A Window Into the Wage Gap: What’s Behind It and How to Close It

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Women in the U.S. who work full time, year round are typically paid only 84 cents for every dollar paid to their male counterparts.¹ This gap in earnings translates into $9,954 less per year in median earnings, leaving women and their families shortchanged, especially during a period of rising inflation, when families need every dollar. Although the gender wage gap has narrowed over time, in part because of enforcement of the Equal Pay Act and civil rights laws, ongoing efforts to address the significant pay disparities that remain are critical for the economic security of women and their families.

What’s Behind the Full-Time, Year-Round Gender Wage Gap Calculation?

The 84-cent gender wage gap calculation for full-time, year-round workers that NWLC reports at the national level is derived from 2021 data and is the same as that reported by the Census Bureau—the median earnings of women (of all races) working full time, year round as a percentage of the median earnings of men (of all races) working full time, year round.² Median earnings describe the earnings of a worker at the 50th percentile—right in the middle. Earnings mean wages, salary, and net self-employment income—so essentially 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 12 months.⁴ The national gender wage gap data for full-time, year-round workers that results in the 84-cent wage gap figure comes from the Current Population Survey (CPS) and includes workers 15 years and older.⁵

NOTES

What closing the wage gap would mean to me this year:²

- Two months’ supply of groceries $2,079
- Three months’ child care payments $1,883
- Three months’ rent $3,575
- Three months’ health insurance premiums $1,544
- Two months’ student loan payments $544
- Six tanks of gas $316

• Total: $9,939

Wage gap yearly total: $9,954
How Big Is the Gender Wage Gap If We Include Part-Time and Part-Year Workers?

When comparing the median earnings of all women who worked in 2021 with the median earnings of all men who worked, regardless of how many hours or weeks they worked, and including workers of all races, women are typically paid just 77 cents for every dollar paid to men. The 77-cent gender wage gap calculation for workers, regardless of how many hours or weeks they worked, that NWLC reports at the national level also comes from the Census Bureau and represents the median earnings of all working women as a percentage of the median earnings of all working men. 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 essentially the money people see in their paychecks. The national gender wage gap data for workers, regardless of how many hours or weeks they worked, that results in the 77-cent wage gap figure comes from the Current Population Survey (CPS) and includes workers 15 years and older.

Equal Pay Is Crucial for All Women

Women of color working full time, year round are typically paid less than white, non-Hispanic men. In calculating wage gaps for women of color, 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.

- Asian American, Native Hawaiian, and Pacific Islander (AANHPI) women working full time, year round make only 92 cents for every dollar paid to their white, non-Hispanic male counterparts.

- Black women working full time, year round typically make only 67 cents for every dollar paid to their white, non-Hispanic male counterparts.

- Latinas working full time, year round typically make only 57 cents for every dollar paid to their white, non-Hispanic male counterparts.

- Native women working full time, year round typically make only 57 cents for every dollar paid to their white, non-Hispanic male counterparts.

- The wage gap translates into an annual median loss of $22,692 for Black women, $29,724 for Latinas, and $28,797 for Native women. Closing the wage gap is, therefore, particularly important for Black women, Latinas, and Native women who tend to have lower incomes than white, non-Hispanic women.

- When part-time and part-year workers are included in the comparison, women of color are similarly paid less than white, non-Hispanic men.

- When we include part-time and part-year workers, Asian American, Native Hawaiian, and Pacific Islander women make only 80 cents for every dollar paid to their white, non-Hispanic male counterparts.

- When we include part-time and part-year workers, Black women make only 64 cents for every dollar paid to their white, non-Hispanic male counterparts.

- When we include part-time and part-year workers, Latinas make only 54 cents for every dollar paid to their white, non-Hispanic male counterparts.

- When we include part-time and part-year workers, Native women make only 51 cents for every dollar paid to their white, non-Hispanic male counterparts.

Note: The wage gaps presented here are based on data from 2021, the most recent annual data available. Note that the wage gap numbers for 2021 are affected by the massive job losses experienced in 2020 that disrupted the labor market.

Mothers are paid less than fathers.

- Mothers who work full time, year round typically have lower earnings than fathers: mothers are typically paid only 74 cents for every dollar paid to fathers, which means mothers typically make $1,417 less per month or $17,000 less per year than fathers. Mothers of every race are typically paid less than white, non-Hispanic fathers.

