

CONTRIBUTOR BIO



CAROL JANSSEN is a first-year graduate student in the Master of Public Policy program. Her inspiration for this paper is based on a lifetime of promoting workplace fairness and observing career obstacles for women, including stagnating wages and unequal pay. Her passions include continuing to teach, learn, and spoil her Labrador Retrievers, attending hockey games with her husband, and trying to make the world a better place.

MANDATORY PAY TRANSPARENCY AND INTERNAL WAGE AUDITS: GOVERNMENTAL OVERSIGHT TO BRIDGE THE GENDER PAY DIVIDE

Carol Janssen

Executive Summary

The goal of equal pay, to ensure fairness in compensation, established in the mid-twentieth century has remained elusive. Today, women in the United States still earn 79 cents on the dollar. The lack of pay transparency prevents market forces from providing equal compensation for substantially similar work and permits discrimination to occur. The Equal Pay Act of 1963 (EPA) provides a litigation remedy to compensate victims of discrimination but this remedy, although initially successful in reducing the gap, has failed to close the divide. Instead of amending the EPA, an alternate solution to address this market failure includes mandatory pay audits and required pay transparency with government oversight.

Goals

Fairness and equality, foundational principles of the United States support narrowing the gender pay divide and establishing equal opportunity in

compensation for women.¹ More than fifty years ago, the United States prohibited discrimination against women in the payment of wages. In signing the EPA, President Kennedy described unequal pay as an “unconscionable practice” and acknowledged women should not have to choose between government assistance or a job with inadequate and unequal pay.² Fairness in pay, yet to be achieved, means equity in the amount of compensation, the criteria used to set compensation amounts, the extent to which the employer treats the employee with dignity and the degree of transparency in the pay structure.³ The concept of equal pay is not uniquely American. The International Labour Organization recognizes that “equal pay is a human right.”⁴

In addition to promoting human rights, bridging the wage gap will benefit the economy and the workforce. Economists agree that reducing pay inequality helps employees get better jobs at better pay and has a positive impact on our overall economy.⁵ Equal pay will improve women’s financial independence and women will be less likely to fall into poverty.⁶ Specifically, closing the pay gap would reduce the poverty rate (Figure 1) and the amount spent on Temporary Assistance to Needy Families.⁷ Moreover, equal pay during a woman’s working years will improve her long-term financial condition into retirement.

Trends

The wage gap remains a persistent and substantial problem in society. Although the wage gap has lessened since Kennedy signed the EPA into law, progress has stalled with some industries demonstrating no improvement in twenty years.⁸ Women earned roughly 60 cents on the dollar in the 1960’s but wages rose

1 U.S. Const. amend. V and XIV, § 1; U.S. Declaration of Independence, Paragraph 2 (1776)

2 John F. Kennedy, “Remarks upon Signing the Equal Pay Act,” *The American Presidency Project*, June 10, 1963.

3 Stephanie R. Thomas, “Why Equity in Compensation Matters” in *Paying your Employees Fairly* (New York: Apress, 2013), 1-17.

4 Martin Oelz, Shauna Olney and Manuela Tomei, *Equal Pay: An Introductory Guide* (Geneva: International Labour Office, 2013), 2.

5 White House, National Equal Pay Task Force, “Fifty Years After the Equal Pay Act: Assessing the Past, Taking Stock of the Future,” June 2013.

6 Oelz, Olney and Tomei, *Equal Pay*.

7 Heidi Hartmann, Jeff Hayes and Jennifer Clark, “Equal Pay for Working Women Would Reduce Poverty and Grow the American Economy,” Institute for Women’s Policy Research Report, IWPR #C411, Washington, D.C.: 2014.

8 Kurt Stanberry and Forrest Aven, “Unequal Pay for Equal Work: Why Women Still Lag Behind After the 50th Anniversary of the US Equal Pay Act,” *Compensation & Benefits Review* 45, no. 4 (2013): 193-199.

sharply and the gap lessened in the 1980's.⁹ Thereafter, the wage gap narrowed at a slower and unsteady rate. In 2014, the full-time wages of female employees who worked year-round earned approximately 79% of what men did on an annual basis and 83% on a weekly basis (Figure 2).¹⁰ The pay gap disproportionately impacts older women (Figure 3) and women of color (Figure 4).

