



POLICY FOCUS

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Equal Pay Every Day

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HIGHLIGHT

The raw wage gap is not a metric of “equal pay for equal work.” It is a comparison of average wages that is not useful for policymaking, and not worth recognizing with a special holiday. Because wage discrimination is already illegal in the U.S., American women can celebrate (everyday!) that they can expect to be paid fairly and can otherwise make choices about their lives that accord with their personal preferences and needs.

INTRODUCTION

Each year, left-leaning feminist activists celebrate the faux holiday “Equal Pay Day.” This year, it falls on March 15th, meaning that in aggregate, women have to work until March 15, 2022 to catch up with men’s earnings from 2021. March 15th is the earliest Equal Pay Day on record, meaning that despite the disruption of the Covid pandemic, the wage gap continues to shrink.

Equal Pay Day purportedly represents widespread sexism and discrimination against women. Progressive activists argue

that in an ideal world, men and women would earn the same amount of money each year. They suggest that our economy and laws need to change to facilitate this.

This argument overlooks the many factors that contribute to the wage gap, such as profession, seniority, education, hours, and working conditions. In other words, the wage gap is not a metric of “equal pay for equal work.”

Instead, it's a comparison of average wages that is not useful for policymaking, and not worth recognizing with a special holiday. Because wage discrimination is already illegal in the U.S., American women can celebrate that they can expect to be paid fairly and can make choices about their lives that accord with their personal preferences and needs.

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WHAT IS THE WAGE GAP?

The Bureau of Labor Statistics (BLS) calculates the raw wage gap by comparing the median salary for all male and female full-time wage and salary workers. In 2020, they found that female workers earned **82 percent** compared to male workers. In other words, women earn 82 cents to each dollar that men earn.

This figure is often taken out of context. The raw wage gap does not tell us, for example, that a woman is earning 82 cents on the dollar compared to her male counterpart who has the same level of education and experience in the same job. It simply tells us that full-time women (as a group) earn 82 percent of what full-time men (as a group) earn.

Many left-leaning lawmakers and activists do not offer this context and simply use the raw wage gap as evidence to suggest that women are underpaid and discriminated against in the U.S. But what they ignore, and what BLS clearly states, is that these numbers are raw. In other words, many factors contribute to the wage gap for which they do not control.

In fact, a report by Payscale.com found that when job type and employment characteristics are controlled for, this gap shrinks to just 2 percent, with women earning **98 cents** for every dollar earned by a male counterpart. (The remaining 2 cents could be explained by other additional factors that researchers didn't consider, like how men **typically negotiate more aggressively** for wage increases or how men are **more willing to relocate for jobs**.)

WHAT FACTORS CONTRIBUTE TO THE WAGE GAP?

The wage gap is largely driven by the different choices that women and men make. The biggest factors that contribute to the wage gap are education, career choice, and number of hours worked.

As a group, women are becoming increasingly more educated than in the past and presently, than men as a group. In 1950, women earned **27 percent** of bachelor's degrees. Today they earn more degrees than men (**57 percent of bachelor's degrees, 61 percent of master's degrees, and 54 percent of doctoral degrees**).

This explosion in education for women has been a key factor in reducing the male-female

wage gap over time. But, not all degrees translate to the same earning potential.

Men continue to congregate in **college majors** that lead to high-paying jobs, such as technology and engineering, while women congregate in majors leading to lower-paying roles in the social sector and liberal arts. When choosing a major, women are more likely to consider non-financial factors like enjoyment of future work, while men are more concerned with salaries and status.

These different priorities mean that the **most common jobs** for women generally pay less than the most common jobs for men. A study of college majors by **GlassDoor** found that “nine of the 10 highest paying majors we examined are male dominated. By contrast, 6 of the 10 lowest-paying majors are female dominated.”

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Women more often seek jobs that allow them flexibility or are more fulfilling. A **recent Gallup poll** found that 66 percent of women looking for a new job sought a greater work-life balance, followed by compensation and benefits. In contrast, most men listed increasing their income and benefits as their top priority (63 percent).

To attain higher earnings, men often work longer hours, an average of **five more hours** per week compared to women. One would expect the group that spends more time at work to earn more, although hours at work is just one of many factors that affect pay. Another important factor is choice of profession: men are more likely to work in **dangerous work conditions**, and those jobs

generally pay higher wages.

Choices around education, career choice, and working hours and conditions often relate to choices around family formation and child rearing. The role that parenting plays in the work-related choices of men and women cannot be overstated. The wage gap among single, childless, young workers is **much smaller** (and **sometimes flipped**, with women earning more) compared to the wage gap between working mothers and fathers.

This phenomenon, too, is often misrepresented in political discourse as an extension of outdated patriarchal expectations. Dubbed the “motherhood penalty,” the narrative once again is that women face sexism at work (and in society more broadly) in the pressure to act as

primary caregivers for their children, which hinders them professionally.

Inconveniently (for those who propagate this narrative), working mothers report in surveys that **they prefer part-time work**. Working fathers are more likely to “lean in” to their careers and chase higher earnings, even if it means working longer or less convenient hours, traveling for work more often, or facing less pleasant or more dangerous working conditions. Working fathers **prefer full-time work**, likely because they want to financially support their family.

While the wage gap is often depicted as a zero-sum conflict between men and women, reality is much messier (and not so hostile): Men and

women often share households, resources, and responsibilities. The choices of many working moms and dads aren't made in isolation, but as part of a group of choices made within each family unit to maximize not just income, but overall well-being and happiness.

