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Why the Gender Pay Gap Persists



By: **Curran McSwigan**

Today, over 40% of America's managerial positions are held by women. Women make up a majority of the college-educated workforce. More Fortune 500 companies are under female leadership than ever before.[1] And yet, the gender pay gap hasn't budged at all in 20 years.

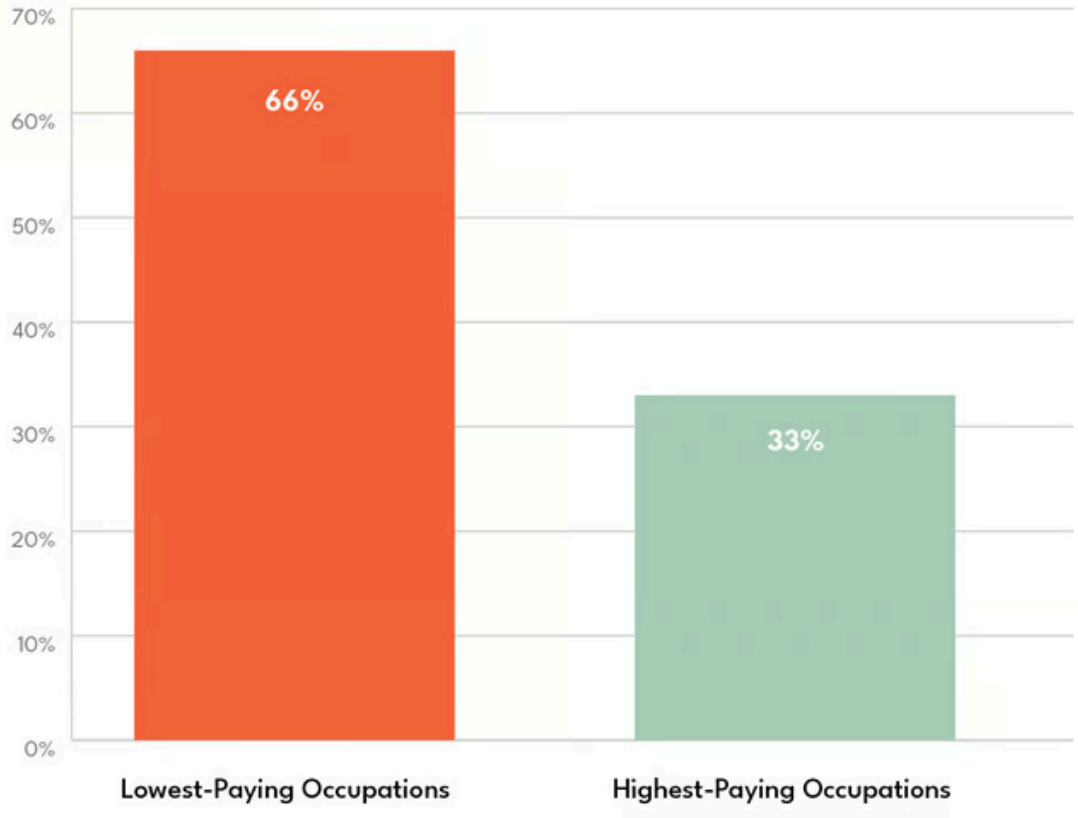
While there are many unknowns about what contributes to the gender pay gap, progress towards closing it can't be made until we address two big reasons women are held back from economic success:

Women are twice as likely to be in a low-paying job.

