

THE NEW ERA OF EXECUTIVE ACTION

PROMOTING PAY EQUALITY IN THE FEDERAL GOVERNMENT

May 5, 2015

Background

In 1963, President John F. Kennedy signed the Equal Pay Act, which abolished wage disparity based on gender. The initiative was one badly needed, since at the time women made on average 59 cents for every dollar paid to their male counterparts. More recently, President Barack Obama signed the Lilly Ledbetter Fair Pay Act in 2009, which shored up the original law by explicitly enabling individuals to challenge continuing pay discrimination, not just an employer's original discriminatory pay decision.

Although gains have been made over the past fifty years, the wage disparity is far from gone—as of 2014, women make 78 cents for every male dollar. Breaking the numbers down by race, the gap widens to 64 cents for African American women and 56 cents for Latina women. This results in each working woman in the country on average foregoing \$431,000 in wages over her career. Women comprise of 47 percent of the total U.S. workforce, yet they remain significantly underrepresented in the highest-paying fields, such as engineering and computer occupations.

Action

On May 10, 2013, President Barack Obama signed a presidential memorandum: Advancing Pay Equality in the Federal Government and Learning from Successful Practices. On April 8, 2014, President Obama signed Executive Order 11246: Non-Retaliation for Disclosure of Compensation Information.

What It Does

In order to promote gender pay equality in the federal government and to evaluate how current internal practices affect compensation of similarly situated men and women, the memorandum

This brief is part of The Century Foundation initiative, The New Era of Executive Action, which is available online at <https://tcf.org/atavist.com/executive-action>.

directs the Office of Personnel Management (OPM) to submit a Governmentwide Strategy for Advancing Pay Equality. Such a strategy is to include:

- analysis of whether changes to the General Schedule classification system would assist in addressing any gender pay gap,
- proposed guidance to agencies to promote greater transparency regarding starting salaries, and
- recommendations for additional administrative or legislative actions or studies that should be undertaken to narrow any gender pay gap.

Additionally, to facilitate this, agencies will provide to the OPM information on:

- all agency-specific policies and practices for setting starting salaries for new employees,
- all agency-specific policies and practices that may affect the salaries of individuals who are returning to the workplace after having taken extended time off from their careers (for example, those who served as full-time caregivers to children or other family members),
- all agency-specific policies and practices for evaluating individuals regarding promotions, particularly individuals who work part-time schedules (for example, those who serve as caregivers to children or other family members),
- any additional agency-specific policies or practices that may be affecting gender pay equality, and
- any best practices the agency has employed to improve gender pay equality.

Executive Order 11246 prohibits federal contractors from discriminating against any employee who discusses or discloses the compensation of any employee.

Status

The OPM released its report detailing its Governmentwide Strategy on Advancing Pay Equality on April 11, 2014. It found that the federal gender pay gap had shrunk from 30 percent to 13 percent between 1992 and 2012, meaning that women in the federal government made 87 cents to every male dollar in 2012. In order to continue progress, the report makes recommendations for further administrative actions, legislative actions, and studies that can help reduce the disparity. On September 17, 2014, the Office of Federal Contract Compliance Programs (OFCCP) issued proposed regulations to implement the executive order.

Impact

This memorandum could potentially benefit 899,160 women employed in executive agencies in the federal government. Executive Order 11246 will make salary disparities more transparent, increasing the chance they will be remediated.

Response

While the memorandum received significant positive support, much of it was qualified in nature:

- Janet Kopenhaver, Washington representative of Federally Employed Women (FEW), stated, “We’re glad to see the initiative that the president put forward,” and emphasized the importance of the OPM study to understand the reasons behind the federal pay gap. However, she also stated that FEW is concerned about the inability of women to be adequately represented at senior levels and more must be done.
- J. David Cox Sr., national president of the American Federation of Government Employees (AFGE), stated, “It is all well and good that the President takes pay equity seriously, and so do we. But President Obama needs to focus on pay adequacy for every federal employee. After three straight years of pay freezes, he needs to focus on raising pay for all federal workers.”
- The National Women’s Law Center (NWLC) referenced the memorandum in their Equal Pay Report as a positive step the federal government has made to strengthen equal pay laws. However, the report also makes clear that pay equity requires more legislative action, such as the Paycheck Fairness Act.