

Gender and Racial Wage Gaps Persist as the Economy Recovers

ANNUAL GENDER WAGE GAP BY RACE AND ETHNICITY 2022

As a sign of the uneven recovery in 2021, gender wage gaps narrowed while median earnings fell marginally.

RESEARCH HIGHLIGHTS

- **As the economy slowly recovered from the COVID-19 “She-cession” and women and men began to return to work in 2021, the gender wage gaps narrowed significantly for all workers with earnings.** In 2021, the gender wage gap for all workers with earnings (including full-time, part-time, and part-year) was 23.1 percent (a gender earnings ratio 76.9 percent) compared to 27.1 percent in 2020 (a gender earnings ratio of 72.9 percent).¹
- **The gender wage gap for full-time year-round workers also narrowed slightly during 2021 and continues to be smaller than the gender wage gap for all workers with earnings.** In 2021, the gender wage gap for full-time year-round workers was 16.3 percent (a gender earnings ratio of 83.7 percent) compared with 16.9 percent in 2020 (a gender earnings ratio of 83.1 percent).²
- **Based on the historical rate of progress, it will take decades still for women workers to reach pay equity men.** Full-time year-round women workers will need another 38 years, until 2059, and all women with earnings another 33 years, until 2054, years to reach pay equity with men.
- **The gender wage gap translates into substantial earning losses for women.** In 2021, the typical working woman earned \$11,782 less per year than the typical man, and the typical woman



working full-time year-round earned \$9,954 less than the typical full-time year-round working man.³

- **Racial and gender wage gaps are profound.** In 2021, the median annual earnings for Hispanic or Latina women working full-time year-round were just 57.1 percent of White men's, and, at \$39,511, would leave a parent with two children near-poverty, even after a full year of full-time work.
- **The gender racial earnings gap is even wider for all women with earnings than for full-time year-round workers.** For Latinas, the ratio for all workers with earnings falls to 53.6 percent; for Black women, the ratios were 63.7 compared with 67.2 percent; for White women, 73.3 compared with 79.9 percent, and for Asian women (not including Native Hawaiians or Pacific Islanders) 86.0 compared with 92.2 percent when compared with White men's earnings.

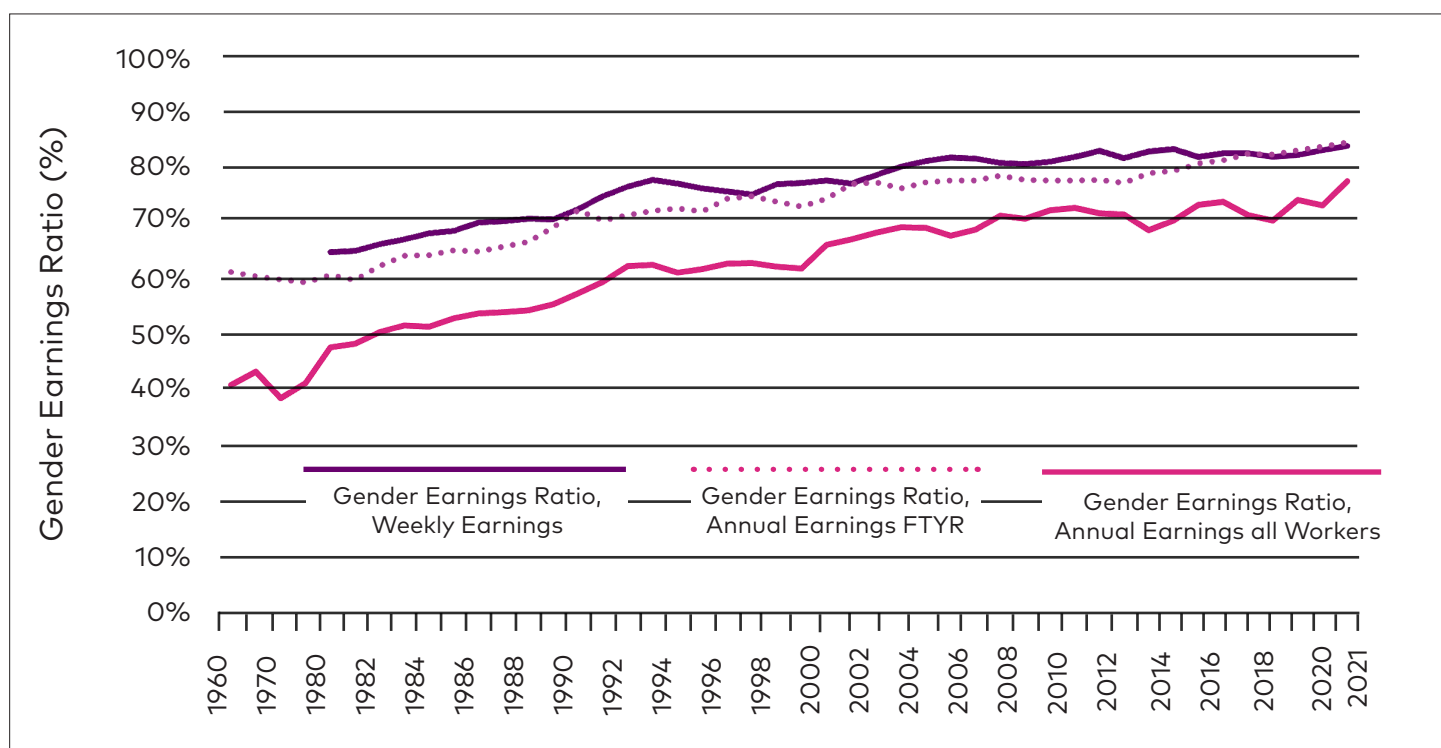
Gender Wage Gaps Narrowed in 2021 but Pay Equity is still Decades Away

