



The Top 10 Facts About the Gender Wage Gap

By Kaitlin Holmes and Danielle Corley April 12, 2016

In order to earn as much as the average man did in 2015, the average woman would have to work until April 12, 2016—known as Equal Pay Day.¹ Women today have made great strides past the barriers that blocked previous generations from success in the workplace; however, further action must be taken in order to fully eliminate the earnings gap. The gender wage gap is the difference between women's and men's earnings—which is due partly to discrimination but also factors such as differences in occupation and industry, education, work hours, and experience.² If the gender wage gap continues to close at its current rate, it is projected to persist until 2059.³

Here are a few key facts about the gender wage gap to keep in mind on Equal Pay Day.

1. Women earn just 79 cents for every dollar made by men.

In 2014, the most recent year for which data are available, full-time, year-round working women's annual median wages were \$39,621 compared with \$50,383 for men.⁴ To put this in perspective, the difference between men's and women's median wages—\$10,762—could cover more than 14 months of median U.S. rent in 2014⁵ or the average cost of more than one year of full-time, center-based care for an infant.⁶

2. The gender wage gap most severely affects women of color, and the wage gap exists within all racial and ethnic groups.

In 2014, Latinas and African American women suffered the greatest losses in earnings because of the gender wage gap. Hispanic and African American women working full time and year round earned just 55 cents and 60 cents respectively, for every dollar earned by white, non-Hispanic men.⁷ Additionally, the gender wage gap exists within all racial and ethnic groups:⁸

- Asian women earned 81 cents for every dollar earned by Asian men.
- Black women earned 82 cents for every dollar earned by black men.
- Hispanic women earned 88 cents for every dollar earned by Hispanic men.
- White, non-Hispanic women earned 75 cents for every dollar earned by white, non-Hispanic men.

3. Women earn less than men in all but five occupations.

U.S. Bureau of Labor Statistics data from 2015 show that for all occupations with comparable median weekly earnings data for men and women, men make more than women in all but five of the detailed occupations: wholesale and retail buyers except farm products; police and sheriff's patrol officers; bookkeeping, accounting, and auditing clerks; general office clerks; and data entry keyers. Additionally, women even made less than men in the so-called pink-collar jobs in which women are disproportionately represented, such as maids and housekeeping cleaners, elementary and middle school teachers, and registered nurses.⁹ Recent research has also shown that as women enter an occupation previously dominated by men, pay decreases in that occupation.¹⁰

4. Despite the fact that women now earn the majority of college degrees, the wage gap persists.

The American Association of University Women, or AAUW, found that one year out of college, women were paid just 82 percent of what their similarly educated and experienced male peers were paid. The AAUW found that the gap widens over time: 10 years after graduating from college, women were paid only 69 percent of what their male counterparts were paid.¹¹

5. The gender wage gap continues to grow over time.

For women ages 15 to 24 working full time and year round, the wage gap is \$4,373 per year. By the time women reach age 45 to 64, they earn \$15,404 less than men per year.¹²

6. The wage gap results in significant losses in lifetime earnings for women.

Over a 40-year career, the average lifetime earning losses for women based on today's wage gap total \$430,480. These losses are greater for women of color: Latinas lose a total of \$1,007,080 and African American women lose \$877,480 over a 40-year career.¹³ A lifetime of earning less also affects women's retirement security. On average, women have 50 percent smaller account balances in defined contribution plans.¹⁴

7. The wage gap has consequences for families' economic security.

In 2012, 63.3 percent of mothers were sole, primary, or co-breadwinners for their households.¹⁵ This means that when women are not paid fairly, it is not just women's economic security that is put at risk—entire families often miss out on wages lost due to the gender wage gap.

8. Nearly 40 percent of the wage gap cannot be explained by occupation, work experience, race, or union membership.

Research has broken down the wage gap to show that more than half is due to differences in the types of occupations and industries in which men and women work. Additionally, about 14 percent is due to the fact that women are more likely to leave the workforce to provide unpaid care to family members. Yet the wage gap persists even when men and women have the same background: After controlling for gender and racial differences, 38 percent of the gap is unexplainable by measurable factors.¹⁶ This means that gender-based pay discrimination is still a significant cause of the discrepancy in pay between men and women.

9. Part of the gender wage gap is explained by the fact that more women take unpaid leave than men.

Estimates suggest that around 14 percent of the gender wage gap is due to women spending less time in the labor force,¹⁷ which can be explained by the fact that women are more likely to leave labor force to provide unpaid care for family members. Access to paid leave has been proven to increase the likelihood that mothers will not only return to the workforce after childbirth, but also return to their previous employer.¹⁸ Indeed, mothers are more adversely affected by the wage gap than nonmothers. Women's earnings are reduced by about 7 percent per child. Slightly less than one-third of the wage gap between mothers and nonmothers is based on taking leave to care for a child.¹⁹

10. Public policy could help close the gender wage gap, but Congress has obstructed progress.

The Paycheck Fairness Act²⁰ would be a critical step forward in closing the gender wage gap by prohibiting gender-based pay discrepancies and banning workplace policies that penalize employees for sharing wage information. Although the bill has been introduced in every Congress since 1997, Congress has yet to pass the Paycheck Fairness Act into law, thereby further contributing to the loss of hard-earned wages for millions of workers and families.

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Endnotes

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