

United States Senate

SPECIAL COMMITTEE ON AGING

WASHINGTON, DC 20510-6400

(202) 224-5364

March 14, 2023

The Honorable Gene L. Dodaro
Comptroller General
United States Government Accountability Office
441 G Street NW
Washington, DC 20548

Dear Mr. Dodaro,

We write to request GAO examine the impact of the pay gap between men and women on the ability of women to save for retirement. Women workers are a larger presence in America's workforce than in previous decades. Despite their increasing role, a persistent wage gap exists between men and women. This wage gap leaves women at a disadvantage, harms their ability to save for retirement, and can even reduce the money they receive through Social Security. Congress needs to better understand how the pay gap impacts the ability of women to save and their quality of life after retirement.

Women are a growing and increasingly critical part of the American workforce. Between 1960 and 2022, the labor force participation rate of women age 16 or older increased by 19 percentage points.¹ In 2019, women were more than half the workforce in multiple industries, including education and health services.² Meanwhile, the United States Census Bureau found 34 million women in essential jobs that helped keep our Nation functioning during the COVID-19 pandemic.³ Yet, despite their importance to our Nation's economy, women continue to receive lower pay compared to their male colleagues.

The persistence of a gender pay gap exists across many industries and occupations. According to one analysis, women earned 82 percent of what men earned in 2022, a gap that has changed little in 20 years.⁴ Another analysis reported a similar disparity in the Nation's essential workforce.⁵ In 2022, the Government Accountability Office (GAO) found that women in management positions earned less than male managers, a gap that was larger for women age 40 or older.⁶ In an earlier review, GAO found that, among workers with

¹ "Labor Force Participation Rate of Women by Age," U.S. Department of Labor, last accessed March 6, 2023, <https://www.dol.gov/agencies/wb/data/lfp/women-by-age>.

² "Women in the Labor Force: A Databook," U.S. Bureau of Labor Statistics, last accessed March 6, 2023, <https://www.bls.gov/opub/reports/womens-databook/2020/home.htm>.

³ Lynda Laughlin and Megan Wisniewski, "Women Represent Majority of Workers in Several Essential Occupations," United States Census Bureau, March 23, 2021 (hereinafter "Census Bureau Essential Workers Article"), <https://www.census.gov/library/stories/2021/03/unequally-essential-women-and-gender-pay-gap-during-covid-19.html>.

⁴ Carolina Aragao, "Gender Pay Gap in U.S. Hasn't Changed Much in Two Decades," Pew Research Center, March 1, 2023, <https://www.pewresearch.org/fact-tank/2023/03/01/gender-pay-gap-facts/>.

⁵ *Supra*, note 3, Census Bureau Essential Workers Article.

⁶ Government Accountability Office, *Women in Management: Women Remain Underrepresented in Management Positions and Continue to Earn Less Than Male Managers*, (March 2022), at 9 and 11, <https://www.gao.gov/assets/gao-22-105796.pdf>.

less education, women earned a lower hourly wage than men.⁷ The pay gap is worse in communities of color, with Hispanic or Latina women earning 58 cents and Black women earning 63 cents compared to their male counterparts.⁸ These disparities negatively impact the ability of women to save for retirement compared to their male colleagues, and can risk their quality of life after retirement.

Women age 65 or older have less retirement income and are more likely to live in poverty than men,⁹ factors likely aggravated by a pay gap during their careers. Because Social Security benefits are based on a worker's earnings, the pay gap means that women receive lower benefits in retirement than men.¹⁰ Unequal pay also means that women have less to save and invest on their own, and are less able to take advantage of employer sponsored retirement accounts.¹¹ One report found that men with savings in a defined contribution retirement account were "the only group to reach six figure earnings," whereas women with those savings "will barely achieve \$72,000 in earnings at the peak of their career."¹² This is particularly troubling in light of the fact that women typically live longer than men, meaning they must pay for more years of retirement with less money than male retirees.¹³

We would like GAO to ask older women directly via interviews, focus groups, panels, or a survey about their experiences with pay discrimination in the workplace and the impact it has had on their ability to save for and secure an adequate retirement. Specifically, we would like GAO to address:

1. To what extent do women, including women of color, LGBTQ+ women, women with disabilities, and women with other intersectional characteristics, report experiencing pay discrimination at work? Are there common themes and circumstances in their reported experiences?
2. For those who do feel they experienced pay discrimination, what do they believe was the cause of their pay gap relative to male employees?
3. Do women with intersectional characteristics believe they experienced multiple forms of discrimination? If so, do they believe those characteristics resulted in a larger pay gap?
4. What other factors do women believe led to differing rates of pay, including occupational segregation and the devaluing of the work done by marginalized populations? Do they report that other earnings

⁷ Government Accountability Office, *Gender Pay Differences: Progress Made, but Women Remain Overrepresented Among Low-Wage Workers*, (October 2011), <https://www.gao.gov/assets/files.gao.gov/assets/gao-12-10.pdf>.

⁸ Government Accountability Office, *Women in the Workforce: The Gender Pay Gap is Greater for Certain Racial and Ethnic Groups and Varies by Education Level*, (December 15, 2022), at 6, <https://www.gao.gov/assets/gao-23-106041.pdf>.

⁹ Government Accountability Office, *The Nation's Retirement System: A Comprehensive Re-evaluation is Needed to Better Promote Future Retirement Security*, (October 2017), at 58, <https://www.gao.gov/assets/gao-18-111sp.pdf>.

¹⁰ Juli Adhikari, Jessica Milli, and Maggie Jo Buchanan, "The Economic, Educational, and Health-Related Costs of Being a Woman," Center for American Progress, March 30, 2022, <https://www.americanprogress.org/article/the-economic-educational-and-health-related-costs-of-being-a-woman/>.

¹¹ *Id.*; and Tyler Bond, Joelle Saad-Lessler, and Christian E. Weller, "Still Shortchanged: An Update on Women's Retirement Preparedness," National Institute on Retirement Security, May 2020, at 2, <https://www.nirsonline.org/wp-content/uploads/2020/04/Still-Shortchanged-Final.pdf>.

¹² Tyler Bond, Joelle Saad-Lessler, and Christian E. Weller, "Still Shortchanged: An Update on Women's Retirement Preparedness," National Institute on Retirement Security, May 2020, at 5, <https://www.nirsonline.org/wp-content/uploads/2020/04/Still-Shortchanged-Final.pdf>. A defined contribution plan is an employer-sponsored retirement savings system that uses contributions from the employer and the employee. See Kate Ashford, "What is a Defined Contribution Plan," *Forbes*, last updated October 24, 2022, <https://www.forbes.com/advisor/retirement/defined-contribution-plan/>.

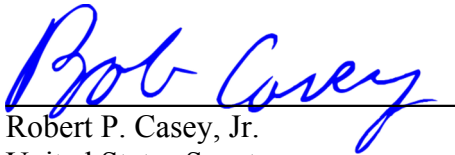
¹³ Tyler Bond, Joelle Saad-Lessler, and Christian E. Weller, "Still Shortchanged: An Update on Women's Retirement Preparedness," National Institute on Retirement Security, May 2020, at 2, <https://www.nirsonline.org/wp-content/uploads/2020/04/Still-Shortchanged-Final.pdf>.

penalties associated with being disabled or being a woman (for instance the need to take time out of the labor market for caregiving or for medical treatment) affected their abilities to save for retirement?

5. For those who did experience pay discrimination, how has it affected their financial security in retirement?

We appreciate your attention to this request. Should you have questions or need additional information, please contact the Senate Special Committee on Aging at 202-224-5364.

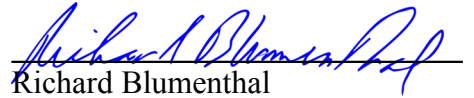
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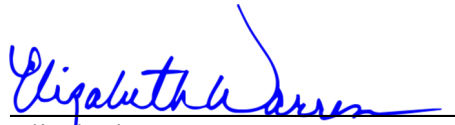
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