



## Next Steps for Progress on Equal Pay

By Jocelyn Frye April 12, 2016

A fast-food restaurant in Philadelphia paid its female shift managers and cashiers less than men in the same jobs, even though they were doing substantially equal work, and gave the male workers the preferred job assignments and schedules so that the female workers ended up with fewer hours.<sup>1</sup> A Texas transportation company paid a female operations director less than three male operations directors; when she was assigned to replace one of the men after he left the company, she came across his pay stub and discovered that he had been receiving a higher salary.<sup>2</sup> A woman was told by her Mississippi employer that she could not move into one of the company's higher-paying sales jobs exclusively held by men—even though she was performing the same type of work—because the job was too dangerous for a woman. She was also admonished that she would not be a good mother if she took the job because it would require her to travel.<sup>3</sup>

For many workers, these stories hit close to home. Employees—most often women but sometimes men—have an inkling that they are being paid less than someone else doing the same type of job. In some instances, such as the cases above, employees can successfully pursue charges of discrimination, vindicate their rights, and receive compensation for the money they should have been receiving in their paychecks. Too often, however, workers are uncertain: They lack enough information to know what others earn, leaving them to wonder whether they are being paid unfairly. The result is that the employees—unwilling to risk their jobs by complaining—continue to work but remain frustrated and even demoralized or angry. Most importantly, their situations remain unchanged—and if they are right, they are losing hard-earned dollars every day that could be used to help support their families and make ends meet.

The principle of equal pay for equal work is a cornerstone of the nation's commitment to equality, fairness, and ensuring that every worker has a fair chance to succeed in the workplace. But long-standing pay disparities continue to suppress the earnings of too many women, undermining their families' economic security and impairing their long-term financial stability.

In the public discourse about equal pay, many point to the gender wage gap—the gap between women’s and men’s average earnings—as the most visible illustration of pay inequality. The gap currently stands at 21 cents; women earn only 79 cents for every dollar earned by men.<sup>4</sup> This gap is even larger for women of color: African American women earn 60 cents for every dollar earned by white men, while Native American women and Latinas earn only 59 cents and 55 cents, respectively.<sup>5</sup> Asian American women earn 84 cents for every dollar earned by white men; however, that figure varies widely by subgroup—among Vietnamese women, for example, it is only 62 cents.<sup>6</sup>

Fortunately, there are measures that policymakers can take to establish fair pay practices, combat pay discrimination, and close the wage gap. But to do so, they must have a clear understanding of the underlying problems and the solutions that could make a difference by improving workplace practices. This issue brief explains the difference between the wage gap and equal pay for equal work, discusses recent efforts to address both issues, and lays out priorities for policymakers, focusing primarily on a framework for progress on equal pay but also discussing more broadly the comprehensive measures needed to close the gender wage gap. Real progress is sorely needed. If lawmakers are willing to pursue workable reforms that address the real needs of working families, it is also achievable.

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## Overview of equal pay for equal work and the wage gap

Making progress on pay disparities requires a clear understanding of the terms “equal pay for equal work” and the “gender wage gap”—how they are connected and how they are different. The terms are not interchangeable but reflect distinct concepts with distinct challenges.

### Different terms, different meanings

**Equal pay for equal work** describes the legal principle that underpins the protection against discrimination in pay. This principle has been established by federal employment laws such as the Equal Pay Act, or EPA, of 1963<sup>7</sup>—which prohibits sex-based discrimination in wages—and Title VII of the Civil Rights Act of 1964<sup>8</sup>—which prohibits wage discrimination based on factors including race, color, national origin, and sex. These laws require that employers pay employees equally for performing equal work—meaning work that requires equal skill, effort, and responsibility and is performed under similar working conditions<sup>9</sup>—except in situations where the pay difference can be explained by permissible factors such as differences in seniority.<sup>10</sup>

Although the public conversation about equal pay is often framed as solely a women's issue, the issue is broader and covers many different workers. Pay discrimination charges are not filed exclusively by women; in fact, men brought approximately one-third of the charges filed under Title VII in fiscal year 2013.<sup>11</sup> That same year, people of color filed more than half of the pay discrimination charges filed under Title VII in cases in which the race of the person filing a charge was specified.<sup>12</sup> Employers who are covered<sup>13</sup> by federal equal pay laws have a distinct, specific, and unchanging responsibility to adhere to antidiscrimination requirements and pay employees equally for equal work.

