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Gender Pay Gap in New Jersey

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Gender Pay Gap in New Jersey

A Policy Report for the New Jersey American Association of University Women

by
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Dr. Yasemin Besen-Cassino, Montclair State University

In 2010 New Jersey women, similar to all American women, have yet to achieve equity with men in the labor market. Currently, 50 percent of the workforce is now women (a number projected to grow) and substantial numbers of them are integral contributors to their family's self sufficiency. In the typical married-couple family where both spouses work, the wife contributes just over a third—35.6 percent—of the family's income; and 15.6 percent of working wives have a husband who is not working¹. A recent PEW Research study (2010) further reveals that 20 percent of women are currently out-earning their husbands². In fact, even in this current economic recession women, have been reported to be disproportionately affected less than men, a conclusion often reached by comparing the unemployment rates of men and women: currently 10.5 percent for men and 8.1 percent for women. Indeed, the unemployment rate for men has increased more steeply since 2001 than has the rate for women³. In addition women have been increasingly earning more undergraduate and graduate degrees relative to men over the past decades, and currently are awarded close to 60 percent of all bachelor and master degrees in 2007, a trend that is expected to continue in the new decade⁴.

While women have certainly made significant progress over the decades in terms of occupational access and educational attainment, these advances have not resulted in full equity in the labor market. Instead one of the most significant markers of labor market success---equal pay---remains an elusive goal, as women continue to lag behind men. According to the AAUW recent reports (2008), New Jersey women typically earn 78 percent of men's earnings. Moreover, New Jersey college educated women are actually faring worse relative to New Jersey's college educated men—taking home about 71 percent of their male peers' earnings.

Such data is particularly troubling as New Jersey consistently ranks high in regard to overall income. Specifically, in 2008 the median household income in New Jersey was \$70,378, making it second in the nation only to Maryland, and a full 35 percent higher than the national median income (\$52,079). Yet not only is New Jersey an overall high earning state, women in New Jersey earn particularly well, relative to other women in the United States. New Jersey men, for example, have the third highest median earnings in the nation (\$55,980),

¹ Boushey, Heather. 2009. "Women Breadwinners, Men Unemployed." Center for American Progress
http://www.americanprogress.org/issues/2009/07/breadwin_women.html

² Fry, Richard, and D'Vera Cohn. 2010. "New Economics of Marriage: The Rise of Wives" Pew Research Center.

³ Hartmann, Heidi. 2009. "Women, Recession and the Stimulus Package." *Dissent* Fall, pp. 42-47.

⁴ National Center for Education Statistics. 2007. <http://nces.ed.gov/fastfacts/display.asp?id=72>

earning 23 percent higher wages than the national median of \$45,556. New Jersey women rank third nationally, earning a median income of \$44,343, as compared to the national median income of women which is \$35,471⁵.

So while New Jersey men and women are faring better than other men and women in the US, the earning gap between men and women is quite staggering. In this policy brief we explore the gender wage gap in New Jersey more deeply to understand how in such a high-income state, women continue to lag behind in pay. Using data from the New Jersey Department of Labor and Workforce Development, along with the American Community Survey, we illustrate some of the nuances of the pay gap in the state, and then suggest policy recommendations in order to remedy pay discrimination in New Jersey.

Why The Gender Pay Gap Matters in New Jersey

New Jersey women are among the top earners in the nation, which can lead one to ask—why does the pay gap matter to New Jersey women, since they are already significantly earning more than other women. First, it is important to note that New Jersey’s high median incomes often translates into higher prices for basic needs—housing, childcare, healthcare, taxes, transportation, etc. So while New Jersey women may earn more than other women, they are often spending more on the basic necessities of life. Indeed the New Jersey self sufficiency standard—which calculates at the county level the basic income needed to get by---illustrates that New Jersey women’s median income is simply the basic to survive in the state. For example, the self-sufficiency yearly income for a single adult and a pre-school child in several New Jersey counties is greater than the median income of New Jersey women. Specifically, a single parent of a pre-schooler would need to earn--\$48,154 in Mercer County, \$49,773 in Middlesex County, \$54, 210 in Somerset County. The median income of New Jersey women (\$44,434) falls short of what is needed to meet just basic needs. When one adds in more children to the mix or looks at some of the other New Jersey counties, the allure of New Jersey’s high median income for women disappears. However the median income of New Jersey’s men (\$52,079) helps ensure men have a better chance of not only achieving economic self-sufficiency, but exceeding it.

