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The Persistence of Racial Inequality: The Earnings Gap Among Women from 1979-2016

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NOTE: This is an early version of a chapter for the forthcoming book, *“The Political Economy of Racism in the US: Economic Stratification in ‘Post-Racial’ America,”* with co-editors Michelle Holder, Nancy Breen, Tazewell Hurst, and Scott Carter and publisher Routledge Press. As described by the editors:

The theme of this book will be how racism and other forms of exclusion persist in a supposed “post-racial” America, examined using economic theories of discrimination, stratification, and structural racism...the edited volume will provide a broad perspective on (particularly) African American-focused racism, bring previous work in related areas up to date, offer a range of perspectives, contribute econometric analyses and critique the post-racial society. Given the current political climate in the United States, and the apparent dearth of published volumes on the proposed subject matter during the last five decades, *The Political Economy of Racism in the U.S.* will offer a timely treatment, through the lens of economics, of one of the most recalcitrant issues facing the U.S.

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ABSTRACT

This study identifies a significant racial earnings gap among women that has persisted, essentially unchanged, from 1979 to 2016, using annual earnings data from the Annual Social and Economic supplement of the Current Population Survey. Different from past studies, I integrate into this study's method of analysis how racism has caused Black and White women to interact with the labor market in profoundly different ways. In particular, Black married women have historically been much more active in the labor force than White married women. To account for this expression of White privilege—distinctive in this period to married mothers in particular—I examine the earnings gap by household type. This approach reveals how a roughly 120 percent White earnings premium has persisted among single mothers, single women without children, and among married women without children from 1979 to 2016, basically unchanged. Married White mothers, on the other hand, dramatically increased their labor force activity over these years, so that their LFPR nearly matches that of married Black mothers. By 2016, the White earnings premium among married mothers also reached 120 percent. I conclude that the degree to which the consequences of racism and White privilege show up in women's access to earnings is large, and largely unchanged, since 1979.

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I. INTRODUCTION

The term post-racial gained traction after President Obama's 2008 election, as this historic event seemed, to some, to make plain how racism no longer serves as an important social force for sorting people into castes in the United States. The historic nature of Barack Obama's election—as the first Black-identified President of the United States—is indisputable. The empirical evidence presented in this chapter, however, refutes the view that the U.S. is in a new phase, in which racism has lost its social power.

This study demonstrates how racism persists in creating a significant earnings gap among women, as an important example, over the last 38 years, from 1979 to 2016. The racial earnings gap provides a measure of whether there is racial equity, among women, in their ability to earn a living through the formal labor market—the primary source (70 percent) of income of American households.¹

This analysis proceeds with the assumption that any racial gap in earnings is a product of racism. Race is a socially constructed concept, with no meaningful biological basis. Racial categories are dynamic, influenced by economic and political forces, and only loosely linked to one's phenotype. Race operates as a meaningful concept as long as a society continues to use and develop racist ideologies and practices and fails to repair the enduring harm from their past use. Race-based gaps in earnings provide a measure of the degree to which racism operates through the workings of U.S. labor market.

This empirical analysis uses a different approach from past research to analyze the U.S.'s progress toward racial equity among women, and their ability to earn a living through the formal labor market. This study uses as its starting point the fact that racism has caused Black and White women to interact with the labor market in profoundly different ways, and then integrates this fact into this study's method of analysis. In particular, as I will discuss in more detail below, Black women have historically been much more active in the labor force than White women. This difference, at its core, is an enduring effect of this country's past, legalized practice of enslaving Black women and Black men and not White women and White men.

Past research of the racial earnings gap among women has observed near parity in earnings during the early 1980s that has since widened.² This analysis adds new information to that observation. By examining the earnings gap by household type—i.e., households headed by single women with no children, single mothers,

¹ According the IRS's published figures on individual income, in 2017, 70 percent of American households' incomes come from wages and salaries. See: https://www.irs.gov/statistics/soi-tax-stats-individual-income-tax-returns-publication-1304-complete-report#_pt1, Table 1.3.

² Conrad (2001), Mishel et al. (2012), Wilson and Rodgers (2016), Pettit and Ewert (2009).

married women with no children, and married mothers—this study observes that in the early 1980s: (1) married White, non-Hispanic, mothers³, supported by the economic privileges they access from being White, are *less* active in the labor market compared to married Black mothers and correspondingly earn about 15 percent *less* than married Black mothers and, (2) all other White women whose labor market activity is more comparable to their Black counterparts earn about 20 percent *more* than Black women in the same household type.

This analysis makes clear that White privilege did not get squeezed out of the U.S. labor market in the early 1980s. Instead, White privilege operated to *lower* earnings among White married mothers relative to Black women, and *raised* earnings among White women in all other household-types relative to Black women. When these contradictory effects are *combined*--across household types--they offset each other, producing a small racial earnings gap, implying wrongly that White privilege only weakly influenced women's access to labor market earnings.

Moreover, the observed growth in the racial earnings gap is largely a phenomenon occurring among married mothers only. An examination of the racial earnings gap across household types, starting in 1979, indicates a small earnings gap that grows over time until the White earnings premium (White median earnings as percent of Black median earnings) reaches about 120 percent by 2016. However, an examination within household type shows that a 120 percent White earnings premium persisted among single mothers, single women without children, and among married women without children from 1979 to 2016, basically unchanged.

The growing gap in earnings between Black and White women—again, apparent when looking across households—is largely driven by the increased labor force activity by married White mothers. Their increased labor force activity has raised their average earnings so that as of 2016, the White earnings premium among married mothers mirrors the same 120 percent White earnings premium that appears among the other household types. The main takeaway from this study of racial earnings inequality is that the degree to which the consequences of racism and White privilege shows up in women's access to earnings is large, and largely unchanged, since 1979.

In sum, a within-household-type approach reveals a White earnings premium of about 120 percent or more among single women with and without children, and married women without children that has been present, basically unchanged, from 1979 to 2016--a nearly four-decade-long period. By 2016, married mothers reached the same gap, as White women leveraged their racial privilege increasingly through

³ In this study, the racial category "White" specifically refers to "White, non-Hispanic."

higher earnings as opposed to lower labor force activity. For women, the term post-racial America does not apply.⁴

This paper proceeds as follows. The next section discusses the importance of analyzing women's earnings by household type, including some descriptive analyses illustrating some of the different economic features of the household types. The third section presents the racial earnings gap among women, by household type, and examines trends in this measure from 1979 to 2016. This section includes a comparison of the within-household-type racial earnings gap to the racial earnings gap measured across household types. The fourth section concludes.

II. BACKGROUND

Racism Shapes Sexism

Black and White women entered into the paid workforce under profoundly different conditions due to the combined forces of racism and sexism.

White privilege has historically lead White married women to work *less* than Black married women.⁵ Especially up through the 1980s, social, political and economic conditions for White women have discouraged the extent to which they work outside the home, particularly married White women with children. In contrast, social, political and economic conditions have pressured Black women *to work* outside their homes, in addition to doing the housework within their homes, and regardless of whether they had children to care for.

This race-based gender norm is rooted in the U.S.'s slavery era, when slave owners used violence and terror to force Black women to do any manner of work, without regard to what the White-dominant society viewed as appropriate work for White women, and without regard to the needs of Black women's families. This fundamental difference between the political and social position of Black and White women—one group enslaved and the other not—formed the foundation of racially-defined norms regarding women and paid work in later years. In short, an enduring

⁴ Interestingly, Derek Neal (2004) studied the racial wage gap with this same basic insight: that household structure matters in determining women's labor supply. He uses this insight to address sample selection bias. He argues that omitting from wage gap measures women who are not employed produces sample selection bias. To address this, he imputes the potential earnings for non-employed women. Using these imputed earnings, he estimates that the racial earnings gap is substantially larger than conventional estimates indicate – "at least one-third and maybe as much as 60 percent higher." p. S15. His adjusted wage gap for 1988-1992 indicates a White wage premium between 122 percent and 127 percent.