Even in traditional female occupations such as education and nursing, men still out-earn women, although the pay disparity is smaller than in traditionally male-dominated jobs.¹¹ When women enter male-dominated professions, the result is a decrease in average wages for the occupation.¹²

An unexpected trend defeats the presumption that more education and experience will diminish the pay gap. The contrary is true. Women today are better educated than men earning more bachelor's, master's and doctoral degrees. ¹³The AAUW, after accounting for several other factors, "found a remaining 7 percent difference between the earnings of male and female college graduates one year after graduation. The gap jumped to 12 percent 10 years after college graduation."¹⁴ In 1968, women comprised less than 10% of the entering classes for doctors and lawyers but today represent nearly 50% of students in those programs.¹⁵ However, the difference in earnings increased for women with the highest levels of education and achievement.¹⁶ For example, female accountants earn 75.8% as much as male accountants and the gap is even wider for lawyers (74.9%), managers (72.4%), stock brokers (64.5%) and doctors (64.2%).¹⁷ During their careers, female health care practitioners will lose \$891,000 and females lawyers will lose \$1,481,000.¹⁸

In comparison, women in lower-paying jobs experience a different type of gap. Employers are less likely to provide health insurance to low income

9 Francine D. Blau and Lawrence M. Kahn, "The Gender Wage Gap: Extent, Trends, and Explanations" (working paper no. 21913), *National Bureau of Economic Research* (2016).

10 *Ibid.*

11 Deborah Thompson Eisenberg, "Money, Sex, and Sunshine: A Market-Based Approach to Pay Discrimination," *Arizona State Law Journal*, 43 (2011): 951-1020.

12 American Association of University Women, "The Simple Truth About the Gender Pay Gap," Fall 2016.

13 Eisenberg, "Money, Sex, and Sunshine."

14 AAUW, "Gender Pay Gap," 20.

15 White House, "Eleven Facts," 2014.

16 Eisenberg, "Money, Sex, and Sunshine."

17 *Op. Cit.*, fn. 16

18 Keiko Lynn Yoshino, "Reevaluating the Equal Pay Act for the Modern Professional Woman," *Valparaiso University Law Review*, 47 (2013): 585-625.

female employees who are also less likely to have retirement plans.¹⁹ Pay inequity follows women into retirement with reduced social security and other retirement benefits.²⁰

Women in poverty impact the economy and increase the need for government benefits. Approximately two-thirds of workers earning \$10.50 per hour or less are women, frequently supporting children. More than one half of this group work full-time or nearly full-time.²¹ The poverty rates in 2012 were 3.9% for all working women, 11% for single women, and 28.7% for working single mothers.²² Additionally, “More than 40 percent of mothers are now the sole or primary source of income for the household and about two-thirds of children live in a family with a co-breadwinner or breadwinner mother, up from less than 30 percent in 1967.”²³ Once viewed as “supplemental” family income, women’s earnings have become essential to families to pay for housing, child care, transportation and other necessities.²⁴

From 1950 to 2000, women’s participation in the labor force increased from 36% to 76% while the rate for men stayed constant at 88%.²⁵ “With over 72 million women in the workforce, gender-based wage discrimination hurts the majority of American families, particularly single-parent households, which are predominately headed by women.”²⁶ Measures to equalize compensation are more necessary today than when Congress passed the EPA in 1963.

Conditioning Factors

In enacting the EPA, Congress recognized that discrimination caused the pay disparities between men and women.²⁷ As women entered the workforce,

19 White House, Council of Economic Advisers, *Gender Pay Gap: Recent Trends and Explanations*, April 2015.

20 AAUW, “Gender Pay Gap.”

21 Anne Morrison and Katherine Gallagher Robbins, “Chartbook: The Women in the Low-Wage Workforce May Not Be Who You Think,” *National Women’s Law Center Resource*, Washington, D.C.: 2015.

22 Hartmann, Hayes and Clark, “Working Women.”

23 White House, “Eleven Facts,” 5

24 *Ibid.*

25 Johnathan Woetzel et al., “The Power of Parity: How Advancing Women’s Equality Can Add \$12 Trillion to Global Growth,” *McKinsey Global Institute*, London: 2015.

