

Vermont & The Wage Gap

The wage gap between women and men is a challenge in Vermont, just like in every other state in the nation. According to recent research, **the median annual income for women working full-time in Vermont is about \$8,000 less than the median annual salary for men. In other words, women’s earnings are 84% of that of men’s, equating to a wage gap of 16 cents of every dollar earned.**

Despite making progress over time, in recent years the wage gap in Vermont has remained relatively stagnant. The differences between men’s and women’s earnings are even more pronounced for women of color and those with disabilities. Nationally, while a 22% gap exists between white women and white men’s earnings, for black women the wage gap with white men is 38% and for Hispanic/ILatinx women it is 46%.

Why the Wage Gap?

According to research, the persistent gap between the earnings of men and the earnings of women can be explained by the combination of the following three factors:

Occupational Segregation – Earnings in traditionally female dominated fields are lower. These positions are often undervalued and include many service sector jobs, child care providers, cashiers, personal care aides, food preparation, etc.

- Women are a significant majority of workers in 7 of the nation’s 10 lowest paying occupations.

Time in and Out of the Labor Force – Women, for a variety of reasons including gender norms, lower earnings and the lack of affordable and accessible care options, continue to be the primary caregivers of children and aging family members. This time out of the workforce has short- and long-term impacts on a woman’s earnings.

- Women are 4 times more likely than men to cite family and/or personal obligations as resources for working part time, and 7 times more likely to cite child care problems.

Gender Norms, Bias and Discrimination – Even after accounting for the other two factors, there is still 40% of the wage gap that remains unexplainable according to economists. Thus, the last factor of the wage gap is attributed to bias and discrimination that limit women’s salaries and opportunities over the course of their lifetimes.

- After controlling for factors such as college major, age, occupation, region, and more – one study found a 7% unexplainable gap between the earnings of men and women just one year after graduating from college.

Median Annual Income by Gender in Vermont

