# **Fact Sheet**



IWPR #C350

Updated March 2013

### The Gender Wage Gap: 2012

In 2012, the ratio of women's to men's median weekly full-time earnings was 80.9 percent, a decline of more than one percentage point since 2011 when the ratio was 82.2 percent. This corresponds to a weekly gender wage gap of 19.1 percent for 2012. Women's median weekly earnings in 2012 were \$691, a marginal decline compared to 2011; men's median weekly earnings were \$854, a marginal increase compared to 2011.

Another measure of the earnings gap, the ratio of women's and men's median annual earnings for fulltime year-round workers, was 77.0 in 2011 (data for 2012 are not yet available), less than half of a percentage point lower than in 2010 and equal to the gap in 2009. (This means the annual gender wage gap for full-time year-round workers is 23 percent.)

The annual 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 includes full-time workers who work only part of the year). The two series exhibit the same general trend over the long term (even though they often move in different directions in the short-term).



#### Figure 1: The Gender Earnings Ratio, 1955–2012, Full-Time Workers

Notes: See Table 2

Progress in closing the gender earnings gap has slowed considerably since the 1980s and early 1990s, as measured by both data series. Since 2001 the annual gender earnings gap narrowed by only about one percentage point. In the previous decade, from 1991 to 2000, it closed by almost four, and in the decade prior to that, 1981 to 1990, by over ten percentage points. The weekly gender earnings gap had narrowed at a more steady pace, at 7.6 percentage points during the 1980s, 2.7 percentage points during the 1990s, and by 4.5 percentage points since 2001 (Table 2). If the pace of change in the annual earnings ratio continued at the same rate as it has since 1960, it will take another 45 years, until 2056, for men and women to reach parity.<sup>1</sup>

Both earnings ratios (for weekly full-time workers and for year-round full-time workers) reflect gender differences in both hourly wages and the number of hours worked each year (among full-time workers). If part-time and part-year workers were included, the ratios of women's to men's earnings would be much lower, as women are more likely than men to work reduced schedules, often in order to manage childrearing and other caregiving work.

# Table 1: Median Weekly Earnings (Annual Average) and Gender EarningsRatio for Full-Time Workers, 16 Years and Older by Race/Ethnic Background,2011 and 2012

|             |                |      |                  | 2012       | 2011 (in 2012 dollars)** |             |                  |             |
|-------------|----------------|------|------------------|------------|--------------------------|-------------|------------------|-------------|
|             |                |      | Female           |            |                          |             | Female           |             |
|             |                |      | Earnings as      | Female     |                          |             | Earnings as      | Female      |
| Racial/     |                |      | % of Male        | Earnings   |                          |             | % of Male        | Earnings    |
| Ethnic      |                |      | Earnings of      | as % of    |                          |             | Earnings of      | as % of     |
| Background  | 14/            | Man  | Same Race/       | White Male | 14/                      | Man         | Same Race/       | White Male  |
|             | vvomen<br>(\$) | (\$) | Ethnicity<br>(%) | Earnings   | women<br>(\$)            | wen<br>(\$) | Ethnicity<br>(%) | Earnings    |
|             | (Ψ)            | (Ψ)  | (70)             | (70)       | (Ψ)                      | (Ψ)         | (70)             | (70)        |
| All Races/  |                |      |                  |            |                          |             |                  |             |
| Ethnicities | 691            | 854  | 80.9%            | -          | 698                      | 849         | 82.2%            | -           |
|             |                |      |                  |            |                          |             |                  |             |
| White       | 710            | 879  | 80.8%            | 80.8       | 718                      | 874         | 82.1%            | 82.1        |
|             |                |      |                  |            |                          |             |                  |             |
| African-    |                |      |                  |            |                          |             |                  |             |
| American    | 599            | 665  | 90.1%            | 68.1       | 607                      | 667         | 91.1%            | 69.5        |
|             |                |      |                  |            |                          |             |                  |             |
| Hispanic or | 501            | 500  | 00.004           | 50.2       | 530                      | 503         | 00 70            | 60 <b>F</b> |
| Latino      | 521            | 592  | 88.0%            | 59.3       | 529                      | 583         | 90.7%            | 60.5        |
| A           |                |      |                  |            |                          |             |                  |             |
| Asian       |                | 1055 | <b>72</b> 0.04   | 07.6       |                          | 000         | 77 404           | 07.7        |
| American    | 770            | 1055 | /3.0%            | 87.6       | /6/                      | 990         | //.4%            | 87.7        |

**Notes:** \*These categories are not exclusive because workers who identified themselves as Hispanic/Latina/o are classified by both ethnicity and race and may be of any race. \*\* Adjustments for data from earlier years to 2012 dollars are computed on the basis of the Consumer Price Index for all urban consumers (CPI-U) that is published by the U.S. Bureau of Labor Statistics. (U.S. Bureau of Labor Statistics <u>ftp://ftp.bls.gov/pub/special.requests/cpi/cpiai.txt</u> (retrieved January 2013). **Source:** U.S. Bureau of Labor Statistics, *Median usual weekly earnings of full-time wage and salary workers by selected characteristics, annual averages* <<u>http://www.bls.gov/news.release/wkyeng.t07.htm</u>> (retrieved January 2013).

