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Latinas Lose Nearly \$1.2 Million to the Sexist and Racist Wage Gap

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While Latinas play a critical role in the workforce, they are often paid less than their peers. In 2021, the most recent data available, Latinas¹ working full time, year round were typically paid just 57 cents for every dollar paid to white, non-Hispanic men.² This gap in pay typically amounts to a loss of \$2,477 every month, \$29,724 every year, and \$1,188,960 over a 40-year career.³

As bad as these losses are, the wage gap for full-time, year-round workers doesn't fully reflect the economic disparities faced by Latinas. The full-time, year-round wage gap leaves out those Latinas who were unemployed or out of the labor force for part of 2021, or who worked part time, even if they wanted full-time work. This is especially significant given that the labor market shifted dramatically in 2020 as a result of the pandemic and its effects continued in 2021. Millions of jobs were lost, particularly among women working in low-paid jobs, while other women were forced into part-time work as they lost access to full-time work or needed to adjust their schedules to care for children or other loved ones. When part-time and part-year workers are included in the comparison, Latinas were typically paid only 54 cents for every dollar paid to white, non-Hispanic men in 2021.⁴

Racist and sexist wage gaps have always existed – but the pandemic drove new, harmful economic fissures along racial and gender lines. As we continue to 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 Latinas stranded at the intersection of the racial, ethnic, and gender inequities laid bare by the pandemic.

Latinas are still suffering from the COVID-19 crisis.

Unequal pay contributed to Latinas being less able than their white, non-Hispanic male counterparts to successfully weather COVID-related income loss. And many Latinas lost jobs in the pandemic: At its peak, the unemployment rate for Latinas ages 20 and older reached 20.1% in April 2020 and was in the double digits for 6 months in 2020 (between April and September 2020). And while Latinas' unemployment is

now below its February 2020 rate, Latinas' labor force participation rate remains below its pre-pandemic level,⁵ nearly 1 in 5 unemployed Latinas (19.1%) have been unemployed for 6 months or more, and over 1 in 8 Latinas working part time (12.9%) are doing so involuntarily, meaning they wanted to be working more hours but were unable to do so.⁶

Census Household Pulse Survey data shows Latinas continue to experience hardship: Between October 5 and 17, 2022, nearly 1 in 5 Latinas (18.4%) were in a household that had lost employment income in the previous 4 weeks, nearly 1 in 5 Latinas (19.4%) reported not having enough food to eat in the previous week, and nearly 1 in 6 Latinas who rent (16.5%) reported being behind on their rent.⁷ And while the data shows the crisis is not as severe as it once was, the economic impact of the pandemic continues for many.

Over their career, the wage gap will typically cost Latinas nearly \$1.2 million.

A loss of 43 cents on the dollar adds up over a month, a year, and a lifetime. Latinas stand to lose \$2,477 to the wage gap each month or \$29,724 each year. This annual wage gap could have paid for 10 months of child care, 7 months of rent payments, and 11 months of food costs.⁸ 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 \$1,188,960 over the course of a 40-year career.⁹ 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 90 years old to be paid what a white, non-Hispanic man has been paid by age 60.¹⁰ In other words, she would have to work nearly six years beyond her life expectancy to catch up.¹¹ Of course, in reality, there is no moment when Latinas "catch up" and remedy a lifetime of losses.

Some Latinas experience substantially wider wage gaps than the wage gap for Latinas overall.

Although Latinas working full time, year round typically make 57 cents for every dollar paid to white, non-Hispanic men, the wage gap varies widely and women of many Latina communities in the U.S. experience even larger gaps. For example, Honduran women make 44 cents, Guatemalan women make 47 cents, and Salvadoran women make 49 cents for every dollar paid to white, non-Hispanic men.¹²

HOW MUCH LATINAS WORKING FULL TIME, YEAR ROUND LOSE TO THE WAGE GAP BY COMMUNITY IN THE U.S.

Community	Latinas' earnings	What Latinas make for every dollar white, non-Hispanic men make	Latinas' typical annual losses	Latinas' typical losses over a 40-year career
Argentinean women	\$50,000	\$0.82	\$10,750	\$430,000
Bolivian women	\$40,000	\$0.66	\$20,750	\$830,000
Chilean women	\$45,406	\$0.75	\$15,344	\$613,760
Colombian women	\$40,000	\$0.66	\$20,750	\$830,000
Costa Rican women	\$42,238	\$0.70	\$18,512	\$740,480
Cuban women	\$35,596	\$0.59	\$25,154	\$1,006,160
Dominican women	\$32,399	\$0.53	\$28,351	\$1,134,040
Ecuadorian women	\$36,079	\$0.59	\$24,671	\$986,840
Guatemalan women	\$28,350	\$0.47	\$32,400	\$1,296,000
Honduran women	\$27,000	\$0.44	\$33,750	\$1,350,000
Mexican women	\$31,679	\$0.52	\$29,071	\$1,162,840
Nicaraguan women	\$35,000	\$0.58	\$25,750	\$1,030,000
Panamanian women	\$44,500	\$0.73	\$16,250	\$650,000
Paraguayan women	\$36,958	\$0.61	\$23,792	\$951,680
Peruvian women	\$37,753	\$0.62	\$22,997	\$919,880
Puerto Rican women	\$39,000	\$0.64	\$21,750	\$870,000
Salvadoran women	\$30,000	\$0.49	\$30,750	\$1,230,000
Spanish women	\$50,000	\$0.82	\$10,750	\$430,000
Uruguayan women	\$40,000	\$0.66	\$20,750	\$830,000
Venezuelan women	\$36,000	\$0.59	\$24,750	\$990,000

