



Quick Facts About the Gender Wage Gap

By Robin Bleiweis March 24, 2020

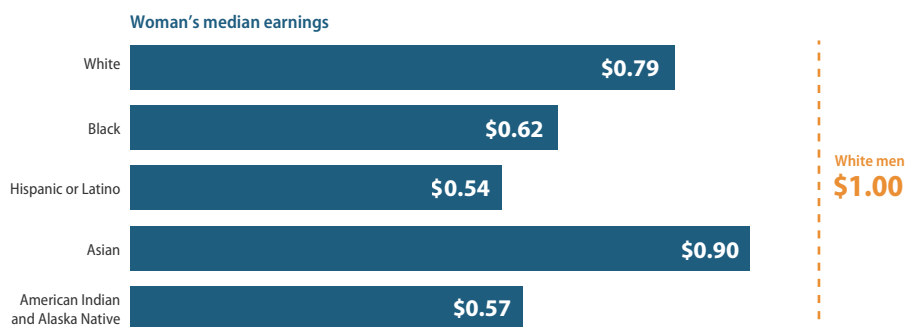
Since the second half of the 20th century, women’s labor force participation has grown significantly.¹ Women are working longer hours and pursuing higher education in greater numbers. However, despite this progress, significant wage gaps between men and women persist—particularly for women of color. So what exactly is the gender wage gap? What drives it? And what does it mean for women and their families? This fact sheet provides answers to these questions and more.

What is the gender wage gap?

The gender wage gap refers to the difference in earnings between women and men.² Experts have calculated this gap in a multitude of ways, but the varying calculations point to a consensus: Women consistently earn less than men, and the gap is wider for most women of color.

FIGURE 1
The gender wage gap is more significant for most women of color

Comparing 2018 median earnings of full-time, year-round workers by race/ethnicity and sex



Notes: The gender wage gap is calculated by finding the ratio of women’s and men’s median earnings for full-time, year-round workers and then taking the difference. People who have identified their ethnicity as Hispanic or Latino may be of any race.

Sources: For all groups except American Indian and Alaska Native women, the Center for American Progress calculated the gender wage gap using data from U.S. Census Bureau, “Current Population Survey: PINC-05. Work Experience—People 15 Years Old and Over, by Total Money Earnings, Age, Race, Hispanic Origin, Sex, and Disability Status: 2018,” available at <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pinc/pinc-05.html> (last accessed March 2020). Specific tables used are on file with the author. CAP calculated the gender wage gap for American Indian and Alaska Native women using U.S. Census Bureau, “Table B20017C: American Indian and Alaska Native alone population, non-Hispanic or Latino population 16-years and over with earnings in the past 12 months, 2018 American Community Survey (ACS) 1-Year Estimates,” available at <https://www.census.gov/programs-surveys/acs/> (last accessed March 2020); U.S. Census Bureau, “Table B20017H: White alone, non-Hispanic or Latino population 16-years and over with earnings in the past 12 months, 2018 American Community Survey (ACS) 1-Year Estimates,” available at <https://www.census.gov/programs-surveys/acs/> (last accessed March 2020).

Analyzing the most recent Census Bureau data from 2018, women of all races earned, on average, just 82 cents for every \$1 earned by men of all races.³ This calculation is the ratio of median annual earnings for women working full time, year round to those of their male counterparts, and it translates to a gender wage gap of 18 cents. When talking about the wage gap for women, it is important to highlight that there are significant differences by race and ethnicity. The wage gap is larger for most women of color. (see Figure 1)

The wage gaps for each group are calculated based on median earnings data from the U.S. Census Bureau and thus do not necessarily represent each individual woman's personal experience. In particular, the 90-cent earnings figure for Asian women likely underestimates the wage gap experienced by women belonging to many Asian subgroups. For example, for every \$1 earned by white, non-Hispanic men, Filipino women earned 83 cents, Tongan women earned 75 cents, and Nepali women earned 50 cents.⁴ The larger wage gaps for most women of color reflect the compounding negative effects of gender bias as well as racial and/or ethnic bias on their earnings.⁵

People living intersectional realities—such as transgender women and immigrant women—also experience the compounding negative effects of multiple biases on their earnings.⁶ Unfortunately, these women are often left out of the broader conversation about the gender wage gap owing to the limitations of available data. Much more data—disaggregated by sex, race and ethnicity, gender identity, sexual orientation, disability status, and more factors—are needed to understand precisely where pay disparities exist and where efforts must be targeted.⁷

What causes the gender wage gap?

