

WORKPLACE JUSTICE

THE WAGE GAP: THE WHO, HOW, WHY, AND WHAT TO DO

Women in the U.S. who work full time, year round are typically paid only 79 cents for every dollar paid to their male counterparts.¹ This gap in earnings translates into \$10,762 less per year in median earnings, leaving women and their families shortchanged. This disparity is the top concern of working women.² Although enforcement of the Equal Pay Act and civil rights laws and other progress including increased access to reproductive health care have helped narrow the wage gap over time, addressing the significant pay disparities that remain is critical for women and their families.

NOTES
<i>What closing the wage gap would mean to me this year:³</i>
<i>• Four months' supply of groceries \$2,598</i>
<i>• Three months' rent and utilities \$1,917</i>
<i>• Three months' child care payments \$2,591</i>
<i>• Five months' health insurance premiums \$1,883</i>
<i>• Four months' student loan payments \$1,332</i>
<i>• Seven tanks of gas \$441</i>
<i>Total: \$10,762</i>

Equal 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 60 cents for every dollar paid to their white, non-Hispanic male counterparts. For Latinas this figure is only 55 cents, for Asian American women it is 84 cents, for Native Hawaiian and Pacific Islander women it is 62 cents, and for Native American women it is 59 cents.⁴

Mothers are paid less than fathers.

- Mothers who work full time, year round typically have lower earnings than fathers (\$40,000 v. \$55,000), meaning mothers only make 73 cents for every dollar paid to fathers.⁵

The wage gap affects single women without children, as well.

- Never-married women without children who work full time, year round are typically paid 70 cents for every dollar paid to men who work full time, year round.⁶

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 ages 15-24 working full time, year round are typically paid just 84 cents for every dollar their male counterparts are paid.
- Among older women, the gap is even larger. Women ages 45-64 working full time, year round are typically paid only 73 cents for every dollar their male counterparts are paid. For women still working at age 65 and older the figure is 67 cents.⁷

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 \$430,480 in a 40-year period.⁸ This woman would have to work nearly eleven years longer to make up this lifetime wage gap. A woman working full time, year round who starts, but does not finish high school would typically lose \$354,080 over a 40-year period compared to her male counterpart who does not finish high school,⁹ an enormous amount of money for women who typically make \$21,986 a year. A woman would have to work sixteen 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 is about \$13,867 per year, compared to \$18,039 for men of the same age.¹⁰

Lesbian women make less than men, regardless of their sexual orientation.

- According to the most recent analysis available, 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.¹¹

Transgender women make less after they transition.

- One study found that the average earnings of transgender women workers fall by nearly one-third after transition.¹²

Women with disabilities experience a wage gap.

- Women with disabilities working full time, year round are typically paid just 65 cents for every dollar men without disabilities are paid.¹³ When compared to their male counterparts with disabilities, this figure is 72 cents.

Women at all education levels experience a wage gap.

- Among full-time, year-round workers, women who started, but did not finish high school, make 71 cents for every dollar their male counterparts make.¹⁴
- Among workers with a bachelor's degree or more, women typically make 74 cents for every dollar men make.¹⁵
- Women have to earn a bachelor's degree to make more than what men with an associate's degree make (\$51,347 v. \$51,112, respectively)—and men with only a high school degree but no college education typically make more than women with an associate's degree (\$40,933 v. \$37,475, respectively).¹⁶

Women in nearly every occupation face a wage gap.

- There is a gender wage gap in 98 percent of occupations.¹⁷
- Even workers in low-wage occupations face a wage gap. Women who work full time, year round typically make only 85 percent of what men working in low-wage occupations make.¹⁸

Causes of the Wage Gap

Despite the fact that women have made enormous gains in educational attainment and labor force involvement in the last several decades—gains which have helped close the wage gap over time¹⁹—unequal pay remains pervasive. Below are some of the reasons why.

Women are paid less for the same work.

