



Wider Opportunities for Women

July 23, 2008

Dear Member of the Education and Labor Committee:

Wider Opportunities for Women, founded in 1964 and one of the oldest women's employment rights organizations in the nation, urges your support of a strong Paycheck Fairness Act with no weakening amendments in mark-up Thursday.

The Paycheck Fairness Act, co-sponsored by 228 House members, will strengthen the Equal Pay Act of 1963. This important bill will help address the persistent wage gap between men and women by updating the Equal Pay Act – passed more than 45 years ago – and as a result improve the law's effectiveness.

The Paycheck Fairness Act would, among other things, deter wage discrimination by strengthening penalties for equal pay violations, and by prohibiting retaliation against workers who inquire about employers' wage practices or disclose their own wages. The bill requires employers to show that wage gaps are truly a result of factors other than sex, collect better data on wages, reinstate activities that promote equal pay at the Department of Labor, and develop training for women and girls on salary negotiations. The bill's measured approach does not impose arbitrary caps on damages, which would only further penalize women who are victims of pay discrimination. We would oppose any amendments to weaken these or other provisions.

Wider Opportunities for Women (WOW) leads two national networks promoting economic security within the United States – the Family Economic Self-Sufficiency Project (FESS) focusing on the needs of low-income working families and the Elder Economic Security Initiative addressing the income needs of seniors require to age in place and in dignity. WOW works with more than 2,000 organizations in 35 states and the District of Columbia. At the federal level we work to promote programs and policies that accurately measure the income and assistance needs of families and the elderly. In our 44 years of working with low-income women, we have seen the obstacles that pay discrimination creates as women embark on employment pathways to economic independence.

Pay discrimination is a tremendous barrier for working women and their families who are striving to attain self-sufficiency. According to the latest data from AFL-CIO's Department for Professional Employees, the families of working women lose out on \$9,575 per year, on average, because of the earnings gap. Over time, this adds up to a very significant loss. For instance, by 2004, women who were aged 24-29 in 1984 had lost over \$440 million in the intervening 20 years because of the gender wage gap. Working families lose \$200 billion in the United States annually because of pay discrimination.

Women's ability to be self-sufficient in retirement is also drastically affected by pay discrimination during their working years. Because women are paid less when they work, they receive smaller Social Security benefits when they retire. In 2005, the average Social Security retirement benefit was 32% smaller for women than men. Over a 15-year period the average woman earned only 38% of what a man earned – \$273,592 compared to \$722,693.

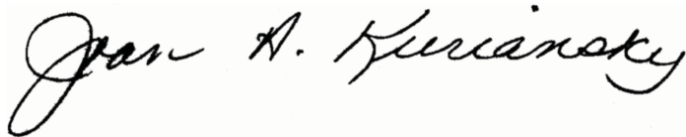
Yet women represent a greater percent of all Social Security beneficiaries, especially those over the age of 85. This discrepancy in Social Security payments because of unequal pay is especially harmful for

unmarried women, who are most likely to rely primarily on Social Security as their main source of income. National average Social Security income for women is \$10,432 which is only 53% of income adequacy as defined by the Elder Economic Security Standard™ Index for Renters.¹ The passing of the Paycheck Fairness Act will help working women reach their goal of economic independence during all stages of life.

Women currently make, on average, only 77 cents for every dollar earned by men.² This wage disparity is not simply a result of women's education levels³ or life choices.⁴ Further, this persistent wage gap not only impacts the economic security of women and their families today; it also directly affects women's retirement security down the road. Now is the time for additional proactive measures to effectively address wage discrimination and eliminate loopholes that have hindered the Equal Pay Act's effectiveness.

If you have any questions, please do not hesitate to contact Susan Rees, Director of National Programs and Policy, at Wider Opportunities for Women, (202)464-1596.

Sincerely,

A handwritten signature in black ink that reads "Joan A. Kuriansky". The signature is written in a cursive style with a large initial "J".

Joan A. Kuriansky
Executive Director

¹ Wider Opportunities for Women, *Single Women's Retirement Income Falls Short of the Elder Economic Security Standard™ Index* (Washington, DC: Wider Opportunities for Women, 2008)

² U.S. Census Bureau and the Bureau of Labor and Statistics. August 2006. Annual Demographic Survey. http://pubdb3.census.gov/macro/032006/perinc/new05_000.htm Accessed January 16, 2007.

³ U.S. Department of Education, National Center for Education Statistics. 1993/2003 Baccalaureate and Beyond Longitudinal Study.

⁴ Bureau of Labor Statistics. Employment Status of Women by Presence and Age of Youngest Child, Marital Status, Race, and Hispanic or Latino Ethnicity, 2004. <http://www.bls.gov/cps/wlf-table6-2005.pdf> Accessed December 21, 2006.