**The gender wage gap**, by contrast, is a broader concept. It represents the difference between women's and men's earnings and is driven by many different factors, including but not limited to discrimination.<sup>14</sup> Factors such as differences in education, seniority, work hours, and experience all may contribute to the gender wage gap, and the existence of a gender wage gap may or may not reveal a broader problem or legal violation.

### Obstacles to overcome, challenges to address

A closer analysis of how these two concepts play out in the real world reveals the challenges with addressing them. The goal of ensuring equal pay for equal work and eliminating pay discrimination remains elusive, in part because pay discrimination is hard to uncover. Pay practices are frequently hidden from view, and employees often have little access to pay information. Similarly, discussions about pay in the workplace are regularly discouraged or prohibited,<sup>15</sup> which has a coercive effect on employees who have questions or concerns about their pay.

Even when employees gain information that confirms a problem exists, they can face difficult legal hurdles if they want to complain. Courts have been overly strict in their interpretations of what facts are needed to establish that the jobs in dispute are fair comparators before a case can even move forward.<sup>16</sup> Under the Equal Pay Act, for example, an individual must show as a threshold matter that the basic elements of a claim have been met: that the individual was paid unequally compared to a person of the opposite sex and that the jobs being compared constitute equal work requiring “equal skill, effort, and responsibility, and which are performed under similar working conditions.”<sup>17</sup> Some courts have construed this equal work requirement so narrowly that only cases in which the jobs are almost identical are permitted to move to trial, which leads to claims being prematurely dismissed before the facts can be evaluated in context.<sup>18</sup>

At the same time, courts have broadly interpreted the defenses available to employers under the Equal Pay Act—which employers can invoke to justify a pay disparity—such as the “any factor other than sex” defense, which allows employers to justify a pay differential as long as they can say it was not explicitly based on sex.<sup>19</sup> All of these barriers have made it difficult for individuals to challenge unequal pay practices in court, even

though support for equal pay frequently registers as a top workplace priority.<sup>20</sup> A recent survey found, for example, that 58 percent of U.S. women considered the gender wage gap to be their top concern.<sup>21</sup>

## Drivers of the gender wage gap

The gender wage gap stems from the wide variety of factors that collectively affect women's labor force participation and overall earnings. Research has found that it is driven by multiple factors, from measurable differences in work hours and levels of experience to less quantifiable but no less impactful views on how certain jobs or workers should be valued.<sup>22</sup>

Noted scholars Francine Blau and Claudia Goldin have written extensively about the multifaceted nature of the wage gap, documenting its different components.<sup>23</sup> Blau and her co-author Lawrence Kahn analyzed the contributors to wage differences and found that while nearly half of the difference is due to the concentrations of men and women in various occupations and industries, a significant percentage was due to unexplained differences, including potential discrimination. Although the precise size of this unexplained gap varies across different studies, their research concluded that 40 percent of the gap was unexplained.<sup>24</sup> Other research reached a similar conclusion, finding that one-third of the wage gap was unexplained.<sup>25</sup> Goldin's work has connected gender pay differences to work hours: Women work fewer hours than men, in part because women take on more caregiving responsibilities at home and thus move in and out of the workforce more frequently.<sup>26</sup> Their research makes clear that piecemeal approaches that fail to address the actual factors driving disparities in pay are shortsighted and may do little to close the wage gap. Instead, policymakers must take a comprehensive, coordinated approach.

Although equal pay and the wage gap are distinct concepts, they are also inextricably linked—taking steps to achieve equal pay may help reduce the overall wage gap, and efforts to close the wage gap may help promote better pay practices that lead to equal pay.<sup>27</sup> In the current discourse, critics often conflate equal pay and the gender wage gap, allowing them to justify inaction on both issues. Understanding the differences between the two is critical to ensure that both priorities receive the targeted attention they deserve and to make clear that addressing one does not alter the need to address the other.

