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The Economic Status of Women of Color: A Snapshot

Department of Labor
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Abstract
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- women’s contribution to family income;
- unemployment and the effects of the recession;
- families in poverty;
- educational attainment and likelihood of unemployment;
- the impact of educational attainment on women's pay;
- occupational distribution and impact on pay;
- the wage gap between men and women;
- the real cost of the wage gap; and
- the impact of the gender wage gap on the retirement income of older women.

Keywords
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Comments

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The Economic Status of Women of Color: A Snapshot

Facts cannot completely describe the challenges faced by working women. But facts are important in painting a picture of the lives of working women and informing policies and actions needed. These fact sheets provide a picture of Black, Hispanic, and Asian working women in the United States in the following areas:

- women’s contribution to family income;
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- the impact of the gender wage gap on the retirement income of older women.

The demographic landscape of the U.S. has changed considerably in recent decades. The nation’s racial and ethnic mix has shifted, driven by high levels of immigration of Hispanics and Asians. More than half of the growth in the total U.S. population between 2000 and 2010 was attributed to the increase in the Hispanic population.¹

CHANGING ROLES OF WOMEN HAVE RESHAPED THE LANDSCAPE OF THE AMERICAN LABOR FORCE

Fifty-eight percent of women in the United States age 16 and over participate in the labor force (working or looking for work).² This includes 57 percent of White women, 60 percent of Black women, 57 percent of Hispanic women, and 57 percent of Asian women.³

Our nation’s 67 million working women⁴ hold nearly half of today’s jobs.⁵ Of these 67 million working women, about 52.8 million are White, 8.6 million are Black, and 3.6 million are Asian.⁶ Women of Hispanic or Latino ethnicity (who may be of any race) make up 9.2 million of the 67 million women workers.⁷

The fact sheets highlight the different situations of the larger populations of women of color in the U.S. labor force. It assembles selected Federal government data and statistical resources to present a picture of the economic status of Black, Asian, and Hispanic women in the labor force. Sufficient data were not available on the relatively smaller populations of American Indian, Alaska Native, Native Hawaiian, and other Pacific Islander women in the labor force, so they are excluded.
WOMEN’S CONTRIBUTION TO FAMILY INCOME

Women’s earnings account for a significant and growing portion of household income. In 2010, married working women contributed 38 percent of their families’ total income, up from 27 percent in 1970.8

As a result of the tough economic times brought on by the Great Recession between December 2007 and June 2009,9 women have increasingly become the primary breadwinners for their families.10

In 2011, nearly one-half (45 percent) of Black families and 25 percent of Hispanic families were maintained by women heads of household. Twelve percent of Asian families and 16 percent of White families were maintained by women.11

Among mothers with children under the age of 18, Black women were more likely to be in the labor force than White, Asian, or Hispanic women. In 2011, 79 percent of Black mothers with children ages 6 to 17 participated in the labor force, as did 71 percent of Black mothers with children under 6 and 68 percent of Black mothers with children under 3.12

Mothers’ labor force participation rates by presence and age of youngest child, race, and Hispanic or Latino ethnicity, 2011 annual averages

Source: U.S. Bureau of Labor Statistics
WOMEN’S UNEMPLOYMENT AND THE EFFECT OF THE RECESSION

During the Great Recession of December 2007 through June 2009, the unemployment rate for women did not rise as rapidly as the unemployment rate for men. Women were more likely to be employed in the education, health, and government sectors, which continued to create jobs during the recession, while men were more likely to be employed in sectors such as construction and manufacturing that were losing large numbers of jobs. During the recovery, however, more men than women were employed in fast-growing sectors, such as manufacturing and professional and business services, while more women were employed in government, which lost over 700,000 jobs between June 2009 and December 2012. As a result, women’s unemployment rate peaked during the recovery.

The Great Recession again brought to light long-standing disparities in employment status among racial and ethnic groups, which have continued into the recovery. For each year from 2007-2012, Black women had the highest unemployment rate (peaking at 14.1 percent in 2011 and dropping to 12.8 percent in 2012) compared to Latinas, Asian women, and White women. Latinas had the next highest, peaking at 12.3 percent in 2010 and dropping to 10.9 percent in 2012. Asian women had the lowest unemployment rate each year, peaking at 7.3 percent in 2011 and dropping to 6.1 percent in 2012, while White women’s unemployment peaked at 7.7 percent in 2010 and dropped to 7.0 percent in 2012.