These wage gap calculations reflect the ratio of earnings for women and men across all industries; they do not reflect a direct comparison of women and men doing identical work. This is purposeful. Calculating it this way allows experts to capture the multitude of factors driving the gender wage gap, which include but are not limited to:

- **Differences in industries or jobs worked.** By calculating a wholistic wage gap, researchers can see effects of occupational segregation, or the funneling of women and men into different types of industries and jobs based on gender norms and expectations. So-called women's jobs, which are jobs that have historically had majority-female workforces, such as home health aides and child care workers, tend to offer lower pay and fewer benefits than so-called men's jobs, which are jobs that have had predominantly male workforces, including jobs in trades such as building and construction. These gendered differences are true across all industries and the vast majority of occupations, at all levels, from frontline workers to midlevel managers to senior leaders.⁸

- **Differences in years of experience.** Women are disproportionately driven out of the workforce to accommodate caregiving and other unpaid obligations and thus tend to have less work experience than men. Access to paid family and medical leave makes women more likely to return to work—and more likely to return sooner. However, as of March 2019, only 19 percent of civilian workers had access to paid family leave through their employers and only 40 percent had access to short-term disability insurance benefits to deal with their own medical needs.⁹
- **Differences in hours worked.** Because women tend to work fewer hours to accommodate caregiving and other unpaid obligations, they are also more likely to work part time, which means lower hourly wages and fewer benefits compared with full-time workers.¹⁰
- **Discrimination.** Gender-based pay discrimination has been illegal¹¹ since 1963 but is still a frequent, widespread practice—particularly for women of color.¹² It can thrive especially in workplaces that discourage open discussion of wages and where employees fear retaliation. Beyond explicit decisions to pay women less than men, employers may discriminate in pay when they rely on prior salary history in hiring and compensation decisions; this can enable pay decisions that could have been influenced by discrimination to follow women from job to job.

These are just some of the major drivers of the gender wage gap. Other factors, meanwhile, help narrow the gap between women’s and men’s earnings. For example, increased educational attainment by women—particularly when women have more education than men—can help narrow the gap.¹³ Unionization can also help narrow the gap because workers collectively often have greater leverage to push for workplace changes, combat discriminatory practices targeting specific groups of workers, bargain for better working conditions and wages, and more.¹⁴ However, the cumulative effects of factors such as these are not large enough to close the gap entirely.¹⁵

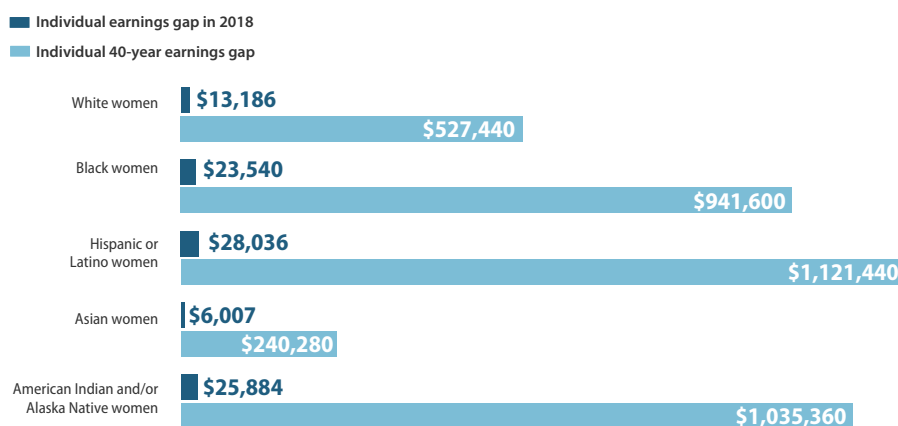
It is important to note that many of these factors can be directly and indirectly influenced by discrimination based on gender and race or ethnicity. For example, societal and structural sexism often influences the jobs that women work in, and those same forces mean that women most often take on the majority of the caregiving, housework, and other unpaid responsibilities that men do not. So while experts have attributed the estimated 38 percent¹⁶ of the wage gap that is not explained by traditional measurable factors—such as hours worked and years of experience—to the effects of discrimination, it must be understood that discrimination likely affects more than just 38 percent of the wage gap.¹⁷