- Numerous research studies show that compared to men, women are less likely to be hired, particularly for high-wage jobs, or are likely to be offered lower salaries.²⁰ For example, a recent experiment revealed that when presented with identical resumes, one with the name John and one with the name Jennifer, science professors offered the male applicant for a lab manager position a salary of nearly \$4,000 more, additional career mentoring, and judged him to be significantly more competent and hireable.²¹
- Recent research reveals that even controlling for race, region, unionization status, education, work experience, occupation, and industry leaves 38 percent of the pay gap “unexplained.”²² Discrimination is thought to be a major cause of this unexplained gap.

Women are overrepresented in low-wage jobs and underrepresented in high-wage ones.

- Women are two-thirds of workers in low-wage positions, disproportionately holding low-wage jobs like child care workers, home health aides, and fast food workers.²³
- Conversely, women are underrepresented in higher wage occupations.²⁴ This underrepresentation is due in part to the fact that women are discouraged from entering better paying fields, such as STEM.²⁵ Sometimes this discouragement is subtle, but other times it is very overt, in the form of harassment and other forms of discrimination.

Women's work is devalued because women do it.

- “Women's” jobs often pay less precisely because women do them.²⁶ A study of more than 50 years of data revealed that when women moved into a field in large numbers, wages declined, even when controlling for experience, skills, education, race and region.²⁷

Caregivers are discriminated against and face barriers that result in lower pay.

- Mothers are paid less than fathers and the motherhood wage penalty, which grows by an estimated seven percent for each child,²⁸ is larger for low-wage workers.²⁹
- Employers' negative stereotypes about mothers harm mothers' job and salary prospects. In comparing equally qualified women candidates, one study revealed that mothers were recommended for significantly lower starting



salaries, perceived as less competent, and less likely to be recommended for hire than non-mothers. The effects for fathers were just the opposite—fathers were recommended for significantly higher pay and were perceived as more committed to their jobs than men without children.³⁰

- Mothers' wages are also affected by a lack of support for women's disproportionate caregiving responsibilities. The high cost of child care and a lack of paid leave make it less likely that women with caregiving responsibilities are able to stay in the workforce.³¹ This time out of work negatively impacts mothers' wages,³² though policies like paid leave make it more likely that women will continue to work after having children, strengthening their connection to the workforce.³³
- Relatedly, increased access to contraception is one reason the gender wage gap closed in the last few decades of the 20th century. This access allowed women to control their fertility so that they could invest in education and increase their representation in non-traditional occupations, resulting in higher wages.³⁴

Women in unions experience smaller wage gaps—but rates of unionization are low.

- Only 11 percent of the workforce belongs to a union, but those women who are members of unions experience greater wage equality. The overall gender wage gap for union members is less than half the size of the wage gap for non-union workers and wages for women who are members of unions, especially Latinas, are higher than those of their female counterparts who are not represented by unions.³⁵

- Unions not only bargain for higher wages, they reduce inequality by increasing pay transparency. For example, a recent analysis by a journalists' union of their wage data revealed pervasive pay inequality in the industry,³⁶ prompting a promise of immediate action by at least one national newspaper.³⁷

What We Need To Do To Achieve Equal Pay

In order to finally achieve equal pay we need to:

- Strengthen our equal pay laws so that women are better able to fight back against pay discrimination.³⁸
- Build ladders to better paying jobs for women by removing barriers to entry into male-dominated fields.³⁹
- Lift up the wages of women in low-wage jobs by raising the minimum wage and ensuring that tipped workers receive at least the regular minimum wage before tips.⁴⁰
- Increase the availability of high-quality, affordable child care.⁴¹
- Help prevent and remedy caregiver and pregnancy discrimination against women workers.⁴²
- Provide fair work schedules, paid family leave, and paid sick days so that workers with caregiving responsibilities are not unfairly disadvantaged.⁴³
- Ensure women's access to the affordable reproductive health care they need.⁴⁴
- Protect workers' ability to collectively bargain.⁴⁵