Unemployed Asian and Black women experienced longer periods of unemployment than other women workers. In 2012, the median duration of unemployment for Black women was 24 weeks and for Asian women 23 weeks, compared with 18 weeks for Hispanic women and 17 weeks for White women.

Source: U.S. Bureau of Labor Statistics
FAMILIES IN POVERTY

The U.S. Census Bureau uses a set of income thresholds that vary by family size and composition to determine who is living in poverty. If a family’s total income is less than the family’s threshold, then that family is considered to be in poverty. For example, in 2011 the poverty threshold for a single mother living with two children under the age of 18 was $18,123 and for a single mother with three children, $22,891.

Historically, women have been more likely to be poor than men. Poverty rates for unmarried female householders with children are particularly high, and have consistently been two or three times higher than the poverty rates for men and women overall for over four decades. Families in poverty have difficulty paying for basic expenses, such as rent, food, and clothing, and are at greater risk for homelessness than families above the poverty threshold.

In 2011, 31 percent of families with a female householder, no husband present, lived in poverty compared to six percent of families of married couples and 16 percent of families with a male householder, no wife present.

Even when a householder is working full-time, year-round, families can be living in poverty. This is particularly true for families with a female householder, no husband present. In 2011, 20 percent of families with a Hispanic female householder, 16 percent of families with a Black female householder, six percent of families with an Asian female householder, and 12 percent of families with a White female householder lived in poverty while the householder worked full-time, year-round. The percentage of families in poverty increases if the female householder working full-time year-round is the only worker. For example, the percent of families in poverty with a Hispanic woman householder, no husband present, increased to 23 percent.

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i According to the Census Bureau, a householder is the person (or one of the people) in whose name the housing unit is owned or rented, or, if there is no such person, any adult member. If the house is owned or rented jointly by a husband and wife, the householder may be either the husband or wife. There is one householder per family.
THE IMPACT OF EDUCATIONAL ATTAINMENT ON UNEMPLOYMENT, AND EDUCATIONAL ATTAINMENT AND OCCUPATIONAL DISTRIBUTION ON PAY

For women age 25 and over in the labor force, 94 percent of White women and 93 percent of both Black and Asian women have achieved at least a high school diploma, while 76 percent of Hispanic women have done so. Asian women were the most likely to have graduated from college. Fifty-six percent of Asian women had a bachelor’s degree or higher, compared with 38 percent of White women, 29 percent of Black women, and 20 percent of Hispanic women.22

Higher levels of education are generally associated with a greater likelihood of employment and a lower likelihood of unemployment. For example, Black women’s unemployment rate consistently declines with each higher level of education. For Black women 25 and over without a high school diploma, their unemployment rate was 19.0 percent in 2012; with a high school diploma or equivalent, 12.7 percent; with an associate degree, 10.5 percent; and with a bachelor’s degree or higher, 6.0 percent. However, Black women had the highest unemployment rate at each level compared to White, Asian, and Hispanic women. Hispanic women had the second highest unemployment rate at each level.23

Education really pays off in earnings. Earnings vary significantly by level of education. Individuals with higher levels of education generally have better access to higher-paying jobs – such as those in management, professional, and related occupations – than do individuals with less education. Compared to what their counterparts without a high school diploma earned, Asian women with a bachelor’s degree or higher earned about 2.7 times more per week, and Black and Hispanic women with a bachelor’s degree or higher, 2.4 times more per week, while White women earned 2.6 times more per week. Compared to what their counterparts with a high school diploma who had not attended college earned, Asian women with a bachelor’s degree or higher earned 2.1 times, Hispanic and Black women each earned 1.8 times, and White women earned 1.7 times more per week.24
Ongoing occupational segregation is a persistent contributor to the wage gap for all women, but particularly so for Black and Hispanic women. In 2012:

- While 47 percent of Asian women and 43 percent of White women were employed in the higher-paying occupational grouping of management, professional, and related jobs, only 34 percent of Black women and 26 percent of Hispanic women were so employed. The median weekly earnings of full-time women workers in management, professional, and related jobs were $951.

- A large majority of Hispanic women (63 percent) and Black women (58 percent) worked in lower-paying service, and sales and office occupations, compared to 51 percent of White women and 47 percent of Asian women. The median weekly earnings for women full-time sales and office workers were $610.

