

Student debt

As noted, the gender pay gap persists across educational levels and is worse for African American and Hispanic women, even among college graduates. As a result, women who complete college degrees are less able than men to pay off their student loans promptly, leaving them paying more in interest and for a longer time. In 2012, among students who graduated in 2007–08, women working full time had paid off 33 percent of their student loan debt on average, while men working full time had paid off 44 percent of their debt. African American and Hispanic women working full time are paid considerably less than their male counterparts, and they struggle to pay off student loans promptly; four years after graduation, African American and Hispanic women had paid off less than 10 percent of their debt—much less than other women and men (Figure 8).

FIGURE 8.
Cumulative Student Debt for 2007–08 College Graduates, by Gender and Race/Ethnicity

	Total average debt owed, 2009	Total average debt owed, 2012	Percentage of debt paid off, 2009–12
Men	\$22,656	\$12,793	44%
Women	\$24,126	\$16,105	33%
Asian American women	\$19,687	\$7,679	61%
White women	\$24,479	\$15,417	37%
African American women	\$26,535	\$24,116	9%
Hispanic women	\$21,626	\$21,026	3%

Note: Includes 2007–08 college graduates ages 35 and younger at graduation who were working full time in 2009 or 2012 and had not pursued an additional degree. There were insufficient data to allow for reliable analysis of other racial groups. Source: AAUW analysis of data from U.S. Department of Education, National Center for Education Statistics, 2008–12 Baccalaureate and Beyond Longitudinal Study

What Causes the Pay Gap?

The gap of 20 cents on the dollar between men and women working full time, year-round is a statistical fact. The pay gap itself is more complicated than a single number, since it summarizes a huge diversity of women and life circumstances. The origins of the pay gap are also more complicated than a single cause. Women and men have always participated in the workforce in different ways—and have been treated differently by employers—and though those differences have shrunk over time, they still contribute to women being paid less than men.

Occupation and “choice”

In part, the pay gap reflects women’s and men’s choices. Women and men choose different college majors and types of jobs after graduation. But women experience pay gaps at every education level and in nearly every line of work. Among the many occupations for which the Bureau of Labor Statistics collects data that allow for valid comparison, men’s earnings are higher than women’s in the vast majority (U.S. Bureau of Labor Statistics, 2016a).

In 2015, the U.S. civilian workforce included nearly 149 million full- and part-time employed workers; 53 percent were men, and 47 percent were women (U.S. Bureau of Labor Statistics, 2016b). But women and men tend to work in different kinds of jobs. Women are disproportionately represented in education, office and administrative support, and health care occupations, and men are disproportionately represented in construction, maintenance and repair, and production and transportation occupations (U.S. Bureau of Labor Statistics, 2016a). Segregation by occupation is a major factor behind the pay gap. Even though a pay gap exists in nearly every occupational field, jobs traditionally associated with men tend to pay better than traditionally female-dominated jobs that require the same level of skill (Hegewisch & Hartmann, 2014).

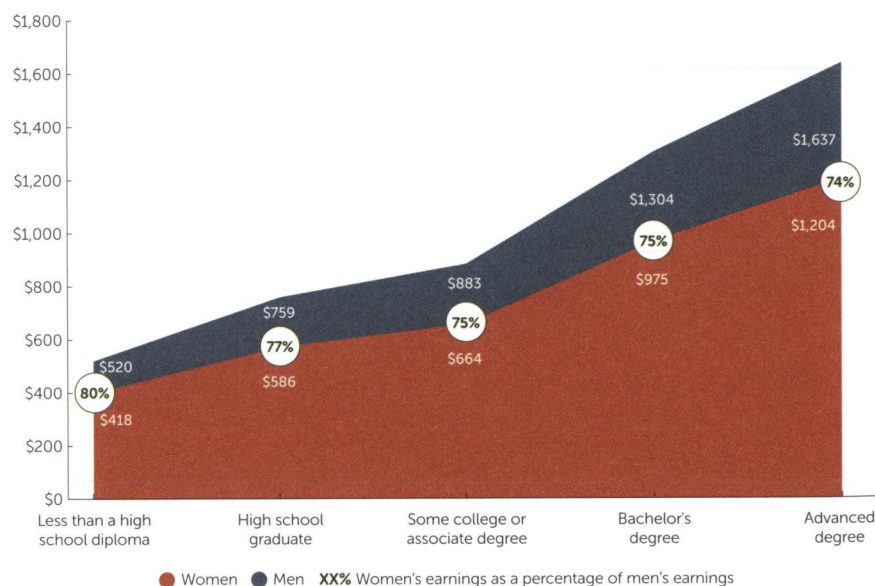
Occupational gender segregation has decreased over the last 40 years, largely due to women moving into formerly male-dominated jobs, especially during the 1970s and 1980s, and to faster growth of more evenly mixed-gender occupations in the 1990s. But integration has stalled since

