



January 30, 2020

Dear Senator:

On behalf of the more than 170,000 members and supporters of the American Association of University Women (AAUW), I urge you to cosponsor and push for swift passage of the Paycheck Fairness Act (S. 270). 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.

Yesterday, we celebrated the 11th anniversary of the Lilly Ledbetter Fair Pay Act. While momentous, the experiences of the World Cup champion U.S. Women's National Soccer team, many Hollywood actresses, and countless regular American women demonstrate that too many people are still facing the repercussions of the gender pay gap on a daily basis. There is no more fitting way to commemorate Lilly Ledbetter and honor all those who are fighting for fair pay than by 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 82 cents for every dollar paid to men.¹ The pay gaps have grown even wider for women of color. Black women and Latinas make, respectively, 62 and 54 cents on the dollar as compared to non-Hispanic, White men.² The overall pay gap has not meaningfully decreased during the 21st century and, unless action is taken, at the current rate the pay gap between men's and women's earnings will not close until 2093.³

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.⁴ 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 that is why business groups like the U.S. Women's Chamber of Commerce and Main Street Alliance have endorsed the Paycheck Fairness Act.⁵ According to a recent report from the 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.⁶ 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.⁷ 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:

- **Ensuring 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 due to the fear of being fired. This is an issue that keeps women—like it kept Lilly Ledbetter—from learning of pay discrimination against them.

- **Prohibiting Use of 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.
- **Ensuring Pay Disparities are Job-Related:** The bill closes loopholes that have weakened the Equal Pay Act over time by ensuring that disparities in pay are justified by a business necessity that is related to the job.
- **Equalizing 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.
- **Providing 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 workers the tools to advocate for higher wages.
- **Providing 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. This important legislation has already passed the House with bipartisan support and now needs to pass out of the Senate HELP committee. I urge you to take a critical step towards achieving pay equity by cosponsoring, requesting a legislative hearing, and calling for swift passage of the Paycheck Fairness Act.

To become a cosponsor of the Paycheck Fairness Act (S. 270), please contact Joe Shantz with the Senate HELP Committee at joseph_shantz@help.senate.gov or Nikki McKinney at nikki_mckinney@help.senate.gov. Cosponsorship and votes associated with this bill and amendments may be scored in the AAUW Action Fund *Congressional Voting Record for the 116th Congress*. Please do not hesitate to contact me at 202/728-7617 if you have any questions.

Sincerely,



Kate Nielson
Director of Public Policy and Legal Advocacy

¹ “The Simple Truth about the Gender Pay Gap” (American Association of University Women, Fall 2019), <https://www.aauw.org/research/the-simple-truth-about-the-gender-pay-gap/>.

² *Ibid.*

³ *Ibid.*

⁴ 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>.

⁵ Coalition Letter in Support of the Paycheck Fairness Act (March 2019), <https://www.aauw.org/files/2019/03/Coalition-Letter-to-House-Urging-Vote-in-Support-of-the-Paycheck-Fairness-Act-nsa.pdf>.

⁶ 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>.

⁷ *Ibid.*