November 29, 2016

General Services Administration  
Regulatory Secretariat Division (MVCB)  
Attn: Ms. Flowers  
1800 F St. NW, 2nd Floor  
Washington, DC 20405-0001


Dear Ms. Flowers:

On behalf of the more than 170,000 bipartisan members and supporters of the American Association of University Women (AAUW), I am pleased to share AAUW’s comments on the proposed interim rule amending the Federal Acquisition Regulations (FAR) to implement Executive Order 13665, entitled “Non-Retaliation for Disclosure of Compensation Information,” and the final rule implementing the Executive Order subsequently issued by the Department of Labor’s Office of Federal Contract and Compliance Programs.¹ Pay secrecy policies perpetuate the gender pay gap, but this proposed interim rule will put important protections in place to curb those effects. AAUW strongly supports it.

The Persistent Gender Pay Gap, by the Numbers
AAUW’s strong support for the proposed interim rule is buttressed by the clear and convincing data that the gender pay gap is not a myth, but rather a pernicious problem that undermines the economic security of American families. The findings from AAUW’s research reports, The Simple Truth about the Gender Pay Gap and Graduating to a Pay Gap: The Earnings of Women and Men One Year after College Graduation, provide reliable evidence that sex discrimination in the workplace continues to be a problem for women, who, on average, when working full-time earn just 80 cents for every dollar a full-time male worker earns.² Over a lifetime of work (47 years), the total estimated loss of earnings of women compared to men is $700,000 for a high school graduate, $1.2 million for a college graduate and $2 million for a professional school graduate.³ Our reports demonstrate just how much this pay gap impacts women, families, businesses and the economy.

Critics charge that pay differences between men and women are simply a matter of personal choices. However, our analysis found that just one year after college graduation, women were paid 82 percent of what their similarly educated and experienced male counterparts were paid.⁴ Ten years after graduation, the pay gap widened, and women were paid only 69 percent of what men were paid—despite the fact that women were more likely to obtain an advanced degree.⁵ In part, these pay gaps do reflect men’s and women’s choices, especially the choice of college major and the type of job pursued after graduation. Yet not all of the gap can be “explained away.” After accounting for a litany of factors—college major, occupation, economic sector, hours worked, months unemployed since graduation, GPA, type of undergraduate institution, institution selectivity, age, geographical region, and marital status—there is still a seven percent, unexplained difference in the earnings of male and female college graduates one year after graduation.⁶

It is important to remember that the pervasive pay gap does not affect all women equally. Most women of color, older women, moms, and women who have achieved higher levels of education experience an even larger pay gap. Compared with salary information for white male workers, Asian American women’s
salaries show the smallest gender pay gap, at 85 percent of white men's earnings. Meanwhile, compared to white men's wages, African American women are paid 63 percent, Native Hawaiian and Other Pacific Islander women are paid 60 percent, and American Indian and Alaska Native women are paid 58 percent. Hispanic and Latina women experience the largest pay gap, taking home just 54 percent of what white men were paid in 2014. In the same year, for full-time workers ages 20–24, women were paid 92 percent of what men were paid on a weekly basis. But among workers 55–64 years old, women were paid only 76 percent of what their male peers were paid. As a rule, earnings grow as years of education increase for both men and women. However, at every level of academic achievement, women’s median earnings are less than men's median earnings, and in some cases, the gender pay gap is larger at higher levels of education. While a college degree greatly improves a woman's earning capacity, it does not improve her earnings on the same scale as her male counterparts.

It is increasingly clear that the gender pay gap follows women throughout their lives, and in insidious ways—women who complete college degrees are less able to pay off their student loans promptly, leaving them paying more and for a longer time than men. In 2012, among students who graduated in 2007–08, women working full time had paid off 33 percent of their student loan debt on average, while men working full time had paid off 44 percent of their debt. African American and Hispanic women working full time earn considerably less than their white male counterparts, and they struggle to pay off student loans promptly; four years after graduation, they had paid off less than 10 percent of their debt—much less than other women and men.

Paying women equally would not just unburden them from debt more quickly, it could significantly impact the state of poverty in the U.S. A recent analysis found that the poverty rate for working women would be cut by more than half, from 8.2 percent to 4 percent, if women received equal pay to men of the same age, with the same level of education, who work the same number of hours, and have the same urban/rural status.

Equal pay is not simply a women's issue—it is a family issue. Between 1967 and 2012, the percentage of mothers who brought home at least a quarter of the family's earnings rose from less than a third (28 percent) to nearly two-thirds (63 percent). Families increasingly rely on women's wages to make ends meet. A majority of mothers are in the paid labor force, and a growing number of them are responsible for supporting their families. For the 40 percent of mothers with children under the age of 18 who are their families’ sole or primary breadwinner, the gender pay gap can contribute to poor living conditions, poor nutrition, and fewer opportunities for their children. Despite the discriminatory wages women take home, there’s no women’s discount on rent, electricity or any of life's other necessities.

