

## BLACK WOMEN TO REACH EQUAL PAY WITH WHITE MEN IN 2130

- COVID-19 pandemic highlights disproportionate impact on Black women's earnings
- Black women's earnings lag White men's in every state



The COVID-19 pandemic has illuminated the pernicious effect of gender and racial inequality, and the profound undervaluation of some of the most essential jobs for society, ones that require the care and supports of families. Black women are particularly likely to be the main breadwinner in their families<sup>1</sup>, and are often the bedrock of their communities. But in a recent survey, close to half of Black women reported that they do not have a stable, good-paying job that covers the bills, allows for savings, and allows them to

be healthy.<sup>2</sup> This is compared with slightly more than a quarter of White men who report the same. Furthermore, Black women, on average, earn only 61.8 cents for every dollar earned by White men in a year of full-time work for a gender racial wage gap of 38.2 percent.<sup>3</sup> In 2020, this wage gap translates into lower annual earnings of \$23,652. Black women's lower earnings mean higher rates of poverty, fewer resources for supporting their families, and little to no safety net in case of extended crisis.

Few signs indicate this gap in earnings is decreasing. Indeed, a decade ago, in 2010, the gap was marginally lower at 37.7 percent.<sup>4</sup> Projecting the rate of change in the wage gap forward from 1985, it would take Black women **another 110 years - until 2130** - to catch up with the earnings of White men.<sup>5</sup> In addition, the wage gap between Black women and White men is substantially larger than the 18.4 percent wage gap between all women and all men.<sup>6</sup>

### Earnings Lower Across All States

- Black women's average earnings are lower than White men's in every single state and the District of Columbia, but the size of inequality varies substantially between states (Table 1).
- In only one state—Hawaii —Black women made at least four fifths of White men's earnings (81.5 percent) and the annual gap in earnings was 'just' \$10,770 in 2018.<sup>7</sup>

- Black women in the District of Columbia faced the biggest absolute annual earnings inequality, on average making \$47,688 less per year in 2018 than White men.
- Louisiana ranks last for Black women’s median annual earnings (46.6 percent of White men’s) for a wage gap of 53.4 percent. The District of Columbia’s (an earnings ratio of 52.3 percent) wage gap of 47.7 percent and Utah’s (an earnings ratio of 53.9 percent) wage gap of 46.1 percent are similarly dismal.

## Multiple Factors Contribute to Inequity

Black women’s lower earnings are due to numerous systemic inequities, including discrimination in recruitment and promotion, the undervaluation of work in occupations where many Black women work, and their underrepresentation in the jobs that pay most.

- **Discrimination:** Black women are more likely than others to report discrimination<sup>8</sup>, including sexual harassment<sup>9</sup>, and women with names suggesting that they are Black or African American are less likely to receive call backs or interviews.<sup>10</sup>
- **Lack of Representation:** Black women are less likely than White men to work in the highest paid occupations, in management, business, and financial operations (14.1 percent and 20.7 percent respectively of full-time workers), but even when they do, Black women’s median weekly earnings in these jobs are only two thirds (66.9 percent) of those of White men.<sup>11</sup>
- **Occupational Segregation:** Almost a quarter of Black women (24.0 percent) work in low paid service occupations, compared with fewer than one in ten (9.5 percent) of White men, and even in these lower paid jobs they earn substantially less. Their median earnings in these occupations are just 70.2 percent of White men’s.<sup>12,13</sup>
- **Fewer Pathways to Success:** Fewer than 1 percent of Black women work in construction, natural resources, and maintenance occupations compared with 15.8 percent of White men. These occupations are particularly likely to be accessible through apprenticeships—learning while earning—and can lead to good paying jobs with benefits without the need for college-level education.<sup>14</sup>



## Good Policies Required for Achieving Equal Pay

Tackling the gender wage gap through comprehensive policies that address discrimination, ensure that essential service and care work is properly valued, and that all workers are able to care for themselves and their families with paid family leave, earned sick days, and quality and affordable child care and elder care will lift up Black women and all of society.