Indeed eradicating the pay gap is truly a matter of fairness and economic survival for women. Not only does it impact the economic opportunities of women in the present, it also lowers women’s lifetime earnings. As AAUW has noted the cumulative impact of the pay gap reduces women’s benefits from Social Security and other pension plans and their ability to save for retirement, housing, college educations, etc. The lost earnings are staggering---over a 35 year working life, women can lose \$210,000 simply because of gender⁶.

Further, as women are more likely than men to be single parents, the gender pay gap has a severe and drastic impact on their families. Indeed often regulating these families to poverty status. In 2008, 18 percent of female headed households were in poverty in New Jersey. Alternatively, only 3.5 percent of married couple families were in poverty⁷. Equity in pay would help to decrease the number of women and children living in poverty.

⁵ Wu, Sen-Yuan. 2007. “Income, Poverty and Earnings in New Jersey: 2007.” New Jersey Economic Indicators: NJ Department of Labor and Workforce Development

⁶ AAUW. 2008. “Pay Equity and Workplace Opportunity: A Simple Matter of Fairness.”

⁷ <http://lwd.state.nj.us/labor/lpa/dmograph/adprof/t10.htm>

In addition, and of particular importance to AAUW, the pay gap not only continues to persist at all education levels, the gap is actually more pronounced at higher educational levels. Indeed the pay gap is larger for women with college and graduate degrees (relative to their male counterparts) than for women with less education (relative to their male counterparts). While we will return to this point later in this policy brief, such findings are particularly troubling, as they tend to cast doubt on the idea that if women would simply invest in their education, and gain the human capital credentials, the pay gap would disappear. Instead it appears the market premium for a college-educated male, is greater than for a college-educated female. While such factors as college major are important to understanding this disparity, they do not fully explain it. As AAUW (2007) has noted, even within majors women consistently earn less than men.

So in New Jersey, which like other states, higher education translates to higher earnings, these results are gendered. Indeed the counties where women have the highest earnings are interestingly counties where the pay gap between men and women is actually larger than the general state gap. Specifically, women in Hunterdon County are the top female earners in the state (with a median income of \$63,686). Yet Hunterdon County women face a large gender pay gap—earning only 77 percent of Hunterdon County men’s incomes. The same is true of Somerset County, where its women are the second top earners among women (\$53,380), yet take home only 71 percent of Somerset men’s earnings. Morris County women, who earn median incomes of \$51,815, face an astounding pay gap of 67 percent⁸.

In fact the counties where New Jersey women earn the closest to comparable men are also the poorest New Jersey counties. In 2007, for example, Cumberland County, which has the largest poverty rate in the state (18.5 percent), also had the smallest pay gap (89 percent)⁹. This trend continued in 2008, Hudson County, which had the largest poverty rate in New Jersey that year (13 percent), also had one of the smallest pay gaps (85 percent), and Essex County with a poverty rate of 14 percent, has a gender pay gap of 88 percent¹⁰.

Similarly at the city level--- the municipalities where the gender gap is the smallest are among the poorest. In 2007, for example, the four cities with a pay gap between men and women over 90 percent are--- East Orange City (95.7 percent), Camden City (94 percent), Trenton City (92 percent), and Newark City (90 percent)¹¹. Of course, the smaller pay gap is not a reflection of women’s progress, but instead results from very low earnings of men in these counties and cities.

