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THE GENDER WAGE GAP CONTINUES TO AFFECT WORKING WOMEN

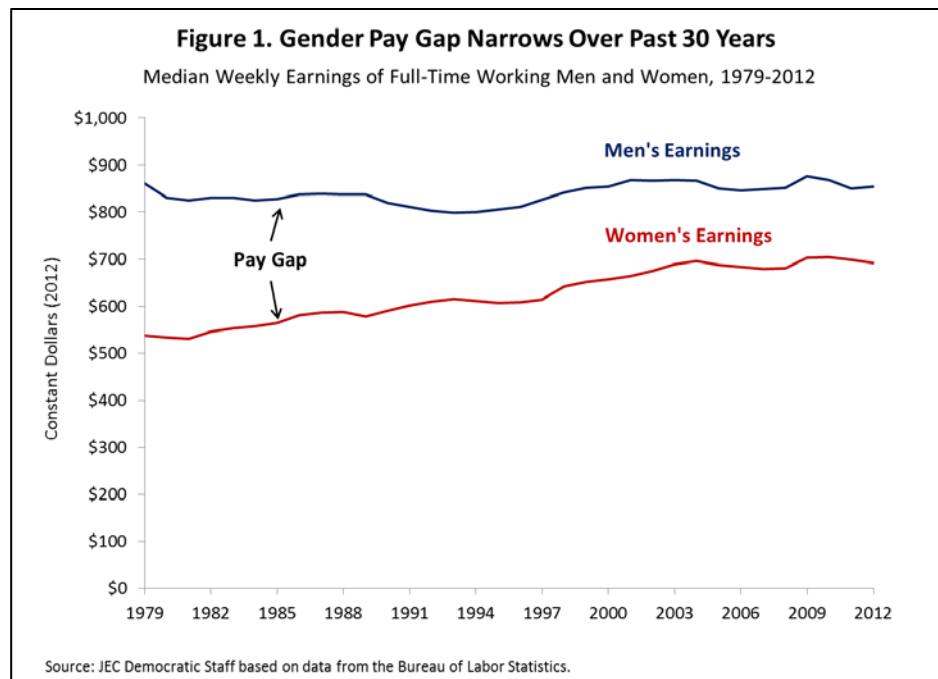
Four years ago, on January 29, 2009, President Obama signed his first piece of legislation into law -- the Lilly Ledbetter Fair Pay Act. Named after the woman who worked for 19 years as a night supervisor in a tire factory and sued her employer after discovering she was paid less than men doing the same job, the law makes it easier for women to challenge wage discrimination.¹ Though the gender pay gap has narrowed over time, women of all races and levels of education continue to face lower earnings. (See Figure 1.) The lower pay women earn over the course of their careers results in smaller incomes during retirement. Even with progress in recent years, women face the effects of the pay gap from their first jobs until long after they have stopped working.

The gender pay gap starts for many women in the first year of their careers. When comparing the average annual salaries of men and women in their first year of work after completing a bachelor's degree, men earned roughly \$7,600 more per year than their female peers.²

The gap remains even when taking college majors and job preferences into account. Women make up the majority of graduates in the healthcare, social services, and education fields which historically pay less than male-dominated fields such as engineering and computer information sciences. However, even within the same field, women still earn less than men.³

The gender pay gap increases the student debt loan burden for women early in their careers. A pay gap means that student loan payments of recent graduates take up a higher percentage of women's earnings. Moreover, young women are more likely than young men to have student loan debt and that debt is likely to be higher than that of their male peers.⁴

Women earn less than men at every level of education attainment. On average, over the course of a career, a woman has to hold a doctoral degree to earn as much as a man with a bachelor's degree does. A woman who holds bachelor's degrees can face a lifetime earnings gap of over \$500,000.⁵ (See Figure 2.)

