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# National Equal Pay Day Highlights the Force of Gender-Lens Investing



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gender diversity | income inequality | shareholder engagement  
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While the wage gap between men and women has gained public recognition as part of a larger discussion about gender equality, the concept remains enigmatic—one that often proves complex to identify in practice and whose full scope is difficult to appreciate. National Equal Pay Day aims to clarify the situation, serving as an annual reminder of just how far apart salaries remain.

## Equal Pay Day

Falling on April 2 this year, **Equal Pay Day** symbolizes how far into the year women must work in order to earn what men did in the previous year.

The date of National Equal Pay Day differs by year, country, and race. For example, last year's was April 10. In 2019, black women in the United States won't hit their Equal Pay Day until August 22, and Latinas will have to work nearly an entire year—until November 20—before they earn as much as men did in 2018. Equal Pay Day is based on data showing that women overall earn 80 cents per every dollar earned by men. According to the American Association of University Women, **black women** earn 61 cents, while **Latina women** earn only 53 cents.

When additional factors are taken into account, the gap expands further. Analysis by the **Institute for Women's Policy Research (IWPR)** determined that if the calculation considered all wages between 2001 and 2015, rather than just one year's earning, the gap would widen to just 49 cents per dollar earned by men. The additional shortfall reflects the lower wages women face when they have to take time out of the workforce.

Among the participants included in IWPR's studies, 43% of female workers experienced at least one year with no earnings, compared to just 23% of male workers.

Being more likely than men to take time off to care for family members isn't the only hurdle women face in achieving equal pay. An article recently published by the **World Economic Forum** suggests that complex systemic problems beyond pay

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itself hold women back in the workplace, including unconscious bias and male-oriented company culture. There's also a scarcity of female candidates in the pipeline for the highest-paying jobs and fewer women in high-paying fields like science and math.

*It's becoming more and more viable, even for retail investors, to participate in gender-lens investing.*

## The Role of Investors

Companies and activists aiming to close the pay gap are joined by another powerful group increasingly engaged in making sure that women receive fair pay: investors. As more investors start demanding improved transparency around gender pay, companies have an increased incentive to close that gap.

For example, *Bloomberg* reports that Citigroup released pay gap data last year showing that—after adjusting for job title, seniority, and other factors—it had nearly no pay gap among its employees. But when investors pressured the bank to release an unadjusted data set, the more straightforward numbers revealed a nearly 30% gap in pay between men and women.

The disclosure followed a shareholder proposal filed by Arjuna Capital asking for the raw data. “This sets the stage for others to step up,” managing partner Natasha Lamb told *Bloomberg*. “It’s a badge of honor to be disclosing at this level, rather than a point of criticism. We all know the gaps are there.”

Lamb isn't only focused on Citigroup. She has filed more than two dozen similar proposals, promoting change at companies like Apple, Amazon, and Starbucks.

It's becoming more and more viable, even for retail investors, to participate in gender-lens investing. Last year, UBS



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launched a Global Gender Equality exchange-traded fund, and As You Sow and Equileap offer a [free online tool](#) that evaluates funds based on gender equality factors.

How effective will [gender-lens strategies](#) like these be in continuing to narrow the wage gap? The date of next year's National Equal Pay Day will help mark any new progress made.

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