

The Paycheck Fairness Act (S 182)

NCJW MESSAGE: Throughout its history, NCJW has been committed to advocating for laws, policies, and employment practices that provide equal pay for work of comparable worth. The Paycheck Fairness Act (S 182), a companion bill to the Lilly Ledbetter Fair Pay Act of 2009, would help achieve this goal by strengthening and expanding existing federal laws aimed at preventing wage discrimination. Economic justice will only be achieved when our nation's laws ensure that everyone receives equal pay for equal work. NCJW believes that the Paycheck Fairness Act not only addresses a civil rights injustice but also a major barrier to women's economic security.

TALKING POINTS:

- ▶ **Wage disparity persists.** In 2007, the Census Bureau reported that women working full time earned on average 22 percent less than their male counterparts. In other words, for every dollar earned by a man, a woman working just as hard earns only 78 cents. African American women earned 66 cents and Hispanic women earned 54 cents to every dollar earned by Caucasian men.
- ▶ **The Paycheck Fairness Act is the necessary and ideal companion to the Lilly Ledbetter Fair Pay Act of 2009.** The Ledbetter bill ensured workers' access to legal remedies after they've been discriminated against, but the Paycheck Fairness Act seeks to prevent the discrimination in the first place. These bills so complement one another that the House of Representatives passed them together as one of their first acts in the 111th Congress.
- ▶ **The Paycheck Fairness Act strengthens the Equal Pay Act of 1963.** When the Equal Pay Act was passed, it helped close the wage gap, but two generations later, improvements are necessary to make this civil rights act more effective. The Paycheck Fairness Act is a comprehensive bill that strengthens the Equal Pay Act by taking meaningful steps to create incentives for employers to follow the law, empower women to negotiate for equal pay, and strengthen federal outreach and enforcement efforts. The bill would also deter wage discrimination by strengthening penalties for equal pay violations and by prohibiting retaliation against workers who inquire about employers' wage practices or disclose their own wages.
- ▶ **Eliminating the wage gap is good for families and for business.** Working families lose \$200 billion in income annually to the wage gap. If the wage gap were eliminated, annual family incomes would increase by \$4,000, cutting the poverty rate by half. Additionally, evidence shows that increases in women's wages as a result of pay equity efforts do not cost employers more. In fact, forward looking employers recognize that eliminating pay differentials makes good business sense and that pay equity can help with competitiveness, worker retention, and productivity.

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FREQUENTLY ASKED QUESTIONS:

What Will the Paycheck Fairness Act (PFA) Do?

The Paycheck Fairness Act (PFA) is a long-overdue strengthening of the Equal Pay Act of 1963. The PFA seeks to close the wage gap by: authorizing additional training for Equal Employment Opportunity Commission staff to better identify and handle wage disputes, promoting salary negotiation skills for women, prohibiting employer retaliation against workers who inquire about wage practices or disclose their own wages, and deterring wage discrimination by strengthening penalties for equal pay violations and allowing women to receive punitive and compensatory damages for pay discrimination.

What is the Equal Pay Act of 1963?

This landmark civil rights law requires that men and women be given equal pay for equal work in the same place of business or establishment. The jobs do not have to be identical, but they must be substantially equal. It is job content—*not* job titles—that determines whether jobs are substantially equal. While laudable in its goals, the Equal Pay Act of 1963 has never lived up to its promise to provide “equal pay for equal work.” The Paycheck Fairness Act would help realize that promise.

Aren't there acceptable reasons for pay differences?

Yes, and the Paycheck Fairness act makes clear the acceptable reasons for pay differences by requiring employers to demonstrate that wage gaps between men and women doing the same work have a business justification and are truly a result of factors other than sex.

Wouldn't the Paycheck Fairness Act hurt small businesses?

No. The Paycheck Fairness Act maintains the protections currently provided to small businesses under the Equal Pay Act and updates its remedies and protections using familiar principles and concepts from other civil rights laws. These new provisions are not onerous and are well-known to employers, the legal community, and the courts.

Our economy is struggling, is now really the best time to strengthen laws against wage discrimination?

Yes. In fact, in these troubling economic times, pay equity is more critical than ever. Due to rising unemployment rates, an unprecedented number of women are now the family breadwinners—making pay equity even more critical, not simply to family economic security, but also to the nation's economic recovery.

What is the Current Status of the Bill?

The Paycheck Fairness Act was introduced in the House of Representatives (as HR 12) on January 6, 2009 and passed just three days later along with The Lilly Ledbetter Fair Pay Act of 2009 (HR 11). The Senate separated the bills, passed the Ledbetter Act, but then failed to pass the Paycheck Fairness Act. On March 11, 2010, the Senate Health, Education, Labor and Pensions Committee held a hearing on the Paycheck Fairness Act.