

## **Fact Sheet**



IWPR #C464 March 2018

## The Gender Wage Gap: 2017 Earnings Differences by Race and Ethnicity

The gender wage gap in weekly earnings for full-time workers in the United States did not improve between 2016 and 2017. In 2017, the ratio of women's to men's median weekly full-time earnings was 81.8 percent, a decrease of 0.1 percentage points since 2016, when the ratio was 81.9 percent, leaving a wage gap of 18.2 percentage points, nearly the same as the 18.1 percentage points in 2016. Women's median weekly earnings for full-time work were \$770 in 2017 compared with \$941 for men. Adjusting for inflation, women's and men's earnings increased by the same amount, 0.7 percent, since 2016.<sup>1</sup>

Another measure of the wage gap, the ratio of women's and men's median annual earnings for full-time, year-round workers, was 80.5 percent in 2016 (data for 2017 are not yet available). An earnings ratio of 80.5 percent means that the gender wage gap for full-time, year-round workers is 19.5 percent.

The gender earnings ratio for full-time, year-round workers, which includes self-employed workers, tends to be slightly lower than the ratio for weekly earnings (which excludes the self-employed and earnings from annual bonuses, and includes full-time workers who work only part of the year). Both earnings ratios are for full-time workers only; if part-time workers were included, the ratios of women's to men's earnings would be even lower, as women are more likely than men to work reduced schedules, often in order to manage childrearing and other caregiving work.

Figure 1: The Gender Earnings Ratio, 1955-2017, Full-Time Workers



Notes: See Table 2

Since 1980, when weekly earnings data were first collected, the weekly gender earnings ratio has risen from just 64.2 percent to 81.8 percent now. Most of the progress towards gender equality took place in the 1980s and 1990s. In the past ten years (2008 to 2017), the weekly gender wage gap narrowed by just 2.0 percentage points, compared with 3.9 percentage points in the previous ten years (1998 to 2007), and with 4.4 percentage points in the ten years prior to that (1988 to 1997). Progress in closing the gender earnings gap based on median annual earnings has also slowed considerably. If the pace of change in the annual earnings ratio were to continue at the same rate as it has since 1985, it would take until 2059 for women and men to reach earnings parity.<sup>2</sup>

## Earnings Differences by Gender, Race and Ethnicity

Women of all major racial and ethnic groups earn less than men of the same group, and also earn less than White men, as illustrated by Table 1. Hispanic workers have lower median weekly earnings than White, Black, and Asian workers. Hispanic women's median weekly earnings in 2017 were \$603 per week of full-time work, only 62.2 percent of White men's median weekly earnings, but 87.4 percent of the median weekly earnings of Hispanic men (because Hispanic men also have low earnings). The median weekly earnings of Black women were \$657, only 67.7 percent of White men's earnings, but 92.5 percent of Black men's median weekly earnings (Table 1). Primarily because of higher rates of educational attainment for both genders, Asian workers have higher median weekly earnings than White, Black or Hispanic workers (the highest of any group shown in Table 1). Asian women's earnings are 93.0 percent of White men's earnings, but only 74.8 percent of Asian men's earnings. White women earn 81.9 percent of what White men earn, very close to the ratio for all women to all men, because White workers remain the largest group in the labor force.

Women and men of the largest racial and ethnic groups, besides Asian women and men, saw increases in median weekly earnings between 2016 and 2017.<sup>3</sup> White women's real earnings increased by 1.6 percent, Hispanic women's by 0.8 percent, and Black women's by 0.4 percent. Asian women saw a decrease in median weekly earnings of 2.0 percent. Asian, Hispanic, and White men's earnings increased (by 2.7 percent, 1.9 percent, and 0.9 percent, respectively), while Black men's earnings fell by 3.2 percent. Earnings for a full-time week of work leave Hispanic women well below, and Hispanic men and Black women not much above, the qualifying income threshold for receipt of food stamps of \$615 per week for a family of four.<sup>4</sup>

Table 1: Median Weekly Earnings and Gender Earnings Ratio for Full-Time Workers, 16 Years and Older by Race/Ethnic Background, 2016 and 2017

		2016 (in 2017 dollars)						
Racial/ Ethnic Background	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	Femal e Earnin gs as % of White Male Earnin gs
All Races/ Ethnicities	\$770	\$941	81.8%	N/A	\$765	\$934	81.9%	N/A
White	\$795	\$971	81.9%	81.9%	\$782	\$962	81.3%	81.3%
Black	\$657	\$710	92.5%	67.7%	\$655	\$733	89.3%	68.0%
Hispanic	\$603	\$690	87.4%	62.1%	\$598	\$677	88.4%	62.2%
Asian	\$903	\$1,207	74.8%	93.0%	\$921	\$1,176	78.4%	95.8%

**Notes:** Hispanic workers may be of any race. White, Black, and Asian workers include Hispanics. Annual average of median weekly earnings.

