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The Simple Truth about the Gender Pay Gap (Fall 2016)

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You've probably heard that men are paid more than women are paid over their lifetimes. But what does that mean? Are women paid less because they choose lower-paying jobs? Is it because more women work part time than men do? Or is it because women have more caregiving responsibilities? And what, exactly, does gender bias have to do with paychecks?

AAUW's *The Simple Truth about the Gender Pay Gap* succinctly addresses these issues by going beyond the widely reported 80 percent statistic. The report explains the pay gap in the United States; how it affects women of all ages, races, and education levels; and what you can do to close it. For 2016, the fifth anniversary of *The Simple Truth*, we've updated the report with information on disability status, sexual orientation, and gender identity.

Quick Facts According to AAUW, the pay gap won't close [until 2152](#). 

Think 80 cents is bad? The pay gap is worse for women of color.



The gender pay gap is [worse for mothers](#), and it only grows with age. 

Thanks to the pay gap, women of color especially struggle to [pay off student debt](#). 

[Women in every state](#) experience the pay gap, but in some states it's worse than others. 

Women face a pay gap in [nearly every occupation](#). 

More education helps increase women's earnings, but it still doesn't close the gender pay gap.

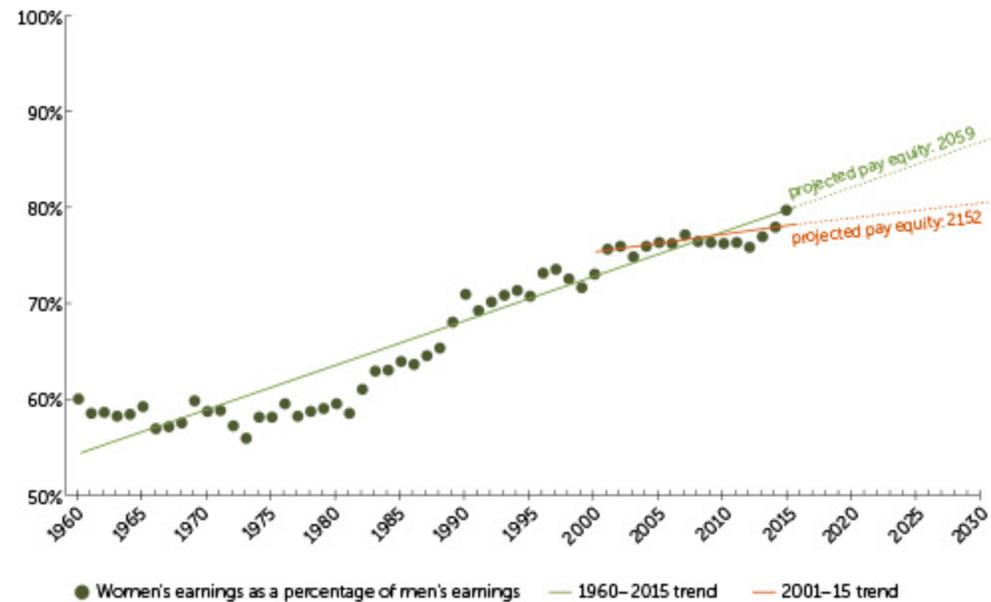




The Big Number: 80 Percent

Did you know that in 2015, women working full time in the United States typically were paid just 80 percent of what men were paid, a gap of 20 percent? While the number has gone up one percentage point from 2014, the change isn't statistically significant — because the increase is so small, mere tenths of a percent, it doesn't amount to perceptible change. According to the U.S. Census Bureau, the earnings ratio hasn't had significant annual change since 2007. The gap has narrowed since the 1970s, due largely to women's progress in education and workforce participation and to men's wages rising at a slower rate. Still, the pay gap does not appear likely to go away on its own. At the rate of change between 1960 and 2015, women are expected to reach pay equity with men in 2059. But even that slow progress has stalled in recent years. If change continues at the slower rate seen since 2001, women will not reach pay equity with men until 2152.

Women's Median Annual Earnings as a Percentage of Men's Median Annual Earnings for Full-Time, Year-Round Workers, 1960–2015



Source: AAUW analysis of data from Proctor et al, U.S. Census Bureau, *Income and Poverty in the United States: 2015*

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Location, Location, Location: Pay Gap by State

Not only is there a national pay gap statistic, but [the pay gap can also be calculated for each state](#). In 2015 the pay gap was smallest in New York, where women working full time year-round were paid 89 percent of what men were paid. The largest gap was in Wyoming, where women were paid 64 percent of what men were paid.

