

Executive Summary

# **50 years** & counting: the unfinished business of achieving fair pay

## **ABOUT THE CENTER**

The National Women's Law Center is a nonprofit organization working to expand opportunities and eliminate barriers for women and their families, with a major emphasis on education and employment opportunities, women's health and reproductive rights, and family economic security.

## **ACKNOWLEDGMENTS**

This report was a collaborative endeavor that relied upon the work of many individuals: Marcia D. Greenberger, Fatima Goss Graves, Liz Watson, Katherine Gallagher Robbins, Valarie Hogan, Abby Lane, Catherine Yourougou, Amy Tannenbaum, Abigail Graber, and Hannah Gordon. Beth Stover designed the report.

This report would not have been possible without the generous support of the Ford Foundation, the MARGARET Fund, the Morningstar Foundation, the New Directions Foundation, and the Newman's Own Foundation. The findings and conclusions of the report are those of the authors alone, and do not necessarily reflect the opinions of these funders.

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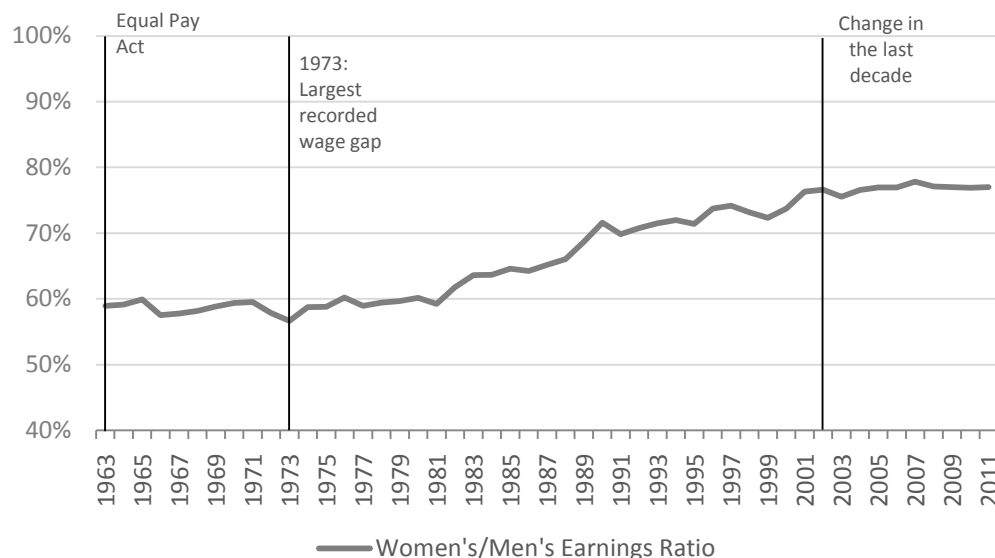
# Executive Summary

THE EQUAL PAY ACT is the landmark law passed 50 years ago that requires employers to pay men and women equally for substantially equal work. Yet 50 years later, equal pay is still America's unfinished business.

In 1963, when the Equal Pay Act was signed into law, a woman was typically paid 59 cents for every dollar paid to her male counterpart – a 41-cent wage gap.<sup>1</sup> In 2011, the most recent year for which data are available, women working full time, year round were typically paid just 77 cents for every dollar paid to their male counterparts.<sup>2</sup> Although women have narrowed the gap by 18 cents over the past five decades, the wage gap today stands at 23 cents.<sup>3</sup>

## THE WAGE GAP OVER TIME

### RATIO OF MEDIAN EARNINGS OF FULL-TIME, YEAR-ROUND WORKERS



Source: Census Bureau, Current Population Survey

For some women of color the numbers are especially shocking: African-American women working full time, year round are typically paid only 64 cents, and Hispanic women are typically paid only 55 cents for each dollar paid to their white, non-Hispanic male counterparts.<sup>4</sup> These gaps resulted in a loss of \$18,817 for African-American women and \$23,298 for Hispanic women in 2011 alone.<sup>5</sup> And over the course of a woman's lifetime the wage gap adds up. The typical woman who worked full time, year round would lose \$443,360 in a 40-year period due to the wage gap, and have to work 12 years longer than her male counterpart to make up this gap.<sup>6</sup>