26 American Bar Association, “The Paycheck Fairness Act,” 2016.

27 Marianne DelPo Kulow, “Beyond the Paycheck Fairness Act: Mandatory Wage Disclosure Laws- A Necessary Tool for Closing the Residual Gender Wage Gap,” *Harvard Journal on Legislation* 50 (2013): 385-435.

the protectionist rationale was women's work was less valuable, their income was merely supplemental, and women's priority was to care for the family²⁸. Following a feminization of the workplace, explanations for the stubborn pay gap expanded to include women's education and experience levels, motherhood, occupational segregation, and the glass ceiling. The EPA does not remedy any of these factors.²⁹ As the trends demonstrate, the less educated and less experienced arguments do not explain today's pay gap.

However, horizontal and vertical job segregation, both influenced by discrimination, play a role in the gender pay gap. Horizontal occupational segregation means the range of occupations for women is smaller, lower paying and often based on stereotypes of the acceptable jobs for women.³⁰ Vertical occupational segregation is the underrepresentation of women in higher paid positions.³¹ This glass ceiling does not explain the wage gap because it exists at all income levels and particularly at the highest levels.³²

Women's choices, such as motherhood and college major selection, are often blamed for job segregation and the wage gap. However, discriminatory social norms, gender expectations, workplace attitudes and business structures compel certain "choices" for women.³³ The lack of information concerning job prospects as well as actual harassment and discrimination in male-dominated jobs limit freedom of choice.³⁴ Moreover, the wage gap is present between childless men and childless women debunking the myth that women's choice to have children is responsible for the gap.³⁵

Another purported cause of pay inequity is women's failure to negotiate for equal pay; however, the reaction to negotiation is different for men and women evidencing discrimination. Negotiation behaviors such as assertiveness and self-promotion, expected of men, backfire on women.³⁶ Women who

28 *Ibid.*

29 *Op. Cit.*, fn. 27

30 Olez, Olney and Tomei, *Equal Pay*.

31 *Ibid.*

32 Kulow, "Paycheck Fairness Act."

33 Nicole B. Porter, Choices, Bias and the Value of the Paycheck Fairness Act: A Response Essay, *ABA Journal, Labor & Employment Law* 29 (2014): 429.

34 Institute for Women's Policy Research, Five Ways to Win an Argument about the Gender Wage Gap. Report, IWPR #C447, (Washington, D.C.: 2016, September).

35 Kulow, "Paycheck Fairness Act."

36 AAUW, "Gender Pay Gap."

initiate salary negotiations incur a significant social cost and receive negative evaluations.³⁷

Further, wage secrecy impairs successful negotiations and produces pay disparity.³⁸ Approximately one-half of workers reported their employers prohibited, discouraged or even punished the discussion of wage and salary information.³⁹ In contrast, employers with greater transparency, such as the federal government (Figure 5), have greater gender pay equity.⁴⁰

Evidence demonstrates that discrimination remains a significant cause of the gender pay divide (Table 1). A considerable portion of the wage gap, estimated at 41%, is largely “unexplained,” meaning it is not attributable to motherhood, occupation, industry, or job title.⁴¹ These unexplained factors, which may include unintentional discrimination, blatant sexism, the influence of stereotypes, discretionary pay setting practices, and unequal opportunities, are causes of pay disparity.⁴² In addition, the states with no state protections from pay discrimination tend to have the biggest pay gaps.⁴³

The legal system, after decades of lawsuits under the EPA, has failed to resolve compensation differences because of the “unrealistically difficult” legal standard to prove and win pay discrimination cases.⁴⁴ In addition to the difficult legal standard, in *Wal-Mart Stores, Inc. v. Dukes* (2011), the Supreme Court effectively foreclosed the use of class actions to remedy pay discrimination.⁴⁵ Further, although the Equal Employment Opportunity Commission (EEOC) may file unequal pay claims, it lacks the resources to significantly impact pay disparities nationwide.⁴⁶

37 Hannah Riley Bowles, Linda Babcock and Lei Lai., “Social Incentives for Gender Differences in the Propensity to Initiate Negotiations: Sometimes it does Hurt to Ask,” *Organizational Behavior and Human Decision Processes* 103 (2006): 84–103.

