NATIONAL WOMEN'S LAW CENTER
EXPANDING THE POSSIBILITIES

EMPLOYMENT

FACT SHEET

How the Wage Gap Hurts Women and Families

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American women who work full time, year round are paid only 77 cents for every dollar paid to their male counterparts.[2] This gap in earnings translates into $11,608 less per year in median earnings, leaving women and their families shortchanged. Although enforcement of the Equal Pay Act and civil rights laws has helped narrow the wage gap over time, addressing the significant pay disparities that remain is critical for women and their families.

Fair Pay Is Crucial for All Women

Women of color are paid less than white, non-Hispanic men.

- African-American women working full time, year round typically make only 64 cents for every dollar paid to their white, non-Hispanic male counterparts. For Hispanic women this figure is only 54 cents.[3]

Lesbian women still earn less than men, regardless of their sexual orientation.[4]

- Women in same-sex couples have a median personal income of $38,000, compared to $47,000 for men in same-sex couples and $48,000 for men in different-sex couples.[5]
- Lesbian women are far more likely than gay men to support children – 49 percent of lesbian and bisexual women report having a child compared to 19 percent of gay and bisexual men.[6]

Women with disabilities have a wider wage gap than the wage gap between women and men overall.

- Women with disabilities working full time, year round are typically paid just 67.3 percent of what men without disabilities working full time, year round are typically paid.[7]

NOTES

What closing the wage gap would mean to me this year:[1]

- Four months' supply of groceries $2,512
- Four months' rent and utilities $3,450
- Four months' child care payments $2,506
- Four months' health insurance premiums $1,412
- Four months' student loan payments $1,352
- Six tanks of gas $376

Total: $11,608

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- Women with disabilities working full time, year round are typically paid just 82.5 percent of what their male counterparts with disabilities are paid.

Women are impacted by the wage gap as soon as they enter the labor force.

- The wage gap is smaller for younger women than older women, but it begins right when women enter the labor force. Women 15-24 working full time, year round are typically paid just 87.7 percent of what their male counterparts are paid. Among older women, the gap is even larger. Women 45-64 working full time, year round are typically paid just 73.5 percent of what their male counterparts are paid. For women still working at age 65 and older the figure is 70.2 percent.[8]

Older women also experience a wage gap in retirement income, due in large part to the wage gap they experienced during their working years.

- A typical woman who worked full time, year round would lose $464,320 in a 40-year period due to the wage gap.[9] This woman would have to work more than twelve years longer to make up this gap. A typical woman working full time, year round who starts, but does not finish high school would lose $357,680 over a 40-year period,[10] an enormous amount of money for women who are typically paid $21,387 a year. This woman would have to work nearly seventeen years longer to make up this gap. These lost wages severely reduce women's ability to save for retirement.

- As a result of lower lifetime earnings and different work patterns, the average Social Security benefit for women 65 and older was about $13,090 per year, compared to $17,170 for men of the same age in 2012.[11]

- In 2010, women 50 and older received only 56 cents for every dollar received by men in income from pensions and annuities.[12] One study found that the typical woman worker near retirement with a defined contribution plan or individual retirement account had accumulated $34,000 in savings, while her male counterpart held $70,000 – more than twice as much.[13]

Women and their Families Count on Women's Earnings

In 2012, women working full time, year round typically had lower earnings than men ($37,971 compared to $49,398).[14] Women's lower wages hurt women and families who rely on women's earnings for all or part of their income.

Lower earnings have a serious impact on the economic security of the nearly 7.4 million families headed by working single mothers.[15]

- Working single mothers with children struggled to make ends meet in 2012. Over a quarter, or more than 2.1 million, of all such families were poor. Almost an additional 2.4 million working single mother families were struggling to make ends meet, falling between 100 and 200 percent of the Federal Poverty Level (FPL), meaning that more than six in ten (61.3 percent) of working single mother families lived below 200 percent of the FPL.[16] In 2012, the FPL for a single mother with two children was just under $18,500.[17]

Most two-parent families depend on women's wages, and so also suffer when women receive unfair pay.