⁵ See Jones (1985).

effect of U.S.'s past use of state-sanctioned slavery is that it created the double standard that Black women should seek paid work and White women should not.

The unequal distribution of economic resources by race inherited from U.S.'s slavery era also produced this specifically gender-based form of racial inequality: married White women have access to greater levels of income through their spouse compared to married Black women. This form of racial inequality provides an economic foundation for the double standard applied to Black and White women. This is because White married women are better able to limit their labor force activity compared to their Black married women, due to White married women's access to higher spousal income.

White women have access to greater levels of spousal income compared to married Black women for two inter-related reasons. First, inter-racial marriage, made legal after 1967, still remains relatively uncommon. Partners of different races made up only 7.0 percent of marriages in the U.S. in 2010, the Census' latest published figure.⁶ This high level of intra-racial marriages—93 percent—represents an important channel through which White women access racial privilege: marriage provides White women access to White men's earnings. Second, White men's average earnings consistently exceed that of Black men's, and by significant margin. Figure 1 makes apparent the economic advantage held by White men.⁷

FIGURE 1 ABOUT HERE

The trends in this figure show the White earnings premiums among men—defined as the White male median annual earnings as a percent of Black male median annual earnings. This premium is persistent and large both across household types, as well as, within household types. From 1979 to 2016, the racial earnings gap across all men, hovered roughly between 130 percent and 160 percent. The White earnings premium ranged more widely within household type, but never fell below 120 percent.

⁶See: U.S. Census Bureau, on-line published table, "Table 59. Households, Families, Subfamilies, and Married Couples: 1980 to 2009." Accessed: January 2019: <https://www2.census.gov/library/publications/2010/compendia/statab/130ed/tables/11s0060.pdf>. Recall, too, that the Supreme Court overturned the U.S.'s anti-miscegenation law only in 1967, and against popular will, when less than 20 percent of Americans approved of Black-White marriage (Newport, 2013).

⁷ For this figure, I use earnings data from the nationally representative, household survey, the Current Populations Survey (CPS). Specifically, I use data from the CPS' Annual Social and Economic Supplemental Survey (ASEC). Data from the CPS-ASEC enables me to examine the labor market experiences by gender, race, marital status, and by the presence of dependent children, up through 2016.

Figure 2 illustrates how the White earnings premium among men links to White married women's greater access to other sources of income, aside from their own earnings, than Black married women. Specifically, these figures show, by race and household type, how much of the average woman's basic household budget is covered by income from sources other than their own earnings.⁸

FIGURE 2 ABOUT HERE

We can see from the bottom panel of Figure 2 that, on average, the other income sources that White married women have access to—i.e., income aside from their own earnings—well exceeds their basic budget needs. Since 1979, White married women without children typically have had access to other income equal to about 191 percent of their basic budgets, and married White mothers typically have had access to other income equal to 160 percent of their basic budget. The lower figure for married White mothers likely reflects the greater basic budget needs required for households with dependent children. The analogous figures for Black women are 112 percent and 91 percent.

The average Black married woman therefore makes labor market decisions under economic conditions that are significantly different from the average married White woman: the average Black married woman can only partly cover, or narrowly cover, the basic budget needs of her household with her spouse's income. The average White woman, on the other hand, has access to income through her spouse that exceeds her household's basic budget needs by a substantial margin.

The economic situations of single women and married women—across races—are, as can be expected, distinct. Single women—Black and White—have much more limited access to other income aside from their own earnings to cover their basic budget needs. The inter-racial differences with regard to their access to other income sources basically disappear. From Figure 2 shows how single women's access to income sources aside from their own earnings account for less than half of their basic budgets—for both White and Black single women, mothers or women without children.

⁸ I define the basic household budget as double the official poverty line (see: <https://www.census.gov/topics/income-poverty/poverty/guidance/poverty-measures.html>). Note that the official poverty line takes into account both household size, and number of dependents. Double the poverty line represents the lower-bound of the Economic Policy Institute's estimates of what households need to achieve a "modest, yet adequate, standard of living" (see: <https://www.epi.org/resources/budget/>). These income thresholds generally range between just below 200 percent to more than 300 percent of the official poverty, depending on region and household composition (Wicks-Lim and Thompson, 2010, p. 11).

Differences in Women's Labor Force Participation by Race: 1979 – 2016

Next, I examine trends in women's labor force participation rates (LFPR), by race, starting in 1979 through the most recent data available as of this writing, again using the CPS. Figure 3 displays these trends by household type.

FIGURE 3 ABOUT HERE

The top two panels show trends for single women. Among single women, with and without children, the labor force activity level is higher among White women than among Black women. This is true despite the fact that, as we saw in Figure 2, that Black single women have access to other income that covers roughly the same share of their basic budgets as White single women—about one-third or two-fifths—depending on the year. Given the roughly equal level of need among Black single women to earn income as compared to White single women, the higher level of labor force activity among White women suggests that Black single women face greater barriers to participating in the labor force than do White women.

A notable feature of the trends among Black single mothers is the dramatic upswing in their LFPR during the late 1990s, after which they maintain a higher LFPR level. White single mothers also experience an upswing, if more modest and more temporary. These upswings coincide with (1) the elimination of a major, federal income subsidy program that provided means-tested, cash assistance primarily to single mothers with young children, Aid to Dependent Families with Children (AFDC), and (2) historically low unemployment rates that persisted for an extended period of time.

The AFDC program provided an important income source to low-income single mothers that helped such mothers stay home, out of the workforce, to rear their children—the original intent of the program.⁹ With the elimination of the program in 1996, this source of income disappeared. Former AFDC recipients could no longer stay at home to rear their children, and headed into the labor force.

⁹ In fact, the AFDC provides a caustic illustration of the dual standard that the U.S. White-dominant society holds White and Black women to. In their summary of the program's history, Blank and Blum (1997) explain how the AFDC (preceded by Aid to Dependent Children or ADC) operated on the premise that White single mothers should not work, and should stay at home to raise their children. The program did not provide the same benefit to Black single mothers. States largely denied Black single mothers benefits by deeming them "undesirable" or their homes "unsuitable." As a result, the ADC/AFDC nearly explicitly provided support for White single mothers to stay home and raise their children and not Black single mothers. Civil rights advocates forced states to end these racist policies during the 1960s.

The upswing in LFPRs after 1996, much larger among Black single mothers than White single mothers, reflects the disproportionate share of Black single mothers eligible for means-tested AFDC benefits compared to White single mothers.¹⁰ In 1995, Black single mothers had a poverty rate 17-percentage-points higher than White single mothers, 53 percent versus 36 percent, respectively.¹¹ After 1996, the LFPR among Black single mothers nearly converged with that of White single mothers. The LFPR among Black single mothers jumped from 67 percent in 1995 to 80 percent in 1998. This compares to a LFPR of 83 percent for White single mothers in 1998.

The historically low unemployment rates that occurred at the same time—and preceded by a 21-percent increase in the federal minimum wage—also added to this upswing in LFPRs for White and Black single mothers. However, even after unemployment rose to more historically average rates, the LFPR among Black single mothers remained near 80 percent through 2016.

The pattern is different for married women with no children. As we saw in Figure 2, White married women with no children have access, typically, to income other than their own earnings that covers their basic budgets by a wide margin—191 percent of their basic budgets, on average, over 1979-2016. Black married women without children, in contrast, typically have access to other income that just covers their basic needs—112 percent of their basic budget, on average, over the same time period. Here again, the pattern of labor force participation among these women is the reverse of the pattern one would expect based only on their relative economic needs. That is, on the one hand, Black married women have a substantially greater economic need compared to White married women to earn income to support a decent living standard for themselves and their families. On the other hand, White married women with no children participated in the labor force at least as much, if not more, than Black married women. Again, this incongruity between the relative labor force participation rates and the relative economic needs among these women suggests that Black married women with no children face greater barriers to participating in the labor force compared to White married women.

