



DPCC Myth vs. Fact: The Gender Wage Gap

Myth: There is no need for the Paycheck Fairness Act because we already have the Lilly Ledbetter Fair Pay Act.

Fact: The Paycheck Fairness Act builds on the Lilly Ledbetter Fair Pay Act by closing loopholes that allow pay discrimination against women to occur.

- Under Title VII of the Civil Rights Act, plaintiffs are required to file a suit within 180 days after the discriminatory wage decision occurred. In the case of Lilly Ledbetter, Lilly was not aware that she was being discriminated against until 19 years after she received her first discriminatory paycheck. In *Ledbetter v. Goodyear Tire & Rubber Co.*, the Supreme Court ruled that the statute of limitations for presenting an equal-pay lawsuit begins on the date that the employer makes the initial discriminatory wage decision, not at the date of the most recent paycheck. [NWLC, [5/12](#); CRS, [11/22/13](#)]
- In 2009, Congress passed the Lilly Ledbetter Fair Pay Act in response to the Supreme Court's decision in *Ledbetter v. Goodyear Tire & Rubber Co.* The Lilly Ledbetter Fair Pay Act made it clear that each discriminatory paycheck, not just an employer's original decision to engage in pay discrimination, resets the period of time during which a worker may file a pay discrimination claim. [NWLC, [5/12](#)]
- However, even after the Lilly Ledbetter Fair Pay Act, our existing equal pay laws remain weakened. Many wage disparities go undetected because employers maintain policies that punish employees who voluntarily share salary information with their coworkers. Nearly half of all workers nationally are either contractually forbidden or strongly discouraged from discussing their pay with their colleagues. Such pay secrecy makes it difficult for women and men to find out whether they are paid fairly and undermines attempts to reduce the gender wage gap. [NWLC, [5/12](#); IWPR, [1/14](#)]
- The Paycheck Fairness Act would prohibit employers from punishing or retaliating against workers who share salary information or inquire about their employers' wages practices. Allowing workers to discuss their salaries or inquire about their employers' wage practices without fear of losing their jobs will help women and men know whether or not they are being treated equally. [ACLU, [1/13](#)]
- Without Congressional action, women will not reach pay equity until 2058. The wage gap has not moved in nearly a decade. If the trends of the past five decades are projected forward, it will take another 45 years for women to reach pay equity. [IWPR, [9/14](#); NWLC, [10/14](#)]

MYTH: Women earn the same as men when factors such as age, education, occupation, and hours worked are taken into account.

FACT: Women earn less than men regardless of any other factor.

- The gender pay gap persists across all occupations. Women’s median earnings are lower than men’s in nearly all occupations, whether they work in occupations that are predominantly women, occupations that are predominantly men, or occupations with a more even mix of men and women. [CAP, [4/9/13](#); IWPR, [4/14](#); HELP Committee Testimony, [4/1/14](#); BLS, [5/10](#)]
- Of the 20 most common occupations for full-time working women, women earn less than men in every occupation, including education, nursing, social work, and clerical work. Of the 534 occupations listed by the Bureau of Labor Statistics, women earn more than men in only seven professions, meaning 97% of full-time working women work in occupations where they earn less than their male counterparts. [CAP, [4/9/13](#); IWPR, [4/13](#); HELP Committee Testimony, [4/1/14](#); BLS, [5/10](#)]
- The wage gap begins right when women enter the labor force and widens over time. Women 15-24 who work full time are paid 87.7% of what their male counterparts are paid. Even for women who graduate from professional school and start off on a more even footing, the gender pay gap grows over time. Women 45-64 who work full time are paid only 73.5% of what their male counterparts earn, and women 65 and older only earn 70.2%. Nearly 60% of women would earn more if working women were paid the same as men of the same age with similar education and hours worked. [NWLC, [1/14](#)]
- Women earn less across all educational levels. Women represent 76% of workers in the ten largest low-wage jobs and are paid an average of 10 cents less than men in those occupations for full-time work. Although women are earning more college and advanced degrees, women with higher education levels experience a greater pay gap than women who have less educational attainment. Women who earn a bachelor’s degree and higher earn 73.1% as much as their male colleagues, women with less than a high school diploma earn 76.4%, and women with a high school diploma earn 75.7%. [HELP Committee Testimony, [4/1/14](#); BLS, [5/10](#); NWLC, [3/14](#)]
- Women of color earn less across various ethnic demographics. In 2013, African American women were paid 64 cents, Hispanic women were paid 56 cents, and Asian women were paid 79 cents for every dollar earned by white, non-Hispanic men. [NWLC, [10/14](#)]
- Women earn less than men in the highest paying occupations. Women earn significantly less than men in all of the highest paying occupations, including:
 - Female lawyers earn 74.9% as much as their male peers,
 - Female physicians and surgeons earn 64.2% as much as their male peers,
 - Female securities and commodities brokers earn 64.5% as much as their male peers,
 - Female accountants and auditors earn 75.8% as much as their male peers, and
 - Female managers earn 72.4% as much as their male peers. [HELP Committee Testimony, [4/1/14](#); BLS, [5/10](#)]