- Nearly 1.6 million married couples with children relied exclusively on women's earnings at some point in 2012, representing 6.5 percent of all married couples with children.[18]

- In 2012, more than 14.3 million married couples with children relied on both parents' earnings, representing 58.0 percent of all married couples with children.[19]

The wage gap impacts single women with no children as well, who are also working to support themselves.

- In 2012, the typical never-married woman with no children working full time, year round was paid 71.4 percent of what a man working full time, year round was paid.[20]

Fair pay impacts married women with no children who are more likely to be solely supporting their family than married women with children.

- Nearly 4.2 million married couples with no children relied exclusively on women's earnings at some point in 2012, representing 11.3 percent of all married couples with no children.[21]
- In 2012, almost 14.6 million married couples with no children relied on both partners' earnings, representing 39.8 percent of all married couples with no children.[22]

Closing the Wage Gap Would Significantly Improve Families' Finances

Women have higher rates of economic insecurity than do men. In 2012, women were more likely to live in poverty (14.5 percent of women compared to 11.0 percent of men).[23] Women are thus more likely to rely on public benefits like Medicaid, the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps), and housing assistance.[24] Bringing women's earnings in line with men's earnings would greatly improve the economic situation for women and their families. An additional $11,608 per year is enough to:

. . . pay the median cost of rent and utilities for a year and one month with almost $400 to spare, or the median mortgage payment and utilities for over eleven months,[25]

Over 1.8 million properties nationwide defaulted on a mortgage in 2012.[26] Earnings lost due to the wage gap could have made a substantial difference in helping these families stay in their homes. They could also affect whether a family can afford to pay rent.

. . . or feed a household of four for a year and a half with more than $300 to spare,[27]

The difficult economy has stretched family budgets for basic needs, particularly for households headed by women. In fiscal year 2011, female-headed households made up 52.1 percent of all households with children receiving SNAP (food stamp) benefits, compared to 27.0 percent of all households with children.[28] With the continuing economic crisis, SNAP participation has continued to climb: In fiscal year 2013, more than 47.6 million children and adults received assistance on average each month, an increase of over 1.0 million (or 2.2 percent) from the previous fiscal year.[29]

. . . or pay a year and six months of full-time child care costs for a four-year-old with more than $300 to spare,[30]

Child care expenditures consume a large percentage of families' earnings, especially those earned by low-income and single mother families. In Montana, the state at the national median for child care costs, providing care for a four-year-old represented 36.3 percent of a single mother's income and 10.7 percent of a two-parent family's income.[31]

In 2011, the most recent year for which data are available, families living in poverty who paid for child care spent an average of 30.3 percent of their income on care, and families earning between 100 and 200 percent of the federal poverty line devoted an average of 18.0 percent of their income to care. Even higher-income families (above 200 percent of the FPL) paying for child care spent 6.3 percent of their income on care.[32] If women took home the earnings lost due to the wage gap, this financial pressure would be partly alleviated.

. . . or pay for two years and eight months of family health insurance premiums in an employer-sponsored health insurance program with over $300 to spare,[33]

Women spend a substantial amount of their income on out-of-pocket health costs and health insurance premiums, and they are more likely than men to experience serious financial hardship as a result of medical bills. In 2010, the most recent year for which these statistics are available, one-third of working-age women spent 10 percent or more of their income on these expenses, and nearly one-third of women who had medical bill or debt problems were unable to pay for basic necessities like food, heat, or rent because of their medical bills.[34] Closing the wage gap would provide essential help for women to pay for their medical expenses.

. . . or pay for two years and ten months of student loan payments with more than $100 to spare.[35]

Student loan payments can consume a considerable portion of a woman's earnings, especially in the years immediately following post-secondary education. In 2012, it is estimated that seven in ten college seniors graduated with student loan debt. The average debt for students with loans was $29,400.[36] Closing the wage gap would enable women to pay down student loan debt much faster.

Every Woman Matters. Every Dollar Matters.
The Wage Gap Matters.

