

Fact Sheet

COVID-19 and the Gender Wage Gap in New Jersey

March 2022



With childcare disruptions, deep unemployment, and job changes, women in New Jersey have faced turbulent economic prospects worse than men's along several dimensions throughout the pandemic. However, New Jersey women are no stranger to economic inequities as the gender wage gap continues to persist. This gap gets particular attention each year on Equal Pay Day.

Ultimately, the overall gender wage gaps in New Jersey did not worsen during the pandemic, but when disaggregating gender wage gaps by racial and ethnic groups, it is clear that wage gaps became deeper among some groups and improved in others. And while closing wage gaps is generally good news, the gender wage gap measure does not tell the whole story, especially in that it is limited to measuring the wages of full-time year-round workers.

Gender wage gaps are typically calculated using the wages of workers who were employed *full-time* and *year-round*. Using American Community Surveys data, we include respondents in this measurement group if they are over age 16, reported that they usually worked 35 or more hours per week, and worked at least 50 weeks during the previous 12 months. This means that the wages of those working part-time or seasonally are not included in wage gap analyses. This obfuscates many of the economic challenges New Jersey women faced during the pandemic. For instance, many low-income full-time workers switched to part-time during the pandemic or were forced to leave their jobs entirely. In fact, researchers have estimated that nationally, the number of women working full-time and year-round declined by 6.2 million workers between 2019 and 2020, an 11.9% decrease.¹

With fewer of the lowest-paid women included in the measurement, the median annual earnings for full-time year-round working women increased sharply from 2019 to 2020. The workers who were able to retain full-time work were already among the most privileged and highest-paid before the economic hardships of the pandemic. Therefore, the exit of lower-paid full-time women from the full-time work pool inflated the median wages of full-time workers in 2020.

Among New Jersey women, median annual earnings for full-time year-round workers increased by 9%, from \$54,000 in 2019 to \$59,000 in 2020. Among New Jersey men, median annual

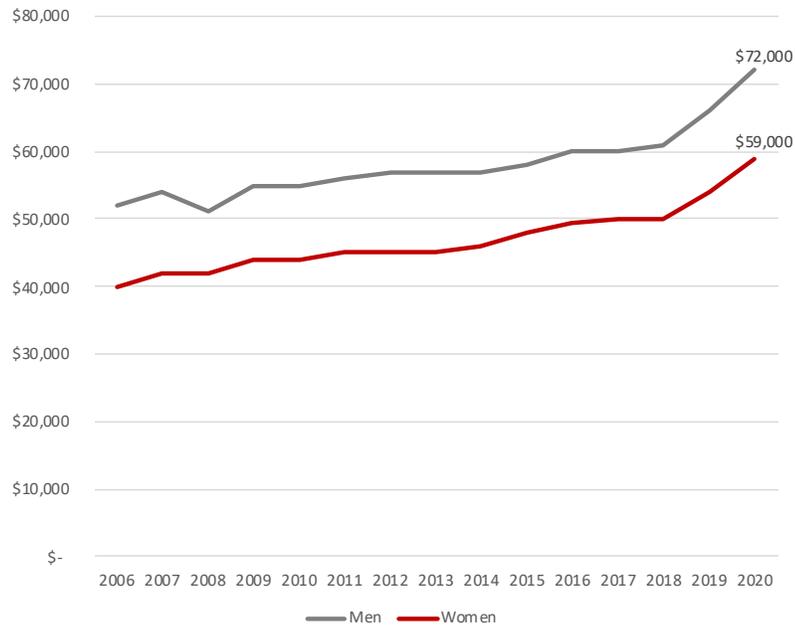
¹ Institute for Women's Policy Research. (September 2021). "Lost Jobs, Stalled Progress: The Impact of the 'She-Cession' on Equal Pay." Fact Sheet #C505. https://iwpr.org/wp-content/uploads/2021/09/Gender-Wage-Gap-in-2020-Fact-Sheet_FINAL.pdf

earnings for full-time year-round workers also increased by 9%, from \$66,000 in 2019 to \$72,000 in 2020.

