

# 57 Cents on the Dollar Isn't Enough for Latinas

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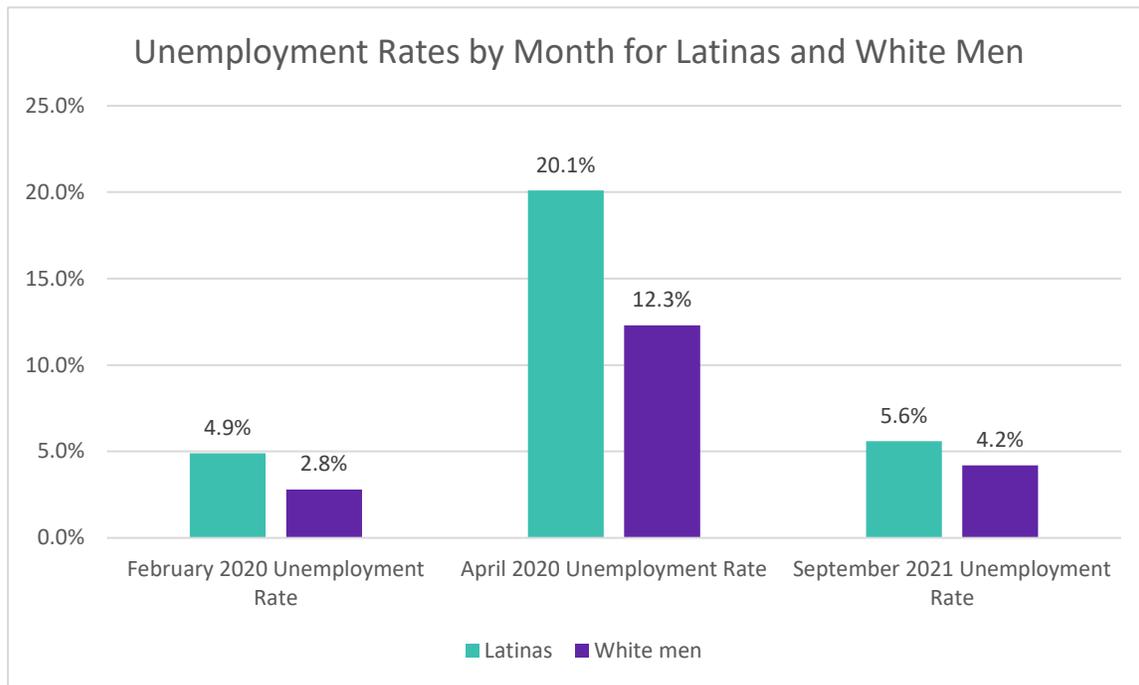
Latinas<sup>1</sup> are typically paid just 57 cents for every dollar paid to white, non-Hispanic men.<sup>2</sup> This gap in pay—which typically amounts to a loss of \$2,409 every month, \$28,911 every year, and \$1,156,440 over a 40-year career—means that Latinas must work over 21 months to make as much as white, non-Hispanic white men were paid in just 12.

Even before the COVID-19 pandemic, in 2019, 15.2% of adult Latinas lived in poverty. That rate worsened to 16.8% in 2020.<sup>3</sup> Poverty rates for Latinx children also worsened from 20.9% in 2019 to 23.1% in 2020. Lost earnings due to the gender wage gap are exacerbating the effects of COVID-19 for Latinas—and for the families who depend on their income. These lost earnings not only leave Latinas without a financial cushion to weather the current crisis, but also make it harder for them to build wealth, contributing to the racial wealth gap and barriers to Latinx families' economic prosperity.

As we recover from the pandemic, we cannot go back to February 2020, when it was “normal” to pay Latinas 57 cents on the dollar. We need a recovery that addresses our long underinvestment in economic and social infrastructure and the inadequate workplace protections that left Latinas stranded at the intersection of racial and gender inequities laid bare by COVID-19. Fifty-seven cents on the dollar simply isn't enough.

