



## Equal Pay Day 2019

There is a substantial difference between men's and women's earnings. The median woman (in the middle of the income range) working full time, year-round is paid just 80 cents for every dollar paid to the median man.<sup>1</sup>

One way to express this disparity is to measure the number of extra days women must work to make up the difference from the previous year. This year, the typical woman must work an extra three months – until “Equal Pay Day” on April 2<sup>nd</sup> – to catch up. That means that the typical woman would have to work all of last year, plus January, February and March of this year, to make the same amount that the typical man made last year.

### The Gender Pay Gap

- The Equal Pay Act of 1963 made it illegal for employers to pay unequal wages to men and women for equal work.<sup>2</sup> Nevertheless, on the whole, there remain significant differences in income paid to men and women. In 2017, the latest year for which data are available, the median woman working full time, year-round was still only paid 80 cents for every dollar paid to her male counterpart.<sup>3</sup>
- The gender pay gap is much wider for women of color. Black and Hispanic women make 61 cents and 53 cents, respectively, for every dollar paid to a white man.<sup>4</sup>
- The median Asian-American woman is paid 85 cents for every dollar paid to the median white man.<sup>5</sup> However, within the Asian-American community, the gender pay gap varies significantly.<sup>6</sup>

### Factors Contributing to the Gap

- The causes of the gender wage gap are complex. Some of the gap is likely due to direct pay discrimination. Additionally, U.S. workplace policies and societal norms have not kept pace with the dramatic increase in the share of women in the workforce over the last several decades. Many factors contributing to the gap are themselves impacted by gender bias and discrimination, such as occupational segregation, biases against working mothers, and disproportionate caregiving responsibilities.
- Women are overrepresented in lower-paying fields. According to a study looking at 2016 data, women made up nearly two-thirds of the roughly 24 million workers in low-wage jobs, yet they accounted for slightly less than half of the overall workforce.<sup>7</sup>
- Women are often underrepresented in higher-paying fields, such as many types of science, technology, engineering and math (STEM) jobs. Women occupy just 14 percent of engineering and 25 percent of computer science jobs.<sup>8</sup>
- Many women experience what is called the “mommy penalty”—decreased earnings after interrupting their careers to have and care for children. This often has a cumulative impact on their income and professional experience throughout their career. Roughly 43 percent of women in the workforce have experienced at least one year without any earnings, nearly twice the rate of men.<sup>9</sup> Some companies may also preemptively penalize women on the presumption that they will take time off to have children.

- One influential study shows that after accounting for gender differences in education, experience, industry and occupation, about 38 percent of the gender pay gap is due to factors that cannot be measured.<sup>10</sup> Economists often point to this large, unexplained portion of the gender pay gap as possible evidence of labor market discrimination.<sup>11</sup>

