Women’s Earnings and the Wage Gap

Highlights

- The gender earnings ratio (women’s earnings as a percentage of men’s) for full-time, year-round workers improved from 60.2 percent in 1980 to 79.6 percent in 2015.
- Progress towards closing the disparity between women’s and men’s earnings was greatest during the 1980s, but slowed during the 1990s and 2000s.
- The earnings disparity between women and men is narrowest for young workers ages 25-34 and widest for workers ages 55 to 64.
- White, non-Hispanic and Asian women out-earn Black and Hispanic women.
- The gender wage gap among those with the highest level of educational attainment is larger than the average wage gap for all workers.
- Black and Hispanic women with a bachelor’s degree have lower median weekly earnings than Asian and White women with the same educational level.
- Among full-time female workers, the inflation-adjusted median weekly earnings of those who did not complete high school fell by 9.7 percent between 1979 and 2015, while the inflation-adjusted median weekly earnings of those with at least a bachelor’s degree increased by 32.2 percent.
- Women who are members of unions or covered by union contracts have much higher earnings and greater access to employer-provided pensions and health insurance than women who are not.
- In 2015, women were over sixty percent of workers paid at or below the federal minimum wage, and they were the majority of full-time workers who earned less than $400 per week.
Introduction

In 2015, there were 163.2 million women and girls in the United States, 50.8 percent of the population\(^1\). Women are slightly under half (46.8%) of the 157.1 million workers in the civilian labor force, a steep increase from 1960 when they were just one in three (33.4%) of workers\(^2\).

During the last 35 years, as women have increased their time in the labor market and attained higher levels of education and professional qualifications, women’s earnings have increased substantially and the gender wage gap has narrowed. Although the gap between women’s and men’s median earnings has decreased, women continue to earn substantially less than men. This publication provides data on women’s earnings and the gender wage gap.

The publication presents an overview of the following topics:

- **Women’s earnings** and the gender wage gap: Women’s earnings have generally increased since 1980, causing the wage gap to decrease.

- Different measures of the gender earnings ratio: using different data sources with different populations leads to natural variation in the gender earnings ratio. The most common measure uses median annual earnings of full-time year round (FTYR) workers, where the gender earnings ratio is 79.6%. In other words, FTYR working women earned 79.6% of FTYR working men in 2015.

- Major explanations for the gender wage gap: Occupational segregation, or the tendency of women and men to work in different occupations, explains much of the wage gap. Overwork, caregiving responsibilities, and other factors also drive the wage gap.

- Earnings by selected demographic and employment characteristics: Women’s earnings have increased in every racial and ethnic group, nativity, and level of educational attainment since 1980, but remain lower than men’s earnings.
Women’s Earnings and the Gender Wage Gap

In 2015, the median annual earnings of women working full-time, year-round were $40,742 compared with men’s $51,212. This means that women earned only 79.6 cents for every dollar earned by a man for full-time, year-round work, corresponding to a gender wage gap of 20.4 percent. Figure 3.1 shows women’s and men’s inflation-adjusted median annual earnings for full-time year-round workers, as well as the gender earnings ratio from 1980 to 2015. During this period, the gender wage gap was widest in 1981, when women earned only 59.2 percent of men’s earnings. The wage gap has since decreased by over 20 percentage points. Progress towards closing the gender wage gap was particularly strong during the 1980s, but has stalled in more recent years (Figure 3.1).

**Key Terms**

- **Gender earnings ratio**: women’s median earnings as a percentage of men’s.

  A gender earnings ratio of 100.0 indicates gender parity in earnings, and a gender wage gap of 0. In other words, women’s and men’s earnings would be equal.

- **Wage gap (or earnings disparity)**: the difference in women’s median earnings relative to men’s.

- **Real earnings**: earnings adjusted to consider the impact of inflation. Used when comparing earnings in two or more time periods (also referred to as “inflation-adjusted earnings”).

- **Full-time work**: 35 hours or more per week.

- **Year-round work**: at least 50 weeks per year.

- **Median earnings**: the midpoint of the earnings distribution; half of all workers earn less and half earn more than this point.

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**Figure 3.1**

Median annual earnings by gender and the gender earnings ratio, 1980 to 2015 (in 2015 constant dollars)

- **Notes**: Based on full-time, year-round workers in the civilian labor force, aged 15 years and older. Full-time is defined as 35 hours or more per week; year-round, is at least 50 weeks per year. Earnings are adjusted to 2015 Constant Dollars; earnings ratio is presented as a percent. From 2014 onwards, the CPS ASEC uses redesigned income questions; in 2013 data were collected both under the new and old survey methodology. The 2013 gender earnings ratio based on old CPS ASEC methodology was 78.3 (and estimated FTRY earnings of $50,910 for men, and $39,844 for women); the 2013 gender earnings ratio calculated based on the new survey methodology was 77.9 percent (and estimated FTRY median earnings of $50,892 for men, and $39,473 for women), the two ratios are not statistically different.