The gender wage gap is more than just a few cents

The most frequent way of discussing the wage gap, in terms of dollars and cents, may unintentionally obscure the real impact on working women and their families. For context, a woman working full time, year round earned \$10,194 less than her male counterpart, on average, in 2018.¹⁸ If this wage gap were to remain unchanged, she would earn about \$407,760 less than a man over the course of a 40-year career.¹⁹ Again, these earnings gaps are larger for most women of color. (see Figure 2)

FIGURE 2
The average 2018 earnings gap for a woman balloons over the course of 40 years

Examining the gaps between 2018 median earnings for women and men working full time, year round, and extending the gaps over 40 years



Notes: Author's calculations are based on analysis of 2018 median annual earnings of full-time, year-round workers broken down by race/ethnicity and gender. The "40-year earnings gap" is how much less a woman would earn than a man based on the 2018 wage gap over a 40-year career. Figures are not adjusted for inflation, and earnings are in 2018 dollars. People who have identified their ethnicity as Hispanic or Latino may be of any race.

Sources: For all groups except American Indian and Alaska Native women, the Center for American Progress calculated the gender wage gap using data from U.S. Census Bureau, "Current Population Survey: PINC-05. Work Experience—People 15 Years Old and Over, by Total Money Earnings, Age, Race, Hispanic Origin, Sex, and Disability Status: 2018," available at <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pinc/pinc-05.html> (last accessed March 2020). Specific tables used are on file with the author. CAP calculated the gender wage gap for American Indian and Alaska Native women using U.S. Census Bureau, "Table B20017C: American Indian and Alaska Native alone population, non-Hispanic or Latino population 16-years and over with earnings in the past 12 months, 2018 American Community Survey (ACS) 1-Year Estimates," available at <https://www.census.gov/programs-surveys/acs/> (last accessed March 2020); U.S. Census Bureau, "Table B20017H: White alone, non-Hispanic or Latino population 16-years and over with earnings in the past 12 months, 2018 American Community Survey (ACS) 1-Year Estimates," available at <https://www.census.gov/programs-surveys/acs/> (last accessed March 2020).

An even larger consideration is the cumulative impact of the gender wage gap on all women working full time in the United States. Collectively, more than 55 million full-time working women earned an estimated \$545.7 billion less than their male counterparts in 2019.²⁰ If the gender wage gap had been closed entirely, this would have meant an additional \$545.7 billion in the pockets of working women and their families—about \$9,613.13 per woman—to cover student loan payments, mortgage payments, child care costs, prescription costs, groceries, emergency expenses, and more.²¹

What to do about the gender wage gap

The gender wage gap is not only complex and nuanced, but it is also stubborn. Without updated and comprehensive equal pay reform, the gender wage gap has only closed by 4 cents in more than a decade. At the current pace, women are not estimated to reach pay parity with men until 2059.²²

To begin to close the gender wage gap, women need updated comprehensive equal pay legislation, such as the Paycheck Fairness Act,²³ that will strengthen existing protections and further combat discriminatory practices. Other robust work-family policies are also essential to truly combating the multifaceted gender wage gap so that women—who disproportionately assume much of the caregiving responsibilities in their families—are not unfairly disadvantaged by taking time to address care needs. For example, access to paid sick days and a comprehensive paid family and medical leave program are just two of the essential policies that would help minimize job loss and ensure better economic security for all workers.²⁴ Beyond public policy, society must confront cultural biases that continue to harm women—particularly women of color—by devaluing their work and confining them to specific gender roles. Only by enacting essential policies and shifting cultural attitudes can the United States begin to dismantle the patriarchal structures that systematically disadvantage and short-change women and their families.