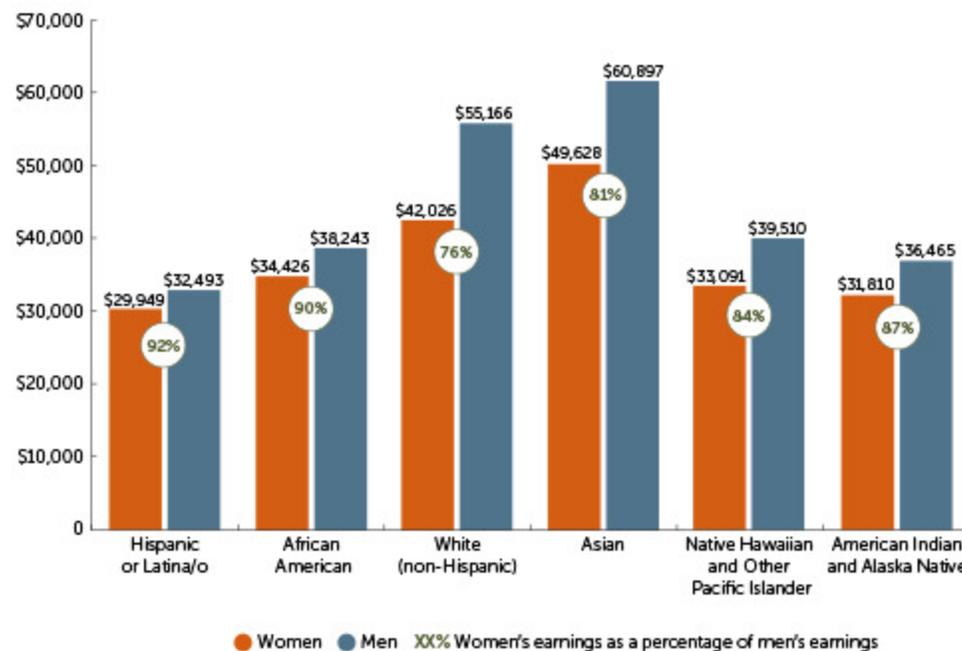
The Pay Gap Is Worse for Women of Color

The pay gap affects women from all backgrounds, at all ages, and of all levels of educational achievement, although earnings and the gap vary

depending on a woman's individual situation.

Among full-time workers in 2015, [Hispanic and Latina](#), [African American](#), [American Indian, and Native Hawaiian and other native women](#) had lower median annual earnings compared with non-Hispanic white and Asian American women. But within racial/ethnic groups, African American, Hispanic, American Indian, and Native Hawaiian women experienced a smaller gender pay gap compared with men in the same group than did non-Hispanic white and Asian American women (Figure 3).

Median Annual Earnings, by Race/Ethnicity and Gender, 2015



Source: U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates

A Closer Look at the Numbers by Race

Using a single benchmark provides a more informative picture. Because non-Hispanic white men are the largest demographic group in the labor

force, they are often used for that purpose. AAUW uses two different data sources for earnings ratios by race/ethnicity. For [African American](#), [Asian American](#), and [Latina and Hispanic](#) women, we follow the Current Population Survey (CPS). Because the CPS lacks sufficient sample size for smaller demographic groups, we follow the American Community Survey (ACS) for [Native Hawaiian and other Pacific Islander](#), [American Indian, and Alaska Native](#) women.

Compared with salary information for white male workers, Asian American women's salaries show the smallest gender pay gap, at 85 percent of white men's earnings. The gap was largest for [Hispanic and Latina women](#), who were paid only 54 percent of what white men were paid in 2015 (below).

