

The Paycheck Fairness Act

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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 82 cents for every dollar paid to men, resulting in a gap of \$10,157 each year.¹ 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 55 cents, Native American women 60 cents, Black women 63 cents, and Asian American and Pacific Islander women are paid as little as 52 cents, as Burmese women are, and 85 cents overall, for every dollar paid to white, non-Hispanic men.² White, non-Hispanic women are paid 79 cents, for every dollar paid to white, non-Hispanic men.³

The Paycheck Fairness Act (H.R. 7/S. 205) 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 just over half of U.S. households with children,⁴ and of the nearly 8.2 million households headed by women, including more than six million with minor children, nearly one-quarter have incomes that fall below the poverty level.⁵
- As a group, the wage gap costs women who are employed full time in the United States more than \$956 billion every year.⁶ 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 2059.⁷ 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

Ahead of the 2020 election, nine in 10 women voters said that strengthening equal pay laws was important – and three-quarters said it was “very important.” And amid the pandemic, more than eight in ten adults said they believed equal pay for women was just as or more important in today’s economy.⁸

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.

¹ U.S. Census Bureau. (2020). *Current Population Survey, Annual Social and Economic (ASEC) Supplement: Table PINC-05: Work Experience in 2019 – People 15 Years Old and Over by Total Money Earnings in 2019, Age, Race, Hispanic Origin, Sex, and Disability Status*. Retrieved 16 March 2021, 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 2019)

² See note 1; U.S. Census Bureau. (2020). *American Community Survey 1-Year Estimates 2019. Tables B20017C and B20017H: Median Earnings in the Past 12 Months (in 2019 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 16 March 2021, from <https://data.census.gov/> (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 2019 in this source was \$65,208.); Bleiweis, R. (2021, March). *The Economic Status of Asian American and Pacific Islander Women*. Center for American Progress Publication. Retrieved 16 March 2021, from <https://www.americanprogress.org/issues/women/reports/2021/03/04/496703/economic-status-asian-american-pacific-islander-women/>

³ See note 1.

⁴ Shaw, E., Mason, C., N., Lacarte, V., & Jauregui, E. (2021, May). *Holding Up Half the Sky: Mothers as Workers, Primary Caregivers, & Breadwinners During COVID-19*. Institute for Women’s Policy Research Publication. Retrieved 16 March 2021, from <https://iwpr.org/wp-content/uploads/2020/07/Holding-Up-Half-the-Sky-Mothers-as-Breadwinners.pdf> (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.)

⁵ U.S. Census Bureau. (2020). *American Community Survey 1-Year Estimates 2019, Geographies: United States, Table DP03: Selected Economic Characteristics*. Retrieved 16 March 2020, from <https://data.census.gov/cedsci/table?q=dp03&tid=ACSDP1Y2019.DP03&hidePreview=false> (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 2019 was \$20,598 for a single householder and two children under 18.)

⁶ See note 1; U.S. Census Bureau. (2020). *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 2019, Work Experience in 2019, Race, Hispanic Origin, and Sex*. Retrieved 16 March 2021, 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 2019, multiplied by the total number of women working full time, year-round in 2019)

⁷ Institute for Women’s Policy Research. (2020, September 28). *Women’s Median Earnings as a Percent of Men’s, 1985-2019 (Full-time, Year-Round Workers) with Projections for Pay Equity, by Race/Ethnicity*. Retrieved 16 March 2021, from <https://iwpr.org/iwpr-publications/quick-figure/pay-equity-projection-race-ethnicity-2020/>

⁸ Lake Research Partners and American Viewpoint. (2019). *YWomensVote 2020*. Survey conducted for YWCA, National Partnership for Women & Families, Supermajority, Better Life Lab and Vote Run Lead. YWCA Publication. Retrieved 16 March 2021, from https://ywomenvote.org/wp-content/uploads/2019/12/YWomensVote-Report_FNL_12-11-19.pdf; PerryUndem. (2020, July). *Results from a National Survey of Gender and Racial Inequality During Crisis: The Pay Gap*. Survey conducted for TIME’S UP Foundation. Retrieved 16 March 2021, from https://view.publitas.com/perryundem-research-communication/perryundem-times-up-report_optimized/page/1

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.

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