series, Current Population Survey: Version 3.0*. [Machine-readable database]. Minneapolis: University of Minnesota, 2010. Public use microdata files are top-coded for certain categories which cause slight differences in data retrieved from Census' person income tables. These calculations refer to a Latinas whose earnings represent the 25th percentile of earnings for all Latinas, 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.
- ¹⁷ 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>.
- ¹⁸ *Supra* note 8. Wages for white, non-Hispanic women increased by 38 percent in the same time period. Data for white, non-Hispanic women are "white alone, not Hispanic" from 2002-2013, "white, not Hispanic" from 1987-2001, and "white" from 1974-1986.
- ¹⁹ Jeff Hayes, Heidi Hartmann, 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.
- ²⁰ *Id.* See Table 4.4 Food Insecurity in the Past Year.
- ²¹ *Id.* See Table 4.9 Current Difficulty Paying Monthly Bills and Expenses.
- ²² *Id.* See Table 4.3 Problems Meeting Expenses in the Past Year.