



THE SIMPLE TRUTH ABOUT THE GENDER PAY GAP

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American women lose out on a staggering \$500 billion each year because of the gender pay gap. But the latest government data show that progress toward narrowing that gap has stalled: Women working full time are still paid, on average, only 80 cents for every dollar paid to a man—a figure that has changed by less than a nickel during the 21st century. AAUW has launched a multipronged initiative with the bold goal of closing that gap by 2030.

THE FAST FACTS

- Median earnings for women working full time are \$41,977, while men are paid \$52,146.
- The gender pay gap exists across all demographics, in every part of the country, and in nearly every line of work—including female-dominated professions like teaching and nursing.
- The gender pay gap exists for every age group:
 - Women ages 20 to 24 are paid 90 percent as much as men;
 - But the gap grows over time, with women ages 25 to 54 paid 89 to 78 percent as much as men, and women ages 55 to 65 paid just 78 percent as much as men.
- The pay gap tends to be larger for women of color, and in some cases the gap is widening:
 - Black women are paid just 61 cents for every dollar paid to white men.
 - American Indian/Alaskan native women are paid 58 cents for every dollar paid to white men.
 - Latinas are paid just 53 cents for every dollar paid to white men.
- Though women in the U.S. now earn more college and postgraduate degrees than men, women with bachelor’s degrees working full time are paid 26 percent less than their male counterparts.
- Even when women pursue higher-paying occupations, they are paid less across the board, even with advanced degrees.
- The ten occupations where women are losing out on the most money collectively as a profession are:

	Women Employed	Men's Earnings	Women's Earnings	Pay Ratio	Collective Gap for Women in Occupation
Financial managers	554,104	\$100,575	\$65,237	65%	\$19,581,000,000
Physicians and surgeons	274,511	\$243,072	\$171,880	71%	\$19,543,000,000
Accountants and auditors	1,014,827	\$77,320	\$60,280	78%	\$17,293,000,000
Supervisors of retail sales workers	1,177,835	\$47,774	\$35,217	74%	\$14,790,000,000
Registered nurses	2,092,489	\$71,590	\$65,612	92%	\$12,509,000,000
Marketing and sales managers	383,998	\$100,288	\$71,066	71%	\$11,221,000,000
Lawyers	320,159	\$140,270	\$106,837	76%	\$10,704,000,000
Chief executives	266,890	\$148,867	\$111,236	75%	\$10,043,000,000
Medical & health services managers	456,984	\$87,451	\$67,129	77%	\$9,287,000,000
Education administrators	500,325	\$83,383	\$64,989	78%	\$9,203,000,000

Source: U.S. Census Bureau, 2017 American Community Survey

THE FALLOUT

- Closing the pay gap would cut the poverty rate for working women in half and lift 2.5 million children out of poverty.
- Thirteen percent of American women ages 18–64 live below the federal poverty level, while 10 percent of men do. Eleven percent of women over 65 live in poverty, compared with 8 percent of men.
- The pay gap makes it harder for women to pay off student debt: 1 in 3 female college graduates have financial difficulties while repaying student loans, compared to 1 in 4 men. Women hold two-thirds of the nation's \$1.4 trillion of student debt.
- When women enter a previously male-dominated profession, average wages for the occupation decrease, even for men in the field.
- The pay gap hurts women in retirement: They receive less in their Social Security and pensions. White men over 65 have an average annual income of \$44,200, while white women over 65 must get by on \$23,100, black women on \$21,900, and Latinas on \$14,800.

THE FACTORS

- Occupational segregation with disparate pay across sectors is one of the largest factors contributing to the gender pay gap. Society's expectations about "women's work" can "steer" women into certain occupations. Jobs traditionally held by men tend to pay better than traditionally "female" jobs, even when they require the same level of skill and training.
- Women encounter a motherhood or caregiver "penalty" that diminishes their earnings. The different experiences of male and female parents are the result of gendered norms and expectations, workplaces built around someone who is *not* a primary caretaker, and a lack of social support for new parents. Employers and industries still prioritize long, continuous, traditional work hours rather than flexible schedules, which disadvantages working mothers. Studies show that bias against mothers also hurts women in hiring, promotion, and pay decisions. Many men, on the other hand, receive a "fatherhood bonus" when they become dads.
- Direct pay discrimination and a persistent bias against women also contribute to the pay gap, and racial bias is a significant factor affecting women of color.

THE PATH FORWARD

- Congress should pass the Paycheck Fairness Act, which would update and strengthen the Equal Pay Act of 1963; the Pay Equity for All Act, which would prohibit employers from using salary history to determine pay; and the Fair Pay Act, which would require employers to provide equal pay for work of equivalent value to reduce the impact of occupational segregation.
- The current Administration should reinstate a critical program which would have collected pay data based on sex, race, and ethnicity from private employers and certain federal contractors. This data collection would help the U.S. Equal Employment Opportunity Commission better identify wage discrimination and encourage voluntary compliance by companies.
- A national system of paid parental leave would help address one of the underlying causes of the gap.
- More states need new and stronger pay equity laws and improved enforcement. Currently, the states with the strongest equal pay laws are California, Illinois, Maryland, Massachusetts, New Jersey, Oregon, and Washington. Forty states and the District of Columbia introduced new equal pay bills in 2018, and 14 states and Puerto Rico passed equal pay laws in the past three years.

“It’s time to double down on our efforts to close the gender wage gap. We need to change laws and employer practices — and to empower women to negotiate their own financial futures.”

KIM CHURCHES
CEO AAUW

- Employers should conduct regular pay audits to assess how employees are being paid, eliminate the use of salary history to set wages, and prohibit retaliation against employees for discussing, disclosing, or inquiring about their wages.
- Individual women can work to increase their own pay by learning salary negotiation skills. AAUW's Work Smart Initiative is aiming to train 10 million women around the country in salary negotiation by 2022.