The gender wage gap in annual earnings narrowed in 2021 for all workers with earnings as well as for those who worked full-time year-round. In 2021, the gender wage gap for all workers with earnings (including full-time, part-time, and part-year) was 23.1 percent (a gender earnings ratio 76.9 percent) compared to 27.1 percent (a gender earnings ratio of 72.9 percent) in 2020 (Figure 1). For full-time year-round workers, the gap was 16.3 percent (a gender earnings ratio of 83.7 percent) in 2021 compared with 16.9 percent (a gender earnings ratio of 83.1 percent) in 2020 (Figure 1).

Based on change in the gender earnings ratio between 1960 and 2021, it will take another 33 years, until 2054, for all women with earnings to reach pay equity with men, and for those who work full-time year-round, another 38 years, until 2059.⁴ The larger gender wage gap for all women compared to full-time year-round women reflects low earnings in part-time jobs and the lower availability of full-time work in jobs predominantly held by women. Women are more likely to work part-time or part-year than men because of the greater responsibility for family care work; they are 43.4 percent of full-time year-round workers, and 47.1 percent of all workers with earnings. During the last few decades, however, the number of hours of paid work, and of full-time year-round workers, have grown strongly for women, while they have fallen for men.⁵



FIGURE 1: The Gender Earnings Ratio for Full-Time and All Workers with Earnings, 1960-2021



Notes and Sources: See Table A1

Improvements in the Gender Wage Gap are due to the Uneven Recovery from COVID-19

Changes in the gender wage gaps and earnings reflect the uneven recovery from the COVID-19 related "she-cession". The number of full-time year-round workers grew substantially in 2021, by 5.0 million women and 6.1 million men, while the number of all workers with earnings, including part-time or part-year workers, declined by 404,000 women and 463,000 men.⁶ This partly reflects the withdrawal from the labor market of older workers.⁷ Sectors such as leisure and hospitality with typically high levels of part-time employment are still lagging behind the recovery, while sectors that are more likely to employ full-time year-round workers, including transportation, construction, and business and professional services, added more jobs.⁸

The uneven recovery from the COVID-19 "she-cession" also explains the decline in median⁹ annual earnings for full-time year-round workers. Women's median annual earnings for full-time work were \$51,226 in 2021, an inflation-adjusted decline of 4.0 percent in 2021 compared to the previous year; men's earnings were \$61,180, a decline of 4.7 percent.¹⁰

The gender wage gap based on median weekly earnings for full-time workers showed similar change, with the weekly gender wage gap in 2021, improving from 17.7 percent (a gender earnings ratio of 82.3 percent) in 2020 to 16.9 percent in 2021 (a gender earnings ratio of 83.1 percent; Figure 1).

