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## FIN

As the report outlines, women also receive a disproportionate financial penalty when it comes to the current COVID-19 pandemic. Women are more likely to take time away from their careers to stay home caring for children whose schools are now closed or ...

Mar. 29, 2020



A new report shows the impact of gender pay inequity and reveals that progress in closing the gender pay gap is slow, as women are earning \$.81 cents for every \$1 earned by a man — a nominal change over last year's \$.79 cents on the dollar earned by men. The report, [the 2020 State of the Gender Pay Gap](#), was released by [PayScale, Inc.](#) in advance of Equal Pay Day on March 31.

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Companies have plans to conduct a pay equity analysis at their company to identify the problem.

“Our research shows women are unfairly impacted financially in times of crises like the current Coronavirus epidemic. Employers should recognize these employment gaps to care for family members may not be unavoidable and should not be ‘pay penalized’ when women return to the workforce,” said PayScale Director of Research, Sudarshan Sampath. “In addition, the report shows the reality of gender pay equity is lagging behind the perception that companies are now beginning to pay men and woman equally. We believe most companies want to do the right thing to ensure gender pay equity, but this can be a daunting task. We recommend employers use market data to assess the state of the gender pay gap and make the necessary adjustments to achieve gender pay equity.”

PayScale’s research also studied the controlled pay gap – the disparity in pay for men and women doing the same work. This controlled gender pay gap remains \$0.98 on the dollar. While this disparity may appear small, lost earnings over the course of a 40-year career equate to a woman earning \$80,000 less for doing the exact same work as a man. When the pay gap is analyzed for the work of all women versus all men, the average women earns about \$1,000,000 less than a man over the course of her career.

### **Additional PayScale Gender Pay Gap 2020 Findings:**

- Women tend to move up the career ladder into higher paying executive jobs at a slower pace than men—a phenomenon called the ‘opportunity gap.’ Men are twice as likely to be directors or executives than women by age 45. In addition, only 6 percent of women hold executive jobs in comparison to 12 percent of men. The gender pay gap is also larger at the executive level with women earning \$0.69 for every dollar earned by a man.

- Education is not the great equalizer: Women who are highly educated occupy

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- The financial and insurance industry has the largest uncontrolled gender pay gap at \$0.76 for women to every dollar earned by a man.
- The largest uncontrolled pay gap from a race perspective is for American Indian and Alaska Native women, black or African American women, and Hispanic women who earn \$0.75 for every dollar a white man earns.
- Vermont has the lowest gender pay gap for two years running, with women earning \$0.89 for every dollar earned by men, followed by New Mexico at \$0.85 and Maine at \$0.84 on the dollar, respectively. The states with the greatest gender pay gap are Alabama (\$0.73) and Utah (\$0.74).
- Fifty-eight percent of women perceive they are paid less fairly than men, even if they are paid fairly. Investment in pay equity analysis and pay transparency can correct this perception and close the gender pay gap.
- PayScale research shows that using pay [transparency practices](#) within an organization can eliminate pay inequality. At companies where employees felt they have a transparent pay process, women were estimated to earn between \$1 and \$1.01 for every dollar earned by men — effectively erasing the gender pay gap.

Equal Pay Day this year is March 31<sup>st</sup>—a date representing that, on average, it takes women an additional three months to earn what their male counterparts earned by the end of 2019.

PayScale helps companies use the power of analytics to identify areas of pay inequality by providing a clear view into the pay data of their current workforce with solutions such as their Pay-Equity Analytics package for Market Pay customers. The solution provides customers with a clear view into the pay data of their current workforce and identifies areas of opportunity to close the pay gap. Current employee pay data is used to dive into deep statistical analysis of the pay patterns within a company's workforce, and employers can create data models that help them understand the financial impacts remediation would have on their business.

To view the full 2020 Gender Pay Gap Report and methodology, please visit:

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