

# THE SIMPLE TRUTH

## ABOUT THE GENDER PAY GAP

# 2022 UPDATE



Analyzing the gender pay gap is critical to understanding women's immediate and long-term economic security—or insecurity. More women live in poverty than men,<sup>1</sup> and women are more likely to work in low-paying jobs.<sup>2</sup> Women who are mothers are paid less than men who are fathers.<sup>3</sup> But women are also increasingly the primary breadwinners for their families; their income is critical.<sup>4</sup> Underpaying women and undervaluing their work not only hurts women and their families; it damages the entire U.S. economy.

AAUW and our coalition partners have traditionally assessed full-time, year-round workers to calculate the gender pay gap. However, looking at the earnings ratio of all workers—which includes seasonal and part-time employees—captures a more accurate picture of the labor market. This is particularly important in light of changes in the workforce due to the pandemic, when millions of women were forced to leave their jobs due to layoffs, health challenges and increased caregiving demands.

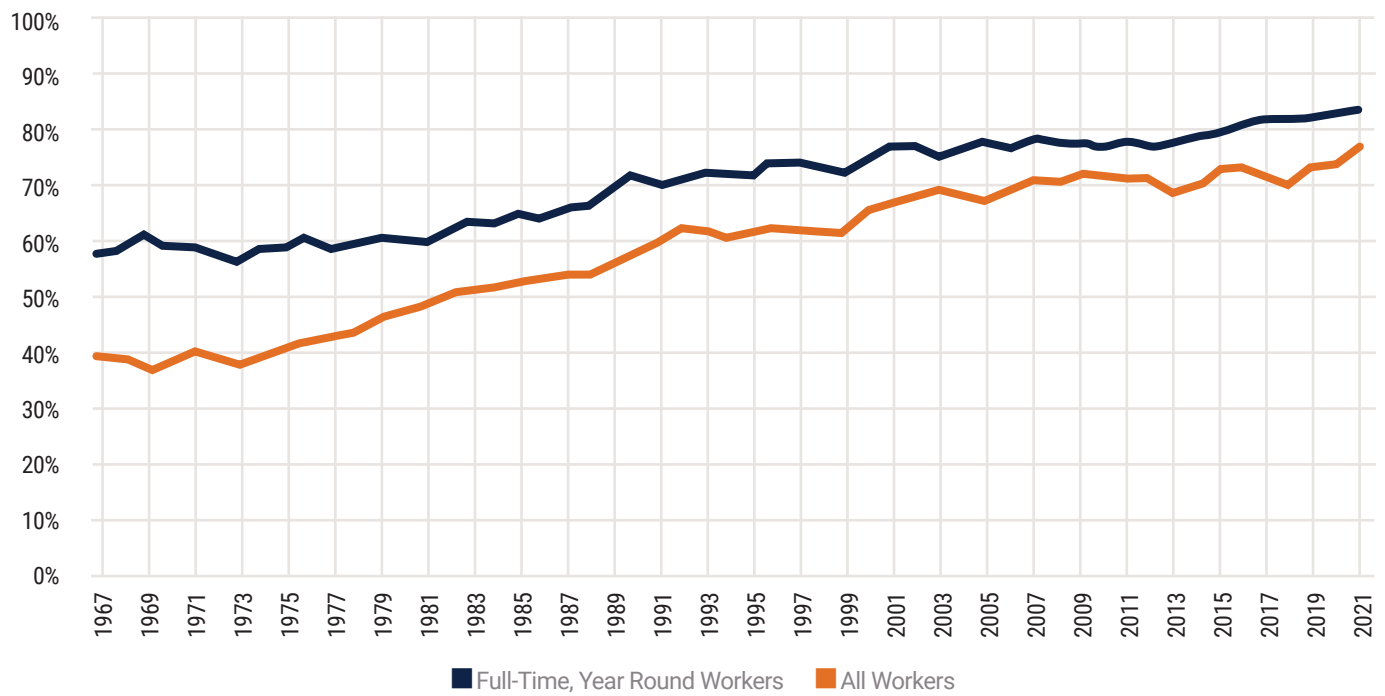
An analysis of newly released figures from the U.S. Census Bureau and the Bureau of Labor Statistics

shows that, overall, in 2021 women were paid just 84 cents for every dollar paid to men when comparing full-time, year-round workers.<sup>5</sup> However, when the calculation included all workers, the earnings discrepancy is substantially larger: Women took home only 77 cents for every dollar men did.<sup>6</sup> [Fig. 1]