Education

As a rule, earnings increase as years of education increase for both men and women. While more education is an effective tool for increasing earnings (Asian American women and men had the highest college attainment levels of any racial or ethnic group in 2015, according to the U.S. Department of Education), it is not an effective tool against the gender pay gap. At every level of academic achievement, women's median earnings are less than men's median earnings (Figure 6). In some cases, the gender pay gap is larger at higher levels of education.

Across all racial and ethnic groups, American women now earn more college and postgraduate degrees than men (U.S. Department of Education, 2016). But education does not eliminate the gender pay gap. In *Graduating to a Pay Gap: The Earnings of Women and Men One Year after College Graduation*,

FIGURE 6.
Median Weekly Earnings, by Level of Education and Gender, 2015



Note: Based on median usual weekly earnings of full-time wage and salary workers, ages 25 and older, 2015 annual averages
Source: U.S. Census Bureau, *Current Population Survey*, reported in U.S. Department of Labor, U.S. Bureau of Labor Statistics, *2015 Usual Weekly Earnings Summary*, *Economic News Release USDL-16-0111*, Table 9

Parenting and time away from work

Becoming a parent is widely acknowledged as a personal choice that affects careers, but it produces different professional outcomes for women and men. Taking time away from the workforce or cutting back hours, both more common scenarios for mothers than fathers, hurts earnings (Bertrand et al., 2010). Many employers and industries still prioritize long, continuous, traditional work hours rather than flexible schedules, a preference that tends to put women with children at a disadvantage (Goldin, 2014). AAUW's *Behind the Pay Gap* report found that 10 years after college graduation, 23 percent of mothers were out of the workforce, and 17 percent worked part time. Among fathers, only 1 percent were out of the workforce, and only 2 percent worked part time (AAUW Educational Foundation, 2007).

Many stay-at-home and part-time working mothers will eventually decide to return to the full-time workforce, and when they do they may encounter a “motherhood penalty” that extends beyond the actual time out of the workforce. Experimental studies have documented that employers are less likely to hire mothers (including mothers who never left the workforce) compared with child-free women, and when employers do make an offer to a mother, they offer her a lower salary than they do other women (Correll & Benard, 2007; Kricheli-Katz, 2012). Fathers, in contrast, do not suffer a penalty compared with other working men. Many fathers actually receive higher wages after having a child, known as the “fatherhood bonus” (Killewald, 2013; Budig, 2014).

Gender discrimination and bias

Not all of the gender pay gap can be “explained away” by choices such as college major, occupation, work hours, and time out of the workforce. Discrimination and bias against women in the workplace are also culprits in the pay gap.