The issue of equity in pay is critical for women, their families, New Jersey and our nation. Currently, 50 percent of the workforce is now women and substantial numbers of them are integral contributors to their family’s self sufficiency. In two-earner families the wife, on average contributes a third of the family income. In addition, 76 percent of single mothers are in the labor force and these women, raising their children on their

⁸ Wu, Sen-Yuan. 2008. “Income, Poverty and Earnings in New Jersey: 2008.” New Jersey Economic Indicators: NJ Department of Labor and Workforce Development

⁹ Wu, Sen-Yuan. 2008. “Income, Poverty and Earnings in New Jersey: 2007.” New Jersey Economic Indicators: NJ Department of Labor and Workforce Development

¹⁰ Wu, Sen-Yuan. 2008. “Income, Poverty and Earnings in New Jersey: 2008.” New Jersey Economic Indicators: NJ Department of Labor and Workforce Development

¹¹ Wu, Sen-Yuan. 2008. “Income, Poverty and Earnings in New Jersey: 2007.” New Jersey Economic Indicators: NJ Department of Labor and Workforce Development

own, are their family's only earner¹². Women's incomes are critical to their families' economic well-being, yet it is ironically when they become mothers that they often experience some of the most insidious pay inequity.

Yet women work not just because it is vital to individual and family support but also because it is essential to one's integrity and well-being, proving a sense of self-respect and fulfillment. Wages from work provide the ability to provide and sustain the provision of that security: food, shelter, clothing, and other fundamental necessities of daily living. And when those wages are lower, simply because of gender, one must question the fairness of this.

If we look forward from the 1970's, it is evident that women's participation in the workforce has dramatically changed as have other indicators important in achieving economic independence: educational gaps between men and women have been closed, women's college graduation rates have surpassed men's, and women have entered formally male-dominated professions at rates more quickly than before – albeit women still move into only about 20 of the available 426 Department of Labor established job categories, remaining overly concentrated in traditionally female work¹³. Indeed, in order for the U.S. labor market to not be segregated by sex, 52.1 percent of the female labor force (or about 39 million women) would have to change jobs¹⁴. “With respect to advancing in the workplace, women have been doing everything right for close to four decades now: getting educated, working more and more continuously, and moving out of dead-end, low-paying “pink-collar” jobs. That's the good news. The bad news is that despite women's best and sustained efforts, progress toward gender equality is uneven and appears to be stalling¹⁵.”

What Does The Pay Gap Look Like in New Jersey?

As noted earlier, the gender pay gap is alive and well in New Jersey, but it not experienced equally among all women. The following tables are intended to just provide a snapshot of men and women's earnings across various categories. We use data from the American Community Survey's Public Use Microdata File for New Jersey 2006-2008¹⁶.

Education

We are often told that education is the great equalizer—and indeed if women invest in their education in ways comparable to men, the pay gap will disappear. Women have heeded that call, and currently earn close to 60 percent of the undergraduate degrees in the United States. As Table 1 demonstrates, the data is clear that education has a strong positive effect on earnings for both men and women. The higher the education one has, the higher the earnings, regardless of gender. However, as our data show, the impact of education varies for

¹² United States Department of Labor, 2008. “Women in the Labor Force: A Data Book.” <http://www.bls.gov/cps/wlf-databook-2008.pdf>

¹³ See <http://www.dol.gov/wb/factsheets/20lead2008.htm> for full listing of occupations.

¹⁴ Padavic, Irene and Barbara Reskin. 2002. *Women and Men at Work*, 2nd Edition. California: Pine Forge Press.

¹⁵ Stone, Pamela, 2009. *Getting to Equal: Progress, Pitfalls and Policy Solutions on the Way to Gender Parity in the Workplace*. Pathways, (Spring), pp. 3-7. http://www.stanford.edu/group/scspi/pdfs/pathways/spring_2009/Stone.pdf

¹⁶ This was the most recent data we were able to access from the ICSPR website, and also provided us with cell sizes that allowed us to conduct detailed analysis.

men and women. Even within the same educational levels, men continue to outearn women. For example, for college educated women earned \$45,000 a year, while college educated men earned \$68,000 a year. In fact, college educated women earned just \$9,000 a year more than high school educated men.

The earnings ratio is the lowest among the least educated workers. Specifically, women with less than high school education earn only 50.80 percent of comparable men’s income. Once, men and women receive a high school diploma, the earnings ratio increases to 63.61 and that trend continues among college and graduate degree holders. Women with graduate and professional degrees, for instance, earned \$60,000 annual compared to \$95,000 median income of men with graduate and professional degrees. These data indicate that while higher education increases earnings, education has far greater economic pay-offs for men rather than women.