This pattern among married women without children did not always hold. Prior to 1980, the labor force participation rates among Black married women without

¹⁰ U.S. Census Bureau on-line statistical brief, "Mothers Who Receive AFDC Payments: Fertility and Socioeconomic Characteristics," March 1995. Accessed January 2019: <https://www.census.gov/population/socdemo/statbriefs/sb2-95.html>.

¹¹ U.S. Census Bureau on-line published table, "Table 4. Poverty Status of Families, by Type of Family, Presence of Related Children, Race, and Hispanic Origin: 1959 to 2017," Accessed January 2019: <https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-people.html>.

children exceeded that of White married women without children, at a rate of 59 percent in 1960 compared to 48 percent, respectively (Neal 2004). For these women, during the decades preceding the 1980s, White privilege had the effect of *lowering* the level of labor force activity for married women without children. This is because married women without children had access to adequate income from sources other than their own earnings and the social norms of the time discouraged the employment of *any* White married women, regardless of whether they had children.¹²

This gap between the LFPR of Black and White married women without children closed as the social norms around White women and paid work underwent what Goldin (2006) describes as a "quiet revolution." Goldin explains how, starting in roughly the 1970s, social norms regarding women's choices about, and women's expectations for, careers and family began to transform. Again, these changes occurred primarily among White households. As Goldin (1977) puts it, "The revolutionary increase in the participation of women in the labor force mainly involved whites. Black women have been abundantly represented in the labor market as slaves and had remained so as freed persons. (p. 87)" By the start of the 1980s, the LFPR of White married women with no children rose to match that of their Black counterparts.

The "quiet revolution" next spilled over into the households of White married mothers. For married women with children, White women's LFPRs consistently fell below that of Black women's—typically by more than ten percentage points—through roughly the early 2000s. Again, this pattern illustrates how White privilege can *lower* the level of labor force activity for married women. Recall how Figure 2 shows that among married mothers, White married mothers have greater economic support to stay out of the labor force, compared to Black married mothers. White married mothers have access to spousal earnings that, on average, cover their basic household budget by a wide margin (160 percent). For Black married mothers, in contrast, their spousal earnings cover 91 percent of their basic household budget, on average.¹³ As social norms continued to change after 1980 with regard to

¹² An explicit example of this social norm is "marriage bars." These laws required single women to quit their jobs when they married. However, these laws primarily affected teaching or clerical jobs, jobs typically held at the time by White women. (Goldin, 1988).

¹³ To my knowledge, research on LFPR by household type is thin. One example of this research is by Goldin (1977) who examines the factors that determine the differences in Black and White LFPRs during the late 1800s. In this work, Goldin demonstrates how the presence of young children reduces, significantly further, the probability that a married woman would participate in the labor force, as well as spouses' earnings and employment. Another paper by Neal (2004) confirms how spouses' earnings and employment are key factors in determining whether mothers participate in the workforce through the 1990s.

(primarily White) married mothers' choices around family and work careers, the LFPR of White married mothers steadily increased. By 2010, their LFPR nearly converged with that of Black married mothers.

Measuring the Impact of Racism on the Earnings Gap

This study puts this feature—how White privilege can have different effects on labor force activity by household type—at the center of the earnings inequality analysis that follows. In particular, this study takes special account of how race-based privilege for White married women can produce two different, contradictory effects on their labor market earnings. On the one hand, among White married women, their race-based privilege can reduce their labor market earnings, if they conform to the sexist convention of primarily doing unpaid work at home, which they can do more easily in households with access to White men's earnings. On the other hand, White married women who *are* active in the labor force, can leverage their White privilege to secure better employment terms than their Black counterparts. Past empirical research has demonstrated that when White women seek work, they typically have access to better hourly pay rates and higher, more consistent levels of employment relative to Black women (see further discussion below). White privilege can increase *or* decrease the earnings of White women relative to Black women.

These countervailing influences of White privilege must be examined separately to understand how racism operates through the U.S. labor market. If these contradictory influences of White privilege are examined together, the effects can offset each other and produce a confused picture of the influence of White privilege in the labor market experiences of women. To my knowledge, no other study of the racial earnings gap has specifically designed its analysis to prevent conflating these offsetting effects of White privilege on women's earnings. This study's efforts to avoid conflating the offsetting effects of White privilege should add new information about the degree to which racism operates in the U.S. labor market to advantage White women in their efforts to provide for themselves and their households relative to Black women.

The strategy of this analysis to isolate these countervailing effects of White privilege among women is simple. This study analyzes earnings inequality by household type—that is, this study estimates racial earnings inequality among single women with no children, single mothers, married women with no children, and married mothers, separately. By analyzing earnings this way, the effect of White privilege that *lowers* earnings among White women relative to Black women should mostly be contained among married mothers. It is White married mothers who have experienced the strongest, and most long lasting, pressure to work primarily within the home, unpaid, and who have had access to the highest amounts of income aside from their own earnings—typically from a White, male spouse.

In summary, this within household-type approach to analyzing the racial earnings gap takes account of how racism produces: (1) different economic circumstances by household type, and (2) different prevailing gender norms.

III. RESULTS

In this section, I present the results of a within-household-type analysis of the racial earnings gap among women. I use annual earnings for my racial gap measure in order to account for disparities in both pay rates as well as employment levels. Each dimension of earnings—wages and employment levels—plays an important role in creating the racial earnings gap.

Wilson and Rodgers (2016) document the persistence of an hourly wage gap during 1979 to 2015 using data from the CPS household survey. In Figure 4, I reproduce their estimates of the racial hourly wage gap among prime working-age (25-64) employed women, defined as the percent difference between the average White woman's hourly wage and the average Black woman's hourly wage. The solid line shows the racial wage gap as directly observed in the data. The dotted line shows the racial wage gap for women employed full-time, and after adjusting for education, potential labor market experience, region and metropolitan status of residence. In both cases, the racial wage gap starts at near parity in 1979 (between 4 and 6 percent) but then grows substantially for roughly the next twenty years. Growth in the wage gap slows during the low unemployment years of the late 1990s but resumes again in the early 2000s. By 2015, the unadjusted wage gap topped off at 19 percent and the adjusted wage gap at 12 percent. Clearly, racial differences in pay rates matter.

FIGURE 4 ABOUT HERE

At the same time, the gap in pay rates misses the additional impact on earnings caused by racial differences in access to employment—whether one is unemployed, has limited weekly hours or employment gaps over the year. Annual earnings integrate the employment effects of racism in the labor market.

Wilson, this time with co-author Janelle Jones (2018), documents trends in the racial gaps in employment among women. Their research shows how economic contractions—recessions—tend to have deeper and more enduring effects on the employment levels of Black women compared to White women. Figure 5 shows the average annual hours worked among all prime working-age women, including women with no employment (zero annual hours), by race. This figure shows that, generally speaking, Black and White women, across all households, have nearly equal levels of annual work-hours. However, Black women's annual hours suffer more in response to recessions in the economy, relative to White women's annual hours. For example, after the recessions of 1990-1991 and 2009, Black women did

not regain parity in their annual work hours with White women until more than five years of recovery had passed.

FIGURE 5 ABOUT HERE

In sum, racism influences both the hourly rates as well as the employment levels among women. Annual earnings provide a way to measure these effects' combined impact on the ability of women to use the labor market to support themselves and their families.

I now turn to examining the racial earnings gap, measured by comparing the median annual earnings between White and Black prime working-age women, using the CPS-ASEC data from 1979 to 2016.¹⁴

In Figure 6, I begin with measures for women, by race, across household types. The trends in this figure illustrate how in 1979, the average prime working-age Black and White woman earned effectively the same annual earnings. Over time, this earnings gap has increased, particularly during the 1980s and up through the early 1990s, as the average White woman's earnings rose at a faster pace than that of the average Black woman. During the late 1990s, the White earnings premium (the median annual earnings of White women as a percent of the median annual earnings of Black women) hovered around 115 percent as the average earnings among Black women began to catch up with the average earnings among White women. With the onset of the Great Recession, their earnings diverged again: White women's earnings continued to increase at the same pace as prior the Great Recession. Black women's earnings growth, in contrast, slowed. By 2017, the White earnings premium reached 130 percent.