Changes in the gender earnings ratio reflect changes in both men’s and women’s median annual earnings. Men’s real median annual earnings have stagnated and are roughly equivalent to men’s earnings in 1980. Women’s real median annual earnings, by contrast, rose during the 1980s and 1990s, reflecting women’s gains in educational attainment and increased labor force participation rates (particularly among mothers). Women’s higher earnings also reflect improvements in access to better jobs, which may be due in part to changes in federal laws, including Title VII of the Civil Rights Act and Executive Order 11246 (which applies to federal contractors), Title IX of the Education Amendments of 1972, the Pregnancy Discrimination Act of 1978, and the Family and Medical Leave Act of 1993. As women’s real earnings increased and men’s stagnated, the gender wage gap narrowed. The slow narrowing of the wage gap in recent years reflects this trend (Figure 3.1).

Different Measures of the Gender Earnings Ratio

The gender earnings ratio presented in this publication is based on the median annual earnings of full-time, year-round workers and is the most commonly used measure for calculating the gender wage gap. This ratio is available on an annual basis since 1960 and on a less consistent basis from 1948 to 1959. It thus provides the best measure of long-term trends. There are several ways to measure earnings, the gender earnings ratio, and the wage gap, which are described in more detail below. The main differences across measures involve types of workers included, types of compensation included, and timeframe covered. However, a persistent wage gap is common across the different measures.

Table 3.1 provides an overview of four measures of median earnings: hourly earnings of wage and salary workers paid hourly rates; weekly earnings of full-time wage and salary workers; annual earnings of full-time, year-round workers; and annual earnings of all workers with earnings. The measure resulting in the lowest gender earnings ratio (the largest gender wage gap) is that which includes all women and men with earnings during the calendar year, irrespective of how many hours, weeks, or months they worked during the year. In 2015, this ratio was 72.7 percent — a wage gap of 27.3 percent. The measure resulting in the largest gender earnings ratio (lowest gender wage gap) is based on hourly earnings (85.6 percent in 2015). It includes the fewest workers and has the most restrictive definition of earnings. As hourly-paid wage and salary workers were just over five in ten workers in 2015 (58.5 percent), this measure includes half of all workers. Further, overtime payments, commissions, and tips are excluded from the earnings calculation. The gender earnings ratio based on median weekly earnings of full-time wage and salary workers (81.1 percent in 2015) includes overtime, commissions, and tips but excludes self-employed workers. The weekly gender earnings ratio is slightly larger than the measure based on earnings of full-time year-round workers, which includes all earnings received during the year, salaries, wages, and earnings from annual bonuses and merit payments, as well as earnings from self-employment (Table 3.1).
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Figure 3.2 shows changes in the gender earnings ratio for each of the four measures described in Table 3.1 from 1980 to 2015. Although this ratio has improved for each of these measures over the years, the wage gap persists, and for many of the measures, has stagnated in recent years.
Major Reasons for the Gender Wage Gap

Studies have identified a number of factors that account for a share of the difference in earnings between women and men, including women’s greater likelihood to reduce or leave paid work to care for children or adult family members⁷ and the combination of occupational segregation and lower median pay in occupations in which women make up a significant share of all workers employed.⁸

The most recent comprehensive study of earnings, which followed a cohort of women and men across a 30-year period from 1980 to 2010, and thus could control for factors such as differences in occupation and industry and time out of the labor market, found that differences in occupations and industry of employment explained close to half of the difference in women’s and men’s earnings (32.9 percent and 17.6 percent, respectively).⁹ In other words, nearly one-third of the gap in earnings is due to the fact that

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women tend to work in different occupations from men, and that the occupations in which women are the large majority of workers have lower earnings than those in which most workers are men. For example, women are only a quarter of workers in computer and mathematical occupations, which tend to have earnings well above average. Nearly one-fifth of the gap (17.6 percent) is due to differences in the sectors in which women and men work; a supervisor or human resources manager working in manufacturing, for example, may have higher earnings than a supervisor working in a restaurant.

Differences in the time that women and men spent out of paid work were found to explain 14.1 percent of their overall difference in earnings. Yet, even after the impact of all other factors commonly associated with differences in earnings (including education, race, and unionization) were analyzed, an ‘unexplained’ share of the wage gap (38.0 percent) remained. Economists take at least part of this unexplained gap between women’s and men’s earnings as the best proxy for discrimination.

A 2013 study of made in the first year out of college of women and men with bachelor’s degrees found that, even at this early stage, a wage gap of 18 percent already existed. The gender earnings ratio for women and men one year after college, before controlling for field of study, type of degree-granting institution, and number of hours worked, was 82 percent. This figure reflected the effects of college major selection and occupational segregation, which together tend to concentrate women in lower-paying fields, and demographic or personal characteristics, such as race, ethnicity, age, and marital status, among other variables. Yet, even after controlling for these and other factors, including hours worked, a 7.0 percent wage gap remained. More than one-third of the overall wage gap of 18 percent was therefore unexplained, meaning that it could not be attributed to observable distinctions in worker characteristics. Other studies reach similar conclusions: differences in occupations, hours of work, and time in the labor market account for a significant portion of gender differences in earnings, but a substantial part of the gap remains unexplained after controlling for observable characteristics of workers.

