JOINT ECONOMIC COMMITTEE RANKING DEMOCRAT CAROLYN B. MALONEY



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Rep. Maloney, Oscar-Winning Actress Patricia Arquette Call for Action on Gender Pay Gap

Typical woman loses close to \$500,000 over career due to gender pay gap

WASHINGTON – Carolyn B. Maloney (D-N.Y.), Ranking Member of the U.S. Congress Joint Economic Committee (JEC), joined Oscar-winning actress Patricia Arquette at the National Press Club today to discuss how the gender pay gap affects women across different races and ethnicities, age groups, occupations and levels of education.

Rep. Maloney and Ms. Arquette discussed the findings of a <u>new JEC report</u>, *Gender Pay Inequality: Consequences for Women, Families and the Economy*. According to the report, over the course of a career the gender pay gap can result in nearly a half million dollars in lower earnings for the typical woman than the typical man.

The event was scheduled to coincide with Equal Pay Day, which represents how long women have to work into 2016 to make what their male counterparts earned in 2015.

"The report shows that the gender pay gap creates a lifetime of income losses for women, which lead to long-term economic inequality," Joint Economic Committee <u>Ranking Member Carolyn</u> <u>Maloney</u> said. "Frankly, it is inexcusable that a woman still makes only 79 cents for every dollar made by a man. And it's much worse for older women and women of color."

The JEC study includes the most up-to-date earnings data, broken down not only by gender, age and race, but also by state and congressional district. The new report offers a fresh perspective on the frequently cited fact that women working full time, year-round earn only 79 percent of what men earn, based on median annual earnings. The difference amounts to \$10,800 in a single year, and can approach a half million dollars over the course of a career.

At the joint press conference, Ms. Arquette discussed how her struggles as a single mother in her twenties led her to become an advocate for equal pay. At the 2015 Academy Awards, she called for action on the gender wage gap in her speech accepting the Oscar for Best Supporting Actress for her work in "Boyhood."

"I want to thank Patricia Arquette for lending her voice and her energy to this important fight that is just as relevant today as at any time in history," Rep. Maloney added. "I hope her public call made women and employers alike pause and consider how unequal pay for men and women affects families and the economy—and what we can do to fix it."

<u>The report</u> analyzes an aspect of the gender pay gap that is less well understood – lower career earnings cause women to have substantially less retirement income than men. Retirement income for women ages 65 and older is 44 percent less than the median income for men in the same age group. Women 75 years and older are almost twice as likely to live in poverty as men.

The report, prepared by JEC Minority Staff under the direction of <u>Rep. Carolyn Maloney</u>, examines multiple factors contributing to the gender pay gap, especially the high price women pay for becoming mothers and caring for their children and families. In addition, it highlights that even when various known factors for differences in pay are taken into account, approximately 40 percent of the gap remains—this may point to lingering discrimination.

In addition, the JEC study also finds that the gender pay gap between white men and women of color is extremely large; African-American women earn only 60 percent of what their white male counterparts earn, and Hispanic women earn only 55 percent of white men's earnings.

The report also finds very large differences across states. For example, the gap between men's and women's median earnings in Washington, DC is only 10 percent, but it is 35 percent in Louisiana.

KEY POINTS

- A woman working full time, year-round earns \$10,800 less per year than a man, based on median annual earnings. This disparity can add up to nearly a **half million dollars** over a career.
- On a percentage basis, a woman earns only **79 percent** of what a man earns. This is known as the "gender earnings ratio." The 21-percent difference between men's and women's earnings means that women are paid **less than \$4 for every \$5** paid to men.
- Although the gender pay gap has narrowed over time, at the current rate of change, it will not close until 2059, according to the Institute for Women's Policy Research.
- Lower career earnings result in an even greater disparity in retirement income. Income of women ages 65 and older (\$17,400) is **44 percent less** than the median income for men in the same age group (\$31,200). Women 75 years and older are **almost twice as likely** to live in poverty as men.
- The gender pay gap varies widely across states, from a **low of 10 percent** in Washington, DC, to a **high of 35 percent** in Louisiana.
- Women's median earnings are **lower at every level of education**. In fact, women are often out-earned by men with less education: the typical woman with a graduate degree earns **\$5,000 less** than the typical man with a bachelor's degree.

- Women of color face even larger gender pay gaps. Compared to white, non-Hispanic men, African-American women, on average, are paid **only 60 cents on the dollar** and Latinas earn **only 55 cents on the dollar**.
- The pay gap typically grows with age. While women ages 18 to 24 earn **88 percent** of what their male counterparts earn, women over age 35 earn only **76 percent**.
- Economists believe that the gender wage gap is caused by complex factors. However, even when all those factors are taken into account, **as much as 40 percent** of the pay gap may be attributed to discrimination.
- American families depend on women's earnings. In the typical (median) household with a mother working outside the home, women contribute nearly **40 percent** of their family's total earnings.
- Women's increased participation in the paid labor force has been a major driver of economic growth in recent decades. According to the Council of Economic Advisers, the U.S. economy is **\$2.0 trillion bigger today** than it would have been if women had not increased their participation and hours since 1970.
- Enacting policies that would narrow the gender pay gap and help more women work full time in the paid labor force would **decrease income inequality** and **lift many women out of poverty**.

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