

Fact Sheet

Unpacking the Latina Pay Gap

December 2022



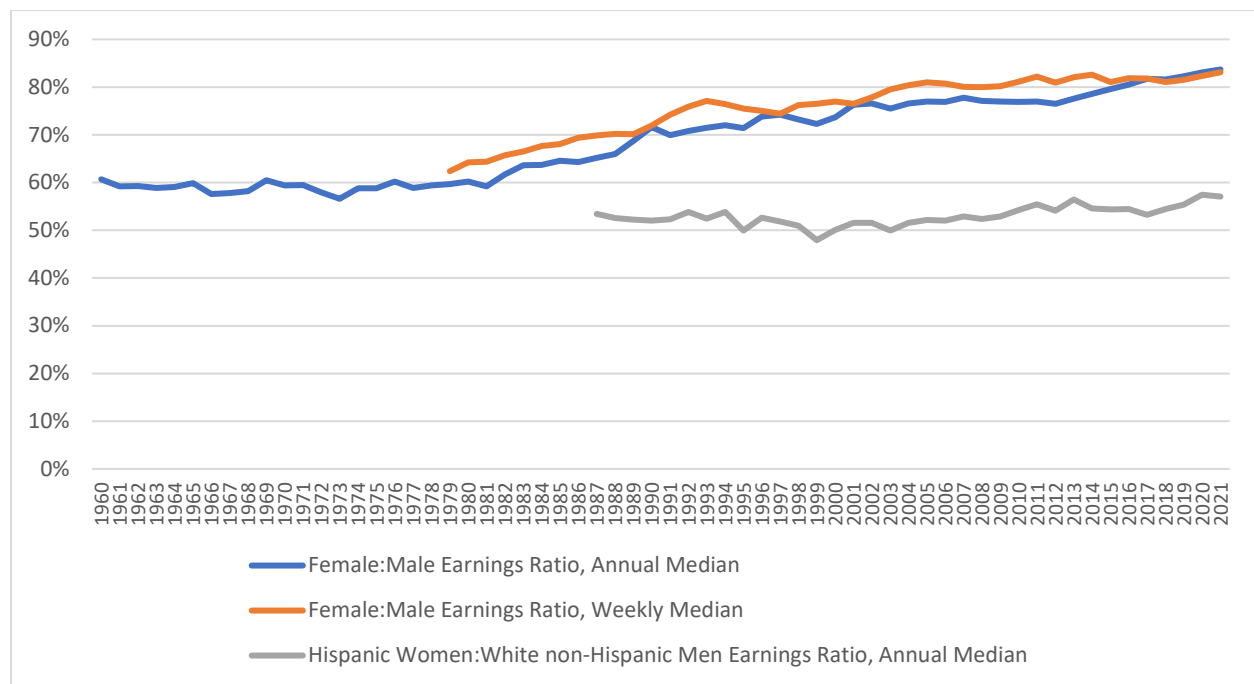
The purpose of this factsheet is to bring attention to the gender pay gap that Latinas in New Jersey experience.

The gender earnings gap reflects the structural nature of the difference in pay between men and women. The gender earnings gap is particularly effective in revealing how occupational segregation and the undervaluation of women's work hold back women and their ability to support themselves and their families. Gender, racial, and other forms of discrimination along with inequitable work-based and industry-based policies also lead to lower earnings for women relative to their White male counterparts doing the same or similar job. Pay gaps run deep between White men and Black women and Latinas, and they are particularly stark between White men and Latinas.

Latina Earnings Gap: Size and Explanations

Overall, in the U.S., Latinas' earnings relative to White, non-Hispanic men stood at 57.1% in 2021, compared to 83.7% 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, despite the overall gender earnings ratio climbing almost 20 percentage points during the same period.

Figure 1: U.S. Gender Earning Ratio, Full-Time Workers, 1960-2021



Source: CWW analysis of 1960-2021 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-Hispanic, White men was 45.4%, considerably lower than the national average of 55.1% in the 2016-2020 period.¹ Only one state had a lower gender earnings ratio for Latinas relative to non-Hispanic, White men: California at 44.8%. At the other end of the spectrum were Maine and Vermont. Maine has a relative earnings ratio of 76.4%, while Vermont has a relative earnings ratio of 97.1%.