As illustrated in Table 1, women of all major racial and ethnic groups earn less than men of the same group. Asian American workers as a group have the highest median weekly earnings, primarily because of historically higher rates of educational attainment for both genders; relative to Asian American men, Asian American women earn only 73.0 percent. Asian American women were the only group of women to experience a small gain in real earnings in 2012; women's real earnings for other racial/ethnic groups were lower in 2012 than 2011.

African American and Hispanic workers of both sexes earn considerably less than white workers; as a result, the gender earnings ratio based on earnings of men of the same background is narrower than the gap for women of all races considered together. Yet, when the gender earnings ratio is measured using white men's earnings as the comparison it shows marked disadvantage for Hispanic and African American women. African American women's median weekly earnings were only 68.1 percent, and Hispanic/ Latina women's only 59.3 percent of median weekly white men's earnings (Table 1). Median weekly earnings for Hispanic women are well below, and the median weekly earnings of African American women not much above, the qualifying income threshold for receipt of food stamps; in 2012 this was \$29,725 per year, 130 percent of the federal poverty threshold for a family of four, corresponding to weekly income of \$576.<sup>2</sup>

Closing the wage gap is not a zero-sum game—gains for one gender do not require losses for the other. For the gender wage gap to close, women's real wages must rise faster than men's, and as the economy becomes more productive, one would expect real wages to rise for both men and women. Yet, as can be seen from Table 2, since 1980 real wages for men have remained virtually unchanged, while women's real earnings have increased across the same time period. Women's earnings have become increasingly important to family incomes.

