

The Impact of the Pink Tax on Female Consumers: A Socioeconomic Perspective

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Abstract. The phrase "pink tax" refers to the practice of charging higher prices for products and services marketed to women than for similar products marketed to men. This phenomenon has drawn increasing attention as it reflects gender-based price differences in everyday consumption. This paper examines the impact of the pink tax on female consumers from a socioeconomic perspective. It focuses on three major industries: everyday consumer goods, beauty and personal care, and clothing. By comparing the prices of similar goods across genders and reviewing existing consumer reports and studies, the paper analyzes how the pink tax manifests across markets and influences women's consumption decisions. The analysis shows that female consumers often face higher long-term expenses, which can affect their budgeting behavior and purchasing choices. In addition, the pink tax may place a heavier burden on low-income women and reinforce existing gender inequalities. Overall, the paper argues that the pink tax is not only a market issue, but also a social concern, and greater awareness and policy attention are needed to reduce its negative effects on female consumers.

Keywords: Pink Tax, Gender Equality, Gender Economics, Socioeconomic

1. Introduction

According to a survey by the New York City Department of Consumer Affairs (DCA) on 35 product categories of New York goods, 30 products are priced higher for female consumers than for male consumers. Meanwhile, women's products were more expensive than men's 42 percent of the time, while men's products were more expensive only 18 percent of the time [1]. This means that women pay more for toys when they are young, hygiene products when they are adults, and even care products when they are older. As the deodorant example shows, some products are functionally identical or similar but have different prices for different genders, with women generally spending more. Because society typically views pink as a feminine color, this pricing disparity is known as the "pink tax." To put it more bluntly, it is the money that women have to pay to meet society's definition of them, so it can also be called a "gender tax" on women.

This paper examines how the pink tax appears across different consumer markets and analyzes its effects on women's consumption decisions and the social impacts it may cause. The first part of the paper explains the definition and scope of the pink tax. The second part focuses on how the pink tax appears in different consumer sectors. The third part analyzes how these hidden price differences

influence women's consumption choices. The fourth part discusses the economic and social harm caused by the pink tax. Finally, the paper explores possible policy responses and regulatory measures to address the pink tax.

Gender-based pricing is not only an economic issue but also a social problem that increases gender inequality. By examining how consumer culture pressures women, this paper shows the difficulties women face in their daily consumption. Understanding these problems is essential to achieving gender equality within the market and across society more broadly.

2. Defining the pink tax

Imagine a woman and her brother shopping for deodorant at the same time. Women's deodorant costs \$1.25 an ounce, while men's deodorant costs just \$1. When they used it, men's deodorant was even more effective than women's. Given the difference in efficacy, that means women would have to pay well over 25 cents more for the "ladies' use" label [2]. The pink tax is not a tax in the broadest sense of the word. It is not imposed directly by the government but is a "hidden" additional cost arising from the market's pricing strategy for women's products and services. Pink tax refers to the fact that many products and services marketed to women in everyday life often cost more than those marketed to men, even though they have similar or identical production costs and functions. This phenomenon causes women to pay more over a lifetime, exacerbating gender economic inequality and becoming an additional financial burden for many of them. One idea is that women are willing to pay the pink tax to get a product that matches their preferences and serves as a symbol of their gender. Therefore, some women who complain about the pink tax actually lack self-control when it comes to pink products, since they could be rational consumers who buy non-pink products. In fact, this is entirely wrong. Pink tax is not a problem caused by female consumers. Quite the opposite, it is an attempt by producers of goods and services to extract resources from women. Female consumers are suffering from the unfair consequences of this practice [3].

3. Manifestations of the pink tax across industries

(1) Everyday Consumer Goods

In recent years, women have faced huge price increases on hygiene and menstrual products. The data shows that the average price of a pack of pads is \$6.50, which is 41% since 2019. Meanwhile, the average price of a pack of tampons is \$8.29, an increase of about 36% [4]. Rising prices have led to an epidemic of 'period poverty', which means that around one in four women cannot afford to buy menstrual products. The soaring prices of menstrual products have been compounded by the government's imposition of high consumption taxes on those products. When gender pricing increases the expense of essentials, women's financial stability is adversely affected, specifically when they have no economic capacity to deal with these extra costs. In America, a group called Period Law documented that yearly, consumers spent an estimated \$80 million on tampons [5]. Including Washington, D.C., forty states do not charge general sales tax on food. In many of these states, food is taxed at a much lower rate than other goods because people recognize it as a basic necessity. However, 18 states still charge sales tax on menstrual products such as tampons and sanitary pads, with tax rates ranging from 4% to 7% [6]. At the same time, men's health products such as Viagra are often included in health care plans [7].

