

March 27, 2025

Dear Representative,

On behalf of the American Association of University Women (AAUW) and our members and supporters nationwide, I urge you to support and help advance the **Paycheck Fairness Act** and the **Salary Transparency Act**. These vital pieces of legislation are essential to ensuring women in the United States are paid fairly and equitably for their work—a necessary condition for achieving gender equity.

AAUW is a nonpartisan organization committed to advancing gender equity through education, research, and advocacy since 1881. As the nation's largest private funder of graduate education for women, we recognize the power of individual action—through higher education, skills development, and salary negotiation—to strengthen women's economic well-being. Yet we also know that personal initiative alone cannot close the gender pay gap.

Despite existing laws, the gender wage gap remains a measurable and costly problem. AAUW's latest report, *The Not So Simple Truth*, shows:

- In 2023, women working full time, year-round earned just **83 cents** for every dollar earned by men—a **\$11,550 annual gap** between median earnings for women (\$55,240) and men (\$66,790);
- When all workers are considered, including part-time and seasonal, the gap widens to 75 cents on the dollar;
- For Latinas and Native American women, the earnings ratio drops to just 58% of white, non-Hispanic men's earnings;
- Over a lifetime, this adds up to hundreds of thousands of dollars in lost wages, reduced retirement savings, and diminished Social Security benefits. Mothers, for example, receive 16% less in Social Security benefits than women without children;
- Since 1967, the cumulative cost of the gender pay gap has reached an estimated **\$61 trillion in lost wages**—earnings that could have supported families, driven consumer spending, and grown our economy.

These inequities are not simply about individual career choices. Women are more likely to work in part-time roles due to caregiving responsibilities and are overrepresented in occupations that remain undervalued despite requiring equal levels of skill and training. They are also less likely to have access to clear compensation structures, especially in private-sector, non-union workplaces. The Paycheck Fairness Act and Salary Transparency Act take reasonable and targeted steps to do just that.

The **Paycheck Fairness Act** proposes targeted updates to the Equal Pay Act of 1963 to address pay disparities:



- **Clarifying Employer Defenses**: Refines the "factor other than sex" defense by requiring that pay differentials be based on bona fide factors such as education, training, or experience, ensuring they are job-related and consistent with business necessity.
- Enhancing Penalties for Discrimination: Allows for compensatory and punitive damages in cases of sex-based pay discrimination, strengthening enforcement mechanisms.
- **Prohibiting Retaliation**: Protects employees from retaliation for discussing wages, promoting transparency and enabling workers to identify and address pay disparities.
- Limiting Salary History Inquiries: Prevents employers from relying on salary history during the hiring process, ensuring that past pay discrimination does not perpetuate into new employment.

The Salary Transparency Act complements these efforts by:

- Mandating Disclosure of Pay Ranges: Requires employers to include salary ranges in job postings or provide them upon request, fostering transparency and informed decision-making for job seekers.
- **Empowering Employees**: Ensures workers have access to information about compensation, enabling fair negotiations and reducing the likelihood of discriminatory pay practices. This bill also includes

AAUW is committed to helping build a stronger, more inclusive economy—one where all Americans are paid fairly for the work they do. For these reasons, AAUW urges you to support the **Paycheck Fairness Act** and the **Salary Transparency Act**. Co-sponsorship or votes on these bills may be scored in the AAUW Action Fund's *Congressional Voting Record* for the 119<sup>th</sup> Congress. Please do not hesitate to contact me at 202-728-3300 or <u>kissellm@aauw.org</u> with any questions.

Sincerely,

Meghon Kissel

Meghan Kissell, MSW Senior Director, Policy & Member Advocacy