The wage gap is present in nearly every occupation<sup>7</sup> and at every level of education.<sup>8</sup>

## WAGE GAP BY EDUCATION LEVEL

Education Level	Female Earnings	Male Earnings	Women's Earnings/ Men's Earnings	Wage Gap
Started high school, but did not finish	\$21,113	\$30,423	69.4%	30.6%
High school graduate (including GED)	\$30,011	\$40,447	74.2%	25.8%
Some college, no degree	\$34,592	\$47,072	73.5%	26.5%
Associate degree	\$39,286	\$50,928	77.1%	22.9%
Bachelor's degree	\$49,108	\$66,196	74.2%	25.8%
Master's degree	\$60,304	\$83,027	72.6%	27.4%
Professional degree	\$80,718	\$119,474	67.6%	32.4%
Doctorate degree	\$77,458	\$100,766	76.9%	23.1%

Source: Earnings ratios and wage gaps calculated by the National Women's Law Center based on Current Population Survey, Annual Social and Economic Supplement, 2012. Figures are median earnings for full-time, year-round workers.

When the Equal Pay Act became law opponents of the Act said that women didn't need to be paid the same as men because women worked just for the sake of working and paying women equally would lead employers to decide not to hire women. The intervening years have proven the critics wrong. Today women are nearly 50 percent of the labor force<sup>9</sup> and over 40 percent of primary breadwinners.<sup>10</sup> Yet women still have to make do with less.

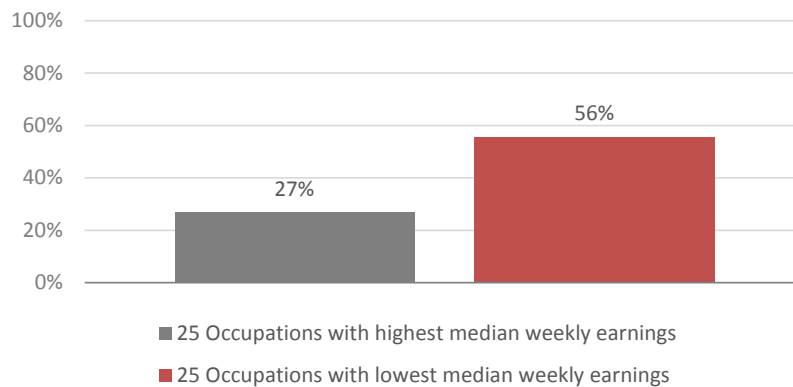
## BARRIERS TO ACHIEVING FAIR PAY

Fifty years after the Equal Pay Act outlawed pay discrimination against women, they continue to face persistent barriers to being paid fairly for their work:

- **Employers discriminate against women by paying women less for equal work in the same job as men,**<sup>11</sup> often based on the outdated assumption that women aren't the breadwinners, so they don't *need* equal pay.<sup>12</sup>
- **Women are underrepresented in higher-paying jobs that are often dominated by men** like electricians, police officers, and architects and engineers.<sup>13</sup> Isolation, active discouragement, harassment, outright exclusion, and lack of information about alternative job options are all barriers to women's entry into higher-wage jobs that are nontraditional for their gender.<sup>14</sup>
- **In contrast, women are overrepresented in low-paying jobs** like home health aide, child care provider, and nursing home worker. Four out of ten women work in female-dominated occupations<sup>15</sup> and almost two-thirds of workers earning the lowest wages – those who make the federal minimum wage or less – are women.<sup>16</sup> Women in these jobs fill vitally important roles in our society, but their wages remain disturbingly low.

In the 25 lowest-wage occupations, the average percentage of women is more than double the average percentage of women in the 25 highest-wage occupations.<sup>17</sup>

### AVERAGE SHARE OF WOMEN IN THE 25 HIGHEST-WAGE AND THE 25 LOWEST-WAGE OCCUPATIONS



Source: Bureau of Labor Statistics, Current Population Survey, 2012 Annual Averages, Tables 11 and 39.

Even when men and women do very similar jobs, jobs that are perceived as “women’s work” pay less because they are female-dominated.<sup>18</sup>

### SIMILAR JOBS, DIFFERENT PAY

	Percentage of Women in the Occupation	Men’s Median Weekly Earnings	Women’s Median Weekly Earnings
Janitors and Building Cleaners	30%	\$511	\$408
Maids and Housekeeping Cleaners	88%	\$425	\$395

Source: Bureau of Labor Statistics, Current Population Survey, 2012 Annual Averages, Tables 11 and 39.