In 2021, women made up a larger proportion of the part-time workforce than men—59% compared to 41%. In addition, only 17% of working men aged 16 and older were part-time, versus 28% of women aged 16 and older.<sup>7</sup> Women of color are slightly more likely to work part-time than white women and much more likely to do so than men.<sup>8</sup>

While part-time workers by definition work fewer hours, they also tend to earn less per hour and face other less desirable outcomes. For example, part-time workers are three times as likely as full-time workers to be paid the federal minimum wage or less.<sup>9</sup> Part-time workers also have reduced access to benefits like paid leave and paid sick days (51%) compared to their full-time counterparts (88%).<sup>10</sup> And, during the COVID-19 pandemic, part-time workers were more likely to lose

**Figure 1. Earnings Ratio between Male and Female Workers**  
(all workers compared to full-time, year-round workers)



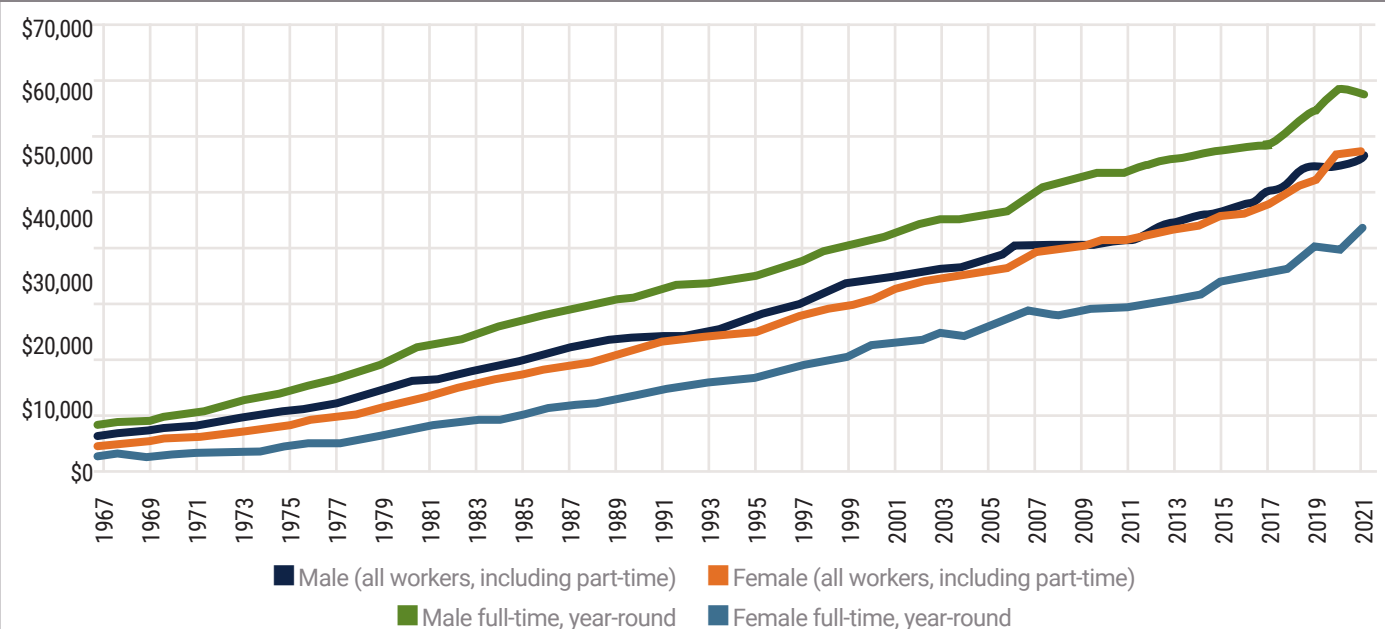
their jobs than full-time workers.<sup>11</sup>

In fact, in 2020 and 2021, for only the second and third times in 55 years, median earnings for full-time, year-round women workers were higher than median earnings of all types of men workers. This demonstrates both that, on average, women still earn significantly less than men, but also that full-time, year-round workers tended to have more stable income

