INSTITUTE FOR WOMEN'S POLICY RESEARCH

### **Fact Sheet**



IWPR #C489 March 2020

# The Gender Wage Gap: 2019 Earnings Differences by Race and Ethnicity

The gender wage gap in weekly earnings for full-time workers in the United States narrowed marginally between 2018 and 2019. In 2019, the ratio of women's to men's median weekly full-time earnings was 81.5 percent, an increase of 0.4 percent since 2018, when the ratio was 81.1 percent, leaving a wage gap of 18.5 percent, compared with 18.9 percent in 2018 (Figure 1). Women's median weekly earnings for full-time work were \$821 in 2019 compared with \$1,007 for men. Adjusting for inflation, women's median earnings increased by 2.2 percent compared with 2018; men's earnings increased by 1.7 percent.<sup>1</sup>

Another measure of the wage gap, the ratio of women's and men's median annual earnings for full-time, year-round workers, was 81.6 percent in 2018 (data for 2019 are not yet available). An earnings ratio of 81.6 percent means that the gender wage gap for full-time, year-round workers is 18.4 percent.

Unlike the gender earnings ratio for full-time year-round workers, the ratio for weekly earnings excludes self-employed workers, does not include earnings from annual bonuses, and includes workers who work only part of the year. Both earnings ratios are for full-time workers only. When all workers with earnings are included, the gap in earnings is much larger because women are more likely than men to work part-time or take time out of paid work to manage childrearing and other caregiving work. Over a 15 year period women workers' earnings were just 49 percent—less than half—of men's earnings, a wage gap of 51 percent in 2001-2015.<sup>2</sup>

Figure 1: The Gender Earnings Ratio, 1955-2019, Full-Time Workers

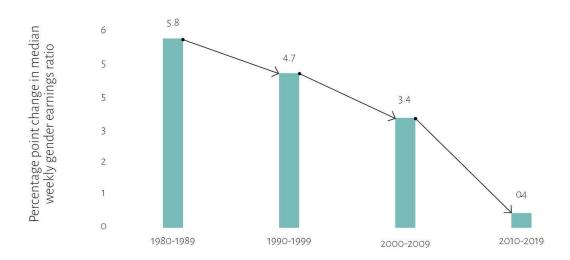


Notes and sources: See Table 2

Since 1979, when weekly earnings data were first collected, the weekly gender earnings ratio has risen from just 62.3 percent to 81.5 percent now. Most of the progress toward gender equality took place in the 1980s and 1990s. In the past ten years (2010 to 2019), the weekly gender wage gap narrowed by less than half a percentage point, compared with 3.4 percentage points in the previous ten years (2000 to 2009), 4.7 percentage points between 1990 and 1999, and 5.8 percentage points in the ten years prior to that (1980 to 1989, Figure 2).

Figure 2: Declining Progress in Raising the Weekly Gender Earnings Ratio Decade by Decade Percentage Point Change in the Gender Earnings Ratio for Full-time Workers, 1980 to 2019

Each decade, less progress in closing the gender wage gap in weekly earnings



Notes and sources: See Table 2

Progress in closing the gender earnings gap based on median annual earnings has also slowed considerably. If the pace of change in the annual earnings ratio were to continue at the same rate as it has since 1984, it would take until 2059 for women and men to reach earnings parity, and substantially longer for women of color. Black women's median annual earnings would reach parity with White men's in 2130, and Hispanic women's in 2224.<sup>3</sup>

### Earnings Differences by Gender, Race, and Ethnicity

Women of all major racial and ethnic groups earn less than men of the same group, and also earn less than White men, as illustrated by Table 1. The earnings gap, both within each group and compared with White men, widened for all groups with the exception of Asian women. Hispanic workers have lower median weekly earnings than White, Black, and Asian women workers. Hispanic women's median weekly earnings in 2019 were \$642 per week of full-time work, only 56.0 percent of White non-Hispanic men's median weekly earnings, but 85.9 percent of the median weekly earnings of Hispanic men (because Hispanic men also have low earnings). The median weekly earnings of Black women were \$704, only 61.4 percent of White men's earnings, but 91.5 percent of Black men's median weekly earnings (Table 1). Primarily because of higher rates of educational attainment for both genders, Asian workers have higher median weekly earnings than White, Black, or Hispanic workers (the highest of any group shown in Table 1). Asian women's earnings are 89.4 percent of White men's earnings, but only 76.7 percent of Asian men's earnings. White women earn 78.4 percent of what White men earn, closer to the ratio for all women to all men, because White workers remain the largest group in the labor force.

