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# The Wage Gap Robs Women of Economic Security as the Harsh Impact of COVID-19 Continues

**BY JASMINE TUCKER**

March 15 is Equal Pay Day, the day that marks how far into this year women working full time, year round must work to catch up to what men made last year alone. When we compare all women to all men, women working full time, year round in 2020 (the most recent year for which we have data) were typically paid just 83 cents for every dollar paid to men.<sup>1</sup>

With the massive job losses experienced during the COVID-19 pandemic, particularly among low-paid workers, there were substantially fewer people who worked full time, year round in 2020, and many who continued to work full time, year round worked in higher paying positions.<sup>2</sup> Because the women who remained in the labor force and worked full time for all of 2020 often had higher earnings than their counterparts who lost their jobs, 2020's data gives the appearance of closing wage gaps for some groups of women compared to 2019. However, given these major shifts in the labor market, 2020's data is not comparable to wage gap data for prior years.

The labor market shifted dramatically in 2020. Millions of jobs were lost, particularly among low-paid workers, and many people left the labor force altogether. As large as the gender wage gap among full-time, year-round workers was in 2020, it paints too rosy of a picture. The loss of so many low-paid workers caused median earnings for women working full time, year round to rise in 2020,<sup>3</sup> and doesn't reflect the reality of many women who lost jobs that year, or who were forced into part-time work. When we compare all women workers with all men workers, regardless of how many hours or weeks they worked, women were typically paid only 73 cents for every dollar paid to men in 2020.<sup>4</sup>

Racist and sexist wage gaps have always existed – but the pandemic drove new, harmful economic fissures along racial and gender lines. As we recover from the economic fallout of COVID-19, we must address our long underinvestment in economic and social infrastructure and the inadequate protections that left many women stranded at the intersection of the racial and gender inequities laid bare by the pandemic.

## The economic crisis continues for many women.

Racial and gender wage gaps are nothing new – but the COVID-19 pandemic and resulting economic downturn have exacerbated longstanding inequities and threaten to widen these wage gaps. In 2020, the gender wage gap typically cost women working full time, year round \$870 per month or \$10,435 per year<sup>5</sup> – sharply compromising their ability to weather the economic crisis that has gone hand-in-hand with COVID-19. And while the severity of the crisis has lessened since 2020, the data is clear: its racial and gender impacts continue, especially for Black and Latina women.

- Women lost nearly 11.9 million jobs between February and April 2020<sup>6</sup> and are still short over 1.4 million jobs since the start of the pandemic.
- Over 1.1 million fewer women were in the labor force in February 2022 than in February 2020, meaning they are neither working nor looking for work.
- Black women and Latinas continue to experience unemployment rates that are higher than white men's.<sup>7</sup>
- Nearly 3 in 10 women ages 20 or older were unemployed in February 2022 (29.0 percent) and had been looking for work for six months or longer.<sup>8</sup>
- In December 2021, Black, non-Hispanic women and Latinas were more likely than white, non-Hispanic men and women to report a recent loss of household employment income.<sup>9</sup>
- In December 2021, Black, non-Hispanic women and Latinas were more likely than white, non-Hispanic men and women to be behind on their rent.
- In December 2021, Black, non-Hispanic women and Latinas were more likely than white, non-Hispanic men and women to not have enough to eat.<sup>10</sup>

Though fewer women are out of work, behind on their rent, or suffering from food insufficiency compared to a year ago,<sup>11</sup> the economic impact of the pandemic may be long lasting. Employers, for example, may pay lower wages to employees who have been out of work for long stretches of time. Lost earnings during the pandemic also mean some women will be less likely to afford education and training that would allow them to move up or into another field. The pandemic may lead women to face larger wage gaps in the years to come.

## The wage gap costs women tens of thousands of dollars every year and hundreds of thousands over a lifetime.

The loss of 17 cents on the dollar adds up over a month, a year, and a lifetime. If today's median wage gap for full-time, year-round workers does not close, women stand to lose \$10,435 each year. This annual wage gap could have paid for more than 9 months of rent,<sup>12</sup> nearly 13 months' worth of groceries,<sup>13</sup> or a year's worth of child care costs.<sup>14</sup> It could have been a lifeline for women and their families during this crisis.