38 ABA, “Paycheck Fairness Act.”

39 Institute for Women’s Policy Research, “Pay Secrecy and Wage Discrimination,” Report, IWPR #Q016, Washington, D.C.: January 2014.

40 AAUW, “Gender Pay Gap.”

41 White House, “Gender Pay Gap.”

42 Deborah Thompson Eisenberg, “Access to Justice: Ensuring Equal Pay with the Paycheck Fairness Act,” *Testimony before the Senate Committee on Health, Education, Labor, and Pensions, United States Senate*, April 1, 2014.

43 AAUW, “Gender Pay Gap.”

44 Stanberry and Aven, “Unequal Pay,” 193.

45 Deborah Thompson Eisenberg, “Wal-Mart Stores v. Dukes: Lessons for the Legal Quest for Equal Pay,” *New England Law Review* 46 (2012): 229-273.

46 Yoshino, “Equal Pay Act.”

In addition to legal obstacles, bridging the pay gap faces significant political and social impediments. The decade long congressional battle over the Paycheck Fairness Act (PFA) resulted in “one of the most contentious political divides of the Obama Administration.”⁴⁷ The issue has become unduly partisan with only one Independent and one Republican among the 44 and 193 co-sponsors of Senate Bill 862 and House of Representatives Bill 1619, respectively, the most recent versions of the PFA.⁴⁸

Moreover, a “pervasive lack of awareness of the pay gap” is a likely result from the need of individuals to maintain the status quo.⁴⁹ “A large body of evidence suggests that people do not like to acknowledge that they are the either the perpetrators or victims of injustice, and that they create justifications to explain disparate outcomes.”⁵⁰ However, in a Gallup poll, 42% of working women and 39% of all people surveyed concluded that equal pay or fair pay is one of the most significant issues facing working women in the United States.⁵¹ These seemingly contradictory ideas may suggest that while many people recognize the existence of a problem, few want to acknowledge their role in the problem. This complex problem requires a multifaceted solution to address these legal, political and social obstacles as well as avoid the stigma of victimization.

Alternatives

Measures to close the gap, with minimal success, include various individual, business and governmental actions.

College major and early job selection: Choice of majors and initial career selection impact a woman’s lifetime of earnings because a lower starting salary results in a lifetime of lower compensation and retirement income.⁵² However, even if women choose jobs with higher starting pay, the overall wage gap remains wider in higher paying occupations with women earning significantly less than men.

47 Joan Marshall Wesley, “Foregrounding the ‘War on Women’: Right-Wing Conservatism and Progressive Policies,” *Race, Gender & Class* 20, no. 3 (2013): 40-63.

48 ABA, “Paycheck Fairness Act.”

49 Hilary M. Lips, “Acknowledging Discrimination as a Key to the Gender Pay Gap,” *Sex Roles* 68 (2013): 223-230.

50 *Ibid.* at 224.

51 Gallup, “Americans Say Equal Pay Top Issue for Working Women,” October 13, 2014.

52 AAUW, “Gender Pay Gap.”

Salary negotiations: Although women “can’t negotiate around discrimination, knowing what your skills are worth and learning techniques to promote them can help.”⁵³ Nonetheless, this approach fails to address discrimination and the social cost of negotiation. This option also puts the burden on women to become “more competitive and assertive” and women, without pay transparency, are unable to fully assess their worth to engage in effective negotiations.⁵⁴

Voluntary audits and other employer self-regulation: Employers can fully measure and assess the fairness in their compensation programs. For example, Salesforce performed a comprehensive analysis of its employees in 2015 which led to salary adjustments for 6 percent of workers and resulted in a 33% increase in promotions for women.⁵⁵ Other self-regulating actions include company policies eliminating pay secrecy, addressing bias in negotiations, and establishing objective standards for compensation.⁵⁶ These measures are commendable, but society cannot depend on enough employers to voluntarily engage in these efforts to have any significant impact on the wage gap.