Research suggests that differences in negotiating behaviors between women and men may partly explain differences in starting salaries and salary growth over time. When individual wage negotiations are not explicitly encouraged, women are less likely than men to negotiate aggressively or to question salaries suggested to them by their employer or manager. Yet, when women negotiate as aggressively as men, they may be viewed more negatively than men. Negotiating a lower starting salary can have a long term impact on earnings. For example, a 5 percent salary increase based on a salary of $50,000 is $2,500; based on a salary of $40,000, the increase is $2,000. Before the increase, the gap in earnings was $10,000; after the increase it had grown to $10,500; after the next 5 percent increase, the gap in earnings will have grown to $11,025. This research hints at the importance of an emerging trend in legislation mandating equal pay for jobs of comparable worth. Recently, Massachusetts passed the Pay Equity Act, which changes the rules of hiring by providing a definition of comparable work entitled to equal pay and prohibits employers from firing employees for discussing their compensation with coworkers. It is also the first state to prohibit employers from asking for a salary history in interviews—a practice that perpetuates the wage gap. The consequences of a lower salary may also be felt during job changes because many employers use a worker’s last salary as a reference point for their offer to a newly hired employee. Basing salary increases on past salary can lead to substantial differences in pay between women and men doing
the same job; in the absence of objective job-related factors justifying such differences, such practices may result in charges of pay discrimination.\textsuperscript{18}

A study examining changes in the gender earnings ratio between 1970 and 2010 separately in the private and public sectors highlights the differences in the pace of the gender integration of occupations in each sector as an explanation of differences in the gender earnings ratio. Overall, the study finds occupational segregation is lower in the public than in the private sector. Further, the proportion of the wage gap that is unexplained by occupation, human capital, hours of work, and time in the labor market accounts for a much smaller part of the overall gender wage gap in the public than in the private sector.\textsuperscript{19}

Other research identifies the growing prevalence of ‘overwork’ (jobs with average working hours of 50 or more per week) as an important contributing factor to the lack of progress towards gender equity in earnings in this millennium and to the persistence of occupational segregation.\textsuperscript{20} Jobs with long hours are particularly common in professional and managerial occupations. While both women and men earn wage premiums for working long hours, women are less likely than men to work jobs with long hours. Moreover, when women do work over 50 hours, the premium they earn is proportionally lower than men’s. The studies conclude that the growth of a long-hours culture in professional and managerial jobs presents a major barrier to closing the gender wage gap because, given the unequal gender division of unpaid family and child care work, women are less likely than men to work in such jobs.\textsuperscript{21}

**Earnings by Selected Demographic and Employment Characteristics**

**Earnings by Age**

Both women’s and men’s earnings vary over their life cycle. Earnings are lowest when young women and men enter the labor market and then tend to rise as workers gain experience and skills, and possibly acquire additional qualifications and education. Figure 3.3 shows median weekly earnings for workers in different age groups. For both women and men, earnings are lowest for young workers, peak for middle-aged workers, and then decrease for workers ages 65 and older.

The gender earnings ratio is closest to parity for workers in the youngest age groups (16-24 years, 88.2 percent; 25-34 years, 89.6 percent); the earnings ratio is lower for each subsequent age group, reaching a low of 73.7 percent for workers ages 55 to 64. The ratio is slightly higher for women and men ages 65 and older (73.8 percent; Figure 3.3).
Figure 3.3
The gender earnings ratio and median weekly earnings of full-time workers by gender and age, 2015 annual averages

Data in Figure 3.3 compare workers in different age groups at the same point in time and therefore do not allow any conclusions about the development of the gender earnings ratio as the current cohort of young workers grows older. A cohort analysis of women’s and men’s earnings (analyzing changes in the earnings of workers born during the same years over time) found that the gender earnings ratio starts fairly high when workers are in their twenties, declines during child-rearing years, and rises again when workers reach middle age. The gender wage gap has grown smaller with each new generation. Additionally, although the Millennial generation (born between 1980 and 1994) entered the workforce with the same gender earnings ratio as the earlier Generation X at age 20, Millennials are the first generation not to have seen the wage gap expand by age 30. It is too early to tell whether this represents a historical anomaly, possibly reflecting depressed earnings in response to the financial crisis or the increasing tendency of Millennial women to postpone motherhood, or whether it will continue into the future.

Earnings from Part-time Work

On average, women working part-time (defined as fewer than 35 hours per week) earn more than men working part-time. In 2015, the median weekly earnings of women who worked part-time (irrespective of how many hours they worked in a given week) were $251, compared with $238 for men, a gender
The earnings ratio of 105.5 percent. The only part-time women workers who earned less than men were those who worked fewer than five hours per week. Among those working 30 to 34 hours per week, the gender earnings ratio was 109.8 percent, meaning that women earned $1.10 for every dollar earned by male part-time workers in this category (Figure 3.4).

Women working part-time earned more in part because they were older than men working part-time, and mid-career workers typically have higher earnings than younger workers. In 2015, 37.7 percent of male part-time workers were under age 25 and 34.0 percent were ages 25 to 54. In comparison, 26.6 percent of female part-time workers were under age 25, while 48.6 percent were ages 25 to 54.