FIGURE 6 ABOUT HERE

This pattern in the annual earnings gap reflects trends in both the pay rates and employment identified in past research. In particular, these trends suggest that racism may have played a relatively minor role in the way that Black women and White women interacted with the labor market during the late 1970s and early 1980s.¹⁵ In the years following, as the pay rates between these two groups diverged,

¹⁴ The CPS-ASEC supplement asks about earnings in the calendar year preceding the survey. As such, these years refer to the years covered by the survey questions, as opposed to the years that the surveys were administered.

¹⁵ Conrad (2001) describes how the early 1980s marks an apex point in the progress toward racial wage equality saying, "In 1950, Black women earned, on average, sixty cents for every dollar earned by White women. Between 1960 and 1980, this wage gap disappeared. No documented racial trend between 1950 and 1980 is quite as impressive. Unfortunately, the improvement in relative earnings did not continue past 1980... (p. 124)" Pettit and Ewert (2009) similarly report in their

business-cycle-related employment swings widened the pay gaps in the early 1990s, and again after the Great Recession, but reduced the wage gap during the late 1990s.¹⁶

Next, in Figure 7, I present the same earnings gap measure as in Figure 6, but separately by each household type. Recall that the main motivation underlying this within-household-type approach is to observe separately the impact of White privilege on White households that primarily leverage racial privilege to increase White women's earnings (i.e., households with single women, and households with married women and no children) from White households that leverage their racial privilege in cross-cutting ways, sometimes increasing, and sometimes limiting, White women's earnings (i.e., households with married mothers).¹⁷

FIGURE 7 ABOUT HERE

With the exception of married mothers, the trends within household type display a persistent and significant racial earnings gap. What is striking is that the White earnings premium for three types of households – single women with no children, single mothers, and married women with no children – basically hovers between 115 percent and 120 percent over the nearly four decade period between 1979 and 2016. In other words, when we look among women for which White privilege tends to operate in only one direction—to *increase* White women's earnings relative to Black women's earnings—the White earnings gap is basically unchanged over the past 38 years.

In the case of married mothers, White privilege operated strongly to reduce White women's earnings relative to Black women's during the 1980s as evidenced by the lower LFPR among White married mothers (see Figure 3). After the 1990s, this effect of White privilege weakened as the LFPR of White married mothers approached the same levels as Black married mothers. Over this period, the White earnings premium rises from below parity to above it.

review of past research that the average Black woman had made sufficient gains in their earnings between the 1950s and the 1980s to achieve or exceed that of the average White woman by the 1980s.

¹⁶ Pettit and Ewert (2009) report a growing earnings gap during the 1980s through the early 2000s using wage measures from the outgoing rotation files of the CPS (CPS-ORG). Much of the growth they observe occurs between 1980 and 1995 (p. 470).

¹⁷ I define White-households as those headed by a single, White adult, or a married couple made up of two White adults. I define Black households analogously. In 2017, among households headed by householders with partners, 93 percent of the householder couples are intra-racial (Lofquist et al., 2012).

Most recently, the White earnings premium among married mothers has risen to roughly the same level as exists among the other household types. Taking the average of 2014 to 2016, the White earnings premium is: 117 percent for single women without children, 118 percent for single mothers, 116 percent among married women without children and 117 percent among married mothers. These figures suggest that a woman's household type mattered a lot during the 1980s and into the early 2000s, in determining how White privilege impacts women's earnings since White privilege operated in cross-cutting ways among married mothers. After the Great Recession, White married mothers' level of labor force activity has approached that among Black married mothers, and as a result, the effect of White privilege appears to operate primarily in one direction: to *increase* the earnings of White women relative to Black women. In fact, as noted above, the labor force activity among Black and White women within each household type is converging on a LFPR of roughly 80 percent by 2009.

What this discussion reveals is that observing the racial wage gap across households obscures the impact of how White married women, White married mothers in particular, have historically participated in the labor force at *lower* rates. White privilege has enabled White married mothers to earn a smaller proportion of their households' incomes than their Black counterparts. This manifestation of White privilege is evident through the 1980s, and then diminishes thereafter.

Looking at the trends in the racial earnings gap this way tells a dramatically different story about the country's progress in reducing the impact of racism in the U.S. labor market than when looking at the trends across household types. To recap, trends in the racial earnings gap, measured across household types, indicates that at the beginning of the 1980s, Black and White women held roughly equivalent positions—with respect to their earning power in the labor market. After this period, the earnings gap widened, if inconsistently, until the White earnings premium reached an average of 125 percent during 2014 to 2016.

In contrast, looking at the trends in the racial earnings gap by household type tells us that during 1979 to 2016 Black and White women basically never held equivalent positions—with respect to their earning power in the labor market. Instead, a White earnings premium of roughly 120 percent has persisted, basically unchanged, over this entire near-four-decade period for all household types except for those households headed by a married couple with children.

For married mothers the racial earnings gap has grown considerably since 1980 as more White married mothers entered the labor force and leveraged their White privilege to access more, rather than less, earnings. The result is that the White earnings premium for married mothers begins below parity, crosses the parity line, and rises to roughly the same level as what exists among single women and married women with no children. In this view of the trends in the racial earnings gap—examined within household type—Black women have had access to similar levels of

earnings as White women only when White households leveraged their White privilege to *limit* the earnings of White women.

By 2016, the racial earnings gap appears to have converged to roughly the same value – roughly 120 percent—for women in each of the four household types. This convergence in the racial earnings gap coincides with the convergence in LFPRs – roughly 80 percent--for Black and White women in each of the four household types. In other words, when Black and White women are equally active in the labor force across household types, the racial earnings gap is also roughly the same across household types.

This convergence in the racial earnings gap and LFPRs across household types suggests that looking forward from 2016, the within-household-type analysis may no longer be useful. At the same time, this study's within-household-type analysis reveals a distinctly different story about the trajectory of racial earnings inequality of the prior decades, compared to an across-household-type analysis. This study highlights the racial privilege that White married women leverage through their household type, not just as individuals. Integrating this feature of White privilege into the analysis of the racial earnings gap reveals how, during the 1980s and up through the early 2000s, White married couple households leveraged their racial privilege so that White married women worked less, rather than more, for pay. Understanding this outcome of racial privilege requires a different interpretation of the racial earnings gap for those decades: for married White women, a low earnings level relative to married Black women becomes evidence *of* White privilege, not evidence *against* White privilege. Finally, looking forward, the *social* significance of how married White women access their racial privilege through their household type remains—i.e., their access to the higher earnings of their White husbands—even if this channel of White privilege poses fewer challenges for measuring the impact of racism on women's earnings.

IV. CONCLUSION

What does this study tell us about whether the racial earnings gap among women provides any evidence of the start of a post-racial era in the U.S.? For most women—the 55 percent who are single, or married with no children, in 2016—the racial pay gap has persisted basically unchanged over the past 38 years, from 1979 to 2016. Clearly, for these women, the term post-racial does not apply.

For married mothers, the answer is slightly different. For these women, over 1979 to 2016, the White earnings premium started below parity—i.e., White married mothers earned *less* than Black married mothers, and then rose above the parity line—i.e., White married mothers earned *more* than Black married mothers. This development in the racial earnings gap might lead to the conclusion that the

influence of racism has intensified, breaking down the progress of earlier decades, and constructing anew the racial earnings gap among these women.¹⁸

This study suggests that the story does not begin with the near-absence of racism in the labor market in the late 1970s and early 1980s, nor has racism necessarily intensified over time. Instead, it appears that a *transformation* of the labor market consequences of racism took place, in part, under the pressures of a strengthening feminist movement.¹⁹ More specifically, the growing feminist movement succeeded in forcing change in the gender norms that applied to White women especially—the gender norms that curtailed their participation in the paid workforce. As noted earlier, Black women have, historically, been much more active in the labor force than White women—this pattern, an outgrowth of America’s slavery era.

