

**Testimony Before the Pennsylvania House Labor and Industry Committee
On House Bill 1890 and Pay Equity
September 18, 2014
Caryn Hunt
President, Pennsylvania National Organization for Women**

Thank you to Representative Mackenzie & Representative Keller for the opportunity to speak here today. I'm Caryn Hunt, President of the Pennsylvania state chapter of the National Organization for Women. I feel it's a privilege to be able to come here to speak on behalf of Pennsylvania NOW about equal pay for equal work, and specifically, in support of House Bill 1890. This bill is part of the Pennsylvania Agenda for Women's Health, which Pennsylvania NOW also supports. Equal pay for equal work is profoundly important to the women of the Commonwealth and the families that rely on their paychecks.

You know the statistics:

Nationwide, according to the US Census Bureau¹, the gender pay gap is 77 cents for each dollar earned by a man. Women of color earn significantly less – African American women are paid 64 cents and Latinas are paid 55 cents to every dollar earned by a white, non-Hispanic male. According to the US Bureau of Labor Statistics, which takes measure looking at weekly earnings, the average gender gap is narrower, 81 cents, and both agencies recently updated their data showing improvement in 2013. But no matter how you measure it, there is a gap, and there has been one for a very long time.

Some states have a narrower gap than others. Some industries have a narrower gap than others. Whether you're talking about graduates with MBA's or engineers, or teachers shifts the perspective. The gap is different for salaried workers than when compared by hourly wages. According to the Bureau of Labor Statistics², the wage gap for union members is approximately half what it is for non-union members, representing a difference in pay, on average, of more than \$200 per week for female union members, as compared to non-union members.

Women of color labor under both gender and racial discrimination. Working mothers and especially single moms pay an additional "Mommy Penalty"³ of 4 percent for each child they have. Believe me when I tell you that these women, co-breadwinners and sole breadwinners for their families, which, according to a Joint Economic Committee report chaired by US Senator Bob Casey is 1,757,659 households in Pennsylvania⁴, contemplate their shortfall every hour, hour after hour, and take the gender pay gap quite seriously.

It's not a matter of education. Women are more educated than their male counterparts.

It's not a matter of experience. The American Association of University Women found that women are paid less for the same work right out of college, thus set up for a lifetime of inequality, as starting salary is often the baseline for future raises. A lifetime of getting shortchanged financially adds up to pretty big numbers, obviously effecting economic security, savings, retirement, and ultimately health.

Even with these different perspectives on the same subject – and there have been a whole lot of studies in the past 50 years, and even just in the last 3 – the fact remains that women are not paid equally for equal work. The gender gap persists even after accounting for every conceivable factor related to wages – as you will hear today from organizations that have studied this persistent problem in great depth. So it's natural and right that the women of the Commonwealth look to you, our legislators, for remedy.

The gender gap has narrowed since the 1960s, but there are many years where it's stagnated and, on average, has narrowed at a rate of less than a half cent per year nationally and in Pennsylvania. In other words, over five decades, half of a century, of having a Pay Equity law in Pennsylvania, a half of a century where legislators, business, and citizens alike have known this is a problem of discrimination that must be addressed, the wage gap persists. It's very clear that, left to their own devices, and even with a law on the books that prohibits pay discrimination on the basis of gender, business and industry in this state have made no real progress in closing this gap – for five decades. Frankly, businesses that depend upon gender and racial discrimination as part of their

profit strategy are acting unethically, though granted they may not even realize it. Women deserve much better.

Pay secrecy, a culture of discouraging openness about earnings, or retaliation against transparency, allows pay discrimination to continue. Ending pay secrecy is the quickest way to give workers the knowledge they need to negotiate what they are worth in the marketplace. Ending pay secrecy is crucial to meeting the goal of closing the pay gap. Lilly Ledbetter, a Goodyear Tire employee didn't realize she was being discriminated against unfairly for 19 years! It effected her ability to save, her retirement. How destructive to her and her employer when the truth came out, as truth will do. It is only knowledge of what co-workers are being paid which has led women to file pay discrimination suits. Women should have greater access to the courts to fight this discrimination.

The opposite of pay secrecy is pay transparency, having a policy in place designed to treat employees fairly. Some companies are consciously taking a look at their pay policies to find lingering gender and racial discrimination. Companies with such a policy in place reap the benefits that fostering respect and trust in the workplace generate, and would be far less vulnerable to pay discrimination charges. In workplaces that operate under pay transparency, like public employment and in union jobs, the gender gap is much smaller.