While women are more likely than men to work part-time in every age group, both women and men are most likely to work part-time at the beginning and at the end of their working lives. However, the likelihood of part-time work falls much more sharply for men during their prime working years (age 25 to 54) than it does for women. Over half (50.7 percent) of employed young women ages 16 to 24 work part-time compared with 38.7 percent of employed young men; during prime working years, the share of part-time work falls to 19.0 percent of employed women compared with just 6.4 percent of employed men. As a result, women’s share of part-time workers is highest during the prime working years (Figure 3.5).
Earnings Differences by Race and Ethnicity

Median weekly earnings differ significantly among women of different races and Hispanic ethnicity.¹ White, non-Hispanic and Asian women earn more than Black and Hispanic women. Women of all races and ethnic groups had lower median weekly earnings than their male counterparts. Compared with men of the same racial and ethnic group, the gender earnings ratio was higher for Hispanic (89.7 percent) and Black women (90.4 percent) than for Asian (77.8 percent) and White, non-Hispanic women (78.1 percent). This is a reflection of the lower median weekly earnings of Black and Hispanic men, compared with those of Asian and White, non-Hispanic men (Figure 3.6). Black and Hispanic women face significant racial wage gaps in addition to the gender wage gap. In 2015, Hispanic women earned only 56.3 percent of the median weekly earnings of White, non-Hispanic men (the largest group of workers in the labor market), Black women earned 61.2 percent, and Asian women earned 87.3 percent.

¹ People who identify as Hispanic may be of any race. This section presents analysis on race for White, non-Hispanic, Black, and Asian populations when available. Data on Blacks and Asians includes a small proportion of Hispanics.
Figure 3.7 shows changes in the median annual earnings of full-time, year-round women workers by race and Hispanic ethnicity. Over time, earnings differences among women of different races and ethnic groups have grown. For example, in 1988, Black women’s median annual earnings were 91.3 percent of White, non-Hispanic women’s; and by 2015, the ratio had fallen to 84.1 percent. Women in all groups have higher real earnings compared to the late eighties, yet the growth in real earnings between 1988 and 2015 has been much stronger for Asian (30.1 percent) and White, non-Hispanic women (23.4 percent) than for Hispanic (8.8 percent) or Black (13.7 percent) women. In fact, during the last decade (2006 to 2015), including the Great Recession and recovery, the real earnings of Black women increased by only 1.5 percent, while real earnings increased for Asian (4.9 percent), Hispanic (5.0 percent), and White, non-Hispanic women (2.5 percent). It should be noted that this focus on the earnings of full-time, year-round workers underestimates the earnings disparity of Black and Hispanic women because they are more likely to face unemployment, or hold occupations with less regular employment and fewer hours of work.

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2 This is the year when published earnings data are first available for Asians, and is therefore used here as the baseline year for the comparison among groups.
Several factors contribute to the growing gap in earnings between Black and White women. These include the increasing returns to experience and educational attainment in the labor market. Compared to White female workers, Black female workers are less likely to have completed college and are more likely to be affected by declines in government jobs. Further, occupational segregation appears to have a stronger negative impact on Black women’s earnings than on White women’s earnings. Black women are more likely to be overrepresented in lower-paying jobs, including service occupations and clerical work, and less likely to work in managerial, professional, or technician occupations than their White counterparts. As a result, they are concentrated in low wage or minimum wage jobs, with 19.1 percent of full-time Black women workers earning less than $400 per week, compared to 10.0 percent of White, non-Hispanic women. While factors such as educational attainment, marital and parental status, occupational distribution, and age can explain a large share of the wage gap between Black and White women, a substantial and growing part of the gap remains unexplained, reflecting the different returns Black women receive for the same observable worker characteristics. This phenomenon suggests that discrimination is another substantial cause of Black women’s lower earnings.
The ratio of Hispanic-to-White, non-Hispanic women’s median annual earnings fell from 84.2 percent in 1987 to 69.2 percent in 2000, and then increased slightly, to reach 72.2 percent in 2015. Asian women had the highest earnings throughout the period, while Hispanic women had the lowest earnings (Figure 3.7). Factors that might explain these trends include differences in educational attainment and the growth of the Asian and Hispanic immigrant populations. A high proportion of Asian immigrants are college graduates, while a comparatively high number of Hispanic immigrants have no post-secondary educational attainment, influencing median earnings of women in both groups.

**Earnings of Foreign-born Workers**

Median weekly earnings of foreign-born workers are substantially lower than those of native-born workers. In 2015, the median weekly earnings of foreign-born women were only 84.6 percent of those of native-born women, over $100 less per week. Foreign-born men had higher earnings than foreign-born women, $712 compared with $626 per week, yielding a gender earnings ratio of 87.9 percent, compared to 79.2 percent for native born workers (Figure 3.8).

