

The Persistent Economic Impact of  
Gender and Race-based Wage  
Disparities from Cradle to Grave  
**Rectifying and closing the pay gap for  
women**

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Presented by Alika Kumar



# The State of Gender and Race Based Disparities

## US women's soccer team spotlights pay inequality at the World Cup

### U.S. Womens' team

4/8 games won: (1991,1999, 2015, 2019),

Each player on the U.S. women's national team could receive about \$260,000 in maximum earnings for winning the Women's World Cup.

### U.S. Mens National Team

Got into the finals only once but has never won a World Cup

Each player on the U.S. men's team could earn nearly \$1 million if they won the World Cup.

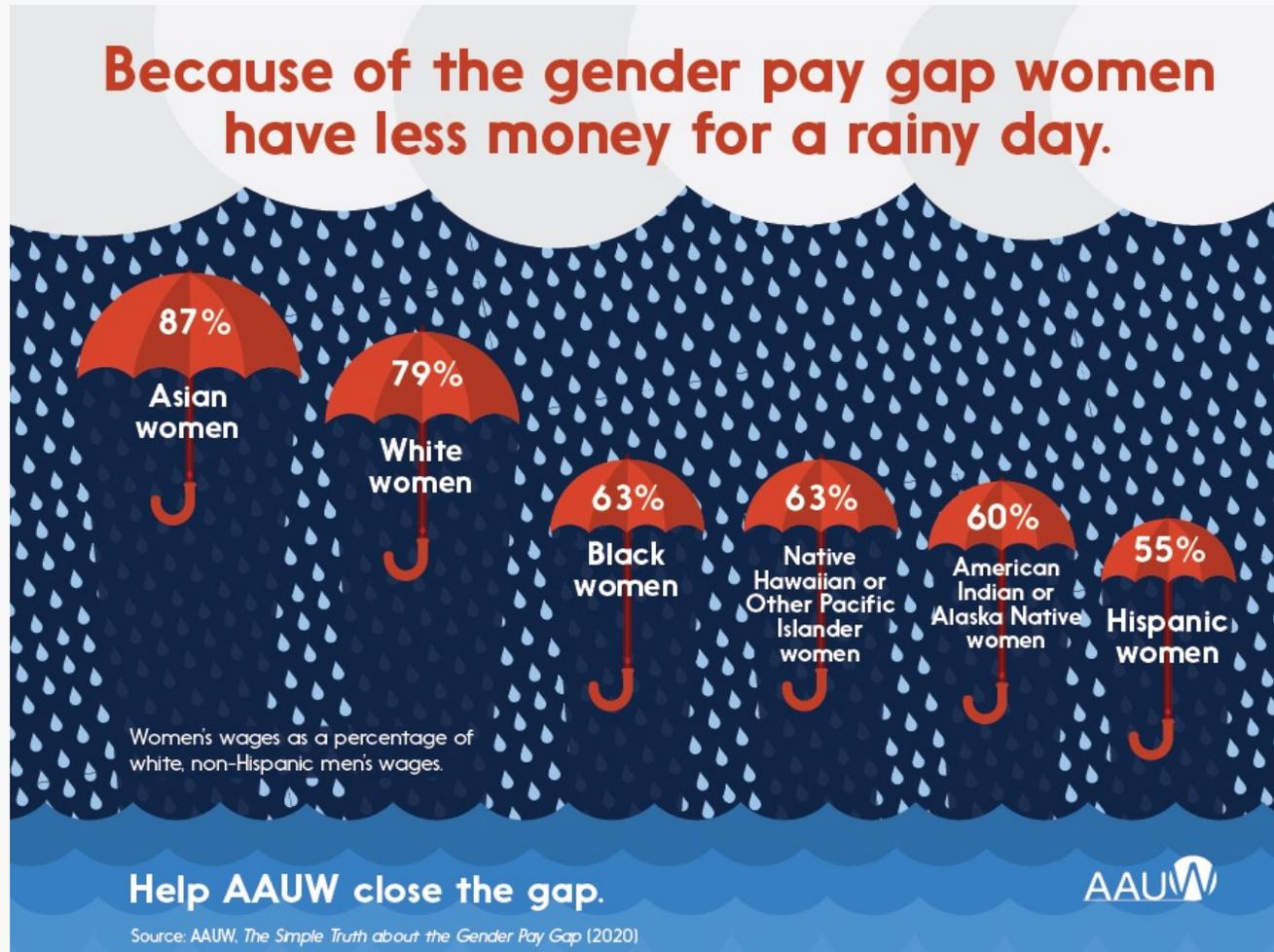


# AGENDA

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1. Current state of Disparity based on Race and Gender
2. Impact of Racial Disparity
3. Causes of Deep Disparity
4. Cost of Racial Disparity
5. Recommendations and Next Steps for Equity
6. Parting Thoughts
7. Additional Resources

