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

BY SARAH JAVAID

Women in the United States who work full time, year-round are typically paid only 84 cents for every dollar paid to their male counterparts. This gap in earnings translates into $9,990 less per year in median earnings, leaving women and their families shortchanged when they need every dollar to make ends meet. Although the gender wage gap has narrowed since the passage of the Equal Pay Act and other civil rights laws, the wage gap persists—and has barely budged in the last decade.

Efforts to address these significant pay disparities 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 for full-time, year-round workers is derived from the 2022 Census Bureau Current Population Survey (CPS): it is the percentage of the median earnings of women (of all races) working full time, year-round as compared to the median earnings of men (of all races) working full time, year-round. Median earnings describe the earnings of a worker at the 50th percentile—right in the middle of the earnings distributions. Earnings means wages, salary, and net self-employment income—essentially the money people see in their paychecks. Working full time is defined as working at least 35 hours a week, and working year-round as working at least 50 weeks during the last 12 months.

NOTES

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

- Two months’ supply of groceries $2,111.60
- Two months’ child care payments $1,998.67
- Three months’ rent $3,900.00
- Two months’ health insurance premiums $1,082.00
- Two months’ student loan payments $544.00
- Five tanks of gas $345.02

Total: $9,981.28
Wage gap yearly total: $9,990.00
How Big Is the Gender Wage Gap If We Include Part-Time and Part-Year Workers?

When we include part-time and part-year workers and compare the median earnings of women (of all races) who worked in 2022 with the median earnings of men (of all races) who worked, women are typically paid just 78 cents for every dollar paid to men. The 78-cent gender wage gap for all workers, including part-time and part-year workers, also comes from the Census Bureau CPS and represents the median earnings of all working women as a percentage of the median earnings of all working men. Again, median earnings describe the earnings of a worker at the 50th percentile of the earnings distribution and includes wages, salary, and net self-employment income.

Equal Pay Is Crucial for All Women

Women of color working full time, year-round are typically paid less than white, non-Hispanic men working full time, year-round. 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—and 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 typically are paid only 93 cents for every dollar paid to their white, non-Hispanic male counterparts. Moreover, the wage gap of communities within the larger AANHPI community vary widely, with some women experiencing a dramatically greater wage gap.

- Black women working full time, year-round typically are paid only 69 cents for every dollar paid to their white, non-Hispanic male counterparts.

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

- Native women working full time, year-round typically are paid only 59 cents for every dollar paid to their white, non-Hispanic male counterparts.

- The wage gap translates into an annual loss of $22,120 for Black women, $30,450 for Latinas, $28,747 for Native women, and $4,690 for AANHPI women. Closing the wage gap is, therefore, particularly important for Black women, Latinas, Native women, and AANHPI women who tend to have lower incomes than white, non-Hispanic women.

- The wage gap translates into a lifetime loss over a 40-year career of $884,800 for Black women, $1,218,000 for Latinas, $1,149,880 for Native women, and $187,616 for AANHPI 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, AANHPI women typically are paid 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 typically are paid only 66 cents for every dollar paid to their white, non-Hispanic male counterparts.

- When we include part-time and part-year workers, Latinas typically are paid only 52 cents for every dollar paid to their white, non-Hispanic male counterparts.

- When we include part-time and part-year workers, Native women typically are paid only 55 cents for every dollar paid to their white, non-Hispanic male counterparts.

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 $1,500 less per month or $18,000 less per year than fathers. Mothers of every race are typically paid less than white, non-Hispanic fathers.

- When comparing all mothers who worked to all fathers who worked in 2021, regardless of how many hours or weeks they worked during the year, mothers were typically paid just 62 cents for every dollar paid to fathers.

Women are affected by the gender 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 89 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 78 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 78 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 75 cents for every dollar their male counterparts are paid.

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 $399,600 over a 40-year career. To close this lifetime wage gap, she would be forced to work nearly eight additional years—and of course these lost wages can never really be made up. Wages lost to the wage gap 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, experience less intergenerational economic mobility, and are more likely to live with and care for extended family.

• As a result of lower lifetime earnings, the average Social Security retired worker benefit for women 65 and older was about $19,925 per year in December 2022, compared to $24,561 for men of the same age.

Women in same-gender unmarried and married couples have less household income than 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 same-gender partnerships is 36 percent higher than unmarried women in same-gender partnerships, 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 pay of transgender women workers falls by nearly one-third after transition.

Women with disabilities experience a gender wage gap.

• Women with disabilities working full time, year-round are typically paid just 82 cents when compared to their male counterparts with disabilities. Women with disabilities working full time, year-round are typically paid just 70 cents when compared to men without disabilities. When we include part-time and part-year workers, women with disabilities are typically paid just 75 cents when compared to men with disabilities and only 55 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, are typically paid 72 cents for every dollar paid to their male counterparts. When we include part-time and part-year workers, women who started but did not finish high school are typically paid 65 cents for every dollar paid to their male counterparts.

