



**NATIONAL
WOMEN'S
LAW CENTER**

Justice for Her. Justice for All.

SEPTEMBER 2022 | FACT SHEET

It's Time to Pay Black Women What They're Owed

BY JASMINE TUCKER

Black workers have always faced discrimination in the U.S. workforce, even as they helped to build America and provided the foundations for its economy. Today, it takes longer for Black workers to find jobs¹ and when they do, they're paid less than their white peers. This pay gap is especially stark for Black women, who face not only race discrimination, but also sex discrimination. Among full-time, year-round workers, Black women typically make just 67 cents for every dollar paid to white, non-Hispanic men.² This wage gap costs Black women \$1,891 per month, \$22,692 per year and a staggering loss of \$907,680 over a 40-year career.³

COVID-19 dramatically shifted the labor market. For example, because low-paid workers disproportionately experienced job losses during the pandemic,⁴ there were substantially fewer people who worked full-time, year-round in 2020, and many who did work full time, year round worked in higher paying positions.⁵ Many women who previously worked in low-paid jobs remained unemployed or underemployed in 2021 and many others remained out of the labor force altogether, meaning they were not working or looking for work. As the wage gap data in this factsheet reflects 2021, it gives the appearance of a change in the wage gap for Black women but may not actually reflect economic gains.

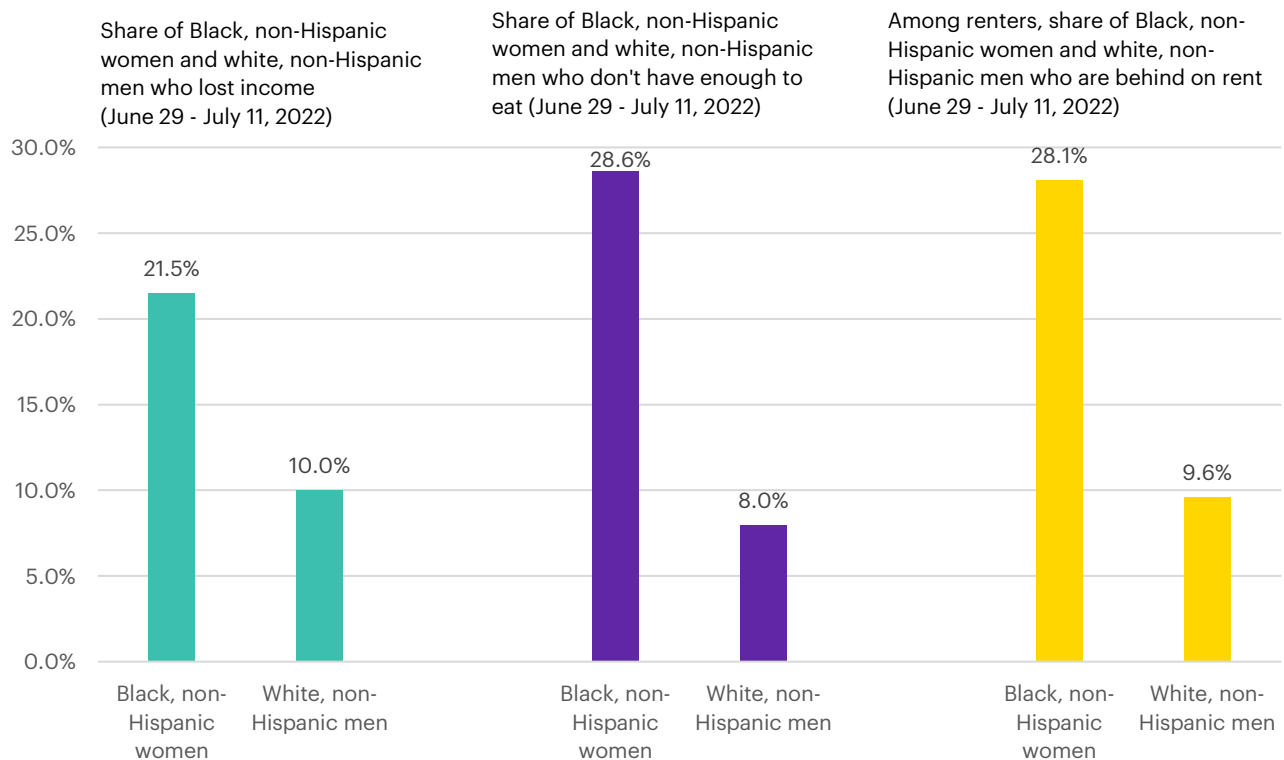
The labor market has shifted dramatically since March 2020. Millions of jobs were lost, particularly the low-paid jobs where Black women are overrepresented, and many women left the labor force altogether. The loss of these jobs means the wage gap for full-time year-round workers in 2021 doesn't capture the experience of the many Black women who lost jobs, were forced into part-time work, or who were pushed out of the labor force altogether during the pandemic. When we look at all workers, regardless of how many hours or weeks they worked, Black women were typically paid only 64 cents for every dollar paid to white, non-Hispanic men in 2021.⁶

