



RESEARCH BRIEF #79

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The Cost of Being a Woman: How Race and Education Affect the Gender Pay Gap

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KEY FINDINGS

- White adults have higher annual average earnings than Black and Latinx adults across all education levels.
- Black and White women would need at least one additional education degree to earn as much as less-educated men.
- Latinx women need two additional degrees to earn as much as less educated Latinx men.
- Given the important implications of income for health, policies to reduce the gender pay gap should consider macro-level factors, such as structural racism and structural sexism that create and sustain these inequalities.

The gender pay gap in the United States workforce has remained relatively stable over the past few decades despite women having more access to advanced education and higher-paying jobs.¹ This persistent pay gap is the direct result of gains in educational attainment among women not translating into equitable earnings. Although earnings from employment generally increase with greater educational attainment, recent data suggest that women must obtain more education than men to achieve equal pay.²

Inequalities in lifetime earnings negatively impact women's health. Specifically, women residing in states with lower gender equality in employment earnings have worse physical and mental health outcomes and higher mortality rates than women residing in states with greater gender equality in employment earnings.³ This gender pay inequity is made worse by structural racism and structural sexism that result in women of color experiencing larger pay gap disparities.⁴

Given the significant implications for population health, there is an urgent need to monitor racial/ethnic and educational differences in the gender pay gap. This brief uses data from the U.S. Census Bureau and the Current Population Survey to document pay inequities in 2020 among all U.S. adult workers by race/ethnicity, gender, and

educational attainment. Because the data are not restricted to full-time workers, and women of color are more likely to have part-time jobs,⁴ we expect that some of the gender gaps highlighted below may be due in part to differences in hours worked.

White Adults Earn More than Black and Latinx Adults at Every Education Level

Figure 1 presents average annual earnings from employment in 2020 for adults aged 18 and older by race/ethnicity and educational attainment. Overall, White adults have higher average annual earnings than Black and Latinx adults across all education levels. Notably, Black and Latinx adults must obtain at least one additional degree to earn as much as White adults at the next lowest level of education. For example, Black and Latinx adults would need to obtain a high school degree to have a higher average annual income than White adults without a high school degree.

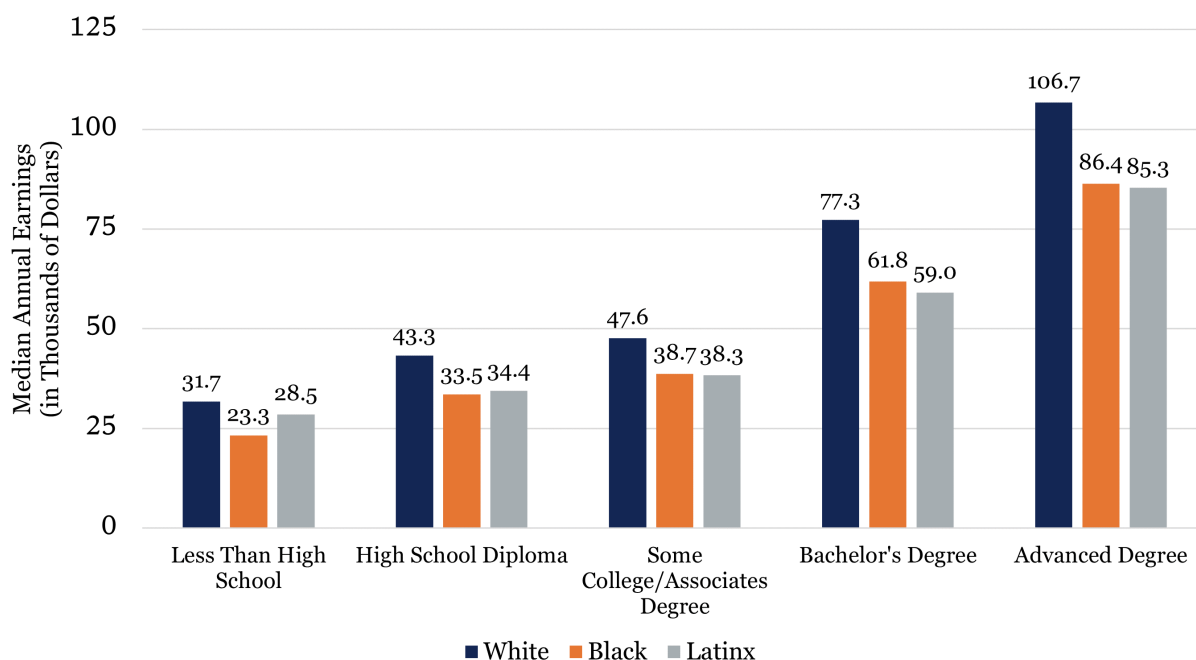


Figure 1: Average Annual Earnings Among Adults Aged 18 and Older, by Race/Ethnicity and Educational Attainment

Data Source: [Current Population Survey, 2020](#). Available from: Numeric values on each bar represent annual median earnings in thousands of dollars (e.g., 31.7 = \$31,700).

