

THE  
**SIMPLE**  
TRUTH

ABOUT THE  
**GENDER PAY GAP**

SPRING 2017 EDITION

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# Foreword

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If you take one simple truth from this guide, I hope it's this: The pay gap is real. This guide provides the latest evidence about the pay gap as well as ideas for what we can do about it.

The American Association of University Women (AAUW) has been a leader on this issue for more than a century, since our first publication on the topic in 1894. The good news is that the gap has narrowed considerably in the last hundred years. The bad news is that the gap is still sizable, it's even worse for women of color, and it doesn't seem likely to go away on its own.

That's why AAUW works on multiple fronts to shrink the gender pay gap. Over the last century, our organization has awarded millions of dollars in fellowships to women pursuing graduate education. We have provided research and programs to advance women in nontraditional fields such as computing and engineering. AAUW members and staff have stood in the room when federal equal pay legislation was signed, from the Equal Pay Act in 1963 to the Lilly Ledbetter Fair Pay Act in 2009. We have advocated for the comprehensive Paycheck Fairness Act, a long-overdue bill that has come close to passage twice in the last seven years. And we've been proud to support and witness real progress happening at the state level, where lawmakers are offering creative new approaches to closing the gender pay gap.

Pay equity will continue to be an AAUW priority until women everywhere earn a fair day's pay for a fair day's work. This guide is designed to empower our members and other advocates with the facts and resources they need to tell the simple truth about the pay gap. It's real, it's persistent, and it's undermining the economic security of American women and their families. We hope you will join us in the fight for fair pay in the workplace.



Patricia Fae Ho  
AAUW Board Chair

## Acknowledgments

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*The Simple Truth about the Gender Pay Gap* was written by AAUW Vice President of Research Catherine Hill in 2011. It was substantially revised by Senior Researcher Kevin Miller and Research Associate Kathleen Benson in 2016. Vice President of Government Relations Lisa Maatz and State Policy Analyst Kate Nielson wrote the section on federal and state policies. Senior Editor Kathryn Bibler and Senior Designer Allison VanKanegan also contributed to the report.

AAUW thanks our members and supporters for their generous support in making this publication and organization possible.

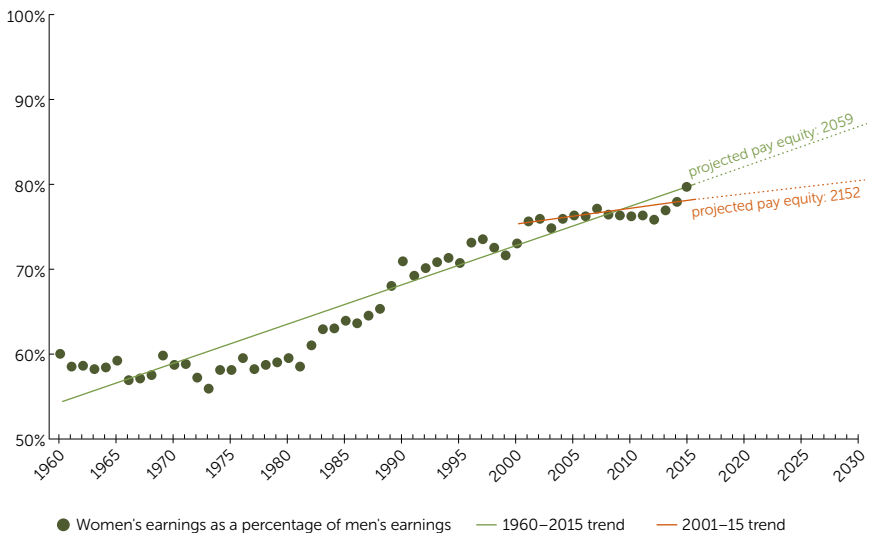
# Introduction

In 2015, women working full time in the United States typically were paid just 80 percent of what men were paid, a gap of 20 percent (Proctor et al., 2016). The gap has narrowed since 1960, due largely to women’s progress in education and workforce participation and to men’s wages rising at a slower rate.

At the rate of change between 1960 and 2015, women are expected to reach pay equity with men in 2059. But even that slow progress has stalled in recent years. If change continues at the slower rate seen since 2001, women will not reach pay equity with men until 2152 (Figure 1).

The gender pay gap has lifelong financial effects. For one, it contributes directly to women’s poverty. In 2015, 14 percent of American women ages 18–64 were living below the federal poverty level, compared with 11 percent of men. For ages 65 and older, 10 percent of women and 7 percent of

FIGURE 1.  
Women’s Median Annual Earnings as a Percentage of Men’s Median Annual Earnings for Full-Time, Year-Round Workers, 1960–2015



Source: AAUW analysis of data from Proctor et al., U.S. Census Bureau, *Income and Poverty in the United States: 2015*

men were living in poverty (Proctor et al., 2016). Eliminating the gender pay gap by increasing women's levels of pay to those of their male counterparts could cut the poverty rate for working women in half (Hartmann et al., 2014).

Even after women leave the workforce, the pay gap follows them. Because women typically are paid less than men during working years, when women retire they receive less income from Social Security, pensions, and other sources than do retired men (Fischer & Hayes, 2013). Other benefits such as disability and life insurance are also smaller for women, because these benefits usually are based on earnings.

The impact of the pay gap has also deepened in recent years as a result of changes in family structure. Between 1967 and 2012, the proportion of mothers bringing home at least a quarter of the family's earnings rose from less than a third (28 percent) to nearly two-thirds (63 percent). Today, 40 percent of mothers with children under the age of 18 are their families' primary or sole breadwinners (Glynn, 2014). As families increasingly rely on women's wages to make ends meet, the gender pay gap directly affects men and children as well.

This guide provides key facts about the gender pay gap in the United States, along with explanations and resources. Information is organized around five common questions:

1. What is the pay gap?
2. How does the pay gap affect women of different demographics?
3. What causes the pay gap?
4. How can I make a difference?
5. What should I do if I experience sex discrimination at work?