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## Recent efforts to address the wage gap and equal pay

While policymakers across party lines are often quick to voice their support for equal pay in principle, they sharply disagree about what steps, if any, are needed to ensure equal pay in practice. One reason for this impasse stems from competing views about the relationship between equal pay and the gender wage gap. Some argue that little or no action is

needed—on equal pay or the wage gap—because existing pay disparities are entirely explainable, due mostly to women’s choices, time out of the workforce, and reduced hours in comparison to men.<sup>28</sup> For the proponents of this view, the impact of these choices demonstrates that discrimination is a much smaller—or even negligible—factor contributing to women’s lower wages. Because most gender-based pay differences are the result of women’s choices and family decisions, they argue, policy intervention to strengthen enforcement of equal pay laws or to otherwise help raise women’s earnings is unnecessary.

This argument largely ignores the broader body of research showing that both explained and unexplained factors—not just women’s choices—influence the wage gap.<sup>29</sup> It also dismisses research exploring the impact of the lack of work-life policies on all workers’ ability to move in and out of the workforce for caregiving reasons.<sup>30</sup> This substantial body of research suggests that the women’s choices frame is too narrow and underinclusive to fully explain the wage gap or understand its contours and that policy interventions could make a difference.<sup>31</sup>

The argument for inaction also glosses over the differences between pursuing equal pay for equal work and closing the wage gap. Employers who are covered by equal pay laws are required to ensure equal pay for equal work and maintain workplaces free of pay discrimination; this legal obligation does not change simply because there may be other factors affecting the wage gap. The obligation to comply with federal equal pay laws is a distinct, stand-alone requirement that is not dependent on or reduced by whatever other factors may be affecting wages. Employers are charged with combatting pay discrimination in its entirety by closing all of the pay gap due to discrimination. The fact that discrimination may be only one piece of the overall wage gap puzzle does not diminish the need for robust enforcement of equal pay laws or eliminate the need to examine whether existing protections are working or stronger protections are needed. Yet opponents of efforts to address the wage gap rarely focus on efforts to ensure vigorous enforcement of equal pay laws.

Supporters of policy intervention argue that pay differences are connected to long-standing stereotypes, persistent undervaluing of so-called women’s work, and the lack of up-to-date workplace policies that enable workers to fulfill their work and family obligations without sacrificing one or the other.<sup>32</sup> These advocates point to the need for stronger legal protections to combat discrimination, along with more robust, comprehensive work-family policies to help promote equal pay and close the wage gap.

These competing lines of argument often are presented as calling for two distinctly different outcomes—action or inaction—which has resulted in virtually no consensus or movement on meaningful equal pay legislation at the national level since the first days of the Obama administration. This stalemate does a disservice to the millions of workers who believe that equal pay for equal work and fair pay practices are essential workplace values and prevents action that could improve the economic standing of families across the country.

## Congressional (in)action

At the congressional level, the conversation about equal pay and the wage gap over recent years has largely consisted of a war of words. The existing laws that have provided the front-line equal pay protections—the Equal Pay Act and Title VII—have been on the books for more than 50 years. While these laws have been instrumental in helping to erode rigid pay barriers that have unfairly depressed women’s wages, their full impact has been blunted by the way courts have interpreted the scope of the protections available to employees.

In response to these challenges, two major bills—the Fair Pay Act, or FPA,<sup>33</sup> and the Paycheck Fairness Act, or PFA<sup>34</sup>—have been put forward to strengthen existing equal pay protections. Among other things, the Fair Pay Act, originally introduced in 1994 by then-Sen. Tom Harkin (D-IA) and Delegate Eleanor Holmes Norton (D-DC), was intended to address the problem of overly narrow judicial interpretations of what constitutes “equal work” by broadening the legal standard used to encompass “equivalent work.”<sup>35</sup> The bill also proposed bolstering protections against retaliation for discussing pay at work and increasing the damages available for violations to include compensatory and punitive damages.

The Paycheck Fairness Act, which was first introduced in 1997 by then-Sen. Tom Daschle (D-SD), focused on other key problems with existing law. The PFA’s proposed modifications include tightening the defenses available to employers, requiring them to demonstrate a business-related reason for a pay disparity; requiring employers to report their pay data to enforcement officials on a regular basis; prohibiting retaliation when employees discuss their pay; and lifting the cap on damages available to pay discrimination victims.<sup>36</sup> The important improvements contained in both bills would strengthen existing equal pay protections. Unfortunately, support and opposition for these proposals have generally fallen along party lines for years, with Democrats supporting the proposals and Republicans opposing them.