## A Broader Impact

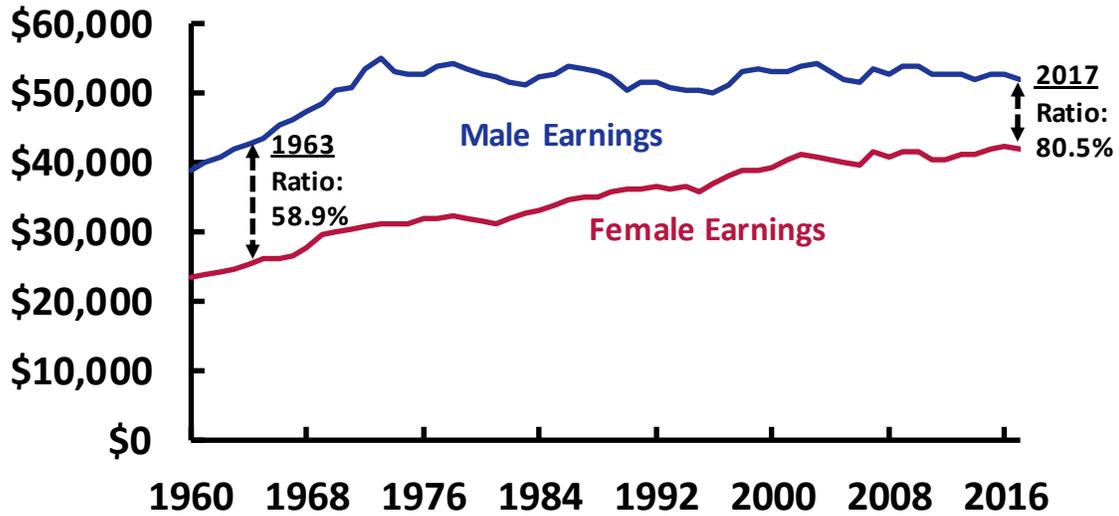
- The gender wage gap not only affects women, it has lasting consequences for families, men and the economy as a whole. Women's share of household earnings has grown from 36 percent in 1993 to 45 percent in 2016.<sup>12</sup> One study shows that mothers are the sole or primary breadwinners in half of U.S. households with children.<sup>13</sup>
- Earnings disparities between men and women contribute to women's retirement insecurity. Because women are typically paid less than men during working years, women receive less income than men do from Social Security, pensions and other sources of retirement income.<sup>14</sup> In 2017, the latest year for which data are available, income for women ages 65 and older was only 59 percent of what men received at the same age, which is more than twice the overall gender wage gap.<sup>15</sup> In fact, elderly women are 40 percent more likely than elderly men to live in poverty.<sup>16</sup>
- The gender pay gap adds up. The 20 percent gap in real median earnings translates to a little more than \$10,000 each year.<sup>17</sup> If a woman were to experience this same disparity over her 40 year career, she could lose more than \$400,000 in wages (in today's dollars).
- The United States trails other industrialized countries when it comes to women's labor force participation. Relative to other OECD countries, lower female LFPR potentially left over \$500 billion in estimated economic activity on the table in 2017 alone.<sup>18</sup>

## Closing the Gap

- Possible ways to help close the gender wage gap include updating the nation's equal pay laws, enabling caregivers to balance the demands of work and family, and increasing both female participation in higher-paying fields and pay in female-dominated fields.
- The Paycheck Fairness Act (H.R. 7) requires employers to demonstrate that any disparity in pay is based on job performance and not gender, promotes transparency by prohibiting retaliation for sharing salary information and strengthens remedies available to women who bring gender-based wage discrimination claims under the Equal Pay Act.
- The Equal Rights Amendment would prohibit discrimination on the basis of sex, strengthening women's standing for bringing discrimination cases and sending a clear message from our country that equal means equal.
- The Federal Employee Paid Leave Act (H.R. 1534) would provide 12 weeks of paid leave for federal employees. Expanding access to paid family leave and affordable, high-quality child care can help women remain in the labor force, boost their earnings, and narrow the gender pay gap.
- Increasing female representation in high-paying fields like STEM, as well as increasing pay in female-dominated fields, can boost women's earnings and narrow the pay gap.

# Median Annual Earnings

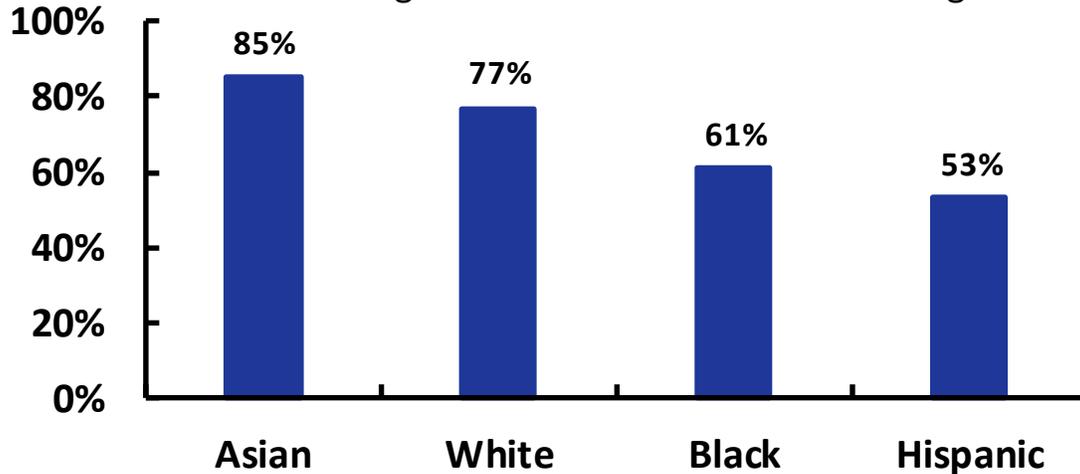
Women and Men working full-time, year-round, 1960 to 2017