**Source:** U.S. Bureau of Labor Statistics, *Median weekly earnings of full-time wage and salary workers by selected characteristics, Annual Averages* <a href="http://www.bls.gov/cps/cpsaat37.pdf">http://www.bls.gov/cps/cpsaat37.pdf</a> (retrieved March 2018).

Women's lower earnings are due to a number of factors, including lower earnings in occupations done mainly by women; lack of paid family leave and subsidized child care; and discrimination in compensation, recruitment, and hiring.<sup>5</sup> Measures to improve the quality of jobs held mainly by women, tackle occupational segregation, enforce equal pay and employment opportunities, and improve work family benefits for all workers, will help the incomes of women and their families grow and strengthen the economy.<sup>6</sup>

Table 2: The Gender Wage Ratio and Real Earnings, 1955-2017, Full-Time Workers

		Annual Earnings (2		Median Usual Weekly Earnings (2017 dollars)				
	Full-	time, Year-Round	Workers	Full-time Weekly Workers				
Year	Women	Men	Female-to-male earnings ratio (%)	Women	Men	Female-to-male earnings ratio (%)		
1955			63.9%					
1960	\$23,599	\$38,895	60.7%					
1965	\$26,059	\$43,486	59.9%					
1970	\$29,998	\$50,529	59.4%					
1975	\$31,097	\$52,869	58.8%					
1980	\$31,725	\$52,734	60.2%	\$568	\$885	64.2%		
1985	\$33,955	\$52,584	64.6%	\$602	\$885	68.0%		
1986	\$34,650	\$53,913	64.3%	\$621	\$895	69.4%		
1987	\$34,919	\$53,575	65.2%	\$625	\$896	69.8%		
1988	\$35,067	\$53,093	66.0%	\$626	\$893	70.1%		
1989	\$35,838	\$52,186	68.7%	\$626	\$893	70.1%		
1990	\$36,070	\$50,366	71.6%	\$629	\$875	72.0%		
1991	\$36,087	\$51,658	69.9%	\$642	\$865	74.2%		
1992	\$36,603	\$51,710	70.8%	\$650	\$858	75.8%		
1993	\$36,341	\$50,812	71.5%	\$657	\$852	77.0%		
1994	\$36,347	\$50,504	72.0%	\$654	\$855	76.5%		
1995	\$35,959	\$50,343	71.4%	\$648	\$859	75.5%		
1996	\$36,899	\$50,024	73.8%	\$650	\$867	75.0%		
1997	\$38,042	\$51,297	74.2%	\$657	\$882	74.5%		
1998	\$38,871	\$53,123	73.2%	\$684	\$898	76.2%		
1999	\$38,729	\$53,556	72.3%	\$697	\$909	76.6%		
2000	\$39,089	\$53,024	73.7%	\$702	\$912	76.9%		
2001	\$40,450	\$52,993	76.3%	\$709	\$928	76.4%		
2002	\$41,153	\$53,724	76.6%	\$721	\$926	77.8%		
2003	\$40,949	\$54,202	75.5%	\$736	\$926	79.4%		
2004	\$40,541	\$52,942	76.6%	\$744	\$925	80.4%		
2005	\$39,988	\$51,948	77.0%	\$735	\$907	81.0%		
2006	\$39,531	\$51,380	76.9%	\$729	\$903	80.8%		
2007	\$41,499	\$53,335	77.8%	\$726	\$906	80.1%		
2008	\$40,697	\$52,791	77.1%	\$726	\$909	79.9%		
2009	\$41,448	\$53,843	77.0%	\$750	\$936	80.2%		
2010	\$41,474	\$53,912	76.9%	\$752	\$926	81.3%		
2011	\$40,457	\$52,537	77.0%	\$745	\$906	82.2%		
2012	\$40,347	\$52,740	76.5%	\$738	\$911	80.9%		
2013	\$41,207	\$52,653	78.3%	\$743	\$905	82.1%		
2014	\$41,024	\$52,167	78.6%	\$744	\$902	82.5%		
2015	\$42,135	\$52,963	79.6%	\$751	\$926	81.1%		
2016	\$42,439	\$52,740	80.5%	\$765	\$934	81.9%		
2017				\$770	\$941	81.8%		