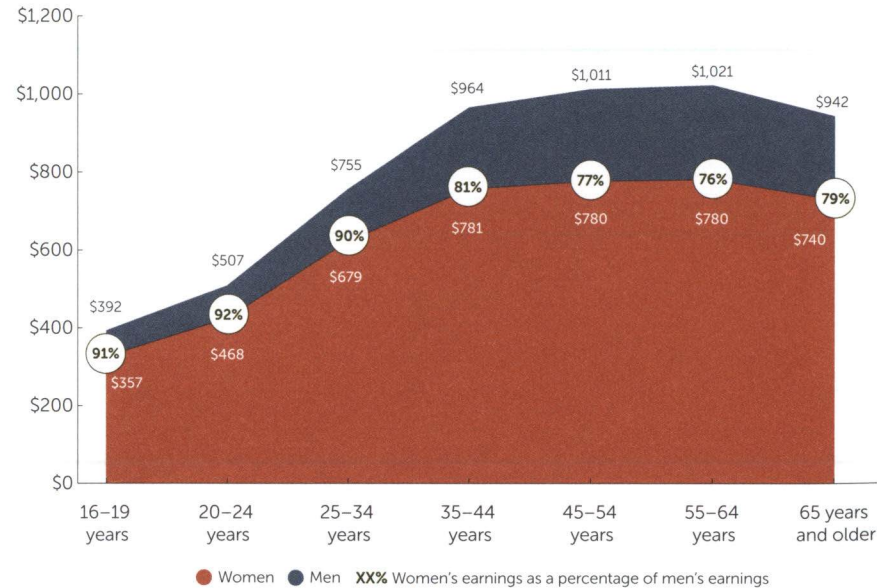
Each year, thousands of sex discrimination cases are brought before the federal Equal Opportunity Employment Commission (EEOC), and many of these complaints are decided or settled in favor of the person who filed the charge (EEOC, 2015). Thanks in part to persistent sex discrimination,

90 percent until around the age of 35, at which point median earnings for women start to grow much more slowly than median earnings for men. From age 35 through retirement, women are typically paid 76–81 percent of what men are paid, depending on age. By the time workers reach 55–64 years old, women are paid only 76 percent of what their male peers are paid (Figure 5).

Disability

Disability status is a challenging population demographic to capture because it covers many definitions. In the current ACS questionnaire, disability is measured by answering questions related to six disability types: hearing, vision, cognitive, ambulatory, self-care, and independent living (U.S. Census Bureau, 2014b). According to the ACS, in 2015, people with disabilities made just 68 percent of what people without disabilities made. And among

FIGURE 5.
Median Weekly Earnings, by Gender and Age, 2014



Note: Based on median usual weekly earnings of full-time wage and salary workers, 2014 annual averages.
Source: U.S. Census Bureau, *Current Population Survey*, reported in U.S. Department of Labor, U.S. Bureau of Labor Statistics, *Highlights of Women's Earnings in 2014*, Table 1

How Can I Make a Difference?

The gender pay gap is unlikely to go away on its own, but there are many things that we can do in our workplaces and in our communities to make a difference. Here are some steps that individuals, employers, and governments can take to ensure fair pay.

Individuals

Many personal decisions have profound implications for economic security. Pursuing a college education has long been viewed as an important step toward ensuring a middle-class lifestyle, and higher degrees are usually associated with higher pay. But choice of college major can profoundly affect future earnings (Carnevale et al., 2011). In addition, the kinds of jobs pursued early in a career set the stage for an entire career of earnings. Since benefits and subsequent raises are generally based on initial wages, a lower starting salary could mean a lifetime of lower compensation and smaller retirement benefits.

Because most employers have some latitude when it comes to salaries, negotiating can pay off. While women can't negotiate around discrimination, knowing what your skills are worth and learning techniques to promote them can help. Traditionally, it has been socially expected (and therefore accepted) for men to negotiate for raises because negotiating conforms with the stereotype of men as assertive. But negotiation is especially tricky for women because some behaviors that work for men, like self-promotion and assertiveness, may backfire on women (Carter & Silva, 2011; Bowles & Babcock, 2013). Knowing what your skills are worth, making clear what you bring to the table, emphasizing common goals, and maintaining a positive attitude are some negotiation tactics that have been shown to be effective for women (Babcock & Laschever, 2008). AAUW offers Start Smart and Work Smart salary negotiation workshops to teach women how to negotiate with confidence.

