



New Jersey Time to Care Coalition

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## **Equal Pay for Equal Work for New Jersey Working Women**

### **What is the Gender Pay Gap?**

The gender pay gap is the difference between the wages that men typically make compared to women who do the same job. In 2015 in New Jersey, the median annual earnings for women and men working full-time year-round were \$50,373 and \$61,462, respectively.

### **Who is Affected?**

On average, New Jersey women are paid 82 cents for each dollar a man earns, resulting in annual wage gap of \$11,089 or 18 percent.<sup>i</sup> The wage gap is even greater for African-American and Hispanic/Latina women.

- African-American women who hold full-time, year-round jobs in New Jersey earn 58 cents<sup>ii</sup> for each dollar white, non-Hispanic men earn;
- Hispanic and Latina women are paid 43 cents<sup>iii</sup> for every dollar paid to white, non-Hispanic men.
- Mothers also experience a pay gap. In New Jersey mothers who work full-time year round are paid 66 cents for every dollar paid to fathers.<sup>iv</sup>

Additionally, factors such as age, education level, and disability impact women's wages when compared to what men earn.

### **Why Equal Pay is Important**

Now more than ever, families rely on the wages of all members of the household to sustain them. It is estimated that the wage gap costs New Jersey working women and their families nearly \$16.6 billion in lost earnings annually.<sup>v</sup>

- Without early opportunities to build wealth through assets, working women and their families are less able to survive temporary economic disruptions and to pass on wealth to their children.<sup>vi</sup>
- With fewer earnings, women's spending power is reduced. In New Jersey, it is estimated that closing the wage gap and increasing women's spending power would increase the state's GDP by 2.8 percent.<sup>vii</sup>
- For female-headed households, 23 percent of which are living in poverty in New Jersey, closing the gender pay gap would help make it possible to financially support their families, afford home ownership, pay for children's education expenses, and more.

Without major changes, researchers estimate that working women and men in New Jersey will not reach pay equity until 2054.<sup>viii</sup> Current protections for women against wage discrimination in the state are lacking. Women have few ways to discover wage discrimination and once found there are barriers in the existing legal system to prove wage discrimination.



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### **The Solution: *The New Jersey Pay Equity Act***

New Jersey Senate Majority Leader Loretta Weinberg has introduced bill S-992, Equal Pay for Women and Employment Discrimination, also known as the New Jersey Pay Equity Act.<sup>ix</sup> New Jersey Assemblywoman Pamela Lampitt introduced A-2750, the Assembly version of the bill.<sup>x</sup>

Two key components of the bill are:

- Restart the statute of limitations for each payment of wages. That is, each paycheck received that documents pay discrimination qualifies as a new offense. In essence, this would extend the back pay to include the entire period in which wage discrimination is found.
- Prohibit unequal pay for employment positions that are substantially similar on the basis of sex. “Substantially similar” is defined by skill, effort, and responsibility. Pay differentials would only be permitted if the employer can show the use of a seniority or merit system.<sup>xi</sup>

Additional components include:

- Allowing back pay for the entire period of time in which a violation has occurred;
- Protection of employees from retaliation when disclosing information about their job such as benefits and pay levels, or when alleging wage discrimination;
- State contractors must report the gender, race, job title, and compensation of every employee associated with the contract;
- Treble (triple) damages for violations of law’s provisions;
- Both private and public employers subject to requirements of the law.

Additionally, the NJ Pay Equity Act makes it illegal for employers to require employees to sign documents shorting the statute of limitations or any of the protections upheld by the LAD.

New Jersey can lead in the efforts to ensure the rights of working women to equal pay by enacting the New Jersey Pay Equity Act.

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<sup>i</sup> [www.aauw.org/research/the-simple-truth-about-the-gender-pay-gap/](http://www.aauw.org/research/the-simple-truth-about-the-gender-pay-gap/)

<sup>ii</sup> [www.nationalpartnership.org/research-library/workplace-fairness/fair-pay/african-american-women-wage-gap.pdf](http://www.nationalpartnership.org/research-library/workplace-fairness/fair-pay/african-american-women-wage-gap.pdf)

<sup>iii</sup> [www.nationalpartnership.org/research-library/workplace-fairness/fair-pay/latinas-wage-gap.pdf](http://www.nationalpartnership.org/research-library/workplace-fairness/fair-pay/latinas-wage-gap.pdf)

<sup>iv</sup> <https://nwlc.org/wp-content/uploads/2017/05/Overall-Motherhood-Wage-Gap-Table.pdf>

<sup>v</sup> Ibid

<sup>vi</sup> [http://assetfund.org/images/pages/AFN\\_Women\\_and\\_Wealth\\_Brief\\_2015.pdf](http://assetfund.org/images/pages/AFN_Women_and_Wealth_Brief_2015.pdf)

<sup>vii</sup> <https://iwpr.org/publications/economic-impact-equal-pay-state/>

<sup>viii</sup> <https://iwpr.org/publications/projected-year-wage-gap-will-close-state/>

<sup>ix</sup> <http://www.njleg.state.nj.us/bills/BillView.asp?BillNumber=S992>

<sup>x</sup> [http://www.njleg.state.nj.us/2016/Bills/A3000/2750\\_S1.PDF](http://www.njleg.state.nj.us/2016/Bills/A3000/2750_S1.PDF)