

Gender pay gap

Added to include notes from discussions:

- Unpaid emotional labor of women workers
- Gendered language in recommendation letter

"The pay gap is closing fast."

In the United States, according to an estimate [published](#) by the Institute for Women's Policy Research, the wage gap will not close at this rate until 2058, which is another generation away for women of today.

The UN recently [reported](#) that the worldwide wage gap will take 70 years to close at the rate at which it is currently closing.

From 2005-2014, the weekly earnings gender gap [closed](#) by only 1.5 percentage points. From 1995-2004, the gap closed by 4.9 percentage points and 8.1 percentage points from 1985-1994. The rate has slowed down tremendously and very little gains are being made.

"The Lilly Ledbetter Fair Pay Act has solved the problems of a wage gap."

Not necessarily. In 2010, the Institute for Women's Policy Research [found](#) that 62 percent of women in the private sector felt they were strongly discouraged from discussing wages or feared repercussions from doing so. A much smaller amount of women in the public sector felt as though discussing wages would result in repercussions. This is highly reflective of the wage gap in the private sector, which is far larger than that in the public sector.

The Lilly Ledbetter Fair Pay Act of 2009 clarified that any inequitable payments are unlawful, even if they result from a decision made in the past. Lilly Ledbetter was paid less than her male counterparts but did not know this for many years due to a common workplace practice that forbids employees from sharing salary information. A lower court decision in Ledbetter's lawsuit against her employer (Goodyear Tire & Rubber Co. plant in Alabama) said that she filed her grievance too late and the U.S. Supreme Court agreed.

"Women aren't assertive enough to ask for raises."

In a 2007 study, it was [found](#) that male employers are less likely to hire a woman who negotiates about salary, as the men perceive these women as "demanding." Many women are aware they will be punished for acting in such a way and some will avoid this, by no fault of the woman but by fault of the culture.

"Women earn less because they take time off for motherhood."

It is [estimated](#) that for every child a woman has, she suffers a five percent wage penalty. Studies show that in comparison with female managers who are not pregnant, those who are

pregnant are perceived to be less committed to the job, less dependable, and more emotional. Studies show part-time work, lower experience, and interrupted work only contributed to one-third of the motherhood penalty. Discrimination plays a significant role in the limitations for working mothers.

While motherhood is a choice, it is one society has somewhat forced on women – it is not totally socially acceptable for a father to take time off of work to raise his children and it is basically expected of new mothers. In a study done by the American Association of University Women, they [found](#) that within 10 years of graduating, 23 percent of mothers had left the workforce, compared to 1 percent of fathers out of the workforce. Additionally, 17 percent of mothers worked part-time, in comparison to 2 percent of fathers working part-time. Additionally, Professors Lawrence Kahn and Francine Blau at Cornell University [estimated](#) that one-third of the gap in female participation in the labor force is a result of poor family leave and workplace flexibility. The United States is the only wealthy country that does not have paid maternity leave.

In fact, a study done by the University of Massachusetts in 2010 [found](#) that fathers in the United States earn 11 percent more than non-fathers. Research has [shown](#) that employers are less likely to hire women with children compared to childless women and that if they do choose to hire a mother, employers offer a lower salary than they do to other women. Women with children are punished with the motherhood penalty, whereas fathers actually earn more when they have children.

And the majority of mothers, 67 percent in 2010, [are](#) actually members of the labor force, despite contrary to popular belief. Since 1860, the proportion of working mothers has increased by 800 percent!

“Saying women make 77 cents to every dollar a man makes is an exaggeration.”

By comparing differences in annual earnings between men and women, we find that there is about a 23 cent difference per dollar according to the Census Bureau. Women of color, in fact, suffer from an even larger wage gap. If you look at weekly earnings for women, that figure is a little smaller, around an 18 cent difference.

In 1963, when the Equal Pay Act was passed, women only [made](#) 59 cents on the dollar. That figure rose to 77 cents by 2004 and has increased by less than half a penny every year since.

“Women choose lower-paying careers than men so it’s understandable they make less money.”

Women do tend to choose lower-paying careers and the fact that those careers are paid lower is part of the problem. However, a wage gap exists regardless.

One year after graduation, it was [found](#) that women earned 82 percent of what the men earned, with similar education and experience as their male counterparts. 10 years after graduation, those women were only earning 69 percent of what the men were earning. After accounting for occupation, hours worked, age, college major, and many other factors, an

astonishing seven percent difference between the earnings of women and men was left unaccounted for within a year of graduation and a 12 percent unexplained difference was found within 10 years.

Out of the 20 most common occupations for women and the 20 most common occupations for men, only four occupations are shared in these lists. A mere 5.4 percent of women work in male-dominated fields.

