



Gender Pay Gap Quick Facts

June 2014

The American Association of University Women believes that pay equity and equal opportunity are a matter of simple fairness. AAUW is a leader in the fight to end wage discrimination and open doors for women in the workplace.

Job creation and economic opportunity are critical issues for women, many of whom continue to struggle with economic insecurity and wage discrimination.

Despite civil rights laws and advancements in women's economic status, workplace discrimination still persists. On average, women who work full-time earn about 77 cents for every dollar a full-time male worker earns.¹ Because of the wage gap, since 1960, the real median earnings of women have fallen short by more than half a million dollars compared to men.²

A recent AAUW report – *Graduating to a Pay Gap* – found an unexplainable seven percent difference in the earnings of male and female college graduates one year after graduation, even after accounting for many factors including college major, occupation, industry, sector, hours worked, workplace flexibility, experience, educational attainment, enrollment status, GPA, college selectivity, age, race/ethnicity, region, marital status, and motherhood.³ Clearly, the wage gap persists.

The wage gap persists across all racial and ethnic groups, and it is found in every state. Among full-time workers in 2012, Hispanic, Latina, and African American women had significantly lower weekly median earnings compared with white and Asian American women.⁴

Real Consequences

The wage gap has real consequences. Recent research has found that 40 percent of households with children include a mother who is either the sole or primary earner for her family.⁵ Pay equity is not just a matter of fairness, but the key to families making ends meet.

Wage discrimination also limits women's choices. It impairs their ability to buy homes and pay for a college education, and limits their total lifetime earnings, thereby reducing their retirement savings and benefits.

Closing the Gap

On Equal Pay Day 2014, President Barack Obama signed two executive orders intended to provide new tools to fight the wage gap for federal contractors.⁶ One executive order prohibits retaliation against federal contractors who talk about their salary with their co-workers, while the other directs the Department of Labor to collect wage data from employers including the race and sex of federal contractors.

According to the Department of Labor, nearly one in four American workers is employed by the more than 200,000 businesses that receive federal funds for contracted work. These contracts total almost \$700 billion annually.⁷ These executive orders will benefit these workers, but they won't help the millions of other workers facing discrimination and won't address all of the reasons for pay disparity. That's why we still need Congressional action on the following legislation:

Paycheck Fairness Act: The PFA (S.84/H.R.377) would expand the scope of the Equal Pay Act with incentives for employers to follow the law, strengthen penalties for violations, enhance federal efforts, and prohibit retaliation against workers asking about wage practices.

Fair Pay Act: The Fair Pay Act (S.168/H.R.438) would require employers to provide equal pay for work of equal value, whether or not the jobs are the same. This legislation addresses equal pay for women working in female-dominated jobs equivalent to jobs traditionally dominated by men. The legislation would ban

retaliation, require employers to file wage information with the Equal Employment Opportunity Commission, eliminate the “gag rule” on wage disclosure, and prohibit employers from reducing wages to comply with pay equity requirements.

There are additional remedies that can come from the executive branch. These include:

- Issuing guidance on the permissibility of gender-based affirmative action.
- Ensuring adequate enforcement of all civil rights laws through sufficient funding and staffing of civil rights enforcement agencies. Special attention should be given to pregnancy and caregiving discrimination—areas where claims are on the rise.

Additional Resources

The Gender Pay Gap by State and Congressional District.
American Association of University Women

www.aauw.org/resource/gender-pay-gap-by-state-and-congressional-district/

Gender Pay Gap.

American Association of University Women
www.aauw.org/what-we-do/public-policy/aauw-issues/gender-pay-gap/

Graduating to a Pay Gap.

American Association of University Women
www.aauw.org/resource/graduating-to-a-pay-gap-the-earnings-of-women-and-men-one-year-after-college-graduation/

The Simple Truth about the Gender Pay Gap.

American Association of University Women
www.aauw.org/research/the-simple-truth-about-the-gender-pay-gap/

AAUW advances equity for women and girls through advocacy, education, and research. Since 1881, AAUW has been one of the nation’s leading voices promoting education and equity for women and girls. AAUW has a nationwide network of more than 170,000 members and supporters across the United States, as well as 1,000 local branches and 900 college and university partners.

¹ U.S. Census Bureau. (September 2012). *Current Population Reports. Income, Poverty, and Health Insurance Coverage in the United States: 2012*. Retrieved June 6, 2013, from www.census.gov/prod/2012pubs/p60-243.pdf

² National Committee on Pay Equity. (September 2012). *The Wage Gap Over Time: In Real Dollars, Women See a Continuing Gap*. Retrieved June 6, 2013, from www.pay-equity.org/info-time.html.

³ AAUW. (2012). *Graduating to a Pay Gap: The Earnings of Women and Men One Year after College Graduation*. www.aauw.org/GraduatetoPayGap/index.cfm

⁴ U.S. Census Bureau. (September 2012). *Current Population Reports. Income, Poverty, and Health Insurance Coverage in the United States: 2012*. Retrieved June 6, 2013, from www.census.gov/prod/2012pubs/p60-243.pdf

⁵ *The New York Times*. (May 29, 2013). *U.S. Women on the Rise as Family Breadwinner*. Retrieved June 6, 2013, from www.nytimes.com/2013/05/30/business/economy/women-as-family-breadwinner-on-the-rise-study-says.html

⁶ *The Washington Post*. (April 13, 2014). *Executive Order: Contractors Must Allow Employees to Discuss Pay with Each Other*. Retrieved April 16, 2014, from www.washingtonpost.com/business/capitalbusiness/executive-order-contractors-must-allow-employees-to-discuss-pay-with-each-other/2014/04/11/04c40e78-bf48-11e3-bcec-b71ee10e9bc3_story.html

⁷ U.S. Department of Labor, Office of Federal Contractor Compliance Programs. (2014). *Director’s Corner*. Retrieved April 16, 2014, from www.dol.gov/ofccp/about/DirectorsCorner.htm