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*Latina Wage Gap in New Jersey:
Where Are We Now?*

CENTER FOR WOMEN AND WORK



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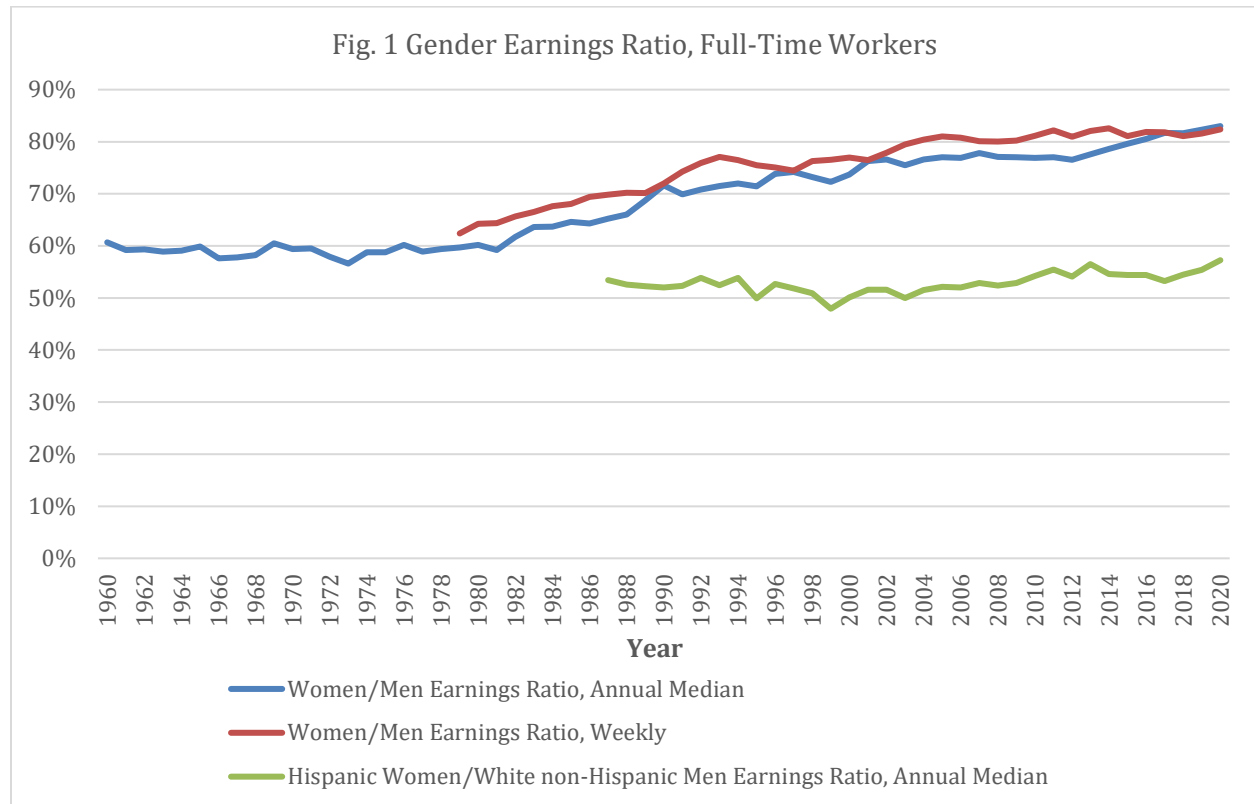
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Latina Earnings Gap: Size and Explanations

Overall in the U.S., Latinas’ earnings relative to White non-Latino men stood at 57% in 2020, compared to 83% for the overall gender earnings ratio for full-time workers (Figure 1). Latinas’ relative earnings have barely budged since 1987 when disaggregated annual earnings data by race and ethnicity were first reported, while the overall gender earnings ratio has climbed by almost 20 percentage points during the same period.



Source: CWW analysis of 1960-2020 Census Bureau data for annual median earnings of full-time year-round workers, ages 16 and older.

In New Jersey, the gender earnings ratio for Latinas relative to non-Latino, White men was 45.5%, considerably lower than the national average of 54.4% in the 2015-2019 period.¹ Only one state had a lower gender wage ratio for Latinas, and that was California at 45.3%. At the other end of the spectrum were Vermont, Alaska, and Hawaii, all with relative earnings ratios for Latinas of at least 75%.