## **Latinas are still suffering from the COVID-19 crisis.**

Economic gains in recent months are not being experienced evenly across groups by race and gender. At its peak in April 2020, the unemployment rate for Latinas reached 20.1%, and it remained in the double digits for six months last year before finally declining. And while Latinas' unemployment rate was 5.6% in September 2021, that is largely because 497,000 fewer Latinas were in the labor force in September 2021 than February 2020 and are no longer counted as unemployed.<sup>4</sup> Latinas are still facing a crisis. September's rate means that Latinas are over 1.3 times more likely than white men to be unemployed, and if all the Latinas who have left the labor force since February 2020 returned and were counted as unemployed last month, their unemployment rate would have been 9.3% instead of 5.6%.<sup>5</sup> In September, over one in three Latinas ages 16 and over (36.1%) had been unemployed for 6 months or longer.<sup>6</sup>



Source: BLS, “Employment status of the Hispanic population by sex, and age,” Table A-3 from September 2021 Employment Situation Summary (Washington, DC: Oct. 8, 2021) and BLS, “Employment status of the civilian population by race, sex, and age,” Table A-2 from September 2021 Employment Situation Summary.

In addition to being pushed out of the labor force and bearing the brunt of job loss, the ongoing Pulse Survey shows that in July, Latinas were more likely than white, non-Hispanic men and women to be behind on their rent or mortgage payments, to be in households facing food insufficiency, and to be in households that have lost employment income in the last four weeks.<sup>7</sup> And while lost income, food insufficiency, and housing insecurity rates have all improved since their peaks last year, hardship is still widespread.

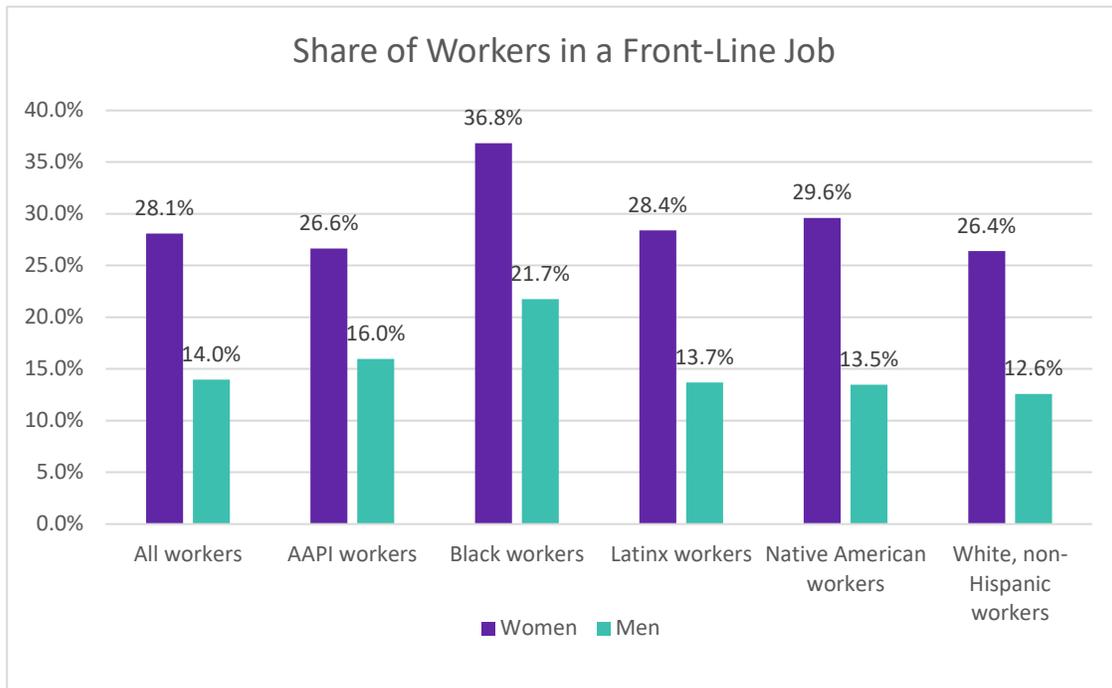
There is a common misconception that when a recession ends, the economic pain experienced ends as well. But that’s simply not true – especially for women who have already been robbed of tens of thousands of dollars each year due to the wage gap. For example, after the Great Recession (the economic downturn that lasted from 2007 to 2009), Latinas experienced high rates of unemployment. While the unemployment rate for white men never reached double digits in the Great Recession and subsequent recovery, Latinas’ unemployment rate was 10 percent or higher for 41 months between 2009 and 2012.<sup>8</sup> This means that, for Latinas, elevated unemployment and the difficulty that brings to a household lasted far beyond the official length of the recession. A similar fate could face Latinas in the COVID-19 recession and recovery.