# Gender and Race Based Disparities



**“Society owes working women nearly \$30 trillion. That’s 1/2 a million dollars per woman in her lifetime.”**

*-Equal Payback Project.*

<https://www.aauw.org/issues/equity/pay-gap/>

# 2021 Equal Pay Day

Tuesday March 19th

## 2021 EQUAL PAY DAYS

March 9: **AAPI Women's Equal Pay Day - 85 Cents**

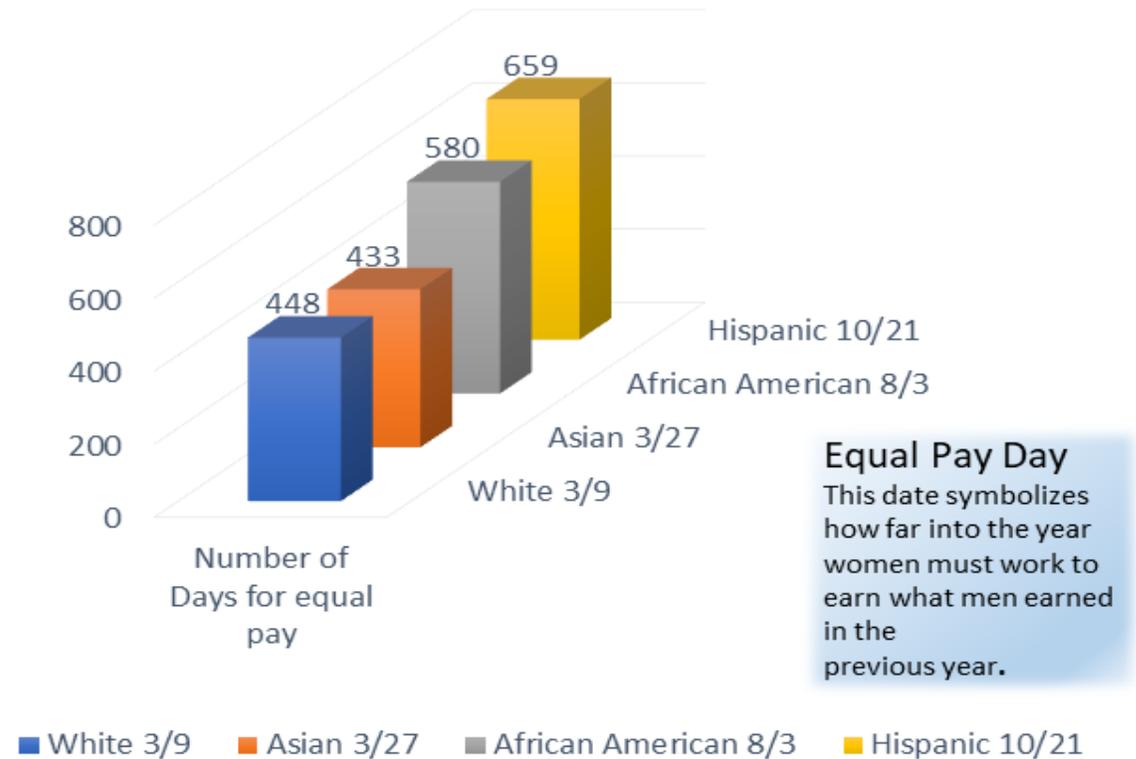
March 24: **Equal Pay Day - 82 Cents**

Aug 3: **Black Women's Equal Pay Day - 63 Cents**

Sep 8: **Native Women's Equal Pay Day - 60 Cents**

Oct 21: **Latina Equal Pay Day - 57 Cents**

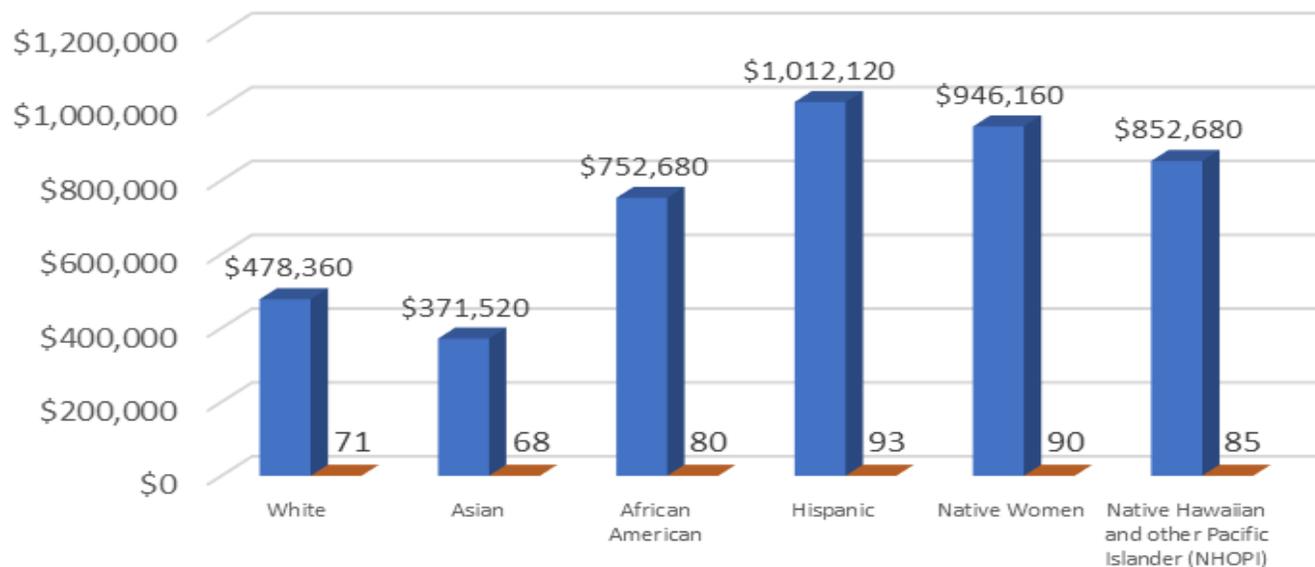
### Days of Work to Equal Pay for Women in 2021



# Cost of Disparity for Women in Arizona

## Lifetime Wage Gap Losses for Arizona Women

(Data extracted from <https://nwlc.org/resources/the-lifetime-wage-gap-state-by-state/>)



■ Lifetime losses due to wage gap

■ Age at which women's career earnings catch up to white, non-Hispanic men's career earnings at age 60

Arizona women employed full-time, **on average lose a combined total of nearly \$13 billion each year** due to the wage gap.