Beyond their personal lives, individuals can also take steps to influence employers and governments. There are more ways to make your voice heard than ever before—letters to your legislators and local papers, blogs,

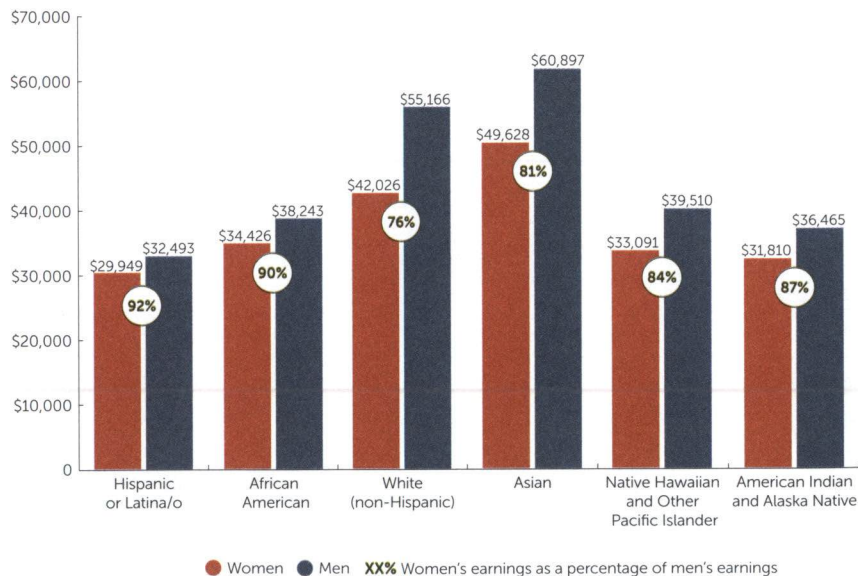
How Does the Pay Gap Affect Women of Different Demographics?

The pay gap affects women from all backgrounds, at all ages, and of all levels of educational achievement, although earnings and the gap vary depending on a woman's individual situation.

Race/ethnicity

Among full-time workers in 2015, Hispanic, American Indian and Alaska Native, African American, and Native Hawaiian and other Pacific Islander women had lower median annual earnings compared with non-Hispanic white and Asian American women. But African American, Hispanic, American Indian and Alaska Native, and Native Hawaiian and other Pacific Islander women experienced a smaller gender pay gap compared with men in the same racial/ethnic group than did non-Hispanic white and Asian American women (Figure 3).

FIGURE 3.
Median Annual Earnings, by Race/Ethnicity and Gender, 2015



Source: U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates

In contrast, only 14 percent of public-sector employees reported that pay discussions were either discouraged or prohibited. This higher degree of transparency in the public sector may be related to the greater gender pay equity found in the federal government (see Washington, D.C.'s gender pay gap, Figure 2). Federal workers can easily see how their salaries compare with others at their grade level and geographical location because the U.S. Office of Personnel Management makes public the salary and wage range for each level of federal worker and additional locality pay for areas where the cost of living is higher (U.S. Office of Personnel Management, 2016). A 2014 report found that, among white collar federal workers, women were paid 87 percent of what men were paid in 2012, compared with 77 percent in the workforce as a whole in 2012 (U.S. Office of Personnel Management, 2014).

Employers can also use audits to monitor and address gender pay differences, to great effect. Minnesota requires public-sector employers to conduct a pay equity study every few years and eliminate pay disparities between female-dominated and male-dominated jobs that require comparable levels of expertise (Minnesota Management and Budget). Employers use a job evaluation tool to compare jobs on dimensions such as the complexity of issues encountered, the depth and breadth of knowledge needed, the nature of interpersonal contacts required, and the physical working conditions. This allows employers to identify jobs—for example, delivery van drivers and clerk typists—that, despite being different, require similar levels of knowledge and responsibility. An analysis is then done to compare wages of predominantly female jobs with those of predominantly male jobs of comparable skill levels. If the results of the study show that women are consistently paid less than men for jobs requiring similar levels of knowledge and responsibility, the employer makes the necessary salary increases. The state's efforts have been hugely successful: Since the 1970s, Minnesota has virtually eliminated the pay gap in public-sector jobs of comparable value (Legislative Office on the Economic Status of Women, 2016).

