

# PROGRAM ON A PAGE (or two)

## PAY EQUITY

Catherine Hill, AAUW Director of Research, co-authored *Behind the Pay Gap* with Judy Goldberg Dey. Hill reported findings from AAUW's research report to the U.S. House Committee on Education and Labor.

The following comments are quoted excerpts from Hills report to the House Committee on Education and Labor. The complete comments can be found at:

<http://www.aauw.org/research/behindPayGap.cfm>

*Behind the Pay Gap* provides new evidence that sex discrimination in the workplace continues to be a problem for women, including young college-educated women. AAUW found that just one year after college graduation, women earn only 80 percent of what their male counterparts earn. Even women who make the same choices as men in terms of fields of study and occupation earn less than their male counterparts. Ten years after graduation, women fall further behind, earning only 69 percent of what men earn. After controlling for factors known to affect earnings, a portion of these pay gaps remains unexplained and is likely due to discrimination.

The research examines two sets of college graduates: men and women who graduated in 1999-2000, and men and women who graduated in 1992-93; we also limited our analysis to those who earned their first bachelor's degree at age 35 or younger. The 1999-2000 graduates were chosen because they were the most recent graduates interviewed in the year after graduation. By looking at earnings just one year out of college, we believe you have as level a playing field as possible. These employees don't have a lot of work experience and, for the most part, don't have care-giving obligations, so you'd expect there to be very little difference in the wages of men and women. The 1992-1993 graduates were chosen so that we could analyze earnings ten years after graduation. The analysis showed:

**The pay gap can only be partially explained by differences in choices.**

**The choice of major is not the full story. A pay gap between recently graduated women and men is found in nearly every field and in every occupation.**

After controlling for factors like major, occupation, industry, sector, hours worked, workplace flexibility, experience, educational attainment, enrollment status, GPA, institution selectivity, age, race/ethnicity, region, marital status and children, a *five percent difference in the earnings of male and female college graduates is unexplained*. It is reasonable to assume that this difference is the product of discrimination.

If a woman made the same choices as a man, would she earn the same pay? The answer is no. Ten Years after Graduation, the Pay Gap Widens. It is important to note that what we are calling women's "choices" is often constrained and need to be looked at in context. When women earn less—as they almost immediately do right out of college—most couples are likely to prioritize

the higher-earning husband's well-being and career path in relation to child care, choice of residence, and other household decisions. When women are married, this tradeoff may be worthwhile; however, nearly one half of women did not live with a husband in 2005. While most women marry at some point, most also spend a large part of their lives on their own. Women are also much more likely than men to be single parents. **It is important for us to remember that lower pay for women means fewer resources for their children today and their retirement tomorrow. Disconcerting findings:**

**Women are investing in higher education, but not receiving the same salaries as men.**

**Ten years out, the unexplained portion of the pay gap widens.**

**The pay gap among full-time workers understates the lifetime difference in the earnings of women and men.**

### **WHAT CAN BE DONE ABOUT THE GENDER PAY GAP?**

First, it must be publicly recognized as a serious problem. Too often, both women and men dismiss the pay gap as simply a matter of different choices. While choices about college major and jobs can make a difference, individuals cannot simply avoid the pay gap by making different choices. Even women who make the same occupational choices that men make will not end up with the same earnings. If "too many" women make the same occupational choice, resulting in job segregation, earnings can be expected to decline.

Women's progress throughout the past 30 years attests to the possibility of change. Before Title IX of the Education Amendments of 1972 and Title VII of the Civil Rights Act of 1964, employers could—and did—refuse to hire women for occupations deemed "unsuitable," fire women when they became pregnant, or limit women's work schedules simply because they were female. Schools could—and did—set quotas for the number of women admitted or refuse women admission altogether. In the decades since these civil rights laws were enacted, women have made remarkable progress in fields such as law, medicine, and business. Thirty years ago the pay gap was attributed to the notion that women's education and skills just didn't "measure up." If that was ever the case, it certainly isn't true now.

Unfortunately, women's educational gains—ironically likely motivated in part by women's desire for economic security have *not* translated into equal pay for women in the workforce. In fact, the pay gap remains larger for college graduates than the population as a whole.

AAUW's research report provides strong evidence that sex discrimination still exists in the workplace and is not disappearing on its own. Existing laws have failed to end the inequities that women face in the workplace. AAUW believes we must take stronger steps to address this critical issue. Two pieces of legislation—the Paycheck Fairness Act and the Fair Pay Act—would provide additional tools in the struggle for equal pay.

AAUW strongly supports the Paycheck Fairness Act, introduced and discussed by my fellow panelist, Rep. Rosa DeLauro. AAUW also endorses the Fair Pay Act, introduced by Rep. Eleanor Holmes Norton, which addresses the reality that men and women often work in different industries and jobs, and requires employers to provide equal pay for work of equal value, whether or not the jobs are identical.

Collectively, women have demonstrated that they have the skills and the intelligence to do any job. Women have made enormous gains in education and labor force participation. Now it's time for our paychecks to catch up.