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3 This is the year when published earnings data are first available for White non-Hispanics, and is therefore used here as the baseline year for the comparison among groups.
Earnings by Occupation

The median weekly earnings of full-time working women are lower than men’s earnings in almost all occupations which employ a sufficient number of women and men to provide reliable estimates of earnings. The median weekly earnings of full-time working women are lower than men’s earnings in 29 of the 30 most common occupations for women and 29 of the 30 most common occupations for men. In 2015, the gender earnings ratio in the most common occupations for women ranged from 65.2 percent for ‘financial managers,’ to 102.1 percent for ‘office clerks, general’. And while the ‘office clerks, general’ occupation had higher median weekly earnings for women than men ($622 to $609), the earnings for both sexes were below the median for all full-time workers ($809).

Tables 3.2a and b show the ten occupations with the highest and lowest gender earnings ratios. It is notable that the disparity in earnings tends to be greater in higher paid occupations: most of the ten occupations with the highest gender earnings ratios (the lowest gender wage gaps) have weekly earnings below the median for all occupations. Conversely, all of the ten occupations with the lowest gender earnings ratios (the largest gender wage gaps) have weekly earnings above the median for all occupations. Five of the ten occupations with the largest gender wage gaps between women and men have median weekly earnings greater than $1,100 per week (compared to the median for all workers of $809); six of the ten occupations with the smallest gender wage gaps have earnings below $700 per week (Tables 3.2a and b). Thus, a narrower wage gap does not imply higher earnings and greater economic security for women; it may simply be an indication of low pay for both women and men. Consequently, women’s advancement into higher paying occupations will not eliminate the gender wage gap unless the underlying causes of pay differences in such occupations, including both pay discrimination and the long-hours culture, are also addressed.

Key Terms

Most common occupations: Those with the largest number of female or male workers.

Traditional occupations: Those in which women represent 75 percent or more of people employed (also referred to as “female-dominated occupations”).

Nontraditional occupations: Those in which women represent 25 percent or less of people employed (also referred to as “male-dominated occupations”).
Table 3.3 shows the ten occupations with the highest and lowest median weekly earnings for women in 2015. Just over 1.8 million women, or 2.6 percent of all employed women, are employed full-time in the ten highest-paying occupations for women (paying a median between $1,325 and $1,836 per week). The two highest-earning occupations for women are chief executives and pharmacists. Women are more than half of all pharmacists who work full-time, but less than 30 percent of full-time chief executives. Three of the ten occupations with the highest median weekly earnings for women (’computer and information systems managers,’ ‘engineers, all other,’ and ‘software developers’) are in science, technology,
Two of the ten highest-paid occupations for women are considered nontraditional (that is, women are less than 25.0 percent of all workers in these occupations), and the share of women in another two occupations are close to the 25.0 percent threshold (Table 3.6). On the other end of the spectrum, over 3.8 million women, or 5.5 percent of all employed women, are employed full-time in the ten lowest-paying occupations for women (paying a median of $429 or less per week). The earnings provided in these occupations are insufficient to lift a family of four out of poverty, even after an entire year of full-time work.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Women's median weekly earnings</th>
<th>Number of full-time women workers (in thousands)</th>
<th>Women's full-time earnings as percent of men's</th>
<th>Women's share of all workers in occupation (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All full-time weekly women workers</td>
<td>$726</td>
<td>48,334</td>
<td>81.1%</td>
<td>46.8%</td>
</tr>
<tr>
<td><strong>The highest paid occupations for women</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chief executives</td>
<td>$1,836</td>
<td>283</td>
<td>81.6%</td>
<td>27.9%</td>
</tr>
<tr>
<td>Pharmacists</td>
<td>$1,811</td>
<td>108</td>
<td>85.5%</td>
<td>57.0%</td>
</tr>
<tr>
<td>Lawyers</td>
<td>$1,717</td>
<td>300</td>
<td>89.7%</td>
<td>34.5%</td>
</tr>
<tr>
<td>Computer and information systems managers</td>
<td>$1,563</td>
<td>169</td>
<td>86.0%</td>
<td>27.2%</td>
</tr>
<tr>
<td>Physicians and surgeons</td>
<td>$1,533</td>
<td>283</td>
<td>80.1%</td>
<td>37.9%</td>
</tr>
<tr>
<td>Nurse practitioners</td>
<td>$1,522</td>
<td>103</td>
<td>-</td>
<td>90.8%</td>
</tr>
<tr>
<td>Engineers, all other</td>
<td>$1,448</td>
<td>54</td>
<td>94.2%</td>
<td>13.6%</td>
</tr>
<tr>
<td>Software developers, applications and systems software</td>
<td>$1,415</td>
<td>232</td>
<td>80.8%</td>
<td>17.9%</td>
</tr>
<tr>
<td>Management analysts</td>
<td>$1,348</td>
<td>237</td>
<td>88.7%</td>
<td>39.7%</td>
</tr>
<tr>
<td>Operations research analysts</td>
<td>$1,325</td>
<td>63</td>
<td>84.2%</td>
<td>50.7%</td>
</tr>
<tr>
<td><strong>The lowest paid occupations for women</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Combined food preparation and serving workers, including fast food</td>
<td>$380</td>
<td>107</td>
<td>94.8%</td>
<td>63.4%</td>
</tr>
<tr>
<td>Food preparation workers</td>
<td>$388</td>
<td>192</td>
<td>93.7%</td>
<td>59.1%</td>
</tr>
<tr>
<td>Hosts and hostesses, restaurant, lounge, and coffee shop</td>
<td>$397</td>
<td>58</td>
<td>-</td>
<td>82.1%</td>
</tr>
<tr>
<td>Miscellaneous agricultural workers</td>
<td>$398</td>
<td>102</td>
<td>86.5%</td>
<td>21.9%</td>
</tr>
<tr>
<td>Cooks</td>
<td>$400</td>
<td>494</td>
<td>93.7%</td>
<td>39.9%</td>
</tr>
<tr>
<td>Cashiers</td>
<td>$405</td>
<td>931</td>
<td>86.0%</td>
<td>72.5%</td>
</tr>
<tr>
<td>Maids and housekeeping cleaners</td>
<td>$407</td>
<td>742</td>
<td>85.7%</td>
<td>89.3%</td>
</tr>
<tr>
<td>Waiters and waitresses</td>
<td>$411</td>
<td>563</td>
<td>82.0%</td>
<td>70.1%</td>
</tr>
<tr>
<td>Packers and packagers, hand</td>
<td>$424</td>
<td>227</td>
<td>91.8%</td>
<td>51.9%</td>
</tr>
<tr>
<td>Janitors and building cleaners</td>
<td>$429</td>
<td>425</td>
<td>78.4%</td>
<td>34.3%</td>
</tr>
</tbody>
</table>