### Sources:

- <http://www.nationalpartnership.org/our-work/resources/workplace/fair-pay/4-2017-az-wage-gap.pdf>
- Equal Pay Project, <https://nwlc.org/equal-payback-project/>
- <https://wallethub.com/edu/best-and-worst-states-for-women-equality/5835/>



# Impact of Racial Disparity

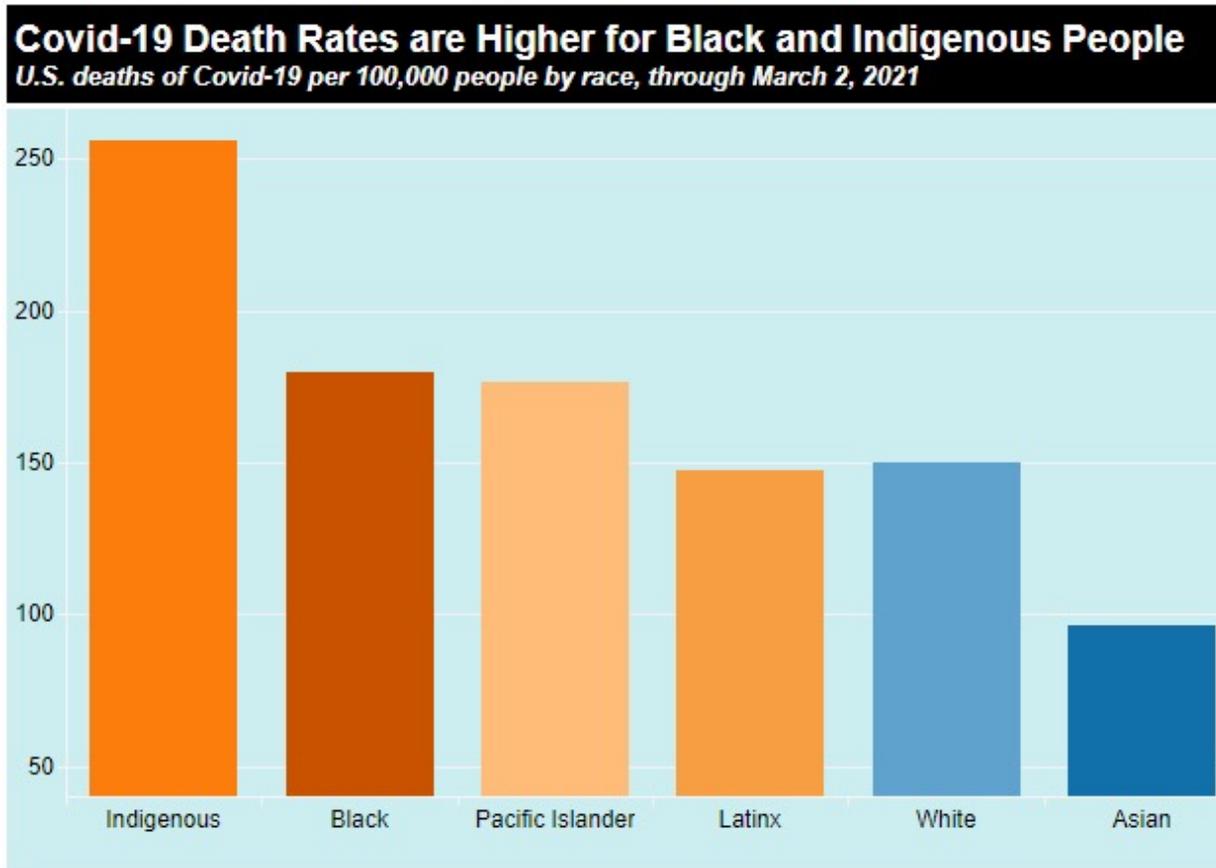
On Women of Color

# The disproportionate long-term impacts of lower earnings **suffered by women and women of color**

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- Lower lifetime earnings
- Leading to lower social security income and retirement income.
- Systemic inequalities, historical oppression, racism and discrimination create significant barriers to success
- Harder for their families to build wealth, and have equal access to opportunities for future economic progress.

# Black, Indigenous and Other People of Color Experienced Greater Harm During the Pandemic



## Deaths per 100,000:

- Indigenous: 256
- Black: 179.8
- Pacific Islander: 176.6
- Latinx: 147.3
- White: 150.2
- Asian: 96

Source: <https://inequality.org/facts/racial-inequality/>

# Other Disparities for People of Color

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- COVID drop in life expectancy hits Latinx & Black people hardest
- People of color face higher unemployment rates
- The racial wealth divide has grown over three decades
- Black families are twice as likely as Whites to have no wealth
- Gender pay gaps persist in all racial groups
- Black graduates face more student debt than their White peers
- Black women have the largest student debt burdens

Source: <https://inequality.org/facts/racial-inequality/>

# Native Americans and Reservation inequality

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Historical Discrimination and **Native American reservation inequality** underlies a range of societal issues that affect the lives of **Native American** populations residing on reservations in the United States



- **One-in-four Native Americans and Alaska Natives are living in poverty**
- Reservation poverty and other discriminatory factors have led to persisting social inequality on Native American reservations.
- Disparities gaps are large between many aspects of life at the national level and at the reservation level, such as: **Quality of education, quality of healthcare, Obesity, substance use disorders, teenage pregnancy, violence against Native women, suicide rates.**

# Poverty Among Native American Women

September 8 marked Native Women's Equal Pay Day, which is designated to highlight the pay gap for Native women

This wage gap forces too many Native American women and families into poverty—a **political outcome and not a personal choice**.