Source: U.S. Census Bureau Table P-38. Full-Time, Year-Round All Workers by Median Earnings and Sex

# Gender Wage Gap by Race

Women's Earnings as a Share of White Male Earnings



Source: JEC Democratic staff calculations based on data from U.S. Census Bureau, Table P-38  
Note: Ratio is comparing median annual earnings of full-time, year-round workers only; Asian American, white, and black figures exclude respondents with multiple races reported or of Hispanic ethnicity; the pay gap is substantially larger for some Asian American subgroups.

State	Women's Earnings as a Share of Men's Earnings	Percent of Prime-Age Women in the Labor Force
United States	80%	75.0%
Alabama	73%	68.4%
Alaska	82%	77.6%
Arizona	85%	71.5%
Arkansas	79%	74.4%
California	89%	71.8%
Colorado	82%	78.4%
Connecticut	83%	80.1%
Delaware	86%	79.9%
District of Columbia	89%	83.6%
Florida	87%	74.3%
Georgia	83%	74.6%
Hawaii	81%	75.9%
Idaho	75%	75.8%
Illinois	78%	76.4%
Indiana	73%	77.1%
Iowa	79%	83.8%
Kansas	77%	78.4%
Kentucky	79%	73.5%
Louisiana	69%	72.8%
Maine	82%	77.0%
Maryland	86%	79.1%
Massachusetts	83%	79.0%
Michigan	78%	74.3%
Minnesota	82%	85.4%
Mississippi	77%	71.4%
Missouri	79%	78.5%
Montana	79%	76.7%
Nebraska	77%	83.5%
Nevada	83%	71.8%
New Hampshire	79%	83.0%
New Jersey	80%	76.1%
New Mexico	83%	69.1%
New York	88%	74.5%
North Carolina	84%	73.8%
North Dakota	79%	82.8%
Ohio	78%	76.9%
Oklahoma	77%	70.5%
Oregon	82%	76.6%
Pennsylvania	80%	77.3%
Rhode Island	84%	77.5%
South Carolina	77%	70.6%
South Dakota	77%	81.9%
Tennessee	82%	73.6%
Texas	81%	71.9%
Utah	71%	71.7%
Vermont	86%	83.4%
Virginia	79%	77.8%
Washington	78%	73.7%
West Virginia	74%	69.1%
Wisconsin	80%	83.7%
Wyoming	77%	77.2%

Source: National Partnership for Women and Families and Bureau of Labor Statistics

Note: All data are for 2017; Women's earnings are for full-time, year-round workers; Labor force participation is for women ages 25 to 54.

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<sup>1</sup> U.S. Census Bureau, [Table P-40 Women's Earnings as a Percentage of Men's Earnings by Race and Hispanic Origin](#). Accessed March 25, 2019; Ratio is comparing median annual earnings of full-time, year-round workers only.

<sup>2</sup> U.S. Equal Employment Opportunity Commission. Accessed March 25, 2019.

<https://www.eeoc.gov/laws/statutes/epa.cfm>

<sup>3</sup> U.S. Census Bureau, [Table P-40 Women's Earnings as a Percentage of Men's Earnings by Race and Hispanic Origin](#). Accessed March 25, 2019; Ratio is comparing median annual earnings of full-time, year-round workers only.

<sup>4</sup> U.S. Census Bureau, [Table P-38 Women's Earnings as a Percentage of Men's Earnings by Race and Hispanic Origin](#). Accessed March 25, 2019; Ratio is comparing median annual earnings of full-time, year-round workers only; Asian American, white, and black figures exclude respondents with multiple races reported or of Hispanic ethnicity; the pay gap is substantially larger for some Asian American subgroups.

