

Why Does the Wage Gap Between Men & Women Persist?

While it has narrowed, a notable inequality remains.

Provided by Pat Baxter, Registered Financial Advisor

First, what wage gap are we talking about? There is a commonly cited statistic that American women earn 80 cents for every dollar earned by men. This is true, supported by the U.S. Census Bureau's 2017 American Community Survey, but it mostly applies to women in their 20s and 30s. The gap is actually wider for women who've been in the workforce longer; the largest recorded gap in the survey was 74.2% for women ages 57 and 58.¹

Another way of looking at the gap is over time. A study by the Institute for Women's Policy Research looked at the gap over 2001-2015 and discovered an average gap of 51%. This study claims to find the actual gap because it considers time away from work, which might be leave for any reason, not just maternity; the study discovered that American women taking a year off earned 39% less than those who worked all fifteen years in the survey.²

The first survey indicates some progress; it's not reflected for all women. The second indicates that the actual costs of the gap might be much wider than many people expect.^{1,2}

After all these years, why is there still such wage inequality? The disparity in the numbers above suggest the possibility that, while progress is happening, there is a long history of disparity to work against. For the women in their fifties, who may have been working steadily for three decades, the damage may have already been done.

An important thing to consider is that the disparity may, for example, lead to a disparity in getting ready for retirement as well. Regardless of your retirement strategy, if you have less income, you have less opportunity and fewer choices open to you.

This means that the money you have needs to count. A financial professional may point out ways for your strategy to make the most of what you have.

Unpaid work. A parent earns no salary for raising children. A worker earns no salary for taking care of a disabled or seriously ill spouse or partner. Many women leave the office, sometimes for months at a time, to perform this work. Is there a bias held by employers regarding the perception that women leave work to take on these tasks more than men? Perhaps.

Some changes happen slowly, which means that it falls on each individual to deal with the reality that they live in, as opposed to an ideal that they hope to see. For this reason, seek out assistance with your retirement strategy from a trusted financial professional who understands your individual situation.

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Citations.

1 - [businessinsider.com/gender-wage-gap-worst-age-2019-3](https://www.businessinsider.com/gender-wage-gap-worst-age-2019-3) [3/8/19]

2 - [entrepreneur.com/article/330180](https://www.entrepreneur.com/article/330180) [3/15/19]

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