

The Fight for Pay Equity: A Federal Road Map

Updated February 2017

In 2015, U.S. women working full time, year-round were paid just 80 percent of U.S. men’s median earnings — a gap of 20 percent. While a portion of this gap can be explained by various factors, an apples-to-apples comparison looking at workers one year out of college and controlling for factors known to affect earnings, such as major, occupation, and hours worked reveals there is still an unexplainable 7 percent gender pay gap. Despite this persistent gap, the Equal Pay Act has not been updated since 1963. Immediate legislative and executive action is needed to enable women to bring home the pay they have rightfully earned.



Issue executive orders and memoranda expanding pay equity protections.

President Barack Obama signed several orders to address gaps in federal equal pay protections — thereby protecting segments of the civilian workforce from pay discrimination despite congressional gridlock.



Preserve regulations enforcing executive actions.

The final regulations issued by agencies to protect workers must be maintained and actively implemented.

- Prohibit retaliation against employees of federal contractors who talk about their salary with their co-workers
- Collect summary pay data by gender, race and ethnicity through the EEO-1 form (begins March 2018)
- Require federal contractors to disclose labor law violations (Fair Pay and Safe Workplaces Order)
- Ensure more salaried employees receive appropriate overtime pay (Overtime Rule)



Pass federal bills advancing pay equity.

Congress must take action to close the gender pay gap by passing legislation that will enable all women to take home a fair paycheck.

- The **Paycheck Fairness Act** would protect workers by closing loopholes in the Equal Pay Act of 1963
- The **Pay Equity for All Act** would prohibit employers from asking about salary history before making a job offer
- The **Fair Pay Act** would require employers to provide equal pay for work of equal value (comparable worth)

Montana: Tell your member of Congress you want fair pay!

Member of Congress*	District	Men	Women	Earnings Ratio**	Ranking in State***
Zinke (R)	MT	\$46,123	\$33,443	72.5%	1

**The above congressional districts represent the 115th Congress.
 **The pay gap figures are from 2015, the most recently available data.
 ***The congressional districts are ranked from smallest gap to largest.*



The Fight for Pay Equity: A State Road Map for Montana


Median earnings for men in **Montana** were \$46,123 compared to \$33,443 for women — **an earnings ratio of just 73 percent, or 46th out of all states and the District of Columbia.**


The gap is worse for most women of color and moms. Compared to white men's wages, in Montana


Asian American women are paid 77 percent,¹ African American women are paid 63 percent,


Native American women are paid 70 percent, and Hispanic and Latina women take home just 55 percent.

As efforts stall at the federal level, states can enact legislation to help women and families at the local level.


 **AAUW Member Engagement.** AAUW members care about equal pay and have tools from AAUW to make progress on state equal pay laws!

 **Equal Pay.** Employers must provide men and women with equal pay for equal work.


 **Cover All Employees.** Public, private, and small business employers are all covered, no exceptions for those covered by the federal Fair Labor Standards Act.

 **Offer Protections.** Protect employees from intentional and unintentional discrimination.


- Employer can't retaliate or discriminate against individuals involved in legal proceedings to enforce the law
- No retaliation or discrimination against employees who discuss their wages
- State contractors must comply with nondiscrimination laws
- Employers can't reduce another employee's pay to comply with the law
- Pay discrimination hotline
- Employers can't request salary history
- Employers must post a salary range in job advertisements
- Employers can't provide less favorable career opportunities or tracking based on sex (mommy tracking)

 **Clarify Employer Defenses.** Employer defenses should be well-tailored and narrow to ensure pay disparities only exist in appropriate situations.


- Employer defenses must be job-related, a business necessity, and not based on a sex-based differential
- Defense does not apply if there is an alternative employment practice available
- Agreement for lesser wage is not a defense

 **Establish Strong Legal Procedures and Remedies.** Appropriate protections will incentivize employers to pay an equal wage to begin with in order to avoid litigation.

- Employer is liable for damages
- Class actions or joint claims permitted
- Attorney's fees, experts' costs, and other litigation costs covered by employer
- High fines act as a deterrent; increased fines for employers who have multiple violations

 **Take Preemptive Action.** Employers and the state must act to investigate and close the pay gap.

- Employers must keep records of wages
- State provides education programs on pay disparity
- State collects and publishes data on the pay gap from all employers
- State creates an advisory committee on pay equity

 **Comparable Worth.** Employers must compensate men and women equally for jobs that are comparable but not identical and provide guidelines for designating jobs as dominated by one sex, race, or national origin.

To learn more, contact AAUW Public Policy and Government Relations staff:

202.785.7793, @AAUWPolicy, advocacy@aauw.org, or visit www.aauw.org/resource/state-equal-pay-laws.

AAUW. (2016). *The Simple Truth about the Gender Pay Gap*. www.aauw.org/research/the-simple-truth-about-the-gender-pay-gap/. The pay gap is the difference in men's and women's typical earnings, usually reported as either the earnings ratio between men and women or as an actual pay gap. The median value is the middle value, with equal numbers of full-time workers earning more and earning less. In 2015, median annual earnings in the U.S. for women and men working full time, year-round were \$40,742 and \$51,212, respectively.

¹ Disaggregating the data within the Asian American and Pacific Islander community reveals that, while some women are among the highest paid workers, most ethnicities experience much larger pay gaps.