



Low Wages, Unequal Pay, and Workplace Discrimination Rob Women and LGBTQIA+ People of Retirement Security

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Women and LGBTQIA+ people are at greater risk of economic insecurity throughout their lives, especially women and LGBTQIA+ people facing multiple forms of discrimination. After a lifetime of disparities at every turn—whether at school, at work, providing care for loved ones, or facing inequitable access to health care and inadequate investments in their well-being—[older women](#) and [LGBTQ+ people](#) are less likely to have accumulated the savings and benefits they need for a secure and dignified retirement. Indeed, many simply cannot afford to retire.

Understanding the multiple, overlapping factors that hinder women and LGBTQIA+ people from achieving a secure retirement is key to designing solutions to the retirement crisis they face. This fact sheet focuses on the impact of the gender wage gap, low wages, and workplace discrimination on women's retirement security.

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“Right now, I can’t really focus on retirement. I’m just trying to get through day by day, just getting by with bills. Everything has gone up and it’s so expensive to live: food is expensive, rent has gone up, gas has gone up. It would help if I got paid a little more, so I could pay my bills and have a little bit of money that I could save.”

—JACKIE, MOTHER OF THREE, AGE 32

Gender and racial wage gaps

- **Recently released data** for 2023 shows that the overall gender wage gap between women and men saw the first statistically significant widening in 20 years. Women in the United States who work full time, year-round are typically paid just 83 cents for every dollar paid to men, compared to 84 cents in 2022. And figures for many women of color compared to white, non-Hispanic men are even worse. Among full-time, year-round workers, Black women are paid 66 cents, and Latinas and Indigenous women are paid 58 cents for every dollar paid to white, non-Hispanic men. **LGBTQ people** also experience a wage gap compared to their heterosexual peers.

Occupational segregation

- The wage gap starts right as workers enter the labor force and grows over time as they experience numerous barriers to equal pay. These include occupational segregation—i.e., the fact that **women** and **LGBTQ people** are overrepresented in lower-paying jobs; women being **more likely** to take time out of paid work to take care of loved ones; and workplace discrimination, such as when **women** or **LGBTQ people** are overlooked for promotion, among other factors. **In 2023**, young women ages 15 to 24 working full time, year-round were paid 88 cents for every dollar paid to men in the same age group. By the time women working full time, year-round reach age 65 or older, they are paid just 78 cents for every dollar paid to their male counterparts.
- Though a wage gap exists in **94 percent of occupations**, occupational segregation is a significant driver of the wage gap and has larger impacts on women’s overall wellbeing. Women make up **nearly two-thirds** of the workforce in the 40 lowest-paying jobs in our economy, where they often do not have the wages, hours, or benefits that they need to achieve economic security and stability.
- People working as child care workers, home health aides, restaurant servers, and in other service sector jobs, for example, often make less than \$15 per hour, experience volatile work schedules, and **are unlikely** to have retirement benefits—or other benefits, such as paid family and medical leave—on the job; they also face a heightened risk of poverty.

Part-time work

- Similarly, **nearly six in 10** part-time workers are women, many of whom work part time to support themselves and their families while caring for loved ones, going to school, or attending to other obligations. In addition, **one study** shows LGBTQI people were more likely than non-LGBTQI people to report that they were working part time.
- These part-time workers **often** find themselves penalized in terms of pay, benefits, stability, and opportunities to advance on the job. For many, having a job is no guarantee of having enough income to make ends meet, let alone having enough to save for retirement.



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Lifetime impacts

- The loss of 17 cents on the dollar due to the wage gap adds up over a month, a year, and a lifetime. Based on today's wage gap, women, regardless of their race or ethnicity, would lose **\$11,550 each year** or **\$462,000 over the course of a 40-year career compared to men**.
- And when compared to white, non-Hispanic men, many women of color fare even worse, with Black, Indigenous, and Latina women losing **over \$1 million dollars** to the wage gap over a lifetime.
- Assuming a woman, regardless of her race or ethnicity, begins working full time, year-round at age 20, the wage gap means she would have to work until she is 68 years old to be paid what her male counterpart would be paid by age 60. Black, Latina, and Indigenous women would have to work full time, year-round to age 80 or 90—**beyond their life expectancies**—to make what white, non-Hispanic men are **paid by age 60**.
- These lost lifetime earnings mean numerous missed opportunities throughout a woman's lifetime to build wealth. For example, if a woman **were able to save** the \$11,550 lost every year to the wage gap for 40 years, and had investment returns of 7 percent, she could have accumulated much as \$2.3 million dollars by the time she retired. While most people would need to spend lost earnings to meet their current needs, even saving an **extra \$1,000 each year** could grow to over \$200,000 after 40 years.

- In addition to reduced savings, lower earnings throughout their working career follow women and LGBTQIA+ people into retirement in the form of lower Social Security retirement benefits, which are based on lifetime earnings over a 35-year period. For example, in December 2022, the average monthly Social Security retirement benefit for women (\$1,637.71) **was 81 percent** of men's average benefit (\$2,020.38). And while Social Security benefits are modest, they are an essential component of retirement income for more than 3 million retired workers every year.
- Because **women tend to live longer than men**, the wage gap forces them to face down more years in retirement on fewer savings and less retirement income. This is especially difficult as they age and have more health care needs, which comes with the additional burden of higher health care costs, especially for women of color and LGBTQIA+ people. Some women and LGBTQIA+ people simply must keep working into old age to pay for their basic needs.

Because of the wage gap and other interconnected and compounding disparities throughout their lives, older women and LGBTQIA+ people experience significant economic and health insecurity. **Older women** are substantially more likely than older men to have incomes below the poverty line—and poverty rates are especially high for many older women of color and **older LGBT people**.

But it doesn't have to be this way. We can change our systems and policies to ensure that all women and LGBTQIA+ people, especially those facing multiple forms of discrimination, can live with dignity and security in retirement. Designing policy solutions that address the multiple, intersecting inequities in their lives is the only way forward out of the retirement crisis.