Occupational segregation and sexual harassment

Part of the wage gap can be explained by the occupational segregation that Latinas experience. Latina workers are clustered in low-paying occupations and have sparse representation in the best-paying jobs. Nationally, Latina workers make up 33% of the service sector while they comprise only about 1% of the highest paying STEM positions.²

As shown in Table 1, one fourth of all childcare workers and teacher assistants in the U.S. are Latinas. These jobs are critical to care infrastructure, remain undervalued in terms of compensation, and they offer limited benefits and opportunities for advancement. Similarly, 23% of all cleaners, maids, and housekeepers, and 19% of all secretaries and receptionists, are Latinas. These shares are more than double the 9.1% Latina share of the total U.S. population.³ Latinas are also over-represented among waitresses, cooks, customer service representatives, and cashiers relative to their share of the U.S. population (Table 1). These jobs are all relatively low-pay jobs. Not only does this clustering explain a large portion of the Latina earnings gap, it also decreases Latina workers' access to paid time off and other employer-based benefits that increase financial stability and contribute to worker and family well-being.

Table 1: Occupational Clustering of Latina Workers in the U.S., 2015-19

Occupation	% of Workers Who Are Latinas
Childcare workers and teacher assistants	25.8
Janitors, building cleaners, maids, and housekeepers	22.7
Secretaries, admin. assistants, clerks, receptionists	19.1
Waiters and waitresses	16.1
Cooks	14.4
Customer service representatives	12.3
Cashiers and retail salespeople	12.2
Pre-K, K-12, and special education teachers	8.4
Supervisors of retail sales workers	7.0

Source: CWW analysis of 2015-2019 American Community Survey microdata, Five-Year sample (Integrated Public Use Microdata Series) for full-time year-round workers, ages 16 and older.

Workers in these low-wage female-dominated industries also have the highest reported incidents of sexual harassment and assault by sector.⁴ The occupations that Latinas are segregated into experience high rates of sexual harassment, which has health and economic consequences. Jobs in the hotel and food services industry as well as the retail trade industry accounted for over one quarter of all EEOC sexual harassment claims from 2005 to 2015.⁵ The restaurant industry in particular is known for its high rates of sexual harassment. A survey of restaurant workers found that 60 percent of women and 46 percent of men reported that sexual harassment is a part of their regular work environment.⁶ Rates are particularly high for workers in states like New Jersey with a sub-minimum wage for tipped workers of \$2.13 per hour, largely because workers feel that they need to put up with harassment in order to earn higher tips.

Approximately 6% of New Jersey's residents are undocumented. New Jersey relies on undocumented workers to meet many economic demands, and while they have become integrated into the economic landscape, their immigration status creates some challenging vulnerabilities.⁷ As their experiences during the Covid-19 pandemic illustrate, undocumented workers were left behind as they were not included in the Coronavirus Aid, Relief, and Economic Security Act that provided supplemental unemployment and other benefits. Additional supports including childcare subsidies, health insurance through NJ Family Care, and Family Leave Insurance are also not available to undocumented workers. On a bright note, worker advocacy in New Jersey has led to legislation that provides some pathways for inclusion for

undocumented residents, such as the 2019 law that enables undocumented residents access to drivers' licenses. New Jersey has also established a fund for undocumented workers impacted by Covid-19.

Caregiving responsibilities and the motherhood penalty

In what is often referred to as the motherhood wage penalty, having children is a major determinant of the gender earnings gap for Latinas and non-Latinas alike. In the U.S. (and most other countries around the globe), women with children earn less than equally qualified women without children in the same jobs. In New Jersey, Latina mothers make 65% less than White non-Latino fathers, one of the largest gaps in the country.⁸ This motherhood penalty arises for several reasons, including women entering into lower-pay occupations that have more flexibility to accommodate childrearing; reductions in women's on-the-job tenure due to labor force exits so they can care for children; women's returns to lower-status jobs after time away from the labor market, and in some cases, discriminatory treatment by employers. Numerous statistical studies have documented a motherhood wage penalty.⁹

Moreover, juggling a career and caretaking requires flexible job scheduling and support structures. Latina workers often lack access to jobs that have flexible scheduling and are unable to afford quality childcare. Half of all Latina mothers are the key breadwinners for their families, making access to quality affordable childcare even more important.¹⁰