- Thirty-two percent of Hispanic women were service workers, as were 28 percent of Black women. The median weekly wage for women full-time service workers was $435 (the lowest of the occupational categories in the chart below).
THE WAGE GAP BETWEEN WOMEN AND MEN

Fifty years after the enactment of the Equal Pay Act of 1963 and 49 years after the enactment of Title VII of the Civil Rights Act of 1964, equal pay between women and men remains elusive. In 2012, the median weekly earnings of all full-time women workers were 81 percent of men’s.\(^{31}\)\(^{\text{ii}}\)

Black, Asian, and Hispanic women all earn less than men of the same race or ethnicity when median weekly earnings are compared – in 2012, Asian women earned 73 percent of Asian men’s earnings; Black women, 90 percent of Black men’s earnings; and Hispanic women, 88 percent of Hispanic men’s earnings. White women earned 81 percent of White men’s earnings.\(^{32}\)\(^{\text{ii iv}}\)

Black women’s earnings as a percentage of Black men’s, and Hispanic women’s earnings as a percentage of Hispanic men’s, were relatively high (90 and 88 percent respectively in 2012) due to the low median weekly earnings of Black and Hispanic men. The median weekly earnings of Black and Hispanic men working full time were 76% and 67%, respectively, of the median weekly earnings of White men working full-time.\(^{33}\)

The median weekly earnings of women by race and ethnicity have historically trailed those of White men. White women’s median weekly earnings rose from 63 percent in 1980 to 81 percent in 2012; Black women’s, from 58 percent in 1980 to 68 percent in 2012; and Hispanic women’s, from 54 percent in 1980 to 59 percent in 2012.\(^{34}\)\(^{\text{v}}\)

\(^{\text{ii}}\) The U.S. Census Bureau, which reports that women earn 77 cents for every dollar a man earns, measures the wage gap based on median annual earnings of workers age 15 and older who worked full-time and year-round.

\(^{\text{iii}}\) Some of the factors found to contribute to the gender wage gap include number of hours worked, work experience, length of time away from the labor force, salary negotiation, types of occupations, and discrimination. The extent to which each explains the gender gap has been addressed in several studies and is a broad discussion outside the scope of this fact sheet.

\(^{\text{iv}}\) In the first chart, because women are compared to men of their own race or ethnicity, the wage gap reflects a gender wage gap.

\(^{\text{v}}\) In the second chart, because women of color are compared to White men, the resulting wage gap reflects a race and/or ethnicity gap in addition to a gender gap.
Although the wage gap has decreased over time, Black and Hispanic women continue to experience a huge gap in median weekly earnings compared to White men. Black women earn 32 cents less per dollar than White men and Hispanic women receive 41 cents less for every dollar White men are paid.

THE REAL COST OF THE WAGE GAP

The cost of the wage gap when compared to White men is more than 12 cents for an Asian woman, 32 cents for a Black woman, or 41 cents for a Latina. The real cost is much higher. From the start of her career to the end of it, the average, full-time Asian working woman stands to lose about $315,000 and a full-time White working woman, $440,000 as a result of the pay gap. Black and Hispanic women stand to lose much more – about $717,000 for Black women and $854,000 for Hispanic women.vi

The ramifications of these losses during a woman’s career are enormous. It means less money to spend for food for her family, on education, and on child care. The earnings lost are felt by every household that counts on a woman’s paycheck. That’s why equal pay is not just a woman’s issue. It is a family issue. And families in America cannot afford the pay gap.

vi The chart depicting the cumulative lost earnings by full-time White, Asian, Black, and Hispanic women is based on annual average median wages in 2012, annualized and summed from ages 16 to 65. The analysis was done by the U.S. Department of Labor, Office of the Chief Economist, in 2013 using Bureau of Labor Statistics/Current Population Survey data.
THE IMPACT OF THE GENDER WAGE GAP ON THE RETIREMENT INCOME OF OLDER WOMEN

When a woman who has experienced a gender wage gap throughout her working life retires, the lower earnings she has experienced mean that she will likely collect less from Social Security, less from a pension, if she has one, and will have less money in the bank or invested in financial assets than she would have absent the wage gap. With longer life expectancies than men, women tend to live more years in retirement and have a greater chance of exhausting their savings and assets.

Black women have the highest rate of poverty for those 65 years of age and above (21 percent), followed by Hispanic women (20 percent), Asian women (13 percent), and White women (9 percent). If a woman is living alone, she is much more likely to be in poverty. Hispanic women have the highest poverty rate for those 65 years of age and above living alone (39 percent), followed by Black women (32 percent), Asian women (28 percent), and White women (16 percent).

