



WORKPLACE JUSTICE

FAQ ABOUT THE WAGE GAP

Women who work full time, year round in the United States were paid only 82 cents for every dollar paid to their male counterparts in 2018.¹ For many groups of women, the gaps are even larger. This document provides details about the wage gap measure that the Census Bureau and the National Women's Law Center (NWLC) use, factors contributing to the wage gap, and how to close the gap.

What's behind NWLC's wage gap figure?

The wage gap figure that NWLC reports at the national level is the same as that reported by the Census Bureau—the median earnings of women full time, year round workers as a percentage of the median earnings of men full time, year round workers.² Median earnings describe the earnings of a worker at the 50th percentile—right in the middle. Earnings means wages, salary, and net self-employment income—so basically the money people see in their paychecks.³ Working full time is defined as working at least 35 hours a week and working year round means working at least 50 weeks during the last twelve months.⁴

The national wage gap data come from the Current Population Survey and include workers 15 and older.⁵ The overall wage gap is not broken down by occupation or industry, though data on earnings by industry and occupation for women and men are available from the Bureau of Labor Statistics.⁶

Why does NWLC use this wage gap figure?

The 82 cent figure reflects the many discriminatory barriers to equal pay—including lower pay for women in the same job; the overrepresentation of women in lower-paying jobs and the underrepresentation of women in higher-paying, nontraditional jobs; bias against women with caregiving responsibilities; pay secrecy policies; and lack of workplace policies to allow workers to care for families without paying

a stiff economic penalty. The 82-cent figure demonstrates just how strongly these many factors impact the economic security of women workers.

How does the wage gap impact women of color?

When comparing all women to all men, women make 82 cents on men's dollar, but the wage gap is even more substantial for many women of color compared to white, non-Hispanic men, with Black women typically making only 62 cents, Latina women only 54 cents, and Native women only 57 cents for every dollar paid to white, non-Hispanic men. Asian women working full time, year round are typically paid 90 cents for every dollar paid to their white, non-Hispanic male counterparts⁷ - but the wage gap is substantially larger for some groups of Asian women.⁸

In calculating these wage gaps, we compare the wages of women of color to the wages of white, non-Hispanic men because women of color carry a double burden of both sexism and racism—so it's important to take those both into account when we look at their economic security.

How do factors like education and occupation affect the wage gap?

The wage gap occurs at all education levels, after work experience is taken into account, and it gets worse as women's careers progress.⁹ There is a gender wage gap in 97 percent of occupations.¹⁰ Skeptics of the wage gap may also insist that the wage gap exists because of the occupational choices that women make. However, this argument ignores the fact that “women's” jobs often pay less precisely because women do them, because women's work is devalued,¹¹ and that women are paid less even when they work in the same occupations as men. Cases of company-wide pay discrimination are further evidence that discrimination contributes to the wage gap.¹²

Women are underrepresented in higher-paying jobs that are



often dominated by men, and overrepresented in low-paying jobs. In 2017, women made up nearly two-thirds of the nearly 23.8 million workers in low-wage jobs (defined as the 40 lowest-paying jobs) though they make up slightly less than half (47 percent) of the workforce as a whole. Women of color are particularly overrepresented in these jobs.¹³ Women are also six in ten minimum wage workers.¹⁴ Furthermore, three of the top five jobs that are projected to grow the most over the next decade year are both low-wage and dominated by women (home health aides, personal care aides, and food preparation and serving workers).¹⁵ Isolation, active discouragement, harassment, outright exclusion, and lack of information about alternative job options are all barriers to women's entry into higher-wage jobs that are nontraditional for their gender. In contrast, women are clustered in low-paying jobs like home health aides, child care workers, and maid and housekeeping cleaners.¹⁶

A study by labor economists Francine Blau and Lawrence Kahn also demonstrates the effects of a variety of factors that influence the wage gap, like race, region, unionization status, education, occupation, industry, work experience, and more. However, Blau and Kahn found that when you look at all of these factors combined, 38 percent of the wage gap still remained unexplained.¹⁷

How does caregiving affect the wage gap?