1 National Women's Law Center (NWLC) calculations for each item based on the following sources: **Groceries** - U.S. Department of Agriculture (USDA), Official USDA Food Plans: Cost of Food at Home at Four Levels, U.S. Average, June 2012 (2012), *available at* http://www.cnpp.usda.gov/USDAFoodCost-Home.htm (last visited Dec. 30, 2013). Calculation is based on the USDA thrifty food plan for a family of four (two adults 19-50 and children 6-8 and 9-11) estimated at $627.90 per month. **Child Care** - Child Care Aware of America, Parents and the High Cost of Child Care: 2013 Update (Nov. 4, 2013), Appendix 1, *available at* http://www.naccrra.org/about-child-care/cost-of-child-care. Average costs for child care in a center in Montana for a four-year-old ($7,518 annually in 2012 or $626.50 per month). Montana's cost for this type of child care falls at the median of all state averages (including the District of Columbia). **Rent and Utilities** - U.S. Census Bureau, American Housing Survey: 2011, Table C-10-AO. Housing Costs—All Occupied Units, *available at* http://www.census.gov/programs-surveys/ahs/ (last visited Mar. 21, 2013). Median housing costs for renters ($845 per month in 2011). Adjusted for inflation (http://www.bls.gov/data/inflation_calculator.htm) to 2012, this figure is $862.49. **Health Insurance Premiums** - U.S. Department of Health and Human Services, Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey: 2012. Table II.D.2 (2012) Average total employee contribution (in dollars) per enrolled employee for family coverage at private-sector establishments that offer health insurance by firm size and State: United States, 2012, *available at* http://meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/state/series_2/2012/tiid2.htm. Average monthly employee contribution for employer-based family coverage ($4,236 annually or $353 per month). **Loan Payments** - The Project of Student Debt, Student Debt and the Class of 2012 (Dec. 2013), *available at* http://projectonstudentdebt.org/files/pub/classof2012.pdf. Average monthly payment for a class of 2012 bachelor's degree graduate with the average student debt of $29,400 for students who had loans. Calculation assumes ten-year standard repayment plan and all debt in the form of direct unsubsidized loans and single taxpayer status (6.8 percent interest). Initial monthly payment of $338 calculated using the Department of Education's loan repayment calculator *available at* https://studentloans.gov/myDirectLoan/mobile/repayment/repaymentEstimator.action **Tanks of Gas** - Calculations based on average tank of gas in 2012 and a 17 gallon gas tank. Gas prices from U.S. Energy Information Administration, Weekly Retail Gasoline and Diesel Prices, *available at* http://www.eia.gov/dnav/pet/pet_pri_gnd_dcus_nus_w.htm (last visited Dec. 31, 2013). Average cost of all grades of gasoline in 2012 rounded to $3.68 per gallon.

2 NWLC calculations from U.S. Census Bureau, Current Population Survey, 2013 Annual Social and Economic Supplement [hereinafter CPS, 2013 ASEC], Table PINC-05: Work Experience in 2012 – People 15 Years Old and Over by Total Money Earnings in 2012, Age, Race, Hispanic Origin, and Sex, *available at* http://www.census.gov/hhes/www/cpstables/032013/perinc/toc.htm (last visited Sept. 30, 2013). Women working full time, year round had median annual earnings of $37,791 in 2012. Men working full time, year round had median annual earnings of $49,398 in 2012.

3 *Id.* White, non-Hispanic women make 78 cents for every dollar made by their white, non-Hispanic male counterparts.

4 M.V. Lee Badgett, Holning Lau, Brad Sears, Deborah Ho, The Williams Institute, Bias in the Workplace: Consistent Evidence of Sexual Orientation and Gender Identity Discrimination (Jun. 2007) http://williamsinstitute.law.ucla.edu/wp-content/uploads/Badgett-Sears-Lau-Ho-Bias-in-the-Workplace-Jun-2007.pdf at 14.