- Outmoded assumptions and discrimination against women based on their actual or perceived family responsibilities lower women’s wages.** Although today women make up nearly half the labor force, women still shoulder the vast majority of caregiving responsibilities.<sup>19</sup> For example, in dual-income households with children, mothers make a nearly double-time contribution to childcare, spending almost twice as much time every week on childcare as fathers.<sup>20</sup> And when women take time out from work to provide care, many lose pay.<sup>21</sup> Employers discriminate against women with caregiving responsibilities based on the stereotype that these workers are less committed to their jobs.<sup>22</sup> Indeed, motherhood accounts for a large proportion of the wage gap. Women who work full time, year round are typically paid only 77 cents for every dollar paid to their male counterparts.<sup>23</sup> However, studies show a larger gap between parents: among full-time workers, mothers earn only 60 percent what fathers earn.<sup>24</sup>

## COMMONSENSE SOLUTIONS TO CLOSE THE WAGE GAP

We've closed the wage gap by 18 cents, but we still have 23 cents to go. Finishing the job is going to take a full-court press on a set of commonsense solutions designed to help systematically remove each of these barriers. This report bundles together key steps that policymakers can take at the federal and state levels to help finally close the wage gap:

- **STRENGTHEN OUR EQUAL PAY LAWS SO THAT WOMEN HAVE THE TOOLS THEY NEED TO FIGHT BACK AGAINST PAY DISCRIMINATION.**

It is crucial that policymakers fix the shortcomings in our equal pay laws by making clear that women cannot be retaliated against for discussing their pay with coworkers; closing major loopholes in the employer defenses to equal pay claims; collecting information about pay that will make it possible to identify patterns of discrimination and enforce our nation's equal pay laws; lifting arbitrary limits on damages for equal pay claims so that employers face serious consequences for paying men and women unequally; and removing barriers to women's ability to come together to challenge pay discrimination.

- **BUILD LADDERS TO HIGHER-WAGE JOBS FOR WOMEN BY REMOVING BARRIERS TO ENTRY INTO MALE-DOMINATED FIELDS.**

Vigorous enforcement of our nondiscrimination laws is critical to removing barriers to women's entry into nontraditional fields. Hiring discrimination against women in nontraditional jobs is difficult to challenge, as rejected job applicants often do not know who was hired in their place or when employment screens operate to exclude most women from being hired. Similarly, harassment of women in nontraditional fields is all too common, and results in women being forced out of these jobs and discouraged from entering these fields.<sup>25</sup> The barriers to women working in nontraditional jobs are also present in the education and training programs that lead to these high-wage fields. Women and girls are often discouraged, harassed and steered away from participating in career and technical education (CTE) and STEM courses that are nontraditional for their gender.<sup>26</sup> Removing barriers to participation in these programs is crucial to creating a pipeline of girls and women who will be prepared to enter higher-wage fields. The federal government can put in place policies to hold states accountable for women's and girls' participation in job training programs and STEM and CTE courses that are nontraditional for their gender.

- **LIFT UP THE WAGES OF WOMEN IN LOW-WAGE JOBS BY RAISING THE MINIMUM WAGE AND THE TIPPED MINIMUM WAGE.**

Since about two-thirds of workers paid the federal minimum wage or less are women, raising the minimum wage and the tipped minimum wage will help close the wage gap.<sup>27</sup> Likewise, the many workers paid slightly above the minimum wage – the majority of whom are women – are likely to get a raise as employers increase the wages of those making just over the minimum wage to maintain internal pay scales.<sup>28</sup> Seven of the ten states with the smallest wage gaps in 2011 had minimum wages above the federal level of \$7.25 per hour. Among the ten states with the largest wage gaps, only two had minimum wages above \$7.25.<sup>29</sup>

