

The American Association of University Women believes that pay equity and equal employment opportunity are matters of simple fairness. AAUW is a leader in the fight to end wage discrimination and open doors for women in the workplace.

Fair pay and economic opportunities are critical issues for women, many of whom continue to struggle with economic insecurity and wage discrimination.

Despite civil rights laws and advancements in women's economic status, workplace discrimination still persists. Typically, women who work full time take home about 80 cents for every dollar a full-time male worker earns.¹ Over a career (defined as 47 years), women's total estimated earnings loss compared with men is \$700,000 for a high school graduate, \$1.2 million for a college graduate, and \$2 million for a professional school graduate.²

Research indicates that the gender pay gap develops very early in women's careers. In *Graduating to a Pay Gap: The Earnings of Women and Men One Year after College Graduation*, AAUW found that just one year after college graduation, women were paid 82 percent of what men were paid. 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.³

A pay gap also persists across all racial and ethnic groups, and is found in every state and virtually every occupation. The most recent edition of AAUW's *The Simple Truth about the Gender Pay Gap* found that among full-time workers in 2017, African American women and Latinas make, respectively, 61 and 53 cents on the dollar as compared to non-Hispanic, white men, demonstrating that women of color experience wider pay gaps.⁴ 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 2106.⁵

Real Consequences

Pay inequality isn't just a women's issue; it's a family

and a national economic issue. Recent research has found that 64 percent of mothers are the primary, sole, or co-breadwinners of their families.⁶ That means families are increasingly relying on women's wages to make ends meet. Pay discrimination also limits women's choices and has long-lasting consequences. It impairs their ability to buy homes and pay for a college education and limits their total lifetime earnings, thereby reducing their retirement savings and benefits. Equal pay is essential to ensuring families' long-term economic security.

Closing the Gap

Between 2014 and 2016, the executive branch took critical action to provide new tools to fight the pay gap.⁷ Because of these actions, federal contractors are now prohibited from retaliating against employees who talk about their salary with their coworkers.⁸ Other protections for workers, like a federal pay data collection designed to identify trends in pay discrimination based on gender, race, and ethnicity, have been delayed by the current administration.⁹ To continue to close the gender pay gap, protections must be advanced, not stopped or delayed, and the executive branch should take additional action to ensure adequate enforcement of all civil rights laws through sufficient funding and staffing of civil rights enforcement agencies.

Congressional Efforts to Close the Pay Gap

In order to ensure these types of protections and others, Congress must take action to codify new tools into law. Below we discuss some of the key federal proposals.

The Paycheck Fairness Act: This important bill updates and strengthens the Equal Pay Act of 1963 to ensure that it can provide effective protection against sex-based pay discrimination. The Paycheck Fairness Act bars retaliation against workers who voluntarily discuss

or disclose their wages. It closes loopholes that have allowed employers to pay women less than men for the same work without a business necessity that is related to the job. It also 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. This bill prohibits employers from relying on salary history in determining future pay so that pay discrimination doesn't follow workers from job to job. And it also provides technical assistance to businesses, requires pay data collection, and supports salary negotiation skills training programs to give workers the tools to advocate for higher wages.

Pay Equity for All Act: This legislation provides important solutions to address prior discrimination in wages that might be carried forward from one job to another. The bill would protect job seekers from having to disclose their salary history as a condition of being interviewed for, considered for, or offered a job, and from being retaliated against for refusing to disclose their prior salary. In turn, the bill encourages employers to pay employees based on job requirements, prior experience, and market research rather than arbitrary prior wages.

Fair Pay Act: This bill would curb occupational segregation by requiring employers to provide equal pay for work of equivalent value, whether or not the jobs are the same. This legislation would ban paying workers less based on their sex or race than they do workers in equivalent jobs that are predominately filled by workers of a different sex or race. For example, this bill would address unequal pay in female-dominated jobs that are objectively rated equivalent to jobs traditionally dominated by men, a major factor behind the pay gap. The legislation would also ban discrimination for bringing or participating in a claim, require employers to file pay information with the EEOC, prohibit discrimination for discussing or disclosing wages, and stop employers from reducing the wages of higher earners (typically men) to comply with pay equity requirements.

State Efforts to Close the Pay Gap

States can also provide additional equal pay protections through their own legislative and executive action.

Currently, Alabama and Mississippi are the only two states in the country without any equal pay protections, but the laws in the other states and the District of Columbia differ significantly in their scope and strength.

