

# The Paycheck Fairness Act

JANUARY 2019

The landmark Equal Pay Act of 1963 made it illegal for employers to pay unequal wages to men and women who perform substantially equal work. The Equal Pay Act and the civil rights laws that followed helped change the workplace and began to combat wage inequality, but these laws have not closed the persistent gap between women's and men's wages.

**Today, women who work full time, year-round are paid, on average, only 80 cents for every dollar paid to men**, resulting in a gap of \$10,169 each year.<sup>1</sup> The gap exists in every state, regardless of geography, occupation, education or work patterns. And it is worse for women of color: On average, Latinas are typically paid 53 cents, Native American women 58 cents and Black women just 61 cents for every dollar paid to white, non-Hispanic men.<sup>2</sup> White, non-Hispanic women are paid 77 cents and Asian women 85 cents for every dollar paid to white, non-Hispanic men, although some ethnic subgroups of Asian women fare much worse.<sup>3</sup>

The Paycheck Fairness Act (H.R. 7/S. 270) would help to close these punishing gaps by eliminating loopholes in the Equal Pay Act, helping to break harmful patterns of pay discrimination and strengthening workplace protections for women. It is a reasonable and comprehensive bill that would combat the wage discrimination that has plagued the nation for decades.

## Key Provisions of the Paycheck Fairness Act

Sponsored by U.S. Sen. Patty Murray (D-Wash.) and U.S. Rep. Rosa DeLauro (D-Conn.), the Paycheck Fairness Act would support and benefit employees, employers and enforcement agencies.

### For employees, the Paycheck Fairness Act would:

- Protect against retaliation for discussing salaries with colleagues;
- Prohibit employers from screening job applicants based on their salary history or requiring salary history during the interview and hiring process;

- Require employers to prove that pay disparities exist for legitimate, job-related reasons;
- Provide plaintiffs who file sex-based wage discrimination claims under the Equal Pay Act with the same remedies as are available to plaintiffs who file race- or ethnicity-based wage discrimination claims under the Civil Rights Act;
- Remove obstacles in the Equal Pay Act to facilitate plaintiffs' participation in class action lawsuits that challenge systemic pay discrimination; and
- Create a negotiation skills training program for women and girls.

**For employers, the Paycheck Fairness Act would:**

- Recognize excellence in pay practices; and
- Provide assistance to businesses of all sizes that need help with their equal pay practices.

**For enforcement agencies, the Paycheck Fairness Act would:**

- Help ensure the Department of Labor (DOL) uses the full range of investigatory tools to uncover wage discrimination, including collecting federal contractors' wage data;
- Direct the Equal Employment Opportunity Commission to conduct a survey of available wage information to assist federal agencies in enforcing wage discrimination laws and creating a system to collect wage data; and
- Instruct DOL to conduct studies and review available research and data to provide information on how to identify, correct and eliminate illegal wage disparities.

**Women, Families and the Nation Cannot Afford to Wait**

- Women's wages are key to their families' economic security. Mothers are primary or sole breadwinners in half of U.S. households with children,<sup>4</sup> and just over one-quarter of female-headed households have incomes that fall below the poverty level.<sup>5</sup>
- As a group, the wage gap costs women who are employed full time in the United States more than \$900 billion every year.<sup>6</sup> These lost wages mean families have less money to spend on goods and services that help drive economic growth and less money to save for education, home ownership and retirement.
- At the current rate, the wage gap will not close until 2059.<sup>7</sup> That means wage inequities will persist and compound year after year for women and their families, affecting their incomes now and their retirement income and savings in the future.