## STATES WITH HIGHER-THAN-FEDERAL MINIMUM WAGES ALSO HAVE SMALLER WAGE GAPS

### States with the 10 Smallest Wage Gaps

State	Women's Earnings/ Men's Earnings	Wage Gap	Minimum Wage
District of Columbia	90.4%	9.6%	\$8.25
Vermont	86.7%	13.3%	\$8.60
Maryland	86.0%	14.0%	\$7.25
Nevada	84.9%	15.1%	\$8.25
California	84.9%	15.1%	\$8.00
Rhode Island	84.8%	15.2%	\$7.75
Arizona	84.7%	15.3%	\$7.80
New York	83.6%	16.4%	\$7.25*
Florida	82.6%	17.4%	\$7.79
Arkansas	82.0%	18.0%	\$7.25

### States with the 10 Largest Wage Gaps

State	Women's Earnings/ Men's Earnings	Wage Gap	Minimum Wage
Wyoming	66.6%	33.4%	\$7.25
Louisiana	68.8%	31.2%	\$7.25
Utah	69.0%	31.0%	\$7.25
West Virginia	70.5%	29.5%	\$7.25
North Dakota	72.7%	27.3%	\$7.25
Mississippi	73.5%	26.5%	\$7.25
Michigan	73.8%	26.2%	\$7.40
Alabama	74.2%	25.8%	\$7.25
Montana	74.6%	25.4%	\$7.80
Idaho	75.2%	24.8%	\$7.25

*Note:* State earnings ratios and wage gaps calculated by the National Women's Law Center (NWLC) are based on the 2011 American Community Survey (<http://www.census.gov/acs/www/>). U.S. Department of Labor, Wage and Hour Division, Minimum Wage Laws in the States – January 1, 2013, available at <http://www.dol.gov/whd/minwage/america.htm>.

\*Under recently enacted legislation, New York's minimum wage is set to rise to \$9.00 per hour in three steps between Dec. 31, 2013 and Dec. 31, 2015.

### • ADOPT 21ST CENTURY WORKPLACE POLICIES AND ENFORCE EXISTING PROTECTIONS FOR WOMEN IN THE WORKPLACE AGAINST DISCRIMINATION ON THE BASIS OF PREGNANCY AND CAREGIVING.

To end the wage gap, it is crucial to put in place 21<sup>st</sup> century workplace policies like paid sick days and paid family leave. Stronger enforcement of the laws that protect women with caregiving responsibilities from discrimination is also vitally important. Finally, it must be unmistakably clear that women who need to make adjustments to their jobs to continue safely working during pregnancy may not be denied these accommodations when their employers must accommodate other similarly situated workers.<sup>30</sup>

## CONCLUSION

At the federal level and in the states, we need to move forward with this comprehensive strategy to finally close the wage gap. We hope that this report, released on the 50<sup>th</sup> anniversary of the Equal Pay Act, will be pressed into service by policymakers as a practical roadmap to achieving fair pay. Women and their families simply cannot afford to wait.

