

Written Statement of

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**United States Senate
Committee on Health, Education, Labor, and Pensions**

Access to Justice: Ensuring Equal Pay with the Paycheck Fairness Act

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Chairman Harkin, Ranking Member Alexander, and members of the Committee, thank you for this opportunity to speak about my experience with pay discrimination and how the Paycheck Fairness Act could have helped me.

In 1998, I began work at a company in Michigan that designed, built, and installed laser welding assembly systems. When I was offered the position, I was told the company did not negotiate salaries. As someone put it to me then, “the offer is what it is.” I took the job, and I felt honored when they offered to provide me with benefits immediately. I saw it as a sign of how much they already valued me.

I worked there for five years as a design supervisor. It was hard work, but I was good at it. I managed several other workers, almost all men, and I received glowing reviews. My supervisor told me again and again that “If I could duplicate you, I’d be able to get rid of the rest of the staff.” I thought I’d be at that firm for many years to come.

And then the auto industry ran into trouble. As a supplier to the auto industry, my company also faltered. My employer was forced into bankruptcy in 2003.

As if suddenly being out of a job wasn’t hard enough, the employees of my company had to go through bankruptcy court in order to get our final paycheck and any back vacation pay we were owed. I wanted to keep track of what was happening, so I signed up for a mailing list to see the bankruptcy court’s list of claims.

I recognized the names on the lists, but the numbers shocked me. People I’d supervised, people below me in our pecking order, were making claims for two weeks of pay that were much larger than mine. The people I’d supervised were reporting they’d made more money than I did.

I honestly couldn’t believe it. I remember squinting, making sure I was looking at the right names and doing the math correctly. But there it was, black and white on the page: all the men I’d supervised had been paid more than I was. Even the one woman I occasionally supervised was paid less than some of these men, who were on the same level as she was. Men were just paid more.

It was heartbreaking. It was embarrassing. It was infuriating. And it will affect me and my family for the rest of my life.

I was so disappointed and angry with the company. These were people I'd known and worked with for years! Why would they discriminate against me? I'd worked hard for my mechanical engineering degree, just as hard as the guys in my classes, because I knew it was the way to a good career. I worked just as hard or harder than the men I worked with. But even being in a higher-paying STEM field, and being a highly-rated supervisor on top of that, couldn't protect me from gender pay discrimination.

Soon after I saw these numbers, I talked to my former supervisor – the one who used to tell me “If I could duplicate you, I'd be able to get rid of the rest of the staff.” I asked him about the pay differences. Why was I being paid less than the men I'd supervised?

He said that the people I supervised — lots of young men — were the sole breadwinners for their wives and children, and that fact was probably taken into account when their salaries were initially offered. That was his justification. The company paid higher salaries to men not based on qualifications or experience, not based on performance or productivity, but rather because I was a working woman with no children. The fathers were seen as *more deserving* of higher pay, even though I supervised them and sometimes took over their projects because they weren't performing up to par. My work was devalued because I was not a male breadwinner. I was considered less worthy just because I was a woman.

I really don't know how I stayed civil during that conversation. At the time, I remember thinking that the worst part was not knowing if there was anything I could have done differently. They had told me they didn't negotiate. I was an excellent employee with a winning track record. What more could I have done? You can't stand up for yourself when you're not privy to the rules, and you can't negotiate your way around such discrimination.

What happened to me is happening across the country – every day, every week, every month, every year – to millions of Americans, and it's why we need the Senate to pass the Paycheck Fairness Act (S. 84). My co-workers and I didn't talk about our wages because we didn't know what would happen if we did, and none of us could afford to get fired. Because, you see, that's exactly what can happen currently when people share their salary information against company rules: their employer can punish and even fire them. This stops people from sharing information with their co-workers, and allows discrimination to fester and grow.

The Paycheck Fairness Act would prohibit employers from retaliating against employees who share their salary information with other co-workers. It doesn't require employers to “post” anyone's salary, like those workplace safety posters we all see in the lunch room. It just simply says employees can't be punished when they disclose or discuss their wages, or ask their employer about wage practices. This seems reasonable and fair to me, especially because these proposed anti-retaliation protections don't apply to employees with confidential access to wage information: human resource staffers privy to employees' salaries may not disclose the wage information of other employees.

Workers need this protection. Women especially need this protection.

According to the most recent statistics from the U.S. Census Bureau, the median earnings for U.S. women working full time, year-round were just 77 percent of men's median earnings—a gap of 23 percent that has not budged for more than a decade. The gap is even larger for mothers and women of color.¹

This gap begins early in women's careers, and occurs in virtually every occupation. According to one study:

Of the 534 occupations listed by the Bureau of Labor Statistics, women earn more than men in exactly seven professions. Together, these seven occupations account for about 1.5 million working women, or about 3 percent of the full-time female labor force. The remaining 97 percent of full-time working women work in occupations where they earn less than their male counterparts.²

Research by the American Association of University Women drilled beyond the now infamous 77 percent stat. They found that women only one year out of college, working full time, were paid on average just 82 percent of what their male counterparts were paid. Eighty-two percent! Even after controlling for hours worked, occupation, college major, employment sector, and other factors associated with pay, this gap shrinks but does not disappear – even amongst those with the same major working in the same occupation. In fact, about one-third of the pay gap cannot be explained by these factors commonly understood to affect earnings.³

This disparity is felt all over the country. In my home state of Michigan, the 2013 median earnings for men were \$49,897 compared to women's median earnings of \$36,772. That's an earnings ratio of just 74 percent.⁴ In essence, women in Michigan are potentially missing up to 26 percent of their pay. In my own Congressional district, the first district of Michigan, the earnings ratio is 75 percent.⁵ I don't know about you, but I don't know anyone who would happily choose to forfeit any of their wages, let alone over a quarter of their paycheck.