Black women are still suffering from the pandemic's economic fallout.

Unequal pay has left Black women less able than their white, non-Hispanic male counterparts to successfully weather the economic fallout of the pandemic. And data shows that economic gains in recent months have not been experienced evenly across groups by race and gender. The unemployment rate for Black women was double digits for 6 months in 2020—including a peak of 16.6% in May 2020—before finally declining. Black women's unemployment rate was 5.9% in August 2022, but that was almost twice as high as the unemployment rate among white men last month (3.1%).⁷ In addition, over 1 in 5 unemployed Black women ages 16 and over (27.7%) have been looking for work for 6 months or more and nearly 1 in 6 Black women ages 16 and over (16.2%) working part time are doing so involuntarily, meaning they wanted to work more hours but were unable to do so.⁸

In addition, in July 2022, analysis of the U.S. Census Bureau's Household Pulse Survey shows Black, non-Hispanic women were more likely than white, non-Hispanic men to have lost employment income, not have enough food to eat, and be behind on their rent:

- Over 1 in 5 Black, non-Hispanic women (21.5%) recently reported someone in their household lost employment income in the prior 4 weeks.
- Nearly 3 in 10 Black, non-Hispanic women (28.6%) recently reported they did not have enough to eat in the prior week.
- Nearly 3 in 10 Black, non-Hispanic women who rent (28.1%) recently reported they were behind on the rent.⁹



Source: NWLC calculations based on U.S. Census Bureau, 2020-2022 Household Pulse Survey, using data from week 47 (collected June 29 – July 11, 2022). Survey respondents self-identified as male, female, transgender, or none and self-identified their race and whether they were of Hispanic, Latino, or Spanish origin. Those who lost income are those who reported losing household income in the past 4 weeks. Those without enough to eat reported not having enough to eat in the prior 7 days.

The wage gap will typically cost a Black woman over \$900,000 dollars over a lifetime of work and contributes to the racial wealth gap.

The loss of thirty-three cents on the dollar experienced by Black women working full-time, year-round, adds up over a month, a year, and a lifetime. Black women lose \$1,891 each month or \$22,692 each year. This annual loss to the wage gap could have paid for eight months of a family's groceries,¹⁰ eight months of child care,¹¹ and eight months of rent.¹² It could have been a lifeline for Black women and their families during the pandemic.

If the wage gap does not close, a Black woman starting her career today stands to lose a staggering \$907,680 over the course of a 40-year career working full time, year round. Assuming a Black woman and her white, non-Hispanic male counterpart both begin work at age 20, the wage gap means a Black woman would have to work until she is almost 80 years old to be paid what a white, non-Hispanic man has been paid by age 60.¹³ In other words, she would have to work 5 years beyond her life expectancy in order to catch up to her white, non-Hispanic male peer's lifetime earnings.¹⁴

Unequal pay means more than Black women having less money to cover their current expenses, at a moment when every penny counts. It also has ripple effects that mean Black women 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. When combined with other structural inequities, it is no surprise, then, that white families have eight times the wealth of Black families¹⁵ or that single Black women own \$200 in wealth for every \$28,900 single white men own.¹⁶ White families were nearly three times more likely than Black families to receive an inheritance; Black families have little to no wealth to pass onto future generations.¹⁷

Black women need action that closes the wage gap.