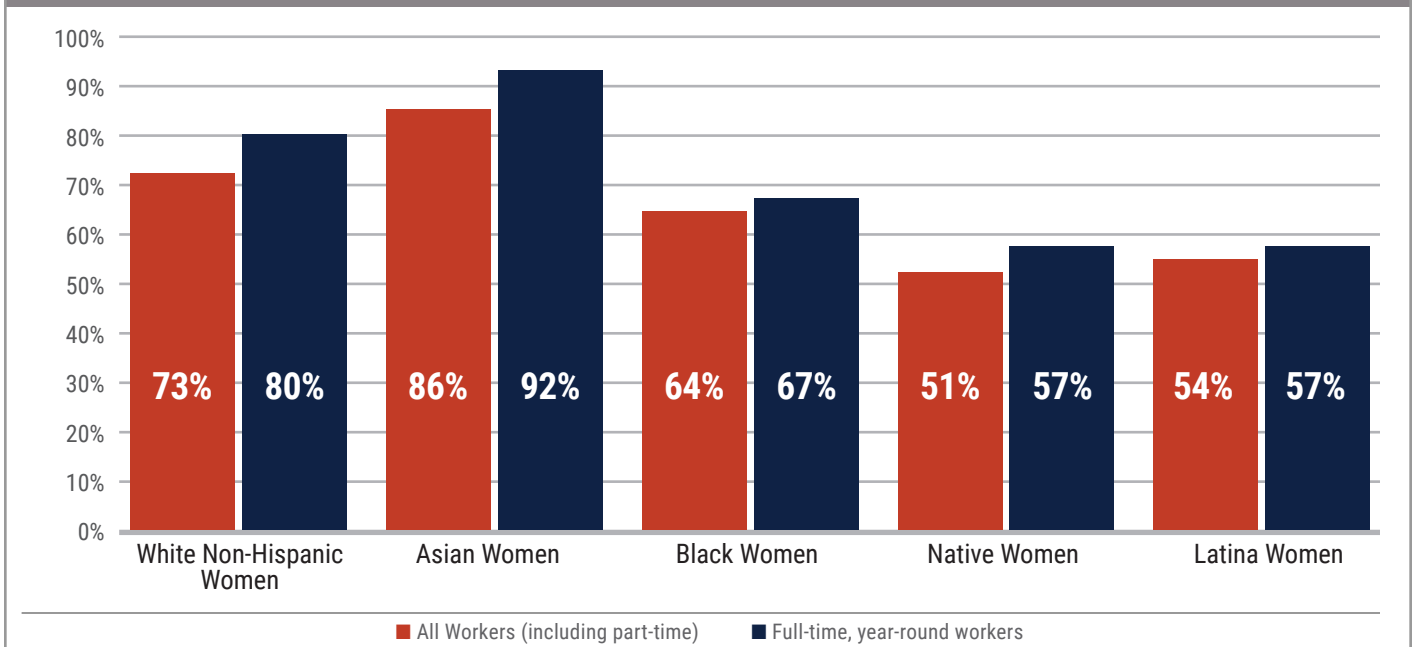
than their part-time and seasonal worker counterparts through the pandemic. [Fig. 2]

Including all workers in these calculations illuminates a variety of lived experiences that affect the gender pay gap. That data help to demonstrate that there is not just one pay gap, but rather many gaps—in earnings, benefits and wealth. They are as diverse as American women.

**Figure 2. Earnings of Male and Female Workers**



**Figure 3. Earnings Ratio by Race, Compared to White, Non-Hispanic Men**



Race is an important facet impacting the disparities. There are broad differences in the average wages based on race in comparison to white, non-Hispanic men. Whether comparing full-time, year-round workers or all workers, there is no racial group of women who come close to bringing home similar wages to white, non-Hispanic men. And many subgroups of Asian women—the highest overall earners among women in comparison to white, non-Hispanic men—in fact experience some of the largest wage gaps.<sup>12</sup> [Fig.3]

But the economic security of women and their families is influenced by more than just current income. Wealth—defined as the difference between a family’s assets and liabilities—protects families from unexpected expenses or temporary economic shocks, contributes to retirement, and offers security and peace of mind.<sup>13</sup> White families are much more likely to have wealth than families of color. For example, the median Black family has a mere 12.7% of the wealth that the median white family has.<sup>14</sup> Meanwhile, white individuals are more than four times as likely to have received an inheritance than Hispanic individuals.<sup>15</sup>

The U.S. has a long history of sexism and racism that contributes to the creation and perpetuation of these gender and racial pay gaps.<sup>16</sup> AAUW’s 2021 report, *Systemic Racism and the Gender Pay Gap*<sup>17</sup>, discusses how this has led to occupational segregation and the undervaluing of women’s work. Policies beyond those that affect the workforce also contribute, including

those that pertain to housing, education and criminal justice.