Women Across Racial and Ethnic Groups Earn Less than White Men

Latina and Black women's median annual earnings are substantially below those of White and Asian women, as well as those of men in all the largest racial and ethnic groups (Table 1). The median earnings for a year of full-time work for Latina or Hispanic women (\$39,511) left an adult with two children near poverty.¹¹

In 2021, job growth for women was strongest in management, business, and financial occupations, the occupations with the highest median earnings for women, but also occupations where Black and Hispanic or Latina women are particularly underrepresented.¹² COVID-19 related job losses and cut-backs in hours were felt most in low-paying, service jobs in leisure, hospitality, and retail: jobs that were predominantly held by women and a disproportionate number of Black¹³, Latina¹⁴, and/or Native American¹⁵ women.¹⁶ While these sectors partially recovered during 2021, employment in these sectors was still far below pre-COVID-19 levels, and the jobs that returned continued to pay low wages.

On average, Latina or Hispanic women working full-time year-round earned \$29,724 less than White non-Hispanic men, just 57.1 cents for every dollar that was earned by White men. Black women earned just 67.2 percent of White men's median annual earnings, \$22,692 less. The median annual earnings of White women were 79.9 percent of White men's, and Asian¹⁷ women's were 92.2 percent of White men's (Table 1).

Women Across Racial and Ethnic Groups Earn Less than Male Counterparts

Hispanic or Latino and Black men earn substantially less than White men, and as a result, the overall gender gap is wider than the within-group gender gap. Nevertheless, within each group, men have higher earnings for full-time year-round work than women of the same race or ethnicity. Women of each of the largest racial and ethnic groups have lower earnings than men in the same group, and for each the earnings differences become larger when part-time and part-year workers are included instead of focusing on full-time year-round workers (Table 1).

TABLE 1. Median Annual Earnings and Gender Earnings Ratio for all Workers with Earnings and for Full-time Year-Round Workers, age 15 Years and Older by Race/Ethnicity, 2021

Racial/Ethnic Background*	All Workers with Earnings, 2021				Full-time Year-Round Workers, 2021			
	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	\$39,201	\$50,983	76.9%	na	\$50,991	\$61,180	83.7%	na
Hispanic or Latina	\$30,551	\$40,019	76.3%	53.6%	\$39,511	\$45,822	86.2%	57.1%
Black	\$36,303	\$40,813	88.9%	63.7%	\$46,543	\$50,187	92.7%	67.2%
White	\$41,809	\$57,005	73.3%	73.3%	\$55,330	\$69,235	79.9%	79.9%
Asian*	\$49,044	\$67,975	72.2%	86.0%	\$63,867	\$81,794	78.1%	92.2%

