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Compensation Cafe

The Disability Pay Gap: Earnings or Total Compensation?

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We hear a lot about the gender pay gap, but do you know about the disability pay gap? Would it surprise you to learn that the raw earnings gap between individuals with disabilities and individuals without disabilities is 36%?

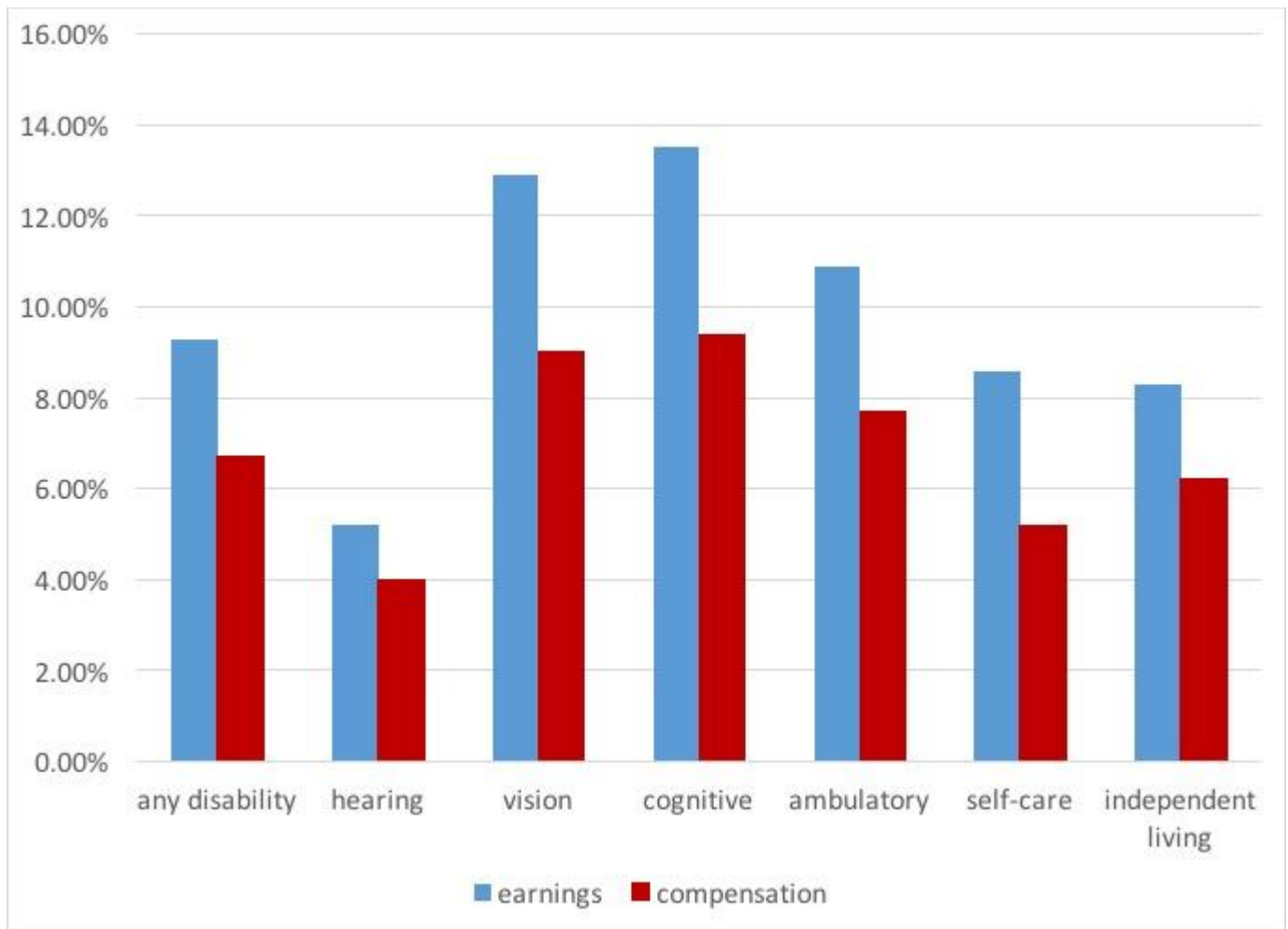
Interestingly, controlling for educational attainment doesn't really reduce the raw gap by that much. In fact, the gap **widens** as educational attainment increases:

Educational Attainment Without Disability With Disability Difference

High School	\$29,471	\$22,966	(\$6,505)
Some College	\$31,104	\$26,489	(\$4,615)
Associate's Degree	\$39,968	\$32,768	(\$7,199)
Bachelor's Degree	\$58,822	\$46,103	(\$12,719)
Master's Degree or higher	\$87,771	\$66,899	(\$20,871)

Source: *An Uneven Playing Field: The Lack of Equal Pay for People with Disabilities*, American Institutes for Research (December 2014)

Even after controlling for education, experience, race, marital status, occupation and type of disability, gaps in earnings still persist. But these gaps are reduced when we look at *total compensation* instead of earnings:



Source: Hallock, Jin and Barrington "Wage Gaps and Total Compensation Gaps by Disability Status", Cornell University Working Paper, 2013

These findings suggest that individuals with disabilities may be making difference choices about tradeoffs between wages and salaries and non-wage-and-salary benefits. For example, individuals with disabilities may prefer a job that has more generous health insurance coverage but a lower annual salary to a job that has a higher annual salary but less generous health insurance coverage. It is also likely that tradeoffs between wages and salaries and flexible scheduling, telecommuting, etc., differ between those with and without disabilities, although this question has not yet been fully addressed in the literature.

October is **National Disability Employment Awareness Month**, so take some time in the next week or two and think about your mix of compensation between wages and salaries and non-wage-and-salary rewards. Ensuring that you have the right mix of monetary and non-monetary benefits can help you tap into the valuable pool of talent that is individuals with disabilities.

Stephanie Thomas, Ph.D., is a Lecturer in the Department of Economics at Cornell University. She teaches undergraduate and graduate courses on economic theory and labor economics in the College of Arts and Sciences and in Cornell's School of Industrial and Labor Relations. Throughout her career, Stephanie has completed research on a variety of topics including wage determination, pay gaps and inequality, and performance-based

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