

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 are typically paid just 77 cents for every dollar paid to a man, resulting in a gap of \$11,782 each year. Even when looking just at workers in full time, year-round jobs, women are typically paid just 84 cents for every dollar paid to a man.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, Native American women are typically paid 51 cents, Latinas 54 cents, Black women 64 cents, and Asian American and Pacific Islander women are paid as little as 52 cents, as Burmese women are, and 80 cents overall, for every dollar paid to white, non-Hispanic men.² White, non-Hispanic women are paid 77 cents for every dollar paid to white, non-Hispanic men.³

The Paycheck Fairness Act (H.R. 7/S. 205 in the 117th Congress) 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 Of the nearly 35 million households are headed by women with no spouse or partner, 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 in the United States nearly \$1.6 trillion 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 compared to white, non-Hispanic men will not close until 2210 for Latinas, until 2144 for Black women and until 2045 for Asian American women.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 2022 election, nine in 10 women voters said that strengthening equal pay laws was important – and three-quarters said it was “very important” or “one of the most important things Congress can do.”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. (2022). *Current Population Survey, Annual Social and Economic (ASEC) Supplement: Table PINC-05: Work Experience in 2021 – People 15 Years Old and Over by Total Money Earnings in 2021, Age, Race, Hispanic Origin, Sex, and Disability Status*. Retrieved 22 February 2023, 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 with earnings and all women and men who worked full time, year-round in 2021)

² See note 1; U.S. Census Bureau. (2022). *American Community Survey 1-Year Estimates 2021 (Tables B20017C and B20017H)*. Retrieved 22 February 2023, 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.; Bleiweis, R. (2021, March). *The Economic Status of Asian American and Pacific Islander Women*. Center for American Progress Publication. Retrieved 22 February 2023, from <https://www.americanprogress.org/issues/women/reports/2021/03/04/496703/economic-status-asian-american-pacific-islander-women/>; National Asian Pacific American Women’s Forum (NAPAWF) analysis of median earnings for full and part-time workers by Asian American, Native Hawaiian and Pacific Islander subpopulation based on 2021 American Community Survey 1-year estimates, accessed via Steven Ruggles, Sarah Flood, Ronald Goeken, Megan Schouweiler and Matthew Sobek. IPUMS USA: Version 12.0. Minneapolis, MN: IPUMS, 2022. <https://doi.org/10.18128/D010.V12.0>.

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 22 February 2023, 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. (2022). *American Community Survey 1-Year Estimates 2021, Geographies: United States (Table DP02 and Table DP03)*. Retrieved 22 February 2023, from <https://data.census.gov/>. (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 2023 is \$24,860 for a single householder and two children under 18.)

⁶ See note 1. (Unpublished calculation based on the mean annual pay for all women and men with earnings in 2021, multiplied by the total number of women with earnings in 2021)

⁷ For all women versus all men, the wage gap will not close until 2061 at the current rate of progress. Institute for Women’s Policy Research. (2022, December.) *The Gender Pay Gap, 1985 to 2021 – with Forecast for Achieving Pay Equity, by Race and Ethnicity*. Retrieved 22 February 2023, from <https://iwpr.org/wp-content/uploads/2022/12/Quick-Figure-105-Final.pdf>

⁸ YWCA and Finn Partners. (2022, August). *YWWomenVote 2022 – Midterm Election Study*. Retrieved 22 February 2023, from <https://ywomenvote.org/wp-content/uploads/2022/08/20220826-YWomenVote-Memo-MidtermElectionStudy.pdf>