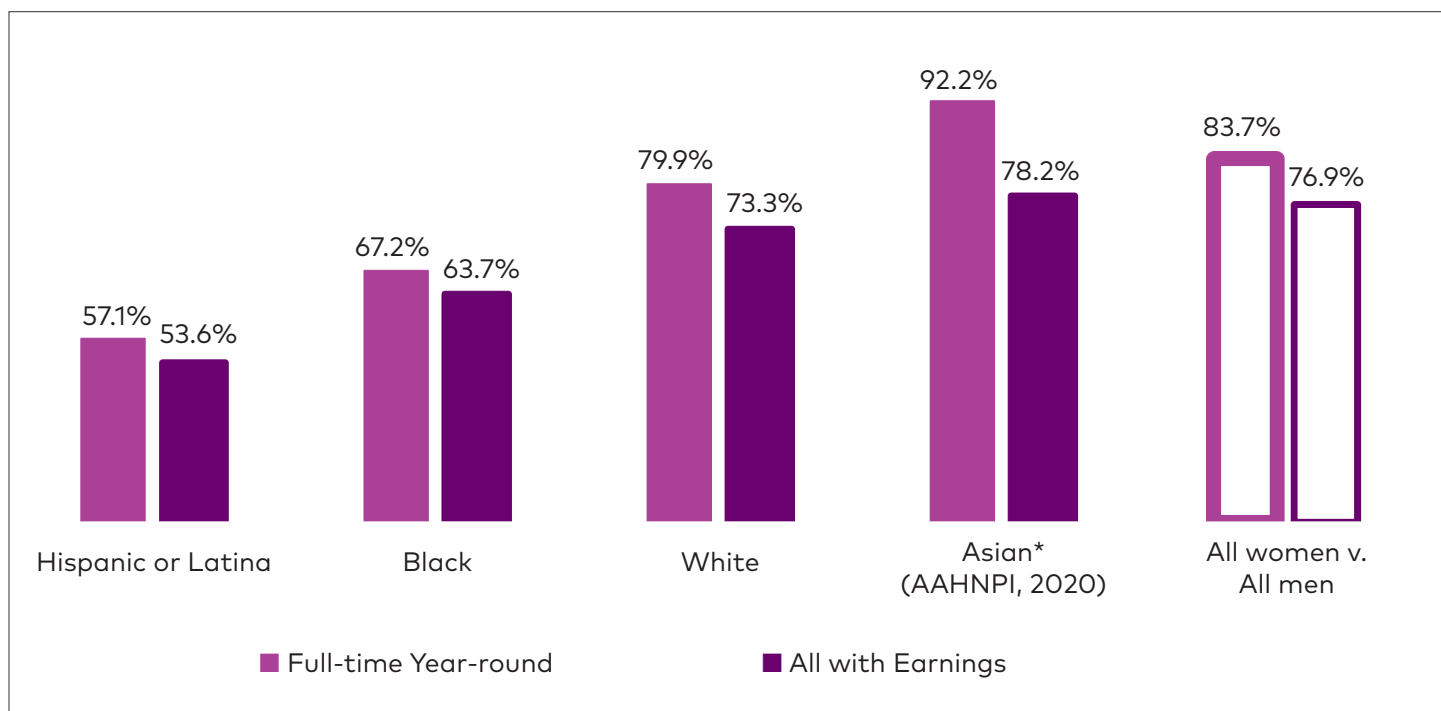
Notes: White alone, not Hispanic; Black alone; Asian alone; and Hispanic/Latina/o (may be of any race. Adjustment to 2020 dollars is using CPI-U-RS. Notes: White alone, not Hispanic; Black alone; Asian alone; and Hispanic/Latina/o (may be of any race). *Data for Asian American, Hawaiian Natives, and Pacific Islanders (AAHNPI) are not yet available for 2021; in 2020 the gender earnings ratio for AANHPI women compared to White men was 78.2 percent; the ratio for full-time year-round workers was in 2020 was 95.4 percent..

Source: U.S. Census Bureau, Current Population Survey. 2022. "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>>; AAHNPI data are IWPR analysis of CPS-ASEC 2021 microdata.

When including part-time and part-year workers in the analysis of earnings, gender and racial earnings gaps grow.

Women are less likely than men to work full-time year-round because they are more likely than men to take on responsibility for family care work.¹⁸ For Hispanic or Latina women, the gender earnings ratio compared with White men falls to 53.6 percent, for Black women to 63.7 percent, for White women to 73.3 percent, and for Asian American, including Hawaiian Native or Pacific Islander women 2020 data¹⁹) to 78.2 percent (Figure 2).

FIGURE 2: Women's Earnings as a Percent of White Men's Earnings for Full-time Year-round, and for All Workers with Earnings, by Race and Ethnicity, 2021



Notes: White alone, not Hispanic; Black alone; Asian, Hawaiian Natives and Pacific Islanders; and Hispanic/Latina/o (may be of any race).

Source: U.S. Census Bureau, Current Population Survey. 2022. "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>>; AAHNPI data are IWPR analysis of CPS-ASEC 2021 microdata.

Policies are Needed to Tackle Gender and Racial Inequity in Earnings

Women's lower earnings are due to many factors. These including lower earnings in many occupations which are done mainly by women, including very low wages in care jobs; lack of paid family leave and affordable quality care; and discrimination in compensation, recruitment, and hiring. The COVID-19 pandemic has shown the pernicious effects of earnings inequality, leaving particularly Hispanic and Black women and their families with few resources to face an economic crisis. As the economy recovered, these patterns of inequality are reinforced. Over a lifetime, lower earnings also mean lower

contributions to retirement savings and diminished the opportunity to realize earnings on investments. Consequently, women must work more years or live on less in retirement than men and more often rely on social security as their main source of income.

Women and their families need the enforcing and strengthening of equal pay statutes, improving the quality of jobs held mainly by women, including raising the minimum wage, ensuring universal access to paid family and medical leave, and affordable and quality child care and care for all who need it.