- In addition, in 2020 (the most recent year we have data for this group), many mothers lost their jobs or were forced into part-time work during the pandemic as schools went remote and child care providers closed. When comparing all mothers who worked to all fathers who worked in 2020, regardless of how many hours or weeks they worked during the year, mothers were typically paid just 58 cents for every dollar paid to fathers.
Women are affected by the wage gap as soon as they enter the labor force and the gap continues to expand over the course of a woman’s career.

- The wage gap is smaller for younger women than older women, but it begins right when women enter the labor force. Women ages 15 to 24 working full time, year round are typically paid 87 cents for every dollar their male counterparts are paid. When we include part-time and part-year workers, women ages 15 to 24 are typically paid 80 cents for every dollar their male counterparts are paid.

- Among older women the gap is larger. Women ages 45 to 64 working full time, year round are typically paid only 79 cents for every dollar their male counterparts are paid. When we include part-time and part-year workers, women ages 45 to 64 are typically paid 76 cents for every dollar their male counterparts are paid.

- Women still working full time, year round at age 65 or older are paid 77 cents for every dollar paid to their male peers. When we include part-time and part-year workers, women age 65 or older are paid 62 cents for every dollar paid to their male counterparts.

Older women also experience a gender gap in retirement income, due in large part to the gender wage gap they experienced during their working years.

- Based on today’s wage gap, a woman who works full time, year round stands to lose $398,160 over a 40-year career. She would have to work nearly eight years longer than her male counterpart to make up this lifetime wage gap. These lost wages severely reduce women's ability to save for retirement and threaten their economic security later in life. This is particularly harmful for women of color, who face larger lifetime wage gaps than white women who already experience less intergenerational economic mobility and are more likely to live with extended family.

- As a result of lower lifetime earnings, the average Social Security retired worker benefit for women 65 and older was about $18,049 per year in December 2021, compared to $22,339 for men of the same age.

Women in same-gender unmarried and married couples have less household income than opposite-gender couples and men in same-gender unmarried and married couples.

- Analysis from the Brookings Institution finds on average, the family income for married men in same-gender relationships is 31 percent higher than married women in same-gender relationships, and 27 percent higher than opposite-gender married couples. Additionally, the family income for men in unmarried partnerships is 36 percent higher than unmarried women in same-gender relationships, and 38 percent higher than opposite gender unmarried couples. However, women in a same-gender coupled family regardless of marital status have similar family income to opposite-gender couples (married and unmarried).

Transgender women make less after they transition.

- One study found that the average earnings of transgender women workers fall by nearly one-third after transition.

Women with disabilities also experience a gender wage gap.

- Women with disabilities working full time, year round are typically paid just 84 cents when compared to their male counterparts with disabilities. When we include part-time and part-year workers, women with disabilities are typically paid just 48 cents when compared to men without disabilities.

- Under the Fair Labor Standards Act, employers may pay less than minimum wage to people with disabilities working in segregated environments known as ‘sheltered workshops,’ further depressing wages for women with disabilities.

Women at all education levels experience a gender wage gap.

- Among full-time, year-round workers, women who started, but did not finish, high school, make 76 cents for every dollar their male counterparts make. When we include part-time and part-year workers, women who started, but did not finish, high school make 67 cents for every dollar their male counterparts make.

- Women with only high school diplomas working full time, year round are typically paid only 76 cents for every dollar paid to their male counterparts. When we include part-time and part-year workers, women with only high school diplomas are typically paid only 73 cents for every dollar paid to their male counterparts.

- Among workers with a Bachelor’s degree or higher,
women typically make 77 cents working full time, year-round and 72 cents when we include part-time and part-year workers, for every dollar their male counterparts make.

• Even when women working full time, year-round earn a Bachelor’s degree, they still only make about what men with an Associate’s degree make ($62,208 and $60,959 respectively). When we include part-time and part-year workers, women with a Bachelor’s degree ($54,161) typically make slightly less than men with just an Associate’s degree ($54,279).

Women in nearly every occupation face a wage gap.

• Women make less than men in 94 percent of occupations.31

• Even workers in low-paid jobs face a wage gap: women who work full time, year round in the 40 lowest-paying occupations typically make only 82 percent of what men working in those same occupations make.32

Causes of the Wage Gap

Even though women have made meaningful gains in educational attainment and labor force involvement in the last several decades—gains which have helped close the wage gap over time33—unequal pay remains pervasive. Below are some of the reasons why.

Women are paid less for the same work and discrimination is a major cause.