Equal Pay Pledge: To promote self-regulation, Former President Barack Obama established the Equal Pay Pledge in which business signatories promise to conduct an annual pay analysis, review hiring and promotion processes and promote practices to close the wage gap.⁵⁷ As of December 2016, over 100 major companies signed the pledge.⁵⁸ However, the pledge has been removed from the White House website by the current administration.⁵⁹

Proposed Paycheck Fairness Act: The four key components of the proposed federal legislation in the 114th Congress: 1) changes the EPA to make unlawful unequal pay based on “any other factor” to any bona fide factor such as education, training or experience; 2) forbids retaliation against employees discussing wage information; 3) permits unlimited compensatory and punitive damages, and allows employees to join in a class action; and 4) provides a

53 *Ibid.* at 21.

54 Kulow, “Paycheck Fairness Act,” 407.

55 AAUW, “Gender Pay Gap.”

56 National Women’s Law Center, “Advancing Equal Pay: Innovative Employer Approaches,” *NWLC Fact Sheet*, Washington, D.C.: June 2016.

57 White House Archive, “White House Equal Pay Pledge,” 2016.

58 White House, “Fact Sheet: White House Announces New Commitments to the Equal Pay Pledge,” Press release, December 7, 2016. White House, “White House Equal Pay Pledge,” 2016.

59 White House, “White House Equal Pay Pledge,” 2016.

national award recognizing voluntary compliance and establishes a negotiation training program for women.⁶⁰

The first factor does not fully address the litigation obstacles in equal pay claims especially for women in higher level occupations where “equal” positions within a company do not exist for pay comparison. The anti-retaliation provision is insufficient without mandated pay transparency. Additionally, enhanced litigation remedies lead to political opposition based on concern over increased litigation and argument over financial windfalls to plaintiffs.

California’s Equal Pay Act: The California Equal Pay Act amended existing state law to clarify what constitutes “equal work.” Some courts strictly construe equal pay for “equal work” very narrowly which results in the de-valuation of traditionally female-dominated jobs. Effective January 1, 2016, compensation must be equal for “substantially similar work, when viewed as a composite of skill, effort, and responsibility, and performed under similar working conditions” rather than comparing identical jobs.⁶¹ This standard comports with the International Labor Organization’s Convention requirement that equal pay laws must be based on giving equal pay for different work which is of equal value.⁶² This alternative removes one significant obstacle in the pursuit of equal pay through litigation and increases the availability of a remedy to those who are unfairly paid.

Status quo: At the federal level, the PFA has stalled in Congress for a decade. As reflected in Figure 6, maintaining the trend since the passage of the EPA would delay pay equity until 2056 or even a century later if the current 21st century trend persists. Maintaining the status quo will not work to achieve the goal of pay equity.

Recommendation

Instead of reliance on litigation for enforcement, the International Labor Organization suggests enacting proactive legislation which requires employers to maintain fair pay practices.⁶³ A multi-faceted approach at the federal level could consist of the following: 1) Legislation which clarifies that “equal work” is not dependent on job title or location but is either “substantially similar” (as

60 ABA, “Paycheck Fairness Act.”

61 California Labor Code § 1197.5.

62 Olez, Olney and Tomei, *Equal Pay*.

63 Yoshino, “Equal Pay Act.”

defined by California law) or of “equal value” (as defined by the ILO) thereby eliminating pay disparities among traditionally female and traditionally male jobs; 2) Mandating regular internal pay audits; 3) Mandating pay transparency by posting wage information by job title; and 4) Establishing government oversight to ensure compliance. Similar approaches have been successful.

For example, Minnesota’s mandate eliminated the pay divide in government jobs of comparable value.⁶⁴ Public-sector employers in Minnesota must conduct a pay equity audit every few years and act to eliminate pay disparities between jobs that are different but require comparable expertise. The government compares jobs based on complexity, required knowledge, needed interpersonal contacts, and working conditions. Wages are public information and the state also prohibits retaliation for employees discussing wage information.