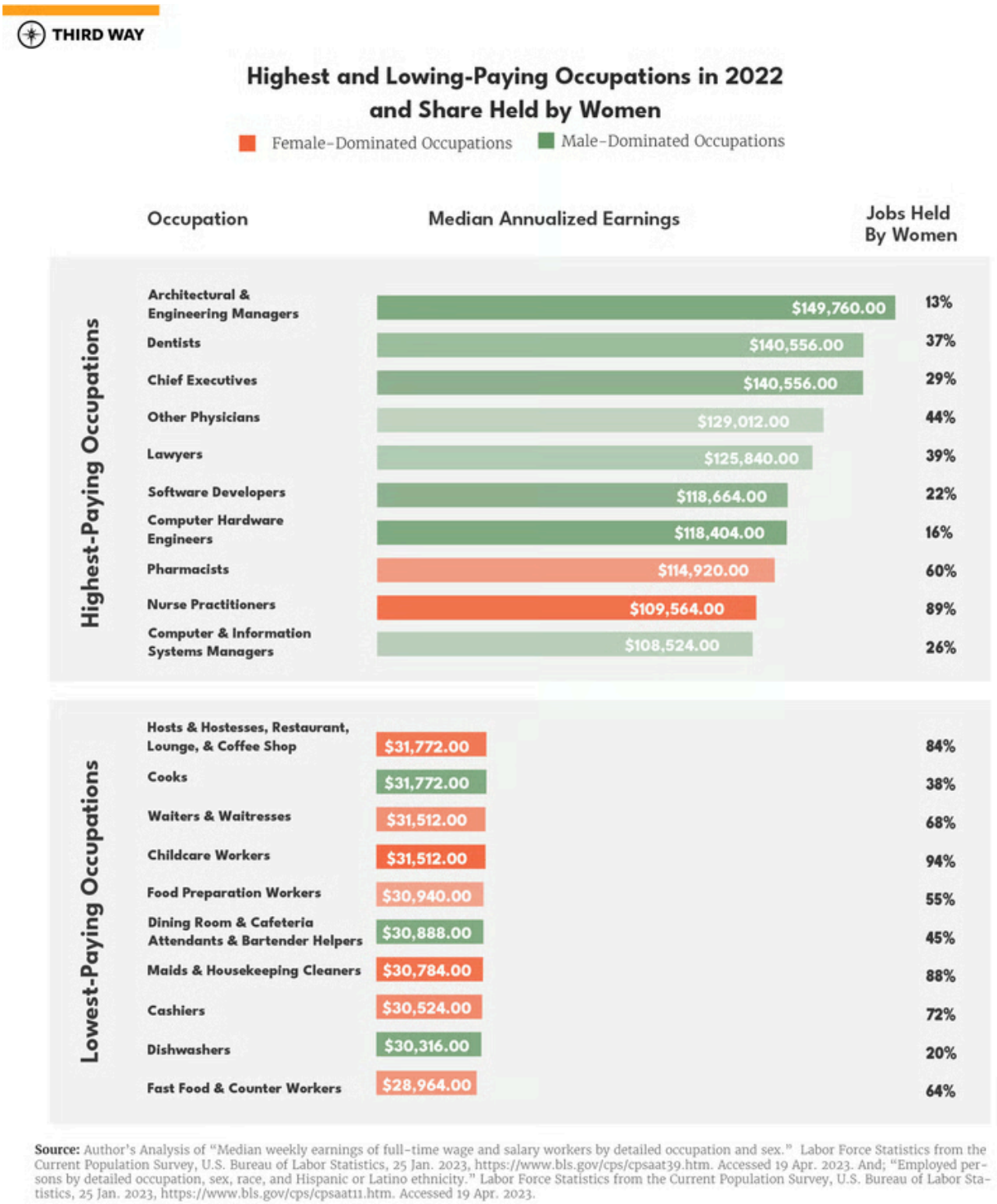
The biggest known driver of gender wage inequality can be found in the different jobs men and women work.[2] Right now, women make up just one-third of the workforce in the country's top 10 highest-paid professions, and a staggering two-thirds of workers in the 10 lowest-paid occupations.[3]

THIRD WAY

2022 Women's Employment Share of Top 10 Lowest and Highest-Paying Occupations



Source: Author's Analysis of "Median weekly earnings of full-time wage and salary workers by detailed occupation and sex." Labor Force Statistics from the Current Population Survey, U.S. Bureau of Labor Statistics, 25 Jan. 2023, https://www.bls.gov/cps/cpsaat39.htm. Accessed 19 Apr. 2023. And; "Employed persons by detailed occupation, sex, race, and Hispanic or Latino ethnicity." Labor Force Statistics from the Current Population Survey, U.S. Bureau of Labor Statistics, 25 Jan. 2023, https://www.bls.gov/cps/cpsaat11.htm. Accessed 19 Apr. 2023.



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This divide hasn't budged in recent years. Since 2012, female representation in the highest-paid jobs increased by just 1.5 percentage points, and their share of the lowest-paid jobs dropped by 2.5 percentage points.[4] Notably, women with and without college

degrees continue to be shut out from good jobs in male-dominated industries. The top 10 highest-paying occupations all require at least a bachelor's degree—but even as more college graduates are now women, breaking into high-paying industries remains difficult. Women in these industries often face biases in hiring, fewer opportunities for mentorship, and greater workplace pressures over familial responsibilities.[5] For women without a four-year degree, pathways into well-paying male-dominated industries are even harder to come by—just 13% of all apprentices and fewer than 4% of construction trade workers are women.[6]

Further, many of the lowest-paying occupations dominated by non-college women are economically undervalued.[7] Nursing assistants and child care workers are vital to our economy, but their pay and benefits don't reflect that.[8]

Over 60% of America's unpaid family caregivers are women.