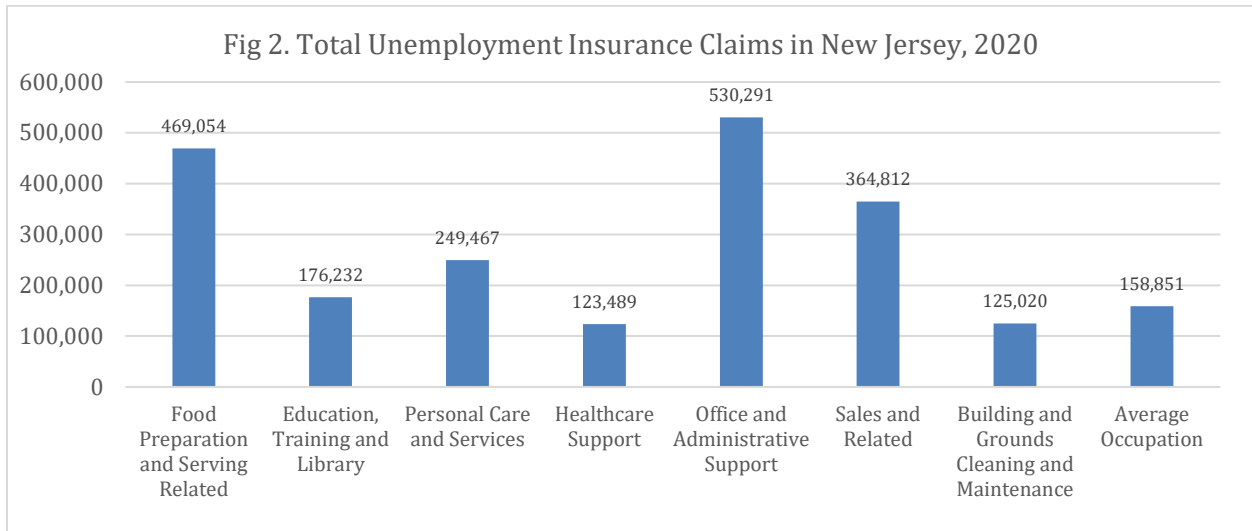
Nationality

New Jersey is one of the most diverse states in the country, and overall, 21% of the state's population is Latinx, compared to 18.5% of the U.S. population.¹¹ This diversity has implications for the Latina earnings gap in New Jersey. For example, nationally Honduran women earn only 44% of White, non-Latino men's earnings, while Argentinian women earn 83% of what White, non-Latino men earn.¹² In 2021, the largest group of Latin immigrants in New Jersey hailed from the Dominican Republic, Mexico, and Colombia (8.8%, 5.5%, and 4.1% of foreign-born residents respectively).¹³ Dominican and Mexican Latinas both make 50% of a White, non-Latino man's earnings, which is less than the national average of 55%, while Colombian Latinas make on average 65% of a White, non-Latino man's pay, which is above both the national and New Jersey average.¹⁴ The relatively large representation of Dominican and Mexican immigrants in New Jersey and their relatively high pay gaps helps to explain why New Jersey's ranks 49th among all states in terms of the Latina pay gap.