In the 1980s, White privilege produced lower earnings among White married mothers relative to Black married mothers. These relatively low earnings among White married mothers reflect a combination of White married women’s greater access to the relatively high income of White men, combined with gender norms that discouraged paid employment for White married mothers in particular. More recently, White privilege appears to primarily result in the relatively high earnings among White married mothers as gender norms discouraging their paid employment have weakened, and, on-the-job, White married mothers can leverage their White privilege for better employment terms. The White earnings premium among married mothers now matches the White earnings premium among other household types—roughly, 120 percent.

Overall then, this study’s observations of the racial earnings gap among women indicate no evidence that racism’s role in the U.S. labor market has weakened since at least the 1980s, the period following President Obama’s first inauguration in 2009 included. Racism remains a powerful social force in the U.S.

The findings of this chapter also highlight a feature of racism that contributes to its tenacity in American society. The persistent racial earnings gap among women that this study identifies provides material incentives for White men and White women to forge *inter-gender, race-based* alliances, and as a consequence, splinter

¹⁸ Note that past research has documented significant progress in reducing earnings inequality prior to the 1980s, particularly through reducing occupational segregation (see, for example, Lewis 1977 and Conrad 2001). The point here is that this progress did not achieve near-parity in Black women’s opportunities by the 1980s, and that this gap only became more apparent post-1980.

¹⁹ Goldin (2006) provides a survey of other factors that supported the increase in LFPR among White women. These include, for example, the rise in part-time positions, as well as, technological advances that spurred growth in clerical positions viewed as acceptable positions for White women.

inter-racial, gender-based alliances. This within-household-type analysis explicitly takes account how White women not only access the benefits of White privilege as individuals—by receiving higher earnings, when employed, than their Black counterparts, but also through the households they create, predominantly with White men.

Likewise, Black women experience the damages of racism through receiving lower earnings than their White counterparts in the workforce, and through their households, predominantly with Black men who typically receive lower earnings than White men. This particular observation--that the household is an important channel through which the effects of racism are transmitted to individuals—is unoriginal. Anthropologist Diane K. Lewis makes this same observation in her 1977 article, "A Response to Inequality: Black Women, Racism and Sexism." A central concern of Lewis' piece is the tension among Black women in determining where to focus their energies—on fighting racism or sexism, or how to combine their efforts to challenge both. After contemplating, among other factors, how racism inflicts costs on Black women through their households, Lewis concludes, that for Black women, "The concern with racism would preclude too exclusive a concern with sexism. (p. 361)"

This study's contribution is identifying the importance of the role of this household channel over the past four decades to the present day. This channel continues to pose challenges for today's feminist movement. At a 2018 protest rally in Washington D.C., Women's March co-President Tamika Mallory called out White feminists. Reflecting on Donald Trump's 2016 election, Mallory made an observation, and then an appeal: "94 percent of Black women went to the polls for Hillary Clinton, someone who looks like you. Your people did not show up...We need you to go back home and get your cousins, and your sisters, and your mama, and the people in your communities...Ladies and gentleman, get your people!" In the 2016 election, 53 percent of White women went to the polls to vote for indisputably racist and misogynist Donald Trump, alongside 63 percent of White men. This voting pattern indicates how, for many White women, the concern with racism precludes too exclusive a concern with sexism.

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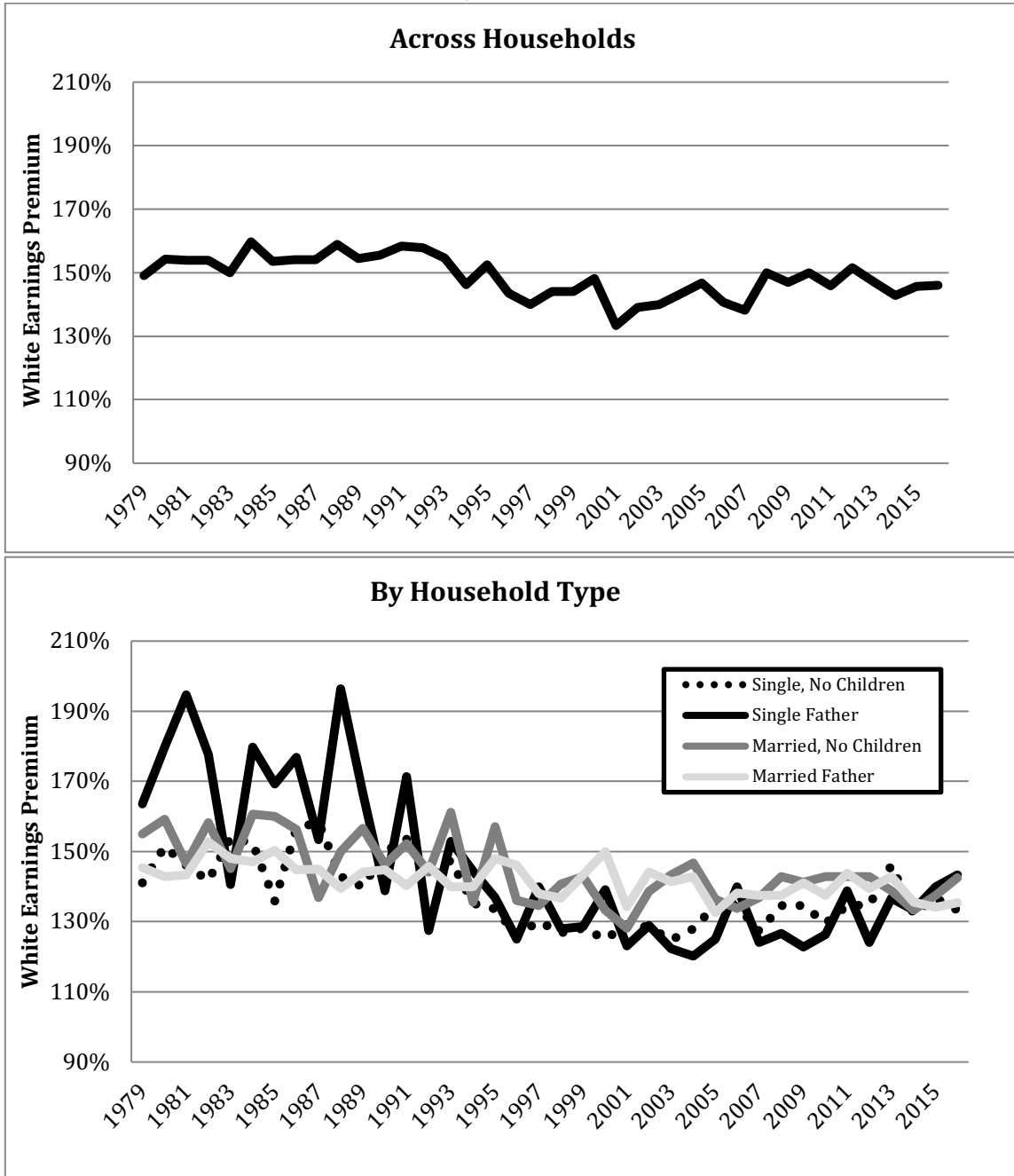
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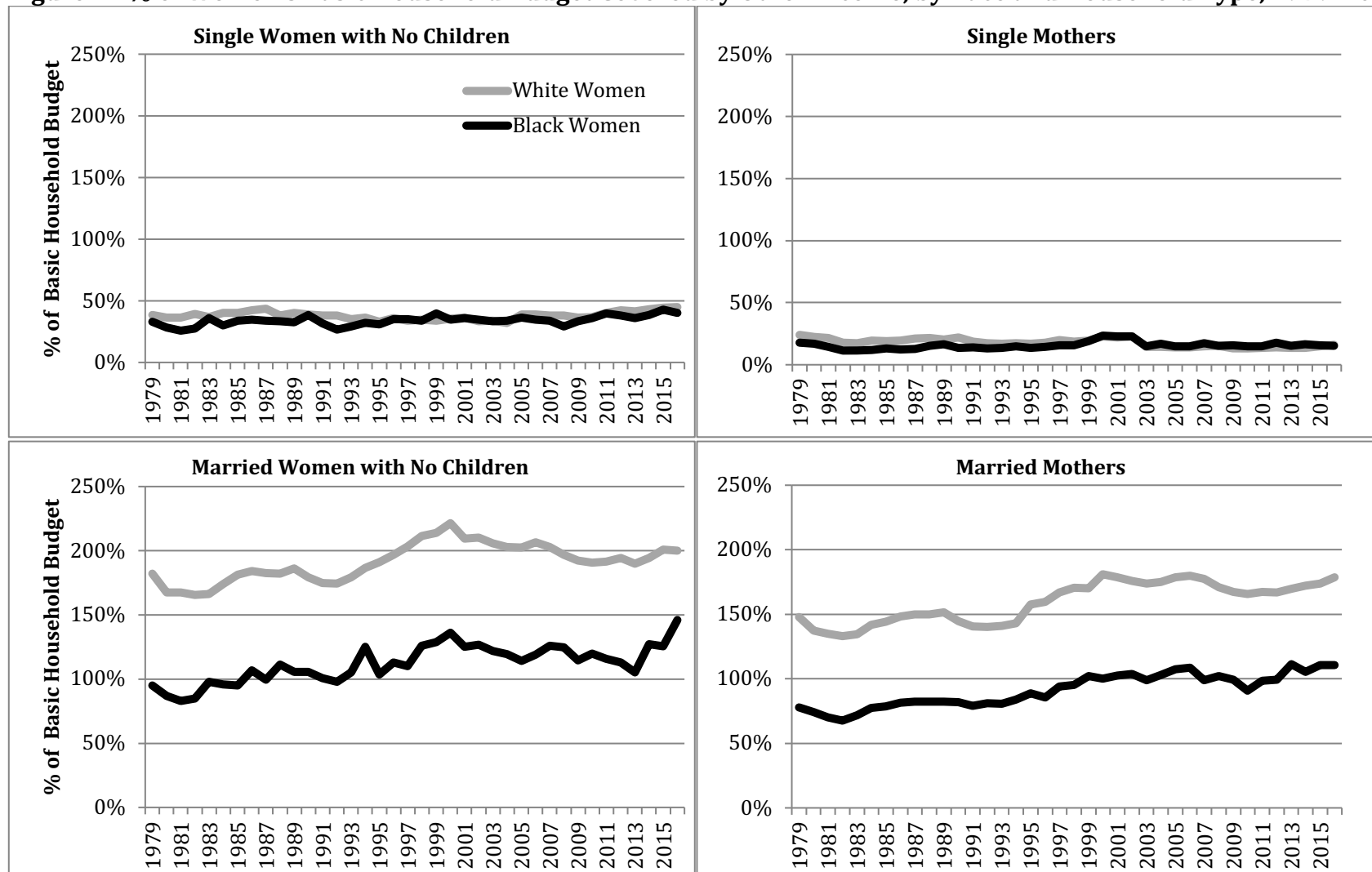
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Figure 1: White Earnings Premium Among Prime Working-Age (25-64) Men, 1979-2016



