



## **Support the Paycheck Fairness Act**

### ***Pay Equity is Even More Critical in a Struggling Economy***

It is critical that these tough economic times aren't used as an excuse to roll back the hard fought gains women have made. Instead, policy makers need to ensure that women workers – *all* workers – don't just survive the downturn but continue the march toward fair pay and workplace opportunity. Empowering women is one investment that always pays long-term dividends, not only for the women themselves but their families and the entire nation as well. The Paycheck Fairness Act (S.182/H.R.12) is a comprehensive bill that updates the Equal Pay Act of 1963 by taking meaningful steps to create stronger incentives for employers to follow the law, empower women to negotiate for equal pay, and strengthen federal outreach and enforcement efforts. Passing this legislation – already approved by the House in January – is the next logical step following the recent enactment of the Lilly Ledbetter Fair Pay Act, which restored the ability of working women to have their day in court to combat wage discrimination.

#### **Equal Pay is an Economic Engine**

Legislation promoting pay equity is especially critical given the current state of the economy, which has been officially in recession for more than a year and counting.

- For the past quarter of a century, American families have relied increasingly upon women's wages to make ends meet. From 1980 to 2006, women's income as a share of total family income rose from 26.7 percent to 35.6 percent.<sup>1</sup> The impact of the current recession, during which the importance of a working woman's wage continues to grow, will intensify this trend even further.
- As the recession continues, for the first time ever women are poised to become the majority of the American workforce. According to a recent report, the percentage of women who work has remained fairly constant since the recession began, with female-dominated healthcare and education sectors bearing less of the brunt from the downturn. However, with more male-dominated sectors such as construction and manufacturing being especially hard hit, 82 percent of recent job cuts have befallen men.<sup>2</sup> Consequently, women are increasingly becoming the sole breadwinners for their families – making pay equity not just a matter of simple fairness, but the key to families making ends meet.
- The American Recovery and Reinvestment Act, signed into law in February, is intended to save or create 3.5 million jobs over the next two years. According to a White House report, an estimated 42 percent of the jobs created – nearly 1.5 million – are likely to go to women.<sup>3</sup> The recovery package clearly is counting on women to play a leading role in bringing us out of economic recession, and their ability to do so is strengthened considerably when their paycheck is a fair reflection of their work.
- According to the U.S. Small Business Administration, since the mid-1990s, small businesses – defined as business employing fewer than 500 employees – have created 60 to 80 percent of net, new American jobs.<sup>4</sup> In fact, one out of two workers nationwide works for a small business.<sup>5</sup> 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. In fact, to enhance voluntary compliance, the bill delays the effective date of the new law for six months after enactment specifically to allow for technical assistance. As a result, the legislation will enhance women's civil rights protections while simultaneously protecting the job-creating capacity of small businesses. That's why – in addition to AAUW – organizations such as Business and Professional Women/USA and the U.S. Women's Chamber of Commerce support this legislation.

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<sup>1</sup> Heather Boushey. *Testimony before the House Committee on Education and Labor, Subcommittee on Workforce Protections Hearing entitled "Encouraging Family-Friendly Workplace Policies."* Retrieved March 5, 2009, from <http://edlabor.house.gov/documents/111/pdf/testimony/20090303HeatherBousheyTestimony.pdf>.

<sup>2</sup> Catherine Rampell. *As Layoffs Surge, Women Pay Pass Men in Job Force.* Retrieved March 5, 2009, from <http://www.nytimes.com/2009/02/06/business/06women.html>.

<sup>3</sup> Jared Bernstein and Christina Romer. *The Job Impact of the American Recovery and Reinvestment Act.* Retrieved March 5, 2009, from [http://otrans.3cdn.net/ee40602f9a7d8172b8\\_ozm6bt5oi.pdf](http://otrans.3cdn.net/ee40602f9a7d8172b8_ozm6bt5oi.pdf).

<sup>4</sup> U.S. Small Business Administration. *Frequently Asked Questions: Advocacy Small Business Statistics and Research.* Retrieved March 5, 2009, from <http://web.sba.gov/faqs/faqindex.cfm?areaID=24>.

<sup>5</sup> U.S. Small Business Administration, Office of Advocacy. (September 2008). *Frequently Asked Questions.* Retrieved March 9, 2009 from <http://www.sba.gov/advo/stats/sbfaq.pdf>.