Conclusion

While women's and men's earnings may shift slightly each year with each new batch of Census Bureau data, the gender wage gap will not close anytime soon without concerted action. Efforts to close the wage gap must address the varying drivers of it as well as the multitude of biases that hold women—particularly women of color, LGBTQ women, and women with other diverse identities—and their families back. This is an issue of economic security and equality—and women and their families cannot afford to wait for either.

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Endnotes

- 1 U.S. Bureau of Labor Statistics, "Women in the labor force: a databook" (Washington: U.S. Department of Labor, 2018), available at <https://www.bls.gov/pub/reports/womens-databook/2019/home.htm>.
- 2 This fact sheet focuses on wage gaps between women and men because that is how the data have historically been collected and analyzed. However, as discussed throughout the text, more comprehensive data are needed to gain a clearer picture of all wage gaps in the workforce.
- 3 Author's calculation reflects the ratio of women's and men's median earnings for full-time, year-round workers 15 years old and older. U.S. Census Bureau, "Current Population Survey: PINC-05. Work Experience-People 15 Years Old and Over, by Total Money Earnings, Age, Race, Hispanic Origin, Sex, and Disability Status: 2018," available at <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pinc/pinc-05.html> (last accessed March 2020). Specific tables used are on file with the author.
- 4 Calculations are based on median annual earnings data from 2018 American Community Survey 1-year estimates, whereas the 90-cent figure for Asian women overall is based on median annual earnings data from the 2018 Current Population Survey. See Jasmine Tucker, "Equal Pay for Asian American and Pacific Islander Women" (Washington: National Women's Law Center, 2020), available at <https://nwlc.org/resources/equal-pay-for-asian-pacific-islander-women/>.
- 5 Jocelyn Frye, "Racism and Sexism Combine to Shortchange Working Black Women," Center for American Progress, August 22, 2019, available at <https://www.americanprogress.org/issues/women/news/2019/08/22/473775/racism-sexism-combine-shortchange-working-black-women/>.
- 6 Kristen Schilt and Matthew Wiswall, "Before and After: Gender Transitions, Human Capital, and Workplace Experiences," *The B.E. Journal of Economic Analysis & Policy* 8 (1) (2008): 1–39, available at https://www.ilga-europe.org/sites/default/files/before_and_after_-_gender_transitions_human_capital_and_workplace.pdf; Ann Garcia and Patrick Oakford, "Unequal Pay Day for Immigrant Women," Center for American Progress, April 9, 2013, available at <https://www.americanprogress.org/issues/economy/news/2013/04/09/59471/unequal-pay-day-for-immigrant-women/>.
- 7 Jocelyn Frye, "Why Pay Data Matter in the Fight for Equal Pay" (Washington: Center for American Progress, 2020), available at <https://www.americanprogress.org/issues/women/reports/2020/03/02/480920/pay-data-matter-fight-equal-pay/>. See also Juli Adhikari and Jocelyn Frye, "Who We Measure Matters: Connecting the Dots Among Comprehensive Data Collection, Civil Rights Enforcement, and Equality," Center for American Progress, March 2, 2020, available at <https://www.americanprogress.org/issues/women/news/2020/03/02/481102/measure-matters-connecting-dots-among-comprehensive-data-collection-civil-rights-enforcement-equality/>.
- 8 Ariane Hegewisch and Heidi Hartmann, "Occupational Segregation and the Gender Wage Gap: A Job Half Done" (Washington: Institute for Women's Policy Research, 2014), available at https://www.dol.gov/wb/resources/occupational_segregation_and_wage_gap.pdf.
