



**Testimony to the United States House of Representatives
Committee on Oversight and Reform**

**Hearing: Honoring 'Equal Pay Day': Examining the Long-Term Economic
Impacts of Gender Inequality**

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Washington, D.C.
March 24, 2021

Chairwoman Maloney, Ranking Member Comer, and Members of the Committee thank you for inviting me to appear today.

My name is Patrice Onwuka, and I am the Director of the Center for Economic Opportunity at Independent Women's Forum. IWF is the leading national women's organization dedicated to developing and advancing policies that aren't just well-intended, but actually enhance people's freedom, opportunities, and well-being.

My work focuses on expanding opportunities for women.

It is an honor to discuss women and opportunity with you today, a day when we consider how to ensure that women are treated fairly at work. It also comes at a time of unique challenges for women, due to the fallout of the pandemic and other measures around the country that are making it harder and harder for women to pursue their dreams.

Prior to the coronavirus pandemic, the economic picture for women was impressive. Women held a majority of professional, managerial, and related positions in American businesses. In 2019, for the first time, women comprised the majority of the college-educated workforce in the U.S. Women owned nearly [13 million businesses](#), and started an impressive average of over 1,800 new businesses each day. Minority women led the tremendous growth of small business ownership among women.

The pandemic reversed so much of this progress. The so-called she-cession has erased decades of gains women have made in the labor force. Some [2.5 million women](#)

have left the workforce since the start of the pandemic. There are [1.5 million](#) fewer mothers of school-aged children working in January 2021 as compared to one year ago.

Women have suffered COVID-related job loss disproportionately for two reasons: First, women tend to be concentrated in service-based industries such as food and accommodations. Secondly, when schools and daycares closed, caregiving and household duties also disproportionately fell on women, pushing many to choose family over employment. Unfortunately, the impact of prolonged shutdowns--particularly of our nation's public schools--has hit low-income female workers especially hard.

Now, it is as important as ever for Congress to discuss women's pay and opportunities. However, any discussion of increasing women's pay must be grounded in facts. Justifying wide-reaching policy changes upon the misuse of wage gap statistics is misguided and could shortchange women of the flexible opportunities they truly need and desire right now.

The pay gap is not evidence of discrimination but a matter of choices

The pay gap is held up as evidence of widespread gender-based discrimination in the labor force, but it should not be.

In 2019, women's average weekly earnings in full-time jobs were [82 percent](#) of those for men according to the Bureau of Labor Statistics (BLS). This raw data point does not compare two people in the same job, and it does not control for factors that influence pay such as education, seniority, hours worked, occupation, industry, and job title. When controlling for those factors, the wage gap shrinks to 2 cents on the dollar.

Wage analysis by private employment experts such as Glassdoor and Payscale.com find similarly low, single-digit wage gaps when pay-influencing factors are controlled for. Payscale.com found that women earned [2 cents](#) less than men (\$0.98 to every \$1) in 2020, while Glassdoor's 2019 analysis of salaries found a [5-cent](#) gap.

Examining some of these factors provides insight into why women make the decisions that they do and how it impacts pay averages.

Hours. Women work fewer hours than men and work part-time more often than men. Full-time men work 8.3 hours per day on average compared to 7.8 hours for women. Each week, men work an average [40.1 hours](#) compared to 36.1 hours women. In other words, men log 11 percent more hours each week than women do. Is it any wonder that people who work more also earn more? By racial breakdown, men still work more than their female counterparts: white men (40.2), white women (35.8), black men (39.6), black women (37.2), Asian men (39.7), Asian women (36.7), and Hispanic men (39.1) and Hispanic women (35.5). Also, 88 percent of men work full-time compared to just 75 percent of women.

Occupation. The occupational distribution of men and women varies and explains some of the lower average pay for women. Men and women sort men differently: men into

higher-paying occupations and women into traditionally lower-paying occupations. Even within industries, women choose different career tracks than men. For example, even as female doctors move closer to parity with men, women choose some specialties more than others. Female doctors [dominate](#) obstetrics and gynecology, allergy and immunology, and pediatrics, while male doctors dominate surgical specialties.

These tracks and occupations tend to offer more flexibility and allow them to balance household responsibilities and caregiving but have lower pay. Women are more likely to occupy jobs in professional services, office and administrative support, and the service industry. From teachers, librarians, counselors, social workers to home health aides, dental assistants, and phlebotomists, to food workers, hairdressers, and childcare workers.

As a group, black women are [over-represented](#) in service jobs, the lowest-paying occupational groups, and professional services. A significant [majority](#) of black women were employed in these two occupational categories alone. Meanwhile, they are under-represented in high-paying positions. In the sales industry, black women largely work in office and administrative jobs.