# What Is the Pay Gap?

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The pay gap is the difference in men's and women's median earnings, usually reported as either the earnings ratio between men and women or as an actual pay gap, as defined below. The median value is the middle value, with equal numbers of full-time workers earning more and earning less.

$$\text{Earnings ratio} = \frac{\text{Women's median earnings}}{\text{Men's median earnings}}$$

$$\text{Pay gap} = \frac{[\text{Men's median earnings} - \text{women's median earnings}]}{\text{Men's median earnings}}$$

In 2015, median annual earnings in the United States for women and men working full time, year-round were \$40,742 and \$51,212, respectively (Proctor et al., 2016).

$$\text{2015 earnings ratio} = \frac{\$40,742}{\$51,212} = 80\%$$

$$\text{2015 pay gap} = \frac{[\$51,212 - \$40,742]}{\$51,212} = 20\%$$

Earnings can also be reported on a weekly basis. The gender pay gap in weekly earnings tends to be slightly smaller than the pay gap in terms of annual earnings. In 2016, the pay gap in median weekly earnings was 18 percent (U.S. Bureau of Labor Statistics, 2017).

## Where do the data come from?

Federal agencies such as the U.S. Census Bureau, the U.S. Department of Education, and the U.S. Bureau of Labor Statistics conduct surveys of individuals, households, and businesses to gather information about people's salaries and other earnings.

Most reports on national workforce participation, pay, and pay differences depend on data from the Current Population Survey (CPS) ([www.census.gov/cps](http://www.census.gov/cps)), the country's primary source of labor force statistics. The CPS is a monthly survey with a sample of 100,000 households sponsored jointly by the Census Bureau and the Bureau of Labor Statistics (U.S. Census Bureau, 2016a).

The estimate of the pay gap using weekly earnings is based on the annual average of median weekly earnings for the previous year, usually released in January of each year by the Bureau of Labor Statistics ([www.bls.gov/cps](http://www.bls.gov/cps)). The estimate of the pay gap using annual earnings is based on the CPS *Annual Social and Economic Supplement*, which is published each September by the Census Bureau and the Bureau of Labor Statistics. The CPS provides more detailed information on income compared with other government surveys. In recent years, this information has been published in the report *Income, Poverty, and Health Insurance Coverage in the United States* (Proctor et al., 2016).

## State-level data

A pay gap can also be calculated for each state (Figure 2). The American Community Survey (ACS) ([www.census.gov/acs](http://www.census.gov/acs)) is a detailed annual survey distributed to a broad sample of U.S. households, and it supplements the U.S. census of all Americans, which only occurs once per decade. The ACS is often used (including in this report) to estimate more detailed analyses of subpopulations and geographical areas, such as the pay gap at the state level and for smaller racial/ethnic groups (e.g., Native Hawaiian and other Pacific Islander and American Indian and Alaska Native workers) because it includes more households—approximately 3 million per year, compared with the 100,000 surveyed in the CPS (U.S. Census Bureau, 2016a). The ACS results are released annually in September, and briefs based on the survey can be found on the Census Bureau’s website. According to ACS data, in 2015 the pay gap was smallest in New York, where women were paid 89 percent of what men were paid, and largest in Wyoming, where women were paid 64 percent of what men were paid (Figure 2).



FIGURE 2. (CONT.)

Median Annual Earnings and Earnings Ratio for Full-Time, Year-Round Workers, by State and Gender, 2015

		Male	Female	Earnings Ratio
1	New York	\$52,124	\$46,208	89%
2	Delaware	\$51,037	\$45,192	89%
3	Florida	\$41,105	\$35,604	87%
4	District of Columbia	\$72,230	\$62,191	86%
5	North Carolina	\$42,039	\$36,113	86%
6	Rhode Island	\$51,368	\$44,050	86%
7	California	\$50,562	\$43,335	86%
8	New Mexico	\$41,440	\$35,070	85%
9	Hawaii	\$48,074	\$40,434	84%
10	Vermont	\$47,960	\$40,173	84%
11	Nevada	\$43,681	\$36,565	84%
12	Maryland	\$60,591	\$50,635	84%
13	Arizona	\$44,421	\$37,084	83%
14	Massachusetts	\$61,761	\$51,343	83%
15	Connecticut	\$61,666	\$50,802	82%
16	Kentucky	\$43,037	\$35,294	82%
17	New Jersey	\$61,462	\$50,373	82%
18	Minnesota	\$51,979	\$42,137	81%
19	Tennessee	\$42,525	\$34,427	81%
20	South Carolina	\$42,238	\$34,182	81%
21	Oregon	\$48,001	\$38,774	81%
22	Colorado	\$51,628	\$41,690	81%
23	Georgia	\$45,396	\$36,650	81%
	United States	\$51,212	\$40,742	80%
24	Illinois	\$52,161	\$41,327	79%
25	Washington	\$56,215	\$44,422	79%
26	Texas	\$46,791	\$36,934	79%

□ National pay gap average

FIGURE 2. (CONT.)

Median Annual Earnings and Earnings Ratio for Full-Time, Year-Round Workers, by State and Gender, 2015

		Male	Female	Earnings Ratio
27	Pennsylvania	\$50,976	\$40,214	79%
28	Arkansas	\$40,570	\$32,003	79%
29	Nebraska	\$46,763	\$36,834	79%
30	Maine	\$46,934	\$36,841	78%
31	Wisconsin	\$49,306	\$38,594	78%
32	South Dakota	\$42,605	\$33,268	78%
33	Alaska	\$55,752	\$43,455	78%
34	Missouri	\$45,897	\$35,759	78%
35	Virginia	\$54,392	\$42,342	78%
36	Iowa	\$47,298	\$36,264	77%
37	Kansas	\$47,864	\$36,671	77%
38	New Hampshire	\$56,525	\$43,172	76%
39	Alabama	\$45,057	\$34,310	76%
40	Indiana	\$47,092	\$35,753	76%
41	Mississippi	\$41,092	\$31,110	76%
42	Ohio	\$50,051	\$37,365	75%
43	Michigan	\$50,479	\$37,486	74%
44	Idaho	\$43,264	\$31,808	74%
45	Oklahoma	\$43,829	\$32,096	73%
46	Montana	\$46,123	\$33,443	73%
47	North Dakota	\$52,031	\$37,016	71%
48	Utah	\$50,741	\$36,060	71%
49	West Virginia	\$45,082	\$31,824	71%
50	Louisiana	\$49,730	\$33,832	68%
51	Wyoming	\$55,965	\$36,064	64%

Note: National data include workers ages 15 and older and are based on the Current Population Survey. State-level statistics include workers ages 16 and older and are based on the American Community Survey. See page 6 for more details on these data sources.

