

More Than a Number: Combatting Pay Discrimination in the Workplace

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*Remarks as Prepared*

I want to thank you for the opportunity to participate in today's discussion. The issue of women's pay and participation in the workforce is vitally important for women and for our economy. It is moving and heartwrenching at a personal level—a fact you won't be able to miss when you hear Amanda's story. But it's also a matter of central importance for our nation in the 21st century. Without making more of the amazing talent of women in the labor force, we cannot maintain our competitiveness.

America has long been a nation where prosperity has flourished because of our uniquely talented workforce—our workers are some of the most productive workers in the world. But we can do better. We must do better. And succeeding with women is at the heart of doing better.

Women are now nearly half of our labor force, (47 percent) although participation of women in the prime working years stalled at roughly 75 percent in the 1990's. Women's participation over this period has continued to grow in other countries and researchers have pointed to a lack of family-friendly policies like paid parental and sick leave, available high quality daycare, and part-time work entitlements as an explanation for why the US has lost ground relative to other developed countries.

But the fact that participation hasn't grown doesn't mean that women's role in the labor force has stayed the same. Women have overtaken men as college graduates and in graduate education. Their dominance in education over the past few decades means that women are the majority of our young, highly skilled workers.

And women are receiving training and entering higher paying fields that were once the near-exclusive dominion of men.

These facts highlight just how important women are for our labor force and for our economy.

And these facts help explain why women's earnings have grown in importance for families. Today about 4 in 10 families have a woman as the primary breadwinner. And among all employed married women, their earnings are now 44 percent of household earnings on average.

Women have continued to gain skills. They are going into higher earning professions. And they are increasingly relied on to provide for their families.

So why are they stuck at 77 cents on the dollar?

The gender wage gap is seen very persistently across the income distribution. We see it within occupations and we see it across occupations, and we even see it when women and men are working side by side doing identical work.

Let's take the challenges that computer science is facing: the *New York Times* just reported that the share of women in computing has declined from 37 percent in 1985 to 18 percent in 2012. This is a rare example of women losing ground and a trend that is in the opposite direction of our need for workers. Perhaps even more troubling is the fact that women drop out of computer science professions at rates double that of men as women experience a culture that they too often find unwelcoming. Making sure that computer science can better attract and retain women is crucial to meeting demand for workers over the coming decade. The urgency is there—not just because women are fed up with being paid less, facing unwelcoming workplaces, and outright discrimination—but because our economic competitiveness relies on it. Without women in tech, we can't succeed in tech.

Women also too often choose occupations because they offer flexibility without guilt and penalty. Yet occupations such as obstetrics have shown us that flexibility does not have to be a fixed characteristic of a job. When women demand that we rethink how an occupation is structured, significant changes can and do happen. And more occupations need to figure out how they can work better for women and families because we are too often failing to retain the talent that they need to remain competitive.

The gender wage gap grows through women's careers. Every year the difference between what women earn and what men at similar stages of their career earn grows. Every instance of discrimination, every slight edge given to a man, every trade-off because of a lack of workplace flexibility, adds up. The young girl who is teased for liking math; the college student who drops a class after the teaching assistant propositions her; the woman who is passed up for a promotion for her male colleague—a buddy of the manager's; the man who gives a bigger raise to a man because he is feeding a family; the woman who is passed over for promotion because she took maternity leave; and the woman who gets tired of being marginalized, of being an outsider, and changes careers midstream. There is no end to the stories. And each instance adds up to 77 cents on the dollar.

The President knows that this is a national problem. That if left unaddressed, it will erode our economic position in the world. That's why he has asked us to look to see what we can do to increase opportunities for women to succeed.

Between now and June 23<sup>rd</sup> when the White House hosts a summit on working families with CAP and the Department of Labor, the President has asked his advisers to reach out to, and work with, business leaders, educators, researchers, advocates, Congress members, and state and local governments to explore key issues including workplace flexibility, equal pay and paid leave among others to make sure we are all doing everything we can to make the best use of American talent and to ensure US competitiveness in the 21<sup>st</sup> century.

And he knows that there are things that Congress can do right now. They can vote this week to pass the Paycheck Fairness Act: A bill that addresses the fundamental injustice that led to Lilly

Ledbetter being paid less simply for being a woman for 19 years. Lilly's company used pay secrecy—the threat of retaliation against anyone who would share pay information as an important policy to allow discrimination to persist. If you can't find out how much others are making, you can't find out if you are being discriminated against. Lilly had to wait 19 years until a brave colleague anonymously slipped her a note.

The first law the President signed when taking office was the Lilly Ledbetter Fair Pay Act, which empowers women to recover wages lost to discrimination by extending the time period in which an employee can file a claim. And he knows that we can't stop there.

While we hope that Congress will act to do their part, the President is committed to doing what he can. That's why the President is taking two new executive actions tomorrow to combat this challenge and strengthen enforcement of equal pay laws. The first is that he will sign an Executive Order prohibiting federal contractors from retaliating against employees who choose to discuss their compensation. Pay secrecy fosters discrimination and we should not tolerate that in federal contracting.

He will also sign a Presidential Memorandum instructing the Secretary of Labor to establish new regulations requiring federal contractors to submit to the Department of Labor summary data on compensation paid to their employees, including data by sex and race. The Department of Labor will use the data to encourage voluntary compliance with equal pay laws and allowing more targeted enforcement by focusing efforts where there are discrepancies, reducing burdens on other employers.

The President is leading by example by using the pen to act where he can on this issue, and will continue to urge Congress to pass the Paycheck Fairness Act to ensure all employers are held to the same high standard working women deserve.

There is a lot more to be done. And over the coming months we will be working together to find ways of moving the ball even further forward. Because one thing is clear: when women succeed, America succeeds.