



Fact Sheet

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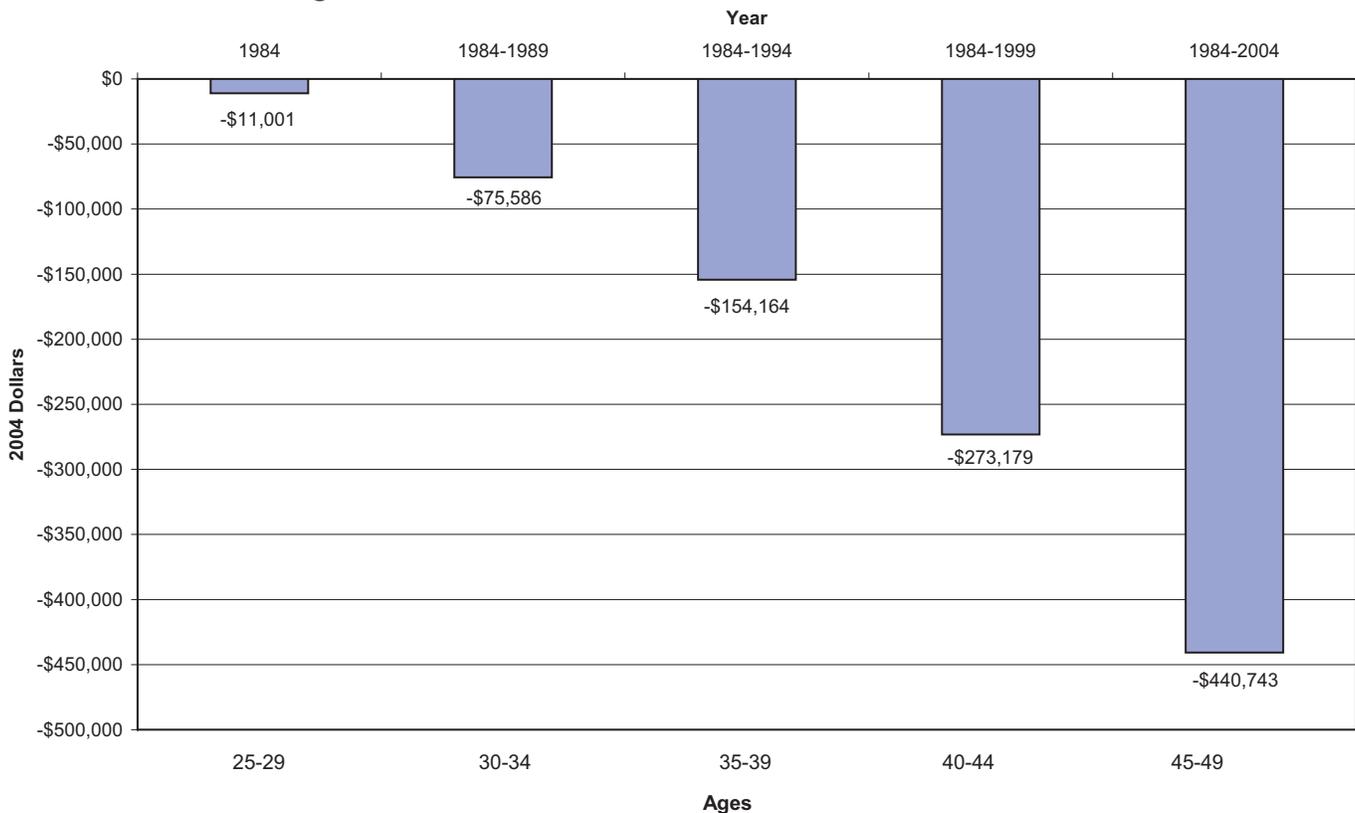
Memo to John Roberts: The Gender Wage Gap is Real

Equal pay and the wage gap have become central issues in discussions of John Roberts' nomination to the Supreme Court. Roberts authored documents in 1983 and 1984 suggesting he did not believe that there was a gender pay gap or that women experienced pay discrimination, and voicing opposition to proposed actions to promote pay equity, including the Equal Rights Amendment and comparable worth remedies. For example, one

memo referred to "the purported gender gap," while another discussed "perceived problems" of gender bias, and another called comparable worth policies "highly objectionable" and "staggeringly pernicious."¹ Census Bureau data show that the gender pay gap was quite real in the 1980's, and persists today, even among men and women with comparable education levels.

Figure A

Average Cumulative Losses From the Gender Wage Gap for A College-Educated Woman Who Was Between Ages 25 and 29 in 1984



Source: Author's and Economic Policy Institute's analysis of Current Population Survey data.

¹ Amy R. Goldstein, Jeffrey Smith, and Jo Becker, "Roberts Resisted Women's Rights; 1982-86 Memos Detail Skepticism," *The Washington Post*, August 19, 2005, p. A01.