TABLE A1: The Gender Wage Ratio and Real Earnings, 1960-2021, Full-Time Workers and All Workers with Earnings

The Gender Wage Ratio and Real Earnings, 1960-2021							
Year	Median Annual Earnings FTYR (2021 dollars) Women	Median Annual Earnings (2021 dollars) Men	Female-to-male earnings ratio (FTYR)	Female-to-male earnings ratio (All with Earnings)	Median Usual Weekly Earnings FT (2021 dollars) Women	Median Usual Weekly Earnings FT (2021 dollars) Men	Female-to-male earnings ratio (FT weekly)
1960	\$ 26,148	\$ 43,095	60.7%	40.6%			
1965	\$ 28,873	\$ 48,182	59.9%	42.9%			
1970	\$ 33,238	\$ 55,985	59.4%	38.2%			
1975	\$ 34,454	\$ 58,578	58.8%	40.9%			
1980	\$ 35,150	\$ 58,428	60.2%	47.3%	\$652	\$1,015	64.2%
1985	\$ 37,622	\$ 58,261	64.6%	48.0%	\$690	\$1,013	68.1%
1986	\$ 38,414	\$ 59,770	64.3%	50.0%	\$712	\$1,025	69.4%
1987	\$ 38,690	\$ 59,360	65.2%	51.2%	\$716	\$1,025	69.9%
1988	\$ 38,875	\$ 58,859	66.0%	51.0%	\$719	\$1,024	70.2%
1989	\$ 39,707	\$ 57,821	68.7%	52.5%	\$717	\$1,024	70.0%
1990	\$ 39,965	\$ 55,804	71.6%	53.3%	\$722	\$1,003	72.0%
1991	\$ 39,984	\$ 57,235	69.9%	53.6%	\$735	\$991	74.2%
1992	\$ 40,574	\$ 57,320	70.8%	53.8%	\$746	\$984	75.9%
1993	\$ 40,265	\$ 56,299	71.5%	54.9%	\$752	\$976	77.0%
1994	\$ 40,272	\$ 55,958	72.0%	56.9%	\$749	\$978	76.5%
1995	\$ 39,842	\$ 55,779	71.4%	58.9%	\$744	\$985	75.5%
1996	\$ 40,901	\$ 55,449	73.8%	61.8%	\$746	\$994	75.1%
1997	\$ 42,168	\$ 56,860	74.2%	61.9%	\$752	\$1,011	74.4%
1998	\$ 43,085	\$ 58,884	73.2%	60.5%	\$785	\$1,030	76.3%
1999	\$ 42,928	\$ 59,362	72.3%	61.2%	\$799	\$1,043	76.6%
2000	\$ 43,327	\$ 58,772	73.7%	62.2%	\$804	\$1,045	76.9%
2001	\$ 44,817	\$ 58,715	76.3%	62.3%	\$812	\$1,063	76.4%
2002	\$ 45,613	\$ 59,546	76.6%	61.6%	\$827	\$1,061	77.9%
2003	\$ 45,370	\$ 60,054	75.5%	61.3%	\$842	\$1,061	79.4%
2004	\$ 44,918	\$ 58,658	76.6%	65.5%	\$852	\$1,061	80.3%
2005	\$ 44,306	\$ 57,557	77.0%	66.5%	\$841	\$1,038	81.1%
2006	\$ 43,800	\$ 56,928	76.9%	67.7%	\$836	\$1,035	80.7%
2007	\$ 45,981	\$ 59,094	77.8%	68.7%	\$831	\$1,038	80.1%
2008	\$ 45,091	\$ 58,490	77.1%	68.5%	\$832	\$1,041	80.0%
2009	\$ 45,923	\$ 59,656	77.0%	67.2%	\$860	\$1,072	80.2%
2010	\$ 45,937	\$ 59,714	76.9%	68.2%	\$862	\$1,062	81.2%
2011	\$ 44,811	\$ 58,192	77.0%	70.6%	\$854	\$1,039	82.2%
2012	\$ 44,677	\$ 58,399	76.5%	70.1%	\$845	\$1,043	81.0%
2013	\$ 45,616	\$ 58,287	78.3%	71.6%	\$850	\$1,037	82.0%
2014	\$ 45,388	\$ 57,717	78.6%	72.1%	\$851	\$1,032	82.5%
2015	\$ 46,592	\$ 58,566	79.6%	71.1%	\$859	\$1,059	81.1%
2016	\$ 46,916	\$ 58,303	80.5%	70.9%	\$874	\$1,068	81.8%
2017	\$ 47,105	\$ 57,679	81.7%	68.1%	\$880	\$1,076	81.8%

