

# Make It Work

## THE MAKE IT WORK CAMPAIGN'S POLICY PROPOSAL ON EQUAL PAY

Today, more women are the main breadwinners for their families than ever before. But on average, women are still paid 78 cents to every white man's dollar. Black women earn 65 cents on the dollar (as compared to white men) and Hispanic women earn 54 cents on the dollar (as compared to white men). At this rate, women in the United States won't see equal pay until 2058.<sup>i</sup> We're slated to have flying cars and humans on Mars first (no joke).

This impacts working women and their families throughout their lifetimes. For example, a white man could retire 33 years before a Latina woman and they would still make the same amount over the course of their lifetimes.

It's also a larger problem for the economy. If women earned equal pay for equal work, our economy could grow, boosting GDP by 2.9 percent or \$450 billion.<sup>ii</sup>

Gender discrimination in pay is caused by a variety of factors including sex discrimination, occupational segregation, and caregiver discrimination. Without solutions that address these problems, we're not just lagging behind – we're *staying* behind. That means we need to sprint forward as fast as possible to catch up.

**Solution:** Knowledge is power. We're calling for visionary solutions that make information about pay more available. We're not talking about revealing individual salaries, but we are talking about making it easier to get a sense of how your paycheck compares to those doing equal work. Specifically we propose:

- Making relevant information about wages by job category available so that employees can make sure they are earning equal pay for equal work.
- Passing the Paycheck Fairness Act, which would hold employers who do discriminate accountable, and stop companies from retaliating against employees who raise concerns about gender wage discrimination.
- Raising the minimum wage to at least \$12/hour and eliminate the separate sub-minimum wage for tipped workers.

## SUNLIGHT IS THE BEST DISINFECTANT

As a result of the Sony hack last year, which revealed unequal pay between male and female actors, Charlize Theron was able to negotiate a raise (more than \$10 million dollars, to be exact) to get paid the same as her male co-star, Chris Hemsworth in *The Huntsman*.<sup>iii</sup>

Years earlier, Lilly Ledbetter fought in court for ten years because she was paid less than men who did the same work at the Goodyear Tire and Rubber Company during her two decades there. She only found out that she was paid less than her male coworkers all those years because a colleague sent her an anonymous note.<sup>iv</sup>

We shouldn't have to rely on anonymous hackers or a note to reveal these disparities. Information about pay should be more available so that employees can make sure they are being paid fairly for the same work. That's why we propose building on the Paycheck Fairness Act and making information about wages by job category, sex, race and ethnicity, number of employees, and hours worked, available to the public via an online database. This would encourage employers to look at their pay data, identify disparities and address problems proactively. It would also empower employees to address discrepancies. In addition, government agencies would use the information to spot trends, provide technical assistance to adopt best practices, and enforce equal pay laws.

- Specifically, employers would be required to make available to the public via an online database managed by the Department of Labor, an equal pay report that includes total compensation data for job categories by sex, race, ethnicity, hours worked, and the number of employees.
- Reports would need to be signed by the company's CEO. Reports would be updated on an annual basis on the same schedule as the Equal Opportunity Commission's Employer Information Report EEO-1, otherwise known as the EEO-1 Report.
- Federal contractors would submit one report to meet this and the Office of Federal Contract Compliance Programs (OFCCP) requirement.
- Data should reflect the data used in the EEO-1, including demographic data, job categories, and definition of employee. Both full-time and part-time workers are included.
- Employee privacy and confidentiality would be protected. Employers may get a waiver if they make an effective individualized case to the Department of Labor that disclosure of pay bands in a specified job category would compromise the privacy of specific employees.
- The proposal would phase in over a five-year period. In the first two years, employers would be asked to comply on a voluntary basis. During that time, the Department of Labor would work with employers to find the right balance between transparency and confidentiality. In the third year, all employers with 150 or more employees would be required to comply. The fourth year expands to employers with 100 or more employees and by the fifth year it will be fully phased in for employers with 50 or more employees.
- Starting in the third year, the Department of Labor would be authorized to take action for failure to comply. Failure to submit the report on time may trigger a

compliance review of equal pay laws. In addition, willfully sharing incorrect data may be subject to fines.

This proposal – along with a range of other policies to improve workplace practices including the Healthy Families Act, the FAMILY Act, the Schedules that Work for All Act, and affordable, flexible, high quality child care and early learning programs – would go a long way to ensuring men and women receive equal pay for equal work.

### **PAYCHECK FAIRNESS:**

Despite the fact that President Kennedy made pay discrimination illegal on the basis of sex by signing the Equal Pay Act (EPA) into law in 1963, gender pay disparity persists. That's why our proposal builds on and includes the Paycheck Fairness Act, which updates and strengthens the EPA to ensure that it will provide effective protection against sex-based pay discrimination.

- The comprehensive bill bars retaliation against workers who voluntarily discuss or disclose their wages and those who raise concerns about gender-based discrimination.
- It allows women to receive the same remedies for sex-based pay discrimination that are currently available to those subject to discrimination based on race and ethnicity.
- And it also provides much needed training and technical assistance as well as data collection and research.

### **RAISE THE WAGE:**

A woman working full time, year round at the federal minimum wage of \$7.25 per hour earns just \$14,500—**more than \$4,000 below the poverty line** for a family of three. Women are two-thirds of minimum wage workers—and more than half are 25 or older. Add in the fact that women are the breadwinners in 80 percent of single-parent households, and that means women and families across the United States are struggling to make it work. In states with higher minimum wages than the federal minimum, gender disparity in pay is lower than states that follow the federal standard.<sup>v</sup>

- We support the [Fight for \\$15](#) and related efforts to raise minimum wages to \$15/hour.
- As a starting point, Congress should pass the Raise the Wage Act, which raises the minimum wage to \$12/hour and calls for one fair wage, rather than a sub-minimum wage for tipped workers.

- 
- <sup>i</sup> <http://statusofwomendata.org/explore-the-data/employment-and-earnings/employment-and-earnings/>
- <sup>ii</sup> <http://thinkprogress.org/economy/2014/01/13/3152311/gender-wage-gap-poverty/>
- <sup>iii</sup> <http://thinkprogress.org/economy/2015/01/12/3610424/charlize-theron-pay-gap/>
- <sup>iv</sup> <http://www.forbes.com/2009/04/28/equal-pay-discrimination-forbes-woman-leadership-wages.html>
- <sup>v</sup> <https://blog.dol.gov/2015/03/19/facts-about-women-and-the-minimum-wage/>