FIGURE 2.
Median Annual Earnings and Earnings Ratio for Full-Time, Year-Round Workers, by State
and Gender, 2015

		Male	Female	Earnings Ratio
1	New York	\$52,124	\$46,208	89%
2	Delaware	\$51,037	\$45,192	89%
3	Florida	\$41,105	\$35,604	87%
4	District of Columbia	\$72,230	\$62,191	86%
5	North Carolina	\$42,039	\$36,113	86%
6	Rhode Island	\$51,368	\$44,050	86%
7	California	\$50,562	\$43,335	86%
8	New Mexico	\$41,440	\$35,070	85%
9	Hawaii	\$48,074	\$40,434	84%
10	Vermont	\$47,960	\$40,173	84%
11	Nevada	\$43,681	\$36,565	84%
12	Maryland	\$60,591	\$50,635	84%
13	Arizona	\$44,421	\$37,084	83%
14	Massachusetts	\$61,761	\$51,343	83%
15	Connecticut	\$61,666	\$50,802	82%
16	Kentucky	\$43,037	\$35,294	82%
17	New Jersey	\$61,462	\$50,373	82%
18	Minnesota	\$51,979	\$42,137	81%
19	Tennessee	\$42,525	\$34,427	81%
20	South Carolina	\$42,238	\$34,182	81%
21	Oregon	\$48,001	\$38,774	81%
22	Colorado	\$51,628	\$41,690	81%
23	Georgia	\$45,396	\$36,650	81%
	United States	\$51,212	\$40,742	80%
24	Illinois	\$52,161	\$41,327	79%
25	Washington	\$56,215	\$44,422	79%
26	Texas	\$46,791	\$36,934	79%

□ National pay gap average

The states with no state protections from pay discrimination tend to have the biggest pay gaps. However, states with stronger laws do not necessarily have the smallest gaps. Strong pay equity laws help close the pay gap, but the gap itself is affected by other issues such as occupational segregation and access to paid leave.

State laws addressing the pay gap vary considerably. For example, each state's laws apply to different subsets of employees, with some states covering all employees, others affecting only public or only private employees, and still others regulating only employers who have more than a certain number of workers.

Currently, two states—Alabama and Mississippi—have no state pay equity or sex-based employment discrimination regulations. All other states have at least some basic equal pay protections. But roughly one-third of states also

- 1994** ● The Fair Pay Act, which addresses unequal pay between female-dominated jobs equivalent to male-dominated jobs, was first introduced. The legislation also takes steps to protect employees who discuss their salaries and requires employers to file wage information with the EEOC. As of the 114th Congress, the bill has yet to pass.
- 1997** ● The Paycheck Fairness Act, an update to the Equal Pay Act, was first introduced. It would close loopholes, strengthen incentives to prevent pay discrimination, and prohibit retaliation against workers who discuss wages. Every year since 1997, the legislation has been reintroduced, even passing the House in 2009 before falling short in the Senate. As of the 114th Congress, the bill has yet to pass.
- 2009** ● The Lilly Ledbetter Fair Pay Act was enacted to address the unfortunate Supreme Court ruling that sided with Ledbetter's employer in her gender discrimination case, thereby overturning 40 years of precedent in discrimination cases. The law clarifies that pay discrimination can occur when a pay decision is made, when an employee is subject to that decision, or at any time that an employee is injured by it.
- 2014** ● President Barack Obama signed AAUW-supported executive orders to increase pay protections for women. The provisions collect more wage data and target federal contractors to protect workers from retaliation and labor law violations.