Earnings Ratio of Women Compared to White Men, by Race/Ethnicity, 2015

	Current Population Survey (CPS)	American Community Survey (ACS)
Hispanic or Latina	54%	54%
African American	63%	62%
White (non-Hispanic)	75%	76%
Asian	85%	90%
Native Hawaiian and Other Pacific Islander	--	60%
American Indian and Alaska Native	--	58%

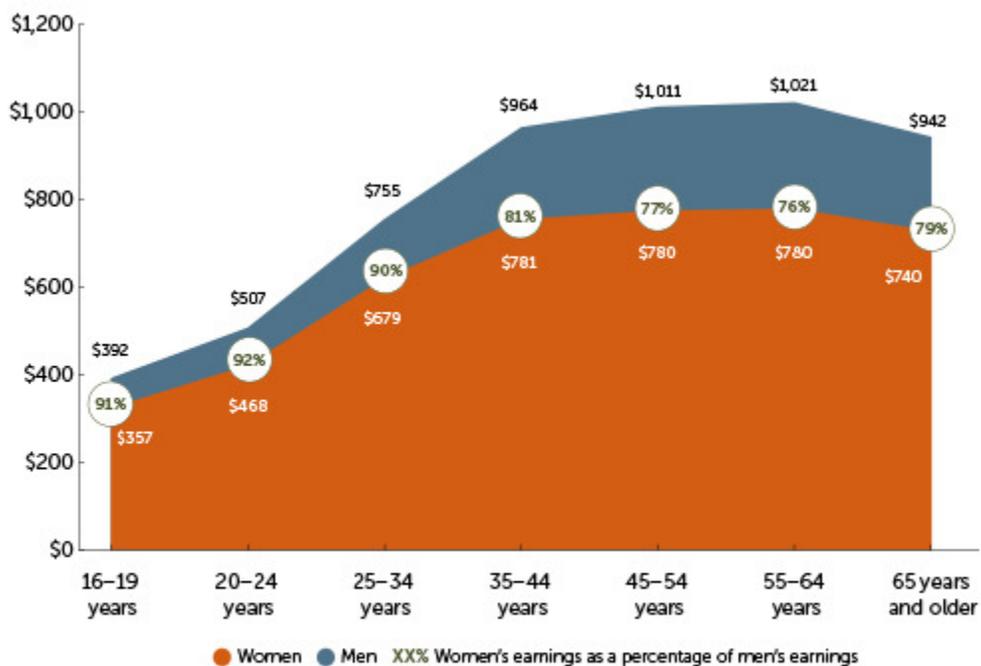
Note: Based on median annual earnings of full-time, year-round workers. The CPS includes workers 15 and older, and the ACS includes workers 16 and older. The CPS is the preferred data source for income estimates but lacks sufficient sample size for reporting on smaller demographic groups, which is why percentages for two categories above are unavailable. See page 6 for a more detailed description of the CPS and ACS.

Sources: U.S. Census Bureau, *Current Population Survey; Annual Social and Economic Supplements*, Table P-38 and U.S. Census Bureau, *2015 American Community Survey 1-Year Estimates*

Age Is More than Just a Number

Earnings for both female and male full-time workers tend to increase with age, with a plateau after 45 and a drop after age 65. The gender pay gap also grows with age, and differences among older workers are considerably larger than gaps among younger workers. Women typically earn about 90 percent of what men are paid until they hit 35. After that median earnings for women are typically 76–81 percent of what men are paid.

Median Weekly Earnings, by Gender and Age, 2014



Note: Based on median usual weekly earnings of full-time wage and salary workers, 2014 annual averages
 Source: U.S. Census Bureau, *Current Population Survey*, reported in U.S. Department of Labor, U.S. Bureau of Labor Statistics, *Highlights of Women's Earnings in 2014*, Table 1

