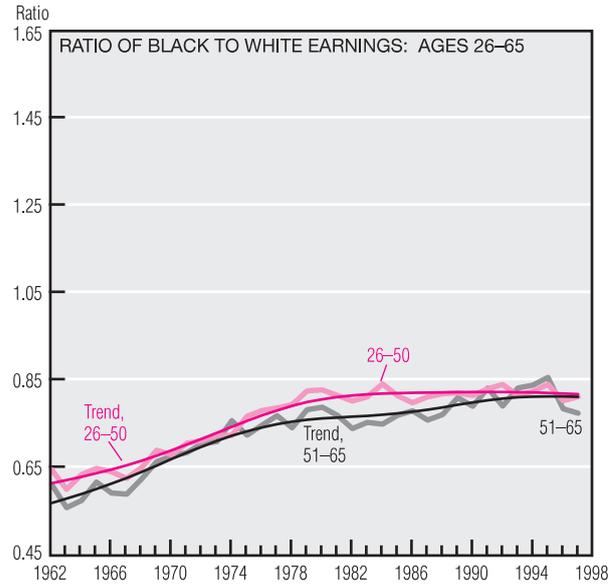
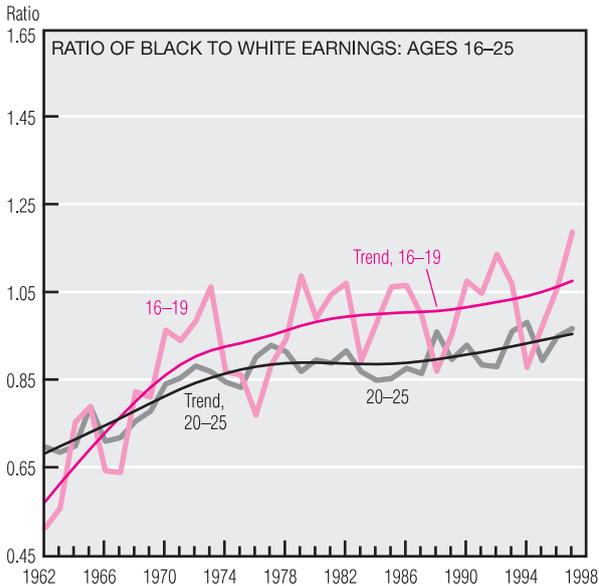
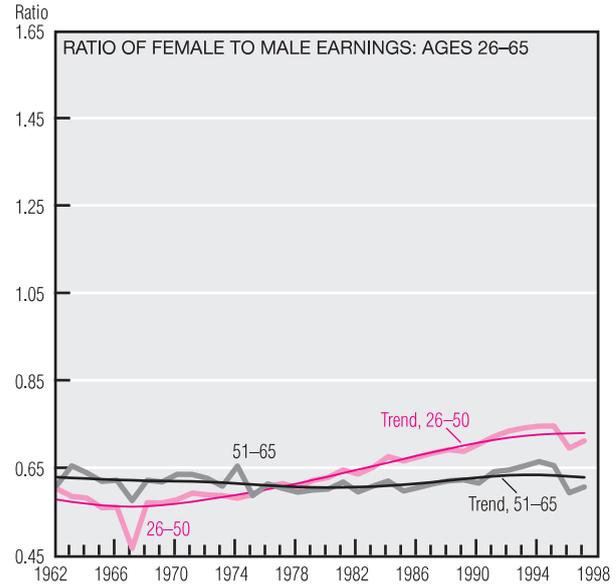
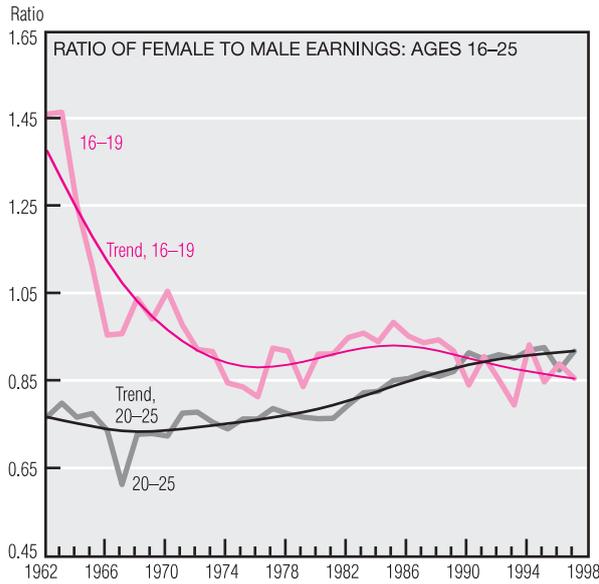


# Age and Earnings



NOTE: Trend components are calculated using a Hodrick-Prescott filter.  
 SOURCES: U.S. Department of Labor, Bureau of Labor Statistics, *Current Population Survey*; and Federal Reserve Bank of Cleveland.

Earnings inequality—both for women compared to men and for blacks compared to whites—has decreased substantially since the 1960s, but different age groups have had widely differing experiences. In the early years of the 1962–98 period, female teens working full time earned roughly 40% more than their male counterparts. However, in a slightly older group (20–25), females earned about 17% less than males. Over time, the relative earnings of those two age groups

have converged so that females in both groups now earn approximately 85% as much as males.

Older female workers, in contrast, still face low earnings relative to men. In the early 1960s, women in the 26–50 and 51–65 age groups earned about 60% as much as men. In the 26–50 group, women’s earnings have climbed to just over 70% of men’s. In the oldest group, however, there has been virtually no change in the relative earnings of men and women in more than 35 years.

A comparison of blacks and whites in these same age groups also shows much less earnings inequality for the young than for the old. In the early 1960s, black teenagers earned about half as much as their white counterparts; by 1997, their earnings were approximately equal. The pattern common to the other three age groups shows blacks’ earnings starting the period at about 65% of whites’, then rising close to 90% for the group aged 20–25 and to just under 85% for the two oldest groups.