Notes: Workers age 16 and older in the civilian labor force; based on median weekly earnings of full-time workers (35 hours or more). Dash indicates no data or estimate does not meet publication standards. (a) Women as a percentage of total employed are 2015 annual averages for all people employed (includes part-time and self-employed), from the U.S. Bureau of Labor Statistics, Current Population Survey.

Earnings by Educational Attainment

Women have made major strides in increasing their levels of formal education, partly due to a decrease in structural barriers, and are now more likely than men to gain educational qualifications at every level of educational attainment. Educational attainment has a major impact on earnings. The median weekly earnings of women with at least a bachelor’s degree in 2015 were more than 2.5 times higher than the median weekly earnings of women who had not completed high school. Yet gender earnings differences persist, and are even more pronounced among the most highly educated workers. Figure 3.9 shows that educational attainment has a consistently higher impact on men’s than on women’s earnings and that men have higher earnings than women at each level of educational attainment. Indeed, men with a high school diploma earn more per week than women with some college education or an associate’s degree.

![Figure 3.9](image_url)

**Figure 3.9**
Earnings of full-time wage and salary workers age 25 and older by educational attainment and gender, 2015 annual averages

Figure 3.10 shows the median weekly earnings for women by race and ethnicity, and educational attainment. While higher educational attainment is associated with an increase in earnings for women workers, it does not alter the earnings differences among women of different races and ethnic groups discussed in Figure 3.7. Black and Hispanic women have lower median weekly earnings at each educational level compared to their Asian and White, non-Hispanic counterparts. In fact, earnings differences are particularly marked among women with advanced degrees (master’s, professional degree, or doctoral degree), with Black women having the lowest, and Asian women the highest median weekly earnings. This may be due largely to the fact that Asian women are more likely than other women to work in STEM and managerial occupations.45

### Figure 3.10

<table>
<thead>
<tr>
<th>Highest Educational Attainment</th>
<th>Median weekly earnings</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than a high school diploma</td>
<td>$406</td>
<td>Women in the civilian labor force, ages 25 and older. Full-time defined as 35 hours or more per week. Hispanics may be of any race. <em>Master’s, Professional, or Doctoral degree.</em></td>
</tr>
<tr>
<td>High school graduates, no college</td>
<td>$413</td>
<td></td>
</tr>
<tr>
<td>Some college or associate degree</td>
<td>$414</td>
<td></td>
</tr>
<tr>
<td>Advanced degree</td>
<td>$5,045</td>
<td></td>
</tr>
</tbody>
</table>

Between 1979 and 2015, earnings gains have varied widely for workers with different levels of education. In 2015, after controlling for inflation, the median weekly earnings of a woman who did not complete high school were 9.7 percent lower than the earnings of a woman with comparable education in 1979; on the other hand, the earnings of a woman with at least a bachelor’s degree were 32.5 percent higher in 2015 than in 1979.46 Median weekly earnings grew only slightly for women who had completed high school or had some college or an associate’s degree. At each level of educational attainment, men’s earnings declined more or grew less than women’s. Except for men with a bachelor’s degree or higher, the median weekly earnings of men at all educational levels declined, most noticeably for men with less than a high school diploma (-32.2 percent). The median weekly earnings of women with a bachelor’s degree or higher grew more than the median weekly earnings of comparable men (32.5 percent versus 17.8 percent) (Figure 3.11; note that the comparisons in earnings between the two years — 1979 and
2015 – do not imply sustained growth or decline over this period). In spite of the overall decline in real earnings for men, Figure 3.9 above shows that men still earn substantially more than women at each level of educational attainment.