The U.S. Office of Personnel Management found making salary information public helped bridge the gap. In 2012, female, white-collar federal workers earned 87% of what men made in contrast to 77% in the overall workforce.⁶⁵

Mandates are successful in Canada and Sweden where employers must ensure jobs of equal value receive equal pay and the government provides oversight and accountability.⁶⁶ In Sweden, in addition to mandating efforts to ensure gender equity in the number of women in particular jobs, employers with more than 25 employees must periodically examine pay differences in jobs of equal value, create action plans to address inequities and act to eliminate pay differences directly or indirectly related to gender.⁶⁷ Without a mandatory disclosure law, “enforcement of equal pay laws will continue to be piecemeal and erratic, driven by inadvertent discoveries of wage inequities.”⁶⁸

A pay transparency and audit mandate avoids the need for litigation and permits the market to operate more efficiently by providing employers and employees with sufficient information for setting and negotiating wages. Mandates move the sole responsibility from the employee to address inequity via litigation to the employer to amicably resolve pay inequities.⁶⁹ A mandate is more effective than self-regulation because most employers are

64 Legislative Office on the Economic Status of Women, “Summary: Pay equity: The Minnesota Experience,” 2016.

65 AAUW, “Gender Pay Gap.”

66 Yoshino, “Equal Pay Act.”

67 *Ibid.*

68 Kulow, “Paycheck Fairness Act,” 428.

69 Yoshino, “Equal Pay Act.”

not motivated to disclose pay information or conduct audits despite the potential benefits.

The EEOC could manage government oversight. The cost may be offset by fewer Title VII claims presented to the EEOC (for processing, investigation and issuance of right to sue letters), reduced court expenditures for wage litigation, and reduction of government assistance to women in poverty.⁷⁰ Further research should fully analyze potential costs.

Conclusion

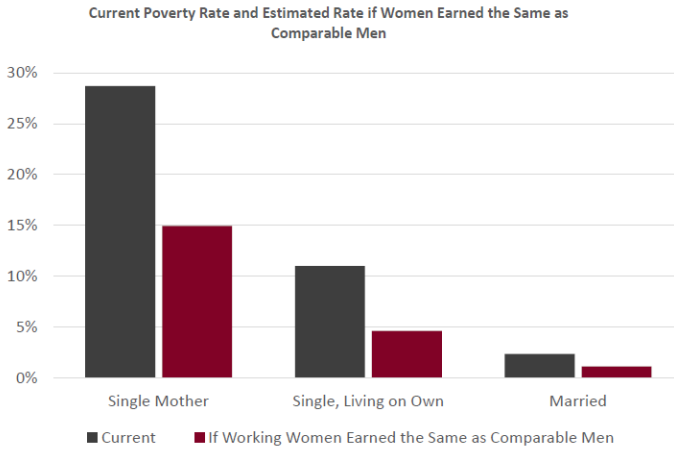
The failure to act will unreasonably delay achieving pay equity (Figure 6). Individual actions and business self-regulation may operate to narrow the wage gap slightly. However, self-regulation alone is insufficient because it relies on voluntary cooperation and fails to fully address both market failure and discrimination. Congress is unwilling to amend the EPA to make changes to the ineffective litigation process. The PFA, if enacted, would improve litigation access to victims of discrimination; however, as suggested by Eisenberg, the focus should not be on the victimization of women but the correction of a market failure.⁷¹ For the market to achieve wage equity, the government must require transparency and permit public scrutiny. Therefore, redefining “equal work” and implementing government oversight of mandated company pay audits and transparency is the most effective solution to achieve pay equity.

⁷⁰ *Ibid.*

⁷¹ Eisenberg, “Money, Sex, and Sunshine.”

FIGURES AND TABLES

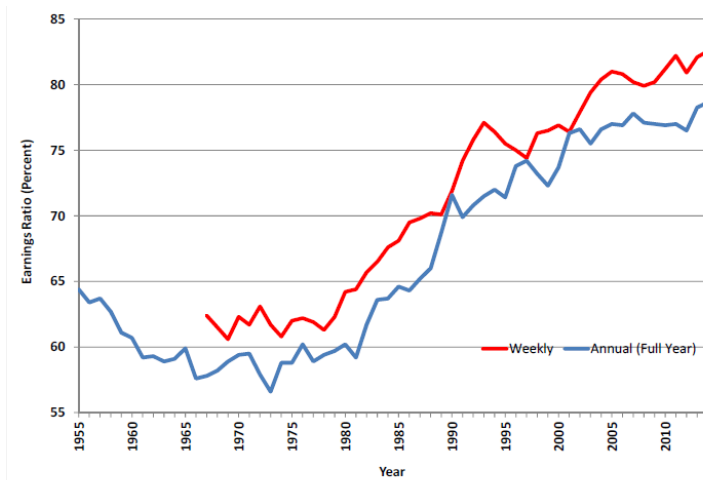
Figure 1: Projected reduction in poverty rates for working women



Source: Heidi Hartmann, Jeff Hayes and Jennifer Clark, “Equal Pay for Working Women Would Reduce Poverty and Grow the American Economy,” Report, IWPR #C411, Institute for Women’s Policy Research, Washington, D.C.: 2014.

