

QUICK FACTS

Equal Pay January 2022

To achieve economic security for all women, AAUW advocates pay equity and fairness in compensation and benefits.

Despite civil rights laws and advancements in women's economic status, wage discrimination still persists in every state and virtually every occupation. Women who work full time, year-round take home about 83 cents for every dollar that non-Hispanic, white men earn. Over a career—defined as 47 years of full-time work—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.

A pay gap also persists across all racial and ethnic groups. Women of color experience wider pay gaps—among full-time workers in 2020, Black and Latina women made, respectively, 64 cents and 57 cents on the dollar as compared to non-Hispanic white men. 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 2093.

AAUW in Action

All public policy actions take direction from the AAUW Public Policy Priorities, voted on by members every two years. AAUW is a nonpartisan organization—but nonpartisan does not mean "non-political". Since its first meeting in 1881, AAUW has been a catalyst for change. Together, through our coordinated and strategic advocacy, we've enacted invaluable legislation at the federal, state, and local levels. The 2021-2023 Public Policy priorities directly identify the goal of achieving pay equity and economic security for all women.

The public policy team engages in many efforts on this key issue, including but not limited to:

- Working in coalition with other gender equity organizations, including leading the Paycheck Fairness Act Coalition.
- Mobilizing AAUW advocates and members through targeted calls to action on important legislation, like the <u>Paycheck</u>.
 <u>Fairness Act</u>, the Pay Equity for All Act, and the Fair Pay Act.
- Publishing the annual <u>The Simple Truth About the Gender</u>
 <u>Wage Gap</u> report with the <u>latest data</u> on equal pay and

policy recommendations.

- Engaging directly with elected leaders and the public through calls, <u>letters</u> to political offices, and comments and testimonies in hearings.
- Providing voter education resources on key equity issues to consider during elections and offering information on how elected officials have voted in the past (more about this and Get Out the Vote guides at the <u>AAUW Action Fund</u>).

Real Consequences

Research indicates that the gender pay gap develops very early in women's careers and continues throughout their lifetimes. AAUW found that just one year after college graduation, women were paid 82% of what men earned. Even when 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% less than men just one year out of college. Women also hold two-thirds of all outstanding student loan debt in the U.S., and have a harder time repaying these loans due to the gender pay gap—meaning women's debt burden compounds as time goes on.

Pay discrimination has long-lasting consequences on women's economic security. The pay gap restricts women's choices throughout their lifetimes, impairing their ability to buy homes or pay for a college education. Further, the pay gap limits women's total lifetime earnings and thereby reduces their retirement savings and benefits—women have only 70% of the overall retirement income that men do. The pay gap also contributes to the gender and racial wealth gaps by making it more difficult for women to amass savings, build wealth, and achieve economic security. Women have only 32% of the wealth that men have accumulated, and the wealth gap is even wider for women of color.

Pay inequality is not just a women's issue, but also a family and national economic issue. Recent research has found that <u>64% of mothers</u> are the primary, sole, or co-breadwin-

ners of their families—meaning families are increasingly relying on women's wages to make ends meet. Equal pay is essential to ensuring women and 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. Because of these actions, federal contractors are now prohibited from retaliating against employees who discuss their salary with their coworkers. Other protections for workers, like a federal pay data collection designed to identify trends in pay discrimination based on gender, race, and ethnicity, were delayed by the last administration. 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.

States can also provide additional equal pay protections through their own legislative action. Over the last few years, state legislatures in dozens of states passed new laws designed to close the gender pay gap. Currently, Mississippi is the only state in the country without any equal pay protections, though the laws in other states and the District of Columbia differ significantly in their scope and strength.

Congressional Efforts to Close the Pay Gap

Congress must act to codify new equal pay protections into law.

■ The Paycheck Fairness Act (PFA) would update and strengthen the Equal Pay Act of 1963, closing loopholes that have weakened the law over time by allowing employers to justify paying workers unfairly. The PFA would also ensure workers 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, and bar retaliation against workers who voluntarily discuss or disclose their wages. The bill also prohibits employers from relying on salary history in determining future pay; 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. On April 15, 2021, the House of Representatives voted to pass PFA with bipartisan support. However, on June 8, 2021, it failed on a procedural vote in the Senate

- <u>urge your Senators</u> to pass the Paycheck Fairness Act now!
- The Pay Equity for All Act would provide important solutions to address prior wage discrimination 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.
- The Fair Pay Act 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 prohibit 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.

AAUW continues to advocate for strong pay equity legislation, executive action, and full enforcement of our current laws to protect employees and assist employers in eliminating the pay gap. AAUW is also committed to empowering women to negotiate their own financial futures by providing training through our AAUW Work Smart salary negotiation programs. 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

Take Action: Pass the Paycheck Fairness Act
American Association of University Women (AAUW)

Pay Equity Now: Activist Toolkit

American Association of University Women (AAUW)

The Simple Truth About the Gender Wage Gap

American Association of University Women (AAUW)