- More than half—55 percent—of American Indian and Alaska Native (AIAN) mothers are the sole or primary breadwinners in households with children younger than 18, compared with 37 percent of white mothers.
- Nineteen percent of AIAN mothers are co-breadwinners in households with children younger than 18, which is comparable to white mothers.

Source: <https://www.americanprogress.org/article/government-can-end-poverty-native-american-women/>





# Causes of Deep Disparity

For People of Color

# History

Structural racism is inextricably intertwined with the history, political and legal systems in the United States.

A legacy that predates the country's founding, through the genocide of Indigenous populations and the kidnapping and selling of millions of Africans into slavery, created lasting disparities in health, education and opportunity.

American Public Health Association **Camara Jones** defines structural racism as “a system of structuring opportunity and assigning value based on the social interpretation of how one looks (which is what we call ‘race’), that unfairly disadvantages some individuals and communities, unfairly advantages other individuals and communities, and saps the strength of the whole society through the waste of human resources.”



Color is not a Crime

Source: <https://www.smithsonianmag.com/smithsonian-institution/why-blacks-indigenous-and-other-people-color-experience-greater-harm-during-pandemic-180975773/>

# Systemic Challenges that Contribute to the Wage Gap

Structural and economic realities that limit women's ability to compete with men in the labor force

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- Collective consequences of gender, and racial discrimination,
- Often work in lower-paying jobs and work fewer hours
- Shoulder more substantial caregiving burdens
- Less likely to hold higher-level, high-paying jobs, resulting in the “opportunity gap”,
- By age 45+, eight percent of men have risen to an executive level position, compared to **three percent of women**
- Paradoxically the difference between men's and women's earnings widens with more education. The disparity is even more disproportionate amongst African American and Hispanic women.

Sources:

<https://cdn.americanprogress.org/wp-content/uploads/2015/04/WomenOfColorWageGap-brief.pdf>

<https://nwlc.org/resources/women-and-minimum-wage-state-state/>

# Lack of Basic Protections

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- **Lack of federally mandated paid family and medical leave; Maternity leave; paid sick days; health insurance; or retirement plans**, leave caregivers, mostly women and women of color, poor and faced with difficult choices in balancing work and family obligations.
- They must take unpaid time off, lose wages, promotions and other benefits
- Women in low-wage industries frequently find their part-time schedules get cancelled or altered on short notice.
- Part-time work is often the only choice and more likely for women of color than for their White counterparts

# Why is gender and race-based wage parity important?

## What we are missing!

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- Important for the stability of the family – many are heads of household and support family members
- Women are one-half of the world's population and **deserve equal access to health, education, economic participation**, earning potential, and political decision-making power.
- Women are 50% of the population, but the proportion of women-owned firms is only 36%.
- The Council on Foreign Relations suggests that closing the gender gap in the workforce could add a staggering **\$28 trillion to the global GDP**
- A larger representation of women in decision-making and legislative environments may go a long way in **ensuring parity for women and women of color**.

# Harms Caused by lack of Parity

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- Historical and ongoing structural oppression, racism, discrimination, gender/race-based wage disparities, and significant barriers to success **cause substantial lifelong hardships for women and especially women of color**
- This continues to have a corresponding impact on their families.
- When women and their contributions are undervalued, it leads to the omission of policies, benefits and support systems.
- These trends continue and raise ethical, moral and economic issues that ultimately affect everyone.