Table 1: Gender Pay Gap by Educational Level

	<u>Men's Annual Median Income</u>	<u>N</u>		<u>Women's Annual Median Income</u>	<u>N</u>		<u>Male/Female Earnings Ratio</u>
<u>Level of Education</u>							
Less than High School	\$18,700	7,302		\$9,500	5,280		50.80
High School Diploma	\$36,000	18,069		\$22,900	16,697		63.61
Some College/Associate's Degree	\$42,000	17,017		\$28,000	18,762		66.67
Bachelor's Degree	\$68,000	16,130		\$45,000	16,101		66.18
Graduate/Professional Degree	\$95,000	10,285		\$60,000	8,872		63.16
Total N		68,803			65,712		

Source: American Community Survey, Public Use Microdata Sample File, 2006-2008, New Jersey Population

Race

Looking across categories of race also proves quite interesting. As Table 2 shows White men still outearn all other race/sex groups. The highest level of gender pay inequality in New Jersey is between White male and female workers. White women earn 62 percent of their male counterparts’ earning, and Asian women earn 71.43 percent of Asian men’s incomes. African American women are by far the best when compared to comparable men. These women earn 90.63 percent of what African-American men earn annually (\$29,000 and \$32,000 respectively). Yet when looking at the actual median earnings, it is clear that is due mostly to the low earnings of African American men, as opposed to high earnings of African American women.

Table 2: Gender Pay Gap by Race

	<u>Men's Annual Median Income</u>	<u>N</u>		<u>Women's Annual Median Income</u>	<u>N</u>	<u>Male/Female Earnings Ratio</u>
<u>Race</u>						
White	\$50,000	52,625		\$31,000	49,216	62.00
Black	\$32,000	6,192		\$29,000	7,759	90.63
Native American/Alaskan	\$27,000	155		\$20,000	141	74.07
Asian	\$56,000	5,468		\$40,000	4,704	71.43
Other	\$25,000	3,554		\$20,000	3,078	80.00
Multiracial	\$32,000	809		\$23,000	814	71.88
Total N	68,803			65,712		

Source: American Community Survey, Public Use Microdata Sample File, 2006-2008, New Jersey Population

Ethnicity: Hispanic

In addition to race, ethnicity plays an important role in understanding the pay gap. Ethnicity, particularly whether one identifies as Hispanic or not, is an important predictor of the pay disparity. Among Hispanic workers in New Jersey, earning ratio is much higher. Hispanic women's earnings earn 74.55 percent of Hispanic men's annual earnings (\$20,500 and \$27,500 respectively). It is important to note the pay disparity between the Hispanic and non-Hispanic labor force in New Jersey. Among the non-Hispanic labor force, the gender earnings ratio drops to 64, where non-Hispanic women make only 64 percent of their male counterparts (\$32,000 and \$50,000 respectively).

Table 3: Gender Gap by Hispanic Origin

	<u>Men's Annual Median Income</u>	<u>N</u>		<u>Women's Annual Median Income</u>	<u>N</u>	<u>Male/Female Earnings Ratio</u>
<u>Hispanic Origin</u>						
Hispanic	\$27,500	8,499		\$20,500	7,506	74.55
Non-Hispanic	\$50,000	60,304		\$32,000	58,206	64
Total N	68,803			65,712		

Source: American Community Survey, Public Use Microdata Sample File, 2006-2008, New Jersey Population

Age

In explaining the pay gap in New Jersey, age is another important factor. Not surprising, the lowest pay gap is observed in the youngest cohort- 18-30 year-olds. These women earned 85 percent of their male counterparts. As men and women age, though, the pay gap grows. For example 31-40 year-old women earn just 67.86 percent of comparable men. In the later age cohorts, this level of gender inequality is sustained almost equally until women reach their 80's.