Because of Latinas’ higher rates of unemployment and economic insecurity, when they return to the workforce, many Latinas will be willing to accept the first job offer they receive because they cannot afford to be out of work any longer; employers, in turn, may pay lower wages to employees who have been unemployed or out of the workforce for long stretches of time. And because Latinas face such a steep gender wage gap, they were less able to afford education or professional training during the pandemic that would have allowed them to advance or move into another field. All of this could translate to larger race and gender wage gaps for Latinas moving forward.

### **Nearly 3 in 10 Latinas have been on the front lines of the COVID-19 crisis, but Latinas are still paid less than white, non-Hispanic men.**

As workers, Latinas have been on the front lines of the COVID-19 crisis, and as a result have been

disproportionately affected by the pandemic’s health and economic impacts. The pandemic has exposed how the work performed primarily by women has long been and continues to be undervalued, even as the rest of the country depends on it as never before. Nearly 3 in 10 Latinas (28.4%) worked in a front-line job before the pandemic started, compared to just 12.6% of white, non-Hispanic men.<sup>9</sup>



Source: NWLC calculations based on 2015-2019 American Community Survey (ACS), 5-year estimates, using IPUMS-USA. “Front-line workforce” is defined using the methodology outlined in Hye Jin Rho, Hayley Brown, & Shawn Fremstad, Center on Economic and Policy Research, A Basic Demographic Profile of Workers in Front-line Industries (Apr. 2020).

This means that as we have relied on their labor during a public health crisis, Latinas on the front lines of the pandemic have been underpaid. Latinas working full-time, year-round in front-line occupations make just 56 cents for every dollar paid to white, non-Hispanic men in the same jobs.<sup>10</sup> The wage gap varies widely by front-line occupation. For example, Latinas working full-time, year-round as registered nurses make 90 cents for every dollar white, non-Hispanic men in these jobs; their typical annual losses to the wage gap total \$7,000. Meanwhile, Latinas working full-time, year-round as supervisors of retail sales workers make just 63 cents for every dollar white, non-Hispanic men make in these jobs, which adds up to a typical annual loss of \$19,000.<sup>11</sup>

**COVID-19 has imposed economic harm on Latina mothers, who were already facing a higher risk of poverty and steeper wage gap than Latinas overall.**

As our nation’s already unstable care infrastructure broke down in March 2020, many working mothers were unable to manage caregiving for children and other family members, remote learning, and other new responsibilities responding to the COVID crisis on top of their jobs. These impossible pressures, combined with massive job losses, have pushed many mothers out of the labor force entirely.<sup>12</sup>

But even before COVID-19 hit, Latina mothers were paid just 46 cents for every dollar paid to white, non-Hispanic fathers,<sup>13</sup> even though more than 6 in 10 were primary or co-breadwinners for their families.<sup>14</sup> Even when they were working full time, Latina mothers were nearly 4 times more likely than white, non-Hispanic fathers working full time to be living below the poverty line in 2019 (8.2% versus 2.2%).<sup>15</sup> In other words, millions of Latinas and Latinx families were struggling to make ends meet before the pandemic started—and data shows its impact has fallen particularly hard on Latinx families, making things far worse.

## Over their career, Latinas typically lose over \$1.1 million to the wage gap.<sup>16</sup>

A loss of 43 cents on the dollar adds up over a month, a year, and a lifetime, especially for Latinas, more than 1 in 6 of whom live below the poverty line.<sup>17</sup> Latinas stand to lose \$2,409 to the wage gap each month or \$28,911 each year. This annual wage gap could have paid for 11 months of child care, 10 months of rent payments, and 10 months of food costs.<sup>18</sup> It could have been a lifeline for Latinas and their families during the pandemic.