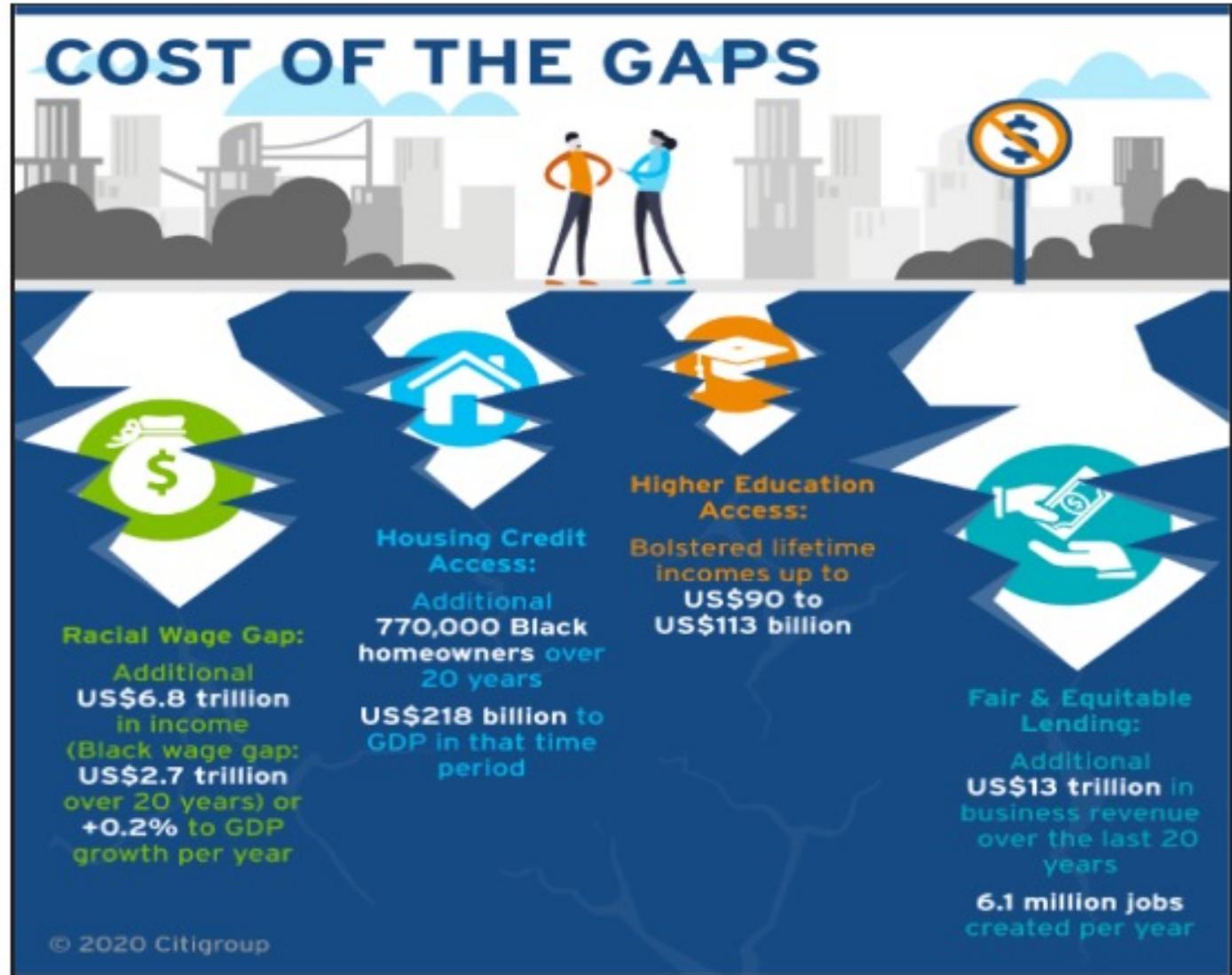
# Cost of Racial Disparity

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# The Economic Costs of U.S. Racial Inequality

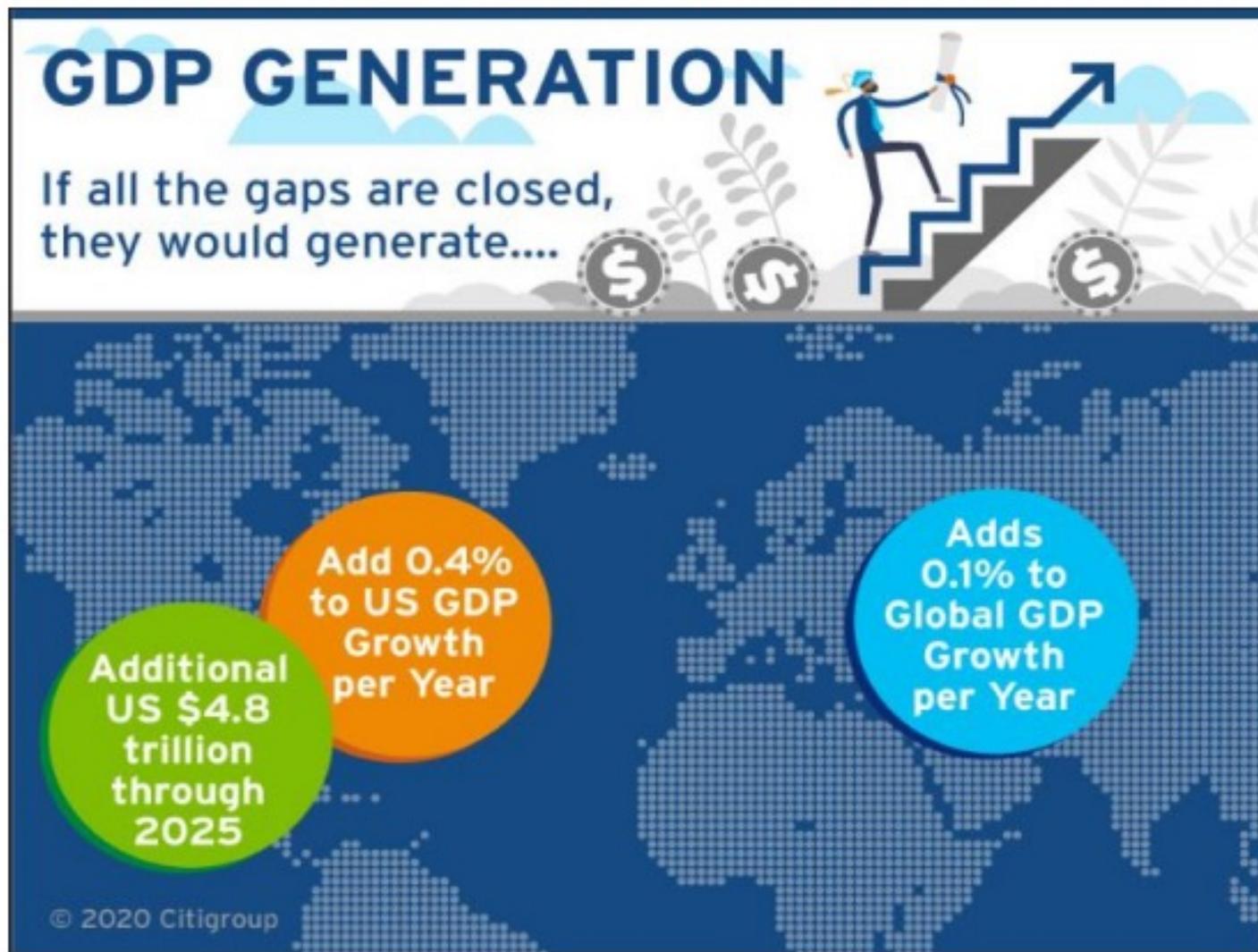
Figure 1. Racial Gaps Cause Economic Harm



Source: Citi Research

Impact on  
the U.S.  
GDP

Figure 2. The Economic Case for Closing Racial Gaps is Highly Compelling



Source: Citi Research

# Racial inequality cost the economy \$16 trillion over the last two decades

Citi - Published Thu, Sep 24 2020

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New study reveals that **\$16 trillion** has been erased from U.S. GDP over the last two decades due to discrimination.