The Gender Wage Ratio and Real Earnings, 1960-2021							
Year	Median Annual Earnings FTYR (2021 dollars) Women	Median Annual Earnings (2021 dollars) Men	Female-to-male earnings ratio (FTYR)	Female-to-male earnings ratio (All with Earnings)	Median Usual Weekly Earnings FT (2021 dollars) Women	Median Usual Weekly Earnings FT (2021 dollars) Men	Female-to-male earnings ratio (FT weekly)
2018	\$ 48,658	\$ 59,657	81.6%	69.9%	\$880	\$1,086	81.0%
2019	\$ 50,126	\$ 60,890	82.3%	72.7%	\$859	\$1,054	81.5%
2020	\$ 53,387	\$ 64,217	83.1%	73.1%	\$933	\$1,133	82.3%
2021	\$ 51,226	\$ 61,180	83.7%	76.9%	\$912	\$1,097	83.1%

Notes: (Figure 1 and Table 3): *Over time the Census Bureau has made changes in data collection and processing to improve the CPS-ASEC income and earnings content, most recently in 2013 and 2018 resulting in an upward revision of women's earnings (and hence of the gender earnings 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 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 2021 dollars are computed on the basis of the Consumer Price Index Research Series (CPI-U-RS); U.S. Bureau of Labor Statistics, "Consumer Price Index: CPI-UR-S Home Page" (Washington DC: United States Department of Labor 2021) <<https://www.bls.gov/cpi/research-series/r-cpi-u-rs-home.htm>>

Sources: (Figure 1 and Table 2): Annual earnings: Jessica Semega and Melissa Kollar, Income in the United States: 2021 "Table A-7. Number and Real Median Earnings of Total Workers and Full-Time, Year-Round Workers by Sex and Female-to-Male Earnings Ratio: 1960 to 2021," (U.S. Census Bureau, 2022) <<https://www.census.gov/content/dam/Census/library/publications/2022/demo/p60-276.pdf>>; weekly earnings: "Table 17. Inflation-adjusted median usual weekly earnings, by age, for full-time wage and salary workers, 1979-2020 annual average." (Washington DC: U.S. Bureau of Labor Statistics. 2021). <<https://www.bls.gov/cps/earnings.htm>> Adjustment to 2021 dollars is using CPU-R-US; U.S. Bureau of Labor Statistics, "Consumer Price Index: CPI-U-RS Home Page" (Washington DC: United States Department of Labor 2022) <<https://www.bls.gov/cpi/research-series/r-cpi-u-rs-home.htm>>.

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ENDNOTES

¹ IWPR calculations based on Table A-7 'Number and Real Median Earnings of Total Workers and Full-Time, Year-Round Workers with Earnings by Sex and Female-to-Male Earnings Ratio: 1960 to 2021, Jessica Semega and Melissa Kollar, *Income in the United States: 2021*. Current Population Reports P60-276 (U.S. Census Bureau, 2022) <<https://www.census.gov/content/dam/Census/library/publications/2022/demo/p60-276.pdf>>.

² As above; full-time is defined as work for at least 35 hours per week; full-year as at least 50 weeks per year. The 2020 gender earnings ratio is not significantly different from the 2021 gender earnings ratio.

³ As note 1. 'Typical' refers to workers with earnings at the median- the midpoint- of the earnings distribution.

⁴ Martha Susana Jaimes and Georgia Poyatzis, *Pay Equity Still Decades Away: The Median Gender Earnings Ratio, 1960-2021, with Forecast for Achieving Pay Equity for All Women with earnings, and for Women Working Full-time Year-round*. IWPR Quick Figure# (Washington DC: Institute for Women's Policy Research, 2022).

⁵ Ariane Hegewisch and Valerie Lacarte, *Gender Inequality, Work Hours, and the Future of Work* IWPR Report C486 (Washington DC: Institute for Women's Policy Research, 2020) <<https://iwpr.org/iwpr-issues/esme/gender-inequality-work-hours-and-the-future-of-work/>>.

⁶ IWPR calculations based on Table A-7, see note 1 above.

⁷ See, for example, Federal Reserve bank of St. Louis, "Excess" Retirements during the COVID-19 Pandemic On the Economy Blog (St. Louis, December 28, 2021) <<https://www.stlouisfed.org/on-the-economy/2021/december/excess-retirements-covid-19-pandemic>>.