Women Need More Education than Men to Achieve Equal Pay

Figure 2 presents average earnings in 2020 by race/ethnicity, gender, and education. Overall, these findings illustrate stark gender and racial/ethnic pay gap inequities. For example, men earn more than women across all education levels, regardless of race/ethnicity. In addition, across all racial/ethnic groups, women would have to obtain at least one additional degree to earn as much as men with less education. For example, White women with an advanced degree earn more than White men with some college education but less than men with a bachelor’s degree. In contrast, Latinx women would need two additional degrees to earn as much as Latinx men with less education (i.e., Latinx women would have to obtain “some college” or an associate degree to make the same average earnings as Latinx men without a high school degree).

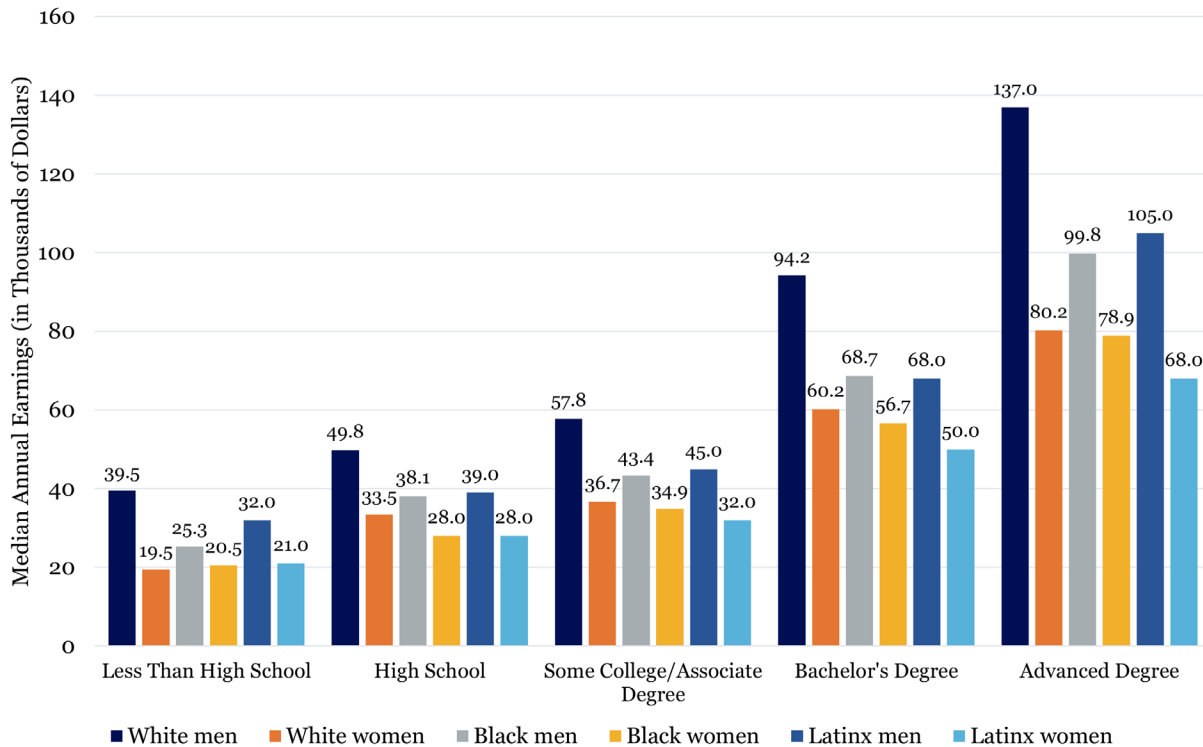


Figure 2: Average Earnings Among Adults Aged 18 and Older, by Race/Ethnicity, Gender, and Educational Attainment, 2020

Data Source: [Current Population Survey, 2020](#). Numeric values on each bar represent annual median earnings in thousands of dollars (e.g., 31.7 = \$31,700).