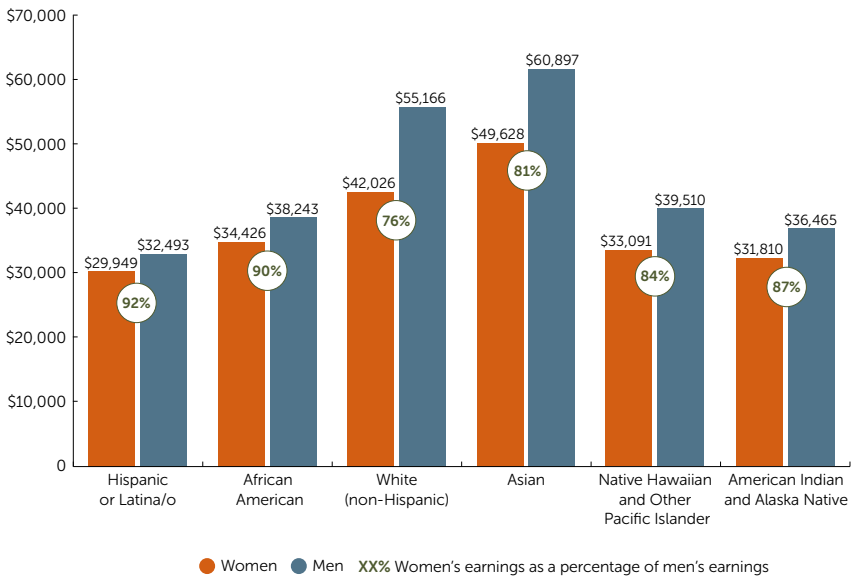
# How Does the Pay Gap Affect Women of Different Demographics?

The pay gap affects women from all backgrounds, at all ages, and of all levels of educational achievement, although earnings and the gap vary depending on a woman's individual situation.

## Race/ethnicity

Among full-time workers in 2015, Hispanic, American Indian and Alaska Native, African American, and Native Hawaiian and other Pacific Islander women had lower median annual earnings compared with non-Hispanic white and Asian American women. But African American, Hispanic, American Indian and Alaska Native, and Native Hawaiian and other Pacific Islander women experienced a smaller gender pay gap compared with men in the same racial/ethnic group than did non-Hispanic white and Asian American women (Figure 3).

FIGURE 3.  
Median Annual Earnings, by Race/Ethnicity and Gender, 2015



Source: U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates

Using a single benchmark provides a more informative picture. Because non-Hispanic white men are the largest demographic group in the labor force, they are often used for that purpose. Compared with salary information for white male workers, Asian American women’s salaries show the smallest gender pay gap, at 85 percent of white men’s earnings. The gap was largest for Hispanic and Latina women, who were paid only 54 percent of what white men were paid in 2015 (Figure 4). The smaller within-group gender pay gap among African Americans, Hispanics, American Indians and Native Alaskans, and Native Hawaiians and other Pacific Islanders is due solely to the fact that men in those groups were paid substantially less than non-Hispanic white men in 2015 (Figure 3).

FIGURE 4.  
Earnings Ratio of Women Compared to White Men, by Race/Ethnicity, 2015

	Current Population Survey (CPS)	American Community Survey (ACS)
Hispanic or Latina	<b>54%</b>	54%
African American	<b>63%</b>	62%
White (non-Hispanic)	<b>75%</b>	76%
Asian	<b>85%</b>	90%
Native Hawaiian and Other Pacific Islander	--	<b>60%</b>
American Indian and Alaska Native	--	<b>58%</b>

Note: Based on median annual earnings of full-time, year-round workers. The CPS includes workers 15 and older, and the ACS includes workers 16 and older. The CPS is the preferred data source for income estimates but lacks sufficient sample size for reporting on smaller demographic groups, which is why percentages for two categories above are unavailable. See page 6 for a more detailed description of the CPS and ACS.  
Sources: U.S. Census Bureau, *Current Population Survey, Annual Social and Economic Supplements*, Table P-38 and U.S. Census Bureau, *2015 American Community Survey 1-Year Estimates*

## Age

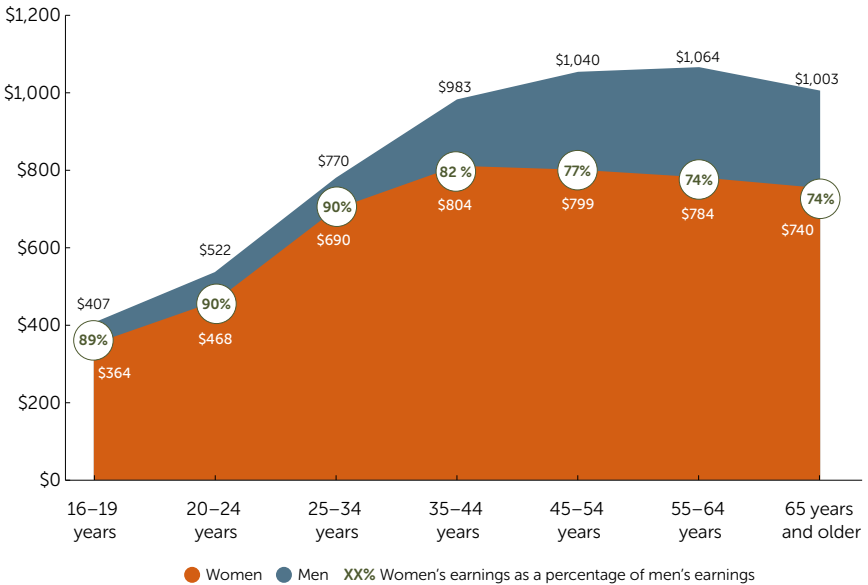
Earnings for both female and male full-time workers tend to increase with age, though earnings increase more slowly after age 45 and even decrease after age 55. The gender pay gap also grows with age, and differences among older workers are considerably larger than differences among younger workers.

In 2015, for full-time workers ages 20–24, women were paid 90 percent of what men were paid on a weekly basis. That ratio tends to stay at about 90 percent until around the age of 35, at which point median earnings for women start to grow much more slowly than median earnings for men. From age 35 through retirement, women are typically paid 74–82 percent of what men are paid, depending on age. By the time workers reach 55–64 years old, women are paid only 74 percent of what their male peers are paid (Figure 5).