Table 4: Gender Pay Gap by Age

<u>Age</u>	<u>Men's Annual Median Income</u>	<u>N</u>	<u>Women's Annual Median Income</u>	<u>N</u>	<u>Male/Female Earnings Ratio</u>
18- to 30-years-old	\$20,000	14,812	\$17,000	14,582	85.00
31- to 40-years-old	\$56,000	14,476	\$38,000	12,820	67.86
41- to 50 -years-old	\$60,000	17,379	\$37,000	16,750	61.67
51- to 60-years-old	\$60,000	13,718	\$40,000	13,710	66.67
61- to 70-years-old	\$45,000	5,596	\$29,000	5,142	64.44
71- to 80-years-old	\$20,000	1,171	\$12,000	987	60.00
81-years-old and older	\$15,000	209	\$10,100	166	67.33
Total N	67,361		64,157		

Source: American Community Survey, Public Use Microdata Sample File, 2006-2008, New Jersey Population

Workforce Status: Part-time vs. Full-time

The workforce status---whether or not a worker is full-time or part-time---is also an important factor in understanding the pay gap in New Jersey. Workforce status is coded into two categories, where less than 20 hours a week is considered “part-time” and more than 20 hours a week is “full-time.”

Among the part-time works in New Jersey, there is a reverse pay gap. Part-time women earn 125 percent of what their male counterparts earn. However, it is important to note that while women get paid slightly more proportionally, since earnings of part-time workers is relatively small for both men and women (\$4,000 and \$5,000 respectively), this difference is not significant, nor a measure of equality. When examining full-time workers, the gender inequality is reversed. Within this group, full-time female workers only earn 73.4 percent of their male counterparts. This means, full-time men’s annual income is \$50,000, however full-time women’s annual median income is only \$36,700.

Table 5: Gender Pay Gap by Workforce Status

	<u>Men's Annual Median Income</u>	<u>N</u>		<u>Women's Annual Median Income</u>	<u>N</u>		<u>Earnings Ratio</u>
<u>Workforce status</u>							
Less than 20 hours a week	\$4,000	5,494		\$5,000	10,590		125
More than 20 hours a week	\$50,000	63,309		\$36,700	55,122		73.4
Total N	68,803			65,712			

Source: American Community Survey, Public Use Microdata Sample File, 2006-2008, New Jersey Population

Occupation

Finally, an analysis of the gender pay gap by occupation is also quite interesting. Many people who critique the literature on the gender pay gap point to the fact that men and women are located in different occupations. One implication of this is, if we compare men and women in the same occupations, their earnings would be far more comparable. However, as Table 6 demonstrates even in the same work, men continue to outearn women.

While the US Census Bureau collects data on hundreds of occupation, we are presenting a snapshot of occupations to illustrate how the earnings gap persists over different types of occupations. We divided occupations into three major categories: male dominated, female dominated and gender neutral occupations. Occupations which are performed mostly by men such as managerial jobs, protective services, janitorial/housekeeping services, construction and transportation are considered “male-dominated” occupations. Education, medical/health services, service sector jobs, social services and office/clerical jobs are considered “female-dominated” occupations. Finally, occupations such as business, natural/social sciences, legal, entertainment and sales are neither categorized as “male-dominated” or “female-dominated.” These occupations are split equally between men and women.

Overall, male-dominated occupations have higher pay than female-dominated jobs. Among male dominated occupations, the highest pay disparity is observed in protective services followed by transportation. Women in protective services earn only 54.39 percent of their male counterparts. Protective services are followed by transportation, where female transportation workers make only 59.79 percent of what male construction workers make. Among male dominated occupations, the highest earnings ratio is among all professional managerial positions. Women managers’ annual earnings are 68.89 percent of men’s pay. While the ratio is higher, since managerial positions pay much more than other occupations, the net effect in dollars is considerable. An average male manager in New Jersey makes \$90,000 annually, whereas a female manager in New Jersey only makes \$62,000 a year.

Pay disparity is slightly improved among female dominated occupations. However, it is important to note that female dominated occupations have significantly lower annual salaries than male dominated occupations. Among female dominated occupations, social services are where highest levels of equality are observed. In this sector, we see no difference between men’s and women’s annual salaries. In fact women make

slightly more than men do (\$41,000 to \$40,000). This equality is followed by office/clerical jobs. Female office workers and clerks earn 95.24 percent of what male office workers and clerks take home.

Among occupations that have an equitable gender composition, we observe the lowest earnings ratio in the sales sector. Female salespeople make only 35.65 percent of what male salespeople make annually. This could be explained by the fact that most sales jobs are based on commission not salaries. Higher commission items such as cars and appliances are sold by men while lower commission items such as cosmetics are sold by women.

