

# Fact Sheet

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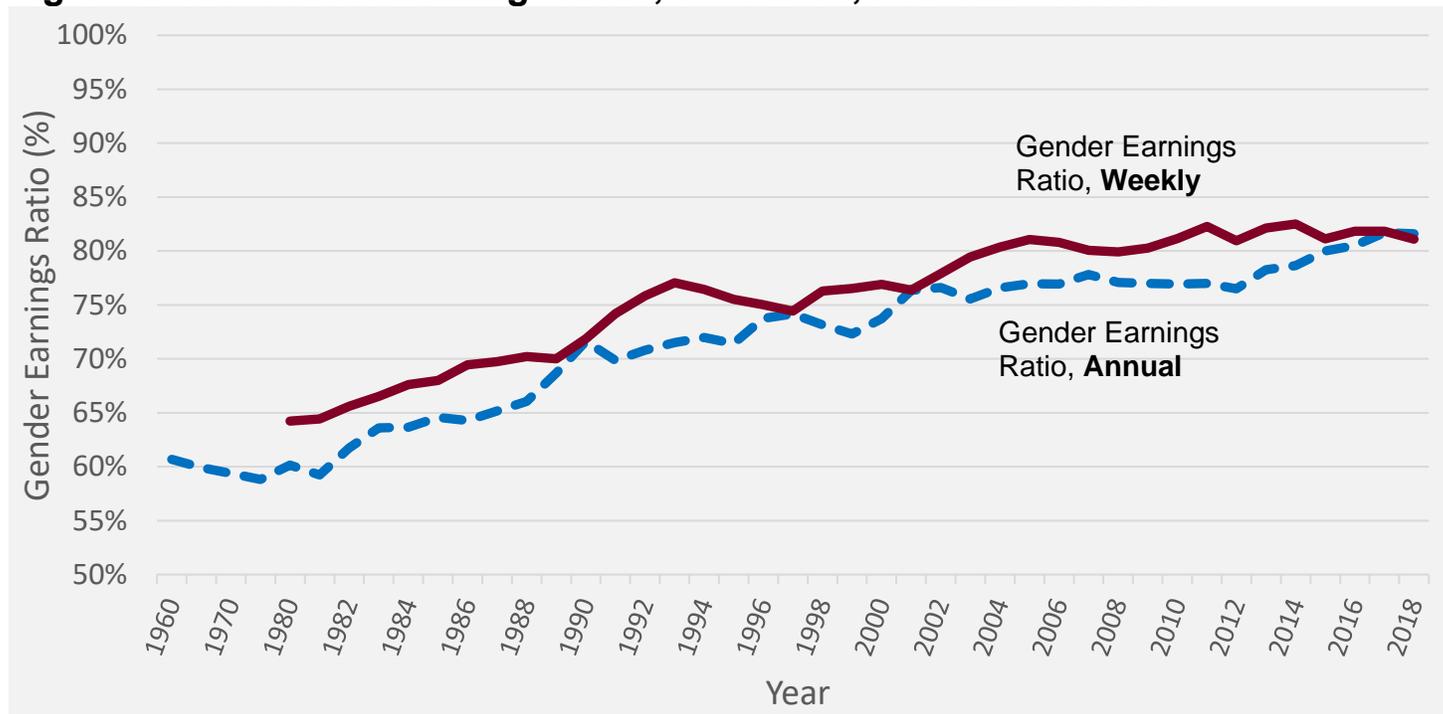
## The Gender Wage Gap: 2018 Earnings Differences by Gender, Race, and Ethnicity

The ratio of women's and men's median annual earnings was 81.6 percent for full-time, year-round workers in 2018, a statistically insignificant change from 2017 when it was 81.7 percent.<sup>1</sup> This ratio means that the gender wage gap for full-time, year-round workers is 18.4 percent. Women's median full-time, year-round earnings in 2018 were \$45,097, compared with \$55,291 for men. Both women's and men's earnings increased in 2018, compared with the previous year, by 3.3 and 3.4 percent, respectively.<sup>2</sup>