In researching this testimony, I heard a great interview on NPR with Dane Atkinson, a tech employer in New York⁵. When he started up SumAll, he decided, from the beginning, that he was going to be transparent about pay. He posted a document which listed everyone's salary as well as their shares in the company. There were people who found or felt they were being shortchanged, and he had to deal with them by being frank. In the end, it made for a more open workplace culture, and one where the employees feel their employer is trustworthy, fair, and not trying to pull one over on them by just paying them what they can get away with paying them, but paying them what they are worth. Atkinson says it's forced him to become very clear about why he pays his employees the way he does.

This is an opportune moment to hold this hearing, as in the US Senate earlier this week, the national version of this law, The Paycheck Fairness Act, came up for a vote. It lost, predictably, on a party line vote. Yet Equal Pay for Equal Work should not be a partisan issue, because it's really just about what's fair.

Women voters are half your constituents, Democrat and Republican. Women make up half the workforce, in Pennsylvania and the nation. This is the reality in 2014. The Pennsylvania Pay Equity Act hasn't been updated in this state since 1968. It's fair to say that it doesn't reflect current reality.

Women in the Commonwealth need to know that their elected officials represent them and their concerns here in Harrisburg. The more women understand just how and why they are being shortchanged every single hour they put in working, the more the demand for the legislature to put teeth into the Pay Equity law will grow.

With all due respect to this body, we didn't need another study of this subject; there have been more than enough studies to document the fact that women, and especially women of color, experience a pay gap. At this point, additional studies simply delay acting on the facts. Watching the wage gap narrow by a half a penny per year is like watching the grass grow – what's the point? This issue effects women, their families, their futures and their health. Stop asking women to wait. Our laws need to change. Wage discrimination has got to go.

Just as it has in the US Senate, this issue, and other issues related to women in the workplace, is going to keep coming up. I'm confident, though, it won't take another 50+ years to solve the problem. Because women, and the men who respect them – their colleagues and co-workers, their employers and their family members – will not let it go on and on. Equal pay for equal work is a top issue for women in the country⁶.

House Bill 1890 won't do the whole job of ending gender discrimination in the workplace, but it's a very solid place to start. Women are taking on more financial responsibilities in their families, just like men are taking on more of the caretaking responsibilities. Society has changed a lot since 1959. Fundamentally, a society that values families would acknowledge the demands of caregiving and value the contributions of both men and

women in the workplace and at home.

House Bill 1890, along with a bill like Representative Donatucci's which increases financial penalties for businesses in Pennsylvania that discriminate against their workers on the basis of gender, passing earned sick leave, updating parental leave laws, helping families afford child care, and, of course, most important to families right now, raising the minimum wage, will update our laws to include women, and reflect the reality experienced by women and their families in this state every day. They will help achieve the goal of fairness in the workplace, which really isn't too lofty or hard to reach. It's just a matter of will and it's what's fair. Please pass 1890 out of Committee. Let the women of Pennsylvania see you care about this issue, and that you take it seriously. When government takes it seriously, so will business.

NOTES

¹ US Census Bureau, http://www.census.gov/newsroom/releases/pdf/20130917_ipslides.pdf "Real Median Earnings and Women's-to-Men's Earnings Ratio: 1960 to 2012"

² Bureau of Labor Statistics, <http://www.bls.gov/news.release/union2.nr0.htm> "Union Members Summary" January 24, 2014

³ Michele Budig, PhD, for Third Way, "The Fatherhood Bonus and the Motherhood Penalty," http://content.thirdway.org/publications/853/NEXT_-_Fatherhood_Motherhood.pdf

⁴ "Casey Releases County by County Report Showing Gender Pay Gap is Hurting Families" (January 30, 2013) <http://www.casey.senate.gov/newsroom/releases/casey-releases-county-by-county-report-showing-gender-pay-gap-is-hurting-pa-families>

⁵ National Public Radio, Planet Money, "The Company Where Everyone Knows Everyone Else's Salary," <http://www.npr.org/blogs/money/2014/07/02/327758712/the-company-where-everyone-knows-everyone-elses-salary>, July 2, 2014

⁶ Jake Sherman and Anna Palmer, Politico, "Exclusive: GOP Poll of Women: Party 'Stuck in Past,'" <http://www.politico.com/story/2014/08/gop-poll-of-women-party-stuck-in-past-110398.html>, August 27, 2014