If the racial divide were addressed today, **\$5 trillion could be added to the economy over the next five years.**

“Racial inequality has always had an outsized cost, one that was thought to be paid only by underrepresented groups, what this report underscores is that **this tariff is levied on us all**, and particularly in the U.S., **that cost has a real and tangible impact on our country’s economic output.**”

*(Raymond McGuire, Vice chairman of Citigroup)*

# Racial inequality has high costs for our economy

NPR.ORG, September 23, 2020

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- **\$13 trillion lost** in potential business revenue because of discriminatory lending to African American entrepreneurs, with an estimated 6.1 million jobs not generated as a result
- **\$2.7 trillion** in income lost because of disparities in wages suffered by African Americans
- **\$218 billion lost** over the past two decades because of discrimination in providing housing credit
- And **\$90 billion to \$113 billion in lifetime income lost** from discrimination in accessing higher education

# Social Costs of U.S. Racial Inequality

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**The COVID-19 pandemic and the deaths of several Black people while in police custody in rapid succession have laid bare the United States' longstanding problem of discrimination against minority groups, especially against Black people.**

Inequality has produced real economic costs and social losses.

- Racial gaps in unemployment, net worth, debt levels, wages, peak income, financing for businesses, spending on education, and rates of imprisonment and sentencing levels.
- The gaps in many cases remain wide 60 years after the Civil Rights Movement.
- **In some cases, including in homeownership rates and college degree attainment, the gaps are wider now than in the 1950s and 1960s.**



Source: <https://eaccny.com/wp-content/uploads/2020/11/Citi-Closing-Racial-Inequality-Gaps-AX2QY.pdf>



# Racial Equity

- **Equality** serves everyone the same, regardless of need.
- **Equity**, on the other hand, achieves fairness by meeting people where they are and serving them differently dependent on their needs to achieve equitable outcomes.
- **Racial equity is achieved when race no longer factors into or determines one's socioeconomic outcomes.**
- It is when everyone has what they need to thrive, no matter where they live or how they identify.

Is a level playing field all we need at this time?

# Actions for Racial Equity

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- A history of racism in our country has led to current day disparities in education and job attainment, housing, and many quality of life indicators for people of color.
- We must disrupt and unpack **seemingly neutral policies and practices** to see if they are contributing to inequity.
- We need development of policies, practices, and investment in the community to reverse racial disparity trends and dismantle institutional racism.
- People of color should have a voice that meaningfully impacts decision making
- Local governments have an important role to play in ensuring that outcomes and opportunities for all people are no longer determined by race. policies, programs, and practices.

Source: <https://takomaparkmd.gov/initiatives/project-directory/racial-equity/>

# Next Steps

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- **Pass the Paycheck Fairness Act**
- **Expand work-family policy and caregiving protections:** Women of color must be able to take the time they need to care for themselves or their families without fear of retribution or negative effects on future job opportunities.
- **Flexible working environments**
- Enforcement officials must take steps to **guard against workers being targeted for discrimination and sexual harassment** because they are perceived to be more vulnerable or in a precarious employment situation.
- **Enforce data collection, anti-discrimination, and other worker protections**
- Health Protections
- **Have support systems that allow them to prosper, advance in their careers, in a non-discriminatory environment, irrespective of the jobs they choose, and where they work.**

■ Source: <https://www.americanprogress.org/article/government-can-end-poverty-native-american-women/>

# Policies

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**Race and gender-fair policies** would be far more effective in eliminating racial economic advantage or disadvantage that follows generation after generation, from **cradle to grave**.

- We need strong state and federal laws focused on ensuring equal pay for all American women.
- Employers need to commit to continuous improvement and to enacting policies and practices that will help put women on par with men.
- Women individually need to advocate for themselves: They need to negotiate for the best possible pay and benefits and pursue higher-paying jobs, promotions and leadership opportunities.

# Parting Thoughts

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## Equity: Why It Matters

- Equity is fair treatment; equality is equal treatment.
- When a person starts from a place of disadvantage and are then treated equally as a person that already has an advantage, there is still a perpetuation and ultimate growth gap between the two people.
- **You need equitable measures first to close that gap and get everyone to a level playing field.**
- Achieving equity can only be possible if diverse and inclusive ecosystem exists.