If the current wage gap does not close, a woman starting her career today with full-time, year-round work stands to lose \$417,400 over the course of a 40-year career.<sup>15</sup> Assuming a woman and her male counterpart begin working full time, year round at age 20, the wage gap means a woman would have to work until she is 72 to be paid what a man has been paid by age 60.<sup>16</sup> But Latina women working full time, year round face typical lifetime losses that total over \$1.1 million, for Native American women working full time, year round it is nearly \$1.1 million, and for Black women working full time, year round, it is nearly \$1 million.<sup>17</sup> This makes it impossible for Latina, Native American, and Black women to ever catch up.

Unequal pay means more than women having less money to cover their current expenses. It has ripple effects that mean women miss key opportunities to build wealth and future economic security for themselves and their families.

## HOW MUCH WOMEN WORKING FULL TIME, YEAR ROUND LOSE TO THE WAGE GAP, BY RACE/ETHNICITY

Women by race/ethnicity	What women were paid for every dollar paid to white, non-Hispanic men in 2020	Typical monthly losses	Typical annual losses	Typical losses over a 40-year career
Asian American, Native Hawaiian, and Pacific Islander (AANHPI) women	\$0.95	\$250	\$3,000	\$120,000
Black women	\$0.64	\$2,035	\$24,420	\$976,800
Latinas	\$0.57	\$2,409	\$28,911	\$1,156,440
Native American women	\$0.57	\$2,250	\$27,000	\$1,080,000
White, non-Hispanic women	\$0.79	\$1,158	\$13,898	\$555,920

Source: Figures for Black women, Latinas, and white, non-Hispanic women are NWLC calculations using Table PINC-05, U.S. Census Bureau, Current Population Survey, 2021 Annual Social and Economic Supplement, <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pinc/pinc-05.html>. Figures for AANHPI women and Native American women are NWLC calculations based on 2020 American Community Survey microdata, <https://www.census.gov/programs-surveys/acs/>. Respondents to both surveys self-identify their sex as either male or female and self-identify their race and whether they are of Hispanic, Latino, or Spanish origin.

## When we look at all workers, and not just full-time, year-round workers, the gender wage gap is even larger.

Given the labor market shifts of 2020, the wage gap for those who worked full time, year round in 2020 does not adequately reflect the substantial wage gaps experienced by working women writ large. Women lost a majority of the nearly 22 million jobs lost between February and April 2020 and continue to be a majority of net job losers.<sup>18</sup> Women are also more likely than men to work part time, and women lost all of the net part-time jobs lost between 2019 and 2021.<sup>19</sup>

When comparing all women who worked in 2020 with all men who worked, regardless of how many hours or weeks they worked, women were typically paid just 73 cents for every dollar paid to men, and the numbers were even wider for many women of color when compared to white, non-Hispanic men.<sup>20</sup>

What Women Make by Race/Ethnicity for Every Dollar White, non-Hispanic Men Make, Including Part-Time and Part-Year Workers



Source: Figures for Black women, Latinas, and white, non-Hispanic women are NWLC calculations based on U.S. Census Bureau, Current Population Survey, 2021 Annual Social and Economic Supplement, Table P-41, <https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-income-people.html>. Figures for AANHPI women and Native American women are NWLC calculations based on 2020 American Community Survey microdata, <https://www.census.gov/programs-surveys/acs/>. Respondents to both surveys self-identify their sex as either male or female and self-identify their race and whether they are of Hispanic, Latino, or Spanish origin.

