

THE PINK TAX

HOW COMPANIES TACK EXTRA COSTS ON WOMEN IN THE AGE OF GREEDFLATION

U.S. SENATOR BOB CASEY

INTRODUCTION

From groceries to utility bills, families across the Nation have encountered rising prices over recent years. High costs continue to strain Americans' budgets, even though inflation has cooled significantly. In a series of recent reports, Senator Casey outlined that these artificially inflated prices are due to something he calls greedflation:¹ a practice where corporations use inflation as a cover to raise prices on families while raking in record profits.

It's not just greedflation that hits women's wallets. Gender-based pricing disparities, often referred to as the "pink tax," are omnipresent across services and consumer goods, driving up costs. Many corporations seem to think that labeling a product "for her" justifies a price hike. According to a Government Accountability Office (GAO) study requested by Senator Casey in 2016, "the target gender for a product is a significant factor contributing to price differences identified."² A 2015 New York City Department of Consumer Affairs (DCA) study found that, on average, products designed to be sold to women cost seven percent more than products marketed towards men; with the products marketed to women more expensive 42 percent of the time compared to products marketed to men only being more expensive 18 percent of the time.³

Given the high rates of inflation across many consumer categories, the additional cost of the pink tax only makes it even harder for women to save.⁴

How does this impact a families' bottom line? It means that while greedflation is taking a significant toll on all Americans' budgets, women across their lifespans are getting hit even harder. This adds up. Estimates indicate the pink tax could cost women an average of \$1,300 per year.⁵ This brief report will cover some of the many examples where greedflation and the pink tax double up to strain women's budgets.



CLOTHING

Women often pay for more for their clothing—and this gender disparity starts at a young age. Young girls' clothing and apparel costs more than boys' clothing 26 percent of the time, compared to seven percent of the time for boys' clothing. On average, families are paying four percent more for their daughters' clothing.⁶ In one case, a pink “girls” shirt sold at The Gap emblazoned with the words, “The Future is Equal” cost nearly \$5 more than the “boys” version.⁷



The pink tax continues to affect women as they age—with estimates in the DCA study indicating that women pay eight percent more for adult clothing than men.¹⁵ For instance, today the largest available size of a pair of Levi's 501 Original Fit Men's Jeans (Big & Tall) is \$18.50 cheaper than the smallest available size of Levi's 501 Original Fit Women's Jeans.⁹



**LEVI'S 501 ORIGINAL FIT
MEN'S JEANS, 58X30:
\$79.50**



**LEVI'S 501 ORIGINAL FIT
WOMEN'S JEANS, 23X30:
\$98.00**



TOYS & SCHOOL SUPPLIES



**RAWLINGS COOLFLO
T-BALL HELMET, BLACK:
\$20.69**



**RAWLINGS COOLFLO
T-BALL HELMET, BLUE:
\$23.30**



**RAWLINGS COOLFLO
T-BALL HELMET, PINK:
\$27.95**

Toys and school supplies are yet another area where young girls encounter a price disparity at an early age. Overall, toys marketed to girls run about seven percent more than toys marketed to boys.¹⁰ For instance, in 2015, a pink Radio Flyer scooter from Target cost \$25 more than the red version.¹¹ Even safety for young girls comes at a premium—recently, a child’s pink batting helmet on Amazon was priced at \$27.95, compared to the black version and the royal blue version, which were priced at \$20.69 and \$23.30, respectively.¹²

When it comes to school and office supplies, you don’t have to look further than the “Bic For Her” pens that debuted in 2011—the pens were pink and purple and up to 70 percent more expensive than the identical blue and black non-gendered pens.¹³

PERSONAL CARE PRODUCTS

Multiple reports indicate that women pay more for personal care products— everything from designer perfume¹⁴ to laxatives¹⁵ and earplugs.¹⁶ In fact, the DCA study found that women pay 13 percent more for personal care products than men.¹⁷



Deodorant is one specific offender: according to DCA, deodorant marketed to women could be three percent more expensive than deodorant marketed to men.¹⁸ However, recent cases indicate that women may be paying even more: today, a two-pack of



women’s Degree deodorant is sold at Walmart for \$1.21 per ounce, but the identical men’s two-pack is sold at \$1.16 per ounce. In this case, women are paying four percent more than men for deodorant.¹⁹ While a few cents more may not sound like much, these mark-ups add up for products that women use every day for most of their lives.



**DEGREE MEN'S
DEODORANT 2-PACK,
2.7OZ: \$6.27**

COST PER OZ: \$1.16



**DEGREE WOMEN'S
DEODORANT 2-PACK,
2.6OZ: \$6.27**

COST PER OZ: \$1.21

In this example, shrinkflation is also evident—shrinkflation is a practice through which companies shrink their products and charge the same price, or more, for less product. While the deodorants are priced the same at face value, the women’s version is smaller, resulting in a higher unit price—this deceptive pricing scheme puts female consumers at a disadvantage. There are also other products, like menstrual products, that are solely used by women. These already expensive items have also recently been subject to shrinkflation.

20

SERVICES

The pink tax doesn’t end at shelf prices—female consumers are also targeted with higher costs for services. In 2021, women paid more than men for car insurance in 22 states, paying up to seven percent more annually.²¹ For example, GEICO charged female drivers higher auto insurance premiums than male drivers 83 percent of the time, subjecting women of all ages to higher rates.

In fact, surcharges on women averaged \$176 annual compared to their male peers—even young female drivers, who are generally seen to be less risky drivers than young men, incurred an average yearly penalty of \$143. Even female drivers with perfect records face higher premiums.²² A basic women’s haircut is on average 54 percent more expensive than a basic men’s haircut.²³ And when it comes to dry cleaning, women pay on average 92



percent more for one shirt to be dry cleaned than men do.²⁴ In a case highlighted by CBS News, for “nearly-identical, 100 percent cotton button down shirts” in comparable sizes, a woman was charged 163 percent more for her shirt to be dry cleaned than her male counterpart was charged for his dry cleaning.²⁵

“What stands out, first, is GEICO’s aggressive punishment of good drivers simply because they are female... — Consumer Federation of America²⁶”

CONCLUSION

It’s clear that the pink tax plus greedflation equals a double whammy for American women. When women are forced to pay more than men for the same goods and services, it not only takes a toll on their budgets and bank accounts, it puts them at a financial disadvantage in our economy. The pink tax is just one more example of corporations maximizing profit at the expense of American families, leaving everyone in the family with less money to spend on the things they need to survive and thrive.

Whether big corporations use greedflation, shrinkflation, the pink tax, or other means to take advantage of consumers, Senator Casey believes it’s all wrong. He will continue to fight in Washington to hold corporations accountable and put money back in the pockets of working families, where it belongs.



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