

Still a man's labor market: The slowly narrowing gender wage gap ^[1]

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Highlights

The commonly used figure to describe the gender wage ratio—that a woman earns 80 cents for every dollar earned by a man—understates the pay inequality problem by leaving many women workers out of the picture. This report argues that a multi-year analysis provides a more comprehensive picture of the gender wage gap and presents a more accurate measure of the income women actually bring home to support themselves and their families.

- Women today earn just 49 cents to the typical men's dollar, much less than the 80 cents usually reported. When measured by total earnings across the most recent 15 years for all workers who worked in at least one year, women workers' earnings were 49 percent—less than half—of men's earnings, a wage gap of 51 percent in 2015. Progress has slowed in the last 15 years relative to the preceding 30 years in the study.
- The penalties of taking time out of the labor force are high—and increasing. For those who took just one year off from work, women's annual earnings were 39 percent lower than women who worked all 15 years between 2001 and 2015, a much higher cost than women faced in the time period beginning in 1968, when one year out of work resulted in a 12 percent cut in earnings. While men are also penalized for time out of the workforce, women's earnings losses for time out are almost always greater than men's.
- Strengthening women's labor force attachment is critical to narrowing the gender wage gap. Despite considerable progress over the last 50 years, 43 percent of today's women workers had at least one year with no earnings, nearly twice the rate of men. With high penalties for weak labor force attachment, achieving higher lifetime earnings for women will require strengthening women's attachment to the labor force. Research has shown that such policies as paid family and medical leave and affordable child care, can increase women's labor force participation and encourage men to share more of the unpaid time spent on family care.
- Strengthening enforcement of equal employment opportunity policies and Title IX in education is also crucial to narrowing the gender wage gap further. Improved enforcement will help women enter higher paying fields that are now, despite decades of progress, still too often off-limits to women.

Introduction

The way the earnings gap between women and men is typically measured uses a snapshot of women and men who worked full-time, year-round in a given year. An examination of the different labor force experiences of women and men across 15-year time periods, as is done in this report, shows that only 28 percent of women and 59 percent of men worked persistently full-time, year-round between 2001 and 2015.

In 2017, the most recent year for which year-round earnings data are available for full-time workers, the gender earnings gap was 20 percent; that is, women earned 20 percent less than men (Hegewisch 2018). This figure is based on the ratio of women's to men's median earnings for full-time, year-round work and is derived from the annual Census Bureau report on income and poverty that is released every fall using data from the Current Population Survey (Fontenenot, Semega, and Kollar 2018).

This commonly used annual figure, however, understates the problem, especially for women workers, since it leaves so many of them out of the picture. The authors' 2004 report, which pioneered the analysis of the earnings gap over 15-year periods, found an earnings gap of 62 percent for all women compared with all men (of prime working age) in the period studied, meaning that women made just 38 percent of what men made (Rose and Hartmann 2004).

The current analysis updates and revises the analysis from the authors' 2004 report and finds that a wide disparity exists between all workers and the smaller group of workers who work full-time, year-round. Although the earnings gap across the most recent 15 years for those who generally work full-time, year-round in this study is similar to the more commonly used one-year numbers from the same years (23 percent), the earnings gap across all 15 years for all women and men with some earnings is very different, a gender earnings gap of 51

percent (meaning that women earn only 49 percent of what men do across a 15-year period). Among women workers in this study, 43 percent had at least one year with no earnings, while only 23 percent of men did, indicating that being out of work for a year is still a common experience for women but unusual for men.

The long-term gender earnings gap has narrowed since 1968, but it has by no means disappeared. In 2015, the gender earnings gap remained large when applied to all female and male workers, including those who work part-time or part-year and have years of not working, and measured over the long term. These results indicate that there is still more to do if women are to have equal pay with men over the course of their working lives.

Region: International ^[4]

Tags: wages ^[5]

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