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Issues & Controversies

Action and Inaction on Equal Pay (Special Report)

April 2014

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In April 2014, with November congressional elections looming on the horizon, U.S. politicians were already fervently staking out positions that they hoped would attract voters. The Democrats advocated, among other things, elimination of the disparity existing between the average pay of male and female workers. On April 8, designated as "Equal Pay Day" in the U.S., President Barack Obama, a Democrat, took advantage of the occasion to hold a ceremonial signing of two directives potentially fostering an easing of the gender pay differential for some workers. More extensive action would require congressional approval, but Republicans in the Senate on April 9 blocked the Paycheck Fairness Act, a Democrat-backed bill aimed at erasing the gap.



Mark Wilson/Getty Images

As part of the administration's push for equal pay, U.S. President Barack Obama in April 2014 signed an executive order strengthening protections of equal pay for employees of federal contractors.

How Big a Difference?

Coming up with a precise figure for the average magnitude of the gender gap is not a simple matter. It involves making estimates and assumptions, about which reasonable people may differ. The nonpartisan Pew Research Center, taking into account hourly earnings of both full-time and part-time workers, calculated that women are paid 84 percent of what men make. On its website the U.S. Department of Labor gave a figure of "81 cents on the dollar." The White House, drawing on Census data, said that women who work full-time make just 77 percent of what male full-time workers earn. It claimed that even after allowing for various factors that might skew the average one way or another—such as type of work, level of education or experience, or number of hours worked per week (women on average spend less time working because they spend on average more time caring for children)—there remained a gap, and it contended that gender discrimination contributed to that gap.

However, critics, including many Republicans, asserted that the various factors other than discrimination play a crucial role in the calculations. Sexism, they argued, is not as rampant in the U.S. as it once was. The Equal Pay Act outlawed gender-based differences in earnings as long ago as 1963. The critics maintained that while some residual discrimination no doubt still occurred, the figure quoted by the White House was misleading, because it for the most part merely reflected differences in these other factors. Some commentators suggested that the actual pay gap between men and women was only about 5 percent.

Making Political Hay

Each party sought to present itself as working for women's economic betterment. Each denigrated the other's approach. On signing his executive actions on Equal Pay Day, Obama accused the GOP of "seemingly opposing any efforts to even the playing field for working families." In the Senate, Democratic Majority Leader Harry Reid asserted, "As usual, the Republicans are siding with the rich and not obviously being too concerned about what's happening with women in America not getting paid as much as men for doing the exact same work."

Republican lawmakers contended that Democratic proposals such as the Senate bill were unnecessary, because legislation against discrimination in pay (including the Equal Pay Act and Title VII of the 1964 Civil Rights Act) was already on the books. The GOP accused the Democrats of harping on the equal-pay theme in order to draw the public's attention away from the Obama administration's controversial health-care reform. Moreover, argued the GOP, the Democrat initiatives were counterproductive: instead of improving women's chances for a better life they would reduce flexibility in the workplace that was important for working mothers and they would likely generate a tsunami of lawsuits that would hamper economic growth. The Republican National Committee said, "We all know workplace discrimination still exists, [but] we need real solutions that focus on job creation and opportunity for women. Not more regulations that cut flexibility and cut bonuses."

Presidential Actions

The pair of directives signed by Obama on April 8 pertained to companies that do business with the federal government. The two targeted "pay secrecy," which can hinder workers' efforts to negotiate for better pay. In one, an executive order, the president prohibited federal contractors from retaliating against employees who discuss their compensation. In the other, an executive memorandum to the secretary of labor, Obama addressed the fact that enforcement of existing fair-pay legislation was being hampered by a lack of solid data on compensation. The president required the Labor Department to collect statistics on pay, including data by gender and race, from federal contractors.

Senate Bill

On the morning following Equal Pay Day, the Senate voted for the Democrat-sponsored Paycheck Fairness Act, 53–44. But the bill did not receive enough votes to move forward, since 60 were needed to stop a filibuster against it. All but one of the Democratic senators taking part in the vote supported the measure, and all the Republicans opposed it, as did independent Senator Angus King (Maine). The single Democrat voting "no" was Majority Leader Reid, who did so because that would allow him to bring the bill up again.

The measure would, among other things, have made employers subject to civil action regarding gender pay discrimination. It also would have imposed requirements similar to Obama's two directives with an expanded reach. For one thing, the bill called for increased transparency in compensation matters, barring employers from penalizing workers who share, or ask for, wage data in the course of a complaint or investigation. The bill also would have directed the Equal Employment Opportunity Commission to collect from employers wage data by gender and race.

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