Structural solutions are needed to disrupt these patterns and set women and their families on a more equitable path. Both government officials and employers have a role to play in closing the gender and racial pay gaps—a move that would benefit the whole economy.

### **Government**

Congress should pass the Paycheck Fairness Act, which would update and strengthen the Equal Pay Act of 1963; the Pay Equity for All Act, which would prohibit employers from using salary history to set pay; and the Fair Pay Act, which would require employers to provide equal pay for jobs of equivalent value to help reduce the impact of occupational segregation.

Congress should pass comprehensive paid leave, such as the Family and Medical Insurance Leave (FAMILY) Act, which would create a national paid family and medical leave insurance program for all workers, and the Healthy Families Act, which would guarantee paid sick leave. Congress should also make it easier for families to afford child care by funding early-childhood education programs and improving access to high-quality, inexpensive child care.

Congress should raise the minimum wage and eliminate the tipped minimum wage. Passing the Raise the Wage Act of 2021 would gradually increase

the federal minimum wage to \$15 by 2025. Women make up the majority of minimum-wage workers, and women of color are overrepresented in low-wage jobs. Moreover, two-thirds of tipped workers are women, and tipped women of color make notably less than their tipped white male and female counterparts. A \$15 minimum wage would narrow the pay gap and reduce poverty for millions of women workers and their families.

Congress should institute robust protections against sexual, racial and other forms of harassment. Racism and sexism often collide in the workplace, causing women of color to experience higher levels of harassment and discrimination, and often harming their earnings. The BE HEARD in the Workplace Act, the EMPOWER Act and the Forced Arbitration Injustice Repeal (FAIR) Act are legislative responses that put workers first and allow everyone to do their jobs and earn a fairer paycheck without the threat of harassment or retaliation.

The Equal Employment Opportunity Commission (EEOC) can and should gather critical wage information based on sex, race and ethnicity from private employers and from federal contractors with 100 or more employees. This data collection could help the EEOC better identify wage discrimination and encourage voluntary compliance by companies.

As states await federal action, they should enact or reform their own pay equity laws. Nearly every state has a law prohibiting employers from paying workers

differently based solely on their gender. But many of these laws are limited in scope or not enforced. Every state has room to make its legislation stronger.

## **Employers**

Employers should conduct regular pay audits, post salary ranges for jobs, eliminate the use of salary history in setting wages and prohibit retaliation against employees for discussing, disclosing or inquiring about their wages. These actions will increase pay transparency and minimize pay gaps based on previous inequalities. They may also contribute positively to employers' bottom lines and employee recruitment and retention. When workers believe their employer is fair, their morale improves and they are more likely to contribute their best effort to the job.<sup>18</sup>

## **Individuals**

While women can't negotiate around discrimination, it is helpful to know your market value and to push for better wages. Individuals can learn to negotiate their own financial futures by taking an AAUW Work Smart salary-negotiation course.

In addition, anyone can take steps to influence employers and governments—by writing letters to legislators and local papers, blogs and tweets. Those are just a few examples. Joining an organization like AAUW can make all of these activities easier, especially if you use our templates and resources and connect with our network of activists.

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**AAUW thanks Jessamyn Schaller, Ph.D., and Brittany Stalsburg, Ph.D.,  
for their contributions to the research and analysis in this report.**

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## ENDNOTES

<sup>1</sup> John Creamer, et al., *Poverty in the United States: 2021* (Washington, D.C.: U.S. Census Bureau Current Population Reports, September 2022), <https://www.census.gov/content/dam/Census/library/publications/2022/demo/p60-277.pdf>.