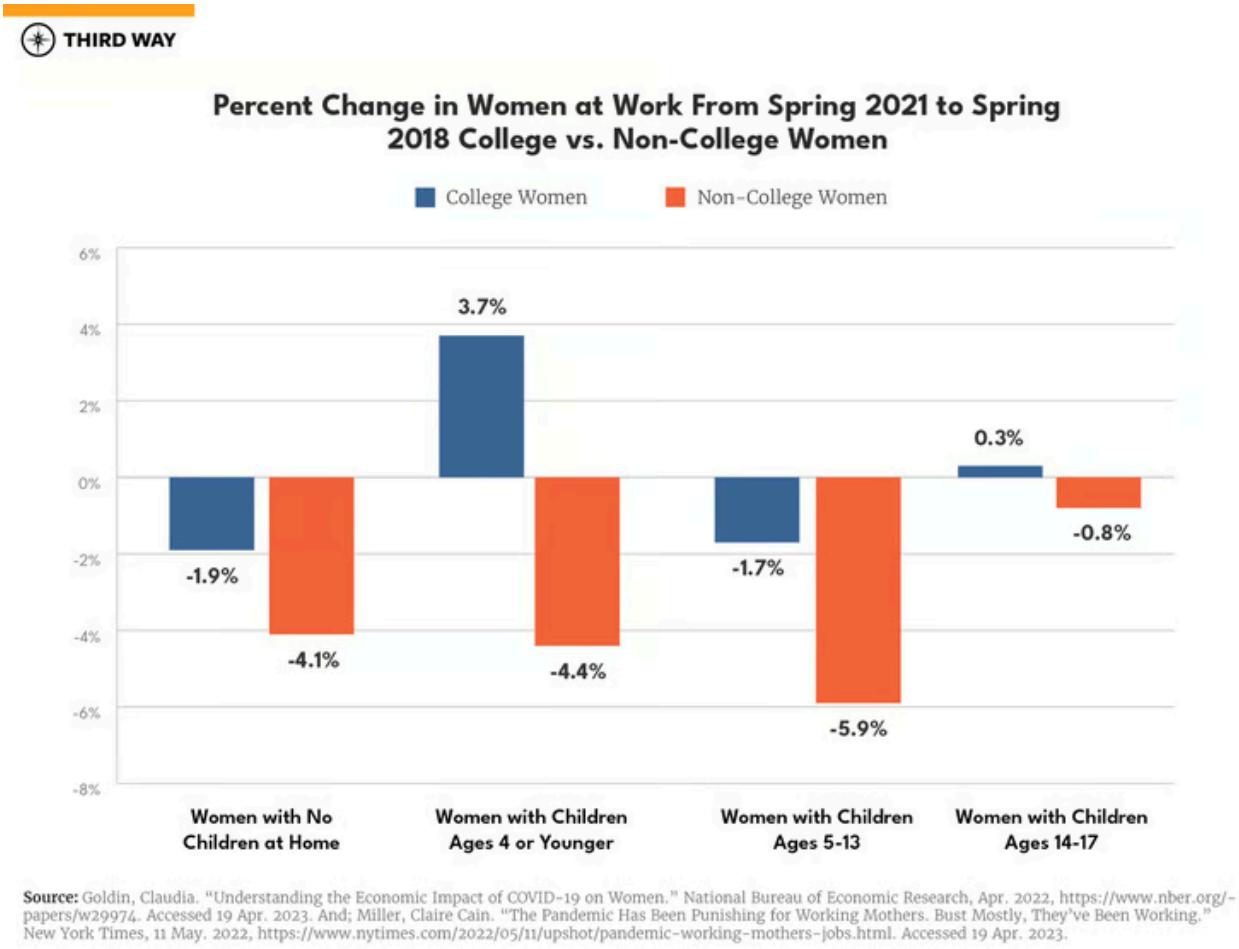
While much has been written on how women bear the brunt of caregiving responsibilities, less has been on the education divide to this problem. Overall, women are 1.5 times as likely as men to be caring for a family member.[9] Women are also 73% more likely to permanently leave their jobs and five times as likely to move to part-time work as a result of caregiving responsibilities.[10]

But for women without a college degree, the economic impact is much more severe. Women in white-collar work, where jobs typically require a bachelor's degree, more often have access to paid leave, child care benefits, and flexible working environments.[11] In contrast, the lower pay, limited flexibility, and non-traditional hours of many non-college jobs can make paid child care options harder to access.[12] Currently, almost 37% of service or retail employees say they are likely to need child care during weekend hours compared to just 17% of professional or administrative workers.[13]

As a result, far more women without a college degree are unable to afford child care and instead must rely on informal arrangements, such as having friends and family watch a child instead of a paid child care provider. In a recent survey, 40% of parents said they use informal care because formal options are inaccessible to them.[14] However, these

informal networks of support are often less reliable, forcing parents, especially single mothers, to routinely modify work schedules or leave the workforce altogether.

The outsized impact of a lack of quality child care options on non-college women became even more evident during the pandemic. In early 2021, the number of non-college mothers of young children at work was 4% lower compared to pre-pandemic; for college educated mothers of young children, it was 4% higher.[15]



Source: Goldin, Claudia. "Understanding the Economic Impact of COVID-19 on Women." National Bureau of Economic Research, Apr. 2022, https://www.nber.org/papers/w29974. Accessed 19 Apr. 2023. And; Miller, Claire Cain. "The Pandemic Has Been Punishing for Working Mothers. Bust Mostly, They've Been Working." New York Times, 11 May. 2022, https://www.nytimes.com/2022/05/11/upshot/pandemic-working-mothers-jobs.html. Accessed 19 Apr. 2023.

Meanwhile, many women also ending up reducing their hours or leaving jobs to take care of older family members.[16] One study found that women providing care for their parents were 8% less likely to work, and those who did work saw lower wage growth over the course of their careers.[17]

Conclusion

Too few pathways to good middle-class jobs, the poor pay of many female-dominated occupations, and a lack of care infrastructure are holding women back. Substantial progress towards pay parity can't happen without better pathways to good jobs for women with and without college degrees and stronger care infrastructure.

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