**Every Woman Matters.
Every Dollar Matters.
Equal Pay Matters.**

- 1 National Women's Law Center (NWLC) calculations based on U.S. Census Bureau, Current Population Survey, 2015 Annual Social and Economic Supplement [hereinafter CPS, 2015 ASEC], Table PINC-05, available at <http://www.census.gov/hhes/www/cpstables/032015/perinc/toc.htm> (last visited Sept. 29, 2015). Women working full time, year round had median annual earnings of \$39,621 in 2014. Men working full time, year round had median annual earnings of \$50,383 in 2014.
- 2 Fifty-eight percent of women in the U.S. cited equal pay as their primary workplace concern. *Gender pay gap is top workplace concern for U.S. women*, Thomson Reuters Foundation (2015), available at <http://www.womenatworkpoll.com/i/?id=7ebb7b13-3791-457d-ab6f-730eb-d6c598f>. See also, Lydia Wheeler, *Equal pay top issue for working women, survey finds*, The Hill (Mar. 17, 2016), available at <http://thehill.com/regulation/labor/273414-equal-pay-top-issue-for-working-women-survey-finds>, regarding a non-random survey of 25,000 working women by the AFL-CIO.
- 3 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 2014 (2014), available at <http://www.cnpp.usda.gov/USDAFoodPlansCostof-Food> (last visited Mar. 18, 2016). 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 \$649.50 per month. Child Care - Child Care Aware of America, *Parents and the High Cost of Child Care: 2015 Report*, (2015), Appendix 1, available at <http://www.usa.childcareaware.org/advocacy-public-policy/resources/reports-and-research/costofcare/>. Average costs for child care in a center in Florida for a four-year-old (\$7,668 annually in 2015 or \$639.00 per month). Florida's 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, available at <http://www.census.gov/programs-surveys/ahs/> (last visited April 8, 2015). Median housing costs for renters (\$850 per month in 2013, adjusted to \$863.79 in 2014 using the Bureau of Labor Statistics inflation calculator, available at http://www.bls.gov/data/inflation_calculator.htm (last visited Mar. 15, 2016)). Health Insurance Premiums - U.S. Department of Health and Human Services, Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey: 2014 (2014), Table II.D.2, available at http://meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/state/series_2/2014/tiid2.htm. Average monthly employee contribution for employer-based family coverage (\$4,518 annually or \$376.50 per month). Loan Payments - The Project of Student Debt,