Impact of Covid-19 on the Latinx Community

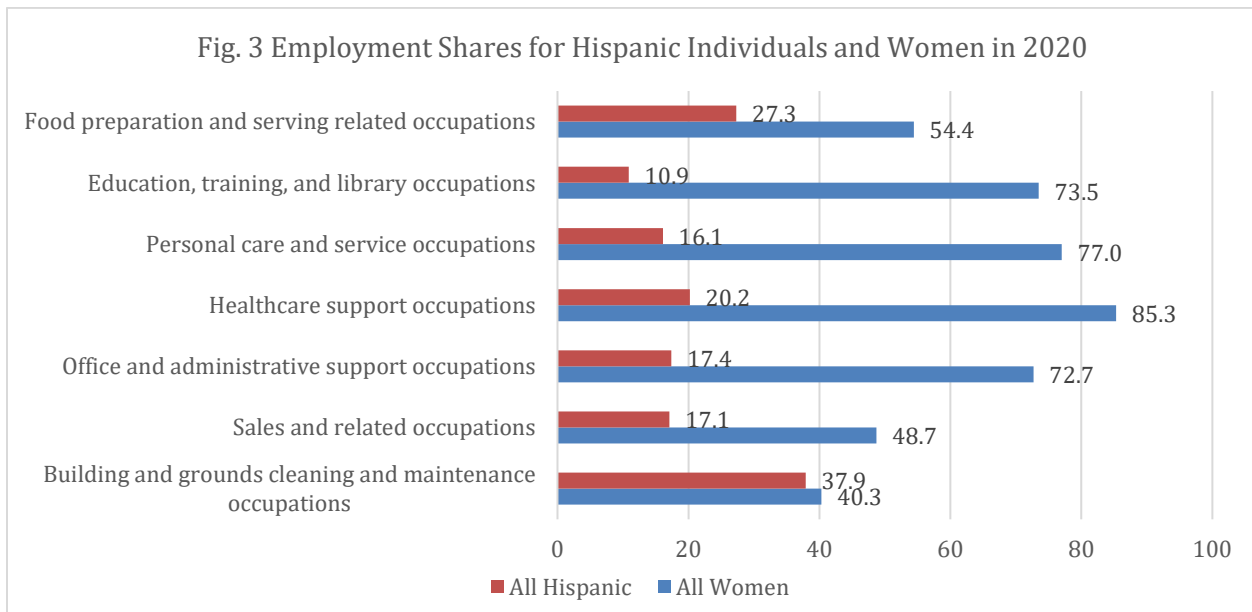
The Covid-19 pandemic had an enormous negative impact on employment in the U.S., and the available evidence indicates that women in low-wage jobs were hit hardest by business closures in 2020.¹⁵ However, women were not all equally harmed by what some are calling a "Shecession." Latinas constituted 23 percent of job losses during the height of the pandemic, substantially above their population share, and most of these losses were in the hotel and restaurant sector as well as in entertainment and recreation.¹⁶ Latinas saw the highest unemployment rate of all demographic groups during the pandemic.¹⁷

Employment losses in New Jersey mirrored those of the entire country. Figure 2 reports the eight sectors that experienced the largest numbers of unemployment insurance claimants in 2020. Topping the list are the food services industry, office and administrative support, and sales. These are all sectors in which Latinx individuals and women in New Jersey are disproportionately employed (Figure 3).



Source: CWW analysis of 2020 Unemployment Claims data for New Jersey, based on U.S. Department of Labor, Employment and Training Administration (ETA) Report 203 “Characteristics of the Insured Unemployed,” available at <https://oui.doleta.gov/unemploy/DataDownloads.asp>.

Note: Average occupation indicates the average number of unemployment insurance claims across 24 occupations classified by the ETA report.



Source: CWW analysis of 2020 employment data in the Consumer Population Survey based on Table 11, Employed persons by detailed occupation, sex, race, and ethnicity, Household data Annual averages, U.S. Bureau of Labor Statistics.

Note: Numbers in thousands.

Covid-19 layoffs that disproportionately hit Latinx people magnified existing inequalities within New Jersey, as the average White household had a net worth 50 times greater than the average net worth of a Latinx household prior to the pandemic.¹⁸ They were also twice as likely to be behind on rent than White New Jersey residents.¹⁹ Housing instability, in turn, placed Latinx residents at more risk for contracting Covid-19 if they needed to stay in crowded shelters or other temporary and make-shift housing.

The Latinx community also has experienced disproportionate health impacts. Latinx households were three times more likely to have gone hungry than a White household during the pandemic.²⁰ Despite the fact that nationally Latinx people make up 18.5% of the US, they accounted for 27.5% of the Covid-19 deaths.²¹ In New Jersey, the Latinx community accounts for 20.6% of the state and 22.6% of Covid-19 deaths.²² In addition, Latinx young people in New Jersey were more likely to die from Covid-19 than their White counterparts, and they were between two to three times more likely than White and Asian New Jersey residents to contract the virus.²³ Latinx residents are also three times more likely than White residents to lack health insurance, which meant they were more likely to have untreated underlying conditions and forgo treatment.²⁴

Policy Solutions

We need to have a multi-pronged approach to address the Latina pay gap, not only because it is vital for strengthening women's economic opportunities and self-sufficiency, but also because it will lead to a stronger economy and stronger and healthier communities. The most effective policy strategies for achieving this goal revolve around elevating and supporting care work and care workers, promoting employment in higher-paying occupations, preventing sexual harassment, and boosting wage regulations.