If the pace of change in the annual earnings ratio continues at the same rate as it has since 1960, it will take another 40 years, until 2059, for men and women to reach parity.<sup>3</sup>

An alternative measure of the wage gap is derived from the ratio of women's to men's median *weekly* earnings for full-time workers, which was 81.1 percent in 2018. The gender earnings ratio based on weekly earnings widened between 2017 and 2018 (Figure 1).<sup>4</sup>

**Figure 1. The Gender Earnings Ratio, 1960-2018, Full-Time Workers**



**Notes:** See Table 2

Both earnings ratios (for weekly and annual earnings) reflect gender differences in hourly wages and the number of hours worked (among full-time workers). Nearly two in three (63.9 percent) women with earnings worked full-time, year-round in 2018, compared with three in four (76.3 percent) men, a slight increase for both men and women since 2017.<sup>5</sup> If part-time and part-year workers were included, the ratio of women's to men's earnings would be lower, as women are more likely than men to work reduced schedules, often in order to manage childrearing and other caregiving work. Women are also more likely than men to work in occupations where fewer jobs are offered on a full-time basis or where hours vary from week to week.<sup>6</sup>

There were substantial differences in earnings gains for women of different racial and ethnic groups between 2017 and 2018 (Table 1). Earnings for Black women working full-time, year-round only increased by \$130 for the year, or 0.3 percent, and Hispanic women’s by \$602 or 1.8 percent; White women’s and Asian women’s median annual earnings increased by 4.6 percent (\$2,113) and 4.4 percent (\$2,337), respectively. Asian workers as a group have the highest median annual earnings, primarily because of historically higher rates of educational attainment for both Asian women and men. With the exception of White men, whose real median full-time, year-round earnings marginally declined, men of the other largest racial/ethnic groups saw a marginal increase in earnings. Women of all major racial and ethnic groups earn less than men of the same group.

Hispanic and Black women face marked disparities when the gender earnings ratio is measured compared with White men’s earnings. Hispanic women earned just 54.5 percent (up from 53.2 in 2017) and Black women earned just 61.8 percent (up from 61.3 percent in 2017) of White men’s median annual earnings in 2018 (Table 1). Median earnings for a year of full-time work for Hispanic and Black women leave an adult with two children near-poverty; in 2018, 200 percent of the federal poverty threshold for a family of three was \$40,462 per year.<sup>7</sup>

Black and Hispanic workers earn considerably less than White and Asian workers; as a result, the gender earnings ratio based on earnings of women and men of the same race or ethnicity is higher than the ratio for workers of all races considered together, meaning the within-race gaps are narrower. When compared with men of the same race/ethnicity, the gender earnings gap widened for Black and Hispanic women workers in 2018 (Table 1). The gender earnings ratio for Asian and White workers narrowed, more strongly for White workers.

**Table 1. Median Annual Earnings and Gender Earnings Ratio for Full-Time, Year-Round Workers Age 15 Years and Older by Race/Ethnicity, 2017 and 2018**

Racial/Ethnic Background	2018				2017 ( in 2018 dollars)			
	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	\$45,097	\$55,291	81.6%		\$43,658	\$53,458	81.7%	
White	\$48,390	\$61,576	78.6%	78.6%	\$46,277	\$61,884	74.8%	74.8%
Black	\$38,036	\$44,386	85.7%	61.8%	\$37,906	\$42,744	88.7%	61.3%
Asian	\$55,569	\$70,377	79.0%	90.2%	\$53,232	\$69,520	76.6%	86.0%
Hispanic or Latinx	\$33,540	\$40,008	83.8%	54.5%	\$32,938	\$38,522	85.5%	53.2%

**Notes:** White alone, not Hispanic; Black alone; Asian alone; and Hispanic/Latinx (may be of any race); full-time, year-round defined as working at least 35 hours per week, and at least 50 weeks per year.

**Source:** U.S. Census Bureau, Current Population Survey. 2019. “PINC-05. Work Experience-People 15 Years Old and Over, by Total Money Earnings, Age, Race, Hispanic Origin, Sex, and Disability Status <[https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pinc/pinc-05.html#par\\_textimage\\_0](https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pinc/pinc-05.html#par_textimage_0)> (accessed September 10, 2019).