• Women with high school diplomas, but without college degrees, who work full time, year-round are typically paid only 78 cents for every dollar paid to their male counterparts. When we include part-time and part-year workers, women with high school diplomas, but without college degrees, are typically paid only 70 cents for every dollar paid to their male counterparts.

• Among workers with a bachelor’s degree or higher, women working full time, year-round typically are paid 73 cents and only 71 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 degree make ($65,960 and $62,740 respectively). Women’s median earnings increase by $15,740 when women have a bachelor’s degree compared to an associate degree. In comparison, men’s median earnings increase by $27,590 when men have a bachelor’s degree compared to an associate degree.

Women in nearly every occupation face a wage gap.

• Women make less than men in 94 percent of occupations.32

• Even workers in low-paid jobs face a wage gap: women who work full time, year-round in the 40 lowest-paying occupations typically are paid only 83 percent of what men working in those same occupations are paid.33

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 time34—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.35 For example, one experiment revealed that when presented with identical résumés, 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.36

• 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.37 Recent research shows that state laws prohibiting employers from relying on salary history are helping close racial and gender wage gaps in those states.38

• 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.”39 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. In contrast, only 13 percent of public sector workers reported similar policies.40

• In the public sector, where wages are more likely to be publicly disclosed, wage gaps are smaller.41

• 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.32 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.

• Evidence shows that pay transparency can help narrow gender wage gaps. Pay range transparency, where employers share the pay or pay range for the position, gives job applicants crucial information that can help them negotiate for higher pay or make more informed choices about which jobs to go after. More and more states are requiring employers to be transparent about pay ranges in job announcements.43

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

• In 2021, women made up over two-thirds of the nearly 21 million workers in the 40 lowest-paying jobs—occupations such as child care workers, home health aides, restaurant servers, and fast food workers.44

• Conversely, women are underrepresented in higher wage occupations, making up nearly 39 percent of workers in the 40 highest-paying occupations in 2022.45 This underrepresentation is due in part to the fact that women are discouraged from entering better paying fields, such as STEM.46 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. 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.

**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, is larger for low-paid workers.
- Employers’ outdated views about mothers harms mothers’ job and salary prospects. 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.
- 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 can stay in the workforce. This time out of work negatively impacts mothers’ wages, 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.

**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.
- A forthcoming study is analyzing the effects of over 40 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.
- Access to abortion also corresponds with increases in school graduation and employment rates, particularly for Black women, and women living in states with greater access to reproductive health services like Medicaid coverage of abortion have higher median wages, are more likely to be managers, and are less likely to work part-time jobs.

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

- Just under 10 percent of working women belong to a union, but those women who are members of unions experience greater wage equality. Unionized women make 90 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 nonunionized counterparts. Wages for unionized women are higher than those of women who aren’t in unions, with unionized Latinas experiencing especially large wage gains.
- 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, prompting a promise of immediate action by at least one national newspaper.

**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.
- Prohibit setting pay based on salary history and increase pay transparency, including by requiring employers to disclose pay ranges on job postings.
- 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.
- 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.
- Increase the availability of high-quality, affordable child care.
- Help prevent and remedy caregiver discrimination and protect workers from pregnancy discrimination.
- Establish fair scheduling practices that allow employees to meet their caregiving responsibilities and other...
• Provide paid family and medical leave.70
• Restore and expand women’s access to the affordable reproductive health care they need.71
• Protect workers’ ability to join unions and collectively bargain.72

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3 Figure includes workers ages 15 and over.


7 Figure includes workers ages 15 and over.


9 Figures for Asian American, Native Hawaiian, and other Pacific Islander women and Native American women are NWLC calculations using 2022 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.


11 Figures for Black women and Latinas are NWLC calculations using CPS, 2023 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, 2023 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.


13 Figures are NWLC calculations based on CPS, 2023 ASEC, supra note 1, Table PINC-05.

Da Hae Kim, “Pay Range Transparency Helps Reduce Gender Wage Gaps,” (National Women’s Law Center, October 2023), https://nwlc.org/resource/salary-range-


See Brooke LePage and Sarah Javid, “The Wage Gap Robs Mothers of What They’re Owed.”

NWLC calculations, CPS, 2023 ASEC, supra note 1, Table PINC-OS. 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).


NWLC calculations using U.S. Social Security Administration, Annual Statistical Supplement to the Social Security Bulletin, 2023, Table 5.A16, https://www.ssa.gov/ policy/docs/statcomps-supplement/2023/5a.html#Table5A16 The average monthly benefit for retired worker female beneficiaries 65 and older was $1,660.39, or about $19,925 per year as of December 2022, compared to $2,046.79 per month, or $24,561 per year for all male beneficiaries 65 and older. Data are preliminary.


Figures are in 2022 dollars. NWLC calculations based on CPS, 2023 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 using U.S. Census Bureau, Tables B20017C and B20017H from 2022 American Community Survey, https://data.census.gov/cedsci/.

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


See Da Hae Kim, “Pay Range Transparency Helps Reduce Gender Wage Gaps.”


