

**TESTIMONY OF THE HON. ROSA L. DELAURO
SENATE TESTIMONY ON THE PAYCHECK FAIRNESS ACT
THURSDAY, MARCH 11TH, 2010**

Thank you. It is good to be with you this morning, and to get a chance to support this important legislation.

I first want to thank the Members of the Committee, particularly Chairman Harkin, Senator Dodd – the Senate sponsor of the Paycheck Fairness Act – Senator Mikulski, and Ranking Member Enzi for hosting this important hearing today, and for inviting me to testify. Mr. Chairman, as the author of the Fair Pay Act – a bill I have also long supported – you have been a longtime champion of pay equity for women, and I thank you for your leadership.

Put simply, the Paycheck Fairness Act is a modest, common-sense reform that closes numerous longstanding loopholes in the

Equal Pay Act and stiffens penalties for employers who discriminate based on gender.

In America today, women now make up half of the workforce, and two-thirds of women are either the sole breadwinner or co-breadwinner in their family. Women are also more likely than men to graduate from college. They run more than 10 million businesses with combined annual sales of \$1.1 trillion, and are responsible for making 80% of consumer buying decisions.

And yet, women are still only being paid 78 cents on the dollar as compared to men. Women of color are even worse off – African American women make 68 cents on the dollar compared to the highest earners, while Hispanic women make only 57 cents. Unmarried women have an average household salary that is almost \$12,000 lower than unmarried men, and they make a paltry 56 cents on the dollar when compared to married men.

As the National Committee on Pay Equity tells us, these pay disparities have a substantial long term impact on women's lifetime earnings, costing anywhere from \$400,000 to \$2 million over a lifetime. And that lack of pay equity translates into less income toward calculating pension and in some cases Social Security benefits. It is no coincidence that 70 percent of older adults living in poverty are women.

Congress originally passed the Equal Pay Act in 1963 to end the "serious and endemic problem" of unequal wages. Forty-seven years later, it is clear that the Act is not quite working as intended in its current form. And with more women responsible for their families' economic security than ever before, we have an obligation to face this continuing pay inequity head-on.

Very early in this Congress, we passed the Lilly Ledbetter Fair Pay Act, ensuring that women who are discriminated against have the right to sue as long as their discriminatory pay continues.

But this critical law – reaffirming a right which had been denied in a shortsighted 2007 Supreme Court decision – only brings us back to where we had been all along.

By contrast, the Paycheck Fairness Act will represent real progress for women who fight pay discrimination in the work place every day. It would clarify the ‘any factor other than sex’ defense, so that an employer trying to justify paying a man more than a woman for the same job must show the disparity is not sex-based; that it is job related and necessary for the business.

It would also prohibit employers from retaliating against employees who discuss or disclose salary information with their co-workers. Of course, employees such as HR personnel who have access to payroll information as part of their job would not be protected if they disclose workers’ salaries of other workers.

That being said, just ask Lilly Ledbetter how much sooner she could have found out she was being discriminated against had this protection been in place. Thanks to a company policy that is still not uncommon today, she was prohibited from discussing her pay with her co-workers. It was not until someone gave her an anonymous note shortly before she retired that she was alerted to the pay discrimination she had experienced throughout her career.

The Paycheck Fairness Act would also strengthen the remedies available for women to include punitive and compensatory damages. In other words, this Act brings equal pay law into line with other civil rights law, and provides to victims of sex-based discrimination the same standards for lawsuits and options for damages that are already afforded to victims of race-based discrimination.

It is sometimes suggested that passing this bill would result in a torrent of class-action lawsuits that employers could simply

not afford to pay. But that is not the pattern we have seen for anti-discrimination legislation. Race-based discrimination laws have been on the books for years, and employers have made the adjustments necessary to avoid that. There is no reason to think that applying the same standards to sex-based discrimination would alter this equation. And for sure, companies are better and more productive when they send a signal that there is no place for sex-based discrimination.

So, again, this legislation is a common-sense solution to the lingering problem of pay inequity. It simply extends standards that are already part of our civil rights law to include discrimination against women. And by acting now to ensure that women get paid the same as men for the same work, the Senate can give them, their families and our entire economy the tools to recover and thrive.

That is why the Paycheck Fairness Act has been endorsed by over 200 organizations, including the U.S. Women's Chamber of

Commerce, the American Association of University Women (AAUW), Business and Professional Women (BPW), and the National Women's Law Center. And it is why we have it passed it twice in the House of Representatives.

Now, thirteen years after I first introduced it, I believe that Paycheck Fairness is legislation whose time has come. I believe we have a moral obligation to ensure that one half of the American workforce is treated as fairly and equitably as the other half. And on behalf of all of America's women, I strongly encourage the Senate to take action and at last make this bill law.

Thank you.