The one important exception to the otherwise stubborn inaction of Congress over the past few years was the passage of the Lilly Ledbetter Fair Pay Act, or Ledbetter Act, in 2009. Congress passed the Ledbetter Act in response to a 2007 Supreme Court ruling, *Ledbetter v. Goodyear Tire and Rubber Company*,<sup>37</sup> from a sharply divided Court that changed a decades-old rule regarding the time period for filing pay discrimination claims.<sup>38</sup> Prior to *Ledbetter*, individuals alleging pay discrimination were required to file their claim within 180 days of receiving the last discriminatory paycheck because each paycheck infected by discrimination constituted a discriminatory act that violated the law. In *Ledbetter*, however, the Court ignored precedent and ruled that a pay discrimination claim must be filed within 180 days of when the discriminatory decision was made. This change would have prevented many victims from filing their cases because they lacked access to the information that would have revealed discrimination was taking place.

The Ledbetter Act was intended to correct the Supreme Court's decision and restore the prior rule. Although initially caught in a partisan stalemate in the Senate,<sup>39</sup> the act eventually became a 2008 campaign issue: Then-Sen. Barack Obama (D-IL) pushed for passage while Sen. John McCain (R-AZ) skipped the Senate vote and stated his opposition.<sup>40</sup> Shortly after President Obama's inauguration in 2009, the Senate was able to overcome the filibuster that had held up the Ledbetter Act, and it became the first bill that President Obama signed into law.<sup>41</sup> While the new law represented a critical step forward for victims of pay discrimination, its purpose was to regain ground lost in 2007 rather than focus on other changes that could be taken to improve or strengthen existing law.

In an effort to mute criticism for not supporting any equal pay proposals, several Republican lawmakers have also put forward pay equity bills over the past two years that are far more limited in scope than the Fair Pay Act or Paycheck Fairness Act. In 2015, Sen. Deb Fischer (R-NE) introduced the Workplace Advancement Act,<sup>42</sup> or WAA, and Sen. Kelly Ayotte (R-NH) introduced the Gender Advancement in Pay Act, or GAP Act,<sup>43</sup> as the two main alternatives.<sup>44</sup>

The Workplace Advancement Act focuses exclusively on providing protections against retaliation to employees who discuss pay information, but the protections are limited only to those who can show that they were gathering the information for purposes of determining whether their employer is providing equal pay for equal work.<sup>45</sup> So it is unclear whether employees who are simply having a conversation about salaries in the workplace would be covered by these protections.

The GAP Act is a more extensive bill that includes protections against retaliation for discussions about pay, would limit the affirmative defenses available to employers in pay discrimination cases, and would increase penalties for violations. As written, however, the bill raises several concerns: The retaliation provision states that it cannot be waived but permits the protection to be superseded in specific circumstances, such as a severance agreement or a settlement. This type of exception could still lead to coercion or employees feeling pressured to give up protections that they might need. Furthermore, the increased penalties may still not be sufficient to deter bad conduct. Importantly, the bill also lacks provisions to strengthen civil rights enforcement or provide for greater pay transparency and accountability through disclosure of pay data by employers.

## Executive action

The standoff at the congressional level notwithstanding, the Obama administration has taken several executive actions to address contributors to the wage gap—including discrimination, undervalued jobs, and inadequate work-family policies. While constrained by congressional approval, the president does have powers delegated by the U.S. Constitution and statute to direct the work of the federal government. Consistent with that authority, the administration has focused on strengthening policies covering

federal workers and federal contractors, which receive taxpayer dollars to perform work for the federal government. On the heels of signing the Ledbetter Act, President Obama continued to tackle pay discrimination by issuing executive orders covering federal contractors to require more pay transparency, reduce pay secrecy, and prohibit retaliation when workers discuss their pay.<sup>46</sup>

President Obama has also focused on improving wages in low-wage jobs, which are disproportionately held by African American women and Latinas. The president pushed Congress to raise the federal minimum wage;<sup>47</sup> he also took action himself, issuing an executive order raising the minimum wage for workers on federal contracts to at least \$10.10 per hour.<sup>48</sup> Meanwhile, the U.S. Department of Labor issued regulations closing a legal loophole that had excluded home care workers—mostly women and often women of color—from minimum-wage protections for decades.<sup>49</sup>

