

AB 1287 – Eliminate the "Pink Tax"

Summary

AB 1287 eliminates the gender-based price differences applied to identical products, commonly known as the "Pink Tax."

Background

Title VII of the Civil Rights act of 1964 prohibits discrimination on the basis of gender identity. However, women still pay more on average for identical products that are marketed specifically to women, and often are simply a different color -aphenomena known as the "Pink Tax."

As reported by the US Government Accountability Office, women pay, on average, 7% more for gendered-targeted items like toiletries and clothing. They also face higher prices for seemingly neutral products like mortgage rates.

Wealth inequality disproportionately affects women and women of color. Women still make approximately 82% of what men earn. For every 1 dollar earned by white men, Latina women earn 54 cents. Gender-based pricing acts as a disproportionate burden, magnified by a higher impact on their comparatively lower income.

Women make up as much as 85% of consumer purchases in the United States.

Unequal prices for women translate to impacts for their own financial wellbeing as well as that of their families.

Higher prices for products marketed to women also reinforce gender difference and gender inequity. It incentivizes heavily gendered marketing from early ages. These messages reinforce gender based stereotypes that are harmful for all children and engrain bias early on.

Problem

Identical products are often more expensive when marketed to women through features like packaging and color. This does not correspond to a differential value of the good, but simply an unjust and arbitrary "Pink Tax" that adds to women's economic burden.

What this bill does

AB 1287 prohibits businesses from assigning different prices for identical goods simply because of the gender the goods are marketed to.

In order to price products differently, a business would have to prove there was substantial difference in the time or cost of production. If the business was found to



AB 1287 – Eliminate the "Pink Tax"

have assigned a price based solely on the gender of the intended consumer, the business would be fined increasing amounts for each violation.

Eliminating the Pink Tax eliminates one more barrier to gender equality. Compounded by the gender pay gap, arbitrary price differences are unjust and harmful. Women should be able to exercise their buying power without the fear of gender-based discrimination.

<u>Support</u>

Contact

Sarah Goodman Assembly Fellow (916) 319-2016 Sarah.goodman@asm.ca.gov