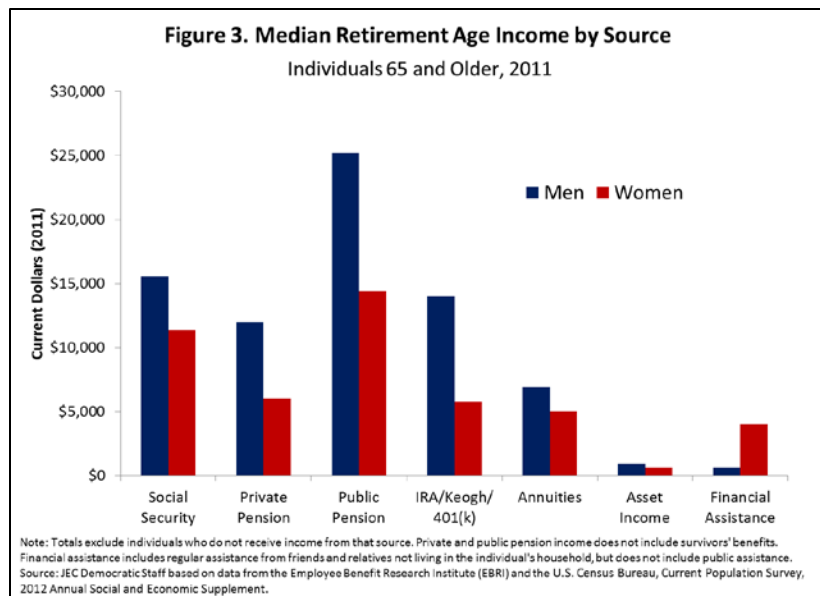
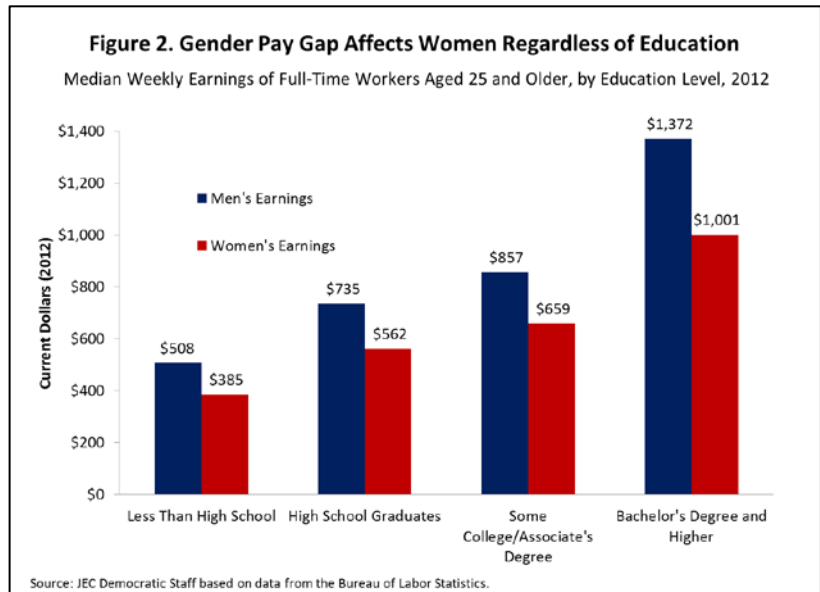


Women of all races and ethnicities face the gender pay gap. In 2012, Asian women faced the largest gap in pay (\$274 per week) when compared to their male peers, followed by White women (\$169), Hispanic/Latina women (\$71), and Black women (\$64).⁶

Part-time workers face an earnings penalty. Nearly two-thirds of part-time workers are women, and more than one-third of all women work part-time.⁷ Across occupations, part-time workers earn less per hour than their full-time counterparts.⁸

Lower earnings over their careers jeopardize women’s retirement security. The sources of income women rely on in retirement, such as Social Security benefits, defined benefit pensions, and individual retirement accounts (IRAs), largely depend on how much they earned during their careers. (See Figure 3.) Among women aged 65 and older, median annual income was \$15,362 in 2011 – over \$12,300 less than the median income for men of the same age group.⁹