Finally, the Obama administration has worked to strengthen work-family policies—from providing grants to states to help them explore potential paid leave policy solutions to public statements by the president urging Congress to adopt comprehensive proposals for paid family leave and paid sick days—that would enable more women to enter or stay in the workforce without putting their families at risk.<sup>50</sup> President Obama also issued an executive order requiring federal contractors to provide paid sick days to workers on federal contracts and directives to help expand federal workers' access to paid family leave and flexible work-family policies.<sup>51</sup>

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## A roadmap for change

Policymakers could move beyond the partisan rhetoric and stalemate to make progress on both securing equal pay and closing the wage gap. A comprehensive approach requires targeted work on multiple fronts: combatting workplace discrimination; raising wages in the lowest-wage occupations, where women disproportionately work; promoting work-life policies such as paid leave that enable workers to care for their families and remain in the workforce; and expanding access to higher-paying jobs.

There are specific policy solutions that policymakers can pursue to strengthen equal pay protections, including:

- Promoting greater pay transparency so that employees have the information they need
- Requiring pay disclosure by employers to promote greater accountability
- Refining the understanding of what constitutes equal work to better reflect the realities of the workplace
- Ensuring pay decisions are business- or job-related

- Targeting enforcement efforts at specific industries with higher pay disparities
- Undertaking specific research on racial and ethnic pay disparities
- Providing workers with a right to request specific information about their pay or company pay practices
- Requiring the posting of salary ranges

Furthermore, pursuing broader economic security policies, such as increasing the minimum wage and adopting paid sick days and paid family leave, can level the playing field for workers with caregiving responsibilities and give them the best chance to remain in the workforce. These are commonsense, workable strategies that can make a real difference in the lives of working families across the country.

### Combatting pay discrimination in the workplace

In addition to addressing factors that contribute to the gender wage gap, policymakers should prioritize the following to strengthen equal pay protections and enforcement tools.

#### *Transparency in pay practices*

Too often, workers face barriers when trying to uncover illegal pay practices or pay disparities. Some work in workplaces where discussions about pay are prohibited, making it harder to identify problems when they occur. Even without such a policy, decisions about pay are often made behind closed doors with little visibility.

Adopting specific protections that prohibit pay secrecy rules and clearly state that workers can discuss their pay without fear of reprisal would be an important step forward. Such protections would help strengthen workplaces by providing greater transparency in employer pay practices, reducing confusion and misinformation, and enabling workers make more informed decisions. These protections should be available to all workers—with some accommodation for situations in which the nature of their job requires confidentiality, such as human resources professionals—and not treated as negotiable perks to be circumvented or reserved for a select few.

#### *Accountability through disclosure*

Measures to promote accountability in pay decision-making can help incentivize employers to be more vigilant and review their own pay practices, which would in turn advance fairer pay. Employers often are best positioned to identify pay disparities within their workplaces and take corrective action quickly when needed to ensure uniformity and consistency. Measures such as requiring employers to report their pay data to

enforcement officials on a regular basis or posting starting salaries or salary ranges in job announcements could help hold employers accountable by establishing clear guidelines and benchmarks for evaluating their pay processes.

#### *Business- or job-related reasons for pay decisions*

It is essential to ensure that employers base pay decisions on sound, business-related reasons. Allowing employers to justify pay disparities without having to provide a job-related rationale means that employers can erect obstacles to fair pay that are unnecessary or unrelated to a particular job or the employer's business. While employers need the discretion to make hiring and pay decisions in accordance with their own practices, they also should take steps to ensure their pay decisions are not based on arbitrary factors unrelated to a job or business.

For example, a worker's prior salary may have nothing to do with the qualifications needed for a particular job. If prior salary is used to justify paying a male applicant more than a female applicant, long-standing pay disparities can perpetually relegate women to lower salaries. There are specific steps policymakers can take to address these problems, such as enacting provisions that would tighten existing law by requiring employers to have a business- or job-related reason for a pay disparity and limiting the use of prior salary when making an employment decision. Limiting the use of such information and closing loopholes created by overbroad interpretations of the permissible justifications for pay differences allowed under existing law could help reduce arbitrary pay differences unrelated to the job.