## Disability

Disability status is a challenging population demographic to capture because it covers many definitions. In the current ACS questionnaire, disability is measured by answering questions related to six disability types: hearing,

FIGURE 5.  
Median Weekly Earnings, by Gender and Age, 2015



Note: Based on median usual weekly earnings of full-time wage and salary workers, 2015 annual averages  
Source: U.S. Census Bureau, *Current Population Survey*, reported in U.S. Department of Labor, U.S. Bureau of Labor Statistics, *Highlights of Women's Earnings in 2015*, Table 1

vision, cognitive, ambulatory, self-care, and independent living (U.S. Census Bureau, 2014b). According to the ACS, in 2015, people with disabilities made just 68 percent of what people without disabilities made. And among people with disabilities, the gender pay gap is substantial: Median pay for women with disabilities is 69 percent that of men with disabilities. (These data include all workers regardless of full-time or year-round status.)

## Sexual orientation and gender identity

According to the Williams Institute, closing the gender pay gap would significantly mitigate the poverty rates of both same-sex and opposite-sex couples. Using 2012 ACS results, an institute study found that eliminating the gender pay gap would lower poverty rates for couples that include at least one woman (Williams Institute, 2015). The Williams Institute also conducted a meta-analysis of studies of the incomes of lesbians, gay men, and bisexuals, finding that gay and bisexual men are paid 10–32 percent less than similarly qualified heterosexual men. The same study found that lesbians may be paid more than heterosexual women but still are paid less than heterosexual or gay men (Williams Institute, 2007).

When we analyze the gender pay gap, it's also important to include people who do not identify with the gender they were assigned at birth. The Williams Institute estimates that 1.4 million adults in the United States identify as transgender (2016). Transgender people frequently experience harassment and discrimination in the workplace because of their gender identity (Grant et al., 2011).

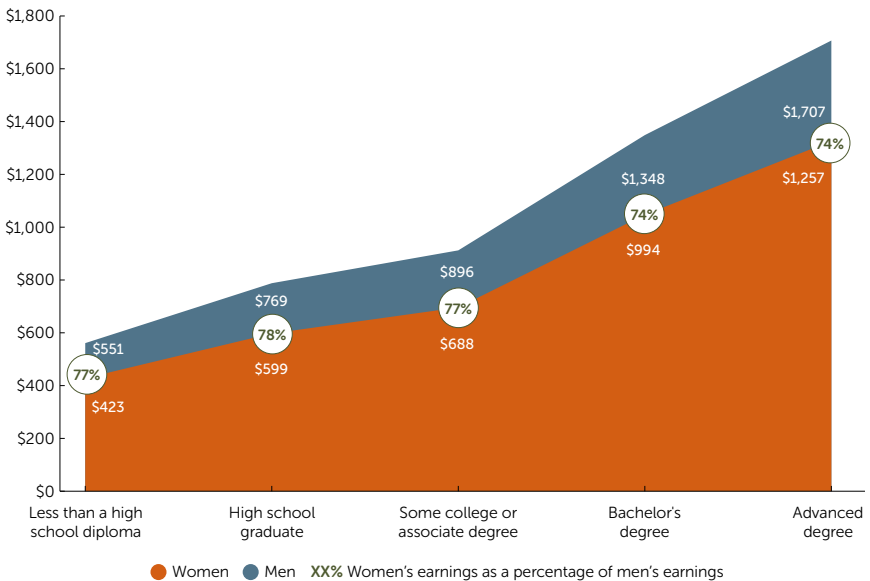
Preliminary evidence from the National Transgender Discrimination Survey also suggests that people who transition from male to female gender expression experience a drop in pay after the transition, while those who transition from female to male gender expression see no difference in pay or even a small increase (Grant et al., 2011). The experiences of transgender people offer a powerful tool for understanding gender stereotypes and bias and how these factors play a role in the gender pay gap.

## Education

As a rule, earnings increase as years of education increase for both men and women. While more education is an effective tool for increasing earnings—Asian American women and men have the highest college attainment levels of any racial or ethnic group (U.S. Department of Education, 2015a)—it is not an effective tool against the gender pay gap. At every level of academic achievement, women’s median earnings are less than men’s median earnings (Figure 6). In some cases, the gender pay gap is larger at higher levels of education.

Across all racial and ethnic groups, American women now earn more college and postgraduate degrees than men (U.S. Department of Education, 2015b). But education does not eliminate the gender pay gap. In *Graduating to a Pay Gap: The Earnings of Women and Men One Year after College Graduation*,

FIGURE 6.  
Median Weekly Earnings, by Level of Education and Gender, 2016



Note: Based on median usual weekly earnings of full-time wage and salary workers, ages 25 and older, 2016 annual averages

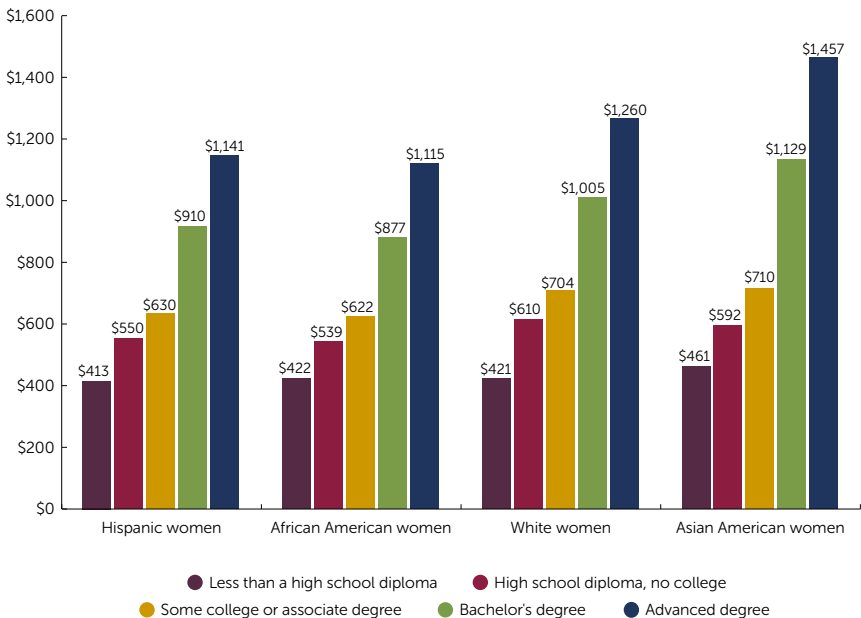
Source: U.S. Census Bureau, *Current Population Survey*, reported in U.S. Department of Labor, U.S. Bureau of Labor Statistics, *2016 Usual Weekly Earnings Summary*, Economic News Release USDL-17-0105, Table 9

AAUW found that just one year after college graduation, women were paid 82 percent of what their male counterparts were paid (AAUW, 2012).