Closing the wage gap is not a zero-sum game—gains for one gender do not require losses for the other. For the gender wage gap to close, women’s real wages must rise faster than men’s, and as the economy becomes more productive, one would expect real wages to rise for both men and women. Yet, since 1975 real annual earnings for men have remained virtually unchanged and, in 2018, were lower than they were in 2003, while women’s real earnings have increased across the same time period (Table 2). Over time, women’s earnings have become increasingly important to family incomes.

**Table 2. The Gender Wage Ratio and Real Earnings, 1960-2018, Full-Time Workers**

Year	Median Annual Earnings (2018 dollars)			Median Usual Weekly Earnings (2018 dollars)		
	Full-Time, Year-Round Workers			Full-Time, Weekly Workers		
	Women	Men	Female-to-male earnings ratio	Women	Men	Female-to-male earnings ratio
1960	\$ 24,234	\$ 39,941	60.7%			
1965	\$ 26,760	\$ 44,656	59.9%			
1970	\$ 30,805	\$ 51,888	59.4%			
1975	\$ 31,933	\$ 54,291	58.8%			
1980	\$ 32,578	\$ 54,152	60.2%	\$585	\$911	64.2%
1985	\$ 34,869	\$ 53,997	64.6%	\$618	\$909	68.0%
1986	\$ 35,603	\$ 55,395	64.3%	\$638	\$919	69.5%
1987	\$ 35,858	\$ 55,016	65.2%	\$642	\$921	69.7%
1988	\$ 36,030	\$ 54,551	66.0%	\$644	\$918	70.2%
1989	\$ 36,802	\$ 53,590	68.7%	\$643	\$919	70.0%
1990	\$ 37,040	\$ 51,720	71.6%	\$646	\$899	71.9%
1991	\$ 37,058	\$ 53,047	69.9%	\$660	\$889	74.2%
1992	\$ 37,605	\$ 53,125	70.8%	\$669	\$882	75.8%
1993	\$ 37,318	\$ 52,179	71.5%	\$674	\$875	77.0%
1994	\$ 37,325	\$ 51,863	72.0%	\$671	\$878	76.4%
1995	\$ 36,926	\$ 51,696	71.4%	\$667	\$883	75.5%
1996	\$ 37,907	\$ 51,391	73.8%	\$668	\$890	75.0%
1997	\$ 39,082	\$ 52,698	74.2%	\$674	\$906	74.4%
1998	\$ 39,932	\$ 54,574	73.2%	\$705	\$924	76.3%
1999	\$ 39,786	\$ 55,018	72.3%	\$715	\$934	76.5%
2000	\$ 40,156	\$ 54,471	73.7%	\$720	\$936	76.9%
2001	\$ 41,537	\$ 54,418	76.3%	\$728	\$954	76.4%
2002	\$ 42,275	\$ 55,189	76.6%	\$741	\$951	77.9%
2003	\$ 42,049	\$ 55,659	75.5%	\$756	\$952	79.4%
2004	\$ 41,631	\$ 54,365	76.6%	\$763	\$950	80.4%
2005	\$ 41,063	\$ 53,345	77.0%	\$754	\$930	81.1%
2006	\$ 40,594	\$ 52,762	76.9%	\$750	\$928	80.8%
2007	\$ 42,616	\$ 54,769	77.8%	\$745	\$930	80.1%
2008	\$ 41,791	\$ 54,210	77.1%	\$746	\$933	79.9%
2009	\$ 42,562	\$ 55,290	77.0%	\$771	\$961	80.3%
2010	\$ 42,575	\$ 55,344	76.9%	\$771	\$951	81.1%
2011	\$ 41,532	\$ 53,934	77.0%	\$765	\$930	82.3%
2012	\$ 41,408	\$ 54,126	76.5%	\$757	\$935	80.9%
2013*	\$ 42,278	\$ 54,021	78.3%	\$762	\$928	82.1%
2014	\$ 42,067	\$ 53,493	78.6%	\$763	\$925	82.5%
2015	\$ 43,183	\$ 54,280	79.6%	\$770	\$950	81.1%
2016	\$ 43,482	\$ 54,036	80.5%	\$784	\$958	81.8%
2017*	\$ 43,658	\$ 53,459	81.7%	\$789	\$964	81.8%
2018	\$ 45,097	\$ 55,291	81.6%	\$789	\$973	81.1%

