JOINT ECONOMIC COMMITTEE
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Equal Pay Day 2020

The "typical" female worker in the United States earns substantially less than the "typical" male worker. The median woman (in the middle of the income range) working full time, year-round is paid just 82 cents for every dollar paid to the median man.[1] This disparity is known as the "gender wage gap."

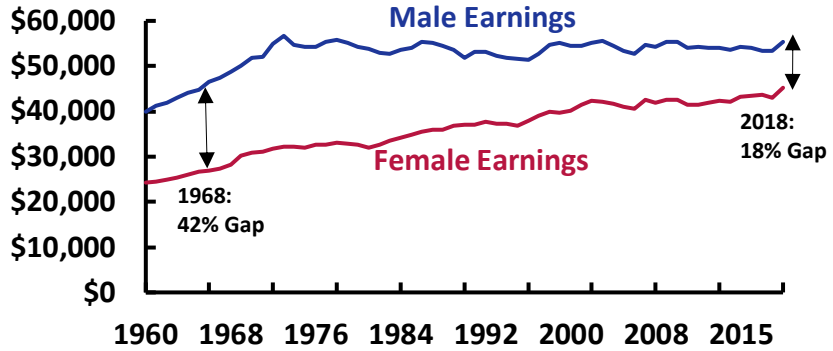
One way to express this disparity is to measure the number of extra days women must work to make up the difference from the previous year. In 2018, the last year for which data are available, the median male worker earned $55,291, while the median female worker earned just $45,097. In order to catch up with her male counterpart, the female worker would have to work all year, plus January, February and March of the following year.

A "typical" woman earns only 82 percent of what a "typical" man earns

- The Equal Pay Act of 1963 made it illegal for employers to pay unequal wages to men and women for equal work.[2]
- Nevertheless, the "typical" (median) woman, who is exactly in the middle of all female wage earners, makes far less than the "typical" man—only 82 cents for every dollar paid to her male counterpart.[3]

Median Annual Earnings

Women and Men working full-time, year-round, 1960-2018



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

The causes of the gender wage gap are complex

- The causes of the gender wage gap are complex. Some of the gap is likely due to direct pay discrimination. Additionally, U.S. workplace polices and societal norms have not kept pace with the dramatic increase in the share of women in the workforce over the last

several decades. Women now make up half of the workforce.[4] 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.

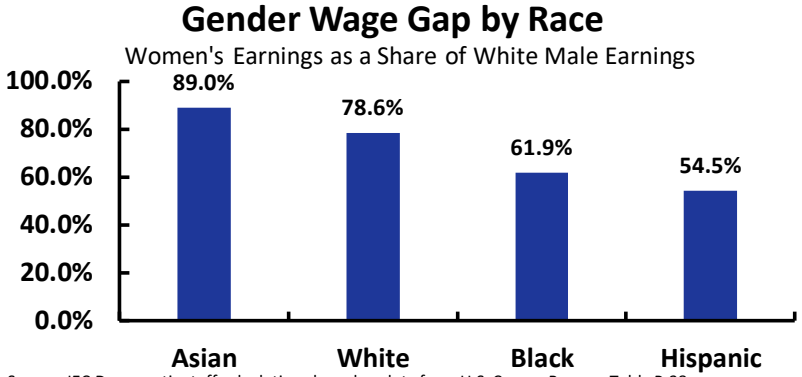
- Women are overrepresented in lower-paying fields. According to a study looking at 2016 data, women made up nearly two-thirds of the roughly 24 million workers in low-wage jobs, yet they accounted for slightly less than half of the overall workforce at the time.[5]
- Women are often underrepresented 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.[6]

Many women experience what is called the "mommy penalty"

- Many women suffer from decreased earnings after interrupting their careers to have and care for children. These wage penalties have 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.[7] 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.[8] Economists often point to this large, unexplained portion of the gender pay gap as possible evidence of labor market discrimination.[9]

Black and Hispanic women fare far worse than women overall

- The gender pay gap is much wider for women of color. Black and Hispanic women make 62 cents and 55 cents, respectively, for every dollar paid to a white man.[10]
- The median Asian American woman is paid 89 cents for every dollar paid to the median white man.[11] However, within the Asian American community, the gender pay gap varies significantly.[12]



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.

American families have grown more dependent on female incomes

- 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 46 percent in 2019.[13]
- One study shows that mothers are the sole or primary breadwinners in half of U.S. households with children.[14]

Lower annual earnings can have a severe long-term impact

- The gender pay gap adds up. The 20 percent gap in real median earnings translates to a little more than $10,000 each year.[15] 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).
- 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.[16] In 2018, the latest year for which data are available, income for women ages 65 and older was only 60 percent of what men received at the same age, which is more than twice the overall gender wage gap.[17]
- Elderly women are 20 percent more likely than elderly men to live in poverty, even though this is a remarkable improvement compared to 32 percent in 2017.[18]

Female workers may be disproportionally hurt by the COVID-19 economy

- Women make up more than half of the registered nurses (88.9 percent); healthcare support (86.9 percent); pharmacists (60.4 percent); and nursing, psychiatric and home health aides (88.3 percent) who will be on the front lines of fighting COVID-19. [19]
- Women also comprise more than half (54.5 percent) of food preparation and serving related occupations.[20] Restaurants across the country have been forced to close or offer takeout only—leading to layoffs in some cases and signficantly reduced income in others.
- The COVID-19 economy forces many mothers to work from home, and has led to school and day care closures. The impact of those school closures and day care closures will disporportionately fall on women, as women still do a disproportionate share of unpaid household work. [21]

Aggressive measures can help narrow the gender wage 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 discimination on the basis of sex, strengthening women's standing for bringing discrimination cases and sending a clear message to our country that equal means equal.
- 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.