What Is the Pay Gap?

The pay gap is the difference in men's and women's median earnings, usually reported as either the earnings ratio between men and women or as an actual pay gap, as defined below. The median value is the middle value, with equal numbers of full-time workers earning more and earning less.

$$\text{Earnings ratio} = \frac{\text{Women's median earnings}}{\text{Men's median earnings}}$$

$$\text{Pay gap} = \frac{[\text{Men's median earnings} - \text{women's median earnings}]}{\text{Men's median earnings}}$$

In 2015, median annual earnings in the United States for women and men working full time, year-round were \$40,742 and \$51,212, respectively (Proctor et al., 2016).

$$\text{2015 earnings ratio} = \frac{\$40,742}{\$51,212} = 80\%$$

$$\text{2015 pay gap} = \frac{[\$51,212 - \$40,742]}{\$51,212} = 20\%$$

Earnings can also be reported on a weekly basis. The gender pay gap in weekly earnings tends to be slightly smaller than the pay gap in terms of annual earnings. In 2015, the pay gap in median weekly earnings was 19 percent (U.S. Bureau of Labor Statistics, 2016a).

Where do the data come from?

Federal agencies such as the U.S. Census Bureau, the U.S. Department of Education, and the U.S. Bureau of Labor Statistics conduct surveys of individuals, households, and businesses to gather information about people's salaries and other earnings.

Most reports on national workforce participation, pay, and pay differences depend on data from the Current Population Survey (CPS) (www.census.gov/cps), the country's primary source of labor force statistics. The CPS is a monthly survey with a sample of 100,000 households sponsored jointly by the Census Bureau and the Bureau of Labor Statistics (U.S. Census Bureau, 2016a).

On the positive side, a handful of states have particularly robust laws governing equal pay. For example

- California limits the excuses employers can use to pay women less than they pay men to only a “bona fide factor other than gender,” such as education, training, or experience (as opposed to reasons based solely on gender stereotypes).
- Maryland prohibits employers from assigning or directing employees into less-favorable career tracks—known as “mommy tracking”—or withholding information about promotions.
- Massachusetts prohibits employers from asking potential employees about their salary history.
- Tennessee subjects employers who violate the law to high fines and damage payments, emphasizing the seriousness of a violation.

AAUW advocates for all states to pass and enforce equal pay laws in addition to developing other innovative ideas that chip away at the gap. We continue to push for federal pay equity legislation, regulation, and enforcement to protect employees and assist employers. AAUW also educates the public about this persistent problem and its effect on working families. These efforts are critical as we work to close the gender pay gap.