Table 6: Gender Pay Gap by Occupation

	<u>Men's Annual Median Income</u>	<u>N</u>	-	<u>Women's Annual Median Income</u>	<u>N</u>	-	<u>Earnings Ratio</u>
<u>Occupation</u>							
Male Dominated							
Managerial (all professions)	\$90,000	8,846		\$62,000	5,434		68.89
Protective Services	\$57,000	2,523		\$31,000	588		54.39
Janitorial/Housekeeping	\$24,000	2,617		\$16,000	1,203		66.67
Construction	\$40,000	5,608		\$25,000	130		62.50
Transportation	\$29,100	5,924		\$17,400	1,231		59.79
Female Dominated							
Education	\$50,000	2,411		\$38,550	7,564		77.10
Medical/Health	\$68,000	2,001		\$40,000	7,569		58.82
Service (other)	\$13,600	1,137		\$10,500	3,137		77.21
Social Service	\$40,000	745		\$41,000	745		102.50
Office/Clerical	\$31,500	5,530		\$30,000	16,190		95.24
50/50 split							
Business	\$75,000	3,612		\$50,000	3,659		66.67
Natural and Social Science	\$70,000	828		\$57,000	795		81.43
Legal	\$116,000	942		\$57,000	877		49.14
Entertainment	\$48,150	1,224		\$35,250	1,194		73.21
Sales	\$46,000	8,587		\$16,400	7,631		35.65
Total N	46,611			57,947			

Source: American Community Survey, Public Use Microdata Sample File, 2006-2008, New Jersey Population

Policy Recommendations

To address the issue of gender pay inequity, the State of New Jersey, along with employers, labor unions, community based organizations and workers need to make a commitment to ending pay discrimination. To accomplish this we recommend that:

1. The State of New Jersey should develop a commission to investigate the pay gap in New Jersey and develop remedies to address the pay gap. The commission should consist of members from government, education, community based organizations and women's organizations.
 2. Paid family leave and other family supportive programs and policies must be developed and existing ones must be enhanced so that women performing caring labor are not economically penalized.
 3. Support on a national level the passage of the Paycheck Fairness Act.
 4. Strengthen and enforce legislation on equal pay in the state by passing state level legislation comparable to the national Lilly Ledbetter Act, Paycheck Fairness Act and Fair Pay Act.
 5. Employers should conduct equal pay audits and publish that data, so that there is transparency in salaries.
 6. Continued encouragement and support for women entering nontraditional educational programs and occupations.
 7. Schools should develop and teach curriculums to help teach girls and women ways to negotiate for better pay and job quality.
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Authors

Dr. Yasemin Besen-Cassino is an Assistant Professor of Sociology at Montclair State University. Her research focuses on gender, work, youth and politics. Her work has appeared in numerous prominent journals such as *National Women's Studies Association Journal (NWSAJ)*, *Theory & Society*, *Contexts*, *Journal of Contemporary Ethnography* and *Berkeley Journal of Sociology*. Her most recent books include *Jessie Bernard (with Michael Kimmel) on the life and works of prominent feminist scholar* and *Consuming Politics: Jon Stewart, Branding and Youth Vote in America (with Dan Cassino)*.

Dr. Mary Gatta is a Director, Gender and Workforce Policy at the Center for Women and Work, and on the faculty in the Department of Labor Studies and Employment Relations at Rutgers University. She holds a PhD and M.A. in Sociology from Rutgers University and a B.A. in Social Science from Providence College. Her areas of expertise include gender and public policy, low wage workers, earnings inequality, and evaluation research on workforce projects.

Dr. Gatta has published several books, articles, and policy papers. Her latest book, Not Just Getting by: the New Era of Flexible Workforce Development released from Lexington Press's imprint Press for Change, chronicles groundbreaking thinking and research on new and innovative workforce development initiatives that delivers skills training to single working poor mothers via the Internet. Her book, Juggling Food and Feelings: Emotional Balance in the Workplace was released from Lexington Press in 2002. She is currently one of the editors on an upcoming book *A US Skills System for the 21st Century: Innovations in Workforce Education and Development* to be published by Cornell Press in 2011.