## Women need action that closes the wage gap.

Even before the COVID-19 crisis, women were losing tens of thousands of dollars annually due to the wage gap, with Black, Latina, and Native American women suffering from the largest gaps. The impact of COVID-19 reveals that women, and especially women of color, are bearing the brunt of the longstanding gaps and underinvestment in our workplace laws, economic and social infrastructure, and policy choices that failed to center the needs of women. This harms not only women, but the families who depend on their income. The COVID-19 crisis underscores the need to close the wage gap and a recovery that centers the needs of Black, Latina, and Native American women. Women have been shortchanged and their work undervalued for too long. Neither they nor their families can afford to wait for change.

- 1 "The Wage Gap: The Who, How, Why, and What to Do," (National Women's Law Center, Oct. 2020), <https://nwlc.org/resources/the-wage-gap-the-who-how-why-and-what-to-do/>. In 2020, women working full-time, year-round made \$50,982 and men working full-time, year-round made \$61,417.
- 2 Ariane Hegewisch and Eve Mefferd, "The Gender Wage Gap by Occupation, Race, and Ethnicity 2020" (Institute for Women's Policy Research, March 2021), <https://iwpr.org/wp-content/uploads/2021/03/2021-Occupational-Wage-Gap-Brief-v2.pdf>.
- 3 Charles Hokayem, Ethan Krohn, and Matthew Unrath, "Fewer Low-Wage Full-Time, Year-Round Workers During COVID-19 Causes Increase in Median Earnings Among Those Still Employed," (U.S. Census Bureau, Sept. 2021), <https://www.census.gov/library/stories/2021/09/workers-earnings-decline-overall-during-pandemic-but-increase-for-full-time-year-round-workers.html>.
- 4 NWLC calculations using "Work Experience -Workers by Median Earnings and Sex," Table P-41 from U.S. Census Bureau, Current Population Survey, 2021 Annual Social and Economic Supplement, <https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-income-people.html>.
- 5 "The Wage Gap: The Who, How, Why, and What to Do," (National Women's Law Center, Sept. 2021), <https://nwlc.org/resource/the-wage-gap-the-who-how-why-and-what-to-do-2/>.
- 6 BLS, "Employment of Women on Nonfarm Payrolls by Industry Sector, Seasonally Adjusted," Table B-5 in February 2022 Employment Situation Summary (Washington, DC: March 4, 2022), <https://www.bls.gov/news.release/empstat.t21.htm>. Historical data available at <https://www.bls.gov/webapps/legacy/cesbtab5.htm>.
- 7 Jasmine Tucker and Brooke LePage, "The Jobs Report Shows a Strong Month, but Black Women's Labor Force Participation Drops and Unemployment Rate Rises," (National Women's Law Center, Mar. 2022), <https://nwlc.org/resource/the-jobs-report-shows-a-strong-month-but-black-womens-labor-force-participation-drops-and-unemployment-rate-rises/>.
- 8 Jasmine Tucker and Brooke LePage, "The Jobs Report Shows a Strong Month, but Black Women's Labor Force Participation Drops and Unemployment Rate Rises," (National Women's Law Center, Mar. 2022), <https://nwlc.org/resource/the-jobs-report-shows-a-strong-month-but-black-womens-labor-force-participation-drops-and-unemployment-rate-rises/>.
- 9 Brooke LePage and Sarah Javaid, "Black, non-Hispanic Women and Latinas Use Advance Child Tax Credit to Cover Necessities and Pay Down Debt in the Last Month of Payments," (National Women's Law Center, Jan. 2022), <https://nwlc.org/resource/black-non-hispanic-women-and-latinas-use-advance-child-tax-credit-to-cover-necessities-and-pay-down-debt-in-the-last-month-of-payments/>.
- 10 Brooke LePage and Sarah Javaid, "Black, non-Hispanic Women and Latinas Use Advance Child Tax Credit to Cover Necessities and Pay Down Debt in the Last Month of Payments," (National Women's Law Center, Jan. 2022), <https://nwlc.org/resource/black-non-hispanic-women-and-latinas-use-advance-child-tax-credit-to-cover-necessities-and-pay-down-debt-in-the-last-month-of-payments/>.
- 11 "A Year of Strength & Loss: The Pandemic, the Economy, & the Value of Women's Work," (National Women's Law Center, Mar. 2021), <https://nwlc.org/resource/the-pandemic-the-economy-the-value-of-womens-work/>.
