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Breaking Down the Gender Wage Gap

Women's Bureau

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Breaking Down the Gender Wage Gap

Abstract

Over the years, the wage gap has gotten smaller. But in the past decade or so, progress has stalled. Many factors contribute to the gender wage gap, and women's achievements in certain areas may have helped reduce it.

Keywords

pay equity, gender, wage gap, earnings

Comments

Suggested Citation

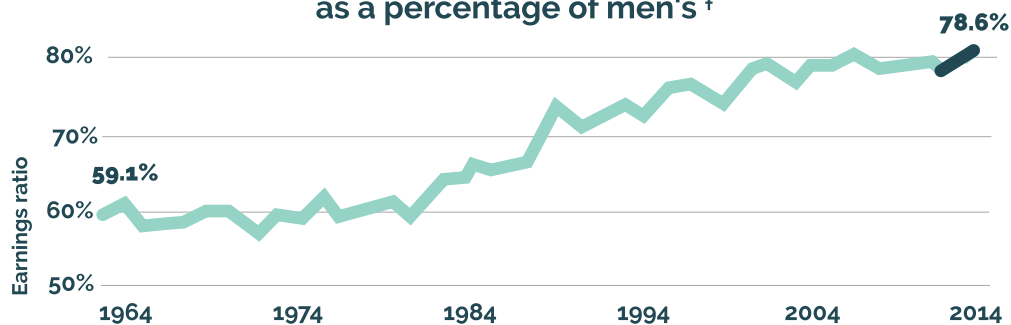
U.S. Department of Labor, Women's Bureau (2016). *Breaking down the gender wage gap*. Washington, DC: Author.

BREAKING DOWN THE GENDER WAGE GAP

Women earn less than men.

Women who worked full-time, year-round in 2014 earned on average, **79%** of men's median annual earnings

Women's median annual earnings of full-time, year-round workers as a percentage of men's †



Source: U.S. Census Bureau¹

Over the years, the **wage gap** has gotten smaller. But in the past decade or so, **progress has stalled**.

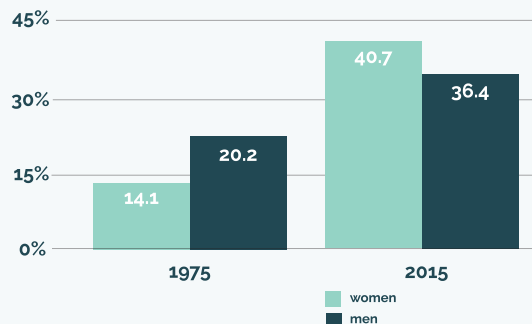
Many factors contribute to the gender wage gap, and women's achievements in certain areas may have helped reduce it. For example . . .

higher educational attainment...

More education is often associated with higher earnings. Historically, women had lower levels of college education than men, which could have contributed to the overall wage gap. However, in recent decades women have outpaced men in educational attainment: between 1975 and 2015, the share of women in the labor force age 25+ with a college degree increased from 14% to 41%.

Over those 40 years, women went from graduating college at a much lower rate than men to actually exceeding their rate.

Share of people in the labor force age 25+ with college degrees

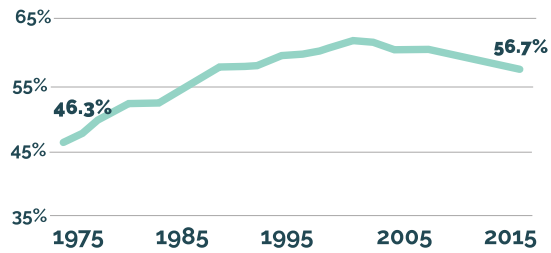


Source: U.S. Bureau of Labor Statistics²

...and greater labor force participation

The increased participation of women in the labor force has both reflected and contributed to a major social transformation over the past several decades, and research suggests that it is associated with the narrowing of the wage gap. In 1965, only about 40% of women of ages 16 and up were in the labor force. By 1999, when labor force participation was at its peak, around 60% of women were in the labor force. Despite some decline in the past few years, women's labor force participation rate is still 10 percentage points higher today than it was in 1975.

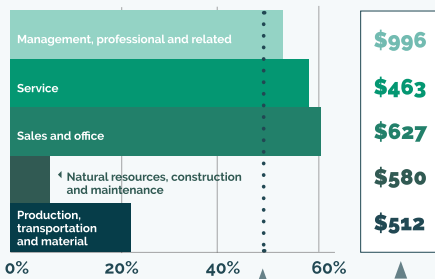
Women's labor force participation rates



Source: U.S. Bureau of Labor Statistics²

In spite of these gains, the wage gap persists due to a number of other factors, including . . .

Women's share of workers by occupational group, 2015



Women's share of the workforce (46.8%)
Source: U.S. Bureau of Labor Statistics²

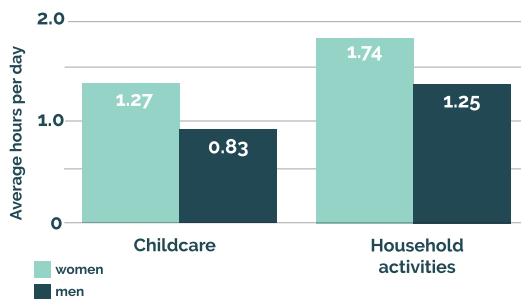
2015 WOMEN'S MEDIAN WEEKLY EARNINGS OF FULL-TIME WORKERS BY OCCUPATION GROUP

gender segregation across occupations...

Although women are now working in more fields than ever, they are still more likely to work in lower-paying jobs than men are, and they remain underrepresented in many occupations. Moreover, even when they work in the same occupations, many women continue to earn less than their male counterparts.

Even as women have accessed more jobs in higher-paying sectors, they are still under-represented in many of the highest-paying occupations. **For example, women only make up less than 1 in 3 chief executives, and just over 1 in 6 software developers.**

Time spent by full-time working parents with children under 18, 2014



Source: U.S. Bureau of Labor Statistics³

...and women's unpaid work

More women now participate in the labor force, yet they are also more likely to spend time performing unpaid household and caregiving responsibilities than men, which may erode their wage-earning potential. For example, women are the majority of those providing elder care and are over twice as likely to perform housework on an average day as men. This imbalance of unpaid household work persists for full-time working women and mothers.

These additional duties, combined with the lack of adequate workplace supports like paid family leave, may affect the number of hours women work in the paid labor force and the types of jobs that they hold. In 2015, only 12% of private industry workers had access to paid family leave and only 10% received child care assistance from their employer.

This is not an exhaustive list, and some causes for the wage gap remain unexplained by existing research.

For example, gender discrimination may be responsible for some portion of the unexplained wage gap. However, these are some of the major factors that have been barriers to women's earning potential and pay equality.

And there is more to the story: women of color continue to face significant racial wage gaps on top of the gender wage gap.*

To ensure the health of our economy and the economic security of our nation's families, we must do more to eliminate the gender wage gap.

Sources

†Estimates for 2013 onward reflect redesigned income questions.

¹U.S. Census Bureau, 1965-2015 Annual Social and Economic Supplements

²U.S. Bureau of Labor Statistics, Current Population Survey

³U.S. Bureau of Labor Statistics, 2014 American Time Use Survey

* The gender wage gap is bigger for black and Hispanic women compared to white, non-Hispanic men

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WOMEN'S BUREAU
UNITED STATES DEPARTMENT OF LABOR

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