If today's median wage gap does not close, Latinas starting their career today stand to lose a staggering \$1,156,440 over the course of a 40-year career. Assuming a Latina and her white, non-Hispanic male counterpart both begin work at age 20, the wage gap means a Latina would have to work until she is nearly 90 years old to be paid what a white, non-Hispanic man has been paid by age 60.<sup>19</sup> In other words, she would have to work nearly eight years beyond her life expectancy—which recently was adjusted down by 1.1 years due to the COVID-19 crisis—in order to catch up to her white, non-Hispanic male peer's lifetime earnings.<sup>20</sup>

Unequal pay means Latinas have less money to cover their current expenses at a moment when every penny counts. It also has ripple effects that mean Latinas miss key opportunities throughout their lifetimes to build wealth and future economic security for themselves and their families. The wage gap means many cannot save enough to afford a down payment on a home, cannot afford to pay for their own or a child's higher education, cannot start a business or save for retirement. It is no surprise, then, that white families have over five times the wealth of Latinx families,<sup>21</sup> or that single Latinas own just \$100 in wealth for every \$28,900 single white men own.<sup>22</sup> White families were over four times more likely than Latinx families to receive an inheritance in 2019; Latinx families have little to no wealth to pass onto future generations.<sup>23</sup>

## Some Latinas<sup>24</sup> experience substantially wider wage gaps than the wage gap for Latinas overall.<sup>25</sup>

- Honduran women experience the steepest wage gap among Latinas living in the U.S., typically making less than half—44 percent—of what white, non-Hispanic men make. Guatemalan women also typically make less than half (47 percent) of what white, non-Hispanic men make.
- Argentinian women in the U.S. fare the best compared to white, non-Hispanic men, typically making 83 cents for every dollar white, non-Hispanic men make.
- Latinas of every origin are also typically paid less than their Latino counterparts in the U.S., although the disparity in pay is usually less than that between Latinas and white, non-Hispanic men.

## LATINAS' WAGE EQUALITY BY COMMUNITY

	Latinas' Earnings	Latinas' Earnings/White, non-Hispanic Men's Earnings	Latinas' Earnings/ Latino s Earnings (within subgroup)
Argentinian	\$50,000	83%	83%
Bolivian	\$45,000	75%	87%
Chilean	\$47,200	79%	79%
Colombian	\$40,000	67%	85%
Costa Rican	\$40,000	67%	85%
Cuban	\$35,000	58%	88%
Dominican	\$32,600	54%	82%
Ecuadorian	\$39,000	65%	93%
Guatemalan	\$28,000	47%	93%
Honduran	\$26,500	44%	76%
Mexican	\$30,700	51%	80%
Nicaraguan	\$35,000	58%	80%
Panamanian	\$43,000	72%	72%
Peruvian	\$38,000	63%	83%
Puerto Rican	\$30,700	51%	68%
Salvadoran	\$30,000	50%	79%
Spaniard	\$47,000	78%	78%
Venezuelan	\$32,000	53%	80%

NWLC calculations based on 2019 American Community Survey 1-year sample using IPUMS-USA available at <https://usa.ipums.org/usa/> (IPUMS). Figures are based on women's and men's median earnings for full-time, year-round workers. Using the 2019 ACS, the median income for white, non-Hispanic men in 2019 was \$60,000. Earnings are in 2019 dollars. Respondents self-identified their specific Hispanic, Latino, or Spanish origin.

### Latinas need action that closes the wage gap.

Even before the COVID-19 crisis, Latinas were losing tens of thousands of dollars annually due to the wage gap and were more likely than their white, non-Hispanic peers to be experiencing hardship. Since the pandemic began, many Latinas have continued to work in front-line jobs while caring for children through school and child care closures and managing other caregiving responsibilities. Many others have lost their jobs entirely. This impossible situation has devastated Latinas' careers, labor force participation, and long-term earning potential. As Latinas who lost jobs or left the labor force return to work, they may find themselves with no choice other than to take jobs that are lower-paying or lower-quality than the ones they left. The cost of education and training that would allow them to advance or transition to a career in a different field will be out of reach for many Latinas as a result of the economic impact of the pandemic.

These far-reaching effects of the COVID-19 crisis threaten to reverberate for years to come and exacerbate pre-existing racial and gender wage gaps. Latinas need a recovery that centers them and their needs. They need action that closes the wage gap. In order to achieve these goals, we need to: support policies that expand and strengthen federal and state unemployment insurance programs; expand access to comprehensive health coverage, including reproductive care;<sup>26</sup> bolster equal pay laws; increase the wages of women in low-paid jobs by raising the minimum wage; protect workers' ability to join unions and collectively bargain; strengthen legal protections against workplace harassment; expand the availability of high-quality, affordable child care; and provide paid family and medical leave.<sup>27</sup>

Latinas have been shortchanged and their work has been undervalued for far too long. Neither they nor their families can afford to wait for change.