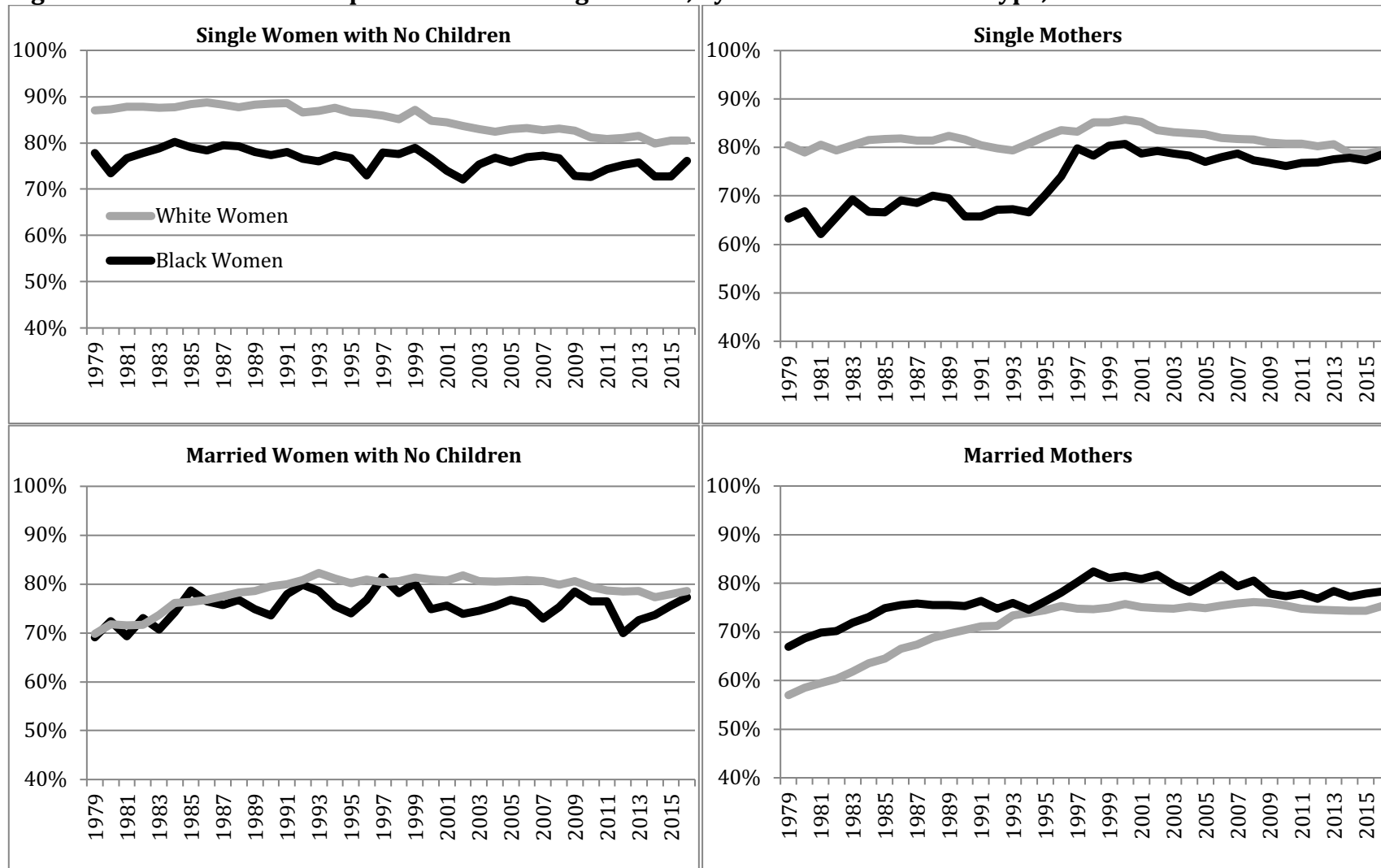
Source: Current Population Survey Annual Social and Economic Supplement files (CPS-ASEC), 1980-2017.

