

ISSUE BRIEF

Equal Pay

Women earned 73 cents for every \$1 men earned in 2000, according to the Bureau of Labor Statistics, and the average family in the United States lost \$4,000 a year because of this wage gap, according to a 1999 study by the Institute of Women's Policy Research and the AFL-CIO. Women of color earned even less: African American women earned 67 percent and Hispanic women earned 55 percent of men's weekly earnings. The requirement for equal pay has been law since 1963. Yet almost forty years later, women are paid less than men—even in similar work and with similar education, skills and experience. Congress should recognize the significance of this problem and take the necessary steps to ensure all workers who do the same job earn the same wages.

Federal law, a presidential executive order and several state and local laws prohibit pay discrimination. The Equal Pay Act of 1963 makes it unlawful to pay women less than men for work that is "substantially equal" unless the pay difference is based on seniority, experience or other legitimate factors. Pay discrimination was also addressed in Title VII of the Civil Rights Act of 1964, which prohibited discrimination in pay, hiring, training, promotion and other job aspects. In 1965, executive order 11246 applied the protections of the two federal laws to companies that receive federal contracts.

Despite these laws and orders, the wage gap persists. Although the argument is often made that as women's educational attainment increases, the wage gap will decrease, this has not been the case. Women have been earning more bachelor's degrees than men since 1982 and more master's degrees than men since 1981, according to a report from the Department for Professional Employees, AFL-CIO. Wage gaps persist for several reasons. Employers often are able to prevent workers from learning of unfair pay discrepancies, and workers who challenge pay disparities often face retaliation. According to a report from the Department for Professional Employees, many employers are exempted from the provisions of current laws and enforcement mechanisms are lax.

Job titles are often used to mask pay discrimination. *AFSCME Council 26 v. Office of the Architect of the Capitol*, a case involving female and male custodians employed by the Architect of the Capitol, illustrated how job titles can be used to disguise pay discrimination. Though they did essentially the same work, the women were labeled custodians and paid less than men who handled trash as laborers. The women won back pay through settlement of a class action lawsuit.

If the wage gap persists, it could have long-term impacts. Women are more likely to retire poor. In 2000, half of all older women received a private pension of less than \$4,164 per year compared with \$7,768 for older men according to the Census Bureau. Today, 31 percent of African American women and 28 percent of Latinas older than 65 live in poverty, also according to the Census Bureau.

Bills attempting to close the pay gap have been introduced in previous sessions of Congress. The Paycheck Fairness Act (S. 77/H.R. 781) sponsored by Sen. Tom Daschle (D-S.D.) and Rep. Rosa DeLauro (D-Conn.), aimed to amend the Fair Labor Standards Act of 1938 to provide more effective remedies to victims of discrimination in the payment of wages on the basis of sex. The Fair Pay Act (S. 684/H.R.1362) sponsored by Sen. Tom Harkin (D-Iowa), and Del. Eleanor Norton (D-D.C.),

aimed to amend the Fair Labor Standards Act of 1938 to prohibit discrimination in the payment of wages on the account of sex. The Fair Pay Act also addressed the issue of comparable worth by calling for equal pay for equivalent work. Both have clauses prohibiting retaliation for questioning discrepancies. Congress should enact federal legislation strengthening current equal pay laws and expanding penalties for employers who pay female employees less than their male counterparts.