Furthermore, earnings are affected by race and ethnicity as well as gender. White women are paid more than African American and Hispanic women at all education levels (Figure 7).

Research suggests that differences in education and other measurable factors explain part of the difference in earnings between racial and ethnic groups. However, as is the case with gender, part of the racial/ethnic pay gap cannot be explained by factors known to affect earnings and is likely due, at least in part, to discrimination.

**FIGURE 7.**  
**Median Weekly Earnings of Women, by Race/Ethnicity and Level of Education, 2016**



Note: Based on median usual weekly earnings of full-time wage and salary workers, ages 25 and older, 2016 annual averages  
 Source: U.S. Census Bureau, *Current Population Survey*, reported in U.S. Department of Labor, U.S. Bureau of Labor Statistics, *2016 Usual Weekly Earnings Summary*, *Economic News Release USDL-17-0105*, Table 9



## Student debt

As noted, the gender pay gap persists across educational levels and is worse for African American and Hispanic women, even among college graduates. As a result, women who complete college degrees are less able than men to pay off their student loans promptly, leaving them paying more in interest and for a longer time. In 2012, among students who graduated in 2007–08, women working full time had paid off 33 percent of their student loan debt on average, while men working full time had paid off 44 percent of their debt. African American and Hispanic women working full time are paid considerably less than their male counterparts, and they struggle to pay off student loans promptly; four years after graduation, African American and Hispanic women had paid off less than 10 percent of their debt—much less than other women and men (Figure 8).

FIGURE 8.

Cumulative Student Debt for 2007–08 College Graduates, by Gender and Race/Ethnicity

	Total average debt owed, 2009	Total average debt owed, 2012	Percentage of debt paid off, 2009–12
<b>Men</b>	<b>\$22,656</b>	<b>\$12,793</b>	<b>44%</b>
<b>Women</b>	<b>\$24,126</b>	<b>\$16,105</b>	<b>33%</b>
Asian American women	\$19,687	\$7,679	61%
White women	\$24,479	\$15,417	37%
African American women	\$26,535	\$24,116	9%
Hispanic women	\$21,626	\$21,026	3%

Note: Includes 2007–08 college graduates ages 35 and younger at graduation who were working full time in 2009 or 2012 and had not pursued an additional degree. There were insufficient data to allow for reliable analysis of other racial groups. Source: AAUW analysis of data from U.S. Department of Education, National Center for Education Statistics, 2008–12 *Baccalaureate and Beyond Longitudinal Study*

# What Causes the Pay Gap?

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The gap of 20 cents on the dollar between men and women working full time, year-round is a statistical fact. The pay gap itself is more complicated than a single number, since it summarizes a huge diversity of women and life circumstances. The origins of the pay gap are also more complicated than a single cause. Women and men have always participated in the workforce in different ways—and have been treated differently by employers—and though those differences have shrunk over time, they still contribute to women being paid less than men.

## Occupation and “choice”

In part, the pay gap reflects women’s and men’s choices. Women and men choose different college majors and types of jobs after graduation. But women experience pay gaps at every education level and in nearly every line of work. Among the many occupations for which the Bureau of Labor Statistics collects data that allow for valid comparison, men’s earnings are higher than women’s in the vast majority (U.S. Bureau of Labor Statistics, 2016b).

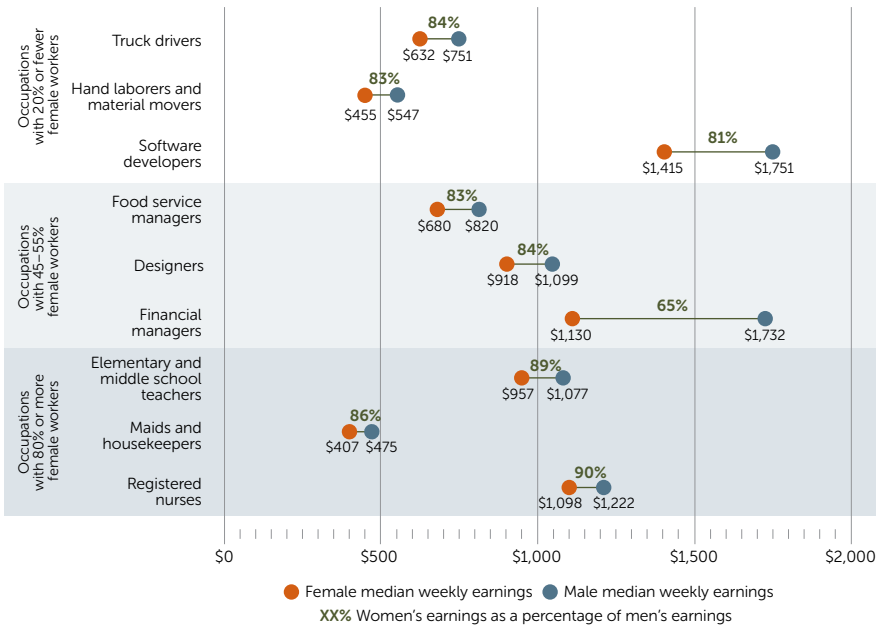
In 2015, the U.S. civilian workforce included nearly 149 million full- and part-time employed workers; 53 percent were men, and 47 percent were women (U.S. Bureau of Labor Statistics, 2016a). But women and men tend to work in different kinds of jobs. Women are disproportionately represented in education, office and administrative support, and health care occupations, and men are disproportionately represented in construction, maintenance and repair, and production and transportation occupations (U.S. Bureau of Labor Statistics, 2016b). Segregation by occupation is a major factor behind the pay gap. Even though a pay gap exists in nearly every occupational field, jobs traditionally associated with men tend to pay better than traditionally female-dominated jobs that require the same level of skill (Hegewisch & Hartmann, 2014).