Social Security income is more important to women age 65 and older than men. Since Social Security benefits are tied to career earnings, smaller earnings during their working years sets women up to receive smaller Social Security payments once they retire. Additionally, because most women have fewer and smaller sources of income in retirement than men, Social Security benefits are of even greater importance to their retirement security. On average, for beneficiaries, Social Security accounts for two-thirds of total income for women 65 years and older, while for men it amounts to roughly 54 percent.¹⁰



The gender pay gap exists in every state and the District of Columbia. According to the Bureau of Labor Statistics, the gender wage gap was widest in Wyoming (34.5 percent), Louisiana (28.0 percent), and West Virginia (27.4 percent) in 2012. Women in the District of Columbia (5.2 percent), Arizona (13.2 percent), and California (14.0 percent) experienced the narrowest pay gap. (See Table 1.)

FACT SHEET: 4TH ANNIVERSARY OF THE FAIR PAY ACT OF 2009

Table 1. 2012 Median Weekly Earnings by Age, Gender, and State

State	Full-Time Workers Aged 16 Years and Older				Full-Time Workers Aged 50 Years and Older			
	Women's Median Weekly Earnings (Dollars)	Men's Median Weekly Earnings (Dollars)	Ratio: Women's Earnings to Men's Earnings	Gender Wage Gap	Women's Median Weekly Earnings (Dollars)	Men's Median Weekly Earnings (Dollars)	Ratio: Women's Earnings to Men's Earnings	Gender Wage Gap
Alabama	620	812	76.4%	23.6%	706	965	73.2%	26.8%
Alaska	757	1,025	73.9%	26.1%	n.a.	n.a.	n.a.	n.a.
Arizona	670	772	86.8%	13.2%	785	1,011	77.6%	22.4%
Arkansas	603	717	84.1%	15.9%	643	796	80.8%	19.2%
California	754	877	86.0%	14.0%	856	1,080	79.3%	20.7%
Colorado	750	958	78.3%	21.7%	829	1,187	69.8%	30.2%
Connecticut	868	1,127	77.0%	23.0%	946	1,247	75.9%	24.1%
Delaware	737	888	83.0%	17.0%	821	992	82.8%	17.2%
District of Columbia	1,072	1,131	94.8%	5.2%	n.a.	n.a.	n.a.	n.a.
Florida	676	796	84.9%	15.1%	722	942	76.6%	23.4%
Georgia	640	838	76.4%	23.6%	717	1,001	71.6%	28.4%
Hawaii	689	839	82.1%	17.9%	714	963	74.1%	25.9%
Idaho	614	785	78.2%	21.8%	678	929	73.0%	27.0%
Illinois	708	895	79.1%	20.9%	760	1,001	75.9%	24.1%
Indiana	632	809	78.1%	21.9%	676	954	70.9%	29.1%
Iowa	654	823	79.5%	20.5%	697	945	73.8%	26.2%
Kansas	649	825	78.7%	21.3%	690	949	72.7%	27.3%
Kentucky	596	733	81.3%	18.7%	699	893	78.3%	21.7%
Louisiana	573	796	72.0%	28.0%	609	887	68.7%	31.3%
Maine	654	823	79.5%	20.5%	700	913	76.7%	23.3%
Maryland	842	988	85.2%	14.8%	935	1,139	82.1%	17.9%
Massachusetts	840	1,040	80.8%	19.2%	900	1,269	70.9%	29.1%
Michigan	687	889	77.3%	22.7%	752	1,007	74.7%	25.3%
Minnesota	779	948	82.2%	17.8%	822	1,049	78.4%	21.6%
Mississippi	582	776	75.0%	25.0%	644	922	69.8%	30.2%
Missouri	660	841	78.5%	21.5%	696	991	70.2%	29.8%
Montana	566	733	77.2%	22.8%	609	819	74.4%	25.6%
Nebraska	663	787	84.2%	15.8%	716	875	81.8%	18.2%
Nevada	620	768	80.7%	19.3%	686	902	76.1%	23.9%
New Hampshire	772	975	79.2%	20.8%	861	1,033	83.3%	16.7%
New Jersey	818	1,030	79.4%	20.6%	964	1,243	77.6%	22.4%
New Mexico	645	802	80.4%	19.6%	900	1,065	84.5%	15.5%
New York	746	900	82.9%	17.1%	769	1,002	76.7%	23.3%
North Carolina	641	792	80.9%	19.1%	669	911	73.4%	26.6%
North Dakota	651	834	78.1%	21.9%	n.a.	n.a.	n.a.	n.a.
Ohio	664	802	82.8%	17.2%	691	936	73.8%	26.2%
Oklahoma	631	760	83.0%	17.0%	711	852	83.5%	16.5%
Oregon	756	901	83.9%	16.1%	811	1,003	80.9%	19.1%
Pennsylvania	694	849	81.7%	18.3%	732	984	74.4%	25.6%
Rhode Island	733	886	82.7%	17.3%	788	1,061	n.a.	n.a.
South Carolina	603	724	83.3%	16.7%	611	910	67.1%	32.9%
South Dakota	604	737	82.0%	18.0%	n.a.	n.a.	n.a.	n.a.
Tennessee	611	740	82.6%	17.4%	642	778	82.5%	17.5%
Texas	633	795	79.6%	20.4%	706	943	74.9%	25.1%
Utah	661	870	76.0%	24.0%	861	1,083	79.5%	20.5%
Vermont	692	859	80.6%	19.4%	n.a.	n.a.	n.a.	n.a.
Virginia	756	951	79.5%	20.5%	843	1,144	73.7%	26.3%
Washington	746	982	76.0%	24.0%	827	1,107	74.7%	25.3%
West Virginia	614	846	72.6%	27.4%	663	929	71.4%	28.6%
Wisconsin	696	863	80.6%	19.4%	751	1,034	72.6%	27.4%
Wyoming	645	984	65.5%	34.5%	n.a.	n.a.	n.a.	n.a.
United States	691	854	80.9%	19.1%	752	994	75.7%	24.3%

