



EQUAL PAY

EQUITABLE WORK AND WAGES

Federal Policy Solutions to Advance Gender Equity | February 2025

OVERVIEW

Women face a stubborn gap in earnings. In 2023, the typical woman who worked full-time year-round was paid **just 82.7 cents for every dollar** paid to a man.

This gap in earnings translates to thousands of dollars less per year to spend on children, **invest** in a mortgage, pay off **student loans**, and save for **retirement** or emergencies. Wage gaps point to deep gender and racial inequality in the US labor market, with **Native** and **Latina** women making barely more than half of what White men are paid.

Progress toward pay equity has slowed down markedly during the last two decades compared to earlier times. Based on trends in the gender earnings ratio since 2000, women working full-time year-round will not reach pay equity with men until **2066**—beyond the income-earning years of a large majority of women at work now. It will take

over two centuries for **Black women** working full-time to reach pay equity with White men. Policy change is urgently needed to speed up progress and create a more equitable future. Policies must address systemic barriers, **promote workplace fairness**, and **create pathways to better earnings** for all workers.

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WHAT THE RESEARCH SAYS

- **Whatever their race or ethnicity, IWPR research shows that women are paid less than White men.** In 2023, Latinas and Native women working full-time year-round were paid just 57.8 and 58.3 cents on the dollar, respectively, earned by White men. Black women made 66.5 cents, White women 79.6 cents, and Asian women 94.2 cents on the dollar. Wage gaps for all with earnings (including part-time and part-year workers) are even larger.
- **Women earn less than men in all of the largest occupations** (and in almost all occupations with enough data for calculating the wage gap), irrespective of whether these occupations employ more men or more women, according to **IWPR research**.
- **Data shows that women earn less than men at every level of education.** Higher levels of education **mean higher earnings** compared to other women but not equal earnings with men at the same level of education.
- **Women are less likely than men to be in the highest-paying occupations** because of **occupational segregation**. Women and men tend to work in different fields, and jobs that are mainly held by women—at whatever level of qualification—pay less. This is particularly true for **care jobs** and reflects the long history of gender and **racial discrimination** in the United States. In 2023, **data** shows that occupation and industry segregation cost Black women \$42.7 billion and cost Hispanic women \$53.3 billion in wages compared to White men.

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- **IWPR research estimates that if women were paid the same per hour worked as men with the same level of education**, experience, and urban or rural residence, poverty for employed women would be reduced by 40 percent, with employed single mothers seeing the biggest absolute decline in poverty rates.
- **Women have lower lifetime earnings in part because their greater load of family care work** means that they may have to **cut back** their hours or leave paid work temporarily. The scarcity of quality, affordable **child care and elder care** services exacerbate the impact of this unequal care burden.
- **Research shows that the gender gap in earnings is lower when there is transparency and salaries of newly hired employees are not set on the basis of their (potentially discriminatory) past salary.** Research also shows that states with better work-family provisions, such as **paid leave**, have lower gender wage gaps.





WHY IT MATTERS

The gender pay gap is persistent, slow to close, and due to a wide range of factors. There's significant evidence that women's pay is reduced because of **discrimination** in **hiring and recruitment**, and **promotions**. This includes **discrimination** during pregnancy, **parenthood**, and **caring for adult family members**, and can also include lower pay and fewer pro-rata benefits just for working part-time. Pay discrimination is more likely when there is a lack of transparency.

82.7 cents

What the typical woman working full-time year-round was paid for every dollar paid to a man in 2023.

Mothers face particular challenges: Those between the ages of 25 and 44 **are less likely** to be in the labor force than their childless peers, and those who do work tend to work fewer hours per week. Fathers, conversely, are more likely to be in the labor force.

Occupational segregation, or the overrepresentation of certain demographics in a profession or job category, also contributes to the wage gap through the concentration of female workers in the lowest-paid job categories. This gender segregation **can be due to** a history of systematic exclusion, discrimination or stereotypes, and educational gaps, as well as factors like men and women pursuing different jobs because of family responsibilities or needs.



POLICY SOLUTIONS

Policymakers have a range of tools to promote pay equity, close the gender pay gap, and promote fair wages for all workers. Because a diverse set of factors contribute to the pay gap—and to further inequity between different groups of women—the policy solutions to address this problem must be equally diverse. It is critical that policymakers turn their attention both to legislation that aims to prevent and respond to pay discrimination and unfair workplace policies and to solutions that address the many underlying factors that contribute to the undervaluing of women's labor and the concentration of women in lower-paid occupations. **These include:**

Improve existing equal pay protections by closing loopholes and gaps in statute, as well as through better enforcement of laws already on the books. The **Paycheck Fairness Act** is designed to strengthen and update the protections of the Equal Pay Act, including provisions to prevent employers from retaliating against workers who share salary information and preventing employers from using a wide range of reasons to pay women less than men.