In addition to books, Dr. Gatta has published numerous scholarly articles and public policy papers on topics including gender equity in academia, the gender based pay gap, and welfare policy. She is currently working on two large research projects—a cross-national study of women union leaders; and the experiences of women navigating the public workforce development system. In addition, Dr. Gatta is evaluating a NSF-ADVANCE grant at Rutgers University to promote institutional transformation to promote opportunities in higher education and the sciences.

Addendum

AAUW Resources for National Pay Equity Information

State-by-State Data on Women's and Men's Educational Attainment and Earnings

1. Median Annual Earnings of Men with a College Degree or More, 2003-2005
2. Median Annual Earnings of Women with a College Degree or More, 2003-2005
3. Earnings Gap
4. Proportion of Women with a Four Year College Degree or More, 2006
5. Proportion of Men with a Four Year College Degree or More, 2006

Source: AAUW analysis of U.S. Census Bureau, Current Population Survey, 2004, 2005 and 2006 Annual Social and Economic Supplement (March Supplement) for Median Earnings. Current Population Survey, Basic Survey 2006 for Educational Attainment. This analysis was conducted by Judy Goldberg Dey, Research Consultant, and Christi Corbett, Research Associate, AAUW Educational Foundation.

Note: March Supplement interview questions on earnings refer to the previous year's earnings (2003, 2004 and 2005). All years were converted to 2005 dollars using the Consumer Price Index Research Series (CPI-U-R) and pooled to ensure an adequate sample size. As these data are based on a sample they are subject to sampling error; the degree of error may be quite large for less populous states. Estimates of the median earnings include only full-year, full-time workers with a college degree or higher. Full-year is defined as working 50 or more weeks. Full-time is defined as working 35 or more hours per week. Data on percentage of women and men with a college degree or more is based on an average of 12 months of data from 2006.

AAUW

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NJ Gender Pay Gap

College Graduates – 25+

\$60,700	Median annual income Women
86,000	Median annual income Men
71%	Earnings Pay Gap
32	Earnings Rank

All Workers 16 +

\$42,500	Median annual Earnings women
54,600	median annual earnings men
78%	earnings pay gap
18	earnings gap rank

The analysis includes all full-time, year-round workers, including teachers who were defined as "year round" workers if they worked 40 weeks or more per year (For other workers, "Year round" is defined as working 48 weeks or more annually). Median earnings for male and female full time workers were calculated using data from the public use micro-sample (PUMS) of the American Community Survey (ACS). Because the PUMS data is a subset of the full ACS sample, these estimates do not match those published by the Census Bureau. Differences are generally small. The data also differ from published ACS estimates because the population of full-time year round workers was defined differently. The PUMS was used so that the gender wage gap between male and female college educated workers could be examined separately from the rest of the work force.



AAUW Pay gap statistics – Spring 09

The pay gap varies significantly from state to state. For the entire full-time workforce, the narrowest wage gaps exist in the District of Columbia, Vermont, and California — where female, full-time workers make 85 percent as much as their male counterparts. At the other end of the rankings are Wyoming, West Virginia, and North Dakota, where women earn 62 percent, 65 percent, and 66 percent, respectively, of what men make.

For the college-educated, year-round workforce, the narrowest wage gap exists in Vermont, where female full-time workers make 87 percent as much as their male counterparts. Hawaii follows at 83 percent, then Delaware at 80 percent. Louisiana — where female full-time workers make 65 percent of what their male counterparts earn — and West Virginia and Mississippi, both at 67 percent, are emerging as the states with the largest pay differences between male and female college-educated workers.

Where is NJ?

	Median Annual earnings for women	Median Annual Earnings for Men	Earnings Gap percentage	Earnings Gap Rank
College Graduates 25+	\$60,700	\$86,000	71%	32
All Workers 16+	\$42,500	\$54,600	78%	18

Over a 40-year career, women could lose between \$500,000 and \$1 million. In higher-paying fields, such as law, the wage gap can result in even greater lifetime losses. For all women, the disparity is further compounded by losses in retirement and Social Security income that depend on wage-based contributions. Nationwide, working families lose \$200 billion of income annually to the gender wage gap.

"Women with college degrees earn considerably more than women with less education, but they earn considerably less than men with college degrees. As AAUW knows from our research for *Behind the Pay Gap*, these differences start right out of college."