Racial/Ethnic Differences in the Gender Pay Gap Increase with Higher Education Attainment

Figure 3 illustrates racial/ethnic differences in the gender pay gap by educational attainment for average earnings in 2020. With few exceptions, the gender pay gap increases with higher educational attainment regardless of race/ethnicity. However, the magnitude of the gender pay gap varies substantially across racial/ethnic groups. For example, the gender pay gap is greater among Whites than among Black or Latinx adults across all education levels. The female earning disparity ranged from over \$20,000 for Whites with less than high school attainment to \$56,800 for Whites with an

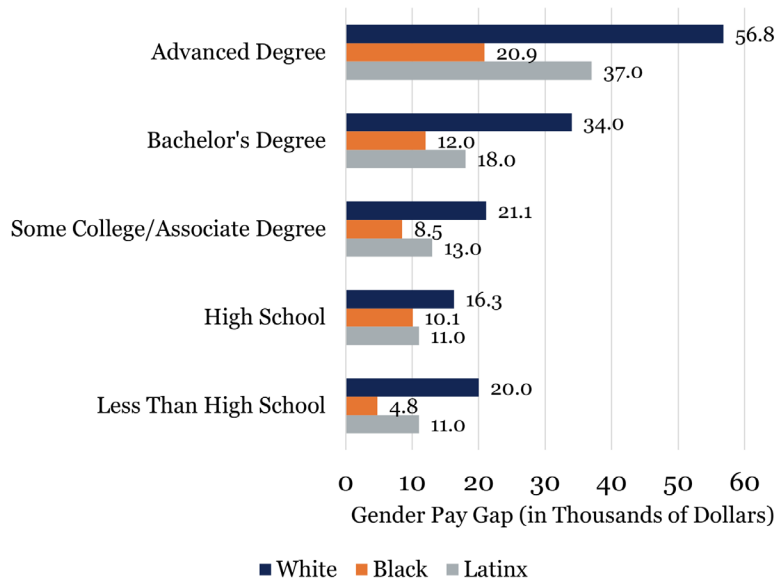


Figure 3: Within Group Gender Differences in Average Earnings by Educational Attainment

Data Source: [Current Population Survey, 2020](#). Numeric values on each bar represent annual median earnings in thousands of dollars (e.g., 31.7 = \$31,700).

advanced degree. The gender pay gaps among Latinx women and men were also large, ranging from over \$11,000 for those with less than a high school education to over \$37,000 for those with advanced degrees. In contrast, the gender pay gap was the smallest for Blacks across all educational attainment levels (range of \$4,800 to \$20,900). However, it is important to note that Black men generally have lower earnings than White and Latinx men across all educational levels, which impacts within-group disparities in gender pay.

What Policies can Reduce the Gender Pay Gap?

In 2021, the Paycheck Fairness Act was introduced to address wage discrimination based on sex. The act takes several important steps necessary for achieving pay equity, including protecting workers who challenge pay discrimination, ending the reliance on salary history, and requiring improved wage transparency from employers that disaggregate data by race/ethnicity.⁵ Though a step in the right direction, comprehensive gender equality in employment earnings cannot be achieved without acknowledging the impact of structural and institutional factors on gender pay disparities.

Despite education being heralded as “the great equalizer,” the findings above show that Black and Latinx women have lower earnings from employment than Black and Latinx men and White women with similar credentials. This is of particular importance to population health, as recent evidence shows that structural racism, structural sexism,⁶ and socioeconomic status (SES) combine to adversely impact the health trajectories of women of color over the life course. Closing the gender pay gap in the United States workforce requires a multi-faceted policy approach that recognizes the many factors that create and sustain inequalities in pay both by gender and race/ethnicity.

Policies targeted at improving workers’ rights should aim to increase the minimum wage, improve pay transparency, expand access to affordable childcare, and require employers to provide paid family leave to promote equal pay for men and women. Each of these factors would also have the added benefit of improving health. In addition, efforts aimed at reducing discriminatory hiring practices to ensure a diverse workforce and providing development and promotion opportunities can aid in narrowing the gender wage gap for women of color.

Finally, it is important to note that the COVID-19 pandemic left Black and Latinx women vulnerable to pandemic-related job losses and reductions in the workforce. We encourage researchers and policymakers to continue to monitor racial/ethnic trends in the gender pay gap and the macro-level factors, such as structural racism and structural sexism, that create and sustain these inequalities to achieve equal pay for all.

Data and Methods

We obtained data from the U.S. Census Bureau and the Current Population Survey (CPS) to document pay inequities in 2020 for the U.S. adult workforce by race/ethnicity, gender, and educational attainment. Employed people are those who did any work as paid employees during the reference week and are not restricted to full-time workers. These data are available from

1975-2020; the Census provides data from 1975-2002 and the CPS provides data from 2003-2020. The surveys ask respondents to report their earnings in thousands of dollars, which are then calculated into averages. Earnings data for all years can be found here:

<https://www.census.gov/data/tables/time-series/demo/educational-attainment/cps-historical-time-series.html>

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