Education. One of the first career decisions women make is what to study. Women tend to be drawn to majors and degrees that they find more interesting or personally fulfilling, but lead to lower salaries. [Economic research](#) finds that in choosing a major, women often consider non-financial issues such as enjoyment of future work, while men are more concerned with salaries and status. [Nine of the 10](#) highest paying majors that Glassdoor examined were male-dominated. The most male-dominated majors are Mechanical Engineering (89 percent male), Civil Engineering (83 percent male), Physics (81 percent male), Computer Science and Engineering (74 percent male), and Electrical Engineering (74 percent male).

By contrast, six of the 10 lowest-paying majors are female-dominated. The most female-dominated majors are Social Work (85 percent female), Healthcare Administration (84 percent female), Anthropology (80 percent female), Nursing (80 percent female), and Human Resources (80 percent female).

Minorities also choose majors that may reflect their desire to help their communities, such as human services and social work, but do not tend to lead to high-paying careers. [A 2016 Georgetown University study](#) found that black students were highly represented in majors associated in human services and community organization (20 percent) and social work (19 percent), for example, but accounted for less than 10 percent of high-paying majors: general engineering (8 percent), mathematics majors (7 percent), computer engineering majors (5 percent), and finance and marketing majors (7 percent).

High-risk. Some positions are more dangerous than others and therefore employers must pay people more to take on these jobs, which entail physical risks. Among [blue-collar workers](#), more men than women choose careers in high-skill or high-risk

industries such as plumbing, commercial fishing, mining, and law enforcement. Men disproportionately bear the impact suffering [92 percent](#) of occupational fatalities.

Motherhood. Balancing work with having families and caring for children plays a significant role in employment decisions. Women and men choose to take on different roles in the family and that affects the decisions they make about their careers, occupations, and hours.

This helps explain why there is almost no pay gap for single, childless women. Those women working full time earn [95 percent](#) of the weekly median earnings of their male counterparts and many actually [outearn](#) their single, childless male counterparts.

The wage gap begins to [widen](#) around age 25, likely due to choices about family roles. [Fewer mothers than fathers](#) say they would rather work full-time than part-time. Mothers in both professional and blue-collar jobs choose to work less, take jobs closer to home, and often [turn down over-time](#) opportunities that male-coworkers do not.

For all of these reasons, the wage gap should not be used as a measure to determine if men and women have achieved equal pay for equal work.

Pay discrimination is already illegal

Equal pay for equal work has been the law of the land in the United States for nearly six decades. The Equal Pay Act (1963) and the Civil Rights Act (1964) explicitly prohibit sex-based wage discrimination.

Any kind of discrimination is abhorrent. Women and men should be treated and compensated fairly in the workplace. Where discrimination exists, federal and state law provides various means of redress. The Equal Employment Opportunity Commission (EEOC) receives tens of thousands of charges from workers alleging some form of sex discrimination under Title VII. However, allegations alone are not evidence of widespread discrimination. In 2020, of the [21,000 charges](#) from workers, the agency determined that there was “reasonable cause” to believe a violation had occurred in fewer than 4 percent of these charges.

Over the years, Congress has introduced new measures that are purported to help protect women from sex discrimination, which lawmakers know is already illegal. Ultimately, these efforts can unintentionally hamper women’s progress and opportunities.

Some have proposed penalizing large employers that maintain gender pay gaps. Using the faulty pay gap metric, which as we’ve discussed is not a sign of gender discrimination nor reflects the factors that influence a person’s pay, they would aim to shame companies into closing any perceived wage difference. This would insert government into the negotiations between employers and employees and could reduce flexibility for women.

Risk-averse human resource managers would have an incentive to limit negotiations on hours, pay, and travel to avoid the appearance of discrimination. They might demote workers who seek additional flexibility or require them to accept a standard part-time position. Workers—particularly working mothers who often place a premium on flexibility—would be left with fewer, less favorable options to meet their unique circumstances.

The Paycheck Fairness Act. The [Paycheck Fairness Act](#) (PFA) would amend the Fair Labor Standards Act of 1938 to “provide more effective remedies to victims of discrimination in the payment of wages on the basis of sex.” The PFA would invert our justice system and the burden of proof by requiring employers to prove their innocence with regard to pay discrimination. It would require employees to opt out of (rather than into) class action suits against employers. It would un-limit the damages for employers with pay disparities and would empower the government to more closely track pay data.

The PFA would be great for trial lawyers who could win bigger settlements, but it would not win women bigger paychecks. All of the increased legal exposure would discourage employers from negotiating flexible work arrangements for women such as reduced hours or less travel in exchange for less pay. It would also discourage them from hiring and promoting women.

The PFA attempts to solve a problem that doesn’t really exist. In doing so, it would create new headaches for women and encourage unfairness in the workplace.

Beyond the civil rights laws already in place, the best protection for women in the workforce is a robust economy that puts pressure on employers to increase wages and treat workers fairly. Any new legislation that aims to discourage and punish workplace discrimination should not remove men and women’s freedom to work in jobs that meet their unique circumstances.