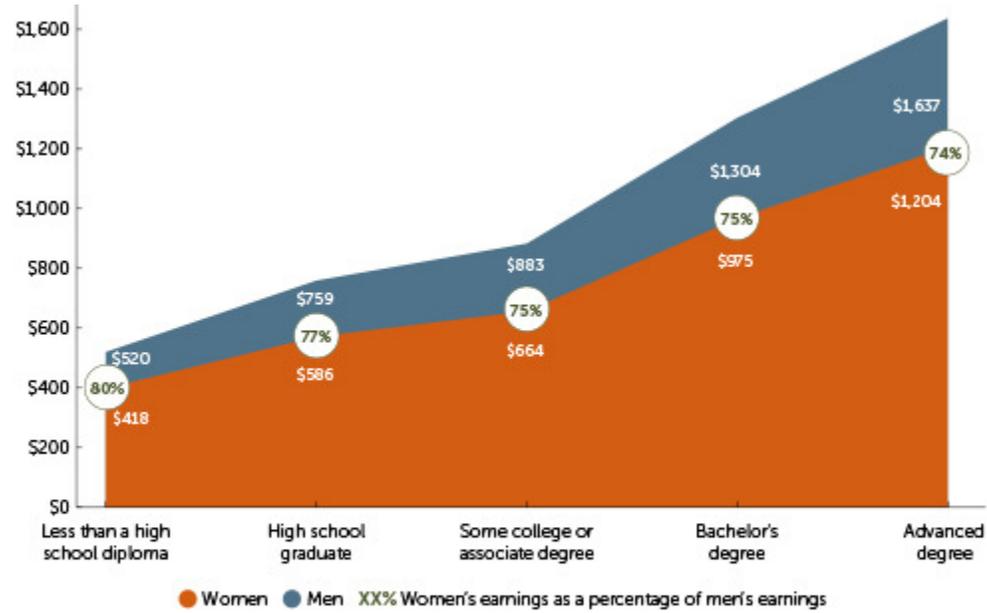


Education Is Not an Effective Pay Gap Solution

As a rule, earnings increase as years of education increase for both men and women. However, while more education is a useful tool for increasing earnings, it is not effective against the gender pay gap. At every level of academic achievement, women's median earnings are less than men's median earnings, and in some cases, the gender pay gap is larger at higher levels of education.

Median Weekly Earnings, by Level of Education and Gender, 2015

\$1,800



Note: Based on median usual weekly earnings of full-time wage and salary workers, ages 25 and older, 2015 annual averages

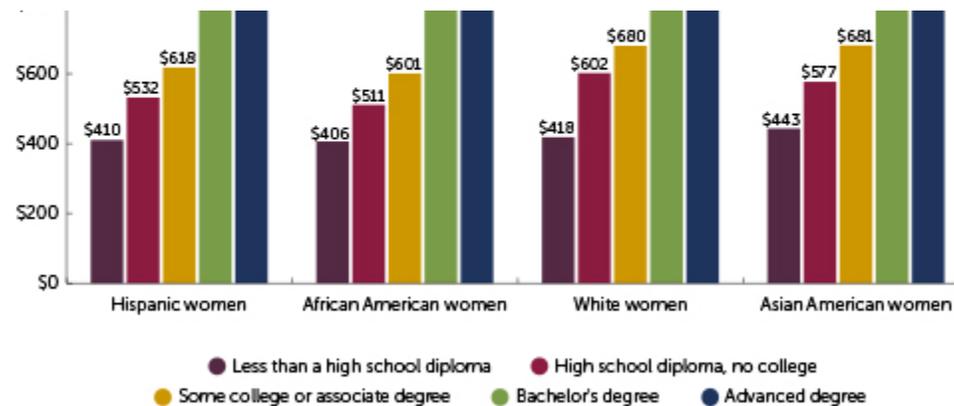
Source: U.S. Census Bureau, *Current Population Survey*, reported in U.S. Department of Labor, U.S. Bureau of Labor Statistics, *2015 Usual Weekly Earnings Summary*, *Economic News Release USDL-16-0111*, Table 9



Education improves earnings for women of all races and ethnicities, but earnings are affected by race and ethnicity as well as gender. White women are paid more than African American and Hispanic women at all education levels.

Median Weekly Earnings of Women, by Race/Ethnicity and Level of Education, 2015





Note: Based on median usual weekly earnings of full-time wage and salary workers, ages 25 and older, 2015 annual averages
 Source: U.S. Census Bureau, *Current Population Survey*, reported in U.S. Department of Labor, U.S. Bureau of Labor Statistics, *2015 Usual Weekly Earnings Summary, Economic News Release USDL-16-0111*, Table 9



Student Debt, Race, and the Pay Gap

The gender pay gap persists across educational levels and is worse for African American and Hispanic women, even among college graduates. As a result, women who complete college degree are [less able to pay off their student loans promptly](#), leaving them paying more and for a longer time than men.