Figure 2: % of Women's Basic Household Budget Covered by Other Income, by Race and Household Type, 1979-2016



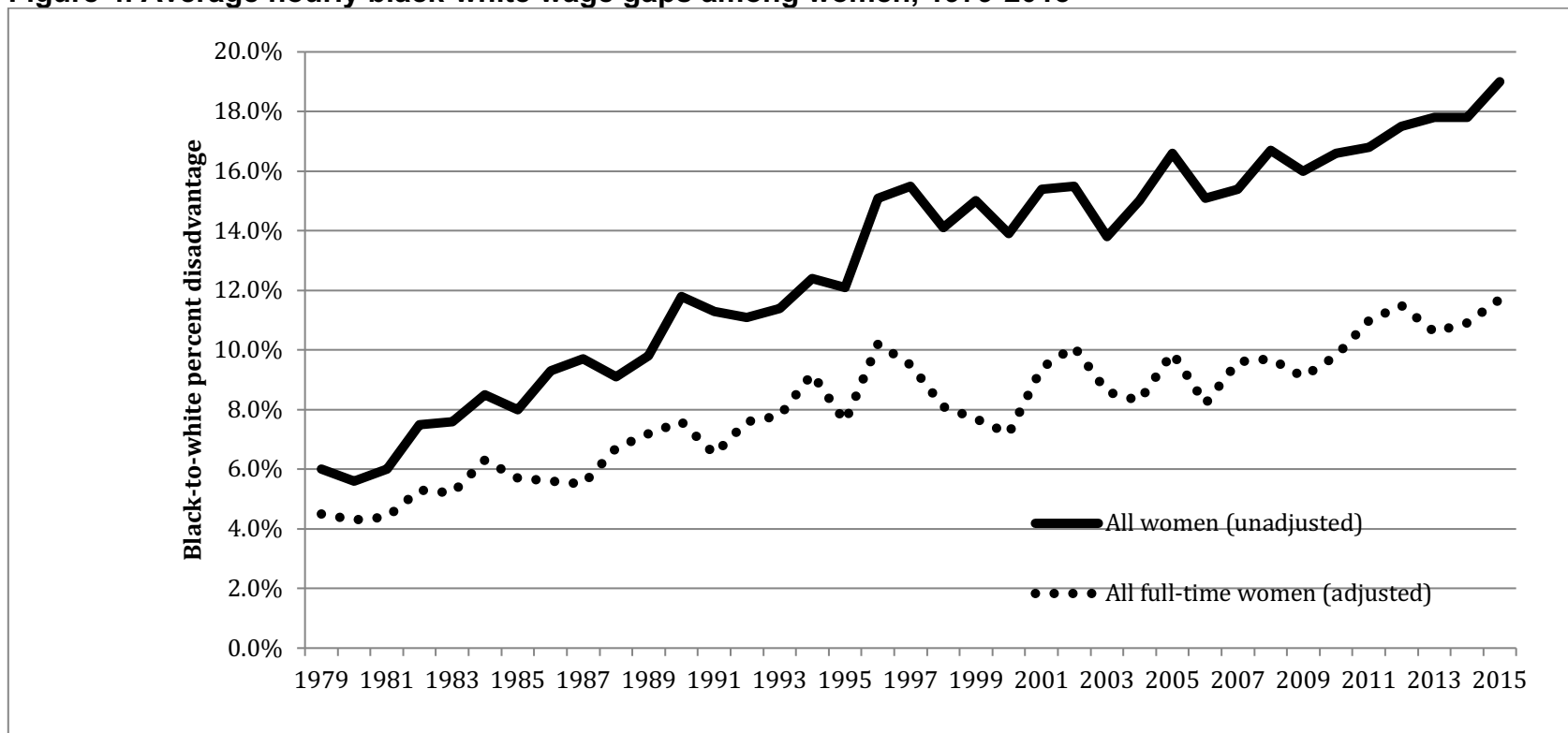
Source: Current Population Survey Annual Social and Economic Supplement files (CPS-ASEC), 1980-2017.

Figure 3: Labor Force Participation Rates Among Women, by Race and Household Type, 1979-2016



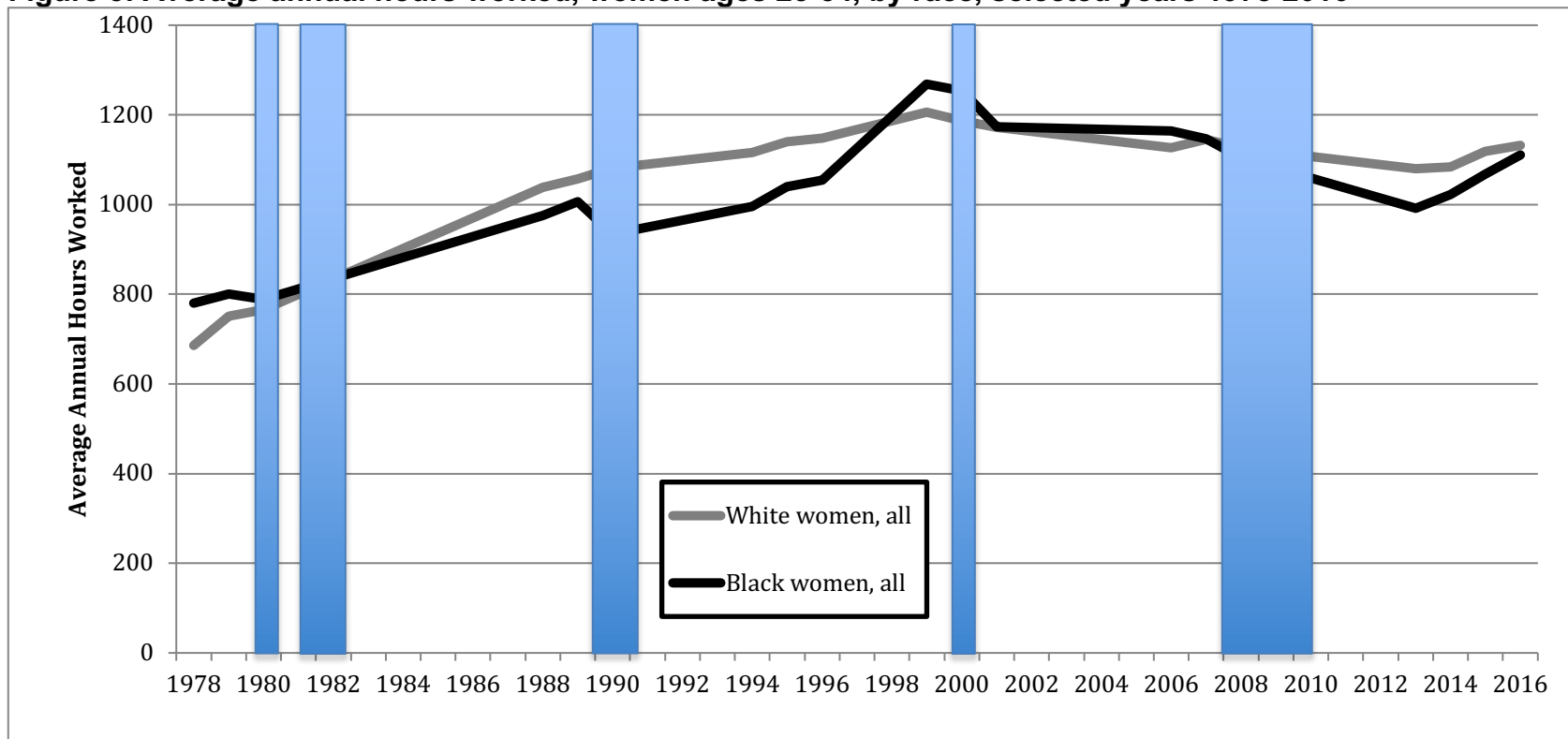
Source: Current Population Survey Annual Social and Economic Supplement files (CPS-ASEC), 1980-2017.

