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Business Notes: Young Women Closing the Gender Pay Gap

Carole VanSickle | December 13, 2013 | 11 Comments



Like it or not, the choice to become the primary caregiver of the family plays a key role in earnings inequality over a woman's lifetime.

If you are a woman in your mid-20s to early 30s, you are probably making much closer to what your male counterparts in the workforce make than your mother is. According to a new Pew Research Center Report, young American women are currently earning 93 percent of what their male peers make – not perfect, but much better than the 85 percent that the overall female population is earning (and some reports put that number closer to 77 percent). According to Pew, the reason for the improving state of gender equality in salaries stems from the fact that more women now hold college degrees than men (38 percent vs. 31 percent) and, as a result, there are more women in “higher-skilled, higher-paying positions.” However, Pew added, in their mid-30s many women essentially take a pay cut in order to take time off or cut back hours in order to take care of children, which delays career advances and raises as a woman ages[1].

While these numbers may be frustrating to younger women, in reality the fact that gender inequality in pay appears to be stemming from something other than gender discrimination is probably a good thing. Anne-Marie Slaughter, a law professor and former dean of Princeton's Woodrow Wilson School of Public and International Affairs, once noted, “working long hours on someone else's schedule [does not permit one] to be both the parent and the professional [she] wants to be.” Slaughter left a position in the U.S. State Department under the current administration in order to spend more time with her children during what she describes as a “difficult adolescence”[2]. Slaughter caught a great deal of “heat” for penning an op-ed in the wake of leaving her State Department position titled “Why Women Still Can't Have It All.” However, many women agree with her, and do not appear to be willing to mince words about the real source of pay inequality. *Forbes* contributor Lisa Quast noted recently that “we've tried our best to have it all at once and found it incredibly difficult,” in large part because of “incorrect perceptions that equate being physically present at work with productivity,” which, since most women are primary caregivers for their children, naturally leads to a perception that women are being less productive and may not deserve the raises that their male counterparts are earning.

Do you think that it is a problem that women are earning less than men? How should it be resolved?

Thank you for reading the [Bryan Ellis Investing Letter!](#)

Your comments and questions are welcomed below.

[1] <http://www.moneytalksnews.com/2013/12/11/young-women-are-closing-the-pay-gender-gap/>

[2] http://www.theatlantic.com/magazine/archive/2012/07/why-women-still-cant-have-it-all/309020/?single_page=true



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