5 Gary J. Gates, The Williams Institute, Same-sex and Different-sex Couples in the American Community Survey 2005-2011 (Feb. 2013) http://williamsinstitute.law.ucla.edu/wp-content/uploads/ACS-2013.pdf. Figures only include people in labor force. Due to data limitations, they do not include lesbian or gay individuals who are not part of a couple. These figures are median annual personal income for all workers in the labor force – these figures differ from the median annual earnings for full-time, year-round workers reported for the wage gap and are not directly comparable.

6 Gary J. Gates, The Williams Institute, Family formation and raising children among same-sex couples, National Council on Family Relations, Family Focus on LGBT Families Issue FF51 (Dec. 2011), http://williamsinstitute.law.ucla.edu/wp-content/uploads/Gates-Badgett-NCFR-LGBT-Families-December-2011.pdf.

7 NWLC calculations from CPS, 2013 ASEC using CPS Table Creator, *available at* http://www.census.gov/cps/data/cpstablecreator.html (last visited Sept. 30, 2013). Ratio of median person earnings for men and women working full time, year round, with and without a disability.

8 *Supra* note 2.

9 *Id*. These calculations were not adjusted for inflation. Assumes a constant gap of $11,608 annually, calculated by subtracting women's median earnings ($37,791) from that of men ($49,398).

10 NWLC calculations from CPS, 2013 ASEC, Table PINC-03: Educational Attainment— People 25 Years Old and Over, by Total Money Earnings in 2012, Work Experience in 2012, Age, Race, Hispanic Origin, and Sex, *available at* http://www.census.gov/hhes/www/cpstables/032013/perinc/toc.htm (last visited Sept. 30, 2013). This compares median earnings for men and women with some high school who did not graduate or receive a G.E.D, who are 25 and older, and who worked full time, year round. Men in this group had median earnings of $30,329 while women in this group had median earnings of $21,387 for a gap of $8,942 annually. This calculation assumes a constant gap and is not adjusted for inflation.

11 NWLC calculations based on U.S. Social Security Administration, Annual Statistical Supplement to the Social Security Bulletin, 2013 (Feb. 2014), Table 5.A16-Number and average monthly benefit for adult beneficiaries, by sex, type of benefit, and age, December 2012, *available at* http://www.ssa.gov/policy/docs/statcomps/supplement/2013/5a.html#table5.a16. The average monthly benefit for all female beneficiaries 65 and older was $1,090.82, or about $13,090 per year as of December 2012, compared to $1,431.23 per month, or $17,175 per year for all male beneficiaries 65 and older. Benefits are slightly higher for both women and men receiving benefits as retired workers.

12 Employee Benefit Research Institute, EBRI Databook on Employee Benefits, Tables 8.1 and 8.2 Retirement Annuity and/or Employment-Based Pension Income Recipiency, Males and Females (Sept. 2011), *available at* http://www.ebri.org/pdf/publications/books/databook/DB.Chapter%2008.pdf (last visited Dec. 30, 2013). Based on annual figures for pensions and annuities, ($8,400 for women versus $15,000 for men).

13 Leslie E. Papke, Lina Walker, & Michael Dworsky, Retirement Security for Women: Progress to Date and Policies for Tomorrow (2008), *available at* http://www.pewtrusts.org/uploadedFiles/wwwpewtrustsorg/Reports/Retirement_security/RSP-PB_Women_FINAL_4.2.2008.pdf.

14 *Supra* note 2.

15 NWLC calculations from CPS, 2013 ASEC using CPS Table Creator, *available at* http://www.census.gov/cps/data/cpstablecreator.html (last visited Sept. 30, 2013). The term "single mothers" refers to female-headed families with children. Figure includes all individuals with work experience during the year, not just full-time, year-round workers.

16 *Id*. Federal poverty line used in these calculations refers to the Census Bureau's federal poverty thresholds used to calculate poverty levels.

17 U.S. Census Bureau, CPS, 2013 ASEC, Table POV35: Poverty Thresholds by Size of Family and Number of Related Children, *available at* http://www.census.gov/hhes/www/cpstables/032013/pov/toc.htm (last visited Sept. 30, 2013). Exact figure is $18.498.

