



Fact Sheet: The Paycheck Fairness Act

Middle-class Americans are struggling more than ever just to keep up, and when women make less than men for the same work it makes it even harder for working families to succeed. More than 50 years after the passage of the Equal Pay Act, women still only earn 78 cents on every dollar that a man does. Not only is that wrong, but it hurts our economy by holding women and their families back, providing women with less income to spend at local businesses, and hampering women's ability to save for retirement. Democrats want to make sure that all women have a fair shot at equal pay for equal work. The Paycheck Fairness Act would strengthen families and our economy by providing working women with the tools they need to close the gener pay gap.

Gender Discrimination in Pay Holds Women and Families Back

Women earn 78 cents for every dollar paid to men. More than 50 years after the passage of the Equal Pay Act, women continue to earn less than men do in nearly every occupation. This gap in earnings translates into \$10,876 less in median earnings for women each year and \$435,049 in lost wages over a women's lifetime. Women would have to work 11 years longer than men to make up the pay gap. [NWLC, [4/10/15](#)]

- African American women working full time, make only 64 cents for every dollar paid to their white, non-Hispanic male counterparts and Hispanic women only make 56 cents.
- Women with disabilities working full time, are typically paid only 69.5% of what men without disabilities are paid. Compared to men working full time with disabilities, women with disabilities are paid only 80.8% of what their male counterparts are paid.

The gender pay gap hurts women and their families. The burden of wage discrimination weighs heavily on the children in households dependent on their mothers' earnings. As the primary or co-breadwinners, women are asked to carry a greater economic load while making less than they have earned. [ACLU, [3/15](#); JEC, [5/9/12](#); BLS, [5/14](#); Pew Research, [5/29/13](#); NWLC, [10/14](#)]

- 70.9% of women with children are in the labor force, and women are the sole or primary breadwinners in about 40% of households with children.
- In the typical two-earner family, women's earnings make up 42% of the family's wage income. For families at the bottom of the income distribution, women's earnings provide nearly half (49.5%) of the household income.
- While poverty rates for men decreased in 2013, Census data shows poverty rates for women remain stagnant, and are especially high for women who head households, women of color, foreign-born women, and women 65 or older.

The gender pay gap exists across nearly all occupations and educational levels.

Research clearly demonstrates that the gender pay gap persists regardless of occupation, education, industry, marital status, and other factors. Of the 534 occupations listed by the Bureau of Labor Statistics, women earn more than men in only seven professions. Among women in the full-time labor force, 97% work in occupations where they earn less than their male counterparts. [CAP, [4/9/13](#)]

The gender pay gap significantly reduces women's ability to save for retirement.

The combination of lower lifetime earnings and different work patterns meant that, in 2012, the average Social Security income for women 65 and older was about \$12,520 per year, compared to \$16,398 for men of the same age. Social Security Administration notes that elderly women are also less likely than elderly men to receive benefits or income from pensions other than Social Security. [Social Security Administration, [3/14](#)]

- The gender pay gap extends to private retirement savings as well. In 2010, women over age 50 received 56 cents for every dollar received by men in pension and annuity income. The Retirement Security Project found that the typical female worker near retirement with an individual retirement account or defined contribution plan had accumulated \$34,000 in savings, while her male counterpart had \$70,000 in savings. [NWLC, [1/14](#); NWLC, [3/14](#); The Retirement Security Project, [2/08](#)]

Discrimination contributes to the gender pay gap. There are a number of factors that contribute to the gender pay gap, including gender stereotypes, discrimination, narrower professional networks, and hesitancy by women to aggressively pursue raises and promotions. Together, it has been estimated that these factors may account for 20%-40% of the gender wage gap. [Pew Research, [12/11/13](#)]

Without action to address the gender pay gap, women will not reach pay equity until 2058. If the trends of the past five decades are projected forward, it will take 45 years, until 2058, for women to reach pay equity. [IWPR, [9/14](#)]

Equal Pay for Equal Work will Strengthen our Economy

Eliminating the pay gap will make families more secure. Nearly 60% of women would earn more if women were paid the same as men of the same age with similar education and hours of work. The poverty rate for all working women would be cut in half, falling from 8.1% to 3.9%. For working single mothers, the poverty rate would be cut from 28.7% to 15%, and nearly two-thirds of working single mothers would receive a pay increase. If the wage gap were eliminated, working women would have additional earnings to purchase: [IWPR, [1/14](#); NWLC, [4/10/15](#)]

- Five months' supply of groceries (\$3,161.50)
- Four months' rent and utilities (\$1,950)
- Three months' child care payments (\$2,550)
- Four months' health insurance premiums (\$1,472)
- Four months' student loan payments (\$1,308)

- Seven tanks of gas (\$434.50)

Ensuring equal pay for equal work will benefit the entire economy. The U.S. economy would have produced an additional income of \$447.6 billion if women received equal pay. This represents 2.9% of the 2012 GDP. The total increase in women's earnings with pay equity represents more than 14 times what the federal and state governments spent in FY 2012 on Temporary Assistance to Needy Families program. [IWPR, [1/14](#)]

The Paycheck Fairness Act will not result in a pay cut for men. 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]

The Paycheck Fairness Act Gives Women a Fair Shot at Equal Pay

The Paycheck Fairness Act prohibits employers from retaliating against employees who share salary information. As a result, employees will have access to information that will improve their salary negotiation skills and help women achieve greater pay parity with men. The bill also makes critical investments in the Equal Employment Opportunity Commission in order to further identify and respond to wage discrimination. Specifically, the Paycheck Fairness Act would update the Equal Pay Act by taking several important steps toward remedying pay discrimination including: [ACLU, [1/13](#)]

- **Preventing employers from using almost any reason to pay women less.** Employers would be required to demonstrate that wage differentials between men and women holding the same position and doing the same work are job-specific and are not related to gender.
- **Improving the remedies available to victims of discrimination.** This will level the playing field by ensuring that women can obtain the same remedies, such as punitive and compensatory damages, as those subject to discrimination on the basis of race or national origin.
- **Prohibiting employers from punishing or retaliating against workers who share salary information.** This is exactly what happened to Lilly Ledbetter – because Goodyear prohibited employees from discussing or sharing their wages, she did not know of the discrimination against her until long after it began. 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.
- **Improving training and education to help workers take action when they are discriminated against.**
- **Modernizing the Equal Pay Act to make it more in line with the class action procedures available under Title VII.** This would not extend class action protections beyond what is currently available under other antidiscrimination laws.

- **The Paycheck Fairness Act would also provide important safeguards for businesses, including:** [ACLU, [1/13](#)]
 - Providing an exemption for small businesses.
 - Instituting a six month waiting period from the time of enactment and requiring the Department of Labor to assist small businesses with compliance.
 - Recognizing employers for excellence in their pay practices and strengthening federal outreach and assistance to all businesses to help improve equal pay practices.

Additional Information

[HERE](#) you can access state-by-state data about the economic impacts of the gender wage gap.