Support for Care Work

A crucial way to close the Latina pay gap is to strengthen the care infrastructure, especially through the provision of affordable child and elder care services and by elevating the status of care workers. Given the high representation of Latinas among paid care providers, it is crucial to improve their working conditions, raise their pay, and include more benefits in their terms of employment. Deficits in the care infrastructure are a key determinant of the gender pay gap, and this issue has gained increasing attention during the Covid-19 pandemic as the need for childcare provision and homeschooling rose dramatically when schools closed. Lockdown policies and the spread of the virus contributed to greater unpaid workloads for both women and men, yet the increased care work and housework responsibilities have fallen disproportionately on the shoulders of women.²⁵

Priorities for strengthening the care infrastructure to respond to the pandemic and, in the longer term, to reduce the pay gap, include providing paid family leave and paid sick leave, creating universal free childcare and long-term eldercare, boosting pay equity and job creation in nursing, and improving working conditions and pay for paid care providers. During the Covid-19 pandemic, paid care givers were often considered to be essential workers employed in low-pay

jobs with insufficient social protection and precarious terms of employment that were already poor before the pandemic started.

Investing in the care infrastructure can grow employment and reduce women's unpaid work burdens. This lesson has taken on even greater relevance during the Covid-19 pandemic with emerging evidence that countries that prioritized social spending before the crisis did better in terms of limiting the number of cases and deaths.²⁶

New Jersey is one of a few states with paid family leave, which was recently expanded. Approximately 85% of Latinas strongly support paid sick leave legislation and paid family and medical leave.²⁷ The state is also considering fair scheduling legislation, the New Jersey "Schedules That Work" Act, that would give all employees the right to make scheduling requests without employer retaliation, and give workers a say in their work schedules. Employers would be required to consider scheduling requests from all employees and provide a response.

More progress is needed to expand access to high quality affordable childcare and eldercare. This is especially true for undocumented workers, who currently are not eligible for childcare subsidies.

Strategies to Promote Employment in Higher-Pay Occupations

Because access to education and training are important for the success of Latina workers in the labor market, institutional strategies to reduce bias and discrimination in academic programming are a key strategy for promoting advancement. Most of these strategies include ongoing training and professional development programs for educators, which are most effective if they begin at the post-secondary level in teacher preparation programs.²⁸ This approach can help improve access to advanced coursework such as honors, Advanced Placement, and higher level STEM courses, where Black and Latinx students have been traditionally underrepresented, thus contributing to occupational segregation. This access also extends to apprenticeships and career and technical education pathways, both of which offer real opportunities for increased earnings.

Another effective strategy is for local education agencies to conduct more research with disaggregated longitudinal data, which is essential in helping understand long-term trends and disparities by race, ethnicity, gender, and other socioeconomic factors. Identifying these patterns plays a large role in helping administrators and educators address the root causes of inequities at the local level.

Sexual Harassment Prevention

There is no quick fix to preventing sexual and gender-based harassment. It is going to take changing our culture in the workplace and beyond and adapting legal structures that are more inclusive of all workers. At the same time, we know that relying on legal systems alone will not be enough to reduce the prevalence of sexual harassment.²⁹ It is also going to take developing a better understanding of what prevention strategies work best to protect workers from experiencing sexual harassment. It is going to take meaningful implementation of bystander

intervention programs that views everyone as a potential ally in preventing and combating sexual harassment and gives them the tools and skills to address harassment.

Collective Bargaining and Wage Regulations

Unions make a big difference for Latina workers. Collective bargaining agreements have also been found to reduce pay gaps, with Latinas earning 44% more in a union than outside of it.³⁰ At the national level, the labor movement has increasingly incorporated a wider diversity of workers, and more women of color have taken on leadership positions.³¹ This change bodes well as Latina union members and leaders are pushing for structural changes within the labor movement that amplify the voice of Latina workers and push for real improvements in their terms of employment.