Over the last few years, red, blue, and purple state legislatures all took action to pass important bills seeking to shrink the gender pay gap. States passed dozens of new laws designed to close the gender pay gap, from Hawaii to Nebraska to Delaware.¹⁰

Conclusion

AAUW continues to advocate for strong pay equity legislation, executive action, and full enforcement of our current laws to protect employees and assist employers. AAUW also educates the public about this persistent problem and its effect on working families. We also are committed to empowering women to negotiate their own financial futures by training 10 million women through our Work Smart salary negotiation programs by 2022.¹¹ While you can't negotiate your way around discrimination, having the expertise to negotiate a higher salary can help ensure women receive the pay and benefits they deserve. All of these efforts are critical to closing the gender pay gap.

Additional Resources

The Simple Truth about the Gender Pay Gap

AAUW

www.aauw.org/research/the-simple-truth-about-the-gender-pay-gap/

"The Gender Pay Gap by State and Congressional District"

AAUW

www.aauw.org/resource/gender-pay-gap-by-state-and-congressional-district/

"AAUW Policy Guide to Equal Pay in the States"

AAUW

www.aauw.org/resource/state-equal-pay-laws

Graduating to a Pay Gap: The Earnings of Women and Men One Year after College Graduation

AAUW

www.aauw.org/resource/graduating-to-a-pay-gap-the-earnings-of-women-and-men-one-year-after-college-graduation

You provide the voice; we'll provide the megaphone. Sign up to take action for women and girls today:
bit.ly/AAUWActionNetwork.

¹ U.S. Census Bureau, *Income and Poverty in the United States: 2017*, 2018, <https://www.census.gov/library/publications/2018/demo/p60-263.html>.

² National Committee on Pay Equity, "The Wage Gap over Time: In Real Dollars, Women See a Continuing Gap," 2016, www.pay-equity.org/info-time.html.

³ 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>.

⁴ Kevin Miller and Deborah J. Vagins, "The Simple Truth about the Gender Pay Gap" (American Association of University Women, Fall 2018), at 9, <https://www.aauw.org/research/the-simple-truth-about-the-gender-pay-gap/>.

⁵ *Id.* at 5.

⁶ Sarah Jane Glynn, "Breadwinning Mothers Continue To Be the U.S. Norm" (Center for American Progress, May 2019), <https://www.americanprogress.org/issues/women/reports/2019/05/10/469739/breadwinning-mothers-continue-u-s-norm/>.

⁷ The White House, "Your Right to Equal Pay," 2016, <https://obamawhitehouse.archives.gov/issues/equal-pay>; The White House, "Fact Sheet: Fair Pay and Safe Workplaces Executive Order," 2014, www.whitehouse.gov/the-press-office/2014/07/31/fact-sheet-fair-pay-and-safe-workplaces-executive-order; U.S. Equal Employment Opportunity Commission, "EEOC to Collect Summary Pay Data," 2016, www.eeoc.gov/eeoc/newsroom/release/9-29-16.cfm; The United States Department of Labor, *Overtime for White-Collar Workers Overview and Summary of Final Rule*, 2016, www.dol.gov/sites/default/files/overtime-overview.pdf.

⁸ The White House, "Executive Order -- Non-Retaliation for Disclosure of Compensation Information," 2014, <https://obamawhitehouse.archives.gov/the-press-office/2014/04/08/executive-order-non-retaliation-disclosure-compensation-information>.

⁹ Office of Information and Regulatory Affairs, "EEO-1 Form; Review and Stay," August 2017, https://www.reginfo.gov/public/jsp/Utilities/Review_and_Stay_Memo_for_EEOC.pdf. *Note:* A recent federal court decision deemed the Administration's stay on this data collection illegal and the court ruled that the Trump Administration must start collecting data by September 30, 2019, although appeals may continue. *See Nat'l Women's Law Ctr. v. OMB*, 358 F. Supp. 3d 66 (D.D.C. 2019); Paige Smith, "Employers Must Turn Over Pay Data to EEOC by Sept. 30, Judge Rules," BLOOMBERG LAW, DAILY LABOR REPORT (April 25, 2019).

¹⁰ Kate Nielson, "State and Local Action in 2018 Shows the Path toward Pay Equity," November 2018, <https://www.aauw.org/2018/11/13/state-local-action-shows-path-toward-pay-equity/>; "States Notch Multiple Equal Pay Victories in 2017," October 2017, <https://www.aauw.org/2017/10/13/state-equal-pay-victories-in-2017/>; "Where Equal Pay Flourished (and Failed) in 2016," October 2016, <https://www.aauw.org/2016/10/27/where-equal-pay-flourished-and-failed-in-2016/>; Kate Nielson, "2015 State Equal Pay Legislation by the Numbers," August 2015, <https://www.aauw.org/2015/08/20/equal-pay-by-state/>.

¹¹ AAUW, "AAUW Work Smart," <https://salary.aauw.org/work-smart/>.