

The financial discrimination against women in the United States of America- Gender Pay Gap

Gender-based financial discrimination remains a dominant global phenomenon that systematically disadvantages women across economic systems. This inequality manifests through unequal pay for equal work, limited access to capital and financial services, and disproportionate unpaid care responsibilities. Women worldwide face barriers in securing loans, experience gender-biased investment practices, and encounter workplace discrimination that stifles career advancement.

The gender pay gap stands as one of the most pervasive forms of financial discrimination against women worldwide, reflecting deep-rooted systemic inequalities. This persistent disparity in earnings between men and women reinforcing women's economic disadvantage throughout their lives. The gender pay gap limits women's financial independence and career opportunities. Socially, the pay gap perpetuates gender stereotypes and undermines women's status in both professional and domestic spheres. Economically, it contributes to higher rates of poverty among women and restricts their ability to accumulate wealth or invest in education and businesses. Culturally, this inequality normalizes the devaluation of women's labor and reinforces patriarchal structures that prioritize male economic dominance.

The United States is one of the countries, where suffers from a high gender pay gap. For this basis, in the following, it will be first tried to explain some of the most important financial protection laws in Federal and States level of the United States in the field of financial protection of women, and then present facts and figures about gender pay gap in the United States.

The financial protection of women in U.S. legal system

In the United States legal system, there are many laws at both federal and State levels about financial protection of women. Here, the most important Federal and States laws in this regard will be briefly presented.

A. Federal level laws

1. Pregnancy Discrimination Act (PDA) of 1978

This law amends Title VII of the Civil Rights Act to prohibit discrimination based on pregnancy, childbirth, or related medical conditions. This Act also requires employers to provide the same benefits as for other temporary disabilities (U.S. Government Information, 1978).

2. Personal Responsibility and Work Opportunity Reconciliation Act of 1996

This Act provides cash assistance to low-income families (primarily single mothers for up to 60 months. Also, it funds job training and childcare support (U.S. Congress, 1996).

3. Lilly Ledbetter Fair Pay Act of 2009

This law extends the statute of limitations for filing equal-pay lawsuits, allowing women to challenge pay discrimination even years after it occurs, which is critical for addressing the gender wage gap (U.S. Congress, 2009).

4. Patient Protection and Affordable Care Act 2010

The Patient Protection and Affordable Care Act 2010 requires insurers to cover prenatal care, breastfeeding supplies, and contraception with no copay (U.S. Congress, 2010).

5. Child Care and Development Block Grant Act of 2014

The Child Care and Development Block Grant Act of 2014 subsidizes childcare costs for working mothers below 85% of state median income (U.S. Congress, 2014).

6. Agriculture Improvement Act of 2018

The Agriculture Improvement Act of 2018 offers free nutritious food, breastfeeding support, and healthcare referrals to low-income pregnant or breastfeeding women and children under 5 (U.S. Congress, 2018).

7. CARES Act 2020 (COVID-19 Relief for Women)

This Act provided \$1,200 stimulus checks (prioritizing single mothers). The CARES Act 2020 also allocated \$350 billion in Paycheck Protection Program (PPP) loans, with set-asides for women-owned businesses (U.S. Congress, 2020).

8. Violence Against Women Act Reauthorization Act of 2022

This Act Funds emergency housing, cash assistance, and job training for domestic violence survivors including women (U.S. Congress, 2022).

B. State level laws

In addition to the numerous laws on the financial protection of women at the federal level in the United States of America, at the State level, each State in this country also enacts the laws to financial protect of women. Here, only two of these State level laws will be briefly mentioned as examples.

1. California Labor Code § 1197.5

This law targets gender wage gap. According to the Chapter 1, Article 1197.5 of this law “An employer shall not pay any of its employees at wage rates less than the rates paid to employees of the opposite sex for substantially similar work...” (California Legislative Information, 2025).

2. New York Senate Bill S1179

This bill establishes the New York long term care trust program to provide long term care benefits for eligible residents who have paid the required premium contributions and are in need of assistance with at least two activities of daily living as determined by the department of health (The New York State Senate, 2025).

Facts and figures on gender pay gap in the United States of America

The financial discrimination against women in the U.S. is a prevalent phenomenon. Among all measures of this financial discrimination, here, only gender pay gap in the United States of America will be briefly discussed. It should be mentioned that the terms "gender pay gap" and "gender wage gap" are used interchangeably and refer to the average difference in earnings between men and women.

