

# The gender pay cap costs you a \$1.23 for that \$1 item



Today is the day to remind women that their \$1 dollar purchase will cost them \$1.23 from their salary.

**Equal Pay Day** is meant to draw attention to the fact that there is a gender pay gap still in existence where women are predominantly short changed. Most of the articles written about this topic focus on the gender pay gap based on overall earnings.

There are four basic reasons given for why women earn less than men

1. Graduate from college in majors that don't necessarily translate into higher paying jobs
2. Seek out career jobs that are lower paying
3. Leave the work force at some point for marriage and/or family
4. Do not aggressively pursue career goals and negotiate for higher salaries

There is no question that any of these four factors will

affect overall lifetime earnings and many would have you believe this sums up the issue.

However, it does not explain why women who do not fall into these four criteria still do not have pay equality.

As of 2011, the civilian work force was made up of 53% men and 47% women. Of those 47%, only 7% of women were working in non traditional female occupations. By comparison, when women moved into male occupations the gender gap is reduced but not necessarily eliminated. Even in government jobs, women reduced the gender pay gap to 89% as compared to 78% in the general workforce. **But, why even at that level is there no consistent pay equity?**

It's suggestive that the best explanation appears to be that companies can decide to pay you what they want unless it's been proven that gender discrimination has taken place.

**Do you ever wonder why when you're hired that you might be asked to sign an employment contract that prohibits you from discussing or revealing your salary?** That's right. You have this secret agreement between you and your boss not to let anyone know how much you are being paid.

Does this make any sense not to know your "value" as an employee when job reviews come up and you have the opportunity to re-negotiate your salary? How do you know that you are not being discriminated against as a woman?

*The Paycheck Fairness Act* which attempts to address the inequities where a job with similar skills discriminates against women on the basis of salary has been rejected twice by Congress and is still in limbo. There are a number of complicated and unresolved issues related to this legislation, and heavy push-back from companies who see the public release of salary information as a can-of-worms for employee litigation.

Women need to know that career choices and employment interruptions will affect lifetime earnings. But, salaries themselves are not always gender equal. Even with a college education, within one year after graduation their salaries can be less than their male classmates. In the early years (20-35) the range will be 90% – 93% less, but by their latter years (55-64) their earnings gap will be about 75%.

**One of the economic predictions is that women will not see pay equity until 2067. That's a long time to wait to pay \$1 for a \$1 purchase.**

Statistics from the AAUW – American Association of University Women *The Simple Truth about the Gender Pay Gap, 2013 edition*