**TABLE 1: BLACK WOMEN EARN LESS THAN WHITE MEN IN EVERY SINGLE STATE****Median Annual Earnings and Ratio of Black Women's to White Men's Earnings,  
Full-time Year-round Workers, Aged 16 and Older**

	Black Women	White Men	Annual Gap in Earnings	Earnings Ratio
Alabama	\$30,400	\$52,312	\$21,912	58.1%
Arizona	\$36,879	\$57,278	\$20,399	64.4%
Arkansas	\$30,000	\$46,244	\$16,244	64.9%
California	\$46,099	\$75,310	\$29,211	61.2%
Colorado	\$38,928	\$61,466	\$22,537	63.3%
Connecticut	\$42,428	\$73,237	\$30,809	57.9%
Delaware	\$40,307	\$57,210	\$16,903	70.5%
District of Columbia	\$52,312	\$100,000	\$47,688	52.3%
Florida	\$31,783	\$51,383	\$19,600	61.9%
Georgia	\$35,003	\$55,000	\$19,997	63.6%
Hawaii	\$47,500	\$58,270	\$10,770	81.5%
Illinois	\$40,000	\$63,567	\$23,567	62.9%
Indiana	\$33,943	\$52,246	\$18,303	65.0%
Iowa	\$30,341	\$52,000	\$21,659	58.3%
Kansas	\$33,480	\$52,972	\$19,492	63.2%
Kentucky	\$32,100	\$48,000	\$15,900	66.9%
Louisiana	\$27,147	\$58,270	\$31,122	46.6%
Maryland	\$49,794	\$74,000	\$24,206	67.3%
Massachusetts	\$42,000	\$71,710	\$29,710	58.6%
Michigan	\$34,473	\$53,270	\$18,797	64.7%
Minnesota	\$36,021	\$58,590	\$22,569	61.5%
Mississippi	\$27,578	\$50,000	\$22,422	55.2%
Missouri	\$33,480	\$50,000	\$16,520	67.0%
Nebraska	\$32,643	\$51,221	\$18,578	63.7%
Nevada	\$36,619	\$57,210	\$20,591	64.0%
New Jersey	\$43,489	\$78,000	\$34,511	55.8%
New Mexico	\$33,000	\$57,000	\$24,000	57.9%
New York	\$42,378	\$65,563	\$23,185	64.6%
North Carolina	\$32,670	\$51,221	\$18,552	63.8%
Ohio	\$33,806	\$52,972	\$19,166	63.8%
Oklahoma	\$30,000	\$51,221	\$21,221	58.6%
Oregon	\$37,125	\$54,405	\$17,280	68.2%
Pennsylvania	\$37,610	\$55,091	\$17,481	68.3%

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Rhode Island	\$36,064	\$61,466	\$25,402	58.7%
South Carolina	\$29,665	\$51,221	\$21,557	57.9%
Tennessee	\$32,000	\$48,500	\$16,500	66.0%
Texas	\$37,289	\$63,642	\$26,353	58.6%
Utah	\$31,388	\$58,270	\$26,882	53.9%
Virginia	\$38,000	\$63,567	\$25,567	59.8%
Washington	\$40,071	\$63,642	\$23,571	63.0%
West Virginia	\$29,700	\$47,675	\$17,975	62.3%
Wisconsin	\$34,000	\$52,972	\$18,972	64.2%

*Note: Alaska, Idaho, Maine, Montana, North Dakota, South Dakota, Vermont, and Wyoming = sample too small for statistical analysis.*

Source: IWPR analysis of 2014-2018 American Community Survey microdata (Integrated Public Use Microdata Series, Version 9.0).

## ENDNOTES

<sup>1</sup> See Elyse Shaw, C. Nicole Mason, Valerie Lacarte, Erika Jauregui (2020) *Holding Up Half the Sky: Mothers as Workers, Primary Caregivers, & Breadwinners During COVID-19*. Washington DC: Institute for Women's Policy Research <<https://iwpr.org/publications/holding-up-half-the-sky-mothers-as-workers-primary-caregivers-breadwinners-during-covid-19/>>.