- 12 NWLC calculations based on U.S. Census Bureau, 2019 American Community Survey, Table DP04. Median gross rent in 2019 was \$1,097.
- 13 NWLC calculations using U.S. Department of Agriculture, Food and Nutrition Service, USDA Food Plans: Cost of Food Report for January 2022, <https://www.fns.usda.gov/cnpp/usda-food-plans-cost-food-reports-monthly-reports>. A month's worth of groceries on a low-cost food plan in January 2022 for a family with two adults between 19 and 50 years of age and two young children ages 2 and 4 was \$808.50.
- 14 NWLC calculations using Appendix I from "Demanding Change: Repairing our Child Care System," (Child Care Aware of America, 2020), <https://www.childcareaware.org/demanding-change-repairing-our-child-care-system/>. Average costs for child care in a center in Oregon for a toddler is \$10,425 annually in 2020, or \$868.75 per month. Oregon's cost for this type of child care falls at the median of all state averages (including the District of Columbia and Puerto Rico).
- 15 "The Wage Gap: The Who, How, Why, and What to Do," (National Women's Law Center, Sept. 2021), <https://nwlc.org/resource/the-wage-gap-the-who-how-why-and-what-to-do-2/>.
- 16 NWLC calculations using "Work Experience-People 15 Years Old and Over, by Total Money Earnings, Age, Race, Hispanic Origin, Sex, and Disability Status," Table PINC-05 from U.S. Census Bureau, Current Population Survey, 2021 Annual Social and Economic Supplement, <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pinc/pinc-05.html>.
- 17 Figures for Black women, Latinas, and white, non-Hispanic women are NWLC calculations using U.S. Census Bureau, Current Population Survey, 2021 Annual Social and Economic Supplement, Table PINC-05, <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pinc/pinc-05.html>. Figures for Asian American, Native Hawaiian, and other Pacific Islander women and Native American women are NWLC calculations using 2020 American Community Survey microdata, <https://www.census.gov/programs-surveys/acs/>. Respondents to both surveys self-identify their sex as either male or female and self-identify their race and whether they are of Hispanic, Latino, or Spanish origin. The cost of the wage gap over a 40-year career, or the "lifetime wage gap," is based on the latest data on the difference between women's and men's median annual earnings for full-time, year-round workers, multiplied by 40 years. For example, the difference in annual earnings between women overall and men overall in 2020 was \$10,435. Over a 40-year career, the losses would total \$417,400. Figures are not adjusted for inflation.
- 18 NWLC calculations using Bureau of Labor Statistics (BLS), "Employees on Nonfarm Payrolls by Industry Sector and Selected Industry Detail," Table B-1 in February 2022 Employment Situation Summary (Washington, DC: March 4, 2022), <https://www.bls.gov/news.release/empstat.t17.htm>. Historical data available at <https://www.bls.gov/webapps/legacy/cesbtab1.htm>. Figures are seasonally adjusted.
- 19 Brooke LePage, "Part-Time Workers Are Facing Heightened Uncertainty During COVID - and Most Are Women," (National Women's Law Center, Feb. 2022), <https://nwlc.org/resource/part-time-workers-factsheet/>.
- 20 Figures for Black women, Latinas, and white, non-Hispanic women are NWLC calculations using "Work Experience -Workers by Median Earnings and Sex," Table P-41 from U.S. Census Bureau, Current Population Survey, 2021 Annual Social and Economic Supplement, <https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-income-people.html>. Figures for Asian American, Native Hawaiian, and other Pacific Islander women and Native American women are NWLC calculations using 2020 American Community Survey microdata, <https://www.census.gov/programs-surveys/acs/>. Respondents to both surveys self-identify their sex as either male or female and self-identify their race and whether they are of Hispanic, Latino, or Spanish origin.