The inflation-adjusted earnings increased for women and men of each of the largest racial and ethnic groups. Black women's real earnings increased by 5.7 percent. Hispanic and White women's real earnings by 2.2 percent and 1.1 percent respectively, and Asian women's by 7.4 percent.<sup>4</sup> Men's real median weekly earnings increased by 5.7 percent for Asian men, 1.4 percent for White men, 2.8 percent for Black men, and 1.9 percent for Hispanic men.

Table 1: Median Weekly Earnings and Gender Earnings Ratio for Full-Time Workers, 16 Years and Older by Race/Ethnic Background, 2018 and 2019

,		:019	2018 (in 2019 dollars)					
Racial/ Ethnic Background	Women	Men	Female Earnings as % of Male Earnings of Same Group	Female Earnings as % of White Male Earnings	Women	Men	Female Earnings as % of Male Earnings of Same Group	Female Earnings as % of White Male Earnings
All Races/ Ethnicities	\$821	\$1,007	81.5%	n.a.	\$803	\$991	81.1%	N/A
White	\$899	\$1,147	78.4%	78.4%	\$889	\$1,131	78.6%	78.6%
Black	\$704	\$769	91.5%	61.4%	\$666	\$748	89.0%	58.9%
Hispanic	\$642	\$747	85.9%	56.0%	\$628	\$733	85.7%	55.5%
Asian	\$1,025	\$1,336	76.7%	89.4%	\$954	\$1,263	75.5%	84.3%

**Notes:** Data for White workers are White alone, non-Hispanic; data for Black and Asian workers may include Hispanics. Hispanic workers may be of any race. Annual averages of median weekly earnings.

Source: See Table 2.

## **Greater Earnings Equality Will Reduce Poverty and Improve Economic Security for Women and their Families**

Median earnings for a full-time week of work leave Hispanic women below the household poverty income threshold, at 130 percent of poverty, for receipt of SNAP (food stamps) for a family of four, of \$648.<sup>5</sup> Hispanic women's median weekly earnings are well below the earnings needed to achieve more comprehensive economic security, with sufficient funds to cover the costs of food, housing, and transportation, as well as save for retirement and emergencies for a woman with dependent children.<sup>6</sup> The income level necessary for comprehensive economic security for a single parent of an infant in center care, is approximately \$979 per week; only the median weekly earnings of Asian women and White and Asian men provide full economic security. These estimates assume that a person is able to work full-time year-round; in 2018 only 64 percent of all women worked full-time year-round.<sup>7</sup>

Women's lower earnings are due to a number of factors, including lower earnings in occupations done mainly by women; lack of paid family leave and subsidized child care; and discrimination in compensation, recruitment, and hiring. Measures to improve the quality of jobs held mainly by women, tackle occupational segregation, enforce equal pay and equal employment opportunities, and improve work family benefits for all workers will help the incomes of women and their families grow and strengthen the economy. 9

If women were paid the same as comparable men—men who work the same number of hours, are the same age, have the same educational attainment, urban/rural status, and live in the same region of the country—nearly 60 percent of women would see a pay increase, including almost two thirds of single mothers, and women's poverty rate would be halved, including a decline in poverty for single mothers from 28.9 to 14.5 percent. These raised earnings would correspond to 2.8 percent of 2016 gross domestic product (GDP). 11

