

A Guide to the Wage Gap



TEST YOUR KNOWLEDGE

1. You've probably heard that women are paid only \$.77 for every dollar a man earns. What does the statistic refer to? Does it mean:
 - A. that on average, when there are male and female coworkers doing the same job, the woman earns \$.77 for every \$1 a man earns
 - B. that for any given profession or job category, a similarly qualified woman earns \$.77 for every \$1 a man earns
 - C. that for any given level of education and experience, a similarly qualified woman earns \$.77 for every \$1 a man earns
 - D. that the average wage for all women who work full-time is \$.23 cents less than the average wage that all men working full-time make.

Answer: D  The Wage Gap statistic comes from the Department of Labor. It compares the median wages of a full-time working man with a full-time working woman, and it shows that on average women earn less than men do. This statistic does not take into account the number of hours worked, the profession, job responsibilities, years of experience or educational background of the workers. By the way, the most recent data for this statistic shows the average woman earning [82 percent](#) of the average man's earnings, not 77 percent.

2. If you were to adjust the wage gap for education level, experience, time worked... What do you think the more accurate wage gap number is?
 - A. \$.97
 - B. \$.85
 - C. \$.82
 - D. \$.77

Answer: A  Economist June O'Neill studied data from 2000 and found that after controlling for factors such as work experience, career choice, time out of the workforce and school, just a 3.3 percent wage gap remains. Even the liberal American Association of University Women found in a study of recent graduates, that when the choice of major, hours worked, and career choices were taken into account, the wage gap shrinks to 6.6 cents on the dollar.

3. What do you think single, childless women living in cities make for every dollar earned by single, childless men?

- A. \$.77
- B. \$.88
- C. \$1.08
- D. \$.90

Answer: C  A 2010 study of single, childless urban workers between the ages of 22 and 30 (by the research firm Reach Advisors) found that women earned an average of 8 percent more than their male counterparts. Similarly, economist June O'Neill found that when comparing 'single childless women to single childless men, ages 35-43, the wage gap not only disappears, but instead becomes a wage premium' (meaning women again out-earned their male counterparts).

4. Do working fathers and mothers have the same preferences when it comes to workplace flexibility and high pay when assessing jobs?

- A. Yes, mothers and fathers care equally about these factors.
- B. No, mothers care more about flexibility and fathers care more about high pay
- C. No, mothers care more about both high pay and flexibility
- D. No, fathers care more about both high pay and flexibility

Answer: B  [In a Pew Social Trends report](#), 70 percent of working mothers said that a flexible schedule was important to them, but flexibility mattered to only 46 percent of working fathers. Regarding salary: Ten percentage points more men than women said having a higher paying job was important.

5. What percentage of deaths that occur on the job are of male workers?

- A. 92 percent
- B. 75 percent
- C. 50 percent
- D. 33 percent

Answer: A  According to the U.S. Census Bureau, 92 percent of all workers who died on the job in 2012 were men. Outside of the military, jobs that carry that kind of risk both tend to be paid a higher premium, and chosen more often by men. These are jobs like mining, construction, utility work, and transportation.

6. What would happen if the government got more involved in dictating how businesses must compensate employees and made it much easier for female workers to sue employers?
- A. There would be fewer flexible work options
 - B. There would be fewer job opportunities for women
 - C. Women would have lower take-home pay
 - D. All of the above

Answer: D  There are already laws on the books that make discrimination illegal. Employers can't pay a male and female worker different amounts for doing the same job. Women can and do file and win discrimination lawsuits under these laws. But proposals to expand government oversight over how employees are compensated and to make it even easier for employees to sue – even for wage disparities years in the past – will encourage employers to hire fewer employees, create one-size-fits-all employment arrangements to reduce their exposure to lawsuits. Businesses, after paying additional legal costs, will have less money left over to pay their workers, male or female.

7. How can women help reduce the wage gap?
- A. Negotiate their starting salaries
 - B. Be proactive in asking for raises
 - C. Consider their earning potential when deciding what to study at school and what jobs and careers to pursue
 - D. All of the above

Answer: D  A study conducted by the Federal Reserve Bank of New York in 2009 found that female students choose college majors in fields that are low paying, while men favor majors that lead to more high paying jobs. Female students put more weight on factors such as parental approval and enjoyment of future work, while their male counterparts are more concerned with future salaries and status. This may be a reason why women end up earning less than men. Some research suggests that women are less likely to negotiate salary offers and ask for raises, which may depress their earnings. That's important information to have: Women can learn to ask for raises, and we can teach our daughters to be comfortable talking about money. This is the kind of empowering information that is lost when we just tell women that they are paid 77 cents on the dollar because of sexism and lax government enforcement.