• Numerous research studies show that compared to men, women are less likely to be hired, particularly for high-wage jobs, and are likely to be offered lower salaries when they are hired.34 For example, one 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, as well as additional career mentoring, and judged him to be significantly more competent and hirable.35

• Employers’ reliance on job applicants’ salary history to set starting pay also plays a significant role in perpetuating the wage gap because it allows employers to take advantage of pay discrimination by other employers or within the market.36 Recent research shows that state laws prohibiting employers from relying on salary history are helping close racial and gender wage gaps in those states.37

• Recent research reveals that even controlling for race, region, unionization status, education, work experience, occupation, and industry leaves 38 percent of the pay gap “unexplained.”38 Discrimination is thought to be a major cause of this unexplained gap.

Pay secrecy policies help perpetuate pay disparities.

• Even though the National Labor Relations Act makes it illegal to prohibit private sector employees from discussing wages and working conditions, 60 percent of private sector workers report that discussing their wages is either prohibited or discouraged by employers.39 In contrast, only 13 percent of public sector workers reported similar policies.

• In the public sector, where wages are more likely to be publicly disclosed, wage gaps are slightly smaller.40

• One 2015 study found women’s earnings were 3 percent higher in the six states that had enacted laws since 2012 prohibiting retaliation against employees who discuss pay.41 The same study found that in states with such policies, the gender wage gap is reduced by as much as 12 to 15 percent for workers with a college degree, and by 6 to 8 percent for workers without a college degree.

Women are overrepresented in low-paid jobs and underrepresented in high-paid ones.

• In 2018, women made up nearly two-thirds of the 22.2 million workers in the 40 lowest-paying jobs—occupations such as child care workers, home health aides, restaurant servers, and fast food workers.42

• Conversely, women are underrepresented in higher wage occupations, making up 37 percent of workers in the 40 highest-paying occupations.43 This underrepresentation is due in part to the fact that women are discouraged from entering better paying fields, such as STEM.44 Sometimes this discouragement is subtle, but other times it is very overt, in the form of harassment and other forms of discrimination.

Women’s work is devalued because women do it.

• Women’s jobs often pay less precisely because women do them.45 A study of more than 50 years of data revealed that when women moved into a field in large numbers,
wages declined, even when controlling for experience, skills, education, race, and region.46

**Mothers are discriminated against and face barriers that result in lower pay.**

- Mothers are paid less than fathers and the motherhood wage penalty, which grows by an estimated 7 percent for each child,47 is larger for low-paid workers.48

- Employers’ outdated views about mothers harms mothers’ job and salary prospects.49 In comparing equally qualified women candidates, one study revealed that mothers were recommended for significantly lower starting salaries, were perceived as less competent, and were less likely to be recommended for hire than non-mothers. The effects for fathers were just the opposite—fathers were recommended for significantly higher pay and were perceived as more committed to their jobs than men without children.50

- Mothers’ wages are also affected by a lack of support for women’s disproportionate caregiving responsibilities. The high cost of child care and a lack of paid leave make it less likely that women with caregiving responsibilities are able to stay in the workforce.51 This time out of work negatively impacts mothers’ wages,52 though policies like paid leave and subsidized child care make it more likely that women will continue to work after having children, strengthening their connection to the workforce.53

**Restrictions on and barriers to reproductive health care widen the wage gap.**

- Increased access to contraception is one reason the gender wage gap closed in the last few decades of the 20th century. This access allowed women to control their reproductive decisions so that they could invest in education and increase their representation in non-traditional occupations, resulting in higher wages.54

- A forthcoming study is analyzing the effects of over forty years of legislation regulating abortion providers. They find the laws—which are proxies for abortion restrictions—widen the gender pay gap between women of childbearing age and the rest of the population.55

**Women in unions experience smaller wage gaps—but rates of unionization are low.**

- Just over 10 percent of working women belong to a union, but those women who are members of unions experience greater wage equality. Unionized women make 88 cents for every dollar paid to male union members, compared to nonunionized women who make only 82 cents for every dollar paid to their male counterparts. Wages for unionized women are higher than those of women who aren’t in unions, with unionized Latinas experiencing especially large wage gains.56

- Unions not only bargain for higher wages, but they also reduce inequality by increasing pay transparency. For example, an analysis by a journalists’ union of their wage data revealed pervasive pay inequality in the industry,57 prompting a promise of immediate action by at least one national newspaper.58

**What We Need to Do to Achieve Equal Pay**

In order to finally achieve equal pay, we need to:

- Strengthen our equal pay laws so that women are better able to discover and fight back against pay discrimination.59

- Prohibit setting pay based on salary history and increase pay transparency.