Table 2: The Gender Wage Ratio and Real Earnings, 1955-2019, Full-Time Workers

	Median A	nnual Earning	Median Usual Weekly Earnings (2019 dollars)				
	Full-t	ime, Year-Rour	nd Workers	Full-time Weekly Workers			
Year	Women	Men	Female-to-male earnings ratio (%)	Women	Men	Female-to-male earnings ratio (%)	
1955			63.9%				
1960	24,673	40,665	60.7%				
1965	27,245	45,465	59.9%				
1970	31,363	52,828	59.4%				
1975 1980	32,512 33,168	55,275 55,133	58.8% 60.2%	\$595	\$926	64.2%	
1985	35,501	54,975	64.6%	\$629	\$924	68.1%	
1986	36,248	56,399	64.3%	\$650	\$936	69.4%	
1987	36,508	56,013	65.2%	\$654	\$936	69.9%	
1988	36,683	55,539	66.0%	\$656	\$935	70.2%	
1989	37,469	54,561	68.7%	\$655	\$935	70.0%	
1990	37,711	52,657	71.6%	\$659	\$915	72.0%	
1991	37,729	54,008	69.9%	\$671	\$904	74.2%	
1992	38,286	54,088	70.8%	\$681	\$898	75.9%	
1993	37,994	53,124	71.5%	\$686	\$891	77.0%	
1994	38,001	52,803	72.0%	\$683	\$893	76.5%	
1995	37,595	52,633	71.4%	\$679	\$899	75.5%	
1996	38,594	52,322	73.8%	\$681	\$907	75.1%	
1997	39,790	53,653	74.2%	\$686	\$922	74.4%	
1998	40,656	55,563	73.2%	\$717	\$940	76.3%	
1999	40,507	56,015	72.3%	\$729	\$952	76.6%	
2000	40,884	55,458	73.7%	\$734	\$954	76.9%	
2001	42,290	55,404	76.3%	\$741	\$970	76.4%	
2002	43,041	56,189	76.6%	\$754	\$968	77.9%	
2003	42,811	56,668	75.5%	\$769	\$968	79.4%	
2004	42,385	55,350	76.6%	\$778	\$968	80.3%	
2005	41,807	54,312	77.0%	\$768	\$947	81.1%	
2006	41,330	53,718	76.9%	\$763	\$945	80.7%	
2007	43,388	55,761	77.8%	\$758	\$947	80.1%	
2008	42,548	55,192	77.1%	\$760	\$950	80.0%	
2009	43,333	56,292	77.0%	\$785	\$978	80.2%	
2010	43,346	56,347	76.9%	\$787	\$969	81.2%	
2011	42,285	54,911	77.0%	\$779	\$948	82.2%	
2012	42,158	55,107	76.5%	\$771	\$952	81.0%	
2012*	43,044	55,000	78.3%	\$776	\$946	82.0%	
2014	42,829	54,462	78.6%	\$777	\$942	82.5%	
2015	43,965	55,264	79.6%	\$784	\$966	81.1%	
2016	44,270	55,015	80.5%	\$784	\$974	81.8%	
2010	43,779	54,385	80.5%	\$803	\$974	81.8%	
2017**	45,779	56,293	81.6%	\$789	\$981	81.8%	
2019	13,711	30,273	01.070	\$821	\$1,007	81.5%	

Notes for Figure 1 and Table 2: \*Since 2013, the Census Bureau has made a series of changes in data collection and processing to improve the CPS-ASEC income and earnings content; these were completed with the 2018 data release in September 2019. The new estimation methods lead to marginal adjustments in estimates of the annual gender earnings ratio for 2017, 80.5 percent under the old method and 81.7 percent under the new one; adjustments in 2013 also resulted in an upward revision of the ratio. IWPR data show the most recent data series that incorporates all these changes. Annual earnings data include self-employed workers; weekly data are for wage and salary workers only and are not restricted to full-year workers. Annual earnings are for people 15 years old and older beginning in 1980 and people 14 years old and older for previous years. Before 1989, annual earnings are for civilian workers only. Weekly earnings are for full-time workers aged 16 and older. The annual average of weekly median earnings is usually released in February by the U.S. Bureau of Labor Statistics. Annual median earnings data are typically released in September by the U.S. Census Bureau. Both data series are derived from the Current Population Survey (CPS). Adjustments for data from earlier years to 2019 dollars are computed on the basis of the Consumer Price Index Series (CPI-U) published by the U.S. Bureau of Labor Statistics

<a href="https://www.bls.gov/cpi/tables/supplemental-files/historical-cpi-u-201801.pdf">https://www.bls.gov/cpi/tables/supplemental-files/historical-cpi-u-201801.pdf</a> (accessed February 2020). Earnings data for 1981-1984 are available upon request.

Sources for Figure 1 and Tables 1 and 2: Annual data: 1955: Francine D. Blau and Marianne A. Ferber, *The Economics of Women, Men, and Work*, 2nd ed. (Englewood Cliffs, NJ: Prentice-Hall, 1992); 1960-2018: Jessica Semega, Melissa Kollar, John Creamer, and Abinash Mohanty, *Income and Poverty In the United States: 2018* (U.S. Census Bureau, 2019). Weekly data: 2018 - 2019: U.S. Bureau of Labor Statistics. 2020. *Median weekly earnings of full-time wage and salary workers by selected characteristics, Annual Averages* <a href="http://www.bls.gov/cps/cpsaat37.pdf">http://www.bls.gov/cps/cpsaat37.pdf</a> (retrieved February 2020); 1979-2018 from U.S. Bureau of Labor Statistics. 2020. "Table 17. Inflation-adjusted median usual weekly earnings, by age, for full-time wage and salary workers, 1979-2018 annual average." *Highlights of Women's Earnings 2018* <a href="https://www.bls.gov/cps/earnings.htm">https://www.bls.gov/cps/earnings.htm</a>.