- Student Debt and the Class of 2014* (Oct. 2015), available at http://ticas.org/sites/default/files/pub_files/classof2014.pdf. Average monthly payment for a class of 2014 bachelor's degree graduate with the average student debt of \$28,950 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, see Federal Student Aid, U.S. Dept. of Education, Table for Loans Dispersed before July 1, 2015 available at <https://studentaid.ed.gov/sa/types/loans/interest-rates#older-rates>). Initial monthly payment of \$333.00 calculated using the Department of Education's loan repayment calculator available at <https://studentloans.gov/myDirectLoan/mobile/repayment/repaymentEstimator.action>. Tanks of Gas - Calculations based on average tank of gas in 2014 and about an 18-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 (last visited Mar. 18, 2016). Average cost of all grades of gasoline in 2014 rounded to \$3.44 per gallon.
- 4 Figures for African American women, Latinas, and Asian American women are NWLC calculations based on CPS, 2015 ASEC, *supra* note 1, Table PINC-05. Figures for Native Hawaiian and Pacific Islander women are NWLC calculations based on CPS, 2015 ASEC using CPS Table Creator, available at <http://www.census.gov/cps/data/cpstablecreator.html> (last visited Mar. 8, 2016). Figures for Native American women are NWLC calculations based on American Community Survey 2014 [hereinafter ACS 2014], Tables B20017H and B20017C, available at <https://www.census.gov/programs-surveys/acs/> (last visited Sept. 29, 2015). White, non-Hispanic women who work full time, year round make 75 cents for every dollar made by their white, non-Hispanic male counterparts (CPS, 2015 ASEC, *supra* note 1, Table PINC-05).
 - 5 NWLC calculations based on ACS 2014 using IPUMS-USA, University of Minnesota, available at <https://usa.ipums.org/usa/>. Mothers and fathers have at least one related child under 18 at home. Figures are median annual earnings for full-time, year-round workers in 2014.
 - 6 NWLC calculations based on CPS, 2015 ASEC using CPS Table Creator, *supra* note 4. 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 live in the household.
 - 7 NWLC calculations, CPS, 2015 ASEC, *supra* note 1, Table PINC-05.
 - 8 *Id.* These calculations were not adjusted for inflation and assume a constant gap of \$10,762 annually, calculated by subtracting women's median earnings (\$39,621) from men's (\$50,383).
 - 9 NWLC calculations from CPS, 2015 ASEC, *supra* note 1, Table PINC-03. 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 \$30,838 while women in this group had median earnings of \$21,986 resulting in a gap of \$8,852 annually. This calculation assumes a constant gap and is not adjusted for inflation.
 - 10 NWLC calculations based on U.S. Social Security Administration, Annual Statistical Supplement to the Social Security Bulletin, 2015 (Feb. 2015), Table 5.A16, available at <https://www.ssa.gov/policy/docs/statcomps/supplement/2015/5a.html#table5.a16>. The average monthly benefit for all female beneficiaries 65 and older was \$1,155.61, or about \$13,867 per year as of December 2014, compared to \$1,503.24 per month, or \$18,039 per year for all male beneficiaries 65 and older. Benefits are slightly higher for both women and men receiving benefits as retired workers.
 - 11 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.
 - 12 Kristen Schilt & Matthew Wiswall, *Before and After: Gender Transitions, Human Capital, and Workplace Experiences*, The B.E. Journal of Economic Analysis & Policy 1 (Sept. 2008), available at <http://www.degruyter.com/view/j/bejeap.2008.8.1/bejeap.2008.8.11862/bejeap.2008.8.11862.xml>.
 - 13 NWLC calculations from CPS, 2015 ASEC using CPS Table Creator, *supra* note 4. Ratio of median person earnings for men and women working full time, year round, with and without a disability.
 - 14 NWLC calculations from CPS, 2015 ASEC, *supra* note 1, Table PINC-03.
 - 15 *Id.* Figures are for full-time, year-round workers.
 - 16 *Id.* Figures are for full-time, year-round workers.
 - 17 NWLC calculations based on U.S. Census Bureau, Table Packages, (2016), Table 1, available at https://www.census.gov/people/io/publications/table_packages.html. Out of 312 detailed occupations analyzed, there are only 7 in which women out-earn men.
 - 18 Anne Morrison & Katherine Gallagher Robbins, NWLC, *Chartbook: Women's Overrepresentation in Low-wage Jobs* (Oct. 2015), available at <http://nwlc.org/resources/chartbook-womens-overrepresentation-low-wage-jobs/>. Low-wage jobs are those that typically pay \$10.50 or less per hour.
 - 19 Francine Blau & Lawrence Kahn, *The Gender Wage Gap: Extent, Trends and Explanations*, National Bureau of Economic Research 3 (Jan. 2016), available at <http://www.nber.org/papers/w21913.pdf>.