**Diversity - Equity - Inclusion**



**Equality**

**Equity**

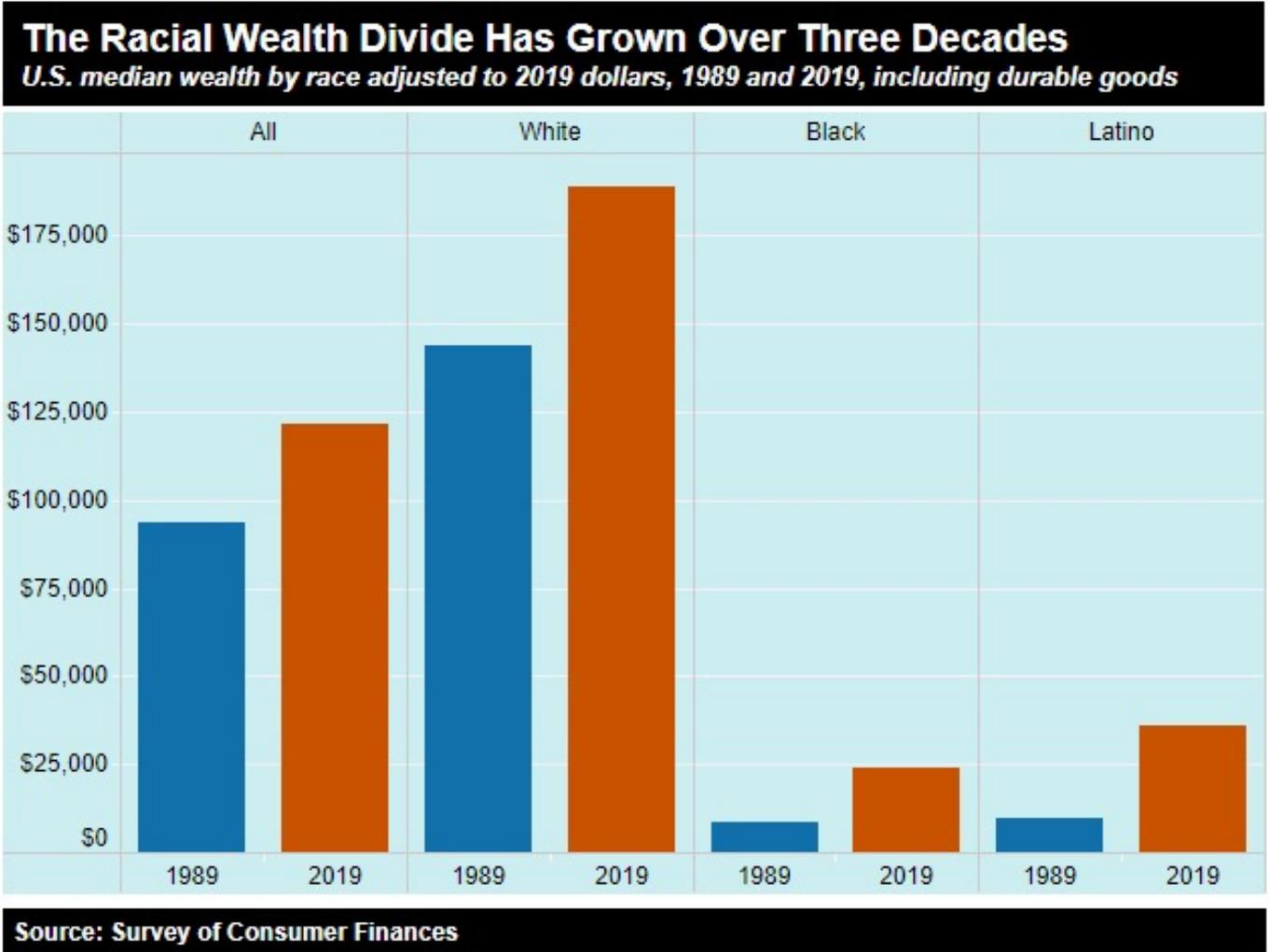
**Inclusiveness**

Source:  
Beyond D&I by Kay Formanek

# Additional Resources

1. Disparities in Wealth by Race and Ethnicity in the 2019 Survey of Consumer Finances - <https://www.federalreserve.gov/econres/notes/feds-notes/disparities-in-wealth-by-race-and-ethnicity-in-the-2019-survey-of-consumer-finances-20200928.htm>
2. The Demographics of Racial Inequality in the United States - <https://www.brookings.edu/blog/up-front/2020/07/27/the-demographics-of-racial-inequality-in-the-united-states/>
3. The Glaring Racial Wealth Gap In The United States - [https://givingcompass.org/article/the-glaring-racial-wealth-gap-in-the-united-states/?gclid=Cj0KCQiA-K2MBhC-ARIsAMtLKRvoahDejCheEwZhllmWjHoP\\_Lms8WY\\_eVVr75LUGJO-zNSd1ut5G4saAqZ2EALw\\_wcB](https://givingcompass.org/article/the-glaring-racial-wealth-gap-in-the-united-states/?gclid=Cj0KCQiA-K2MBhC-ARIsAMtLKRvoahDejCheEwZhllmWjHoP_Lms8WY_eVVr75LUGJO-zNSd1ut5G4saAqZ2EALw_wcB)
4. Eliminating the Black-White Wealth Gap Is a Generational Challenge - <https://www.americanprogress.org/article/eliminating-black-white-wealth-gap-generational-challenge/>
5. Native Americans suffer greater health disparities from COVID-19, due to systemic inequality that was already in place before the virus arrived in the United States - <https://www.sandiegouniontribune.com/columnists/story/2020-05-10/history-of-inequality-making-covid-19-worse-for-native-americans>
6. The Center for the Study of Social Policy - <https://cssp.org/publications-resources/?foc=racial-equity>
7. Racial inequality cost the economy \$16 trillion over the last two decades, Citi finds - <https://www.cnbc.com/2020/09/24/racial-inequality-cost-the-economy-16-trillion-over-the-last-two-decades-citi-finds.html>
8. Closing the Racial Inequality Gaps, The Economic Cost of Black Inequality in the U.S. - <https://www.citivelocity.com/citigps/closing-the-racial-inequality-gaps/>
9. The Costs of Racial Disparities in Health Care - <https://hbr.org/2015/10/the-costs-of-racial-disparities-in-health-care>
10. The historical roots of racial disparities in the mental health system - <https://ct.counseling.org/2020/05/the-historical-roots-of-racial-disparities-in-the-mental-health-system/>
11. Healthcare Disparities Among Black, Indigenous, And People Of Color - <https://www.mhanational.org/issues/healthcare-disparities-among-black-indigenous-and-people-color>
12. Racial Disparities in COVID-19- <https://sitn.hms.harvard.edu/flash/2020/racial-disparities-in-covid-19/>
13. Equal Pay and Pay Transparency: <https://www.dol.gov/agencies/wb/equal-pay-protections>