## ENDNOTES

- 1 Nat'l Women's Law Ctr. (NWLC), *The Wage Gap Over Time* (June 2013), available at <http://www.nwlc.org/resource/wage-gap-over-time>.
- 2 *Id.*
- 3 *Id.*
- 4 NWLC, *Closing the Wage Gap Is Crucial for Women of Color and Their Families* (Apr. 2013), available at [http://www.nwlc.org/sites/default/files/pdfs/closing\\_the\\_wage\\_gap\\_is\\_crucial\\_for\\_woc\\_and\\_their\\_families.pdf](http://www.nwlc.org/sites/default/files/pdfs/closing_the_wage_gap_is_crucial_for_woc_and_their_families.pdf).
- 5 *Id.*
- 6 NWLC, *How the Wage Gap Hurts Women and Families* (Apr. 2013), available at [http://www.nwlc.org/sites/default/files/pdfs/how\\_the\\_wage\\_gap\\_hurts\\_women.pdf](http://www.nwlc.org/sites/default/files/pdfs/how_the_wage_gap_hurts_women.pdf).
- 7 Frank Bass, *Shining Shoes Best Way Wall Street Women Outearn Men*, Bloomberg Businessweek, Mar. 16, 2012, available at <http://www.businessweek.com/news/2012-03-16/the-gender-pay-disparity>.
- 8 NWLC calculations based on U.S. Census Bureau, *Current Population Survey: 2012 Annual Social and Economic Supplement* tbl. PINC-03 Educational Attainment – People 25 Years Old and Over, by Total Money Earnings in 2011, Work Experience in 2011, Age, Race, Hispanic Origin, and Sex available at [http://www.census.gov/hhes/www/cpstables/032012/perinc/pinc03\\_000.htm](http://www.census.gov/hhes/www/cpstables/032012/perinc/pinc03_000.htm) (last updated Sept. 12, 2012). Figures are for full-time, year-round workers. For an extensive examination of the wage gap among less educated workers, see U.S. Gov't Accountability Office, *GAO-12-10, Gender Pay Differences: Progress Made but Women Remain Overrepresented Among Low-Wage Workers* (Oct. 2011), available at <http://www.gao.gov/assets/590/585721.pdf>. Less educated workers in the GAO report are considered those with a high school degree or less.
- 9 Labor Force Statistics from the Current Population Survey, Bureau of Labor Statistics, <http://data.bls.gov/pdq/querytool.jsp?survey=in> (last visited May 3, 2013). In 2012, women 16 and older were 46.9 percent of the labor force.
- 10 Wendy Wang, Kim Parker & Paul Taylor, Pew Research Ctr., *Breadwinner Moms: Mothers Are the Sole or Primary Provider in Four-in-Ten Households with Children; Public Conflicted about the Growing Trend* 1 (May 29, 2013), available at [http://www.pewsocialtrends.org/files/2013/05/Breadwinner\\_moms\\_final.pdf](http://www.pewsocialtrends.org/files/2013/05/Breadwinner_moms_final.pdf). Figure refers to families with children under 18.
- 11 See Bass, *supra* note 7.
- 12 NWLC, *Sex Stereotypes: How They Hurt Women in the Workplace – and in the Wallet* (Jan. 2013), available at [http://www.nwlc.org/sites/default/files/pdfs/suits\\_fact\\_sheet\\_-\\_sex\\_stereotypes\\_01.30.2013.pdf](http://www.nwlc.org/sites/default/files/pdfs/suits_fact_sheet_-_sex_stereotypes_01.30.2013.pdf).
- 13 Labor Force Statistics from the Current Population Survey: CPS Tables: 2012 Annual Averages [hereinafter CPS Tables: 2012 Annual Averages] tbls.11 Employed persons by detailed occupation, sex, race, and Hispanic or Latino ethnicity and 39. Median weekly earnings of full-time wage and salary workers by detailed occupation and sex, available at <http://www.bls.gov/cps/tables.htm#annual> (last updated Feb. 6, 2013). Figures for percentage of women are for all employed persons. Figures for median weekly earnings are for all full-time wage and salary workers. Only 1.8 percent of electricians are women, and electricians have median weekly earnings of \$932; police and sheriff's patrol officers are 12.6 percent women and police and sheriff's patrol officers have median weekly earnings of \$979; architecture and engineering occupations are 13.7 percent women and architecture and engineering occupations have median weekly earnings of \$1,337. The median weekly earnings of all wage and salary workers are \$768.
- 14 Advisory Committee on Occupational Safety and Health, *Women in the Construction Workplace: Providing Equitable Safety and Health Protection* (1999), available at <http://www.osha.gov/doc/accsh/haswicformal.html> (explaining that continued isolation, sexual discrimination, and harassment created a hostile environment and affected the safety of construction worksites); see also Margaret Cohn, Julie Henderson, Patricia Bartholow Koch, Phyllis Kernoff Mansfield, Judith R. Vicary, & Elaine W. Young, *The Job Climate for Women in Traditionally Male Blue-collar Occupations*, 25 *Sex Roles: A Journal of Research* 63, 70-76 (1991) (explaining that women in nontraditional occupations face high levels of sexual harassment and sex discrimination, which is particularly problematic because skills in these occupations usually are acquired during apprenticeships or on the job, and are dependent on help and support from co-workers.”).