 - 20 See Blau & Kahn, *supra* note 19 at 33 for a review.
 - 21 Corrine A. Moss-Racusin et al., *Science faculty's subtle gender biases favor male students*, Proceedings of the National Academy of Sciences of the United States of America (Aug. 2012), available at <http://www.pnas.org/content/109/41/16474.abstract#aff1>.
 - 22 Blau & Kahn, *supra* note 19 at 8, 72.
 - 23 Morrison & Gallagher Robbins, *supra* note 18.
 - 24 NWLC, *50 Years & Counting: The Unfinished Business of Achieving Fair Pay* 6 (June 2013), available at <http://nwlc.org/resources/50-years-counting-unfinished-business-achieving-fair-pay/>.
 - 25 Dawn Johnson, *Campus Racial Climate Perceptions and Overall Sense of Belonging Among Racially Diverse Women in STEM Majors*, Journal of College Student Development 336 (March/April 2012), available at http://muse.jhu.edu/login?auth=0&type=summary&url=/journals/journal_of_college_student_development/v053/53.2.johnson.html.
 - 26 Philip N. Cohen, *Devaluing and Revaluing Women's Work*, Huffington Post (May 25, 2011), available at http://www.huffingtonpost.com/philip-n-cohen/devaluing-and-revaluing-w_b_444215.html.
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- 28 Michelle J. Budig & Paula England, *The Wage Penalty for Motherhood*, American Sociological Review 213 (Apr. 2001), available at <http://www.jthomasniu.org/class/781/Assigns/budig-wage.pdf>.
- 29 Michelle J. Budig & Melissa J. Hodges, *Differences in Disadvantage: Variation in the Motherhood Penalty across White Women's Earnings Distribution*, American Sociological Review 1 (Oct. 2010), available at https://www.researchgate.net/profile/Michelle_Budig/publication/241644194_Differences_in_Disadvantage_Variation_in_the_Motherhood_Penalty_across_White_Womens_Earnings_Distribution/links/0deec52d6c3611b301000000.pdf.
- 30 Shelley J. Correll, Stephan Benard, & In Paik, *Getting a Job: Is There a Motherhood Penalty*, American Journal of Sociology (Mar. 2007), available at https://sociology.stanford.edu/sites/default/files/publications/getting_a_job- is_there_a_motherhood_penalty.pdf.
- 31 *On child care* see D'Vera Cohn, Gretchen Livingston, & Wendy Wang, Pew Research Center, *After Decades of Decline, A Rise in Stay-at-Home Mothers* (Apr. 2014), available at <http://www.pewsocialtrends.org/2014/04/08/after-decades-of-decline-a-rise-in-stay-at-home-mothers/> and Sharon R. Cohany & Emy Sok, Bureau of Labor Statistics, *Trends in labor force participation of married mothers of infants* note 8 at 16 (Feb. 2007), available at <http://www.bls.gov/opub/mlr/2007/02/art2full.pdf>. *On paid leave* see Linda Houser & Thomas P. Vartanian, Rutgers Center for Women and Work, *Pay Matters: The Positive Economic Impacts of Paid Family Leave for Families, Businesses and the Public* 6-7 (Jan. 2012), available at <http://www.nationalpartnership.org/research-library/work-family/other/pay-matters.pdf>.
- 32 See Shelly Lundberg & Elaina Rose, *Parenthood and the earnings of married men and women*, Labour Economics 689 (Nov. 2000) and Steven Greenhouse, *The Big Squeeze*, Knopf Doubleday Publishing Group 194 (2008).
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- 34 Martha J. Baily, Brad Hershbein, & Amalia R. Miller, *The Opt-In Revolution? Contraception and the Gender Gap in Wages*, National Bureau of Economic Research 2-3 (June 2012), available at <http://www.nber.org/papers/w17922.pdf>.
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- 38 NWLC, *How the Paycheck Fairness Act Will Strengthen the Equal Pay Act* (May 2015), available at http://www.nwlc.org/sites/default/files/pdfs/how_the_pfa_will_strengthen_the_epa_may_2015.pdf.
- 39 See generally Fatima Goss Graves et al., NWLC, *Women in Construction: Still Breaking Ground* (June 2014), available at <http://www.nwlc.org/resource/women-construction-still-breaking-ground>.
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- 41 See generally Karen Schulman & Helen Blank, NWLC, *Building Blocks: State Child Care Assistance Policies 2015* (Oct. 2015), available at <http://nwlc.org/resources/building-blocks-state-child-care-assistance-policies-2015/>.
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- 44 NWLC, *Reproductive Health Is Part of the Economic Health of Women and Their Families* (Feb. 2016), available at <http://nwlc.org/resources/reproductive-health-part-economic-health-women-and-their-families/> and NWLC, *Moving Women & Families Forward: A State Roadmap to Economic Justice* (March 2016), available at http://nwlc.org/wp-content/uploads/2015/02/final_nwlc_2016_StateRoadmapv2.pdf.
- 45 Gallagher Robbins & Johnson, *supra* note 35.