18 NWLC calculations from U.S. Census Bureau, America's Families and Living Arrangements Survey: 2013, Table FG2: Married Couple Family Groups, by Family Income, and Labor Force Status of Both Spouses: 2013, *available at* http://www.census.gov/hhes/families/data/cps2013FG.html (last visited Dec. 30, 2013). Family households are used in this figure to be consistent with the statistics on single mothers. Data are from the CPS, 2013 ASEC but are for the year 2012. No children means no own children under 18 present in the household. There may be older children who could possibly live with these couples.

19 *Id*.

20 NWLC calculations from CPS, 2013 ASEC using CPS Table Creator, *available at* http://www.census.gov/cps/data/cpstablecreator.html (last visited Sept. 30, 2013). Figure is the ratio of median annual person earnings, compared to men regardless of marital status and number of related children under 18 living in the household. No children means no own children under 18 present in the household. There may be older children who could possibly live with these women.

21 *Supra* note 18. Family groups are used in this figure so these data are not directly comparable to the earlier statistics on single mothers. Data are from the CPS, 2013 ASEC but are for the year 2012. No children means no own children under 18 present in the household. There may be older children who could possibly live with these couples.
22 *Id*.
23 NWLC, Insecure and Unequal: Poverty and Income Among Women and Families, 2000-2012 (Sept. 2013), *available at* http://www.nwlc.org/resource/insecure-unequal-poverty-among-women-and-families-2000-2012. Poverty rates are for people 18 and older.
24 NWLC, Cutting Programs for Low-Income People Especially Hurts Women and Their Families (Nov. 2013), *available at* http://www.nwlc.org/resource/cutting-programs-low-income-people-especially-hurts-women-and-their-families.
25 *Supra* note 1 – Rent and Utilities. Median housing cost for owners was $1,008 per month in 2011. Adjusted for inflation, in 2012 this figure is $1,028.86.
26 RealtyTrac®, 1.8 Million U.S. Properties with Foreclosure Filings in 2012 (Jan. 14, 2013), *available at* http://www.realtytrac.com/Content/foreclosure-market-report/2012-year-end-foreclosure-market-report-7547. Data are from the 2012 Year-End Foreclosure Report.
27 *Supra* note 1 – Groceries.
28 NWLC calculations from USDA, Food and Nutrition Service, Office of Analysis, Nutrition and Evaluation, Characteristics of Food Stamp Households: Fiscal Year 2011, Table A.14 Distribution of Participating Households, Individuals, and Benefits by Household Composition, by Mark Strayer, Esa Eslami, and Joshua Leftin. Alexandria, VA (2012), *available at* http://www.fns.usda.gov/ora/MENU/Published/snap/FILES/Participation/2011Characteristics.pdf and NWLC calculations from U.S. Census Bureau, CPS, 2012 ASEC using CPS Table Creator, *available at* http://www.census.gov/cps/data/cpstablecreator.html (last visited Mar. 26, 2013).
29 NWLC calculations from USDA, Food and Nutrition Service, Supplemental Nutrition Assistance Program Data (Dec. 6, 2013), *available at* http://www.fns.usda.gov/pd/34SNAPmonthly.htm (last visited Jan. 3, 2014).
30 S*upra* note 1 – Child Care.
31 *Id*. at Appendix 3.
32 U.S. Census Bureau, Who's Minding the Kids? Child Care Arrangements: Spring 2011, Detailed Tables, Table 6: Average Weekly Child Care Expenditures of Families with Employed Mothers that Make Payments, by Age Groups and Selected Characteristics: Spring 2011 (2012), *available at* http://www.census.gov/hhes/childcare/data/sipp/2011/tables.html.
33 *Supra* note 1 – Health Insurance Premiums.
34 R. Robertson and S.R. Collins, The Commonwealth Fund, Women at Risk: Why Increasing Numbers of Women Are Failing to Get the Health Care They Need and How the Affordable Care Act Will Help (2011), *available at* http://www.commonwealthfund.org/Publications/Issue-Briefs/2011/May/Women-at-Risk.aspx.
35 *Supra* note 1 – Loan Payments.
36 *Id*.