



## INDEPENDENT WOMEN'S FORUM

### Get the Facts: The Wage Gap

Politicians and feminist activists often cite the existence of a “wage gap” as evidence of continued discrimination against women and the need for greater government intervention to protect women. A closer look at the numbers shows that discrimination is not the primary cause of the wage gap and it is individual choices that are at the root of differences in what men and women earn.

#### What is the Wage Gap?

The wage gap refers to a statistic provided by the Department of Labor that compares men and women’s earnings and shows that that women make about 77 cents for every dollar earned by a man. This is based on a single-variable comparison of the earnings of the median full-time working man and the median full-time working woman. Critics claim that this differential is caused by gender discrimination in the work force. In reality, several other factors are at play.

#### What Accounts for the Wage Gap?

A variety of factors affect compensation levels. Among the key variables left out of the wage gap statistic are type of occupation, number of hours worked, education and experience levels, and personal choices, among others. Once these factors are taken into consideration, the wage gap shrinks.

- Key differences between the sexes that contribute to the wage gap include:
  - o Women on average take more time out of the labor force and work fewer hours per week than do men.
  - o Women tend to avoid jobs which require intense travel and relocation.
  - o Men assume more high-risk jobs than women.
  - o Women are less likely than men to negotiate their starting salary and to ask for raises.
  - o Women place a higher priority on personal fulfillment than men when looking for a job.
- Even groups that sound alarm about the wage gap, such as the American Association of University Women, admit that discrimination is not the main factor at play. The AAUW claims that 75% of the wage gap can be accounted for by factors such as experience and career decisions, not discrimination.

Politicians are quick to jump in and try to fix the “problem” of the wage gap through legislation such as the “Fair Pay Restoration Act.” But before taking government action—particularly since that action can make the workplace less flexible and stifle job creation—politicians should consider all of the factors contributing to the wage gap. To the extent that the gap is a result of personal preferences and the different choices that men and women make about work than it is not a problem for government to solve.

All the facts are taken from the articles “A Bargain at 77 cents to a Dollar” and “Equal Pay Day was in February” by Carrie Lukas and can be found at [iwf.org](http://iwf.org).