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![Figure 3.11](image_url)

**Figure 3.11**
Percentage change in inflation-adjusted median usual weekly earnings of workers 25 years and older, by gender and educational attainment, 1979-2015

**Earnings by Union Representation**

Changes in real wages since the 1980s partly reflect changes in unionization rates. Union membership rates declined for both women and men, but particularly sharply for men. Workers covered by a union contract have higher earnings and tend to have better benefits than other workers. Earnings data are...
collected for workers who are union members, workers represented by unions (those who were paying unions dues as well as those who were not), and non-union workers. The earnings advantage over non-union workers is almost identical for women workers who are union members and women workers represented by unions. In 2015, the median weekly earnings of women union members were $928, compared with $921 for women workers represented by a union, and $697 for women who were neither members of a union nor were represented by a union. Women of all major racial and ethnic groups have substantially higher earnings when they are either union members or represented by a union than when they are non-union (Figure 3.12).

The higher earnings of workers covered by a union compared with non-union workers are partly due to differences in the composition of the union and non-union workforces. For example, union coverage is more common among higher-paid workers with college degrees, such as teachers and nurses, and less common among lower-paid workers employed as cashiers, maids, or waitresses, for example. Union coverage is also higher among older than younger women (15.2 percent of women ages 55 to 64 compared with 10.7 percent of women ages 25-34 are covered by unions), and as shown in Figure 3.5 above, median earnings are higher for older than younger workers. Yet, union women workers earn more than non-union women workers even after accounting for other factors that may contribute to higher earnings (such as educational attainment, age, race, state of residence, and industry of employment). A study found a significant earnings advantage for women in unions at each major level of educational attainment, ranging from 9.4 percent for women who had not completed high school and 9.6 percent for women with advanced degrees to 13.0 percent for women with a college degree, 14.5 percent for...
women with some college, and 14.7 percent for women who completed high school.\textsuperscript{55}

Women workers covered by union contracts are also more likely to have access to workplace benefits. Seventy-four percent of women covered by union contracts have access to an employer-provided retirement plan, compared with 42.3 percent of non-union women; and 76.6 percent of union women have employer-provided health insurance, compared to 51.4 percent of non-union women.\textsuperscript{56} The difference in retirement plans and health insurance coverage between union and non-union women is particularly stark for Hispanic women. Hispanic women covered by union contracts are more than twice as likely as non-union Hispanic women to have access to an employer-provided pension plan (55.9 percent compared with 25.9 percent) and almost 30.0 percentage points more likely to have employer-provided health insurance (70.2 percent compared with 41.0 percent).\textsuperscript{57}

**Low and Minimum Wage Jobs**

Women are the majority of low-wage workers. In 2015, nearly 11.5 million full-time workers earned less than $400 a week.\textsuperscript{58} Women were 44.3 percent of all full-time weekly workers, but 56.0 percent of full-time workers with earnings of less than $400 a week.\textsuperscript{59} Over one in ten (13.3 percent) of all full-time women workers have these low weekly earnings, compared with less than one in ten (8.3 percent) men.\textsuperscript{60} A large number of women of all racial and ethnic groups work in low-wage jobs, but Hispanic and Black women are more likely to hold low-wage occupations than White, non-Hispanic women and Asian women. More than one in five Hispanic women (22.3 percent) and nearly one in five Black women (19.1 percent) who work full-time earn less than $400 per week (Figure 3.13).

The real value of the federal minimum wage in 2015 dollars has decreased from its peak in 1968 ($10.90) to $7.25 per hour in 2015. Since 1980, the real value of the federal minimum wage has fallen by $1.67 (Figure 3.14a).\textsuperscript{61} Women have been the majority of workers with hourly earnings at or below the federal minimum wage since 1967.
minimum wage since 1979, when reliable data on hourly paid workers first became available. In 2015, 1.6 million women had earnings at or below the federal minimum wage, representing 4.1 percent of all hourly paid women, and 62.6 percent of all workers who were paid hourly rates at or below the federal minimum wage (Figure 3.14b). A minimum wage worker working 40 hours per week for 50 weeks per year would earn only $14,500 per year, about $4,600 below the poverty threshold for a family of one adult and two children. Furthermore, tipped minimum wage workers face additional economic insecurity because the majority of incomes for these workers come from tips which are often unreliable and irregular. Two thirds of workers earning the tipped minimum wage are women, adding economic insecurity to low wages for this group of low wage working women.

*Figure 3.14a*
A. Hourly minimum wage

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4 Poverty threshold: The U.S. Census Bureau uses a set of income thresholds that vary by family size and composition to determine who is living in poverty. If a family’s total income before taxes is less than the poverty threshold, then that family is considered to be in poverty (the measure excludes noncash benefits and capital gains). For example, in 2015 the poverty threshold for a parent living with two children under the age of 18 was $19,096 and for a parent with three children, it was $24,120. Source: U.S. Census Bureau, Current Population Survey, 2015 Annual Social and Economic Supplement.