Notes for Figure 1 and Table 2: Annual earnings data include self-employed workers; weekly data are for wage and salary workers only and are not restricted to full-year workers. 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 workers aged 16 and older. The annual average of weekly median earnings is usually released in February by the U.S. Bureau of Labor Statistics. Annual median earnings data are typically released in late summer or early fall by the U.S. Census Bureau. Both data series are derived from the Current Population Survey (CPS). Adjustments for data from earlier years to 2017 dollars are computed on the basis of the Consumer Price Index Research Series (CPI-U) published by the U.S. Bureau of Labor Statistics. (U.S. Bureau of Labor Statistics (U.S. Bureau of Labor Statistics) are based on the CPS that is used to generate the annual earnings figures, included redesigned income questions. Estimates presented for 2013 are based on the portion of the 2014 CPS ASEC sample which received the income questions consistent with the 2014 CPS ASEC; see DeNavas-Walt and Proctor (2015) for an explanation of methodology. The newer income questions in the 2014 CPS ASEC measure a slightly wider gender gap, a female-to-male earnings ratio of 77.6 percent, compared to the previous questions (78.3 percent); therefore, the estimates presented for 2013 here differ from those shown in IWPR #C423 and IWPR #C430. Earnings data for 1981-1984 are available upon request.

**Sources for Figure 1 and Tables 1 and 2**: Annual data: 1955: Francine D. Blau and Marianne A. Ferber, *The Economics of Women, Men, and Work*, 2nd ed. (Englewood Cliffs, NJ: Prentice-Hall, 1992); U.S. Census Bureau, *Income and Poverty in the United States:* 2016 Table A-4 <a href="https://www.census.gov/content/dam/Census/library/publications/2017/demo/P60-259.pdf">https://www.census.gov/content/dam/Census/library/publications/2017/demo/P60-259.pdf</a> (accessed March 2018) Weekly data: 1980-2016: from U.S. Bureau of Labor Statistics, *Median weekly earnings of full-time wage and salary workers by selected characteristics, Annual Averages* <a href="http://www.bls.gov/cps/cpsaat37.pdf">http://www.bls.gov/cps/cpsaat37.pdf</a> (retrieved March 2018).

## **Notes**

- 1. 2016 earnings were converted into 2017 dollars using the Consumer Price Index Series (CPI-U), U.S. Bureau of Labor Statistics <a href="https://www.bls.gov/cpi/tables/supplemental-files/historical-cpi-u-201801.pdf">https://www.bls.gov/cpi/tables/supplemental-files/historical-cpi-u-201801.pdf</a> (accessed March 2018).
- 2. Institute for Women's Policy Research. November 2017. "Women's Median Earnings as a Percent of Men's, 1985-2016 (Full-time, Year-Round Workers) with Projection for Pay Equity, by Race/Ethnicity." IWPR Quick Figures #Q066 <a href="https://iwpr.org/publications/womens-median-earnings-1985-2016/">https://iwpr.org/publications/womens-median-earnings-1985-2016/</a> (accessed March 2018).
- 3. According to data provided by the U.S. Bureau of Labor Statistics, changes in earnings between 2016 and 2017 were statistically significant for White women and men; for other groups, with smaller survey sample sizes, 2017 earnings were within the margin of error compared to 2016 data.
- 4. To qualify for food stamps, the income of a household of four must be at or below 130 percent of the federal poverty level; in 2016/17 this earning threshold was \$2,665 per month, corresponding to \$615 per week (USDA Food and Nutrition Service. 2017. *Supplemental Nutrition Assistance Program (SNAP)*. On the internet at <a href="http://www.fns.usda.gov/snap/eligibility">http://www.fns.usda.gov/snap/eligibility</a> (accessed March 2018).
- 5. Blau, Francine D. and Lawrence Kahn. 2016. "The Gender Wage Gap: Extent, Trends, and Explanations" NBER Working Paper No. 21913. <a href="http://www.nber.org/papers/w21913">http://www.nber.org/papers/w21913</a> (accessed March 2018).
- 6. Council for Economic Advisors. 2015. "Gender Pay Gap: Recent Trends and Explanations." Issue Brief. The White House <a href="https://www.whitehouse.gov/sites/default/files/docs/equal\_pay\_issue\_brief\_final.pdf">https://www.whitehouse.gov/sites/default/files/docs/equal\_pay\_issue\_brief\_final.pdf</a> (accessed March 2016); Institute for Women's Policy Research. February 2016. "The Economic Impact of Equal Pay by State." IWPR #R468 <a href="http://www.iwpr.org/publications/pubs/the-economic-impact-of-equal-pay-by-state">http://www.iwpr.org/publications/pubs/the-economic-impact-of-equal-pay-by-state</a> (accessed March 2018).

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