Even before the COVID-19 crisis, Black women were losing tens of thousands of dollars annually. But add to that the economic fallout of this crisis, and Black women have been placed in an impossible situation that has devastated their careers and long-term earning potential. 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. Black women need a recovery that centers them and their needs and that addresses our long underinvestment in economic and social infrastructure and the inadequate workplace protections that left them stranded at the intersection of racial and gender inequities laid bare by the pandemic. It's time to pay Black women what they are owed.

- 1 Christian Walker, Center for American Progress, African Americans Face Systematic Obstacles to Getting Good Jobs, Dec. 2019, *available at* <https://www.americanprogress.org/issues/economy/reports/2019/12/05/478150/african-americans-face-systematic-obstacles-getting-good-jobs/>.
- 2 NWLC calculations using U.S. Census Bureau, Current Population Survey, 2022 Annual Social and Economic Supplement [hereinafter CPS, 2022 ASEC], Table PINC-05, *available at* <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pinc/pinc-05.html>. CPS, 2022 ASEC respondents self-identify their sex as either male or female and self-identify their race/ethnicity.
- 3 NWLC calculations using CPS, 2022 ASEC, Table PINC-05. Figure assumes a median wage gap of \$22,692—the gap in median earnings between full-time, year-round working Black women (\$46,543) and white, non-Hispanic men (\$69,235) in 2021—each year for 40 years. Figures are not adjusted for inflation.
- 4 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>.
- 5 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>.
- 6 NWLC calculations using CPS, 2022 ASEC, Table PINC-05.
- 7 NWLC calculations using BLS, “Employment status of the civilian population by race, sex, and age” Table A-2 from Employment Situation Summary (Washington, DC: September 2, 2022), <https://www.bls.gov/news.release/empstat.t02.htm>. Historical data *available at* <https://www.bls.gov/webapps/legacy/cpsatab2.htm>.
- 8 Jasmine Tucker and Brooke LePage, “152,000 Women Join the Labor Force in August,” (National Women’s Law Center, September 2022), <https://nwlc.org/resource/152000-women-join-labor-force-in-august/>.
- 9 Brooke LePage and Sarah Javaid, “Amid Rising Household Costs, Black, Non-Hispanic Women and Latinas Continue to Face Economic Fallout from the Pandemic,” (National Women’s Law Center, August 2022), <https://nwlc.org/resource/amid-rising-household-costs-black-non-hispanic-women-and-latinas-continue-to-face-economic-fallout-from-the-pandemic/>.
- 10 NWLC calculations using U.S. Department of Agriculture, Food and Nutrition Service, USDA Food Plans: Cost of Food Report for June 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 June 2022 for a family with two adults between 19 and 50 years of age and two young children ages 2-3 and 4-5 was \$858.00.
- 11 NWLC calculations using Appendix I from “Demanding Change: Repairing our Child Care System,” (Child Care Aware of America, 2022), <https://www.childcareaware.org/demanding-change-repairing-our-child-care-system/>. Average costs for child care in a center in Oregon for a toddler was \$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).
- 12 NWLC calculations using U.S. Census Bureau, 2016-2020 American Community Survey, Table DP04: Selected Housing Characteristics, <https://data.census.gov/cedsci/table?q=DP04%3A%20SELECTED%20HOUSING%20CHARACTERISTICS&tid=ACSDP5Y2020.DP04>. Median gross rent in between 2016 and 2020 was \$1,096 per month.
- 13 NWLC calculations using CPS, 2022 ASEC, Table PINC-05.
- 14 NWLC calculations using CPS, 2022 ASEC, Table PINC-05 and U.S. Center for Disease Control, National Vital Statistics Reports, United States Life Tables, 2020, <https://www.cdc.gov/nchs/data/nvsr/nvsr71/nvsr71-01.pdf>.
- 15 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>.
- 16 Heather McCulloch, Closing the Women’s Wealth Gap, What it Is, Why It Matters, and What Can Be Done About It (Jan 2017), *available at* <https://womenswealthgap.org/wp-content/uploads/2017/06/Closing-the-Womens-Wealth-Gap-Report-Jan2017.pdf>.
- 17 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>.