Another clear example is a toy. Studies show that price differences exist across almost all toy categories, from small items like crayons to larger products like scooters. Even when the product's

function is the same, and the only difference is color, pink items are, on average, 7% to 10% more expensive than items in other colors.

In this context, the pink tax fuels a cycle of economic disparity that exacerbates the systemic wealth gap faced by women, especially low-income women.

(2) Clothing area

Higher prices for women's clothing are often explained by faster fashion changes and more complex designs. Behind this is the way products are described. Men's clothing is usually described as classic, easy to match, and functional, highlighting durability and practicality. In contrast, women's clothing is defined as trendy, stylish, and well-designed, which focuses on appearance and change. Because of this, women's clothing is often seen as having higher profit margins.

In addition to higher prices, women's clothing also creates size anxiety. There is no clear standard for women's sizes, and size shrinkage is common. There is also a practice known as "vanity sizing", which means women are more likely to buy clothes from stores where the size label makes them feel slimmer [8]. Over time, women's sizes keep getting smaller, while men's sizes stay the same. The fashion industry uses this to make women feel they should wear smaller sizes. This confusion creates psychological pressure and makes consumers care more about small-size labels than about real fit. As a result, their ability to compare prices and value is weakened.

Even though women's clothing may use less material, such as thinner fabric or smaller pockets, its design cost is often exaggerated in marketing. This is used to justify why women's clothing can cost the same as, or even more than, men's clothing made with stronger, heavier materials.

(3) Beauty and Personal Care

This area is one of the most serious examples of the pink tax because it clearly shows how social pressure and self-investment work together. A typical example is the hair salons, where price discrimination is widespread. Women are usually charged much more than men, even when they have the same hair length. A survey of 902 hair salons shows that for customers with similar hair length, the average price for women was €30.07, while the average price for men was €20.46. The difference is more than 46% [9]. This pricing is based on the common belief that women's hairstyles are more complex, with gender itself serving as the basis for pricing.

The pink tax is easier to compare for physical products. In service industries, however, price differences are easier to hide. This is because services involve labor and skills, which are more subjective. For example, even when both customers only get a haircut, the service for women may be described as "styling," while the service for men is described as "basic trimming."

This induces a closed circle of increasing demand and decreasing anxiety. Social beauty norms are repeatedly told to women via media and marketing, and they slowly internalize these standards as personal qualities. Brands then sell products or services and claim that they are solutions. Ultimately, consumers aren't just paying for the service itself, but also for the reduction of anxiety associated with appearance or the acquisition of social approval. This emotional burden is often much greater than the actual cost of the product or service.

4. Impact on female consumer decision-making

Under the influence of the pink tax, women's consumer budgets become gendered. A budget is no longer only a simple question of how much money can be spent; it also becomes a question of value and fairness. The pink tax leads women to consider a gender premium when planning their spending, often without realizing it. As a result, the money available for basic needs is quietly reduced. This creates gendered trade-offs in consumption. Women may be forced to choose between paying a fair price for themselves and buying goods for family members or others. The pink tax can

push basic personal expenses, such as hygiene products, to take up a larger share of the budget. This strengthens the role of women as self-sacrificing decision-makers in household spending. Over time, these repeated trade-offs can lead to decision fatigue, placing women in a more passive position during consumption.

To address this unfair system, women develop various adaptive strategies. These strategies show deeper changes in thinking and behavior. One direct strategy is substitution, which means switching to men's or gender-neutral products. This is not only about saving money, but also about resisting gender-based marketing labels. By buying men's clothing or men's personal care products, consumers send a clear message that practical value matters more than gender labels. Avoiding certain brands or reducing consumption is a more passive form of resistance. Behind these choices is an important psychological factor called loss aversion. Women are susceptible to the unfair and inevitable loss caused by paying more because of their gender. This feeling is often stronger than their evaluation of product quality. At the same time, fairness norms become very strong. The pink tax violates the basic market principle of equal exchange, so the sense of unfairness pushes women to seek fair alternatives or walk away from the transaction, sometimes even more strongly than their liking for the product itself.