#### **Notes**

- 1. 2018 earnings were converted to 2019 dollars using the Consumer Price Index Series (CPI-U), U.S. Bureau of Labor Statistics (2020) "Consumer Price Index Data from 1913 to 2020." <a href="https://www.usinflationcalculator.com/inflation/consumer-price-index-and-annual-percent-changes-from-1913-to-2008/">https://www.usinflationcalculator.com/inflation/consumer-price-index-and-annual-percent-changes-from-1913-to-2008/</a> (accessed February 2020); the increase in women and men's median weekly earnings is statistically significant according to unpublished data provided by the U.S. Bureau of Labor Statistics.
- 2. Stephen J. Rose and Heidi I. Hartmann. 2018. *Still a Man's Labor Market: The Slowly Narrowing Gender Wage Gap.* Washington, DC: Institute for Women's Policy Research <a href="https://iwpr.org/publications/still-mans-labor-market/">https://iwpr.org/publications/still-mans-labor-market/</a> (accessed February 2020).
- 3. Institute for Women's Policy Research. November 2019. "Women's Median Earnings as a Percent of Men's, 1985-2018 (Full-time, Year-Round Workers) with Projections for Pay Equity, by Race/Ethnicity." IWPR Quick Figures #Q077 <a href="https://iwpr.org/publications/pay-equity-projection-race-ethnicity-2019/">https://iwpr.org/publications/pay-equity-projection-race-ethnicity-2019/</a> (accessed February 2020); projections for Asian women are not included because annual earnings data for Asian women and men are only published 1988 onwards.
- 4. According to data provided by the U.S. Bureau of Labor Statistics, the increases in women's and men's median weekly earnings between 2018 and 2019 was statistically significant for each of the different racial and ethnic groups.
- 5. To qualify for food stamps, the income of a household of four must be at or below 130 percent of the federal poverty threshold; in 2019 earning threshold was \$33,704 per year (U.S. Census Bureau, "Poverty Thresholds: Preliminary Estimates for 2019." On the internet at <a href="https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html">https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html</a> (accessed February 2020); this, corresponding to \$639 per week for full-time year-round work of 52 weeks. 6. National average of the BEST Tables, state and county-by county analysis of basic monthly expenditure of people living in
- different family types, Institute for Women's Policy Research, "Basic Economic Security in the United States: How Much Income Do Working Adults Need in Each State?" Factsheet IWPR #R590, October 2018 <a href="https://iwpr.org/wp-content/uploads/2018/10/R590">https://iwpr.org/wp-content/uploads/2018/10/R590</a> National.pdf>; assuming full-time year-round work of 52 weeks.
- 7. See *Income and Poverty In the United States: 2018* (U.S. Census Bureau, 2019; https://www.census.gov/content/dam/Census/library/publications/2019/demo/p60-266.pdf)
- 8. Francine D. Blau and Lawrence Kahn. 2017. "The Gender Wage Gap: Extent, Trends, and Explanations." *Journal of Economic Literature* 55(3): 789-865.
- 9. Council for Economic Advisors. 2015. "Gender Pay Gap: Recent Trends and Explanations." Issue Brief. The White House < https://obamawhitehouse.archives.gov/sites/default/files/docs/equal\_pay\_issue\_brief\_final.pdf> (accessed February 2020); 10. Institute for Women's Policy Research. May 2017. "The Economic Impact of Equal Pay by State." IWPR #C457 < https://iwpr.org/publications/economic-impact-equal-pay-state/ > (accessed February 2020).
- 11. See Jessica Milli, Ph.D., Yixuan Huang, Heidi Hartmann, Ph.D., Jeff Hayes, Ph.D.. 2017. "The Impact of Equal Pay on Poverty and the Economy." IWPR Briefing Paper #C445; Washington, DC: Institute for Women's Policy Research <a href="https://iwpr.org/publications/impact-equal-pay-poverty-economy/">https://iwpr.org/publications/impact-equal-pay-poverty-economy/</a>.

This fact sheet was prepared by Ariane Hegewisch and Zohal Barsi at the Institute for Women's Policy Research. Financial support was provided by the Annie. E. Casey Foundation, the Ford Foundation, and the NoVo Foundation.

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