As a result of these factors, women's labor-force participation fell to a **35-year low**. And yet, perhaps counterintuitively, the wage gap shrank during the pandemic. This represents another shortcoming of the raw statistic: Because it only compares the median wages of full-time

The wage gap is not evidence of discrimination. However, this does not mean that discrimination does not exist. Discrimination can be hard to expose and measure. Thankfully, sex-based wage discrimination is already illegal in the U.S. A woman's right to earn equal pay for equal work is protected by the Equal Pay Act of 1963 and the Civil Rights Act of 1964. Women who are facing sex-based discrimination at work can file a complaint with the Equal Employment Opportunity Office, or with their employer's human resources department, which is legally obligated to investigate the claim.

HOW HAS THE COVID PANDEMIC AFFECTED THE WAGE GAP?

These choices became even more complicated when the Covid pandemic first disrupted work and family life in March 2020. Women were among the hardest hit by the pandemic shutdown measures, particularly by disruptions to childcare arrangements and school schedules.

At the end of 2020, only about a third of K-12 public schools were providing fully in-person services. This took a **heavy economic toll** on parents, particularly mothers. Many stepped back from work, reducing hours, or even quitting, to care for their kids and assist with online learning.

Women also suffered disproportionate job loss—at least in the immediate aftermath of Covid shutdowns—because (as discussed in the last section), women dominate professions in the social sector, the sector that suffered the most due to social distancing protocols. Men were **more likely to be in “essential jobs”** and therefore more likely to stay employed.

working men and women, it doesn't capture the full picture of women's employment opportunities (or challenges). Women (and men) outside of the labor force (or those who work part time) aren't included in the metric. The elimination of many lower-paying jobs for women during the pandemic caused the wage gap to **decrease** because of the way it is calculated. This is yet another argument for the uselessness of the raw wage gap.

LEGAL PROTECTIONS FOR WOMEN

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Sadly, activists—who push for new and different laws—often neglect to emphasize that women already have legal protections. This is a disservice to women and to our legal system.

Legal protections that go above and beyond the basic guarantee to equal pay for equal work often focus on how victims of discrimination can bring lawsuits against employers. For example, the Lilly Ledbetter Fair Pay Act (which became law in 2009), extends the statute of limitations or timeframe for suing a discriminatory employer.

Similarly, the proposed Paycheck Fairness Act (PFA) would not outlaw discrimination but would encourage more lawsuits and increase government oversight over businesses' compensation decisions. Specifically, the PFA would invert our justice system by

None of these policy changes will close the pay gap, which is largely due to individual choice. Instead, the PFA would erode choices, flexibility, and opportunity for women in the workforce. By requiring employers to prove that they do not discriminate between men and women workers, the PFA would encourage wage standardization, making it less likely that employers would be willing to negotiate flexibility and other benefits for an employee (benefits that women often want, such as the ability to work from home).

putting the burden of proof on employers to justify any pay disparity. It would also require workers to opt out of, rather than into, class action lawsuits against employers accused of discrimination, and it would unlimit damages in wage discrimination lawsuits.

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less likely that employers would be willing to negotiate flexibility and other benefits for an employee (benefits that women often want, such as the ability to work from home).

CONCLUSION

We want all women to have adequate legal protections in the workplace. Sadly, Equal Pay Day (and the wage gap statistic used to promote it) doesn't tell us anything about the status of women in the workplace or the fairness (or unfairness) of their pay.

Equal Pay Day is worse than meaningless; it's misleading. It's not an accurate picture of how America works. When assessing the status of women (and all people) in the labor force, measures should focus on the opportunities available rather than outcomes.

Policies should champion greater opportunities, flexibility, and freedom by reducing taxes and regulations and making it easier for people to start businesses and find a diversity of income-earning opportunities.

Women should be free to make informed choices about their lives and livelihoods. Many women (and men) will choose not to maximize their earnings, but instead to make tradeoffs in order to care for their loved ones and their communities, attain a better work-life balance, or perform work they find meaningful or enjoyable. These choices fuel the wage gap, but they are not bad choices.

WHAT YOU CAN DO

Get Informed

Learn more about the wage gap. Visit:

- [The Pipeline Problem: How College Majors Contribute to the Gender Pay Gap](#)
- [Working for Women Report](#)
- [Highlights of Women's Earnings in 2020: BLS Reports](#)

Talk to Your Friends

Help your friends and family understand these important issues. Tell them about what's going on and encourage them to join you in getting involved.

Become a Leader in the Community

Get a group together each month to talk about a political/policy issue (it will be fun!). Write a letter to the editor. Show up at local government meetings and make your opinions known. Go to rallies. Better yet, organize rallies! A few motivated people can change the world.

Remain Engaged Politically

Too many good citizens see election time as the only time they need to pay attention to politics. We need everyone to pay attention and hold elected officials accountable. Let your Representatives know your opinions. After all, they are supposed to work for you!

Connect with IWF! Follow us on:

WE RELY ON THE SUPPORT OF PEOPLE LIKE YOU!

Please visit us on our website iwf.org to get more information and consider making a donation to IWF.

ABOUT INDEPENDENT WOMEN'S FORUM

Independent Women's Forum (IWF) is dedicated to building support for free markets, limited government, and individual responsibility. IWF, a non-partisan, 501(c)(3) research and educational institution, seeks to combat the too-common presumption that women want and benefit from big government, and build awareness of the ways that women are better served by greater economic freedom. By aggressively seeking earned media, providing easy-to-read, timely publications and commentary, and reaching out to the public, we seek to cultivate support for these important principles and encourage women to join us in working to return the country to limited, Constitutional government.