Promote salary history bans and salary transparency laws. The Paycheck Fairness Act also includes a provision preventing employers from asking about or relying on a new hire's wage history in setting their salary. Many states have enacted versions of this policy. IWPR's **research** has shown that the use of salary history to set wages for prospective employees reinforces and perpetuates the gender wage gap. Similarly, state laws on salary transparency (requiring employers to disclose the pay ranges for open positions during the posting or hiring process) may provide workers with an important tool to ensure that they're being paid fairly and help job candidates who attempt to negotiate for better pay.

Consider new models for evaluating pay equity. While the Equal Pay Act requires equal pay for equal work, policymakers should create a more equitable playing field for women by moving toward a focus on comparable worth or equal pay for equivalent work. Jobs held largely by women are often paid less than jobs largely held by men, even though female-dominated jobs require as much, if not more, effort, responsibility, skills, and education. A comparable worth model could provide a better mechanism for promoting equitable pay across different types of jobs.

Promote higher wages and better job quality in industries dominated by women. Because the concentration of women in undervalued and poorly paid professions contributes to the gender wage gap, policymakers should also look to the range of solutions that seek to improve job quality. These include increasing the **minimum wage** and abolishing the tipped minimum wage; providing comprehensive access to **paid leave**, including sick leave and family leave, and child care; and strengthening protections against **unfair scheduling practices** to ensure that workers have access to a fair workweek. Policymakers should promote equity for part-time workers, including access to equitable pay rates and benefits accrual. In addition, because data



show that women in unions earn more than women in non-union jobs, and the pay gap is significantly lower for women covered by union contracts, policymakers must work to strengthen the right of workers to act collectively and join or form a union to bargain and negotiate for better working conditions, pay, and benefits.

Reduce occupational segregation and support women's access to and retention in fields traditionally dominated by men.

Specifically, this includes supporting career counseling and guidance on the opportunities for women in STEM and related fields, whether such fields require university-level education or not. It also includes **creating pathways to good jobs** through investment in vocational and technical education, including apprenticeships and pre-apprenticeship programs. Policymakers must also ensure enforcement and accountability to ensure that women are not pushed out of such fields because of discrimination and gender-based violence and harassment.

Improve the collection and disaggregation of salary data. Strong data collection helps employers and workers identify and address disparities; it is also critical for state and federal agencies in enforcing existing laws. In particular, the Equal Employment Opportunity Commission (EEOC) should resume collection of pay data through the Employer Information Report (EEO-1). Updated pay data, disaggregated by race, ethnicity, and gender, would help to shed light on where wage gaps persist.

Ensure that federal agencies have the resources to fully monitor and enforce existing protections and statutes.

Policymakers should invest in the agencies responsible for this work, namely the EEOC and the Office of Federal Contract Compliance Programs (OFCCP), ensuring that they have the resources, workforce, and funding needed to carry out their mission.



KEY LEGISLATION

Paycheck Fairness Act: Legislation to modernize and strengthen the Equal Pay Act of 1963 to better combat pay discrimination and close the wage gap, including by protecting workers from retaliation for discussing pay, banning the use of prior salary history, and codifying pay data collection.

Fair Pay Act: Legislation to require that men and women doing comparable work are paid comparable wages.

Part-Time Worker Bill of Rights Act: Legislation to address several of the major challenges facing part-time workers, including underemployment and fair hours, unpredictable work schedules, and discrimination, and expand access to the Family and Medical Leave Act to include part-time workers.

Raise the Wage Act: Legislation that would raise the federal minimum wage to \$17 per hour to tackle low pay in many fields where women are the majority of workers.

EXECUTIVE PRIORITIES

Fully implement the Office of Personnel Management (OPM) rule banning reliance on prior salary history in pay setting for federal employees. This final regulation, issued in January 2024, means that previous non-federal salary history can no longer be used in setting pay for employment offers across the federal workforce.

Finalize regulation banning salary history for federal contractors. A Notice of Proposed Rule Making (NPRM) was issued in January 2024, which would ban federal contractors from asking about salary history and using it to set pay for prospective employees working on government contracts. The proposed rule would also require the posting of pay ranges for open positions. This rule should be finalized and fully implemented.

Utilize federally funded infrastructure programs, including those funded under the Infrastructure Investment and Jobs Act (IIJA), Inflation Reduction Act (IRA), and CHIPS and Science Act, to promote pathways to good jobs for women in male-dominated fields. This includes utilizing funding authorized by these bills to invest in child care for the construction and manufacturing workforce; implementing existing requirements, such as the February 2023 Department of Commerce mandate that companies seeking subsidies to build or operate semiconductor factories must include a plan to guarantee affordable child care; and ensuring monitoring, oversight, and transparency on who gets what jobs as a result of these investments.