Notes: This figure (based upon 2009-2011 data) demonstrates the significant reduction in poverty rates for single mothers and other working women if pay equity is achieved.

Figure 2: Gender earnings ratios for full-time workers from 1955-2014

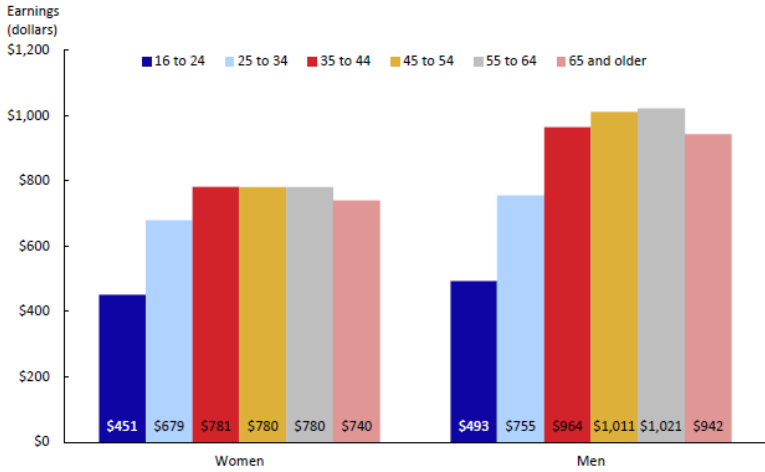


Source: Francine D. Blau and Lawrence M. Kahn, “The Gender Wage Gap: Extent, Trends, and Explanations,” (working paper no. 21913), National Bureau of Economic Research, 2016.

Notes: This figure demonstrates the percentage of weekly and annual earnings of women in comparison to men from 1955 to 2014.

As noted by Francine D. Blau, M. A. Ferber and A. E. Winkler, *The Economics of Women, Men, and Work* (Upper Saddle River, New Jersey: Pearson: 2014), the lower percentage for women’s annual earnings reflects that overtime pay and bonus compensation are more frequently earned by men and are not reported in the weekly figure.

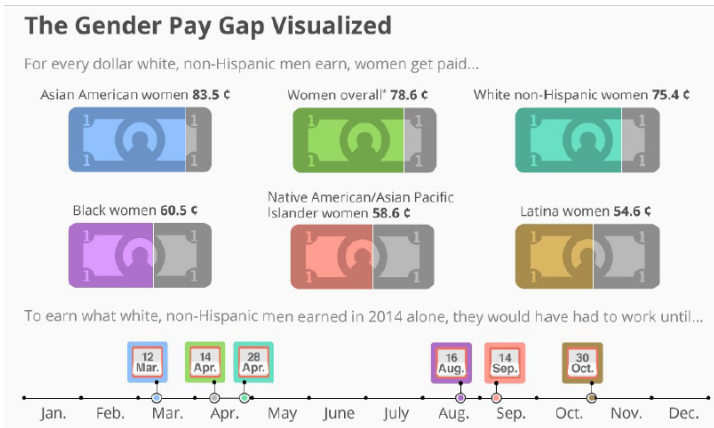
Figure 3: Median weekly earnings of women and men who are full-time wage and salary workers, by age - 2014 annual averages



Source: U.S. Bureau of Labor Statistics, “Highlights of Women’s Earnings in 2014,” Report 1058, November 2015.

Notes: Wages for women stagnate beginning at age 35 in comparison to men who continue to achieve higher salaries until retirement age creating a larger pay gap for older women.