Occupational gender segregation has decreased over the last 40 years, largely due to women moving into formerly male-dominated jobs, especially during the 1970s and 1980s, and to faster growth of more evenly mixed-gender occupations in the 1990s. But integration has stalled since

the early 2000s. Occupational segregation also continues to affect some women more than others: Of all racial/ethnic groups, Hispanic women and men are the least likely to work in the same jobs (Hegewisch & Hartmann, 2014).

Increasing the number of women in traditionally male fields will likely improve wages for women, but it is unlikely to fully eliminate the pay gap. Women in male-dominated jobs such as computer programming still face a pay gap compared with their male counterparts (Figure 9), even though women in such jobs may be paid higher salaries than women in traditionally female fields are paid. It will take more than individual women pursuing careers in historically male fields to ensure fair pay for all. (See AAUW’s reports *Why So Few? Women in Science, Technology, Engineering, and Mathematics* and *Solving the Equation: The Variables for Women’s Success in Engineering and Computing* for more discussion of career choice and occupational gender gaps.)

FIGURE 9.  
Earnings Ratio in Median Weekly Pay among Full-Time Workers, Selected Occupations, 2015



Source: U.S. Department of Labor, U.S. Bureau of Labor Statistics, *Current Population Survey Annual Average Data Tables*, Table 39

## Parenting and time away from work

Becoming a parent is widely acknowledged as a personal choice that affects careers, but it produces different professional outcomes for women and men. Taking time away from the workforce or cutting back hours, both more common scenarios for mothers than fathers, hurts earnings (Bertrand et al., 2010). Many employers and industries still prioritize long, continuous, traditional work hours rather than flexible schedules, a preference that tends to put women with children at a disadvantage (Goldin, 2014). AAUW's *Behind the Pay Gap* report found that 10 years after college graduation, 23 percent of mothers were out of the workforce, and 17 percent worked part time. Among fathers, only 1 percent were out of the workforce, and only 2 percent worked part time (AAUW Educational Foundation, 2007).

Many stay-at-home and part-time working mothers will eventually decide to return to the full-time workforce, and when they do they may encounter a “motherhood penalty” that extends beyond the actual time out of the workforce. Experimental studies have documented that employers are less likely to hire mothers (including mothers who never left the workforce) compared with child-free women, and when employers do make an offer to a mother, they offer her a lower salary than they do other women (Correll & Benard, 2007; Kricheli-Katz, 2012). Fathers, in contrast, do not suffer a penalty compared with other working men. Many fathers actually receive higher wages after having a child, known as the “fatherhood bonus” (Killewald, 2013; Budig, 2014).

## Gender discrimination and bias

Not all of the gender pay gap can be “explained away” by choices such as college major, occupation, work hours, and time out of the workforce. Discrimination and bias against women in the workplace are also culprits in the pay gap.

Each year, thousands of sex discrimination cases are brought before the federal Equal Opportunity Employment Commission (EEOC), and many of these complaints are decided or settled in favor of the person who filed the charge (EEOC, 2015). Thanks in part to persistent sex discrimination,

women are also less likely than men to reach the highest-paying leadership and executive positions. In 2015, women held only 26 percent of private-sector executive positions, with women of color particularly unlikely to hold such positions. (For more information on the leadership gap, see AAUW's 2016 report *Barriers and Bias: the Status of Women in Leadership*.)

Gender bias also factors into how our society values some jobs over others. A study of 50 years of U.S. workforce data concluded that when an influx of women enter a previously male-dominated profession, average wages for the occupation as a whole actually decrease (Levanon et al., 2009). And bias affects the choices women make in the first place. Gender norms and pressures influence women's decisions regarding education, occupation, time away from work, and family. These so-called explained factors show that our society has specific expectations and standards for women.

So how do we know that discrimination and bias affect women's pay? Because discrimination cannot be directly detected in most records of income and employment, researchers look for the "unexplained" pay gap after statistically accounting for other factors. For instance, after accounting for college major, occupation, economic sector, hours worked, months unemployed since graduation, GPA, type of undergraduate institution, institution selectivity, age, geographical region, and marital status, AAUW found a remaining 7 percent difference between the earnings of male and female college graduates one year after graduation. That gap jumped to 12 percent 10 years after college graduation (AAUW, 2012; AAUW Educational Foundation, 2007). Other researchers have reached similar conclusions about gender discrimination and the pay gap. For instance, a study of medical researchers found an unexplained gap of 6 percent between comparable men and women in the field, and a recent study of the American workforce as a whole found an unexplained gap of 8 percent (Jagsi et al., 2012; Blau & Kahn, 2016).

These estimates of the unexplained pay gap are often treated as estimates of the effect of discrimination on women's earnings. These numbers may be smaller than the overall pay gap, but all calculations of the gap represent substantial inequalities, real individual struggles, and smaller paychecks for women and their families.

# How Can I Make a Difference?

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The gender pay gap is unlikely to go away on its own, but there are many things that we can do in our workplaces and in our communities to make a difference. Here are some steps that individuals, employers, and governments can take to ensure fair pay.

## Individuals

Many personal decisions have profound implications for economic security. Pursuing a college education has long been viewed as an important step toward ensuring a middle-class lifestyle, and higher degrees are usually associated with higher pay. But choice of college major can profoundly affect future earnings (Carnevale et al., 2011). In addition, the kinds of jobs pursued early in a career set the stage for an entire career of earnings. Since benefits and subsequent raises are generally based on initial wages, a lower starting salary could mean a lifetime of lower compensation and smaller retirement benefits.

Because most employers have some latitude when it comes to salaries, negotiating can pay off. While women can't negotiate around discrimination, knowing what your skills are worth and learning techniques to promote them can help. Traditionally, it has been socially expected (and therefore accepted) for men to negotiate for raises because negotiating conforms with the stereotype of men as assertive. But negotiation is especially tricky for women because some behaviors that work for men, like self-promotion and assertiveness, may backfire on women (Carter & Silva, 2011; Bowles & Babcock, 2013). Knowing what your skills are worth, making clear what you bring to the table, emphasizing common goals, and maintaining a positive attitude are some negotiation tactics that have been shown to be effective for women (Babcock & Laschever, 2008). AAUW offers Start Smart and Work Smart salary negotiation workshops to teach women how to negotiate with confidence.