Figure A presents an estimate of the cumulative loss over time, due to the gender wage gap, for the average college-educated woman since Judge Roberts dismissed the wage gap in 1984. The typical female college graduate in 1984, who is now in her mid 40s, has lost a total of \$440,743 dollars in the years between 1984 and 2004. The total cumulative loss is estimated by comparing earnings of women and men who worked full-time, year-round at five points in time (1984, 1989, 1994, 1999, and 2004) using Current Population Survey data (and grouping women and men in five-year age ranges to calculate the average earnings gaps).²

Women in their mid-40s today can tell you what their half a million lost dollars could have bought: a graduate education for themselves, top-notch college education for several children, a house, nursing home expenses for an elderly parent, or a retirement portfolio,

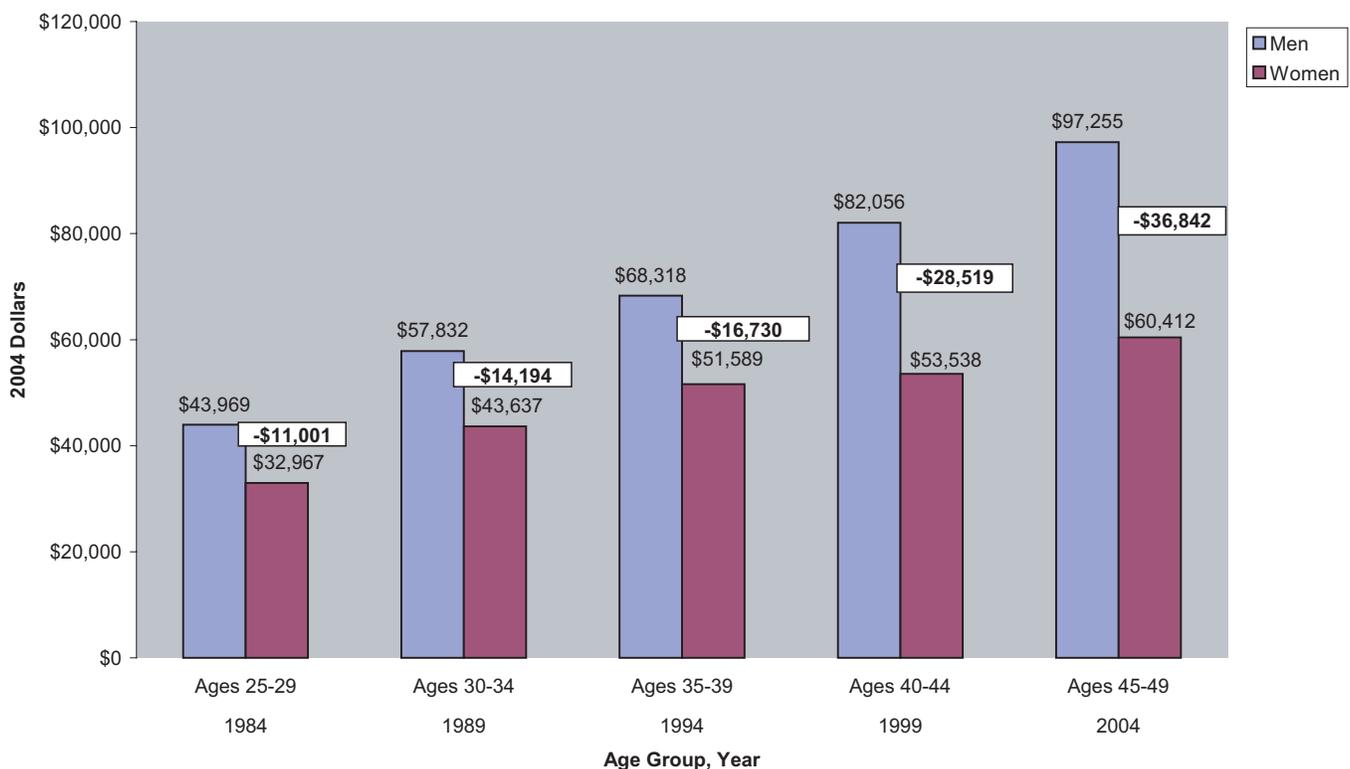
among other possibilities. Sex-based wage inequality is not just “perceived” --- it is painfully real and leads to substantial differences in opportunity and security for college-educated women compared to their equally educated male counterparts.³

Figure B shows the average earnings for women and men at the five time points, for college-educated full-time year-round workers who were 25-29 years old in 1984. The gap grows larger as women and men age. By 2004, college-educated women aged 45-49 earn \$36,842 (or 38 percent) less per year than their college-educated male counterparts. In their 20s, the gap was \$11,001 or 25 percent.

We also calculated the total losses for all young, college-educated women who entered the work force between 1984 and 2004. When the earnings gaps for

Figure B

Average Earnings of College-Educated Men and Women Employed Full-Time/Year-Round



Source: Author’s and Economic Policy Institute’s analysis of Current Population Survey data.

² The average earnings gaps in these five years were also used to estimate the earnings gap over the full 21 years from 1984-2004 (to do so the gap in earnings in 1984 and 2004 were multiplied by three while the gap in 1989, 1994, and 1999 were multiplied by five).

³ While women and men have somewhat different college majors, research shows the gender gap is larger than can be explained by differences in college majors (Catherine J. Weinberger, “Race and Gender Wage Gaps in the Market for Recent College Graduates,” *Industrial Relations* v37 (January 1998): 67-84).

each group of women are calculated and multiplied by the number of women workers in each cohort, the sum total lost to women is a staggering \$1.7 trillion.

This total represents a huge loss to the overall economy, in unrealized potential consumption and investment as well as reduced tax revenues to governments at all levels. The portion of the gap that results from discrimination (usually estimated at 1/4 to 1/2 of the total gap)⁴, represents the productivity and output lost because women workers were denied the jobs and wages that would have best used and rewarded their skills and talents.

These losses are only those that accrued to women college graduates who entered the labor force in their twenties since John Roberts made his remarks. No woman who was older than age 29 in 1984 is included in this estimate. If older women were also included in the calculation, the estimated losses to earnings and Gross Domestic Product would be much larger.

For further information on the gender wage gap see www.iwpr.org/pdf/C350.pdf.

⁴ Francine D. Blau and Lawrence M. Kahn, "Gender Differences in Pay," *Journal of Economic Perspectives* 14 (Fall 2000): 75-99.

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