While, many Federal and States laws prohibit discrimination based on classes such as race, color, religion, sex, and national origin. For instance, according to SEC. 703. 42 U.S.C. 2000e-2, of Civil Rights Act 1964, it shall be an unlawful employment practice for an employer -(1) to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's race, color, religion, sex, or national origin; or (2) to limit, segregate, or classify his employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's race, color, religion, sex, or national origin (U.S. Government Information, 2019: 13-14). But in practice, there are numerous evidences, which shows gender pay gap in the United States of America.

According to definition by International Labour Organization (ILO), gender pay gap (or gender wage gap) is the difference between wages of women and men divided by men's wages. It is a measure of wages inequality between employed men and women in the labour market (International Labour Organization, 2020: 5). Based on the U.S. Bureau of Labor Statistics, in 2022, women who were full-time wage and salary workers had median usual weekly earnings that were 83% of those of male full-time wage and salary workers. In this year, median weekly earnings were \$958 for all women age 16 and older. For men age 16 and older, median weekly earnings were \$1,154 (U.S. Bureau of Labor Statistics, 2022).

Also, the median usual weekly earnings of women by race and ethnicity in the United States shows that in 2022, White women earned \$973 per week, whereas, it was \$835 for black or African American women, and \$761 for Hispanic or Latino ethnicity (U.S. Bureau of Labor Statistics, 2022). On the other hand, while both women and men saw increases in real earnings for full-time year-round workers in the United States in 2023, but growth was less strong for women (1.5%) than men (3%). As a result, the gender earnings ratio for full-time year-round workers declined significantly between 2023 and 2022 (82.7 and 84%, respectively) (Institute for Women's Policy Research, 2024: 2).

Additionally, although the gender pay gap improved slightly in 2023 compared to 2022 (from 17% to 16.4%), there is a significant difference between the gender pay gap across different states in the country this year. California State had the

smallest gender pay gap in 2023, with women earning 89.9 cents per dollar earned by men. In contrast, Louisiana State had the largest gender pay gap in 2023, with women earning only 73.7 cents per dollar earned by men. The same scenario also exists in other States. While, Utah, Washington, and Wyoming are second to fourth rank in highest gender pay gap (with 25, 23.5 and 23% gender pay gap, respectively) among all States of U.S.; the Vermont, Maine, and Kentucky States had faced the second to fourth smallest gender pay gap (with 10.3, 10.6, and 11.2% gender pay gap, respectively) in United States of America (U.S. Bureau of Labor Statistics, 2022).

This shows that the 16.2% difference in the Gender Wage Gap between Louisiana and California States is not a coincidence and unique to these two states, but rather that the gender wage gap is common across all the States of this country. To put it simply, if a woman works in Louisiana, she earns \$833 per week, and if the same woman moves to California, she earns \$1,118 per week. These differences are not also limited to these two states, but are common across different states in the United States.

Policy recommendations

1. Considering the existence of a high gender pay gap across all States of the United States, it is recommended that the U.S. government to strengthen enforcement mechanisms of existing equal pay legislation and implement mandatory pay transparency policies nationwide to combat systemic wage discrimination against women.
2. To address the implementation gaps in existing legislation, it is recommended that the Department of Labor create a federal oversight mechanism to ensure uniform enforcement of gender pay equity laws across all states, particularly in states like Louisiana and Utah, where pay gaps remain widest.
3. A review of the laws of the United States of America at the federal and state levels in the field of financial support for women revealed that the U.S. legal system encompasses a multitude of laws and regulations in this area, many of which undergo annual amendments. Accordingly, it is recommended that the United States government review all these laws once and take steps to formulate a comprehensive law in the field of financial support for women.
4. Enhance and enforce existing laws such as the Lilly Ledbetter Fair Pay Act by introducing stricter penalties for companies found to be in violation of equal pay provisions. Consider expanding the scope of the Equal Pay Act to include comprehensive reporting requirements on wage disparities based on gender.
5. Encourage or mandate businesses to maintain transparency in their salary structures and job classifications. This could involve standardized reporting on pay scales and the implementation of regular audits to identify and address pay

inequities.

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