Figure 1
Median annual wages
of full-time workers in
New Jersey, 2006 to
2020

Note: Sample limited to New Jersey individuals who have non-zero labor income and are working full-time and year-round. This includes all people 16 years old and over who usually worked 35 hours or more per week and worked for at least 50 weeks in the previous year.

Source: Rutgers University’s Center for Women & Work analysis of survey-weighted ACS microdata.

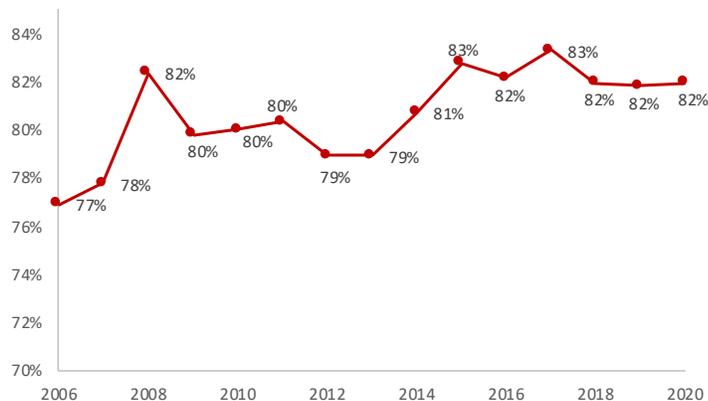


In 2020, women working full-time and year round earned 82% of what men in the same group earned. In other words, women earned 82 cents for every dollar a man earned. This ratio has remained close to 82% since 2018, implying that the pandemic did not alter the overall gender wage gap in New Jersey.

Figure 2
Women’s income as a
percent of men’s, 2006
to 2020

Note: Sample limited to New Jersey individuals who have non-zero labor income and are working full-time and year-round. This includes all people 16 years old and over who usually worked 35 hours or more per week and worked for at least 50 weeks in the previous year. Calculated as median women’s income divided by median men’s.

Source: Rutgers University’s Center for Women & Work analysis of survey-weighted ACS microdata.



This result is supported by data from the Bureau of Labor Statistics, which also shows that women’s earnings as a percent of men’s in New Jersey in 2020 stood at 82%. This ratio is on par with nationwide averages for 2020, where women also earned 82% of what men earned.²

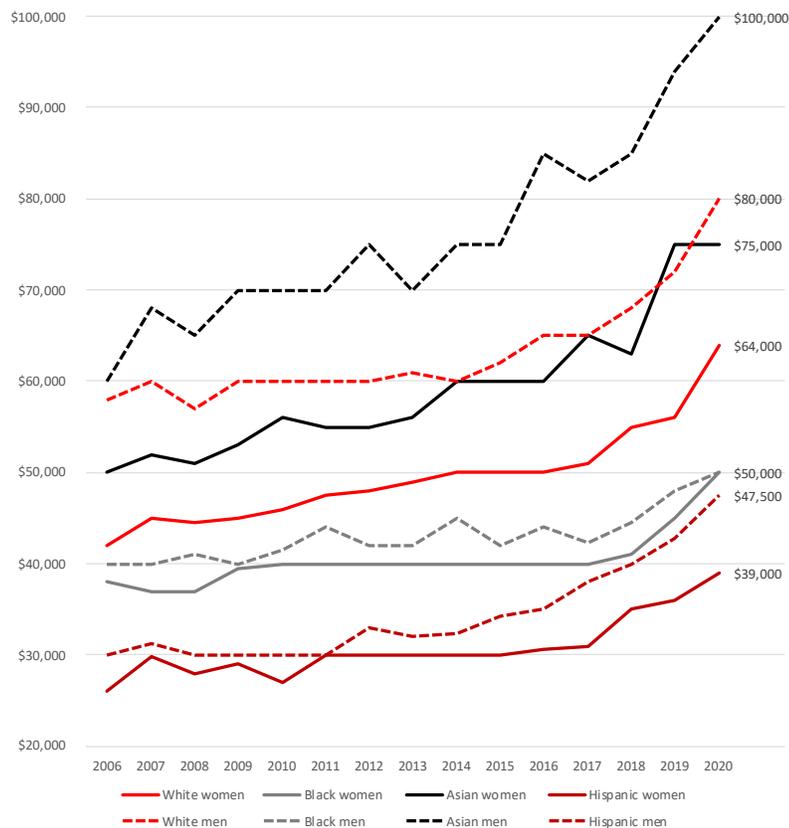
However, gender wage gaps vary when considering race and gender, an important point that is hidden by state-level aggregate data.

