

LB 217: SUPPORTING PAY TRANSPARENCY TO PROMOTE PAY EQUITY

LB 217 **provides protections to employees discussing their wages**, empowering them with information so they can be informed advocates for their compensation.

LB 217 would not impose new requirements for employers—it simply **prohibits retaliatory action against employees who discuss their wages**.

LB 217 will **subject pay practices to the sunshine test**—where differences in pay can be justifiably explained by job-related factors, there should be little concern.

The Nebraska Fair Employment Practice Act states that “it shall not be an unlawful employment practice for an employer to apply different standards of compensation, or different terms, conditions, or privileges of employment pursuant to a bona fide seniority or merit system or a system which measures earnings by quantity or quality of production or to employees who work in different locations, if such differences are not the result of an intention to discriminate.” (Nebraska Rev. Stat. § 48-1111)

“Knowledge is power. When workers, especially women, can seek more information without fear of retribution, they can more confidently pursue favorable work and wage arrangements.”

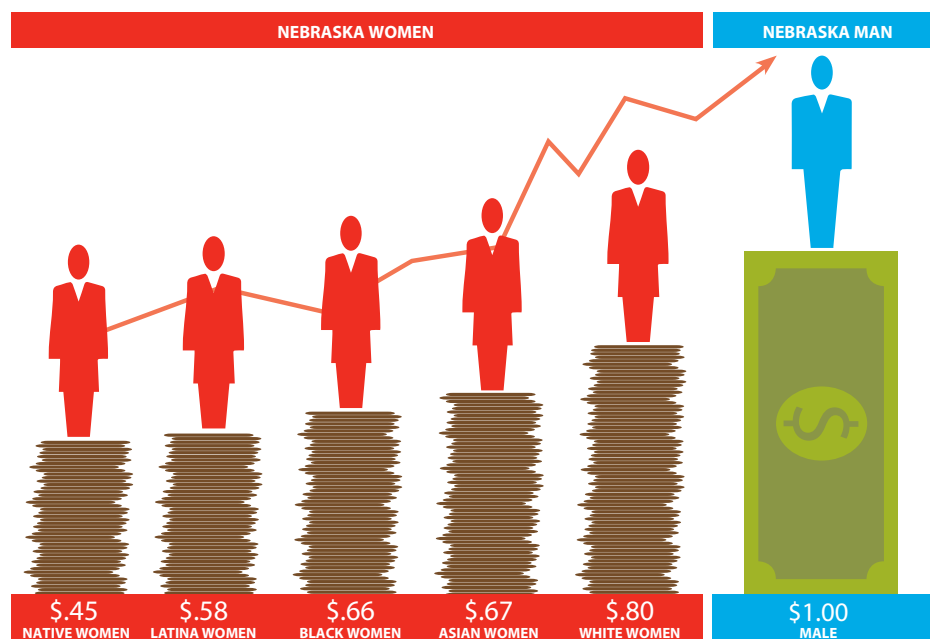
— **U.S. Senator Deb Fischer**



Fear of retaliation and a culture of silence keep people in the dark about how their compensation compares with their colleagues or peers. Lack of information makes it difficult for women to compare their wages to other employees in the same or similar position.

EQUAL PAY IS AN ISSUE GREATLY IMPACTING WOMEN IN NEBRASKA

For every dollar an average man in Nebraska makes for full-time, year-round work, the average woman in Nebraska earns \$0.78. This wage disparity is even more pronounced when broken down by race and ethnicity:¹



Source: U.S. Census Bureau, 2012-2016 American Community Survey.

Women's median earnings are lower than men's in nearly ALL occupations, regardless of whether they work in occupations predominantly held by women, occupations predominantly held by men, or occupations with a more even composition of men and women.ⁱⁱ

- ▶ There are only two occupations—'dining room and cafeteria attendants and bartender helpers' and 'wholesale and retail buyers, except farm products'—in which women's median earnings are (slightly) higher than men's.

Unequal pay has deep impacts on the well-being of our families, communities and our economy.

- ▶ In Nebraska, nearly **30% of women-headed households have incomes that fall below the poverty level.**^{iv}
- ▶ If Nebraska working women were paid the same as comparable Nebraska men (same age, level of education, work the same number of hours and same urban/rural status), we would see a **54% reduction in the poverty rate for all employed women** and a **67.5% reduction of single mothers living in poverty.**^v

Pay transparency laws are relatively new and the research on the aggregate impact is limited, but the wage gap is smaller in the public sector, where pay transparency is more prevalent than the private sector, where pay secrecy prevails.

- ▶ In 2016, the earnings ratio (comparing women's earnings to men's) was **lower among private sector workers (79.3 percent) compared to public sector workers (81.4 percent).**^{viii}

For Nebraska policy to align with Nebraska values, we need bills like LB 217 that will allow women to access the economic stability they've earned through hard work, long hours and years of education and experience.

When we eliminate the wage gap, the economy will prosper, children and families will thrive, and our communities will grow stronger.

"As the saying goes: Sunlight is the best disinfectant. If you want to know how your salary compares to your colleagues, you should have every right to ask. It's as basic as the First Amendment."
— U.S. Senator Deb Fischer

ⁱ U. S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates, Nebraska, Tables B20017 – B20017I.

ⁱⁱ Ariane Hegewisch, M.Phil., Emma Williams-Baron, Institute for Women's Policy Research, "The Gender Wage Gap by Occupation 2017 and by Race and Ethnicity," April 2018, <https://iwpr.org/publications/gender-wage-gap-occupation-2017-race-ethnicity/>.

ⁱⁱⁱ "Status of Women in the States." Institute for Women's Policy Research, IWPR, March 2018,

<https://statusofwomendata.org/wp-content/themes/witsfull/factsheets/economics/factsheet-nebraska.pdf>.

^{iv} Poverty rate is 27.2% for families with "female householder, no husband present" and even higher for those same families with children under 18 – 34.3%. Source: U.S. Census Bureau, 2017 American Community Survey 1-Year Estimates, Table DP03: Selected Economic Characteristics.

^v "Status of Women in the States." Institute for Women's Policy Research, IWPR, March 2018,

<https://statusofwomendata.org/wp-content/themes/witsfull/factsheets/economics/factsheet-nebraska.pdf>.

^{vi} Jeff Hayes, "Private Sector Workers Lack Transparency: Pay Secrecy May Reduce Women's Bargaining Power and Contribute to Gender Wage Gap," Institute for Women's Policy Research, IWPR, December 2017, https://iwpr.org/publications/private-sector-pay-secrecy/#_ftn1.



Despite having equal pay laws on the books for 50 years, projections show that **Nebraska will not close its wage gap until 2066**, if the earnings of women and men continue to change at the current rate.ⁱⁱⁱ