The wage gap has enormous consequences. Recent research⁶ has found that four in ten households with children include a mother who is either the sole or primary earner for her family. Pay equity is not just a matter of fairness, but the key to families making ends meet.

Because of pay discrimination, I've lost more than \$10,000 in pay and retirement benefits. Recently I was asked what I would have done with this money if I'd had it. Some of it would definitely have gone into my retirement savings, as I was having 15 percent of my paycheck automatically go into my retirement account at that time. That would have been a great boost to my retirement security. I also needed that money when I refinanced my mortgage, so I wouldn't have had to refinance for as much. Finally, I think I would have used it for health care bills. If I'd had the money I lost because of gender discrimination, I would have been able to pay the co-pay for my husband's heart surgery out of savings instead of having to use a credit card, thereby avoiding the interest fees and the constant worry.

I'd rightfully earned that money, my family and I needed that money, but I won't ever get it back. That's money lost **directly** to gender-based pay discrimination. Millions of American

women continue to lose more money, every day, because they're afraid to talk about wage practices and because the current law is not strong enough to inspire business compliance. It's time for this to end.

The Paycheck Fairness Act would improve current law, providing incentives for employers to more fully comply as well as enhanced federal technical assistance and enforcement efforts. The bill updates the Equal Pay Act of 1963. We're more than 50 years down the road and still dealing with a sizeable pay gap, which clearly points to the fact that current law is not strong enough to get the job done. It's well overdue for a makeover – our economy has changed, family structures have changed, and working women have changed. It's time for the pay gap to finally change as well. The law needs to reflect the realities of the modern workplace. Most important to my own experience, the Paycheck Fairness Act would protect workers from retaliation for talking about their salary at work. Frankly, that's not too much to ask.

I'm here before you today to say this: we need the Paycheck Fairness Act. If the Paycheck Fairness Act had been the law, I would have talked about my salary without fear, and I likely would have known where I stood in comparison to the men I worked with and those I supervised. Instead, without the Paycheck Fairness Act, I wasn't able to ask, and I made less. This disparity continues to have consequences, and it will continue to have ramifications when I receive a smaller Social Security check.

Since I found out I was discriminated against, I've dedicated myself to fighting for pay equity. Working with the WAGE Project and American Association of University Women, I lead \$tart \$mart workshops on college campuses, teaching women students how to negotiate their salaries. I believe that negotiation is critical, and I'm glad that the Paycheck Fairness Act includes some funding for women's negotiation programs. But we also need to remember that while helpful, simply urging women to negotiate is not a complete solution to the pay gap. Negotiations can backfire if a woman isn't armed with the right information and confidence to make her case, and if laws are not strong enough to influence an employer to respond favorably to those negotiations.

Part of why I support the Paycheck Fairness Act is because it requires **everyone** to do their part to close the gender pay gap, women included. Sure, we can learn to better negotiate, but what if a company refuses to negotiate like mine did? And don't get me started on the outdated stereotypes about women's roles that clearly impact women's wages today. I still cannot believe that I was paid less than a man for doing the same job – actually even supervising some of them. Why? Because my boss thought my wages weren't as important to my family. **They were.** Given the landscape, women cannot close the pay gap by ourselves. We need policymakers to do their part, ensuring that the protections and assistance of the Paycheck Fairness Act are there to help both employees and employers work together towards a more equitable workplace.

No one should have to go through what I've gone through. **No one.** Working with AAUW, I have managed to turn my anger into action. My convictions have brought me here today. For the women and families you represent, I urge you to pass the Paycheck Fairness Act without delay.

Thank you for this opportunity to testify, and I look forward to your questions.

¹ U.S. Census. (September 2012). *Income, Poverty, and Health Insurance Coverage in the United States: 2011*. Retrieved January 22, 2014, from www.census.gov/prod/2012pubs/p60-243.pdf

² American Progress. (April; 9, 2013). *The Gender Wage Gap Differs by Occupation*. Retrieved March 28, 2014, from www.americanprogress.org/issues/labor/news/2013/04/09/59698/the-gender-wage-gap-differs-by-occupation/

³ AAUW. (2012). *Graduating to a Pay Gap*. Retrieved January 25, 2013, from www.aauw.org/GraduatetoaPayGap/upload/AAUWGraduatingtoaPayGapReport.pdf

⁴ AAUW. (September 2013). *The Gender Wage Gap: Michigan*. Retrieved March 26, 2014, from www.aauw.org/files/2013/09/Michigan-Pay-Gap-2013.pdf

⁵ Ibid.

⁶ *The New York Times*. (May 29, 2013). *U.S. Women on the Rise as Family Breadwinner*. Retrieved March 28, 2014, from www.nytimes.com/2013/05/30/business/economy/women-as-family-breadwinner-on-the-rise-study-says.html?_r=1&gwh=F1BC78FA3C98CB6D3D9FE993F83F87AF&gwt=pay