Figure 4. Average hourly black-white wage gaps among women, 1979-2015



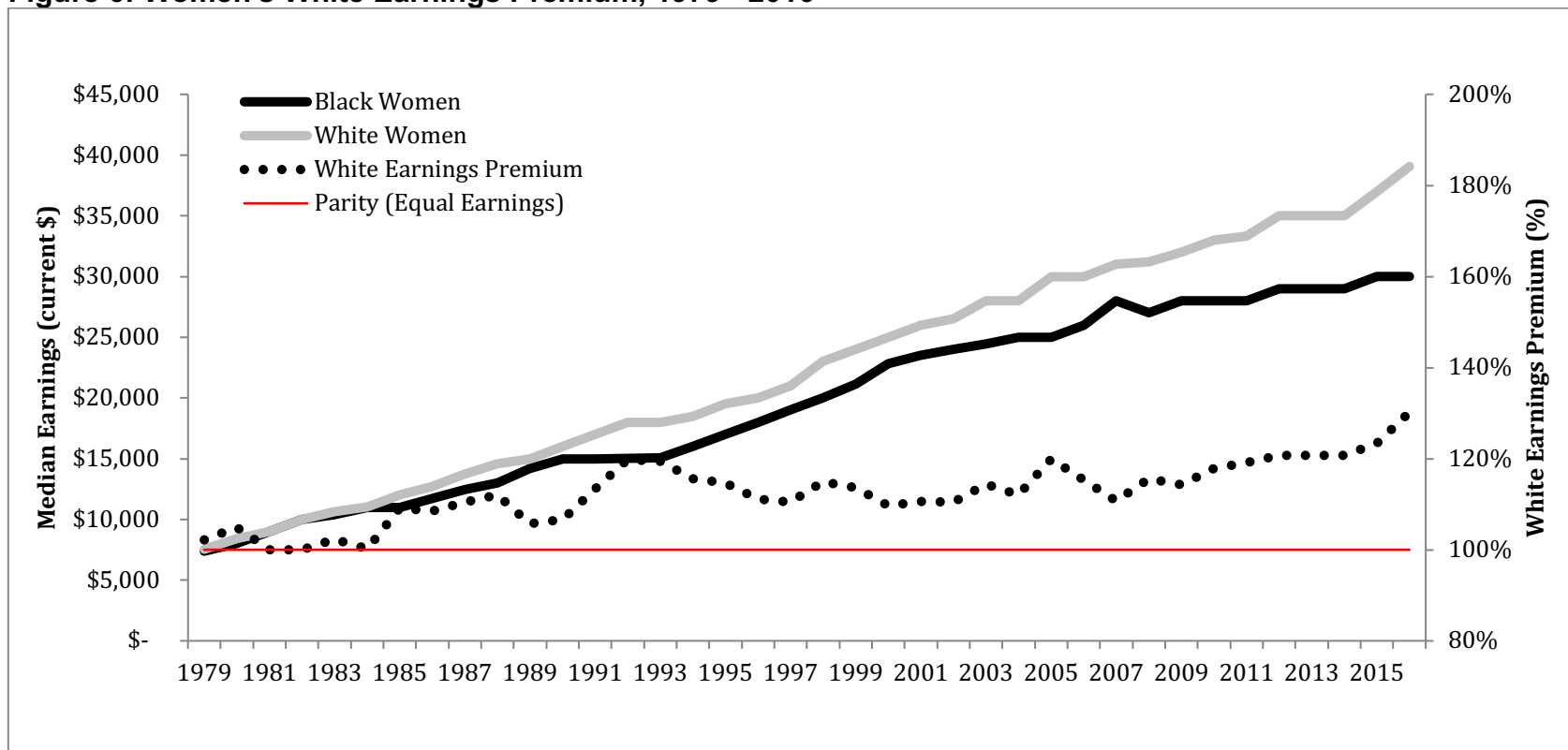
Source: Figure reproduced from Wilson and Rodgers (2016, Figure B, p. 12).

Figure 5: Average annual hours worked, women ages 25-54, by race, selected years 1978-2016



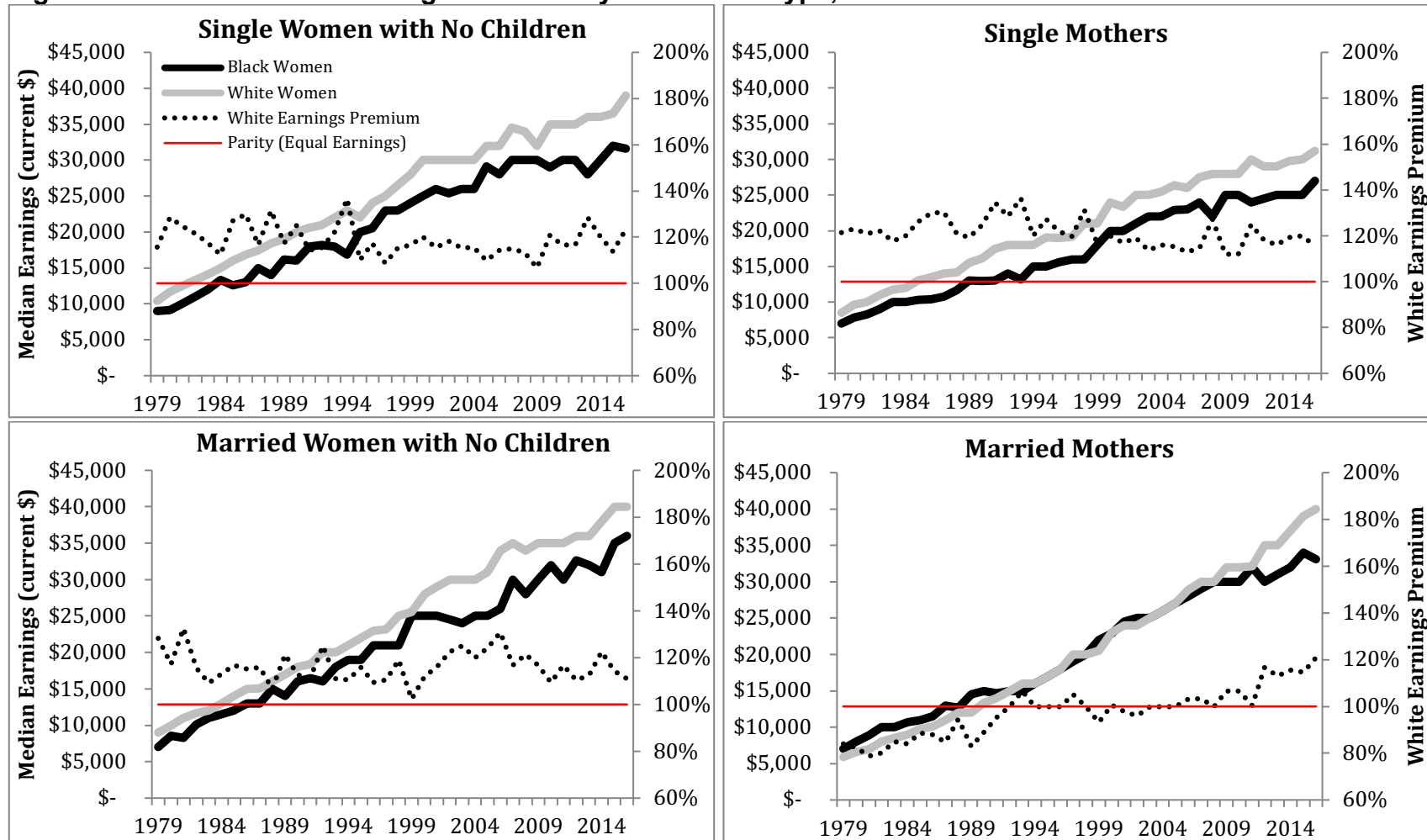
Source: Reproduced from Wilson and Jones (2018), Figure D, p. 12. These data series are for all women, including those with zero annual hours.
Note: Shaded areas represent periods of recession.

Figure 6: Women's White Earnings Premium, 1979 - 2016



Note: The parity line indicates when the median earnings of Black and White women are equal.
 Source: Current Population Survey Annual Social and Economic Supplement files (CPS-ASEC), 1980-2017.

Figure 7: Women's White Earnings Premium by Household Type, 1979 - 2016



Note: The parity line indicates when the median earnings of Black and White women are equal.
 Source: Current Population Survey Annual Social and Economic Supplement files (CPS-ASEC), 1980-2017.