Policies to protect women should not backfire on them

Paid maternity leave is an area that working women think about when choosing an employer or job. Americans desire for the government to do more to help people take time off from work, particularly after childbirth or the adoption of a child. Maternity leave yields good outcomes for new moms and babies, while encouraging women to remain attached to the workforce.

Unfortunately, some of the policies advanced today, while well-intended, come with policy trade offs, risk, and downsides such as exacerbating inequalities, backfiring on workers, and reducing overall economic opportunity.

FAMILY Act. The Family and Medical Insurance Leave Act (FAMILY Act) would create a new federal entitlement program funded by a payroll tax on all taxpayers. This would encourage businesses currently providing paid leave programs, including more generous leave programs, to eliminate those plans. Companies and employees may be less likely to negotiate mutually beneficial arrangements, such as part-time and

work-from-home options, during periods of leave. By increasing the employment costs, employers may be less inclined to hire women, particularly those with fewer skills or for leadership positions as a result.

Alternatives to a new entitlement borne by all could be voluntary programs targeted to those workers who would benefit from it. The earned leave proposal, for example, would reform Social Security to give workers the option to receive paid leave benefits after the birth or adoption of a child, in exchange for delaying their eligibility for retirement benefits to offset those costs. Another bipartisan proposal would allow families to pull forward a portion of their child tax credit to provide for their newborn or newly adopted child, as well as for childcare, income loss during maternity/paternity leave, baby supplies, and other needs related to caring for a new child.

We can find ways to help women who need it fund the time off they need without displacing the benefits of others and on the backs of all workers.

Removing barriers to opportunity for women

Too many women are locked out of the economic recovery, the labor force, and the prospect of economic mobility. Women with low educational levels and who lack a steady employment history and vocational skills often face difficulty finding employment. Their pay remains low and unstable.

The government can play a role in helping women gain the skills, education, and training that they need to secure work opportunities and become business owners.

Independent Contracting. Congress should protect women's right to choose between working as independent contractors or as employees.

Independent contracting offers women employment avenues to advance in their careers while balancing personal obligations. Men and women retain control over their labor and time. They negotiate the pay and schedules that meet their unique circumstances.

Flexibility is a hallmark of independent contracting and freelancing and it is extremely important for women. Nearly all ([94 percent](#)) of women in the gig economy do so for flexibility and two out of three prefer to be an independent contractor over an employee of the company that contracts their labor. A plurality ([46 percent](#)) of freelancers depend on contract work because their personal circumstances prevent them from working in traditional jobs.

Lawmakers should not take that choice away by enacting changes to labor laws such as the Protecting the Right to Organize (PRO) Act, which would effectively reclassify millions of workers as employees. Unable to absorb the increased labor costs, companies would likely eliminate their independent contractor workforce leaving those women and workers with reduced or no income, contracts, and flexible opportunities.

At a time when many women need to schedule employment around virtual school or caregiving for children, spouses, and aging parents, Congress should encourage

companies to provide flexible work arrangements. This will keep women employed and more financially secure.

Occupational Licensure. Occupational licenses are government “permission slips” to work in a vocation. Workers have to satisfy state-level requirements of education and training at their own expense. Excessive licensure can create a barrier to employment for women, especially military spouses, immigrants, and those with a criminal record.

Occupational licensure has expanded significantly over the last five decades [increasing](#) from just 5 percent of the workforce in 1950 to 20 percent in 2000. There are hundreds of occupations that require licensure and many of them are vocations that women work in: manicurists, cosmetologists, makeup artists, preschool teachers, shampooers, interior designers, florists, hair braiders, and tax preparers. These can be low- and middle-income vocations where individuals can work for employers or be entrepreneurs. Often, the licenses are unrelated to health or public safety concerns and the qualifications may be unnecessary or unrelated to the actual vocation.

Excessive licensure creates barriers to work because the licenses often require higher levels of educational attainment and skills that can be costly and take a long time to secure. Many occupational licenses are also not portable across state lines. Most concerning, many states have “good character” standards that prohibit ex-offenders from ever obtaining a license.

Although states administer occupational licenses, federal policy can encourage states to reform or eliminate unnecessary and burdensome licenses. This was a cause championed recently by both Democratic and Republican presidents.

Conclusion

As a nation that believes in equality, working to ensure that women have equal access to opportunity is a worthy goal. We have come far over the past 60 years that Congress outlawed gender-based discrimination. Today’s woman is increasingly able to carve out the work life she desires because our economy is innovating new paradigms of employment. One-size-fits all government policies, though well-intentioned, may rob women of the ability to choose for themselves the best work arrangements that fit their interests and circumstances.

Thank you for the opportunity to be here this morning to discuss these issues of importance to women in society. I welcome any questions you may have.