BOTTOM LINE

Women and men make different choices when it comes to work. On average, full-time working women tend to work fewer hours than men. Women generally choose different industries, different specialties, take more time out of the workforce, and place a higher value on enjoying their work and flexibility than men do. These are the primary reasons why women, on average, earn less than men do. Consider some friends:



Claire & David

Claire was a practicing lawyer and David was working in a start-up business when they had their first child. Claire took a break from work for about a year, and then started working from home on a part-time basis. She eventually went back to work full-time as the kids got older, but continued to work primarily from home and made sure that she had a schedule that allowed her to be home when her children got home from school. She's enjoying her job today, but has always made workplace flexibility and her family a higher priority than take-home pay. David had a different priority when he became a father. He worked even harder than before so that he could provide for his family. Both made sacrifices for their families, but it's no surprise that David has ended up earning more than Claire as a result.



Stephanie & Mike

Mike wanted to be an artist and in his early days worked at a restaurant to pay the bills while focusing on his art. Then he met Stephanie who was a hostess in the restaurant. They got married, and soon they had a baby. Stephanie stopped working, and Mike found a job working construction. It wasn't what he really wanted to do, but it paid well and had a good future. He thought the sacrifice was worth it and tries to satisfy his artistic side by painting as a hobby. Stephanie eventually went back to work at the restaurant part-time to supplement their income, but always made sure that her scheduled worked for her family.



Jessica Jessica moved to New York City after graduating college and got a high-paying job in finance. She worked incredibly long hours—often more than 80 hours a week. She had to travel frequently at the last minute and was even relocated to London for three months when working on a deal. She loves her job and has been promoted several times, and now makes nearly \$250,000 per year! Many of the women that she began her career with have since dropped out because they didn't want to keep up the grueling hours and wanted to spend more time with children. But Jessica feels like her sacrifices of personal time have been worth it.



Julie & Kevin Julie and Kevin went to college together. Both had a love of math and science. Julie ended up majoring in biology and Kevin in engineering. Julie ultimately became a veterinarian. It doesn't pay as much as some other medical specialties or other career paths Julie could have pursued, but she loves her job and getting to work with animals. Kevin today works as a chemical engineer, and he is the primary breadwinner in the family. His hours are long and his work can be isolating, but at least he finds his field interesting.



HOW DID YOU DO?

Check your answers and give yourself one point for each question you got right.

Did you get fewer than 5 points? That's okay! This information isn't well known, and in fact, most of the discussion you hear about this topic in the media ignores this kind of data and analysis. Take a look at our suggested readings and a great, informative video listed below where you can get learn more about the real causes of the Wage Gap.

Did you get 5 points or more? If so, congratulations! You know your stuff about what really drives how much people earn and you should speak up when you hear discussion about this topic since so many people haven't heard this information!



DISCUSSION QUESTIONS

What matters most to you when you are thinking about job opportunities?

What about people in your life? Do you think that men more often put earning money first?

Sometimes people seem to assume that men are more fortunate than women because they earn more, but when you look at some of the professions that men dominate you can see that sometimes men are making sacrifices: Working construction, driving trucks overnight, guarding prisons, working on dangerous fishing boats and oil tankers, and even in smelly sewers. Does it seem fair that employers have to pay more to find people to work in this type of job?

Most small businesses are run by women – if women were really available at 77 percent of the cost of hiring a man, wouldn't business owners be smart to hire all women?

If you are a business owner, what's the most you can pay someone? What happens when your other costs go up? What other considerations go into your decisions about who and how many people to hire?

Did you negotiate your first salary? Have you ever asked for a raise?

Is gender equality the same thing as gender parity?



ARTICLES TO READ

June O'Neill: The Disappearing Gender Wage Gap: <http://www.ncpa.org/pub/ba766>

Carrie Lukas: There Is No Male-Female Wage Gap: <http://iwf.org/news/2432850/There-Is-No-Male-Female-Wage-Gap>

Kay Hymowitz: Why Women Make Less Than Men: <http://online.wsj.com/news/articles/SB10001424052702303592404577361883019414296>



ACTION ITEMS

1. Ask your friends and family if they believe that women are routinely paid less than men are for doing the same work. If they say yes, ask them why. Ask them if making the most money was always their top priority when making career decisions. Explain what you've learned about the different choices that men and women tend to make when it comes to careers.
2. Write a letter to the editor of your local paper the next time you read a reference to the wage gap. Make sure that you challenge people when they repeat this statistic, and describe the many factors that explain that gap.
3. Talk to the women in your life—your daughters, partners, sisters, mothers, friends—about the importance of negotiating salaries and asking for raises.



FURTHER STUDY

1. Watch IWF's [video](#): Straight Talk About the Wage Gap.