5. Broader social and economic implications

The economic burden of the pink tax is not equal among women. It has a much stronger effect on low-income women. In economic terms, this is a regressive burden, which means poorer people carry a heavier load. The reason is simple. Low-income women already have limited income, and the pink tax increases the cost of basic goods. They need to spend more money on essential items such as hygiene products, personal care products, and clothing. This extra spending takes up a large share of their small income. As a result, it reduces the money they can spend on other basic needs, such as food or transportation. This makes daily life more difficult. More importantly, the pink tax exists together with the gender pay gap. According to 2024 OECD data covering 14 countries, the gender pay gap in India is 35.3%. In other developed countries, the gap is also large, such as 29% in South Korea, 17.3% in the United States, and 13.1% in the United Kingdom [10]. This means that women already earn less than men on average, but still have to pay more for similar products. The pink tax works like an extra tax on consumption on top of the wage gap. It further reduces women's actual purchasing power, creating a double disadvantage.

Beyond the financial burden, gender pricing promotes the idea that women's products should be different and typically more expensive, this perpetuates harmful gender assumptions and disparities. Many gendered products are marketed in ways that suggest unique, overly aggressive gender roles, and promote stereotypes that women should focus on beauty, hygiene, and other aspects of expression. For example, the packaging color or style of women's personal care items often implies refinement, softness, or glamour, subtly suggesting that these qualities are important aspects of femininity. This practice not only encourages women to spend more money on these things but also reinforces society's cultural expectations of a particular gender. By embedding these costs in gender identity, the pink tax objectifies women, positioning them as consumers who are obligated to invest in products that meet society's feminine standards.

6. Policy and regulation

Government intervention is necessary and urgent, both economically and socially. To reduce the economic burden of gender pricing, various policy measures can be implemented to ensure equity

and transparency.

One of the most direct ways to address gender pricing is to implement legislation that explicitly prohibits price discrimination based on sex. The policy would force gender-specific products and services to be priced equally if they are functionally identical. In fact, some states have already passed laws prohibiting discrimination in the pricing of products and services based on gender. California enacted the Gender Tax Repeal Act of 1995 in 1996, which mandated that merchants charge women and men the same price when a service takes the same amount of time, costs the same, and requires the same skill [11]. Such legislation not only reduces the financial burden on women but also increases price transparency by holding companies accountable for their pricing strategies. By eliminating arbitrary price differences, this policy ensures a fairer market where consumers are not penalized because of their gender.

Another important measure to address the pink tax is to reduce or eliminate sales taxes on basic products, especially those that are disproportionately used by women, such as menstrual hygiene products. Those products, including pads and tampons, are considered luxury goods in many regions, and women are required to pay high taxes on them. In the UK, feminine hygiene products are subject to 5% VAT and are therefore considered "non-essential luxury goods". Other products, such as kangaroo and crocodile meat, bingo, and aircraft repairs and maintenance, have a zero rating and are considered "essential". This disparity in unfair tax treatment highlights systemic bias in tax structure.

7. Conclusion

As a silent "tax" on women, the pink tax increases the financial burden faced by women and enhances gender inequality. When encountering the pink tax, women consumers are compelled to alter their purchasing decisions. Under budget constraints, they compromise on spending and develop creative strategies, such as switching to male products, avoiding specific brands, or reducing consumption. Behind these actions is a powerful sense of justice and a disdain for paying extra because of gender. It places a heavier economic burden on low-income women and creates a second disadvantage on top of the gender pay gap. At the same time, by treating high spending by women as normal, it strengthens social expectations about female appearance and helps maintain structural gender inequality. The impact of the pink tax varies depending on the situation. Future research could more carefully measure price differences across product types and shopping settings. It could also examine how brand positioning, marketing channels such as online and offline sales, and consumer communities, such as social media, together shape how the pink tax is created and maintained.

The way forward requires collaboration between policymakers, companies, and individuals to address the economic and cultural factors that sustain gender-based consumerism. By eliminating the pink tax and empowering women economically, society can take an important step toward closing the gender gap and creating a more inclusive society. This is not just about consumer equity, it's about achieving broader gender equality and recognizing that women's contributions to the economy are valuable and indispensable.

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