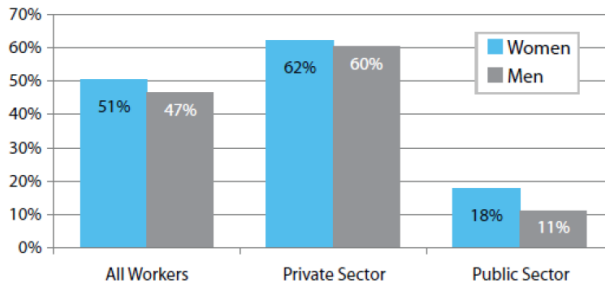
Figure 4: The gender pay gap by race based on median annual earnings of full-time, year round workers in 2014



Source: National Women's Law Center, 2015.

Notes: Although not a focus of this brief, the wage gap disproportionately impacts women of different races.

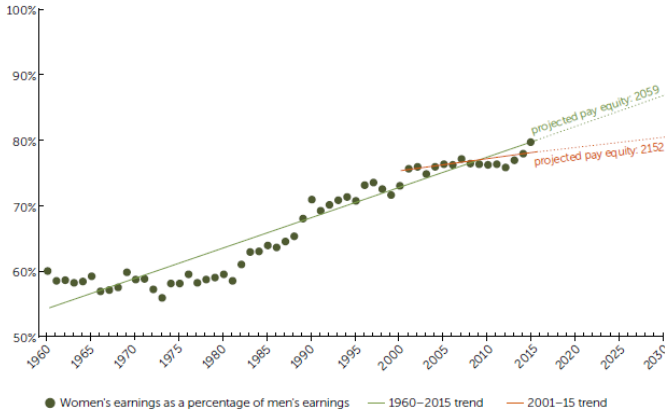
Figure 5: Comparison of Pay Secrecy Policies between private and public employers



Source: Institute for Women’s Policy Research, “Pay Secrecy and Wage Discrimination,” Report, IWPR #Q016, Washington, D.C.: 2014.

Notes: Public sector employers provide more information to employees concerning wage amounts.

Figure 6: Projected wage gap percentage for full-time, year-round workers based on 1960-2015 earnings



Source: American Association of University Women, “The Simple Truth About the Gender Pay Gap,” Fall 2016.

Notes: Maintenance of the status quo will significantly delay achieving pay equity. If the trend remains consistent with the wage gap since the enactment of the Equal Pay Act, women may achieve equity in 2059. However, progress has stalled in recent years. If the trend follows the 21st Century pattern, women will not achieve pay equity until 2152.

Table 1: The Gender Wage Gap Conditioning Factors in 1980 and 2010: Sample of non-farm, full-time wage and salary workers age 25-64 who worked at least 26 weeks.

Variables	1980		2010	
	Effect of Gender Gap in Explanatory Variables		Effect of Gender Gap in Explanatory Variables	
	Log Points	Percent of Gender Gap Explained	Log Points	Percent of Gender Gap Explained
A. Human Capital Specification				
Education Variables	0.0129	2.7%	-0.0185	-7.9%
Experience Variables	0.1141	23.9%	0.0370	15.9%
Region Variables	0.0019	0.4%	0.0003	0.1%
Race Variables	0.0076	1.6%	0.0153	6.6%
Total Explained	0.1365	28.6%	0.0342	14.8%
Total Unexplained Gap	0.3405	71.4%	0.1972	85.2%
Total Pay Gap	0.4770	100.0%	0.2314	100.0%
B. Full Specification				
Education Variables	0.0123	2.6%	-0.0137	-5.9%
Experience Variables	0.1005	21.1%	0.0325	14.1%
Region Variables	0.0001	0.0%	0.0008	0.3%
Race Variables	0.0067	1.4%	0.0099	4.3%
Unionization	0.0298	6.2%	-0.0030	-1.3%
Industry Variables	0.0457	9.6%	0.0407	17.6%
Occupation Variables	0.0509	10.7%	0.0762	32.9%
Total Explained	0.2459	51.5%	0.1434	62.0%
Total Unexplained Gap	0.2312	48.5%	0.0880	38.0%
Total Pay Gap	0.4770	100.0%	0.2314	100.0%

Source: Francine D. Blau and Lawrence M. Kahn, “The Gender Wage Gap: Extent, Trends, and Explanations” (working paper no. 21913), National Bureau of Economic Research, 2016.

Notes: This table presents the results of studies evaluating the impact of various conditioning factors on the wage gap. The most significant contributor to the wage gap is the “unexplained gap” which is attributable to discrimination.