One of the most important policy levers for lifting the incomes of low-income workers is the minimum wage. Because the female earnings distribution falls to the left of the male earnings distribution in the U.S., raising the minimum wage should help to close the overall male-female earnings gap as well as the Latina wage gap. Critics argue that employment losses from minimum wage-induced increases in production costs are substantial. Advocates, however, argue that employment losses are small and any reallocation of resources that occurs will result in a welfare-improving outcome through the reduction of poverty and an improvement in productivity.³² Because low-wage workers experience the strongest wage boosts from increases in the minimum wage, this legislation can be a powerful tool to reduce the Latina pay gap.

Since a disproportionate amount of Latina workers are in minimum and low wage jobs, raising the minimum wage would affect approximately 1 in 3 Latina workers.³³ The federal minimum wage is \$7.25/hour, which is not considered a living wage in most parts of the country. In part reflecting the Fight for \$15 movement, the New Jersey state government did raise the minimum wage to \$15/hour, to be incrementally implemented through 2024. As of October 2021 the state's minimum wage stood at \$12/hour, one of the highest in the country.³⁴

¹ These numbers are based on CWW analysis of 2015-2019 American Community Survey microdata, Five-Year sample (Integrated Public Use Microdata Series) for median annual earnings of full-time year-round workers, ages 16 and older.

² "Latinas and the Pay Gap." *AAUW*, 14 Sept. 2021, <https://www.aauw.org/resources/article/latinis-and-the-pay-gap/>.

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⁵ Frye, J. (Nov. 20, 2016). Not Just the Rich and Famous: The Pervasiveness of Sexual Harassment Across Industries Affects All Workers. *Center for American Progress*. Retrieved from <https://www.americanprogress.org/issues/women/news/2017/11/20/443139/not-just-rich-famous/>

⁶ Rodrigues, M. & Reyes, T. (Oct. 7, 2014). The Glass Floor Sexual Harassment in the Restaurant Industry. The Restaurant of Opportunities Centers United Forward Together Retrieved from http://rocunited.org/wp-content/uploads/2014/10/REPORT_TheGlassFloor_Sexual-Harassment-in-the-Restaurant-Industry.pdf

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⁹ For a thorough review see Blau, Francine D., and Lawrence M. Kahn. "The gender wage gap: Extent, trends, and explanations." *Journal of economic literature* 55, no. 3 (2017): 789-865.

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¹² Tucker, Jasmine. “57 Cents on the Dollar Isn’t Enough for Latinas.” *Fact Sheet*, National Women's Law Center, Oct. 2021, <https://nwlc.org/wp-content/uploads/2020/10/2021-Equal-Pay-for-Latinas-v1.pdf>.

¹³ Caldwell, Nicole. *Biggest Sources of Immigrants to New Jersey*. Stacker, 19 Sept. 2021, <https://stacker.com/stories/7584/biggest-sources-immigrants-new-jersey>.

¹⁴ Tucker, “57 Cents on the Dollar Isn’t Enough for Latinas.”

¹⁵ https://iwpr.org/wp-content/uploads/2021/09/Gender-Wage-Gap-in-2020-Fact-Sheet_FINAL.pdf

¹⁶ Zamarripa, Ryan, and Lorena Roque. “Latinos Face Disproportionate Health and Economic Impacts from Covid-19.” *Center for American Progress*, 5 Mar. 2021, <https://www.americanprogress.org/issues/economy/reports/2021/03/05/496733/latinos-face-disproportionate-health-economic-impacts-covid-19/>.

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³⁴ Altus, Ashley. "The 10 States with the Highest Minimum Wages in 2021." Edited by Tamara Altman, *Budgeting, OppU*, 8 July 2021, <https://www.opploans.com/oppu/articles/states-with-highest-minimum-wages/>.

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 across the nation. CWW is housed within the School of Management and Labor Relations at Rutgers, The State University of New Jersey and is a member of the Institute of Women's Leadership Consortium.

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- [Lean in – Facts and Figures](#)
- [National Women's Law Center – Equal Pay for Latinas Facts and Figures](#)
- [AAUW- Latinas and the Pay Gap](#)
- [National Partnership for Women and Families – Effects of the Latina Wage Gap](#)
- [American Progress – The Economic Fallout of the Coronavirus for People of Color](#)
- [Hispanas Organized for Political Equality – Economic Status of Latinas Report](#)
- [Institute for Women's Policy Research \(IWPR\) – Latinas Projected to Reach Equal Pay in 2220](#)
- [IWPR – Lost Jobs, Stalled Progress: The Impact of the "She-cession" on Equal Pay](#)