- Differences in hours worked do not impact starting salaries. For example, according to research, starting salary disparities between male and female physicians could not be explained by differences in hours worked. The study found that male physicians made an average of \$16,819 more than their female peers. The study controlled for ten variables that could have potentially affected wage rates, including specialty choice, practice setting, work hours, geographic location, and other characteristics. According to the researchers, “We honestly tried everything we could to make it go away, but it wouldn’t.” [Health Affairs, [2/7/11](#); HELP Committee Testimony, [4/1/14](#)]
- Women face many barriers to earning the equivalent of men, and are failing to reach the highest pay bracket in the workplace. Across all occupations, women face significant barriers to reach the highest pay bracket in their place of employment. Although women comprise almost 52% of all professional level jobs, they are only 14.6% of executive officers, 8.1% of top earners, 16.9% of Fortune 500 board seats, 4.6% of Fortune 500 CEOs, and hold only 18.5% of congressional seats. [CAP, [3/7/14](#)]

MYTH: The Paycheck Fairness Act will hurt men.

FACT: The Equal Pay Act prohibits employers from lowering the wages of men to make up for discrimination against women and equal pay will benefit women and their families.

- Under current law, it is illegal to remedy wage discrimination by reducing the wages of other employees, and “the objective of equal pay legislation...is not to drag down male workers to the wage levels of women, but to raise women to the levels enjoyed by men in cases where discrimination is still practiced.” Furthermore, equal pay is not only a women’s issue, as millions of families rely on a women’s paycheck for their family’s earnings. [JEC, [12/10](#); Corning Glass, 417 U.S. at 207]
- Families are increasingly relying on women’s wages. In about 60% of households with children under the age of 18, women are the breadwinners or co-breadwinners. For families that rely on the mother’s income, the gender wage gap can contribute to poor living conditions, poor nutrition, and fewer opportunities for their children. [ACLU, [1/13](#); Pew Research, [5/29/13](#)]
 - Paying women in the 36.2 million families headed by married women the same as comparable men would increase incomes for married couples by 6%. This translates into an average of \$6,776 per year for each family and a total of \$245.3 billion nationwide. Poverty rates would fall by more than half, from 2.4% to 1.1%. [IWPR, [1/14](#)]
 - If the 6.9 million single mothers earned as much as comparable men, two-thirds would receive a pay increase and their annual family income would increase by \$6,698, on average, or nearly 17%. Total income gains for these families would be \$46.2 billion, and the high poverty rate for families headed by working single mothers would fall by nearly half, from 28.7% to 15.0%. [IWPR, [1/14](#)]

- The economy would benefit from pay equality. The U.S. economy would have produced \$447.6 billion more in income if women had received equal pay – this represents 2.9% of the 2012 GDP. Equal pay for women also represents more than 14 times what the federal and state governments spent in FY 2012 on the Temporary Assistance to Needy Families program. [IWPR, [1/14](#)]