



## We Need to Update Equal Pay Laws

The Washington State Legislature has the chance in the winter 2018 session to pass an updated equal pay bill. In each of the past three years, the state's House has passed an equal pay bill with bipartisan majorities, but those bills have died in committee in the Senate.<sup>1</sup> With Senate committees under new leadership, the fourth effort could be more successful.

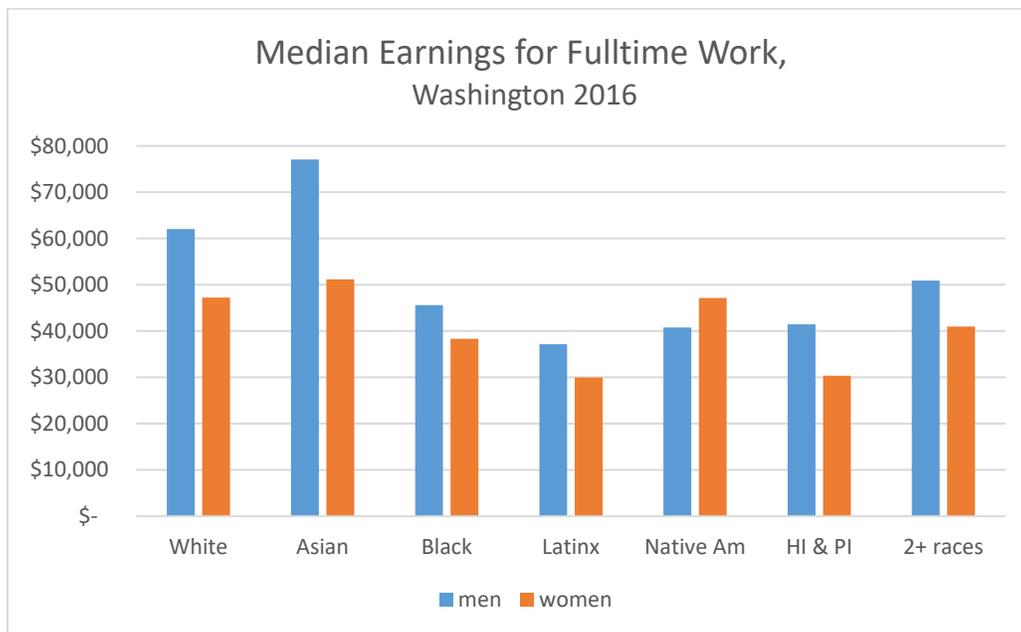
Despite existing state and federal equal pay laws, women are still paid less than men in almost every occupation, and workers of color are paid less than White workers. Washington first prohibited discrimination in pay based on gender in 1943, and Congress passed the Equal Pay Act in 1963.<sup>2</sup>

Women in the state who worked full-time year-round in 2016 made on average 76.5% of men's earnings.<sup>3</sup> The Institute for Women's Policy Research estimates that at the current rate of progress, Washington's gender wage gap will not close until 2070.<sup>4</sup>

Most states have passed stronger equal pay laws than Washington. At least 40 prohibit retaliation against employees for taking legal action, 35 make employers liable for damages, 18 protect employees' rights to discuss wages, and 4 prohibit employers from requiring job applicants to provide salary history.<sup>5</sup>

### A complicated, enduring problem

At the middle of the earnings spectrum, White men in Washington made \$62,037 in 2016, compared to \$47,216 for White women. The typical Latina woman was paid less than half a White man's earnings. Median earnings for Asian men and women are higher than for other groups, but the full wage range includes both very high wages in the tech sector and very low wages in personal services, accommodations and other low wage occupations.<sup>6</sup>



Source: Economic Opportunity Institute analysis of U.S. Census Bureau, American Community Survey data.

Occupation explains only a portion of the wage gap. Women hold only 21% of computer jobs in the state (with median earnings of \$100,702 for men and \$79,212 for women) and 18% of architecture and engineering jobs (with median earnings of \$91,231 for men and \$73,013 for women). On the other hand, women hold 78% of personal care and service jobs (where the median annual wage is \$17,082) and 72% of office and administrative support jobs (where the median wage is \$31,884).<sup>7</sup>

Even after accounting for occupation, education, experience, time out for family care, and other such factors, scholars have consistently found that the wage gap cannot be explained without the influence of discrimination and cultural assumptions.<sup>8</sup> Often, women are paid less when they are hired and receive lower raises, even when they ask for them. Multiple studies have found that individual managers frequently make job assignments and promotion decisions that favor men due to cultural assumptions about gender and race.<sup>9</sup>