In New Jersey, the gap between the earnings of non-Hispanic White men and Latinas deepened slightly during the pandemic: in 2019, Latinas working full-time and year-round were earning just 50% of what non-Hispanic White men in the same group were earning, but this fell to 49% by 2020. Similarly, in 2019, Latinas working full-time and year-round in New Jersey were earning 84% of what Hispanic men in the same group were earning. But by 2020, this fell to 82%.²

While gender earnings gaps are typically calculated using the earnings of workers who were employed full-time and year-round, this leaves behind large numbers of workers who work part-time job(s), as well as those considered seasonal workers. **When a more inclusive methodology is used to determine the Latina earnings gap in New Jersey (including part-time, full-time,**

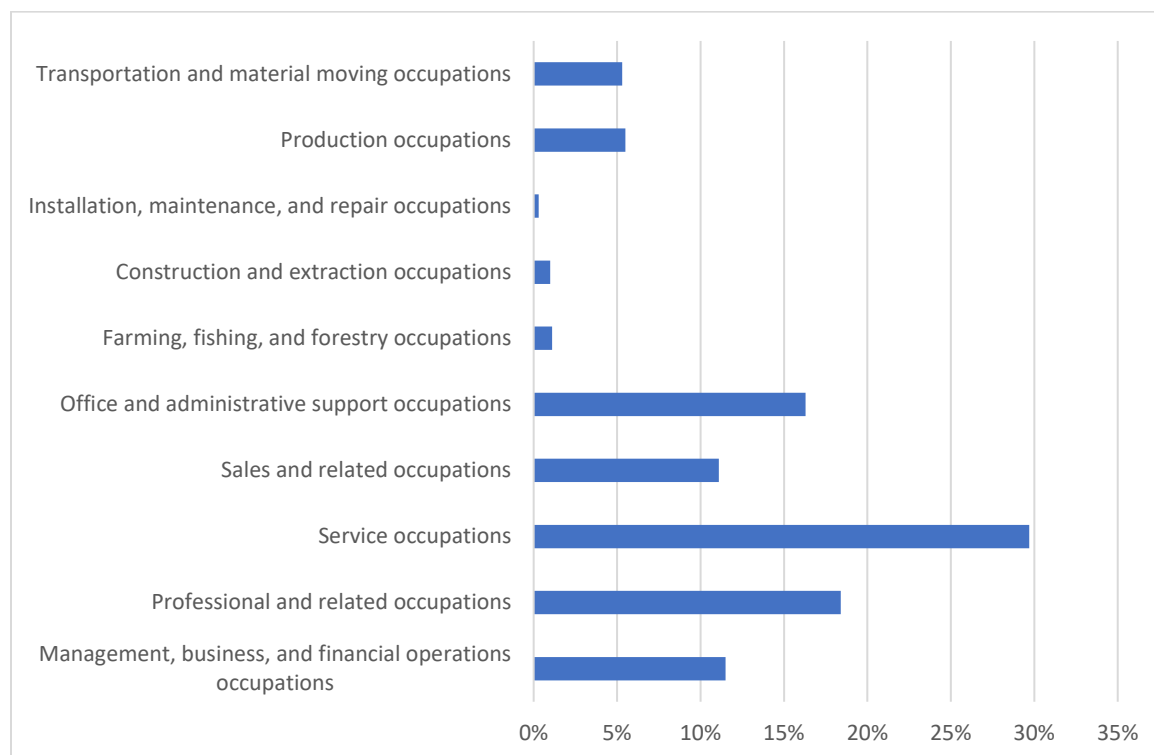
¹ These statistics are based on Center for Women and Work analysis of the 2016-2020 American Community Survey, Five-Year sample (Integrated Public Use Microdata Series) for median annual earnings of full-time, year-round workers, age 16 and older.

