WOMEN SEE 60 PERCENT INCREASE IN REAL MEDIAN ANNUAL EARNING DURING 1997-2007

Among workers ages 25 to 54, median annual earnings of women increased 60 percent between 1979 and 2007 after adjustment for inflation, while the typical male worker saw no increase in real pay over the same period, according to the Congressional Budget Office (CBO). Over the nearly three decades studied, real median earnings of men “followed the ups and downs of the business cycle,” falling during recessions and the years before and after downturns, while those of women “rose at a relatively steady pace,” as they increased their hours of work, the CBO reports.

Growth in women’s earnings was fastest during the 1980s and 1990s, as they dramatically increased their work hours, and has slowed since 2000. The share of women in the middle of the earnings distribution scale who were employed full-time, year-round climbed from 67 percent in 1979 to 81 percent in 2000, but remained lower than the typical proportion of full-time employment among men, which increased from 87 percent to 93 percent during that time. The share of women working full-time rose again this decade to 83 percent in 2007, while that of men was roughly the same as in 2000.

The CBO finds that growth in annual earnings between 1979 and 2007 was higher for women than for men at all three earnings levels studied: low earners (208 percent versus a decline of 3 percent), middle earners (60 percent versus zero), and high earners (71 percent versus 33 percent). Women’s gains narrowed the gap between their median annual earnings and those of men, but men’s earnings remained higher than those of women in 2007 at all levels of the distribution scale, including the bottom ($14,600 versus $8,000), middle ($41,000 versus $30,000), and top ($100,000 versus $68,000).

“The differences between men and women in the number of hours worked over the course of a year do not fully account for the differences between their annual earnings,” because men’s hourly wages generally remain higher than those of women, although the gap has narrowed, the report states. In 2007, the typical woman worker earned $15.60 per hour, or 80 percent of the $19.60 per hour for her male counterpart, but the ratio of women’s real median hourly wages to those of men was up from 70 percent in 1989 and 54 percent in 1979. The hourly pay gap may result from differences in education, experience in the labor force, occupation or industry of employment, and preferences for jobs that usually pay more, such as relatively dangerous work.

In 2008, the first year of the recession, median annual earnings declined by about 3 percent for both men and women at almost all levels of the distribution scale, while falling sharply for low-earning men (14 percent).