“Women in ‘male’ jobs such as computer programming still face a pay gap compared with their male counterparts.” In 2012, female computer programmers earned 84% of what male computer programmers earned. Female financial managers earned an astounding 70% of what male financial managers earned. Female lawyers earned only 80% of what male lawyers earned.

<https://now.org/resource/the-gender-pay-gap-myth-vs-fact/>

The gender wage gap most severely affects women of color, and the wage gap exists within all racial and ethnic groups.

In 2014, Latinas and African American women suffered the greatest losses in earnings because of the gender wage gap. Hispanic and African American women working full time and year round earned just 55 cents and 60 cents respectively, for every dollar earned by white, non-Hispanic men. Additionally, the gender wage gap exists within all racial and ethnic groups:

- Asian women earned 81 cents for every dollar earned by Asian men.
- Black women earned 82 cents for every dollar earned by black men.
- Hispanic women earned 88 cents for every dollar earned by Hispanic men.
- White, non-Hispanic women earned 75 cents for every dollar earned by white, non-Hispanic men.

Women earn less than men in all but five occupations.

U.S. Bureau of Labor Statistics data from 2015 show that for all occupations with comparable median weekly earnings data for men and women, men make more than women in all but five of the detailed occupations: wholesale and retail buyers except farm products; police and sheriff's patrol officers; bookkeeping, accounting, and auditing clerks; general office clerks; and data entry keyers. Additionally, women even made less than men in the so-called pink-collar jobs in which women are disproportionately represented, such as maids and housekeeping cleaners, elementary and middle school teachers, and registered nurses. Recent research has also shown that as women enter an occupation previously dominated by men, pay decreases in that occupation.

Despite the fact that women now earn the majority of college degrees, the wage gap persists.

The American Association of University Women, or AAUW, found that one year out of college, women were paid just 82 percent of what their similarly educated and experienced male peers were paid. The AAUW found that the gap widens over time: 10 years after graduating from college, women were paid only 69 percent of what their male counterparts were paid.

The gender wage gap continues to grow over time.

For women ages 15 to 24 working full time and year round, the wage gap is \$4,373 per year. By the time women reach age 45 to 64, they earn \$15,404 less than men per year.

The wage gap results in significant losses in lifetime earnings for women.

Over a 40-year career, the average lifetime earning losses for women based on today's wage gap total \$430,480. These losses are greater for women of color: Latinas lose a total of \$1,007,080 and African American women lose \$877,480 over a 40-year career. A lifetime of earning less also affects women's retirement security. On average, women have 50 percent smaller account balances in defined contribution plans.

The wage gap has consequences for families' economic security.

In 2012, 63.3 percent of mothers were sole, primary, or co-breadwinners for their households. This means that when women are not paid fairly, it is not just women's economic security that is put at risk—entire families often miss out on wages lost due to the gender wage gap.

Nearly 40 percent of the wage gap cannot be explained by occupation, work experience, race, or union membership.

Research has broken down the wage gap to show that more than half is due to differences in the types of occupations and industries in which men and women work. Additionally, about 14 percent is due to the fact that women are more likely to leave the workforce to provide unpaid care to family members. Yet the wage gap persists even when men and women have the same background: After controlling for gender and racial differences, 38 percent of the gap is unexplainable by measurable factors. This means that gender-based pay discrimination is still a significant cause of the discrepancy in pay between men and women.

Part of the gender wage gap is explained by the fact that more women take unpaid leave than men.

Estimates suggest that around 14 percent of the gender wage gap is due to women spending less time in the labor force, which can be explained by the fact that women are more likely to leave labor force to provide unpaid care for family members. Access to paid leave has been proven to increase the likelihood that mothers will not only return to the workforce after childbirth, but also return to their previous employer. Indeed, mothers are more adversely affected by the wage gap than nonmothers. Women's earning are reduced by about 7 percent per child. Slightly less than one-third of the wage gap between mothers and nonmothers is based on taking leave to care for a child.

Public policy could help close the gender wage gap, but Congress has obstructed progress.

The Paycheck Fairness Act would be a critical step forward in closing the gender wage gap by prohibiting gender-based pay discrepancies and banning workplace policies that penalize employees for sharing wage information. Although the bill has been introduced in every Congress since 1997, Congress has yet to pass the Paycheck Fairness Act into law, thereby further contributing to the loss of hard-earned wages for millions of workers and families.

<https://www.americanprogress.org/issues/women/reports/2016/04/12/135260/the-top-10-facts-about-the-gender-wage-gap/>

Why should women negotiate?

Linda Babcock did a study for her book [Women Don't Ask](#) where she found that there was a 7.6% difference between the salaries that women MBAs were getting and those that men were getting. A lot had been written on the comparable work issue already and much of the blame for the difference had been placed on organizations—basically institutional sexism.

