



March 14, 2019

Dear Representative:

On behalf of the more than 170,000 members and supporters of the American Association of University Women (AAUW), I urge you to vote in support of the Paycheck Fairness Act (H.R. 7) when it comes to the House floor for a vote. Despite federal and state equal pay laws, gender pay gaps persist. The Paycheck Fairness Act offers a much needed update to the Equal Pay Act of 1963 by providing new tools to battle these pervasive pay gaps and to challenge discrimination.

In January, we celebrated the 10th anniversary of the Lilly Ledbetter Fair Pay Act. This vital law rectified the Supreme Court's harmful decision in *Ledbetter v. Goodyear Tire & Rubber Company*. The law helps to ensure that individuals subjected to unlawful compensation discrimination are able to have their day in court and effectively assert their rights under federal antidiscrimination laws. But despite the importance of the Lilly Ledbetter Fair Pay Act, this law's enactment was only one step on the path to ensuring women receive equal pay for equal work.

There is no more fitting way to mark this historic milestone than making real, concrete progress in ensuring all women receive fair pay. While the gap has narrowed since passage of the Equal Pay Act of 1963, progress has largely stalled in recent years. Data from the U.S. Census Bureau once again revealed that women working full-time, year-round are typically paid only 80 cents for every dollar paid to men.<sup>1</sup> The pay gaps have grown even wider for women of color. African American women and Latinas make, respectively, 61 and 53 cents on the dollar as compared to non-Hispanic, white men.<sup>2</sup> The overall pay gap has only decreased by a nickel during the 21st century and, unless action is taken, the pay gap between men's and women's earnings will not close until 2106.<sup>3</sup>

Research indicates that the gender pay gap develops very early in women's careers. Controlling for factors known to affect earnings, such as education and training, marital status, and hours worked, research finds that college-educated women still earn 7 percent less than men just one year out of college.<sup>4</sup> Over time, the gap compounds and widens, impacting women's social security and retirement.

Ensuring that women have equal pay would have a dramatic impact on families and the economy. Many companies have already recognized the benefits and the power of women's increased economic participation, and some have already enacted policies similar to those included in the Paycheck Fairness Act. According to a 2017 report from Institute for Women's Policy Research (IWPR), the poverty rate for all working women would be cut in half, falling from 8.0 percent to 3.8 percent if women were paid the same as comparable men.<sup>5</sup> The same study by IWPR indicates that the U.S. economy would have produced an additional \$512.6 billion in income if women had received equal pay for equal work.<sup>6</sup> This is why I urge you to pass this important bill.

The Paycheck Fairness Act would update and strengthen the Equal Pay Act of 1963 to ensure that it provides effective protection against sex-based pay discrimination in today's workplace.

The bill takes several important steps, including:

- **Ensures Non-Retaliation:** The bill prohibits retaliation against workers for discussing or disclosing wages. Without the non-retaliation provisions of the Paycheck Fairness Act, many women will continue to be silenced in the workplace—that is, prohibited from talking about wages with coworkers without the fear of being fired. This is an issue that keeps women—like it kept Lilly Ledbetter—from learning of the pay discrimination against them.
- **Prohibits Prior Salary History:** The bill prohibits employers from relying on salary history in determining future pay, so that prior pay discrimination doesn't follow workers from job to job.
- **Ensures Job-Relatedness:** The bill closes loopholes that have weakened the bill over time by allowing employers to pay women less than men for the same work without a business necessity that is related to the job.
- **Equalizes Remedies:** The bill ensures women can receive the same robust remedies for sex-based pay discrimination that are currently available to those subjected to discrimination based on race and ethnicity.
- **Provides Additional Assistance and Resources:** The bill also provides technical assistance to businesses, requires wage data collection, and supports salary negotiation skills training programs to give women the tools to advocate for higher wages.
- **Provides a small business exception.** The Equal Pay Act and the Fair Labor Standards Act have an exemption for small businesses that generate less than \$500,000 in annual revenues a year, and the Paycheck Fairness Act would keep that exemption intact. The bill would also support small businesses with technical assistance.

The pay gap is persistent and can only be addressed if women are armed with the tools necessary to challenge discrimination against them, and employers are provided with effective incentives and technical assistance to comply with the law. I urge you to take a critical step towards pay equity by voting for the Paycheck Fairness Act when it comes to the House floor for a vote.

We urge you to stand with women and families and vote yes on the Paycheck Fairness Act (H.R. 7). Cosponsorship and votes associated with this bill may be scored in the AAUW Action Fund *Congressional Voting Record for the 116th Congress*. Please do not hesitate to contact me at 202/785-7720 or Anne Hedgepeth, Director of Federal Policy, at 202/785-7724, if you have any questions.

Sincerely,



Deborah J. Vagins  
Senior Vice President, Public Policy and Research

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<sup>1</sup> See Kevin Miller and Deborah J. Vagins, “The Simple Truth about the Gender Pay Gap” (American Association of University Women, Fall 2018), <https://www.aauw.org/research/the-simple-truth-about-the-gender-pay-gap/>.

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

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<sup>4</sup> Christianne Corbett and Catherine Hill, “Graduating to a Pay Gap: The Earnings of Women and Men One Year after College Graduation” (American Association of University Women, October 2012), <https://www.aauw.org/files/2013/02/graduating-to-a-pay-gap-the-earnings-of-women-and-men-one-year-after-college-graduation.pdf>.

<sup>5</sup> Jessica Milli *et al.*, “The Impact of Equal Pay on Poverty and the Economy” (Institute for Women’s Policy Research, April 2017), <https://iwpr.org/wp-content/uploads/2017/04/C455.pdf>.

<sup>6</sup> *Id.*