Another factor that plays into the wage gap is the role of women as caregivers and the persistent discrimination against women workers with caregiving responsibilities. A study by Shelley Correll, Stephan Benard, and In Paik found that, when comparing equally qualified women candidates, women who were mothers were recommended for significantly lower starting salaries, perceived as less competent, and less likely to be recommended for hire than

non-mothers.¹⁸ The effects for fathers in the study were just the opposite—fathers were actually recommended for significantly higher pay and were perceived as more committed to their jobs than non-fathers.¹⁹ This has aptly been nicknamed the motherhood penalty and fatherhood bonus.

What can be done to shrink the wage gap?

Here is a commonsense set of solutions to help finally close the wage gap:

- Strengthen our equal pay laws so that women have the tools they need to fight back against pay discrimination.²⁰
- Build ladders to higher-wage jobs for women by removing barriers to entry into male-dominated fields.²¹
- 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.²²
- Increase the availability of high-quality, affordable child care.²³
- Help prevent and remedy caregiver discrimination, and protect workers from pregnancy discrimination.²⁴
- Establish fair scheduling practices that allow employees to meet their caregiving responsibilities and other obligations.²⁵
- Provide paid family and medical leave and paid sick days.²⁶
- Ensure women's access to the affordable reproductive health care they need.²⁷
- Protect workers' ability to collectively bargain.²⁸

1 U.S. Census Bureau, Current Population Survey, 2019 Annual Social and Economic Supplement, Table PINC-05, <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pinc/pinc-05.html>. In 2018, the median earnings of women working full time, year round was \$45,097 and for men it was \$55,291. The ratio of these earnings was rounded to 82 cents. The CPS ASEC recently began using a new method to estimate income for individuals with partial missing data. Under the updated method, women working full time year round in 2017 were paid 81.7 cents for every dollar paid to their male counterparts and they were paid 81.6 cents for every dollar paid to their male counterparts in 2018.

2 Jessica Semega, Melissa Kollar, John Creamer, and Abinash Mohanty, U.S. CENSUS BUREAU, *Income and Poverty in the United States: 2018* (Sept. 2019), <https://www.census.gov/content/dam/Census/library/visualizations/2018/demo/p60-266/p60-266.pdf>.

3 U.S. CENSUS BUREAU, CURRENT POPULATION SURVEY (CPS) – Subject Definitions, “Earnings,” <http://www.census.gov/programs-surveys/cps/technical-documentation/subject-definitions.html> (last visited September 10, 2019).

4 *Id.* See definition for “work experience.”

5 *Id.* See definition for “income measurement.”

6 See further data available from the Bureau of Labor Statistics, <http://www.bls.gov/cps/> or <http://www.bls.gov/bls/cpswomendata.htm>.



- 7 The wage gap for Asian, Black, and Latina women compared to white, non-Hispanic men comes from U.S. Census Bureau, Current Population Survey, 2019 Annual Social and Economic Supplement, Table PINC-05, <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pinc/pinc-05.html>. Data for Native women compared to white, non-Hispanic men comes from U.S. Census Bureau, 2018 American Community Survey, Tables B20017C and B20017H, <https://factfinder.census.gov/>.
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- 10 NWLC calculations based on U.S. Census Bureau, Table Packages (2016), Table 1, Full-Time, Year-Round Workers and Median Earnings, <https://www.census.gov/data/tables/time-series/demo/industry-occupation/median-earnings.html>; Jasmine Tucker, NWLC, WOMEN EXPERIENCE A WAGE GAP IN NEARLY EVERY OCCUPATION (Apr. 4, 2018), <https://nwlc.org/resources/women-experience-and-wage-gap-in-nearly-every-occupation/>.
- 11 Philip N. Cohen, "Devaluing and Revaluing Women's Work," *The Huffington Post* (May 25, 2011), http://www.huffingtonpost.com/philip-n-cohen/devaluing-and-revaluing-w_b_444215.html; Clair Cain Miller, "As Women Take Over a Male-Dominated Field, the Pay Drops," *The New York Times* (Mar. 18, 2016), <https://www.nytimes.com/2016/03/20/upshot/as-women-take-over-a-male-dominated-field-the-pay-drops.html>.
- 12 For example, an 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. Corrine A. Moss-Racusin et al., *Science faculty's subtle gender biases favor male students*, PROCEEDINGS OF THE NAT'L ACADEMY OF SCIENCES OF THE UNITED STATES OF AMERICA (Aug. 2012), <http://www.pnas.org/content/109/41/16474.abstract#aff-1>.
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