Beyond their personal lives, individuals can also take steps to influence employers and governments. There are more ways to make your voice heard than ever before—letters to your legislators and local papers, blogs,

and tweets are just a few examples. Joining an organization like AAUW can make all these activities easier, especially if you use our templates and resources and connect with our network of activists.

## Employers

Companies should know by now that paying workers fairly is necessary for legal and ethical reasons. But fair pay can also be good for the bottom line. Believing that an employer is fair improves workers' morale (Cohen-Cha-rash & Spector, 2001; Kim, 2009). Work performance has also been linked to the perception of organizational justice (Colquitt et al., 2001). In other words, workers who believe that they are paid fairly are more likely to contribute their best effort to the job.

One employer took this recommendation to heart and decided to voluntarily audit its pay practices. In 2015, Salesforce performed a comprehensive analysis of 17,000 employees that led to salary adjustments for 6 percent of employees. The result? A 33 percent increase in the number of women who were promoted that year (Zarya, 2016). Salesforce's actions garnered attention across the country, inspiring the Obama administration to announce the White House's Equal Pay Pledge for private sector companies to commit to equal pay for their employees. As of August 2016, more than 50 companies had signed the pledge, including American Airlines, Apple, the Dow Chemical Company, Facebook, General Motors, Johnson & Johnson, Microsoft, PepsiCo, and Staples.

As U.S. Supreme Court Justice Louis Brandeis once noted, "Sunshine is the best disinfectant." Transparency in compensation can make a difference. A national survey by the Institute for Women's Policy Research (IWPR) found that about half of employees said they worked in a setting where discussions of wages and salaries are either formally prohibited or discouraged by managers (Institute for Women's Policy Research, 2011). According to IWPR, pay secrecy is much more common in the private sector, where 61 percent of employees are either discouraged or prohibited from discussing wage and salary information.

In contrast, only 14 percent of public-sector employees reported that pay discussions were either discouraged or prohibited. This higher degree of transparency in the public sector may be related to the greater gender pay equity found in the federal government (see Washington, D.C.'s gender pay gap, Figure 2). Federal workers can easily see how their salaries compare with others at their grade level and geographical location because the U.S. Office of Personnel Management makes public the salary and wage range for each level of federal worker and additional locality pay for areas where the cost of living is higher (U.S. Office of Personnel Management, 2016). A 2014 report found that, among white collar federal workers, women were paid 87 percent of what men were paid in 2012, compared with 77 percent in the workforce as a whole in 2012 (U.S. Office of Personnel Management, 2014).

Employers can also use audits to monitor and address gender pay differences, to great effect. Minnesota requires public-sector employers to conduct a pay equity study every few years and eliminate pay disparities between female-dominated and male-dominated jobs that require comparable levels of expertise (Minnesota Management and Budget). Employers use a job evaluation tool to compare jobs on dimensions such as the complexity of issues encountered, the depth and breadth of knowledge needed, the nature of interpersonal contacts required, and the physical working conditions. This allows employers to identify jobs—for example, delivery van drivers and clerk typists—that, despite being different, require similar levels of knowledge and responsibility. An analysis is then done to compare wages of predominantly female jobs with those of predominantly male jobs of comparable skill levels. If the results of the study show that women are consistently paid less than men for jobs requiring similar levels of knowledge and responsibility, the employer makes the necessary salary increases. The state's efforts have been hugely successful: Since the 1970s, Minnesota has virtually eliminated the pay gap in public-sector jobs of comparable value (Legislative Office on the Economic Status of Women, 2016).



# Government

## FEDERAL

Congress has a history of considering, and in some cases enacting, laws that address discrimination in employment. Yet these legal protections have not ensured equal pay for women and men. See the below time line of major milestones in federal equal pay policy.

## STATE

As inaction continues at the federal level, states are moving forward with their own laws to ensure that women receive equal pay for equal work. The good news is that nearly every state has a law prohibiting employers from paying workers differently based solely on their gender. The bad news? Many of these laws are limited in scope or are not enforced. Every state has room to make its pay equity laws stronger.

### Federal Equal Pay Legislation Time Line

- 1920** ● The Department of Labor Women's Bureau was founded to promote the welfare of wage-earning women.
- 1938** ● The Fair Labor Standards Act was enacted to improve labor conditions and practices for workers by regulating minimum wage, overtime pay, record-keeping, and labor standards.
- 1945** ● The Women's Equality Bill, the first federal pay equity legislation, was introduced by AAUW member Rep. Chase Going Woodhouse (D-CT).
- 1963** ● The Equal Pay Act became law, requiring employers to give women and men employees equal pay for equal work.
- 1964** ● Title VII of the Civil Rights Act was passed, barring employment discrimination on the basis of race, color, religion, sex, or national origin specifically in hiring, firing, promotion, and wages.
- 1967** ● The Age Discrimination in Employment Act became law, protecting workers 40 years and older.
- 1972** ● Title IX of the Education Amendments, the first comprehensive federal law to prohibit sex discrimination in education, was enacted.
- 1990** ● Title I of the Americans with Disabilities Act was passed to protect against discrimination based on disability status, including in employment.

The states with no state protections from pay discrimination tend to have the biggest pay gaps. However, states with stronger laws do not necessarily have the smallest gaps. Strong pay equity laws help close the pay gap, but the gap itself is affected by other issues such as occupational segregation and access to paid leave.

State laws addressing the pay gap vary considerably. For example, each state's laws apply to different subsets of employees, with some states covering all employees, others affecting only public or only private employees, and still others regulating only employers who have more than a certain number of workers.