⁸ Ariane Hegewisch and Eve Mefferd, *Gender Wage Gaps Remain Wide in Year Two of the Pandemic: The 2021 Weekly Gender Wage Gap by Race and Ethnicity, and Occupation* (Washington, DC: Institute for Women's Policy Research, 2022) <https://iwpr.org/wp-content/uploads/2022/02/Gender-Wage-Gaps-in-Year-Two-of-Pandemic_FINAL.pdf>

⁹ The median is the mid-point of the earnings distribution, with half of the population earning more and half earning less than the amount.

¹⁰ IWPR calculations based on Table A-7, as note 1 above. Adjustment to 2021 dollars is using CPU-R-US; U.S. Bureau of Labor Statistics, "Consumer Price Index: CPI-U-RS Home Page" (Washington DC: United States Department of Labor 2022) <<https://www.bls.gov/cpi/research-series/r-cpi-u-rs-home.htm>>.

¹¹ In 2021, near-poverty (200 percent of the federal poverty threshold) for a family of three was \$43,663 per year; U.S. Census Bureau, "Poverty Thresholds: by Size of Family and Number of Related Children Under 18 Years" (Washington, DC: United States Census Bureau, 2022) <<https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html>>

¹² Hegewisch and Mefferd 2022, as note 14.

¹³ Chandra Childers, Ariane Hegewisch, and Eve Mefferd, *Shortchanged and Underpaid: Black Women and the Pay Gap* (Washington, DC: Institute for Women's Policy Research, 2021) <https://iwpr.org/wp-content/uploads/2021/07/Shortchanged-and-Underpaid_Black-Women-and-the-Pay-Gap_FINAL.pdf>

¹⁴ Halie Mariano and Ariane Hegewisch, *Latinas Projected to Reach Equal Pay in 2220* (Washington, DC: Institute for Women's Policy Research, 2020) <<https://iwpr.org/wp-content/uploads/2020/10/Latina-Women-Equal-Pay-Day-Policy-Brief.pdf>>

¹⁵ Chandra Childers, Ariane Hegewisch, and Acadia Hall, *A Decade with No Improvement: Native Women and the Wage Gap* (Washington, DC: Institute for Women's Policy Research, 2020) <https://iwpr.org/wp-content/uploads/2021/09/Native-Womens-Equal-Pay-Fact-Sheet-2021_FINAL.pdf> .

¹⁶ Ariane Hegewisch and Eve Mefferd, *Gender Wage Gaps Remain Wide in Year Two of the Pandemic: The 2021 Weekly Gender Wage Gap by Race and Ethnicity, and Occupation* (Washington, DC: Institute for Women's Policy Research, 2022) <https://iwpr.org/wp-content/uploads/2022/02/Gender-Wage-Gaps-in-Year-Two-of-Pandemic_FINAL.pdf>; see also C. Nicole Mason, Andrea Flynn and Shengwei Sun, *Build(ing) the Future: Bold Policies for a Gender-Equitable Recovery* (Washington DC: Institute for Women's Policy Research, 2020) <<https://iwpr.org/iwpr-issues/employment-and-earnings/building-the-future-bold-policies-for-a-gender-equitable-recovery/>> (accessed September 2021).

¹⁷ The data are for Asian Women Alone and do not include Native Hawaiian or Pacific Islander women and thus particularly underrepresent women with lower earnings; data for this more inclusive calculation are not included in the publicly released Census tables.

¹⁸ Lucie Prewitt, *The Wage Gap for Mothers by State* In the Lead Blog (Washington, DC: Institute for Women's Policy Research, 2022 September 6, 2022) <<https://iwpr.org/media/in-the-lead/the-wage-gap-for-mothers-by-state/>> see also Hegewisch and Lacarte, as note 4; Cynthia Hess, Tanim Ahmed, and Jeff Hayes, *Providing Unpaid Household and Care Work in the United States: Uncovering Inequality*. IWPR Brief C487 (Washington DC: Institute for Women's Policy Research, 2020) <<https://iwpr.org/wp-content/uploads/2020/01/IWPR-Providing-Unpaid-Household-and-Care-Work-in-the-United-States-Uncovering-Inequality.pdf>>.

¹⁹ As note 17 above.

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We win economic equity for all women and eliminate barriers to their full participation in society. As a leading national think tank, we build evidence to shape policies that grow women's power and influence, close inequality gaps, and improve the economic well-being of families.