The figure below illustrates median annual incomes of full-time year-round workers for men and women of different race and ethnic groups in New Jersey. Asian men and White men have consistently earned the most, while Hispanic men and women have consistently earned the least. All but Asian women saw increased incomes in 2020, but this is again largely driven by the lowest-income full-time workers leaving the measurement pool.

Figure 3
Median annual wages of full-time workers in New Jersey, by race and gender, 2006 to 2020

Note: Sample limited to New Jersey individuals who have non-zero labor income and are working full-time and year-round. This includes all people 16 years old and over who usually worked 35 hours or more per week and worked for at least 50 weeks in the previous year.

Source: Rutgers University’s Center for Women & Work analysis of survey-weighted ACS microdata.



We examine the race-gender wage gap along two dimensions (1) within racial and ethnic groups and (2) in comparison to White men.

The figure below illustrates the incomes of women of different racial and ethnic groups relative to the earnings of White men. On average, Asian women in New Jersey have earned close to

² BLS, “Women’s Earnings in New Jersey-2020.” (November 2021). https://www.bls.gov/regions/new-york-new-jersey/news-release/womensearnings_newjersey.htm

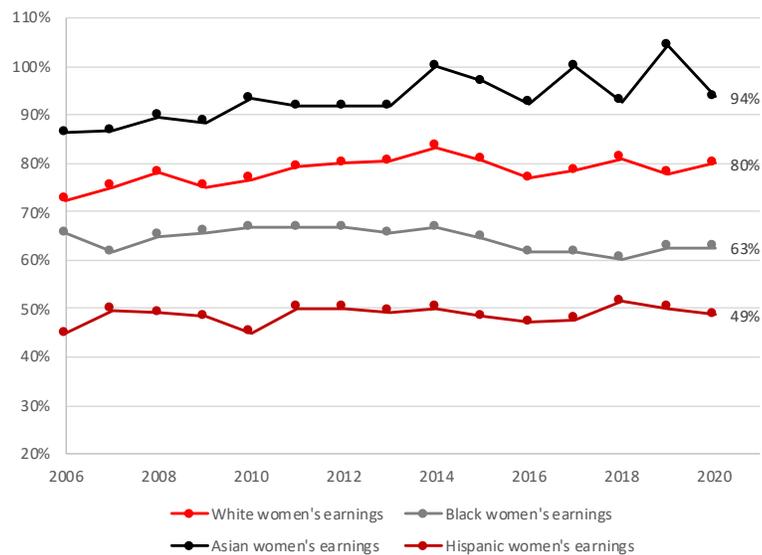
what White men earn, and in fact earned more than them in 2019. Since 2012, White women have earned approximately 80% of what White men have earned. Unfortunately, the wage gap between White men and Black women has grown over time, with Black women earning 66.7% of what White men earned in 2010, but just 62.5% of what they earned in 2019. Hispanic women have the widest pay gap relative to White men, consistently earning around 50% of White men's earnings.

Some of these wage gaps worsened during the pandemic, while others remained the same. Namely, wage differentials between White men and Asian women deepened during the pandemic: in 2019, Asian women working full-time and year-round were earning 104% of what White men in the same group were earning, but this fell to 94% by 2020. Similarly, the gap between the wages of White men and Hispanic women also deepened slightly during the pandemic: in 2019, Hispanic women working full-time and year-round were earning just 50% of what White men in the same group were earning, but this fell to 49% by 2020. Black women's earnings as a share of White men's remained unchanged. White women were earning around 78% of what White men were earning in 2019, and this rose slightly to 80% in 2020.

Figure 4
Women's income as a percent of White men's, 2006 to 2020

Note: Sample limited to New Jersey individuals who have non-zero labor income and are working full-time and year-round. This includes all people 16 years old and over who usually worked 35 hours or more per week and worked for at least 50 weeks in the previous year. Calculated as median women's income divided by median White men's

Source: Rutgers University's Center for Women & Work analysis of survey-weighted ACS microdata.