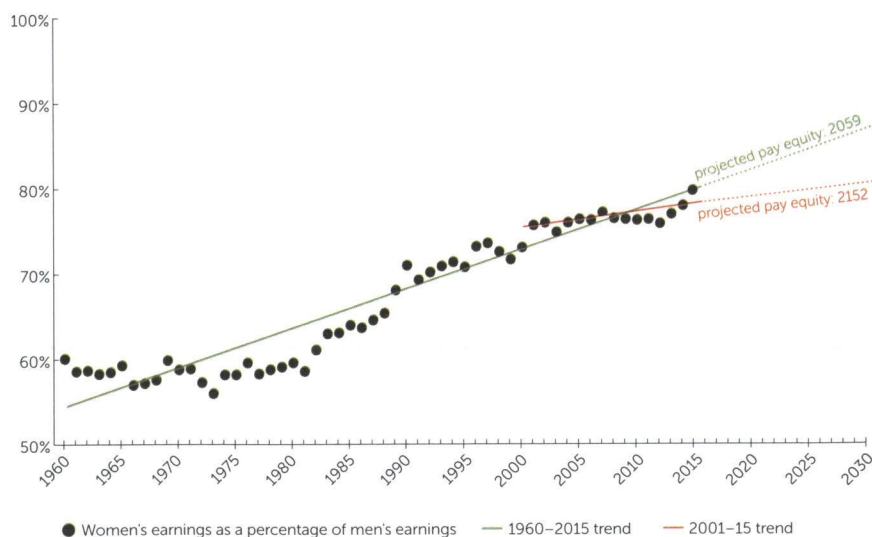
Introduction

In 2015, women working full time in the United States typically were paid just 80 percent of what men were paid, a gap of 20 percent (Proctor et al., 2016). The gap has narrowed since 1960, due largely to women's progress in education and workforce participation and to men's wages rising at a slower rate.

At the rate of change between 1960 and 2015, women are expected to reach pay equity with men in 2059. But even that slow progress has stalled in recent years. If change continues at the slower rate seen since 2001, women will not reach pay equity with men until 2152 (Figure 1).

The gender pay gap has lifelong financial effects. For one, it contributes directly to women's poverty. In 2015, 14 percent of American women ages 18–64 were living below the federal poverty level, compared with 11 percent of men. For ages 65 and older, 10 percent of women and 7 percent of

FIGURE 1.
Women's Median Annual Earnings as a Percentage of Men's Median Annual Earnings for Full-Time, Year-Round Workers, 1960–2015



Source: AAUW analysis of data from Proctor et al., U.S. Census Bureau, *Income and Poverty in the United States: 2015*

AAUW Resources

- Visit the pay equity resources on the AAUW website at www.aauw.org/tag/equal-pay for current information on the status of legislation, federal policies, and actions that you can take to narrow the pay gap.
- Join AAUW's Action Network to keep up with equal pay advocacy and receive notices to tell your legislators what you think: www.aauw.org/actionnetwork.
- Learn about your rights at work and what you can do if you believe you're being paid unfairly or otherwise discriminated against by visiting www.aauw.org/what-we-do/legal-resources/know-your-rights-at-work.
- Get ideas for programming and advocacy at fightforfairpay.org.
- If you're a college student or professional, visit AAUW's salary negotiation page at www.aauw.org/what-we-do/salary-negotiation-workshops to find out how to attend an AAUW Start Smart or AAUW Work Smart salary negotiation workshop or bring one to your community.
- Learn about the status of pay equity laws in your state and take action at www.aauw.org/resource/state-equal-pay-laws.
- Read more about the pay gap at www.aauw.org/what-we-do/research.
- Join AAUW and help ensure pay equity for all: www.aauw.org/join.

Foreword

If you take one simple truth from this guide, I hope it's this: The pay gap is real. This guide provides the latest evidence about the pay gap as well as ideas for what we can do about it.

The American Association of University Women (AAUW) has been a leader on this issue for more than a century, since our first publication on the topic in 1894. The good news is that the gap has narrowed considerably in the last hundred years. The bad news is that the gap is still sizable, it's even worse for women of color, and it doesn't seem likely to go away on its own.

That's why AAUW works on multiple fronts to shrink the gender pay gap. Over the last century, our organization has awarded millions of dollars in fellowships to women pursuing graduate education. We have provided research and programs to advance women in nontraditional fields such as computing and engineering. AAUW members and staff have stood in the room when federal equal pay legislation was signed, from the Equal Pay Act in 1963 to the Lilly Ledbetter Fair Pay Act in 2009. We have advocated for the comprehensive Paycheck Fairness Act, a long-overdue bill that has come close to passage twice in the last seven years. And we've been proud to support and witness real progress happening at the state level, where lawmakers are offering creative new approaches to closing the gender pay gap.

Pay equity will continue to be an AAUW priority until women everywhere earn a fair day's pay for a fair day's work. This guide is designed to empower our members and other advocates with the facts and resources they need to tell the simple truth about the pay gap. It's real, it's persistent, and it's undermining the economic security of American women and their families. We hope you will join us in the fight for fair pay in the workplace.



Patricia Fae Ho
AAUW Board Chair

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