



POLICY BRIEF

END PAY DISCRIMINATION

THE PROBLEM

More than 60 years after the passage of the Equal Pay Act, women are still paid less than men in **all 50 states** and in **nearly every occupation**. Women working full time, year-round were paid just **84 cents** for every dollar paid to men in 2023. The wage gaps experienced by many women of color were even larger than the overall gender wage gap—nationally **Black women, Indigenous* women, and Latinas** working full time, year-round, were paid just 66 cents, 58 cents, 58 cents, respectively, for every dollar paid to their white, non-Hispanic male counterparts. Asian American, Native Hawaiian, and Pacific Islander (AANHPI) women working full time, year-round typically are paid only 93 cents for every dollar paid to their white, non-Hispanic male counterparts, but the wage gap was **substantially larger for some subgroups of Asian American women**. When combined with rising costs, low savings, ongoing caregiving challenges, and only modest wage gains, the wage gap hits women, especially those working in low-paid jobs, hard.

Several factors work together to cause the pay gap—including the undervaluing of jobs predominantly held by women; lack of support for caregiving responsibilities, which women disproportionately bear; and barriers to reproductive health care—but discrimination plays a decisive role. Pay discrimination persists in part because of outdated stereotypes that continue to influence workplace decision making, such as the idea that families do not rely on women’s income and that women do not need higher pay, which stand in stark contrast to the economic reality for women and their families. Stereotypes about appropriate behavior for women also negatively impact earnings for women who do not conform to those stereotypes, including **lesbian women and transgender women**. And many common employer pay setting practices, like **relying on an applicant’s salary history to set pay or refusing to be**

transparent about salary ranges to applicants or employees, perpetuate the wage gap. Pay discrimination is difficult to detect, in part because 60% of private sector employees report that discussing their wages is either prohibited or discouraged by employers—despite the fact that such prohibitions are often already illegal under the National Labor Relations Act. And even when working people discover unfair pay, loopholes in the law make it difficult to hold employers responsible for pay discrimination.

THE SOLUTION

- **Prohibit employers from requiring job applicants to provide their salary history in the hiring** process and from relying on applicants' salary history to set pay.
- **Require employers to be transparent about pay ranges** in job announcements and with employees.
- **Prohibit employers from retaliating against employees** who discuss pay information with co-workers or applicants.
- **Strengthen equal pay laws** to explicitly include pay discrimination based on other protected characteristics such as race, ethnicity, or disability, in addition to sex. This will give employees even more tools to address the full array of pay discrimination, including intersectional discrimination that they may experience based on their membership in multiple protected classes (e.g., race, disability, national origin).
- **Require equal pay for “substantially similar” or “comparable” work** to ensure that jobs that are similar in terms of skills, responsibility, and working conditions are compensated equally.
- **Limit the reasons employers may offer to justify gender-based pay disparities for employees** doing substantially similar work. Require employers to prove that any gender-based pay differences are truly caused by something, other than sex, that is consistent with a business necessity and that accounts for the entire differential.
- **Specify that the deadline to pursue an equal pay claim starts over** each time an employee receives a paycheck that is lower because of discrimination.
- **Allow employees with successful pay discrimination claims to recover** compensatory and punitive damages to fully compensate for their losses.
- **Require the state to collect data from employers** about what their employees are paid by job category. Ensure this data is broken down by gender and other protected categories, such as race and ethnicity.
- **Require all companies that bid for and/or receive government contracts**, as a condition of receiving the contract, to analyze their pay practices for wage gaps, report race and gender wage gaps, and certify ongoing compliance with pay equity laws and principles.

TALKING POINTS ON THE SOLUTION

- **Closing the wage gap is particularly important for Black, Latina, and Indigenous women**, who tend to be paid less than white, non-Hispanic women. Bringing Black women's earnings in line with white, non-Hispanic men's would typically bring in an additional \$25,480 per year. For Latinas, it would bring in an additional \$32,070 and for Indigenous women an additional \$30,055. In practice, this means thousands of dollars every year—and **hundred of thousands over the course of one's career**—that could have gone toward investing in further education, building a retirement fund, or saving for a financial emergency.
- **Ending pay discrimination will not just help close the wage gap** but will also strengthen families and households. Bringing women's earnings in line with men's would typically bring in an **additional**

\$11,550 a year to support a family and pay several month's supply of groceries, two months' child care payments, rent, health insurance premiums, student loan payments, and several tanks of gas.

- **Taking steps to address equal pay is crucial to employee recruitment and retention.** Equal pay measures, including salary range transparency, give job seekers tools to secure pay that accurately values their work and gives employers the tools to efficiently, effectively, and fairly hire the best workers.
- **Pay range transparency requirements can help level the negotiating playing field** and incentivize employers to proactively review and evaluate their compensation practices and address any unjustified disparities between employees.

PUBLIC POPULARITY

- The **majority of voters** (62%) support passing new legislation to close the gender pay gap. A plurality of support extends across partisan and demographic lines.
- **Nearly all workers** (98%) believe employers should disclose salary ranges in their job postings, and more than half (53%) would refuse to apply for a job that does not disclose the salary range. When looking for a job, **nearly three in five adults** (58%) prefer job postings that include a pay range for the position. More than a third have applied for a job they would not have otherwise interested them because of the pay range listed alongside it.

STATES THAT HAVE PASSED THESE POLICIES

- A national movement to strengthen equal pay laws has been sweeping through the states. In the past few years, lawmakers have introduced equal pay legislation in over two-thirds of states and many of these bills have become law. In just the last four years, **13 states and the District of Columbia** have passed pay range transparency laws so job applicants can know how much they can expect to be paid when they apply for a position.

* The data uses the term "Native American," but this policy brief uses the term "Indigenous."



Senator Ariana Kelly speaks at an Equal Pay Day press conference highlighting legislation requiring employers to include pay ranges in job postings. Senator Kelly is joined by fellow bill sponsor Delegate Jennifer White Holland as well as small business owner Monesha Phillips and Gabriella Lemus, Ph.D, Executive Director of Maryland Latinos Unidos, both members of a broad coalition organized by the Maryland Center on Economic Policy to support the pay transparency legislation.