

STATUS OF WOMEN IN THE STATES



IWPR #R468

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The Economic Impact of Equal Pay by State

Persistent earnings inequality for working women translates into lower lifetime pay for women, less income for families, and higher rates of poverty across the United States. In each state in the country, women experience lower earnings and higher poverty rates than men. The economic impact of this persistent pay inequality is far-reaching: **if women in the United States received equal pay with comparable men, poverty for working women would be reduced by half** and the U.S. economy would have added \$482 billion (equivalent to 2.8 percent of 2014 GDP) to its economy. This fact sheet presents state-level data on the impact equal pay would have on poverty and each state's economy.

Equal Pay Would Reduce Poverty for Working Women in Each State

Closing the gender wage gap would lower the poverty rates among women in every U.S. state and help many women and families achieve economic security. In the United States as a whole, if working women aged 18 and older were paid the same as comparable men—men who are of the same age, have the same level of education, work the same number of hours, and have the same urban/rural status—the **poverty rate among all working women would fall from 8.2 to 4.0 percent**.

- If working women were paid the same as comparable men, the poverty rate among all working women would fall by more than half in 28 states (Figure 1 and Table 1).
- New Hampshire would see the greatest impact on poverty reduction, with equal pay cutting poverty by 60 percent among working women. Wyoming (58.5 percent), Maryland (57.6 percent), North Dakota (57.4 percent), and Vermont (57.0 percent) would also see the greatest impacts of equal pay on reducing poverty.
- Equal pay would also cut poverty significantly in states with higher than average poverty rates among working women. New Mexico's poverty rate among working women would decline to 6.1 percent from the national high of 13 percent, Mississippi's would decline to 7.7 percent from 12.5 percent, and Louisiana's would decline to 5.3 percent from 12.1 percent.

The high poverty rate among working single mothers would also fall dramatically from 29.3 percent to 15.8 percent—by nearly half—if they earned the same as comparable men.

- In 16 states, the poverty rate among single mothers would fall by more than half if working single mothers were paid the same as comparable men. In all states, poverty among working single mothers would fall by nearly a third or more (Table 1).
- The poverty rate among single mothers would see the greatest reduction in Louisiana, where it would fall by 61.3 percent. Louisiana has the highest poverty rate among single working mothers in the nation. In the southern states taken together, poverty among single working mothers would fall by nearly half, from 30.8 percent to 15.9 percent.

This fact sheet presents state-level findings based on analysis described in the IWPR briefing paper #C411, How Equal Pay for Working Women would Reduce Poverty and Grow the American Economy, by Heidi Hartmann, Ph.D., Jeff Hayes, Ph.D., Jennifer Clark, which includes a technical appendix describing the methodology for the analysis. The fact sheet also builds on findings from The Status of Women in the States: 2015, a comprehensive national report that presents and analyzes data for all 50 states and the District of Columbia. For a complete discussion of data sources and methodology, please see the full report, available at statusofwomendata.org.

About the Institute for Women's Policy Research



The Institute for Women's Policy Research (IWPR) conducts rigorous research and disseminates its findings to address the needs of women, promote public dialogue, and strengthen families, communities, and societies. IWPR is a 501(c)(3) tax-exempt organization that also works in affiliation with the women's studies and public policy and public administration programs at The George Washington University.

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