<sup>2</sup> The most recent annual earnings data are for 2018 and are adjusted here to June 2020 dollars (based on <https://data.bls.gov/cgi-bin/cpicalc.pl>); 2019 annual earnings data will be released on September 15, 2020.

<sup>3</sup> See TIMES UP Foundation and LUNA (2020) "Gender and Racial Inequities during the Crisis: The Pay Gap." <<https://timesupfoundation.org/work/times-up-pay-up/gender-and-racial-inequity-during-crisis-the-pay-gap/>> (accessed August 2020).

<sup>4</sup> See Ariane Hegewisch and Claudia Williams (2011) "The Gender Wage Gap:2010." IWPR Fact Sheet C350 <<https://iwpr.org/publications/the-gender-wage-gap-2010/>>.

<sup>5</sup> See Valerie Lacarte and Jeff Hayes (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 Figure Q077 <<https://iwpr.org/publications/pay-equity-projection-race-ethnicity-2019/>>.

<sup>6</sup> In 2018 the wage gap between Asian women and White men working full-time year-round was 9.8%, between White women and White men 21.4%; and between Hispanic or Latinas and White men 55.5%; calculated based on Ariane Hegewisch and Adiam Tesfaselassie (2019) "The Gender Wage Gap: 2018; Earnings Differences by Gender, Race, and Ethnicity," IWPR #C484 <<https://iwpr.org/publications/annual-gender-wage-gap-2018/>>.

<sup>7</sup> State-level earnings data are the average of five years of data (2014-2018, in 2018 prices); sample size too small to provide data for Alaska, Idaho, Maine, Montana, North Dakota, South Dakota, Vermont, and Wyoming.

<sup>8</sup> See for example Desta Fekedulegn et al., 2019 "Prevalence of workplace discrimination and mistreatment in a national sample of older U.S. workers: The REGARDS cohort study," *SSM - Population Health*, 8, <<https://doi.org/10.1016/j.ssmph.2019.100444>>.

<sup>9</sup> See for example National Women's Law Center (2018) *Out of the Shadows: An Analysis of Sexual Harassment Charges Filed by Working Women* <<https://nwlc.org/resources/out-of-the-shadows-an-analysis-of-sexual-harassment-charges-filed-by-working-women/>> (accessed August 2020).

<sup>10</sup> Bertrand M. and Mullainathan s. 2004. *Are Emily and Greg more employable than Lakisha and Jamal? A Field Experiment on labor market discrimination*. *American Economic Review* 94: 991-1013. Kang et al. 2016. *Whitened Resumes: Race and Self-Presentation in the Labor Market*. *Administrative Science Quarterly* 61(3):469-502.

<sup>11</sup> Calculated based on Ariane Hegewisch and Zohal Barsi.( 2020), "The Gender Wage Gap by Occupation: 2019." IWPR Fact Sheet #C490 <<https://iwpr.org/wp-content/uploads/2020/03/2020-Occupational-wage-gap-FINAL.pdf>>.

<sup>12</sup> As above.

<sup>13</sup> Restaurant Opportunities Centers. 2015. *Ending Jim Crow in America's Restaurants: Racial and Gender Occupational Segregation in the Restaurant Industry*. <https://chapters.rocunited.org/publications/ending-jim-crow-in-americas-restaurants/>

<sup>14</sup> See Ariane Hegewisch and Tanima Ahmed (2019) "Growing the Numbers of Women in the Trades: Building Equity and Inclusion through Pre-Apprenticeship Programs." National Center for Women's Equity in Apprenticeships and Employment at Chicago Women in the Trades <<http://womensequitycenter.org/wp-content/uploads/2017/10/Growing-the-Number-in-the-Trades.pdf>> (accessed August 2020).

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