Women who take time away from the workforce to care for children—23 percent of mothers, as compared to only 1 percent of fathers, measured 10 years after graduation—often encounter a “motherhood penalty” that extends beyond the actual time out of the workforce. Experimental research has documented that employers are less likely to hire mothers compared with childless women, and when employers do make an offer to a mother, they offer her a lower salary than they do other women. Fathers, in contrast, do not suffer a penalty compared with other men. Many fathers actually receive a wage premium after having a child.

All of these statistics have real world consequences for women, families, businesses and the economy. Unequal pay early in women's careers compounds throughout a lifetime, hindering women as they try to pay off their student loans, contribute to and raise their families, and thrive in retirement. Unequal pay also leads to workplace dissatisfaction, low morale, and higher turnover. But compensating women equally can remedy many of these problems. Paying women the salary they have rightfully earned is not only the fair thing to do, it puts more money into workers’ pockets. That additional income can then be infused into the economy, while also alleviating some of the burden on government programs to support those who are struggling to make ends meet. Equal pay is good for women, good for families, and good for the nation.
Eliminating Pay Secrecy is Essential to Closing the Gender Pay Gap

Research and statistics clearly show the existence of the gender pay gap. Over 50 years ago, Congress passed the Equal Pay Act to remedy the issue. Yet the gap remains. If progress continues at the current rate, we will not achieve pay parity for men and women until 2059. Many factors contribute to this dogged pay gap, but there are real solutions to tackle it, including the proposed interim rule.

Discussing wages continues to be a taboo in the modern American workplace. This is a major contributing factor to the pay gap. Since discrimination can be difficult to detect, decisions that can widen the pay gap—initial salary, raises, promotions, denials of promotion, or termination—often go unexamined. Policies prohibiting employees from discussing or disclosing their wages exacerbate this issue. The proposed interim rule would remove these barriers, allowing workers to identify and address discrimination.

Transparency policies, such as the proposed interim rule, are not uncommon. As of today, 16 states and Washington, D.C. prohibit employers from retaliating or discriminating against employees who inquire about or discuss their wages. Shining a light on existing pay practices can help create parity between men’s and women’s wages. Research suggests that where transparency is encouraged, the gender pay gap shrinks. Approximately 61 percent of workers in the private sector are banned or strongly discouraged from discussing their wages with colleagues, while only about 14 percent of public sector employees have to comply with similar regulations. In 2012, the gender pay gap in federal jobs was 13 percent for white collar workers and 11 percent for those employees on the General Schedule scale. During that same year, the gender pay gap overall was 24 percent.

Pay Transparency Helps Businesses and Employees

The landscape of equal pay laws varies widely across the country. With the federal Equal Pay Act of 1963 past due for an update, state legislatures have taken it upon themselves to amend laws protecting employees from pay discrimination. Some states’ statutes apply to contractors, while others do not. Therefore, employers with businesses in multiple states are subject to different pay discrimination laws. The proposed interim rule would provide uniform direction for all federal contractors. It would also ensure that those businesses working for taxpayer dollars to perform services for the federal government are abiding by its laws.

The proposed interim rule will help federal contractors avoid discrimination and provide incentives to do the right thing. Many contractors want to work toward eliminating the gender pay gap, they simply do not realize that there is an issue or know how to correct it. The proposed interim rule eliminates one barrier.

Furthermore, the proposed interim rule would benefit businesses. Pay transparency will decrease the likelihood that employees will sue to correct for discriminatory pay, thus reducing the risk for litigation, fines, and other expenses, while also increasing employee morale. Research suggests that employees who work in environments that are perceived to be fair, are more motivated and productive. Therefore, if businesses want to retain workers and help their bottom line, implementing pay transparency can contribute.

Conclusion

With a record number of women in the workforce and nearly two-thirds of women functioning as primary or co-bread winners for their families, equal pay for women is critical to families’ economic security. Despite critics’ insistence that the pay gap is a myth, we know the truth: it’s math. It’s time to pay women equally. America is a nation founded on the ideal that all of us are created equal—that ought to hold true at home and at work. Paying people fairly for the work they do should not depend on their gender, race or ethnicity. To eliminate the gender pay gap, we need pay transparency. The proposed interim rule would allow for workers to discover discrimination, while giving businesses the support they need to stop it before it starts.
AAUW appreciates this opportunity to submit comments on a matter so critical to our membership and working families across the country. We strongly support the proposed interim rule and believe that its adoption will be an effective tool to combat pay discrimination. We urge you to swiftly adopt and implement the proposed interim rule. If you have any questions or I can provide further information, please feel free to contact me at 202/785-7720.

Sincerely,

Lisa M. Maatz
Vice President for Government Relations

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6 AAUW, Behind the Pay Gap.

7 AAUW, The Simple Truth.

8 Ibid.


15 AAUW, The Simple Truth.