#### *Protection against retaliation and adverse employment actions*

Workers should not be penalized for discussing or inquiring about their pay. Although retaliation is generally prohibited under current laws, such as Title VII, and in some instances, workplace rules that prohibit pay discussions may violate existing laws such as the National Labor Relations Act, workplace culture often discourages workers from raising questions about their pay and fosters a culture of secrecy and reprisals. Given this environment, policymakers should take action to clarify and strengthen existing retaliation protections to state clearly that such protections extend to the variety of situations in which pay may be discussed in the workplace and must be comprehensive and not subject to waiver. Moreover, policymakers should establish clear, robust penalties with enforcement mechanisms to make this protection a forceful, effective deterrent.

#### *Recognition of the barriers faced by diverse groups of workers*

Pay disparities disproportionately affect several communities with unique barriers. For example, racial and ethnic pay differences, which affect people of color regardless of gender, are often larger than the pay differences based on gender, yet racial/ethnic wage gaps often receive less scrutiny and analysis. Research has also revealed pay disparities faced by mothers, people with disabilities, and lesbian, gay, bisexual, and transgender, or LGBT, workers.<sup>52</sup>

Thus, any equal pay reform should include provisions to tackle these types of pay disparities head on, regardless of race, ethnicity, economic standing, disability, sexual orientation or gender identity, or other factors. Policymakers should take steps such as requiring more disaggregated data analysis to identify populations with the largest pay disparities within specific occupations or industries, undertaking greater education and training to combat persistent stereotypes that may affect pay decisions, and targeting enforcement efforts in certain occupations and industries where disparities are most pronounced.

#### *Equal treatment of workers who do equal work in different settings or jobs*

The intent of existing equal pay protections is to ensure that all workers receive equal pay for equal work. In practice, the principle of equal pay for equal work should not mean that the jobs in question must have exactly the same name or take place in exactly the same location. Jobs may be equal in terms of the work and skills required but have different titles or labels; employees working for the same employer could be doing the same work but in different locations.

Judges should not interpret the law so narrowly that workers who are performing equal work are nonetheless treated differently because of labels or other distinctions that might not make sense in today's technologically sophisticated and advanced workplaces. Policymakers, meanwhile, should focus on ensuring that similarly situated employees are treated equally by their employers. This could mean adopting provisions that make clear that the concept of equal work must be measured holistically to encompass workers who perform the same tasks but under different job titles or in different locations.

#### *Investment in robust enforcement efforts*

Strengthening enforcement is critical to making the law's promise of equality a reality for all workers. The key agencies charged with enforcement of existing equal pay protections at the federal level—such as the Equal Employment Opportunity Commission, or EEOC, and U.S. Department of Labor—often have limited resources to investigate discrimination claims, undertake targeted enforcement efforts, and ensure compliance. For example, since fiscal year 2011, the EEOC has seen its staffing levels fluctuate due to a hiring freeze, sequestration, and the federal government shutdown. Although it is now able to undertake new hiring, its staffing is still below 2011 levels.<sup>53</sup> Furthermore, other agencies also may be able to play an important role and bring added resources to federal enforcement efforts. For example, policymakers could explore ways that the Securities and Exchange Commission can promote greater transparency of employer pay practices. Increased resources allocated to enforcement activities combined with more comprehensive reporting of enforcement actions and outcomes could help improve employer practices, deter bad conduct, and root out problems when they occur.

Furthermore, greater resources could be used to reinvigorate efforts to tackle long-standing, persistent barriers to women’s advancement in senior- and entry-level jobs—often referred to as the glass ceiling and the sticky floor. Increasing the number of targeted compliance reviews of federal contractors by the U.S. Department of Labor’s Office of Federal Contract Compliance Programs—for example, to focus specifically rates of promotion in upper-level management jobs or movement from entry- to mid-level jobs—could help isolate specific problems and break down occupational barriers that have limited opportunities for women.

### *Empowering workers*

Policies should seek to empower workers so that they are better positioned to evaluate their options and make decisions for themselves. Establishing a right-to-request policy that enables workers to request certain information about a job when an offer is made—such as the salary range or a summary of the employer’s pay policies, including measures used to determine salary increases and expected promotional opportunities—could help ensure that workers are better informed about how pay decisions are made and future pay opportunities.