- 9 Diana Boesch, "Rhetoric vs. Reality: Not All Paid Leave Proposals Are Equal" (Washington: Center for American Progress, 2019), available at <https://www.americanprogress.org/issues/women/reports/2019/10/10/475625/rhetoric-vs-reality-not-paid-leave-proposals-equal/>; Danielle Corley, Sunny Frothingham, and Kate Bahn, "Paid Sick Days and Paid Family and Medical Leave Are Not Job Killers" (Washington: Center for American Progress, 2017), available at <https://www.americanprogress.org/issues/women/reports/2017/01/05/295908/paid-sick-days-and-paid-family-and-medical-leave-are-not-job-killers/>.
- 10 U.S. Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey, Employed and unemployed full- and part-time workers by age, sex, race, and Hispanic or Latino ethnicity," available at <https://www.bls.gov/cps/cpsaat08.htm> (last accessed March 2020). See also Claire Ewing-Nelson, "Part-Time Workers Are Paid Less, Have Less Access to Benefits—and Most Are Women" (Washington: National Women's Law Center, 2020), available at <https://nwlc.org/resources/part-time-workers-are-paid-less-have-less-access-to-benefits-and-most-are-women/>.
- 11 U.S. Equal Employment Opportunity Commission, "The Equal Pay Act of 1963," available at <https://www.eeoc.gov/laws/statutes/epa.cfm> (last accessed March 2020).
- 12 Frye, "Racism and Sexism Combine to Shortchange Working Black Women."
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- 18 Author's calculation is based on analysis of median annual earnings of women and men 15 years old and older working full-time, year-round in 2018. U.S. Census Bureau, "Current Population Survey: PINC-05. Work Experience-People 15 Years Old and Over, by Total Money Earnings, Age, Race, Hispanic Origin, Sex, and Disability Status: 2018."
- 19 Ibid. Author's calculation is based on 2018's wage gap multiplied by 40 to extend it over 40 years. Figures are not adjusted for inflation and earnings are in 2018 dollars.
- 20 Author's analysis uses data from the U.S. Bureau of Labor Statistics (BLS). The cumulative earnings gap reported compares monthly labor force totals for all four fiscal quarters of 2019 and BLS median usual weekly earnings of full-time working women and men of all races from all four fiscal quarters of 2019. For quarterly earnings for women and men overall, see U.S. Bureau of Labor Statistics, "Usual Weekly Earnings of Wage and Salary Workers Fourth Quarter 2019," Table 1, Press release, January 17, 2020, available at https://www.bls.gov/news.release/archives/wkyeng_01172020.pdf. For monthly labor force totals for women overall, see BLS Beta Labs, "BLS Data Viewer," available at <https://beta.bls.gov/dataViewer/view/timeseries/LNU02500002> (last accessed March 2020). For monthly labor force totals for men overall, see BLS Beta Labs, "BLS Data Viewer."
- 21 Ibid. Author's analysis uses an average of the monthly workforce totals for women overall to determine how much more an individual woman would have earned.

- 22 Center for American Progress, "Wage Gap by the Numbers," January 6, 2009, available at <https://www.americanprogress.org/issues/women/news/2009/01/06/5460/wage-gap-by-the-numbers/>; Valeria Lacarte and Jeff Hayes, "Women's Median Earnings as a Percent of Men's 1985-2018 (Full-time, Year-Round Workers) with Projections for Pay Equity, by Race/Ethnicity" (Washington: Institute for Women's Policy Research, 2019), available at <https://iwpr.org/publications/pay-equity-projection-race-ethnicity-2019/>.
- 23 See Paycheck Fairness Act, H.R. 7, 116th Cong., 1st sess. (March 18, 2019), available at <https://www.congress.gov/bill/116th-congress/house-bill/7/text>.
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