Courts have set a high bar for bringing and winning discrimination cases. Private sector companies often prohibit employees from discussing pay, so people do not know if they are getting paid less.<sup>10</sup>

### **It's time to update Washington State Equal Pay Law**

Recent advances in Washington will help reduce the gender wage gap, including the new pregnancy accommodation law that took effect in July 2017, the paid family and medical leave program that will begin in 2020, and the voter-approved initiative that raises the state minimum wage and institutes paid sick and safe leave statewide in January 2017.<sup>11</sup>

Proposed House Bill 1506 will take an additional step forward by:

- Prohibiting companies from imposing pay secrecy policies;
- Requiring bona fide business-related reasons such as education, experience, or productivity, for differences in pay and access to job opportunities;
- And allowing the state to investigate and rule on unfair pay practices, in addition to the right for workers to sue in court and recover damages and costs for discrimination.

### **Notes**

<sup>1</sup> HB 1506 passed in the House 61 to 36 in 2017. HB 1646 passed 55 to 43 in 2015 and 56 to 41 in 2016. See Washington State Legislature, Bill Histories, <http://app.leg.wa.gov/billsummary?BillNumber=1506&Year=2017>, <http://app.leg.wa.gov/billsummary?BillNumber=1646&Year=2015>.

<sup>2</sup> Revised Code of Washington 49.12.175, <https://app.leg.wa.gov/rcw/default.aspx?cite=49.12.175>; and U.S. Equal Employment Opportunity Commission, "The Equal Pay Act of 1963," <https://www.eeoc.gov/laws/statutes/epa.cfm> (website viewed 1/4/2018).

<sup>3</sup> U.S. Census Bureau, American Community Survey, S2001 Earnings in the Past 12 Months (in 2016 inflation-adjusted dollars).

<sup>4</sup> Institute for Women's Policy Research, "Projected Year the Wage Gap Will Close by State, March 22, 2017," <https://iwpr.org/publications/projected-year-wage-gap-will-close-state/>.

<sup>5</sup> American Association of University Women, Equal Pay laws by State, 10/25/2017, [https://www.aauw.org/aauw\\_check/pdf\\_download/show\\_pdf.php?file=Equal-Pay-Laws-by-State](https://www.aauw.org/aauw_check/pdf_download/show_pdf.php?file=Equal-Pay-Laws-by-State).

<sup>6</sup> U.S. Census Bureau, Quarterly Workforce Indicators Explorer, <https://qwexplorer.ces.census.gov/static/explore.html>. This data set allows analysis by state, county, firm and worker characteristics.

<sup>7</sup> U.S. Census Bureau, American Community Survey, Tables S2411 and S2401.

<sup>8</sup> SJ Glynn, "The Top 10 Facts About the Wage Gap," Center for American Progress, 2012,

<http://www.americanprogress.org/issues/labor/news/2012/04/16/11391/the-top-10-facts-about-the-wage-gap/>; Francine D. Blau and Lawrence M. Kahn, "The Gender Pay Gap: Have Women Gone as Far as They Can?" *Academy of Management Perspectives*, 2007, Feb.: 7-23; Hoobler, et al, "Bosses' Perceptions of Family-Work Conflict and Women's Promotability: Glass Ceiling Effects," *The Academy of Management Journal*, vol. 52, no. 5, October 2009, cited in Strategy-Business, "Gender Inequality: How False Perceptions Affect Promotions," <http://www.strategy-business.com/article/re00069?gko=b8a0d>.

<sup>9</sup> M Diamond, "Study: Women Ask for Raises and Promotions as Often as Men, But Get Less in Return," Think Progress, 2012, <http://thinkprogress.org/economy/2012/01/10/401419/study-women-raises/>; J Hoobler, S Wayne, G. Lemmon, "Bosses' Perceptions of Family-Work Conflict and Women's Promotability. *Academy of Management Journal*, Vol 52, no. 5, Oct 2009, <https://www.strategy-business.com/article/re00069?gko=b8a0d>.

<sup>10</sup> R Gely, L Bierman, "Pay Secrecy/Confidentiality Rules and the National Labor Relations Act," *University of Pennsylvania Journal of Labor and Employment Law*, 2003:6(122-156), <http://scholarship.law.upenn.edu/cgi/viewcontent.cgi?article=1162&context=jb>

<sup>11</sup> Marilyn Watkins, "New Rights Help Working Families Thrive," 12/15/2017, Economic Opportunity Institute, <http://www.eoionline.org/blog/new-rights-in-washington-help-working-families-thrive/>.