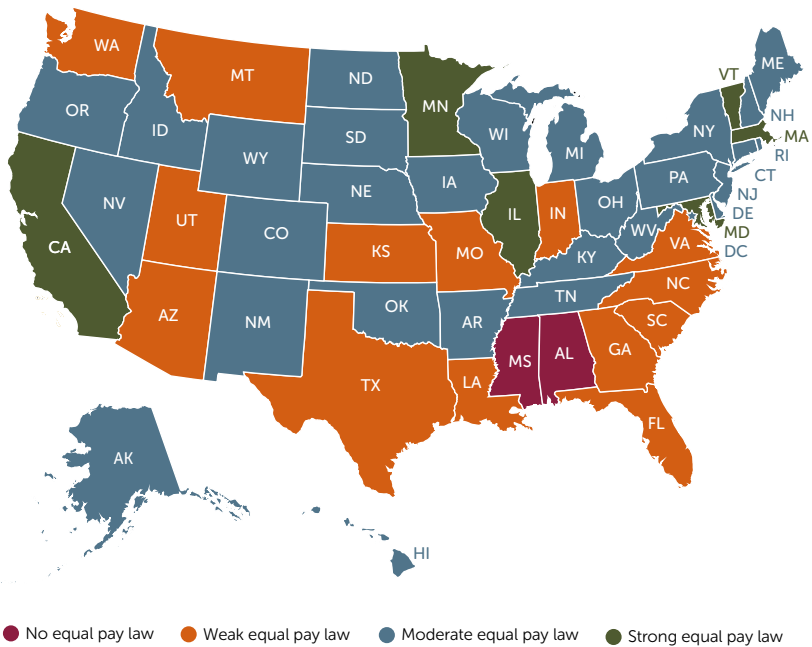
Currently, two states—Alabama and Mississippi—have no state pay equity or sex-based employment discrimination regulations. All other states have at least some basic equal pay protections. But roughly one-third of states also

- 1994** ● The Fair Pay Act, which addresses unequal pay between female-dominated jobs equivalent to male-dominated jobs, was first introduced. The legislation also takes steps to protect employees who discuss their salaries and requires employers to file wage information with the EEOC. As of the 114th Congress, the bill has yet to pass.
- 1997** ● The Paycheck Fairness Act, an update to the Equal Pay Act, was first introduced. It would close loopholes, strengthen incentives to prevent pay discrimination, and prohibit retaliation against workers who discuss wages. Every year since 1997, the legislation has been reintroduced, even passing the House in 2009 before falling short in the Senate. As of the 114th Congress, the bill has yet to pass.
- 2009** ● The Lilly Ledbetter Fair Pay Act was enacted to address the unfortunate Supreme Court ruling that sided with Ledbetter's employer in her gender discrimination case, thereby overturning 40 years of precedent in discrimination cases. The law clarifies that pay discrimination can occur when a pay decision is made, when an employee is subject to that decision, or at any time that an employee is injured by it.
- 2014** ● President Barack Obama signed AAUW-supported executive orders to increase pay protections for women. The provisions collect more wage data and target federal contractors to protect workers from retaliation and labor law violations.

have major loopholes in those protections that allow employers to continue to pay women less than their male counterparts. For example

- Louisiana’s equal pay protections only apply to public employers in the state. Public employers generally have a more transparent pay structure than do their private counterparts, leaving a major hole in the state’s otherwise relatively comprehensive equal pay legal structure.
- Several states, including Arizona, do not prohibit employers from retaliating against employees who take action to remedy wage discrimination, which makes it risky for women to come forward. As a result, localities such as Phoenix are passing their own protective regulations.

FIGURE 10.  
Map of States with Equal Pay Provisions, 2016



Source: AAUW

On the positive side, a handful of states have particularly robust laws governing equal pay. For example

- California limits the excuses employers can use to pay women less than they pay men to only a “bona fide factor other than gender,” such as education, training, or experience (as opposed to reasons based solely on gender stereotypes).
- Maryland prohibits employers from assigning or directing employees into less-favorable career tracks—known as “mommy tracking”—or withholding information about promotions.
- Massachusetts prohibits employers from asking potential employees about their salary history.
- Tennessee subjects employers who violate the law to high fines and damage payments, emphasizing the seriousness of a violation.

AAUW advocates for all states to pass and enforce equal pay laws in addition to developing other innovative ideas that chip away at the gap. We continue to push for federal pay equity legislation, regulation, and enforcement to protect employees and assist employers. AAUW also educates the public about this persistent problem and its effect on working families. These efforts are critical as we work to close the gender pay gap.

# What Should I Do If I Experience Sex Discrimination at Work?

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1. **Put it in writing.** Always put everything in writing so you have a record and a time line.
2. **Do your homework.** For more information on your rights, call the U.S. Equal Employment Opportunity Commission (EEOC) hotline at 800.669.4000.
3. **Seek help.** Talk with your supervisor or human resources representative at work to learn about the grievance procedure.
4. **Avoid loose lips.** While the desire to talk about your case is understandable, the threat of countersuits for defamation is real.
5. **Get legal advice.** Talk to a lawyer who has specific experience with sex discrimination in the workplace. For a referral in your state, contact your local bar association.
6. **Act quickly.** There is a statute of limitations on filing complaints with the EEOC.
7. **Watch your nickels and dimes.** Talk to a lawyer or an accountant about the financial burdens of a lawsuit.
8. **Visit your doctor—yes, your doctor.** You may experience a physical and emotional toll that should be addressed and documented.
9. **Prepare for the long haul.** Filing a discrimination lawsuit is a long process, but others have succeeded in fighting discrimination, and you can too.
10. **Find a support network.** AAUW branches can help support you. Find a branch near you at [www.aauw.org](http://www.aauw.org).

## AAUW Resources

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- Visit the pay equity resources on the AAUW website at [www.aauw.org/tag/equal-pay](http://www.aauw.org/tag/equal-pay) for current information on the status of legislation, federal policies, and actions that you can take to narrow the pay gap.
- Join AAUW's Action Network to keep up with equal pay advocacy and receive notices to tell your legislators what you think: [www.aauw.org/actionnetwork](http://www.aauw.org/actionnetwork).
- Learn about your rights at work and what you can do if you believe you're being paid unfairly or otherwise discriminated against by visiting [www.aauw.org/what-we-do/legal-resources/know-your-rights-at-work](http://www.aauw.org/what-we-do/legal-resources/know-your-rights-at-work).
- Get ideas for programming and advocacy at [fightforfairpay.org](http://fightforfairpay.org).
- If you're a college student or professional, visit AAUW's salary negotiation page at [www.aauw.org/what-we-do/salary-negotiation-workshops](http://www.aauw.org/what-we-do/salary-negotiation-workshops) to find out how to attend an AAUW Start Smart or AAUW Work Smart salary negotiation workshop or bring one to your community.
- Learn about the status of pay equity laws in your state and take action at [www.aauw.org/resource/state-equal-pay-laws](http://www.aauw.org/resource/state-equal-pay-laws).
- Read more about the pay gap at [www.aauw.org/what-we-do/research](http://www.aauw.org/what-we-do/research).
- Join AAUW and help ensure pay equity for all: [www.aauw.org/join](http://www.aauw.org/join).

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