

The Facts Are Clear: The Wage Gap Is Harming Women and Families

MAY 2012

The United States has changed dramatically since enactment of the Equal Pay Act in 1963, but at least one thing has remained unacceptably constant: the gap between the wages paid to women and men. And it costs America's women and families months' and years' worth of basic necessities every year.

America's Women Are Still Paid Less Than Men

The wage gap has existed for decades and it continues to punish women and families.

- ▶ In 1963, when Congress passed the Equal Pay Act, women were paid 58.9 cents for every dollar paid to men. Since then, the wage gap has been closing at a rate of less than half a cent per year.¹
- ▶ Today, women working full time in the United States are paid 77 cents for every dollar paid to men – leaving a gap of 23 cents for every dollar.²
- ▶ For women of color, the wage gap is even worse. Full-time working African American and Latina women are paid just 62 cents and 54 cents, respectively, for every dollar paid to full-time working white men.³
- ▶ On average, the wage gap costs a U.S. woman and her family \$10,784 per year, which amounts to more than \$430,000 in lost income over a lifetime.⁴

The Wage Gap is Not a Matter of Personal Choice

Studies have found that even when all relevant education, career and family attributes are taken into account, there is still a significant, unexplained gap between the wages paid to women and men in the United States.

The wage gap persists among women and men with the same levels of education.

- ▶ Even when women choose “non-traditional,” higher-paid majors, a wage gap exists. Women in science, technology, engineering and math are paid 86 percent of what their male counterparts are paid.⁵ Female business majors are paid 93 percent of what male business majors are paid.⁶
- ▶ As soon as one year after graduation, women working full time are paid only 80 percent as much as their male colleagues, even when controlling for field of study and age.⁷
- ▶ Among all workers 25 years of age and older with some high school education, women's median weekly wages total \$388 compared to a total of \$486 for men.⁸

The wage gap exists across a wide spectrum of occupations.

- ▶ Women in the service industry are paid only about 75 percent of the mean weekly wages paid to men in equivalent positions.⁹
- ▶ In 2008 the average starting salary of a new female physician was \$16,819 less than her male counterpart after controlling for observable characteristics such as specialty type and hours worked.¹⁰
- ▶ A newly minted female MBA graduate is paid, on average, \$4,600 less at her first job than a new male MBA graduate.¹¹

Even when women make the same career choices as men, they are paid less.

- ▶ A 2003 GAO study concluded that even after accounting for “choices” such as work patterns and education, women are paid an average of 80 cents for every dollar paid to men.¹²
- ▶ A 2010 GAO study on women in management found that female managers are paid only 81 percent as much as male managers.¹³ This assessment controls for many of the “choices” women are perceived to make such as having a child, working in a particular industry, working full time or part time, and hours worked beyond full time.
- ▶ Even when childless women and men are compared, full-time working women are paid only 82 percent as much as full-time working men.¹⁴

Women are penalized for caregiving while men are not.

- ▶ The 2003 GAO study found that women with children are paid about 2.5 percent less than women without children, while men with children enjoy an earnings boost of 2.1 percent, compared with men without children. In other words, working mothers pay a penalty while working fathers receive a bonus.¹⁵

1 U.S. Census Bureau. (2010). *Current Population Survey, Annual Social and Economic (ASEC) Supplement: Table PINC-05: Work Experience in 2010 – People 15 Years Old and Over by Total Money Earnings in 2010, Age, Race, Hispanic Origin, and Sex*. Retrieved 16 May 2012, from http://www.census.gov/hhes/www/cpstables/032011/perinc/new05_000.htm

2 Ibid.

3 Ibid.

4 DeNavas-Walt, C., Proctor, B. D., & Smith, J. C. (2011, September). *Income, Poverty, and Health Insurance Coverage in the United States: 2010* (Rep. No. P60-239). Retrieved from United States Census Bureau website: <http://www.census.gov/prod/2011pubs/p60-239.pdf>

5 Beede, D., Julian, T., Langdon, D., et al. (2011, August). *Women in STEM: A Gender Gap to Innovation* (Figure 3). U.S. Department of Commerce Economics and Statistics Administration Publication. Retrieved 9 May 2012, from <http://www.esa.doc.gov/sites/default/files/reports/documents/womeninstemagaptoinnovation8311.pdf>

6 See note 4.

7 Dey, J.G., & Hill, C. (2007). *Behind the Pay Gap*. AAUW Educational Foundation Publication Retrieved 9 May 2012, from <http://www.aauw.org/learn/research/upload/behindPayGap.pdf>

8 U.S. Bureau of Labor Statistics. (2011, December). *Women in the Labor Force: A Databook (2011 Edition)*. Retrieved 9 May 2012, from www.bls.gov/cps/wlf-databook2011.htm

9 Ibid.

10 Lo Sasso, A.T., Richards, M.R., Chou, C.F., et al. (2011, February). The \$16,819 Pay Gap For Newly Trained Physicians: The Unexplained Trend Of Men Earning More Than Women. *Health Affairs*, 30(2), 193-201.

11 Carter, N. M., & Silva, C. (2010). *Pipeline's Broken Promise*. Catalyst Publication. Retrieved 9 May 2012, from http://www.catalyst.org/file/340/pipeline%27s_broken_promise_final_021710.pdf

12 U.S. Government Accountability Office. (2003, October). *Women's Earnings: Work Patterns Partially Explain Difference between Men's and Women's Earnings*. Retrieved 9 May 2012, from <http://www.gao.gov/new.items/d0435.pdf>

13 U.S. Government Accountability Office. (2010, September). *Women in Management: Female Managers' Representation, Characteristics, and Pay*. Retrieved 9 May 2012, from <http://www.gao.gov/assets/130/125312.pdf>

14 U.S. Congress Joint Economic Committee. (2012, May 9). *Mother's Day Report: Paycheck Fairness Helps Families, Not Just Women*. Retrieved 15 May 2012, from http://www.jec.senate.gov/public/?a=Files.Serve&File_id=f11e726b-135b-4e1d-8334-2903491d9691

15 See note 11.

The National Partnership for Women & Families is a nonprofit, nonpartisan advocacy group dedicated to promoting fairness in the workplace, access to quality health care and policies that help women and men meet the dual demands of work and family. More information is available at www.NationalPartnership.org.
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