State	Women's Earnings as a Share of Men's Earnings	Percent of Prime-Age Women in the Labor Force
United States	82.0%	73.7%
Alabama	73.0%	70.1%
Alaska	80.0%	70.8%
Arizona	84.0%	71.6%
Arkansas	85.0%	69.8%
California	88.0%	70.2%
Colorado	82.0%	78.2%
Connecticut	84.0%	78.8%
Delaware	84.0%	79.1%
District of Columbia	87.0%	82.1%
Florida	85.0%	72.8%
Georgia	80.0%	72.3%
Hawaii	83.0%	74.8%
Idaho	78.0%	72.4%
Illinois	81.0%	75.4%
Indiana	75.0%	73.0%
Iowa	78.0%	82.4%
Kansas	79.0%	78.2%
Kentucky	79.0%	69.9%
Louisiana	69.0%	69.2%
Maine	83.0%	79.7%
Maryland	86.0%	80.6%
Massachusetts	83.0%	78.7%
Michigan	79.0%	73.5%
Minnesota	82.0%	82.3%
Mississippi	75.0%	67.7%
Missouri	78.0%	78.4%
Montana	76.0%	77.8%
Nebraska	80.0%	82.4%
Nevada	86.0%	75.4%
New Hampshire	74.0%	81.2%
New Jersey	79.0%	76.9%
New Mexico	84.0%	67.3%

New York	88.0%	72.0%
North Carolina	83.0%	72.7%
North Dakota	73.0%	82.4%
Ohio	79.0%	74.6%
Oklahoma	76.0%	68.6%
Oregon	84.0%	75.2%
Pennsylvania	81.0%	76.0%
Rhode Island	82.0%	76.3%
South Carolina	80.0%	72.5%
South Dakota	78.0%	81.4%
Tennessee	80.0%	72.7%
Texas	80.0%	70.3%
Utah	74.0%	71.2%
Vermont	85.0%	80.3%
Virginia	79.0%	76.1%
Washington	79.0%	74.2%
West Virginia	71.0%	69.2%
Wisconsin	80.0%	81.4%
Wyoming	70.0%	77.0%

Source: National Partnership for Women and Families and Bureau of Labor Statistics
Note: Wage gap data are for 2018; Women's earnings are for full-time, year-round workers. Labor force participation is for women ages 25 to 54, using BLS 2019 preliminary averages.

[1] U.S. Census Bureau, Table P-40 Women's Earnings as a Percentage of Men's Earnings by Race and Hispanic Origin.Accessed March 24, 2020;Ratio is comparing median annual earnings of full-time, year-round workers only.

[2] U.S. Equal Employment Opportunity Commission. Accessed March 25, 2019. https://www.eeoc.gov/laws/statutes/epa.cfm.

[3] U.S. Census Bureau, Table P-40 Women's Earnings as a Percentage of Men's Earnings by Race and Hispanic Origin. Accessed March 24, 2020; Ratio is comparing median annual earnings of full-time, year-round workers only.

[4] Bureau of Labor Statistics, Establishment Data, Table B-5, "Employment of women on nonfarm payrolls by industry sector, seasonally adjusted." March 6 2020. https://www.bls.gov/news.release/empsit.t21.htm#ces_table5.f.p

[5] National Women's Law Center. August 2018. https://nwlc-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.

[6] 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/.

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

[8] Blau and Kahn. "The Gender Wage Gap: Extent, Trends, and Explanations". January 2016. http://www.nber.org/papers/w21913.pdf.

[9] 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/.

[10] 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, 2020.; 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.

[11] 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, 2020; 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.

[12] Center for Economic and Policy Research, https://cepr.net/understanding-challenges-of-aapi-women-to-achieve-equal-pay/. Accessed April 2, 2019.

[13] JEC Democratic Staff analysis based on Current Population Survey, Annual Social and Economic Supplement data from 1993 to 2017 and Current Population Survey, ASEC 2019.

[14] 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.

[15] 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, 2020.

[16] 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.

[17] 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, 2020.

[18] JEC Calculations based on the Census Bureau, CPS, 2018 and 2019 Annual Social and Economic Supplements.

[19] BLS. "Labor Force Statistics from the Current Population Survey." 2020. https://www.bls.gov/cps/cpsaat11.htm.

[20] BLS. "Labor Force Statistics from the Current Population Survey." 2020. https://www.bls.gov/cps/cpsaat11.htm.

[21] Wezereck, Gus and Ghodsee, Kristen. "Women's Unpaid Labor is Worth $10,900,000,000,000." *The New York Times*. 5 March 2020. https://www.nytimes.com/interactive/2020/03/04/opinion/women-unpaid-labor.html.