### *Promoting state innovation and voluntary efforts*

Pursuing progress on equal pay should include support for both mandatory and voluntary efforts. Everybody—from employers and policymakers to even employees themselves—can and should play a role in creating a level playing field for all and ensuring that workers are paid fairly. There are employers and local communities that have taken concrete steps to improve their pay practices and eliminate unfair pay disparities. Successful employers such as Salesforce and The Gap have undertaken efforts to evaluate the salaries within their workforces and make adjustments, where necessary, to ensure employees are paid fairly.<sup>54</sup> Supporting such efforts—for example, by providing grants for research, supporting state exploration of potential innovative initiatives, or lifting up and celebrating employer best practices—can help extend the reach of good practices and encourage change.

## Closing the gender wage gap

While anti-discrimination measures are an important piece of the earnings puzzle, policymakers must go farther to address the litany of factors fueling the gender wage gap. The facts that women disproportionately work in jobs that pay lower wages, work fewer hours than men, and assume many of the caregiving responsibilities in their families are among the factors that contribute to women’s lower earnings.<sup>55</sup> Action steps could include the following.

### *Raising the minimum wage*

Women disproportionately work in low-wage jobs and make up almost two-thirds of minimum-wage workers.<sup>56</sup> At the same time, women are increasingly taking on greater responsibility to provide economic support to their families. African American women and Latinas, in particular, are more likely to be sole breadwinners in their families, as well as minimum-wage workers.<sup>57</sup>

Thus, finding ways to improve the wages of low-wage workers could have an enormous impact on low-income women and their families. Raising the federal minimum wage to at least \$10.10 per hour or higher would be an important step forward. Additionally, raising the minimum wage of tipped workers—workers who receive tips as part of their wages and are disproportionately women of color—is also critical. The current minimum wage for tipped workers stands at \$2.13 per hour, which is wholly inadequate for workers trying to make ends meet.<sup>58</sup>

### *Expanding work-family policies*

Women often work fewer hours than men, in part because they spend more time out of the workforce for caregiving reasons. The fact that women are more likely to take on the caregiving responsibilities within their families can make them targets for unfair treatment and limit their job opportunities. Policies that improve women's ability to move in and out of the workforce, provide care to their families when needed, and retain their jobs would significantly boost their earnings.

For example, workplace policies that enable workers to take time off to care for their families without sacrificing their incomes are crucial. Policymakers should establish a national program to provide paid family and medical leave,<sup>59</sup> requiring employers to provide a minimum number of paid sick days per year, and limit the ability of employers to engage in unpredictable scheduling practices. Such policies would allow more workers to move in and out of the workforce to care for their families, as well as promote greater retention of talented employees.

### *Improving women's access to higher-paying occupations*

Women historically have been concentrated in jobs that have high numbers of female workers and persistently low wages. One strategy for improving women's wages is to expand opportunities for women in higher-paying, traditionally male-dominated occupations—such as science and technical jobs.

Targeted investments to expand access to training can help women acquire and build new skills that better position them for higher-paying opportunities and offer greater mobility. Additionally, undertaking targeted efforts to improve the overall quality of low-wage jobs and to work with employers to create pathways for workers to move up into mid-level and supervisory positions is essential. Too many women remain stuck in low-wage jobs with no opportunity for advancement.

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## Conclusion

Americans should expect our policymakers to take concrete steps to uphold the nation's commitment to equality and fairness. The concept of equal pay for equal work must be more than just words on a page; it requires serious enforcement to ensure that the promise of the law is made a reality for all. Women are increasingly breadwinners whose families rely on their income to make ends meet. Promoting equal pay and closing the wage gap are both critical priorities; addressing them will boost women's full participation in the workforce and strengthen working families.

Comprehensive policy solutions to promote greater fairness in the workplace, eliminate discriminatory pay practices, strengthen equal pay protections, and reduce pay disparities are essential to ensure that all workers are paid fairly. Reforms that take into account the many different factors that contribute to the wage gap—as well as enable workers to remain in the workforce and earn higher wages—would promote the economic stability of all working families. Ensuring equal pay for equal work and closing the wage gap are both important priorities that call for real action—not just rhetoric.

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## Endnotes

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