<sup>2</sup> Diana Boesch Robin Bleiweis and Areeba Haider, *Raising the Minimum Wage Would Be Transformative for Women*, (Washington, D.C.: Center for American Progress, February 23, 2021), <https://www.americanprogress.org/article/raising-minimum-wage-transformative-women/>.

<sup>3</sup> Morgan Smith, “Working moms get 58 cents for every dollar dads earn—and the pandemic has made the pay gap worse,” CNBC, September 8, 2022, <https://www.cnbc.com/2022/09/08/working-moms-are-paid-58-cents-for-every-dollar-dads-earn.html>.

<sup>4</sup> Sarah Jane Glynn, *Breadwinning Mothers Are Critical to Families’ Economic Security* (Washington, D.C.: Center for American Progress, March 29, 2021) <https://www.americanprogress.org/article/breadwinning-mothers-critical-familys-economic-security/>.

<sup>5</sup> Jessica Semega and Melissa Kollar, *Income in the United States: 2021* (Washington, D.C.: United States Census Bureau, September 2022), <https://www.census.gov/content/dam/Census/library/publications/2022/demo/p60-276.pdf>.

<sup>6</sup> AAUW calculations based on U.S. Census Bureau Current Population Survey *Annual Social and Economic Supplement*, 2022 report of 2021 numbers, <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pinc/pinc-05.html>.

<sup>7</sup> “Table 22. Persons at work in nonagricultural industries by age, sex, race, Hispanic or Latino ethnicity, marital status, and usual full- or part-time status,” U.S Bureau of Labor Statistics: Labor Force Statistics from the Current Population Survey, last modified January 20, 2022, <https://www.bls.gov/cps/cpsaat22.htm>.

<sup>8</sup> Robin Bleiweis, Jocelyn Frye, and Rose Khattar, *Women of Color and the Wage Gap*, (Washington, D.C.: Center for American Progress, November 17, 2021), <https://www.americanprogress.org/article/women-of-color-and-the-wage-gap/>.

<sup>9</sup> *Characteristics of Minimum Wage Workers, 2021* (Washington, D.C.: U.S. Bureau of Labor Statistics, 2022), <https://www.bls.gov/opub/reports/minimum-wage/2021/pdf/home.pdf>.

<sup>10</sup> “Table 6. Selected paid leave benefits: Access,” U.S. Bureau of Labor Statistics, last modified September 22, 2022, <https://www.bls.gov/news.release/ebs2.t06.htm>.

<sup>11</sup> Elise Gould and Jori Kandra, *State of Working America 2021* (Washington, D.C.: Economic Policy Institute, 2022), <https://www.epi.org/publication/swa-wages-2021/>.

<sup>12</sup> “Economic Justice,” National Asian Pacific American Women’s Forum, accessed October 31, 2022, <https://www.napawf.org/economic-justice>.

<sup>13</sup> Juliana Menasce Horowitz, Ruth Igielnik, and Rakesh Kochhar, *Trends in U.S. Income and Wealth Inequality* (Washington, D.C.: Pew Research Center, 2020), <https://www.pewresearch.org/social-trends/2020/01/09/trends-in-income-and-wealth-inequality/>.

<sup>14</sup> Christian E. Weller and Lily Roberts, *Eliminating the Black-White Wealth Gap Is a Generational Challenge* (Washington, D.C.: Center for American Progress, 2021), <https://www.americanprogress.org/article/eliminating-black-white-wealth-gap-generational-challenge/>.

<sup>15</sup> Neil Bhutta et al., “Disparities in Wealth by Race and Ethnicity in the 2019 Survey of Consumer Finances,” Board of Governors of the Federal Reserve System, September 28, 2020, <https://www.federalreserve.gov/econres/notes/feds-notes/disparities-in-wealth-by-race-and-ethnicity-in-the-2019-survey-of-consumer-finances-20200928.html>.

<sup>16</sup> *Systemic Racism and the Gender Pay Gap: A supplement to The Simple Truth* (Washington, D.C.: American Association of University Women, 2021), [https://www.aauw.org/app/uploads/2021/07/SimpleTruth\\_4.0-1.pdf](https://www.aauw.org/app/uploads/2021/07/SimpleTruth_4.0-1.pdf).

<sup>17</sup> Ibid.

<sup>18</sup> Ibid.