- Build ladders to better paying jobs for women by removing barriers to entry into male-dominated fields and ensuring that women can succeed in those fields without being forced out by harassment or other forms of discrimination.60

- Lift up the wages of women in low-paid jobs by raising the minimum wage and ensuring that tipped workers receive at least the regular minimum wage before tips.61

- Increase the availability of high-quality, affordable child care.62

- Help prevent and remedy caregiver discrimination and protect workers from pregnancy discrimination.63

- Establish fair scheduling practices that allow employees to meet their caregiving responsibilities and other obligations.64

- Provide paid family and medical leave.65

- Restore and expand women’s access to the affordable reproductive health care they need.66

- Protect workers’ ability to join unions and collectively bargain.67


5 Id. See definition for “work experience.”

6 Id. See definition for “income measurement.”


8 NWLC calculations using U.S. Census Bureau, Tables B20017C and B20017H from 2021 American Community Survey, https://data.census.gov/cedsci/.

9 Figures for Asian American, Native Hawaiian, and other Pacific Islander women and Native American women are NWLC calculations using 2021 American Community Survey microdata, https://www.census.gov/programs-surveys/acs/. Respondents self-identify their sex as either male or female and self-identify their race and whether they are of Hispanic, Latino, or Spanish origin.

10 Figures for Black women and Latinas are NWLC calculations using CPS, 2022 ASEC, supra note 1, Table PINC-05. White, non-Hispanic women who work full time, year round make 80 cents for every dollar made by their white, non-Hispanic male counterparts (CPS, 2022 ASEC, supra note 1, Table PINC-05). Black women refer to those who self-identified in the CPS as Black alone and Latinas may be of any race and are those who self-identified they are of Spanish, Hispanic, or Latino origin. White, non-Hispanic men and women are those who self-identified as white alone, but who are not of Spanish, Hispanic, or Latino origin.


12 Figures are NWLC calculations based on CPS, 2022 ASEC, supra note 1, Table PINC-05.


14 Figures for Asian American, Native Hawaiian, and other Pacific Islander women and Native American women are NWLC calculations using 2021 American Community Survey microdata, https://www.census.gov/programs-surveys/acs/. Respondents self-identify their sex as either male or female and self-identify their race and whether they are of Hispanic, Latino, or Spanish origin.

15 Figures for Black women and Latinas are NWLC calculations using CPS, 2022 ASEC, supra note 1, Table PINC-05. All white, non-Hispanic women make 73 cents for every dollar made by their white, non-Hispanic male counterparts (CPS, 2022 ASEC, supra note 1, Table PINC-05). Black women refer to those who self-identified in the CPS as Black alone and Latinas may be of any race and are those who self-identified they are of Spanish, Hispanic, or Latino origin. White, non-Hispanic men and women are those who self-identified as white alone, but who are not of Spanish, Hispanic, or Latino origin.


17 Jasmine Tucker, “The Wage Gap Shortchanges Mothers” (National Women’s Law Center, August 2022), https://nwlc.org/resource/mothers-equal-pay-day/#:~:text=Among%20full%2Dtime%20year%2D,month%20or%20%2417%2C000%20per%20year.


19 See Jasmine Tucker, “The Wage Gap Shortchanges Mothers.”

20 NWLC calculations, CPS, 2022 ASEC, supra note 1, Table PINC-05.

21 Id. These calculations were not adjusted for inflation and assume a constant gap of $9,954 for women working full time, year round, calculated by subtracting women’s median earnings ($51,580) from men’s ($61,580).


24 NWLC calculations using U.S. Social Security Administration, Annual Statistical Supplement to the Social Security Bulletin, 2022, Table 5.16E. https://www.ssa.gov/policy/docs/statcomps/supplement/2022/5.16e.html#table5.16e. The average monthly benefit for retired worker female beneficiaries 65 and older was $1,504, or about $18,049 per year as of December 2021, compared to $1,861 per month, or $22,339 per year for all male beneficiaries 65 and older. Data are preliminary.


NWLC calculations based on CPS, 2021 ASEC using IPUMS, available at https://ipums.org/. People with disabilities reported having difficulty on at least one of six CPS cognitive difficulties.


NWLC calculations from CPS, 2022 ASEC, supra note 1, Table PINC-03. This compares median earnings for men and women 25 and older who worked full-time, year-round and all workers who have some high school education but did not graduate or receive a GED.

Id. Figures are for workers who graduated from high school (including those who received GEDs).


See Blau and Kahn, supra note 23 at 33 for a review.


Blau and Kahn, supra note 23 at 8, 72.


See, e.g., Houser and Vartanian, supra note 43, at 6-7, and Schochet, supra note 43.