**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 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. Annual earnings are for people 15 years old and older beginning in 1980 and people 14 years old and older as of the following year for previous years. Before 1989 annual earnings are for civilian workers only. Weekly earnings are for full-time civilian workers aged 16 and older in and are not restricted to full-year workers. Full-time is work for at least 35 hours per week, full-year for at least 50 weeks per year. Annual median earnings data are typically released in September by the U.S. Census Bureau, and the annual average of weekly median earnings in February by the U.S. Bureau of Labor Statistics. Both data series are derived from the Current Population Survey. Adjustments for data from earlier years to 2018 dollars are computed on the basis of the Consumer Price Index Research Series (CPI-U-RS); U.S. Bureau of Labor Statistics < <https://www.bls.gov/cpi/research-series/alllessfe.pdf>> (accessed August 2019).

**Sources for Figure 1 and Table 2:** 1960-2018 U.S. Census Bureau, Current Population Survey, 2018 *Annual Social and Economic Supplement Table P-38. Full-Time, Year-Round Workers by Median Earnings and Sex: 1960 to 2018*;

<<https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-income-people.html>> (retrieved September 2019).

Weekly data: U.S. Bureau of Labor Statistics. 2019. "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* < <https://www.bls.gov/cps/earnings.htm>> (accessed August 2019).

## Notes

<sup>1</sup> Jessica L. Semega, Melissa A. Kollar, John Creamer, and Abinash Mohanty. 2019. "Income and Poverty in the United States: 2018." *Current Population Reports* P60-266; Table A-7. U.S. Census Bureau. Note that rounded percents are 82 percent for the wage ratio and 18 percent for the wage gap. <<https://www.census.gov/content/dam/Census/library/visualizations/2018/demo/p60-266/p60-266.pdf>> (accessed September 2019).

<sup>2</sup> *ibid.*

<sup>3</sup> Institute for Women's Policy Research. 2018. "Women's Median Earnings as a Percent of Men's Median Earnings, 1960-2018 (Full-Time, Year-Round Workers) with Projection for Pay Equity in 2059. IWPR Publication #Q076 <<https://iwpr.org/publications/pay-equity-projection-1960-2018/>> (accessed September 2019).

<sup>4</sup> The annual gender earnings ratio for full-time, year-round workers, which includes self-employed workers, historically has tended to be slightly lower than the ratio based on weekly earnings (which excludes the self-employed and earnings from annual bonuses, and includes full-time workers who work only part of the year); as a consequence of changes in data estimation methods by the U.S. Census Bureau (see Notes for Figure 1 and Table 1 above), in 2017, the annual ratio was higher than the weekly ratio for the first time.

<sup>5</sup> Jessica L. Semega, Melissa A. Kollar, John Creamer, and Abinash Mohanty. 2019, Table A-7.

<sup>6</sup> Elyse Shaw, Ariane Hegewisch, Emma Williams-Baron, and Barbara Gault. 2016. *Undervalued and Underpaid in America: Women in Low-Wage, Female-Dominated Jobs*. IWPR Report #D508. Washington, DC: Institute for Women's Policy Research <<https://iwpr.org/publications/undervalued-and-underpaid-in-america-women-in-low-wage-female-dominated-jobs/>> (accessed September 2019).

<sup>7</sup> The federal poverty threshold for a household of one adult and two children in 2018 was \$20,231 (U.S. Census Bureau. 201. "Poverty Thresholds: by Size of Family and Number of Related Children Under 18 Years." <<https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html>> (Accessed August 27, 2019). At 200 percent of poverty, or near-poor, this is \$40,462 annually, or \$778 per week (assuming full-time work for 52 weeks).

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