



IWV Urges The Senate Committee on Health, Education, Labor, and Pensions To Reject The Paycheck Fairness Act

June 21, 2023

Dear Chairman Sanders, Ranking Member Cassidy, and Members of the Committee,

On behalf of Independent Women's Voice (IWV), the leading national women's organization dedicated to advancing common-sense public policies that expand opportunity for women and all workers, we write in opposition to the Paycheck Fairness Act. This deceptively-titled legislation will not close the pay gap, which is largely choice-driven, or make workplaces more fair, but it will erode choices and flexibility for women and simply line the pockets of trial lawyers.

We must ensure that women (and men) have adequate legal protections in the workplace, but the Paycheck Fairness Act would not outlaw sex-based discrimination. Thankfully, sex discrimination in employment and pay is already illegal. Both the Equal Pay Act (1963) and Title VII of the 1964 Civil Rights Act protect the right to earn equal pay for equal work.

This isn't to say that discrimination doesn't exist. However, the raw wage gap statistic tells us nothing about the status of women in the workplace or the fairness (or unfairness) of their pay. Women often trade higher pay for greater work-life balance and flexibility. According to the Bureau of Labor Statistics, the average weekly earnings of women in full-time jobs were **83.1%** of those for men (2021). The 17-cent difference in pay found in this statistical comparison is uncontrolled, which means that it does not account for many different factors that impact pay such as number of hours worked, experience level, education, skill level, industry, and location. When such factors are controlled for, the pay gap shrinks to just **a penny**.

This is why, when assessing the status of women (and all people) in the labor force, measures should focus on the degree of opportunities available rather than outcomes. Unfortunately, the Paycheck Fairness Act is not focused on providing equal opportunities or real equality but on achieving equal outcomes.

What the Paycheck Fairness Act would do is increase government oversight over businesses' compensation decisions. If enacted, employers would have to prove that they do not pay men and women differently, meaning they will be less likely to negotiate flexibility and other benefits that a female employee may want. Women, who highly value jobs that allow them flexibility, would suffer the most.

Rather than boost women's paychecks, the Paycheck Fairness Act would be a boon to trial lawyers. By putting the burden of proof on employers to justify any statistical pay disparities and allowing lawyers to file class action lawsuits on behalf of employees who never affirmatively agree to bring suit, the Paycheck Fairness Act would encourage litigation.

For all of these reasons, we strongly urge you to reject the Paycheck Fairness Act. The decisions women make when it comes to work are not a problem for the federal government to solve. To help women thrive, policies should champion greater opportunities, flexibility, and freedom by reducing taxes and regulations and making it easier for people to start businesses and find a diversity of income-earning opportunities.

Respectfully,



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