n.a. = Data is not available.

Note: Includes wage and salary workers who usually work 35 hours or more per week. Self-employed persons are excluded.

Source: JEC Democratic Staff based on data from the Bureau of Labor Statistics, Current Population Survey. Data for full-time workers aged 50 is unpublished.

FACT SHEET: 4TH ANNIVERSARY OF THE FAIR PAY ACT OF 2009

Sources:

¹ Ledbetter v. Goodyear Tire & Rubber Co., Inc. 550 U.S. 618 (2007). <http://www.supremecourt.gov/opinions/06pdf/05-1074.pdf>.

² Corbett, Christianne, and Catherine Hill. “Graduating to a Pay Gap: The Earnings of Women and Men One Year after College Graduation.” American Association of University Women. p.9. October 2012.

³ Ibid., p.12.

⁴ Ibid., p.23.

⁵ Carnevale, Anthony P., Stephen J. Rose, and Ban Cheah. “The College Payoff: Education, Occupations, Lifetime Earnings (Executive Summary).” Georgetown University Center on Education and the Workforce. p.7. August 2011.

<http://www9.georgetown.edu/grad/gppi/hpi/cew/pdfs/collegepayoff-summary.pdf>.

⁶ JEC Democratic staff calculation based on data from the Bureau of Labor Statistics, Median Usual Weekly Earnings, Full-Time Wage and Salary Workers (NSA).

⁷ JEC Democratic staff calculation based on data from the Bureau of Labor Statistics, Median Usual Weekly Earnings, Part-Time Wage and Salary Workers (NSA).

⁸ United States Congress Joint Economic Committee. “The Earnings Penalty for Part-Time Work: An Obstacle to Equal Pay.” April 2010.

⁹ JEC Democratic staff calculation based on data from the U.S. Census Bureau, Current Population Survey, 2012 Annual Social and Economic Supplement.

¹⁰ Ibid.