Linda doesn't say that doesn't happen, but she does ask if there is something more. One of the questions she asked people is, "When you got your offer, did you attempt to negotiate?" She found that about 7% of women attempted to negotiate, while 57% of men did. Of those people who negotiated, they were able to increase their salary by over 7%. So, you can see that if women and men negotiated in similar proportions, that 7.6% difference would be cut dramatically.

One of the things I ask my students is: If you think of a \$100,000 salary, and one person negotiates and gets \$107,000, and the other doesn't—what's the cost of that? In a simple-minded way, some people say, "Is \$7,000 really worth risking my reputation over?" And I agree, \$7,000 may not be worth your reputation.

But that's not the correct analysis, because that \$7,000 is compounded. If you and your counterpart who negotiated are treated identically by the company—you are given the same raises and promotions—35 years later, you will have to work *eight more years* to be as wealthy as your counterpart at retirement. Now, the question is: \$7,000 may not be worth the risk, but how about eight years of your life?

When women do attempt to negotiate, what mistakes do they often make?

They don't prepare. Oftentimes you'll see that even when women say "I should negotiate," they don't do a good job [preparing by knowing how much more they want](#) and why. They don't know how to tell their counterparty persuasively why they should get what they want.

The other problem is that women have systematically lower expectations. The problem with having systematically lower expectations is that you get systematically lower outcomes, because expectations drive behavior. So, they get less not because they are women, but because their expectations are lower.

How do women need to think about negotiating differently than men?

Women are concerned about the reputational risks of negotiating, and they have cause to be concerned. If I negotiate for an increase in my salary, and I have a male boss, [the research suggests that I will be penalized](#) in a way that my male counterparts will not be. If I have a female boss, she's going to penalize both males and females, so it's not like I get any benefit for working with a woman.

One thing I would encourage women to do is to have a communal motivation for asking for more. If I'm a man and I'm negotiating a salary, I can talk about my competencies. What women need to do is yolk their competencies with a communal concern.

When I interviewed at Stanford, I obviously knew this research, so I did a lot of research to frame how my package of resources could allow me to fulfill the needs that Stanford has. The

whole theme was, "What can I do for Stanford and what can I do to help the Dean solve the problems that he has?" This communal orientation—it's not about me, but it's about what I can do for you—mitigates the negative reputational affects for women.

Does this communal focus also improve women's expectations?

Women are not as good negotiating for themselves as men are, mostly because of different expectations. But women outperform men in representational negotiations—that is, negotiating for someone else. As a woman, it is unacceptable for me to be greedy on my own, but it's completely acceptable for me to negotiate for someone else, because that is a caretaking thing, a communal thing. I've certainly had women CEOs of moderate-size to large organizations tell me they have no problem negotiating on behalf of their company. But asking the Board of Directors for a raise? *That* is hard.

So the question is: How can you, in your own mind, frame your negotiations as representative?

What are your top recommendations for negotiating a job offer?

Package, package, package: If you go issue by issue, you make it adversarial. And part of the frame you want to bring is: "Here are the recourses I need to be effective."

Prepare: Use your network to get insights. Before I came to Stanford, I spent a lot of time talking to friends of friends to understand what kind of issues were easier to get at Stanford and which were harder in order to frame my argument.

You are as good as your other options: My first job as an academic, I didn't negotiate because it was the only reasonable research position I was offered. But when I was coming to Stanford, I was happy to negotiate. I had a really great job at Kellogg, I was really happy living in Chicago, everything was great. California was expensive and weird, and I'd never lived on the West Coast. But it had this caché and there were some really interesting people doing research here, so I was intrigued. So I negotiated and—let me tell you—they were surprised!

The more options you have, the more in demand you are going to be. It's just like dating: The more competition there is for your attention, the more valuable people think you are.

Think about four steps in negotiations:

Assess: Is this a situation where I can influence the outcome?

Plan: How might I influence it? What do I want to achieve? What is important to them? Why are they making this decision or creating this problem?

Ask: Here is what I need to help solve this problem that makes me better off and at least keeps my counterparty whole.

Package the proposal: Take the information you have and your counterparty has to find a better solution. No one has perfect information. For women, do that with a communal view. And finally, don't be afraid of asking!

<https://www.themuse.com/advice/why-women-must-ask-the-right-way-negotiation-advice-from-stanfords-margaret-a-neale>

Some of the jobs which tend to have a fixed pay rate include:

- Retail, customer service, and hospitality low-level jobs
- Hourly positions

- Entry level jobs
- Union jobs
- Jobs that pay a prevailing rate
- Government and civil service jobs
- Jobs at large companies with a structured compensation plan (you may be able to negotiate a higher amount on a range in this case)

Be creative when countering, if the base salary isn't negotiable, perhaps bonuses, benefits or a commitment for a future raise may be.

<https://www.thebalancecareers.com/strategies-for-women-to-negotiate-a-higher-salary-4067697>