Cumulative Student Debt for 2007–08 College Graduates, by Gender and Race/Ethnicity

	Total average debt owed, 2009	Total average debt owed, 2012	Percentage of debt paid off, 2009–12
Men	\$22,656	\$12,793	44%
Women	\$24,126	\$16,105	33%
Asian American women	\$19,687	\$7,679	61%
White women	\$24,479	\$15,417	37%
African American women	\$26,535	\$24,116	9%
Hispanic women	\$21,626	\$21,026	2%

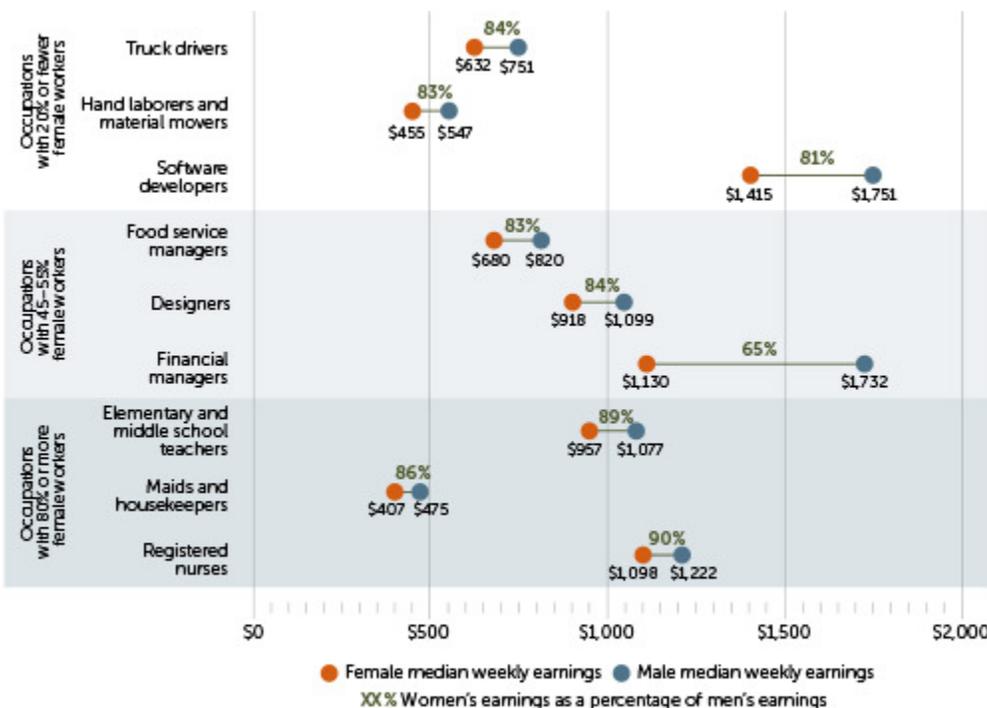
HISPANIC WOMEN	\$21,020	\$21,020	3%
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Note: Includes 2007–08 college graduates ages 35 and younger at graduation who were working full time in 2009 or 2012 and had not pursued an additional degree. There were insufficient data to allow for reliable analysis of other racial groups.
 Source: AAUW analysis of data from U.S. Department of Education, National Center for Education Statistics, 2008–12 Baccalaureate and Beyond Longitudinal Study



Despite the gains women have made in the workforce, the pay gap persists. Individuals in the workforce, community, and government have the ability to help chip away at the pay gap.

Earnings Ratio in Median Weekly Pay among Full-Time Workers, Selected Occupations, 2015



Source: U.S. Department of Labor, U.S. Bureau of Labor Statistics, Current Population Survey Annual Average Data Tables, Table 39



Here are changes that can help close the wage gap.

For companies

While some CEOs have been vocal in their commitment to paying workers fairly, American women can't wait for trickle-down change. AAUW urges companies to conduct salary audits to proactively monitor and address gender-based pay differences. It's just good business.

For individuals

Women can learn strategies to better negotiate for equal pay. [AAUW's salary negotiation workshops](#) help empower women to advocate for themselves when it comes to salary, benefits, and promotions. In Boston or Washington, D.C.? [Read more about the free workshops in your area, and stay tuned for more cities to come!](#)

For policy makers

The Paycheck Fairness Act would improve the scope of the Equal Pay Act, which hasn't been updated since 1963, with stronger incentives for employers to follow the law, enhance federal enforcement efforts, and prohibit retaliation against workers asking about wage practices. Tell the Congress to take action for equal pay.

Learn more about what you can do to fight the pay gap by reading [The Simple Truth](#) and taking action at [fightforfairpay.org](#).

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