Social Security comprises a particularly significant portion of the retirement income of unmarried women age 65 and over. In 2011, 48 percent of elderly unmarried women receiving Social Security benefits relied on Social Security for 90 percent or more of their income.

Elderly women are less likely than elderly men to have significant family income from pensions other than Social Security. In 2010, only 23 percent of unmarried women age 65 or older were receiving their own private pensions compared to 27 percent of unmarried men.
RESOURCES AND CONTACTS

The Department of Labor has made ending the pay gap one of its top priorities and has built a strong record of identifying and eliminating gender-based wage discrimination. Through the efforts of the Women’s Bureau, the Office of Federal Contract Compliance Programs, and the Wage and Hour Division, the Department has increased enforcement; successfully resolved discrimination cases; increased worker, employer, and advocate outreach and education; and engaged in research and data sharing.

For information on worker protection and employer compliance assistance programs, please contact the U.S. Department of Labor or any of the other resources listed below:

RESOURCES

Government Resources

- The White House
  § “Your Right to Equal Pay” – [http://www.whitehouse.gov/issues/equal-pay#top](http://www.whitehouse.gov/issues/equal-pay#top)

  § Wage and Hour Division – [http://www.dol.gov/whd](http://www.dol.gov/whd)


  § Social Security is Important to Women (February 2013). [http://www.socialsecurity.gov/women](http://www.socialsecurity.gov/women)

U.S. DEPARTMENT OF LABOR
Phone: 1-866-4-USA-DOL
TTY: 1-877-889-5627
[www.dol.gov](http://www.dol.gov)

WOMEN’S BUREAU
Phone: 1-800-827-5335
[http://www.dol.gov/wb](http://www.dol.gov/wb)
ENDNOTES


3 Ibid. Table 3 and Table 4. “Employment status of the Hispanic or Latino population by age and sex.” [http://www.bls.gov/cps/cpsaat04.htm]

4 Ibid. Table 3. “Employment status of the civilian noninstitutional population by age, sex, and race.” [http://www.bls.gov/cps/cpsaat03.htm]

5 In December 2012 and both January and February 2013, women were 49.3% of total nonfarm employees on employer payrolls (January and February results are preliminary). U.S. Bureau of Labor Statistics (March 8, 2013). Employment Situation, Table B-5. “Employment of women on nonfarm payrolls by industry sector, seasonally adjusted.” [http://www.bls.gov/news.release/empsit.t21.htm]


7 Ibid. Table 4. “Employment status of the Hispanic or Latino population by age and sex.” [http://www.bls.gov/cps/cpsaat04.htm]


http://www.whitehouse.gov/administration/eop/cwg/data-on-women


http://www.census.gov/hhes/www/poverty/data/index.html#cps


23 Ibid. Unpublished tabulations.

24 Ibid. Unpublished tabulations.

25 Ibid. Table 10. “Employed persons by occupation, race, Hispanic or Latino ethnicity, and sex.”
http://www.bls.gov/cps/cpsaat10.htm

26 Ibid. Table 39. “Median weekly earnings of full-time wage and salary workers by detailed occupation and sex.”
http://www.bls.gov/cps/cpsaat39.htm

27 Ibid. Table 10. “Employed persons by occupation, race, Hispanic or Latino ethnicity, and sex.”
http://www.bls.gov/cps/cpsaat10.htm

28 Ibid. Table 39. “Median weekly earnings of full-time wage and salary workers by detailed occupation and sex.”
http://www.bls.gov/cps/cpsaat39.htm

29 Ibid. Table 10. “Employed persons by occupation, race, Hispanic or Latino ethnicity, and sex.”
http://www.bls.gov/cps/cpsaat10.htm

30 Ibid. Table 39. “Median weekly earnings of full-time wage and salary workers by detailed occupation and sex.”
http://www.bls.gov/cps/cpsaat39.htm

31 Ibid. Table 37. “Median weekly earnings of full-time wage and salary workers by selected characteristics.”
http://www.bls.gov/cps/cpsaat37.htm

32 Ibid.

33 Ibid.


35 The Social Security system is progressive in that lower-wage earners receive a higher percentage benefit than higher-wage earners. U.S. Social Security Administration (February 2013). *Social Security is Important to Women.*
http://www.socialsecurity.gov/pressoffice/factsheets/women.htm

http://www.census.gov/hhes/www/poverty/data/index.html#cps

37 U.S. Social Security Administration (February 2013). *Social Security is Important to Women.*
http://www.socialsecurity.gov/pressoffice/factsheets/women.htm

38 Ibid.