## The Public Overwhelmingly Supports Fair Pay Policies

Nearly nine in 10 voters support policies that would address pay discrimination, such as the Paycheck Fairness Act. In a 2016 nationwide survey, 89 percent of registered voters said they would favor – and 57 percent said they would “strongly favor” – policies that hold employers accountable for pay discrimination, protect workers from employer retaliation and provide training in salary negotiation for women and girls.<sup>8</sup>

**It is past time for Congress to pass the Paycheck Fairness Act. For more information on the wage gap in your state, visit [NationalPartnership.org/Gap](http://NationalPartnership.org/Gap).**

<sup>1</sup> U.S. Census Bureau. (2018). *Current Population Survey, Annual Social and Economic (ASEC) Supplement: Table PINC-05: Work Experience in 2017 – People 15 Years Old and Over by Total Money Earnings in 2017, Age, Race, Hispanic Origin, Sex, and Disability Status*. Retrieved 12 December 2018, from <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pinc/pinc-05.html> (Unpublished calculation based on the median annual pay for all women and men who worked full time, year-round in 2018)

<sup>2</sup> See note 1; U.S. Census Bureau. (2018). *American Community Survey 1-Year Estimates 2017. Tables B20017C and B20017H: Median Earnings in the Past 12 Months (in 2017 Inflation-Adjusted Dollars) by Sex by Work Experience in the Past 12 Months for the Population 16 Years and Over with Earnings in the Past 12 Months*. Retrieved 12 December 2018, from [https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS\\_17\\_1YR\\_B20017C&prodType=table](https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_1YR_B20017C&prodType=table) (Note: The Current Population Survey does not provide disaggregated data for Native American women’s earnings. This calculation is based on a comparison of the median earnings of white, non-Hispanic men working full time, year-round with that of Native American women working full time, year-round as reported in the American Community Survey. The median annual earnings of white, non-Hispanic men in 2017 in this source was \$58,014.)

<sup>3</sup> See note 1. Despite an overall wage gap for Asian women in the United States that is smaller than for other groups of women of color, there are substantial variations in the wage gap between particular ethnic groups of Asian women and white, non-Hispanic men, with many subpopulations of Asian women facing significantly greater wage penalties. For more information, see: <http://www.nationalpartnership.org/research-library/workplace-fairness/fair-pay/asian-women-and-the-wage-gap.pdf>

<sup>4</sup> Anderson, J. (2016, September 8). *Breadwinner Mothers by Race/Ethnicity and State*. Institute for Women’s Policy Research Publication. Retrieved 12 December 2018, from <https://iwpr.org/publications/breadwinner-mothers-by-raceethnicity-and-state/> (Breadwinner mothers are defined as single mothers who head a household or married mothers who generate at least 40 percent of a household’s joint income.)

<sup>5</sup> U.S. Census Bureau. (2018). *American Community Survey 1-Year Estimates 2017, Geographies: United States, Table DP03: Selected Economic Characteristics*. Retrieved 12 December 2018, from [https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS\\_17\\_1YR\\_DP03&prodType=table](https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_1YR_DP03&prodType=table) (To determine whether a household falls below the poverty level, the U.S. Census Bureau considers the income of the householder, size of family, number of related children, and, for one- and two-person families, age of householder. The poverty threshold in 2017 was \$19,749 for a single householder and two children under 18.)

<sup>6</sup> See note 1; U.S. Census Bureau. (2018). *Current Population Survey, Annual Social and Economic (ASEC) Supplement: Table PINC-01. Selected Characteristics of People 15 Years and Over, by Total Money Income in 2017, Work Experience in 2017, Race, Hispanic Origin, and Sex*. Retrieved 12 December 2018, from <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pinc/pinc-01.html> (Unpublished calculation based on the mean annual pay for all women and men who worked full time, year-round in 2017, multiplied by the total number of women working full time, year-round in 2017)

<sup>7</sup> Institute for Women’s Policy Research. (2018, September 12). *Women’s Median Earnings as a Percent of Men’s Median Earnings, 1960-2017 (Full-time, Year-round Workers) with Projection for Pay Equity in 2059*. Retrieved 12 December 2018, from <https://iwpr.org/publications/pay-equity-projection-1960-2017/>

<sup>8</sup> American Women. (2016, September 19). *Women and the 2016 Elections*. Retrieved 12 December 2018, from <http://www.americanwomen.org/research>

The National Partnership for Women & Families is a nonprofit, nonpartisan advocacy group dedicated to promoting fairness in the workplace, access to quality health care and policies that help all people meet the dual demands of work and family. More information is available at [NationalPartnership.org](http://NationalPartnership.org).

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