NWLC calculations using 2016-2020 American Community Survey 5-year sample using IPUMS-USA available at <https://usa.ipums.org/usa/>. White, non-Hispanic men typically made \$60,750 between 2016-2020. Figures are based on women's and men's median earnings for full-time, year-round workers. Figures are not adjusted for inflation.

Latinas need action that closes the wage gap.

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.

Losses due to gender and racial wage gaps are devastating for Latinas and their families, many of whom lose tens of thousands of dollars annually to the wage gap. This harms not only Latinas, but the families who depend on their income. 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.
- 2 National Women’s Law Center (NWLC) calculations using U.S. Census Bureau, Current Population Survey, 2022 Annual Social and Economic Supplement [hereinafter CPS, 2022 ASEC], Table PINC-05, (Washington, DC: Sept. 13, 2022), <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pinc/pinc-05.html>. In 2021, the median earnings of Latinas working full time, year round were \$39,511 and for white, non-Hispanic men median earnings were \$69,235.
- 3 NWLC calculations based on CPS, 2022 ASEC, Table PINC-05. Figure assumes a wage gap of \$29,724—the gap in median earnings between full-time, year-round working Latinas and white, non-Hispanic men in 2021—each year for 40 years. Figures are not adjusted for inflation.
- 4 NWLC calculations based on CPS, 2022 ASEC, Table PINC-05. Wage gap figures for all workers are calculated by taking the median earnings of women and men working any number of hours or week. Median earnings describe the earnings of a worker at the 50th percentile – right in the middle.
- 5 NWLC calculations using BLS, “Employment status of the Hispanic or Latino population by sex and age,” Table A-3 in October 2022 Employment Situation Summary. (Washington, DC: November 4, 2022), <https://www.bls.gov/news.release/empstat03.htm>. Historical data available at <https://www.bls.gov/webapps/legacy/cpsatab3.htm>.
- 6 Jasmine Tucker and Brooke LePage, “Women Gain Nearly Two in Three Jobs Added to Economy in October” (National Women’s Law Center, November 2022), <https://nwlc.org/resource/women-gain-nearly-two-in-three-jobs-added-to-economy-in-october/>.
- 7 NWLC calculations using U.S. Census Bureau, 2020-2022 Household Pulse Survey, week 50 (collected October 5 - 17, 2022), <https://www.census.gov/data/experimental-data-products/household-pulse-survey.html>.
- 8 NWLC calculations using CPS, 2022 ASEC, Table PINC-05; Child Care Aware of America, The US and the High Cost of Child Care 2020 Report Appendices, <https://info.childcareaware.org/hubfs/Demanding%20Change%20Appendices.pdf>; U.S. Department of Agriculture, Food and Nutrition Service, USDA Food Plans: Cost of Food Report for September 2022, using low-cost food plan for a family of four (one adult man and one adult woman ages 19-50 and children 6-8 and 9-11), <https://www.fns.usda.gov/cnpp/usda-food-plans-cost-food-reports-monthly-reports>; U.S. Census Bureau, 2021 American Community Survey, Selected Housing Characteristics, Table DP04, <https://data.census.gov/cedsci/table?q=dp04&tid=ACSDP1Y2021.DP04>.
- 9 NWLC calculations for the national wage gap for Latinas is based on U.S. CPS, 2022 ASEC, Table PINC-05. Women’s and men’s median earnings are for full time, year round workers. Earnings are in 2021 dollars. Figure assumes a wage gap of \$29,724—the gap in median earnings between full time, year round working Latinas (\$39,511) and white, non-Hispanic men (\$69,235) in 2021—each year for 40 years. Figures are not adjusted for inflation.
- 10 This assumes workers begin work at age 20 and work for 40 years, retiring at age 60. In order to make up the nearly \$1.2 million lost to the wage gap, Latinas would need to work over 30 more years.
- 11 U.S. Centers for Disease Control and Prevention, National Center for Health Statistics, Life expectancy at birth, age 65, and age 75, by sex, race, and Hispanic origin: United States, selected years 1900-2019, Table LExpMort, <https://www.cdc.gov/nchs/data/hus/2020-2021/LExpMort.pdf>. Hispanic women’s life expectancy at birth was 84.4 years in 2019.
- 12 NWLC calculations based on U.S. Census Bureau, 2016-2020 American Community Survey (ACS), 5-year estimates, using Steven Ruggles, Sarah Flood, Ronald Goeken, Josiah Grover, Erin Meyer, Jose Pacas, and Matthew Sobek, IPUMS USA, Version 10.0, University of Minnesota, www.ipums.org.