



the work and family legal center

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## FACTSHEET:

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### Equal Pay in New York State Contracting

**Even though the Equal Pay Act, a law that guarantees women the same pay as men for the same job, passed almost fifty years ago, women working full-time still earn, on average, only 77 cents for every dollar that men make. New York should follow New Mexico's lead and require all companies wishing to contract with the state to provide basic pay equity reports to encourage companies to correct any unfair gender pay gaps.**

#### The Gender Wage Gap in New York is Persistent and Harmful to Working Families

- New York City female full-time workers in the for-profit sector earn only 71.5 cents for every dollar that a man earns.<sup>1</sup> For the entire state of New York across all job sectors the figure is also unacceptably low—women earn 83.9 percent of men's earnings.<sup>2</sup>
- Wage discrimination often goes undetected because many workplaces punish employees for sharing wage information with their colleagues.<sup>3</sup> In fact, 61% of private sector employees are prohibited or discouraged from discussing wage information.<sup>4</sup>
- Eliminating the wage gap is incredibly important for impoverished New York families. More than 26% of households headed by women live below the poverty level.<sup>5</sup>

#### New Mexico's Fair and Equal Pay Executive Order

- In 2009, New Mexico Governor Bill Richardson issued an executive order requiring all companies with 10 or more employees to submit a pay equity report as a condition of receiving contracts with the state.<sup>6</sup> The order implemented the recommendations of the Governor's Taskforce on Fair and Equal Pay.<sup>7</sup>
- Companies subject to Title VII with 100 or more employees and many federal government contractors are already required to file a report with the EEOC annually.<sup>8</sup> New Mexico uses the same occupational categories as those EEOC forms.<sup>9</sup> For each category companies "provide the number of employees by gender (full- and part-time) and percentage gender pay gaps in each category."<sup>10</sup>
- The New Mexico reports are being studied with the goal of developing a system for future evaluation of bids, where companies with less (or no) unfair inequity will be more likely to get contracting bids.<sup>11</sup>

#### New York Should Follow New Mexico's Lead and Require Pay Equity Reports from State Contractors

- Reporting provides an incentive for companies to treat employees fairly. Companies will treat workers fairly so they will be more likely to obtain state government contracts. Additionally, required reporting will assist employers in targeting and correcting any unfair pay gaps.
- New Mexico has found little resistance by employers in producing these reports.<sup>12</sup> Fewer than 50 contractors even contacted the state for assistance in preparing the reports.<sup>13</sup>
- New Mexico's experience also demonstrates that this type of progressive reform has been done by executive order; legislation is not necessary.<sup>14</sup>
- New York spends \$13 billion on contractors.<sup>15</sup> Reporting would ensure that taxpayer dollars are not used to support sex discrimination.

**Requiring state contractors to report any potential wage discrimination will greatly assist workers who are not being paid a fair wage. Please visit [www.abetterbalance.org](http://www.abetterbalance.org) to learn more or to get involved in the campaign for equal pay.**



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<sup>1</sup> John Choe, *Gender Equity in the New York City Municipal Workforce*, New York City Comptroller's Office (April 2011) pg. 11, available at: [http://comptroller.nyc.gov/bureaus/opm/gender-equity/NYC\\_GenderEquityReport\\_LowFromHi.pdf](http://comptroller.nyc.gov/bureaus/opm/gender-equity/NYC_GenderEquityReport_LowFromHi.pdf).

<sup>2</sup> Catherine Rampell, *The Gender Pay Gap, by State*, N.Y. Times (July 13, 2010), available at: <http://economix.blogs.nytimes.com/2010/07/13/the-gender-pay-gap-by-state/>.

<sup>3</sup> A Better Balance, *Wage Secrecy in New York: Why We Need a State Wage Disclosure Law*, available at:

[http://www.abetterbalance.org/web/images/stories/Documents/fairness/factsheets/ABB\\_Fact\\_Sheet\\_-\\_Wage\\_Secrecy\\_in\\_NY.pdf](http://www.abetterbalance.org/web/images/stories/Documents/fairness/factsheets/ABB_Fact_Sheet_-_Wage_Secrecy_in_NY.pdf).

<sup>4</sup> Institute for Women's Policy Research, *Pay Secrecy and Paycheck Fairness: New Data Shows Pay Transparency Needed*, (Nov. 2010), available at:

<http://www.iwpr.org/press-room/press-releases/pay-secrecy-and-paycheck-fairness-new-data-shows-pay-transparency-needed>.

<sup>5</sup> National Partnership for Women & Families and AAUW, *New York: Working Women and the State's Wage Gap* (Apr 2011), available at:

[www.nationalpartnership.org/site/DocServer/wf.epd.factsheet.NY.pdf](http://www.nationalpartnership.org/site/DocServer/wf.epd.factsheet.NY.pdf).

<sup>6</sup> Martha Burk, *The New Mexico Pay Equity Initiative in State Contracting*, Institute for Women's Policy Research (May 2011), available at:

<http://www.iwpr.org/initiatives/pay-equity-and-discrimination>.

<sup>7</sup> *Id.*

<sup>8</sup> U.S. Equal Employment Opportunity Commission, *EEO-1 Frequently Asked Questions and Answers*, available at <http://www.eeoc.gov/employers/eeo1survey/faq.cfm>.

<sup>9</sup> Martha Burk, *The New Mexico Pay Equity Initiative in State Contracting*, Institute for Women's Policy Research (May 2011), available at:

<http://www.iwpr.org/initiatives/pay-equity-and-discrimination>.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> Office of the Attorney General, *A.G. Schneiderman Launches New Initiative To Bolster Recovery Of Taxpayer Dollars & Fight Government Fraud*, (Jan. 27, 2011), available at: [http://www.ag.ny.gov/media\\_center/2011/jan/jan27a\\_11.html](http://www.ag.ny.gov/media_center/2011/jan/jan27a_11.html).

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