- 1 Data for Latinas in this analysis comes from the U.S. Census Bureau and the Bureau of Labor Statistics. Respondents self-identify their sex as either male or female. Latinas are women of any race who self-identified that they are of Hispanic, Latino, or Spanish origin. White, non-Hispanic men self-identified their race as white and indicated that they are not of Hispanic, Latino, or Spanish origin. White men are those who self-identified their race as white but whose Hispanic, Latino, or Spanish origin is not identified in the data.
- 2 National Women’s Law Center (NWLC) calculations using U.S. Census Bureau, *Current Population Survey, 2021 Annual Social and Economic Supplement* [hereinafter CPS, 2021 ASEC], Table PINC-05, (Washington, DC: Sept. 14, 2021), <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pinc/pinc-05.html>. In 2020, the median earnings of Latinas working full time, year round were \$38,718 and for white, non-Hispanic men median earnings were \$67,629.
- 3 NWLC calculations using U.S. Census Bureau, “Age and Sex of All People, Family Members and Unrelated Individuals,” Table POV-01 in 2020 Current Population Survey and 2021 Current Population Survey, (Washington, DC: Sept. 14, 2021), <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pov/pov-01.html>.
- 4 NWLC calculations using BLS, “Employment status of the Hispanic population by sex, and age,” Table A-3 from Employment Situation Summary (Washington, DC: Oct. 8, 2021), <https://www.bls.gov/news.release/empstat.t03.htm>. Historical data available at <https://www.bls.gov/webapps/legacy/cpsatab3.htm>.
- 5 NWLC calculations using BLS, “Employment status of the civilian population by race, sex, and age,” Table A-2 from Employment Situation Summary (Washington, DC: Oct. 8, 2021), <https://www.bls.gov/news.release/empstat.t02.htm>. Historical data available at <https://www.bls.gov/webapps/legacy/cpsatab2.htm>.
- 6 NWLC calculations using BLS, “Unemployed persons by age, sex, race, Hispanic or Latino ethnicity, marital status, and duration of unemployment,” Table A-36 in Labor Force Statistics from the Current Population Survey (Washington, DC: Oct. 8, 2021), <https://www.bls.gov/web/empstat/cpseea36.htm>.
- 7 Sarah Javid and Jasmine Tucker, “Women of Color Use Their Advance Child Tax Credit to Cover Food Costs,” (National Women’s Law Center, Sept. 2021), <https://nwlc.org/resources/women-of-color-use-their-advance-child-tax-credit-to-cover-food-costs/>.
- 8 U.S. Department of Labor, Bureau of Labor Statistics (BLS), Labor Force Statistics from the Current Population Survey, Historical Table A-2 and A-3, available at <https://www.bls.gov/cps/cpsatabs.htm>.
- 9 NWLC calculations using 2015-2019 American Community Survey (ACS), 5-year estimates, using IPUMS USA, University of Minnesota, [www.ipums.org](http://www.ipums.org). “Front-line workforce” is defined using the methodology outlined in Hye Jin Rho, Hayley Brown, and Shawn Fremstad, “A Basic Demographic Profile of Workers in Frontline Industries” (Center for Economic and Policy Research, April 2020), <https://cepr.net/a-basic-demographic-profile-of-workers-in-frontline-industries/>.
- 10 NWLC calculations using 2019 ACS, accessed through Ruggles et al., IPUMS USA.
- 11 NWLC calculations using 2019 ACS, accessed through Ruggles et al., IPUMS USA.
- 12 Claire Ewing-Nelson, “Even Before This Disastrous Year for Mothers, They Were Still Only Paid 75 Cents for Every Dollar Paid to Fathers” (National Women’s Law Center, May 2021), <https://nwlc.org/resources/wp-content/uploads/2020-05-moms-epd-2020-v2-pdf/>.
- 13 Ewing-Nelson, “Even Before This Disastrous Year for Mothers, They Were Still Only Paid 75 Cents for Every Dollar Paid to Fathers.”
- 14 Sarah Jane Glynn, “Breadwinning Mothers Are Critical to Families’ Economic Security” (Center for American Progress, March 2021), <https://www.americanprogress.org/issues/women/news/2021/03/29/497658/breadwinning-mothers-critical-families-economic-security/>.
