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## THE POLICY

### Act to Establish Pay Equity (H.3615 & S.372)

#### OVERVIEW

Current laws addressing pay have not adapted for the realities of the modern workplace, and the systems we have in place perpetuate unconscious bias. South Carolina needs to pass a robust pay equity bill that ensures that **employee pay is based on** factors such as **skill, effort, and responsibility**; **bans the use of salary history**; and **provides pay transparency** without retaliation.

- South Carolina has a larger wage gap than the national average.<sup>1</sup>
- Eradicating gender and racial wage gaps would equate to greater economic empowerment for women, more economic stability and mobility for families, and economic growth of our state.
- Employee pay should be based on factors such as skill, effort, and responsibility and those who do comparable work should be paid equitably.
- Asking for prior wage history can lead to an employee with equal or superior qualifications making less than a coworker doing the same job, simply because they happened to make less in their prior position.<sup>2</sup>
- Studies show that increased pay transparency creates work environments where employees are more likely to believe they are paid fairly, and thus are more engaged and productive.<sup>3</sup>



- African American women earn 53 cents on every dollar earned by white men in South Carolina. White women earn 74 cents on every dollar earned by white men.<sup>4</sup>
- The wage gap cannot only be explained by making different career choices; even within the same occupations, women typically earn less than men.<sup>4</sup>
- If change continues at the same slow pace as it has done for the past fifty years, it will take at least 41 years for women to finally reach pay parity.<sup>5</sup>

<sup>1</sup> Childers, C. (2018). *Women's Economic Empowerment in South Carolina*. [PowerPoint slides]. WREN Summit, Furman University, Greenville, South Carolina.

<sup>2</sup> National Women's Law Center. (2018). *The Wage Gap: The Who, How, Why, and What to Do*. Retrieved from <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2017/09/The-Wage-Gap-The-Who-How-Why-and-What-to-Do-2018.pdf>

<sup>3</sup> Seiter, C. (2016, Feb 26). The Counterintuitive Science of Why Transparent Pay Works. *Fast Company*. Retrieved from <http://www.fastcompany.com/3056975/the-future-of-work/the-transparent-pay-revolution-inside-the-science-and-psychology-of-open>

<sup>4</sup> Division of Research, Moore School of Business, University of South Carolina. (2017). *Solving the South Carolina Labor Shortage: The Economic Impact of Increasing Women's Participation in the Workforce*. Retrieved from [http://www.scwren.org/wp-content/uploads/2017/06/DOR\\_WREN\\_P2\\_FD4.pdf](http://www.scwren.org/wp-content/uploads/2017/06/DOR_WREN_P2_FD4.pdf)

<sup>5</sup> Institute for Women's Policy Research. (2018). *Pay Equity & Discrimination*. Retrieved from <https://iwpr.org/issue/employment-education-economic-change/pay-equity-discrimination/>