When comparing gender pay gaps *within* racial and ethnic groups, one finds that gender pay inequities worsened within Hispanic and Asian groups during the pandemic but became more equal within White and Black groups.

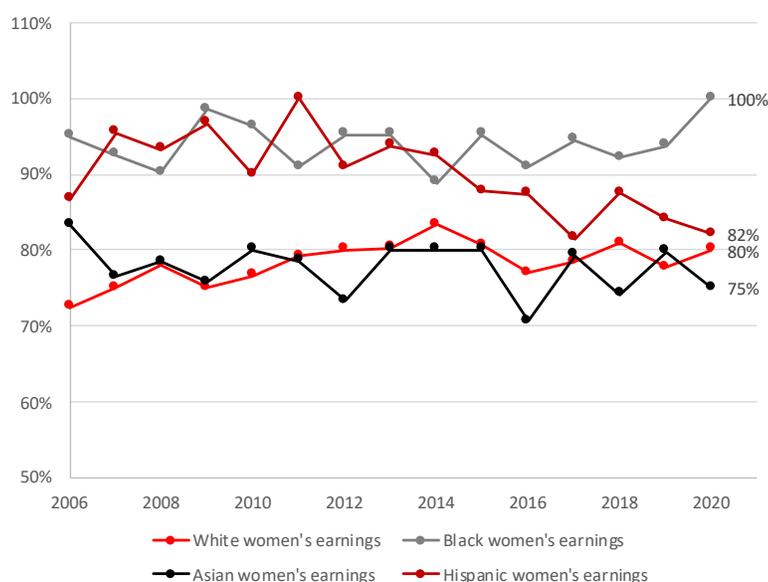
In 2019, Hispanic women working full-time and year-round were earning 84% of what Hispanic men in the same group were earning. But by 2020, this fell to 82%. Asian women were earning around 80% of what Asian men were earning in 2019, but this fell to 75% in 2020.

At the other end of the spectrum, gender pay gaps closed among Black workers in the pandemic. Black women working full-time and year-round were earning 94% of what Black men working full-time and year-round were earning in 2019, and this rose to 100% in 2020. Black women’s average earnings increased more than Black men’s earnings because lowest paid Black women were the most likely to lose jobs during the COVID-19 and were no longer counted in median full-time workers’ earnings.³ This dynamic inflated the average wage measure for Black women who were able to keep working full-time year-round, which helped close the Black gender wage gap.

Figure 5
Women’s income as a percent of men’s of the same racial or ethnic group, 2006 to 2020

Note: Sample limited to New Jersey individuals who have non-zero labor income and are working full-time and year-round. This includes all people 16 years old and over who usually worked 35 hours or more per week and worked for at least 50 weeks in the previous year. Calculated as median women’s income divided by median men’s of the same racial or ethnic group.

Source: Rutgers University’s Center for Women & Work analysis of ACS microdata.



As the New Jersey economy recovers from the fallout of COVID-19, measures are needed to help boost the incomes of women. Improving the quality of jobs held mainly by women, and particularly Black women and Hispanic women, are pivotal to closing the state’s gender pay gap. Further, improving the state’s minimum wage, access to healthcare and childcare, and job-protected and paid family leave will help ensure women in all sectors of the workforce are being given equitable opportunities.

³ <https://iwpr.org/media/in-the-lead/equal-pay-day-2021-the-results-of-a-covid-impacted-economy/>

ABOUT THE AUTHORS

This fact sheet was prepared by Sarah F. Small and Debra Lancaster at the Center for Women and Work. It was made possible with the support of the New Jersey State Policy Lab, which is funded by the New Jersey Office of the Secretary of Higher Education.

ABOUT THE CENTER FOR WOMEN AND WORK

The Center for Women and Work (CWW) engages in research, education and programming that promotes economic and social equity for women workers, their families, and communities. CWW's work focuses on addressing women's advancement in the workplace; providing technical assistance and designing programming for educators, industry, and government; and, engaging in issues that directly affect the living standards of working families in New Jersey and around the world.

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