## Table 2: The Gender Wage Ratio and Real Earnings, 1955-2012, Full-Time Workers

|      | Mediar<br>adjust | n Annual Earni<br>ed to 2012 dol | ngs,<br>Iars                  | Median Usual Weekly Earnings,<br>adjusted to 2012 dollars |     |                               |  |  |
|------|------------------|----------------------------------|-------------------------------|---|-----|-------------------------------|--|--|
|      | Full-time,       | Year Round W                     | orkers                        | Full-time, Wage and Salary Workers                        |     |                               |  |  |
|      |                  |                                  | Female to                     |   |     | Female to                     |  |  |
| Year | Women            | Men                              | Male<br>Earnings<br>Ratio (%) | Women   | Men | Male<br>Earnings<br>Ratio (%) |  |  |
| 1955 |                  |                                  | 63.9                          |   |     |                               |  |  |
| 1960 | 22,094           | 36,414                           | 60.7                          |   |     |                               |  |  |
| 1965 | 24,397           | 40,712                           | 59.9                          |   |     |                               |  |  |
| 1970 | 28,084           | 47,305                           | 59.4                          |   |     | 62.3                          |  |  |
| 1975 | 29,113           | 49,496                           | 58.8                          |   |     | 62.0                          |  |  |
| 1980 | 29,701           | 49,370                           | 60.2                          | 557   | 872 | 63.9                          |  |  |
| 1981 | 29,067           | 49,070                           | 59.2                          | 551   | 856 | 64.3                          |  |  |
| 1982 | 29,726           | 48,143                           | 61.7                          | 566   | 866 | 65.4                          |  |  |
| 1983 | 30,483           | 47,934                           | 63.6                          | 581   | 871 | 66.7                          |  |  |
| 1984 | 31,105           | 48,863                           | 63.7                          | 583   | 864 | 67.5                          |  |  |
| 1985 | 31,790           | 49,229                           | 64.6                          | 591   | 866 | 68.2                          |  |  |
| 1986 | 32,439           | 50,473                           | 64.3                          | 608   | 878 | 69.2                          |  |  |
| 1987 | 32,692           | 50,158                           | 65.2                          | 612   | 877 | 69.8                          |  |  |
| 1988 | 32,831           | 49,706                           | 66.1                          | 611   | 871 | 70.2                          |  |  |
| 1989 | 33,552           | 48,857                           | 68.7                          | 609   | 868 | 70.1                          |  |  |
| 1990 | 33,752           | 47,128                           | 71.6                          | 608   | 845 | 71.9                          |  |  |
| 1991 | 33,785           | 48,362                           | 69.9                          | 617   | 831 | 74.2                          |  |  |
| 1992 | 34,267           | 48,411                           | 70.8                          | 622   | 820 | 75.8                          |  |  |
| 1993 | 34,023           | 47,571                           | 71.5                          | 626   | 810 | 77.3                          |  |  |
| 1994 | 34,013           | 47,261                           | 72.0                          | 618   | 810 | 76.3                          |  |  |
| 1995 | 33,650           | 47,110                           | 71.4                          | 612   | 811 | 75.5                          |  |  |
| 1996 | 34,545           | 46,833                           | 73.8                          | 612   | 815 | 75.0                          |  |  |
| 1997 | 35,616           | 48,024                           | 74.2                          | 617   | 827 | 74.6                          |  |  |
| 1998 | 36,375           | 49,713                           | 73.2                          | 644   | 842 | 76.4                          |  |  |
| 1999 | 36,258           | 50,139                           | 72.3                          | 652   | 853 | 76.4                          |  |  |
| 2000 | 36,610           | 49,661                           | 73.7                          | 657   | 855 | 76.9                          |  |  |
| 2001 | 37,883           | 49,631                           | 76.3                          | 664   | 869 | 76.4                          |  |  |
| 2002 | 38,542           | 50,315                           | 76.6                          | 675   | 867 | 77.9                          |  |  |
| 2003 | 38,350           | 50,762                           | 75.5                          | 689   | 867 | 79.4                          |  |  |
| 2004 | 37,968           | 49,582                           | 76.6                          | 696   | 867 | 80.4                          |  |  |
| 2005 | 37,464           | 48,668                           | 77.0                          | 688   | 849 | 81.0                          |  |  |
| 2006 | 37,021           | 48,119                           | 76.9                          | 683   | 846 | 80.8                          |  |  |
| 2007 | 38,865           | 49,949                           | 77.8                          | 680   | 848 | 80.2                          |  |  |
| 2008 | 38,112           | 49,438                           | 77.1                          | 680   | 851 | 79.9                          |  |  |
| 2009 | 38,828           | 50,440                           | 77.0                          | 703   | 876 | 80.2                          |  |  |
| 2010 | 38,885           | 50,240                           | 77.4                          | 704   | 868 | 81.2                          |  |  |
| 2011 | 37,886           | 49,200                           | 77.0                          | 698   | 849 | 82.2                          |  |  |
| 2012 |                  |                                  |                               | 691   | 854 | 80.9                          |  |  |

**Notes for Figure 1 and Table 2:** 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 as of the following year for previous years. Before 1989 annual earnings are for civilian workers

only. Weekly earnings are for full-time workers aged 16 and older and are not restricted to full-year workers. The annual average of weekly median earnings is usually released in January 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. Adjustments for data from earlier years to 2012 dollars are computed on the basis of the Consumer Price Index for all urban consumers (CPI-U) that is published by the U.S. Bureau of Labor Statistics. (U.S. Bureau of Labor Statistics <u>ftp://ftp.bls.gov/pub/special.requests/cpi/cpiai.txt</u> (retrieved January 2013).

**Source**: 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, Poverty, and Health Insurance Coverage in the United States: 2010*, Table A-5, <u>http://www.census.gov/prod/2011pubs/p60-239.pdf</u> (accessed March 2012) Weekly data: 1970 and 1975: Blau and Ferber (1992); 1980-2011: Weekly and Hourly Earnings Data from the Current Population Survey <u>http://data.bls.gov/pdq/querytool.jsp?survey=le</u> (retrieved March 2012)

#### Notes

1. Hayes, Jeffrey. 2011. "Women's Median Earnings as a Percent of Men's Median Earnings, 1960-2009 (Full-Time, Year-Round

Workers) with Projection for Pay Equity in 2056." IWPR Publication #Q004. Washington, DC: Institute for Women's Policy Research. <a href="http://www.iwpr.org/publications/pubs/women2019s-median-earnings-as-a-percent-of-men2019s-median-earnings-1969-2009-full-time-year-round-workers-with-projection-for-pay-equity-in-2056/at\_download/file> (accessed March 7, 2012).

2. The federal poverty threshold for a household of four in 2012 is \$23,050 (U.S. Department for Health and Human Services .2012. '2012 HHS Poverty Guidelines.' On the web at <u>http://aspe.hhs.gov/poverty/12poverty.shtml</u>). A 130 percent of poverty (the threshold relevant for food stamp receipt) this is \$29,975 annually, or \$576.30 per week.

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