- 15 Ariane Hegewisch & Maxwell Matite, Inst. for Women's Policy Research, *The Gender Wage Gap by Occupation* (Apr. 2013), available at <http://www.iwpr.org/publications/pubs/the-gender-wage-gap-by-occupation-2>. Female-dominated occupations are those that are at least 75 percent female.
- 16 NWLC calculations based on Bureau of Labor Statistics, *Labor Force Statistics from the Current Population Survey: Characteristics of Minimum Wage Workers: 2012* tbl.1, Employed wage and salary workers paid hourly rates with earnings at or below the prevailing Federal minimum wage by selected characteristics, 2012 annual averages (2013), available at <http://www.bls.gov/cps/minwage2012tbls.htm> (last updated Feb. 26, 2013). This is true for both women 16 and older (64 percent) and 25 and older (66 percent).
- 17 NWLC calculations based on CPS Tables: 2012 Annual Averages tbls.11, 39, *supra* note 13. Median weekly earnings figures are for full-time workers. Share of women in each occupation is for all employed workers. NWLC examined all detailed occupations for which median weekly earnings were available for 2012. The “highest-wage occupations” are defined as the 25 occupations that have the highest total median weekly earnings for full-time workers. The “lowest-wage occupations” are the 25 occupations that have the lowest total median weekly earnings for full-time workers.
- 18 Philip N. Cohen, *Devaluing and Revaluing Women's Work*, The Huffington Post (Feb. 1, 2010), available at [http://www.huffingtonpost.com/philip-n-cohen/devaluing-and-revaluing-w\\_b\\_444215.html](http://www.huffingtonpost.com/philip-n-cohen/devaluing-and-revaluing-w_b_444215.html).
- 19 See NWLC, *Explaining the Wage Gap* (Apr. 2013), available at [http://www.nwlc.org/sites/default/files/pdfs/explaining\\_the\\_wage\\_gap.pdf](http://www.nwlc.org/sites/default/files/pdfs/explaining_the_wage_gap.pdf); *Labor Force Statistics from the Current Population Survey*, *supra* note 9.
- 20 In dual-income households with children where both parents are working, women spend 1 hour and 43 minutes on child care for every hour that fathers spend. NWLC calculations based on Kim Parker & Wendy Wang, Pew Research Ctr., *Modern Parenthood: Roles of Moms and Dads Converge as They Balance Work and Family* (Mar. 14, 2013), available at [http://www.pewsocialtrends.org/files/2013/03/FINAL\\_modern\\_parenthood\\_03-2013.pdf](http://www.pewsocialtrends.org/files/2013/03/FINAL_modern_parenthood_03-2013.pdf).
- 21 See *Explaining the Wage Gap*, *supra* note 19.
- 22 *Sex Stereotypes: How They Hurt Women in the Workplace – and in the Wallet*, *supra* note 12.
- 23 See *Explaining the Wage Gap*, *supra* note 19.
- 24 Michelle Budig, *Parenthood Exacerbates the Gender Pay Gap*, The Hill's Congress Blog (Sept. 30, 2010, 12:24 PM), <http://thehill.com/blogs/congress-blog/economy-a-budget/121869-parenthood-exacerbates-the-gender-pay-gap>.
- 25 See sources, *supra* note 14.
- 26 See sources, *supra* note 14.
- 27 NWLC, *Fair Pay for Women Requires Increasing the Minimum Wage and Tipped Minimum Wage* (Mar. 2013), available at <http://www.nwlc.org/sites/default/files/pdfs/minimumwagefactsheetmarch.pdf>.
- 28 Heidi Shierholz, Econ. Policy Inst., *Fix It and Forget It: Index the Minimum Wage to Growth in Average Wages* (Dec. 17, 2009), available at <http://www.epi.org/page/-/pdf/bp251.pdf>. David Cooper & Doug Hall, Econ. Policy Inst., *Raising the Federal Minimum Wage to \$10.10 Would Give Working Families, and the Overall Economy, a Much-Needed Boost*, at 5, 20-21 (Mar. 2013), available at <http://www.epi.org/files/2013/bp357-federal-minimum-wage-increase.pdf>.
- 29 NWLC, *Closing the Wage Gap: How Raising the Minimum Wage Promotes Fair Pay for Women* (June 2013), available at <http://www.nwlc.org/resource/closing-wage-gap-how-raising-minimum-wage-promotes-fair-pay-women>.
- 30 NWLC, *The Pregnant Workers Fairness Act: Making Room for Pregnancy on the Job* (May 2013), available at [http://www.nwlc.org/sites/default/files/pdfs/pregnantworkersfairnessfactsheet\\_w\\_bill\\_number.pdf](http://www.nwlc.org/sites/default/files/pdfs/pregnantworkersfairnessfactsheet_w_bill_number.pdf).