5 The tipped minimum—$2.13 per hour—has not changed since 1991. The current non-tipped minimum wage is $7.25 per hour
Conclusion

Since 1980, women have made considerable strides towards improving the gender earnings ratio and closing the gender wage gap. Yet, in the last two decades, progress towards eliminating the disparity between women’s and men’s earnings has stalled. By every measure, the wage gap endures, despite women’s increased educational attainment, heightened labor force participation rates, and expanded access to jobs. Although they earn more qualifications and credentials, women earn less than men at every level of educational attainment. Even as more and more women, particularly mothers, enter the workforce, they are more likely to work part-time than their male counterparts. Although legal barriers to women’s participation in the occupation of their choice do not exist, occupational segregation continues. Those jobs with the smallest gender wage gaps tend to be female-dominated and low paying. While earnings increase with age for both men and women, the gender wage gap is lowest for young workers ages 25-34 and highest for workers in their peak earning years.

The wage gap affects women of all ages, racial and ethnic groups, educational attainment, and occupations. However, disparities in earnings are particularly stark for women of certain demographic and employment characteristics. The gap in earnings between Black and White women, as well as
Hispanic and White women, has increased since 1987. Black and Hispanic women earn significantly less than White, non-Hispanic and Asian women and are more likely than their White, non-Hispanic and Asian counterparts to hold a low-wage occupation.

The racial wage gap is further compounded by differential factors such as educational attainment and unionization. From 1979 to 2015, the earnings returns to a college degree increased dramatically while the median earnings of those who did not complete high school fell. Further, the decline in women’s unionization rates over these years is notable, as union membership or coverage correlates to higher earnings and greater access to benefits such as employer-sponsored health insurance and pension plans for female workers. Women’s lower earnings, in combination with their greater likelihood to reduce or leave paid work to provide unpaid family care, translate into lower lifetime earnings, with implications for their ability to provide for a family or support themselves in retirement. Policies that increase women’s earnings and make it easier to combine work and family responsibilities can improve women’s economic security.

5. The Annual Social and Economic Supplement to the Current Population Survey (CPS ASEC) has been collected since 1948 by the U.S. Census Bureau. For more information on ASEC, please visit http://www.census.gov/programs-surveys/cps/technical-documentation/complete.html
10. This method of discriminating was first advanced by Ronald Oaxaca, “Male-Female Wage Differentials in Urban Labor Markets,” International Economic Review 14, no. 3 (1973): 693-709; it has been widely used since.
13. Ibid.
Women’s Earnings and the Gender Wage Gap


6. Ibid.


8. Ibid.


13. Ibid.


15. See Pettit and Ewert, “Employment Gains and Wage Declines” for a review of research on the earnings gap between Black, non-Hispanic and White, non-Hispanic women.


21. Although this trend generally holds true throughout the time period, it should be noted that White, non-Hispanic women’s earnings were higher than Asian women’s earnings in 2001 ($41186 vs. $41031, respectively).


A nontraditional occupation for women is defined in the Carl D. Perkins Vocational and Technical Education Act of 1998 and the Workforce Innovation and Opportunity Act of 2014 as one where women are fewer than 25.0 percent of workers.

The U.S. Census Bureau poverty threshold for 2014 for a family with one adult and three children in 2014 was $24,091; for a family of 1 adult with two children, it was $19,073; U.S. Census Bureau, “Poverty Thresholds,” May 16, 2016, accessed July 19, 2016, https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html.


Note that this does not follow the same women or men across the 34 year period, but compares the median earnings of all workers at a level of educational attainment in 1979 with workers with that educational attainment in 2013.

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John Schmitt and Nicole Woo, Women Workers and Unions, issue brief, Center for Economic and Policy Research, December 2013, accessed July 18, 2016, http://cepr.net/documents/union-women-2013-12.pdf. Schmitt and Woo analyzed CPS ORG, combining five years of data (2008-2012) to gain sufficient sample sizes for this level of analysis; data are compared for workers who are non-union members/not covered by a union contract and workers who are either union members or covered by a union contract.


Schmitt and Woo, “Women Workers and Unions.”

Ibid.

Andersen, Hegewisch, and Hayes, The Union Advantage for Women, Figures 2 and 3.

Ibid.


Ibid.

Ibid.


64 The Center of America Progress estimates that the median full-time, full year working 26 year old women in 2014 who takes five years out of the workforce for caregiving stands to lose $467,000 over her working career. https://www.americanprogress.org/issues/early-childhood/reports/2016/06/21/139731/calculating-the-hidden-cost-of-interrupting-a-career-for-child-care/

65 Women’s Bureau is working on further analysis of the effect family responsibilities and caregiving has women workers and their earnings. In 2015, the Department of Labor published “The Cost of Doing Nothing: The Price We All Pay Without Paid Leave Policies to Support America’s 21st Century Working Families” (https://www.dol.gov/featured/paidleave/cost-of-doing-nothing-report.pdf) which examined the effects of the United States lack of paid leave access has on workers and employers including lower earnings over a career for women caregivers.