# Racial Wealth Divide

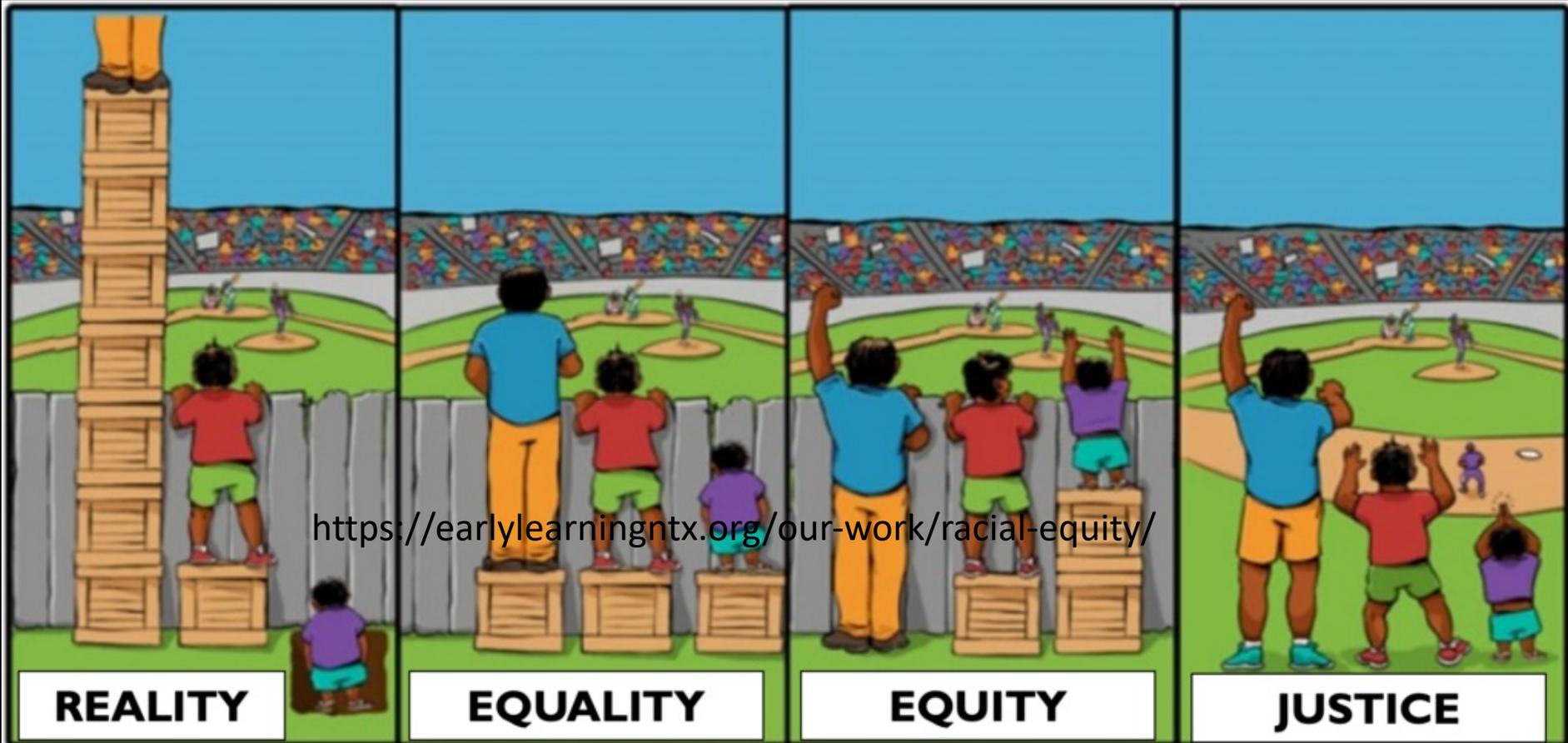


# Racial Wealth Divide

**WHITE HOUSEHOLDS IN THE MIDDLE-INCOME QUINTILE (THOSE EARNING \$37,201-61,328 ANNUALLY) OWN NEARLY EIGHT TIMES AS MUCH WEALTH (\$86,100) AS MIDDLE-INCOME BLACK EARNERS (\$11,000) AND TEN TIMES AS MUCH WEALTH AS MIDDLE-INCOME LATINO EARNERS (\$8,600).**



Source: <https://inequality.org/great-divide/racial-inequality-hollowing-americas-middle-class/>



<https://earlylearningntx.org/our-work/racial-equity/>

**REALITY**

One gets **more than** is needed, while the other gets **less than** is needed. Thus, a huge disparity is created.

**EQUALITY**

The assumption is that **everyone benefits from the same supports**. This is considered to be equal treatment.

**EQUITY**

**Everyone gets the support they need**, which produces equity.

**JUSTICE**

All 3 can see the game without supports or accommodations because **the cause(s) of the inequity was addressed**. The systemic barrier has been removed.

<https://earlylearningntx.org/our-work/racial-equity/>