² Center for Women and Work. <https://rutgers.app.box.com/s/jt9rm1xk3framh1rp5j2o652r8a8ma3g>

and seasonal workers), New Jersey Latinas earn 40.0% relative to non-Hispanic, White men. This New Jersey figure is again considerably lower than the nationwide average of 49.2%.³

Occupational segregation plays a primary role in the pay gap. Latina workers are clustered in low-paying occupations and have sparse representation in the high-paying jobs. Nationally, Latina workers tend to cluster in the service sector while they are less well represented in higher paying positions in management in the trades (Figure 2). Gaps persist for Latinas who earn degrees in higher education as well as those working within higher paying jobs, such as nursing where Latinas on average, earn 25% less than their non-Hispanic White male nurse counterparts.⁴

Figure 2: Occupational Distribution of Latina Workers in 2021, U.S. (in percent)



Source: U.S. Bureau of Labor Statistics, "Table 10. Employed persons by occupation, race, Hispanic or Latino ethnicity, and sex. Current Population Survey. Washington, DC: U.S. Bureau of Labor Statistics, 2022.

<https://www.bls.gov/cps/cpsaat10.htm>

As shown in Table 1, among all childcare workers and teacher assistants in the U.S., one fifth 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,

³ Center for Women and Work analysis of American Community Survey microdata for 2016-2020 covering workers ages 16 and older.

⁴ Lean In. <https://leanin.org/data-about-the-gender-pay-gap-for-latinas#:~:text=On%20average%2C%20Latinas%20in%20the,26%25%20less%20than%20white%20women.>

21% of all cleaners, maids, and housekeepers, and 15% of all secretaries and receptionists, are Latina. These shares are more than double the 9.1% Latina share of the total U.S. population. 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-wage 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., 2016-20

| Occupation | % of Workers Who Are Latinas |
|---|------------------------------|
| Janitors, building cleaners, maids, and housekeepers | 21.46 |
| Cashiers and retail salespeople | 11.49 |
| Secretaries, admin. assistants, clerks, receptionists | 14.99 |
| Nursing assistants; orderlies and psychiatric, home health, and personal care aides | 14.81 |
| Childcare workers and teacher assistants | 19.87 |
| Pre-K, K-12, and special education teachers | 8.43 |
| Customer service representatives | 11.62 |
| Cooks | 13.32 |
| Waiters and waitresses | 15.39 |
| Supervisors of retail sales workers | 6.48 |

Source: CWW analysis of 2016-2020 American Community Survey microdata, Five-Year sample (Integrated Public Use Microdata Series) for full-time year-round workers, ages 16 and older.

Impacts of COVID-19

Growing evidence suggests that women have shouldered a disproportionate amount of the economic fallout and social upheaval that emerged during COVID-19, especially in the early days of the pandemic. Data from the [Center for Women and Work's report on COVID-19 impacts on women in New Jersey](#) indicate a number of important findings on the status of Latinas and their families in state.⁵

- Latinas in New Jersey had a relatively high unemployment rate in 2020 at around 14% (just behind Black women's unemployment of nearly 15%).
- Black women and Latinas were hit especially hard and reported high rates of inability to work because employer closed or lost business: Black women reported this at a rate of 10.1% and Hispanic women at 9.4%. White women had among the lowest rate, at 6.9%.

⁵ Center for Women and Work. <https://rutgers.app.box.com/s/jt9rm1xk3framh1rp5j2o652r8a8ma3g>

- Loss of employment income during the pandemic was more common among Hispanic households compared to White or Asian households in New Jersey.
- Some Latinas withdrew from the labor force during the pandemic. In 2019, prime-age Latina labor force participation was 71.7%, but fell to 70.2% in 2020. Latinas with children were the most likely to indicate they could not look for work due to the pandemic.
- Latinas are overrepresented in frontline work: 22.1% of women employed in frontline essential industries in New Jersey are Latina as opposed to 18.4% of women employed in nonessential industries in the state. Earnings for Latinas in frontline industries were especially low, at just \$27,082 annually in 2020.

ABOUT THE CENTER FOR WOMEN AND WORK

The Center for Women and work (CWW) promotes economic and social equity for women workers, their families, and their communities. CWW conducts research, advances education, and engages in programming that support women in the workplace and contribute to effective policy making. CWW's work focuses on providing training, technical assistance, and programs for students, educators, industry, and governments; analyzing and addressing issues that directly affect the living standards of working families locally and globally; and collaborating with partners to support community-level work. 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 for Women's Leadership Consortium.

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