Examining the Gender Wage Gap

Introduction

The gender pay gap has been an evolving issue for decades. While the gap in wages between men and women has narrowed, inequality continues to be prevalent. This issue will continue to impact current women in the workforce as well as younger generations to come until greater equality is achieved.

Question #1: What is the gender wage gap and how has it evolved over time?

The gender pay gap is a measure of pay disparity between men and women. Throughout time, there have been several misconceptions that data are often unreliable. However, the figures used to calculate this measure have yielded remarkably clear and consistent results. These results show that a woman is paid 83 cents for every dollar a man makes to perform the same job. Another factor that affects this disparity is race. It has been found that black and hispanic women are the most disadvantaged and see the greatest difference in pay. The issue of wage discrimination based on race is predicted to become an increasing factor in the gender pay gap.

It is important to note that the gap has progressed immensely over the past thirty years. Between the years 1979 and 1990 specifically, the ratio of women’s to men’s median hourly pay grew closer together. However, studies show this is because women made disproportionate gains in education and participation in the workforce. In recent years, this progress has stalled. It is unclear why women have stopped moving toward greater parity regarding wages. Notably, current trends indicate that women’s wages will continue to be pulled down over the course of their working life time.

Question #2: What are the long-term effects of the gender-wage gap?

The gender-wage gap not only impacts women’s day-to-day life, it can also have long-term effects on women. Due to the gender-wage gap, the average woman worker will lose more than $530,000 in her lifetime. College educated women will lose even more money throughout their lifetime, losing an average of $800,000. This reveals hidden effects of wage disparity as college educated women will have a harder time paying off their student loans when compared to their male colleagues, because their salaries are less than their male coworkers. Not only will women be making significantly less than men, but this can cause women to have increased retirement insecurity. Being paid less results in lower social security payments and fewer opportunities to save for retirement.

Poverty among women is also heavily impacted by the gender-wage gap. If the wage gap closed, poverty rates among women would decrease. Research suggests this would also allow around 2.5 million children to come out of poverty due to their mothers’ increased income. Reducing or eliminating the gender wage gap would really help all women become more financially secure. It has been found that the gender wage gap can affect the mental health conditions for many females too.
Question #3: What policies and practices can be adopted to help close the gender wage gap?

According to the Center for American Progress, the gender wage gap has only closed by four cents over the past decade. Without comprehensive reform and updated policies, it is estimated men and women's earnings will not be equal until the year 2059. The Paycheck Fairness Act (PFA) is one of the ways the gender wage gap can be closed over time. The PFA was introduced to Congress on January 28th, 2021. The PFA proposes adding procedural protections to the Equal Pay Act of 1963 and the Fair Labor Standards Act. These protections aim to make wages more transparent, require employers to prove pay discrepancies are based on qualifications and experiences rather than gender, and protect women who come forward about gender-based discrimination concerns. The proposed bill has failed nearly 30 times.

Besides the PFA, there are work-family policies designed to help women, who are disproportionately affected by child care activities. These policies involve adopting paid sick days and comprehensive paid family and medical leave programs. These policies are designed to minimize job loss and ensure economic protections for all workers, not just women. Besides just enacting policies and protections to address the gender wage gap, our society must address the cultural biases to combat gender discrimination. Policies can change, but if we do not change our mindsets and attitudes, the gender wage gap will continue.

Parting Thoughts:

The gender wage gap has persisted in the United States and will continue to be an issue affecting economic security, equality, mental health, and prosperity--not only for women but for all Americans. We can expect continued government attention to this issue along with actions that seek to change workplace culture in the private sector.