- 15 NWLC calculations using 2020 Current Population Survey ASEC, accessed through Steven Ruggles, Sarah Flood, Sophia Foster, Ronald Goeken, Jose Pacas, Megan Schouweiler and Matthew Sobek, *Integrated Public Use Microdata Series USA* (IPUMS USA): Version 11.0 (Minneapolis: University of Minnesota, 2021), <https://doi.org/10.18128/DO10.V11.0>.
- 16 NWLC calculations for the national wage gap for Latinas is based on U.S. CPS, 2021 ASEC, supra note 2, Table PINC-05. Women’s and men’s median earnings are for full time, year round workers. Earnings are in 2020 dollars. Figure assumes a wage gap of \$28,911—the gap in median earnings between full time, year round working Latinas (\$38,718) and white, non-Hispanic men (\$67,629) in 2020—each year for 40 years. Figures are not adjusted for inflation.
- 17 NWLC calculations using U.S. Census Bureau, “Age and Sex of All People, Family Members and Unrelated Individuals,” Table POV-01 in 2020 Current Population Survey and 2021 Current Population Survey, <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pov/pov-01.html>.
- 18 NWLC calculations using CPS, 2021 ASEC, Table PINC-05; Child Care Aware of America, *The US and the High Cost of Child Care 2020 Report Appendices*, <https://www.childcareaware.org/our-issues/research/the-us-and-the-high-price-of-child-care-2019/>; U.S. Department of Agriculture, Food and Nutrition Service, *USDA Food Plans: Cost of Food Report for June 2021*, using low-cost food plan for a family of 4, <https://www.fns.usda.gov/cnpp/usda-food-plans-cost-food-reports-monthly-reports>; U.S. Census Bureau, 2019 American Community Survey, Table B25064, <https://data.census.gov/cedsci/table?q=B25064%3A%20MEDIAN%20GROSS%20RENT%20%28DOLLARS%29&tid=ACSDT1Y2019.B25064>.
- 19 This assumes workers begin work at age 20 and work for 40 years, retiring at age 60. In order to make up the more than \$1.1 million lost to the wage gap, Latinas would need to work nearly 30 more years.
- 20 U.S. Center for Disease Control, National Vital Statistics Reports, Provisional Life Expectancy Estimates for January through June, 2020 (Feb. 2020), <https://www.cdc.gov/nchs/data/vsrr/VSR10-508.pdf>.
- 21 Neil Bhutta, et. al., “Disparities in Wealth by Race and Ethnicity in the 2019 Survey of Consumer Finances” (Federal Reserve, Sept. 2020), <https://www.federalreserve.gov/econres/notes/feds-notes/disparities-in-wealth-by-race-and-ethnicity-in-the-2019-survey-of-consumer-finances-20200928.htm>.
- 22 Heather McCulloch, “Closing the Women’s Wealth Gap, What It Is, Why It Matters, and What Can Be Done About It” (Jan 2017), <https://womenswealthgap.org/wp-content/uploads/2017/06/Closing-the-Womens-Wealth-Gap-Report-Jan2017.pdf>.
- 23 Neil Bhutta, et. al., “Disparities in Wealth by Race and Ethnicity in the 2019 Survey of Consumer Finances” (Federal Reserve, Sept. 2020), <https://www.federalreserve.gov/econres/notes/feds-notes/disparities-in-wealth-by-race-and-ethnicity-in-the-2019-survey-of-consumer-finances-20200928.htm>.
- 24 The U.S. Census Bureau, American Community Survey collects data from respondents about their specific Hispanic, Spanish, or Latino origin. See question 5 in the 2019 ACS survey: <https://www2.census.gov/programs-surveys/acs/methodology/questionnaires/2019/quest19.pdf>.
- 25 NWLC calculations using 2019 ACS, accessed through Ruggles et al., IPUMS USA.
- 26 See “A COVID-19 Recovery That Works for All of Us” (National Women’s Law Center, Jan. 2021), [https://nwlc.org/wp-content/uploads/2021/01/COVID\\_Agenda\\_nwlc\\_LegPackEWFinal.pdf](https://nwlc.org/wp-content/uploads/2021/01/COVID_Agenda_nwlc_LegPackEWFinal.pdf).
- 27 See generally, e.g., “The Wage Gap: The Who, How, Why, and What To Do” (National Women’s Law Center, Sept. 2021), <https://nwlc.org/resources/the-wage-gap-the-who-how-why-and-whatto-do/>.