



WREN's Position on Equal Pay

Overview

Equal pay is a vital concern for South Carolina's working families, who increasingly depend on women's wages to achieve economic security. The wage gap is consistent across industries and education levels. 48 states have passed laws to help reduce the wage gap and supplement federal law,¹ but South Carolina's economy and citizens are hindered by weak pay provisions.² Policies that would help close the wage gap include employee protections, defenses, and remedies. South Carolina should adopt a comprehensive policy that provides employees with appropriate protection from discrimination, increases pay transparency, and encourages companies to analyze their employee data to reduce gaps.

Defining the Problem

Decades after the passage of the Equal Pay Act of 1963, women continue to be paid less than men in nearly every occupation. On average, a woman in South Carolina makes 80 cents to every dollar a man makes. This disparity widens even more when the issue is broken down by race. Compared to every dollar earned by a white man, black women earn 59 cents, Latina women earn 52 cents, Asian women earn 50 cents, and Native American women earn 63 cents³.

According to the 2015 Census, 51.4% of SC's citizens are women.⁴ This means that our current laws are creating an unnecessary burden on more than half our population, which has implications for our state's economy. Pay equity is not just a woman's issue; it is also a family, community, and an economic viability issue for South Carolina. Two-thirds of South Carolina families have women as the primary or co-breadwinner.⁵ Pay inequities are costing South Carolina women and their families, on average, \$330,880 over a 40-year career. For a black woman that is a lifetime loss of \$827,680, a Latina woman a loss of \$948,840, an Asian American woman a loss of \$622,640, and a Native American woman a loss of \$747,160.⁶

¹ AAUW Policy Guide to Equal Pay in the States. (n.d.). Retrieved November 30, 2016, from <http://www.aauw.org/resource/state-equal-pay-laws/>

² S.C. Code Ann. § 1-13

³ U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates Table B20017

⁴ U.S. Census Bureau, 2015 American Community Survey Table S0101

⁵ U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates Table C23007

⁶ The Lifetime Wage Gap, State by State - NWLC. (n.d.). Retrieved November 30, 2016, from <https://nwlc.org/resources/the-lifetime-wage-gap-state-by-state/>

There is a pervasive fallacy that women can “educate themselves out of the gender wage gap,” even though women are outperforming their male counterparts in regards to educational attainment and research shows that the wage gap persists at all levels of educational attainment.⁷ An AAUW study found that there is still a 7% difference in the earnings of male and female college graduates one year after graduation, even after accounting for college major, occupation, industry, sector, hours worked, workplace flexibility, experience, educational attainment, enrollment status, GPA, college selectivity, age, race/ethnicity, region, marital status, and motherhood.⁸

Closing the wage gap completely could increase women’s wages by an average of \$6,572 per year. Closing the wage gap would reduce the poverty rate for working women by half (from 8.9% down to 4.3%), and would reduce the poverty rate for working single mothers by nearly 60%.⁹ Increasing the financial stability of mothers will have significant intergenerational benefits, as they will have more resources to invest in the health and education of their children.¹⁰

Policy Recommendations

South Carolina can foster a more attractive and flourishing economic landscape by learning from the 48 other states across the country that have enacted various combinations of pay equity laws. The policy options fall into five different categories: protections for employees, defenses from inequities, remedies when inequity is discovered, preemptive action for companies, and comparable work guidelines.

- **Protections:** Provide protections for employees to address problems like employment discrimination and retaliation. Laws can promote pay transparency and prohibit employers from using salary history in hiring. Other policies in this category could address ensuring employees know their rights and ensuring pay discrimination is not taking place based on workplace location.
- **Defense of Inequity:** Clarify and limit employer defenses for pay differences, protect employees from agreeing to lesser wages, and provide employers with alternative employment practices that avoid pay disparities.
- **Remedies:** Increase available relief for employees and improve employees’ ability to challenge pay discrimination.
- **Employer Incentives:** Encourage companies to take preemptive action to address pay inequities by requiring or incentivizing companies to conduct their own pay analysis, and improve record keeping and data reporting.
- **Provide Guidelines & Support:** Outline fairer comparisons of work and pay by creating guidelines for comparable work.

⁷ The Self-Sufficiency Standard for South Carolina 2016. (2016, February). Retrieved November 2, 2015, from United Way Association of South Carolina website: <http://www.uwasc.org/scstandard>

⁸ Hill, C. (2012, October). *Graduating to a Pay Gap: The Earnings of Women and Men One Year after College Graduation* (Rep.). Retrieved November 2, 2016, from AAUW website: <http://www.aauw.org/resource/graduating-to-a-pay-gap/>

⁹ *The Economic Impact of Equal Pay by State* (Rep.). (2016, February). Retrieved November 2, 2016, from Institute for Women's Policy Research website: http://www.iwpr.org/publications/pubs/the-economic-impact-of-equal-pay-by-state/at_download/file

¹⁰ The Two-Generation Approach. (n.d.). Retrieved November 30, 2016, from <http://ascend.aspeninstitute.org/pages/the-two-generation-approach>

South Carolina should adopt provisions from every category for both state and private sector employees. Employees should have appropriate protections from discrimination and there should be an increase in transparency around pay, both in the hiring and promotion processes. These policies will allow our state to make a large step forward in closing the wage gap and improving the economic stability of women and their families.