

HOW EMPLOYERS CAN HELP CLOSE THE GENDER WAGE GAP

Women in the U.S. earn 83 cents for every dollar a man earns. This gender wage gap exists irrespective of industry and level of education and is even worse for mothers and women of color.



The wage gap exists regardless of industry, job type, & education.



For example, female nurses in PA are paid \$10k less per year than male nurses on average.

\$10k less

83¢

\$1.6 trillion

Combined total losses for working women in the U.S. each year due to the gender wage gap

Addressing the gender wage gap can help employers and organizations create a more inclusive and equitable workplace while reaping the benefits of a motivated, engaged, and diverse workforce. Fair and equitable pay practices reduce turnover and lead to higher levels of employee engagement and productivity. **What can employers do?**



Paid sick and safe leave



Ban the use of salary history



Paid parental leave



Publish pay ranges on job posts



Flexible work schedules



Review job descriptions



Conduct a pay audit and Pay a thriving wage



Prohibit retaliation for wage disclosures

The gender wage gap negatively impacts women's economic well being and physical health. And it's bad for business.

Studies suggest that pay satisfaction positively correlates with job performance and organizational commitment¹ – 61% of employees consider compensation significant to their overall job satisfaction,² and 82% are more satisfied when they believe they are paid fairly.³ When employees know that their compensation is free from bias, they are more likely to feel valued and respected by their employer. **Implementing pay equity measures offers many benefits for employers, including reduced turnover, increased productivity, and enhanced employee satisfaction.**



Action steps organizations can undertake to narrow the wage gap:



Provide paid sick and safe leave to all employees: Sick leave includes leave for illness, preventative care, or care for a family member's illness or disability. Safe leave allows survivors of domestic violence, stalking, or sexual assault to use days as needed for their recovery or to seek assistance. Unpaid leave can worsen the gender wage gap, since women still bear the majority of caretaking burden.⁴ This temporary absence from the workforce hinders women's wages immediately and in the long term when they are overlooked for promotions because of missed days.⁵ Parents, guardians, spouses, and family members should also be entitled to paid medical leave to care for their families.⁶



Provide paid parental leave to birthing parents, mothers and fathers and access to childcare: Parental leave encourages sharing of traditional gender roles and promotes equality in relationships. It allows time for birthing parents to fully heal from childbirth and spend crucial time bonding with their baby without fear that their job will be negatively impacted. Women are passed over for promotions, seen as less qualified, or terminated from positions for taking parental leave. At the same time, policies that cover only birth parents exclude fathers, partners, and people who adopt from participating in that crucial first year. Paid parental leave should include leave for adoption, surrogacy and even becoming foster parents. Paid leave allows women and parents to care for themselves without fear of losing their job.⁷ It lowers the likelihood of domestic violence and narrows the gender wage gap.⁸


Access to childcare is another important step an organization can take. Lack of affordable childcare costs employers \$13 billion every year in lost productivity.⁹ Women in heterosexual relationships are often the ones exiting the workforce because they are more likely to make less money than their male partners. With the onset of the pandemic, 45% of women who had children under five had to leave the workforce due to the lack of affordable childcare.¹⁰ It is important for employers to create support structures for women in the workforce, including remote/hybrid work, flexible schedules, childcare subsidies as employee benefits, and on-site childcare services.




Offer flexible work scheduling to all employees: Organizations and employers can promote flexible work schedules to create a work-life balance and help retain employees. It is especially important with some organizations making the transition to remote work. Flexible work schedules allow employees to meet their work responsibilities without sacrificing needs at home and prevents them from having to make tough decisions between work and family. Women with child-care responsibilities are 32% less likely to leave their job if they have the option of flexible work schedules.¹¹ The turnover rate is higher for women of color, with 43% likely to leave their jobs if there is no option of flexible work.¹²




Conduct a pay audit: A pay audit shows an organization if and where pay inequities exist within the company and which factors may be influencing the gap. It can analyze market trends that will show what other industries are paying for similar roles and identify any gaps in the existing pay structure. An audit can also determine if coworkers are getting paid less for similar roles.¹³ A pay audit moves employers toward paying employees a fair and equitable wage and can pave the way to making up lost wages for those who have been historically underpaid, leading to better staff retention, higher productivity and an more equitable workplace.




Pay a thriving wage to all employees: A thriving wage is the amount of money needed for a person to thrive beyond paycheck-to-paycheck survival, and provides for savings, travel, and hobbies. It is important that organizations aspire to provide a thriving wage instead of merely a living wage. A living wage helps to afford the basic necessities of life, but a thriving wage can lift women and families out of poverty and increase the financial security of women. It can provide for basic needs while also giving women the economic independence to save and grow their wealth.




Include equitable recruitment, hiring and promotion practices: When thinking about pay equity it is important for organizations to include equitable recruitment, hiring and promotion practices in their culture. Creating an equitable recruitment and hiring process ensures organizations reach a wider pool of qualified candidates. It also provides a better experience to candidates interviewing and promotes diversity, equity, and inclusion (DEI) goals.¹⁴ Equitable recruitment, hiring and promotion practices can lead to a diverse workforce, overcome biases, guarantee employee satisfaction, retain employees and create a pay equity culture. This includes changing hiring practices, including:




Banning the use of salary history and asking for a salary range:¹⁵ If a person earns lower wages in their previous job and the new employer determines salary based on their wage history, it keeps them in a cycle of being underpaid. Women are also less likely to ask for higher pay when providing a salary range to recruiters, out of fear of losing the job. Banning the use of salary history promotes pay equity and help candidates get fairly compensated when applying for a new job. It breaks the cycle of underpay, and better ensures the applicant is paid based on their skills and requirements of the job.



Publish wage or salary ranges on job postings:¹⁶ Posting salary ranges offers transparency when job applicants are deciding whether to apply, interviewing, and negotiating their pay. It also holds the employer accountable to compensating the job applicant within the posted range; and puts the ownership of pay equity on the employer, who has to determine what to pay folks, rather than asking the candidate to decide their pay and their worth.



Prohibit retaliation for wage disclosure: To promote a culture of pay transparency, employers and organizations should not prohibit employees from inquiring about, discussing, or disclosing their wages with other employees. Employees should be able to request their employer explain the rationale behind their wages, without retaliation. Asking an employee to sign a waiver or denying the employee the right to discuss wages is unethical. Due to the lack of pay transparency, 29% of US workers feel they are not compensated fairly.¹⁷ If the employees know they are paid fairly, they are more likely to stay with an organization.¹⁸ Thus, wage disclosures can prevent turnovers and help with employee retention.



Review job descriptions: An accurate job description based on actual skills required and transparency about wages can help remove biases. Analyze job descriptions regularly to remove any unnecessary jargon, educational achievements, or skillsets. For example, not all jobs require an advanced degree or the ability to lift weights. Keeping these requirements if they are not necessary limits your candidate pool and discourages talented candidates from applying.¹⁹ Research shows that women apply to jobs when they feel they are 100% qualified, whereas men apply to jobs when they meet around 60% of the requirements.²⁰ Including language in the job postings that encourage folks to apply even if they do not meet 100% of the requirements is helpful to promote diversity and inclusion in pay practices.

Pay inequity exists because of inequities at structural and policy levels. Even with policy changes, disparities in pay and experiences can still exist, particularly for women of color. Employers need to prioritize consistent and actionable DEI work in all individual and cultural aspects of their company. With pay equity and DEI practices, employers can promote a fair and equitable workplace.

In addition to these policies, we also recommend connecting with your Pennsylvania domestic violence program for local information and to share as a resource with all employees. Find your local program at pcadv.org/program-locator.

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