<sup>5</sup> U.S. Census Bureau, [Table P-38 Women's Earnings as a Percentage of Men's Earnings by Race and Hispanic Origin](#). Accessed March 25, 2019; Ratio is comparing median annual earnings of full-time, year-round workers only.; Asian American, white, and black figures exclude respondents with multiple races reported or of Hispanic ethnicity; the pay gap is substantially larger for some Asian American subgroups.

<sup>6</sup> Center for Economic and Policy Research, <http://cepr.net/blogs/cepr-blog/understanding-challenges-of-aapi-women-to-achieve-equal-pay>. Accessed April 2, 2019.

<sup>7</sup> National Women's Law Center. August 2018. <https://nwc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2016/04/Low-Wage-Jobs-Held-Primarily-by-Women-Will-Grow-the-Most-Over-the-Next-Decade-2018.pdf>; Low wage jobs are defined as those that paid a median hourly wage of \$11.50 or less in 2017.

<sup>8</sup> Pew Research Center. "7 Facts About the STEM Workforce". January 9, 2018. <https://www.pewresearch.org/fact-tank/2018/01/09/7-facts-about-the-stem-workforce/>

<sup>9</sup> Institute for Women's Policy Research. November 28, 2018. <https://iwpr.org/women-earn-just-half-of-what-men-earn-over-15-years/>

<sup>10</sup> Blau and Kahn. "The Gender Wage Gap: Extent, Trends, and Explanations". January 2016.

<http://www.nber.org/papers/w21913.pdf>

<sup>11</sup> Washington Center for Equitable Growth. March 25, 2019. <https://equitablegrowth.org/gender-wage-inequality-in-the-united-states-causes-and-solutions-to-improve-family-well-being-and-economic-growth/>

<sup>12</sup> JEC Democratic Staff analysis based on Current Population Survey, Annual Social and Economic Supplement data from 1993 to 2017. [https://www.jec.senate.gov/public/\\_cache/files/78d84ce9-9c7f-4d00-99af-4eae9f5085c0/paid-leave-20180123-547pm-clean-002-.pdf](https://www.jec.senate.gov/public/_cache/files/78d84ce9-9c7f-4d00-99af-4eae9f5085c0/paid-leave-20180123-547pm-clean-002-.pdf)

<sup>13</sup> Institute for Women's Policy Research. September 2016. <https://iwpr.org/wp-content/uploads/wpallimport/files/iwpr-export/publications/Q054.pdf>; Breadwinner mothers are defined as single mothers who head a household or married mothers who generate at least 40 percent of a household's joint income.

<sup>14</sup> American Association of University Women. "The Simple Truth About the Gender Pay Gap, Fall 2018 Edition" [https://www.aauw.org/aauw\\_check/pdf\\_download/show\\_pdf.php?file=The\\_Simple\\_Truth](https://www.aauw.org/aauw_check/pdf_download/show_pdf.php?file=The_Simple_Truth)

<sup>15</sup> JEC Democratic staff calculations based on data from the U.S. Census Bureau, [PINC-08. Source of Income- People 15 Years Old and Over, by Income of Specified Type, Age, Race, Hispanic Origin, and Sex. \(Both Sexes, 65 Years and Over, All Races\)](#). Accessed March 25, 2019.

<sup>16</sup> Joint Economic Committee. "Social Security: A Promise to American Workers and Families." April 2018. [https://www.jec.senate.gov/public/\\_cache/files/4063c207-21d1-4ceb-809b-af4268842eea/social-security-final.pdf](https://www.jec.senate.gov/public/_cache/files/4063c207-21d1-4ceb-809b-af4268842eea/social-security-final.pdf)

<sup>17</sup> U.S. Census Bureau, [Table P-38 Women's Earnings as a Percentage of Men's Earnings by Race and Hispanic Origin](#). Accessed March 25, 2019.

<sup>18</sup> JEC Democratic Staff analysis based on data from the Bureau of Labor Statistics and OECD, using methodology from the Department of Labor. <https://www.dol.gov/featured/paidleave/cost-of-doing-nothing-report.pdf>. Economic activity left on the table is defined as the foregone economic activity if the prime-age (age 25-54) female labor force participation rate were as high as Canada or Germany's. See footnote 154 in Department of Labor report for more information.