

Civil Rights Department

GAVIN NEWSOM, GOVERNOR

KEVIN KISH, DIRECTOR

2218 Kausen Drive, Suite 100 | Elk Grove | CA | 95758 800-884-1684 (voice) | 800-700-2320 (TTY) | California's Relay Service at 711 www.calcivilrights.ca.gov | contact.center@calcivilrights.ca.gov

March 12, 2024 For Immediate Release publicaffairs@calcivilrights.ca.gov 916-938-4113

On Equal Pay Day, Civil Rights Department Releases New Findings on Pay Gaps in California

While California has some of the strongest equal pay laws in the country, the gender pay gap persists in every major industry in the state

SACRAMENTO – As part of National Equal Pay Day, the California Civil Rights Department (CRD) today released new findings highlighting estimated gender pay gaps based on 2021 data reported to the department, which is the most recent data currently available. Under California law, private employers of 100 or more employees are required to annually report pay, demographic, and other workforce data to CRD. While California has some of the strongest equal pay laws in the country, the gender pay gap persists in every major industry in the state — and is even greater for many women of color.

"Pay discrimination is real, it is persistent, and it happens right here in California," **said CRD Director Kevin Kish.** "The new findings we're sharing today make it clear that there is a long road ahead of us for true pay equity in our state. Whether it's through clearly identifying the challenge, taking direct legal action, or encouraging employers to step up to the plate, it's going to take all of us working together to make a difference. On National Equal Pay Day and every day, we're committed to doing our part to tackle gender and racial pay gaps in California and across the country."

As a result of Governor Newsom's signing of <u>Senate Bill 973</u> in 2020, California collects pay data to promote employers' compliance with equal pay and anti-discrimination laws, as well as to support efforts by the state to efficiently identify wage patterns and effectively enforce anti-discrimination laws in the workplace. In passing the law, the Legislature recognized that, despite significant progress in California to strengthen equal pay laws, the pay gap between men and women and between racial groups remains a significant challenge, resulting in billions of dollars in lost wages each year. The most recent data currently available under the new program is for 2021. The data is typically reported to CRD by the second quarter of the subsequent year and then published the following year after thorough review. Data for 2022 is currently expected to be released later this year. While the data collected annually by CRD does not reflect California's entire workforce, it is an important indicator for assessing economic equity in the state.

Pulling from 2021 pay data submitted to CRD, key pay gap estimates include:

- **81 Cents on the Dollar:** Women including both part-time and full-time earners make an estimated 81 cents in California for every dollar men earn.
- Less Money Across the Board: Women earn less than men in every industry captured in the data, including finance (71 cents to the dollar), construction (76 cents), and trade (77 cents).
- **Racial Disparities Persist:** The pay gap is even greater for many women of color, with Latinas earning an estimated 44 cents for every dollar white men earn and Black women earning 58 cents.
- **Billions in Lost Earnings:** In the finance sector alone, women lose an estimated \$10.3 billion in pay each year.
- Lower Pay, Fewer Disparities: The smallest pay gaps between women and men are found in lower paid jobs, such as service work (98 cents to the dollar) and administrative support (93 cents).

It is important to note that California's 2021 pay data only covers approximately 40% of California's workforce. The data does not include individuals who are self-employed, public employers, independent contractors, and employers with fewer than 100 employees. In addition, the data is reported to CRD in pay bands, e.g., the number of employees earning between \$32,240 to \$41,079 or \$68,120 to \$87,359. As a result, the pay gap data for 2021 are estimates only. In 2022, the Legislature expanded pay data requirements under <u>Senate Bill 1162</u> to include labor contractors.

CRD remains committed to using a wide range of tools to combat sex discrimination and pay inequities across the state. In December, CRD secured a <u>historic \$54 million settlement</u> against Activision Blizzard over allegations of sex discrimination, including paying women less than men. Last year, CRD reached a <u>nearly \$100,000 settlement</u> against Cambrian Homecare to resolve repeated alleged failures to report pay data to the state. CRD also submitted a friend-of-the-court brief in support of a class action brought on behalf of more than <u>3,000 women alleging pay disparities</u> against Oracle America, Inc. In May, the department secured final court approval of a groundbreaking \$100 million settlement against Riot Games over allegations that included violations of California's Equal Pay Act. In 2022, CRD secured a set of <u>first-of-a-kind stipulated judgments against Chase Bank and Michaels</u> to ensure the companies' compliance with California's pay data reporting laws.

If you or someone you know has been the victim of employment discrimination, CRD may be able to assist you through its complaint process. General information about CRD's complaint process and how to file a complaint is available <u>here</u>. General information regarding California's protections against discrimination in employment is available <u>here</u>.

Pay data results for 2021, as well as 2020, are available for download and as infographics on CRD's website <u>here</u>. California's pay data reporting period for 2023 is currently open and reports are due to CRD by May 8, 2024. Information on how to report pay data is available <u>here</u>.

Key highlights on the state of the pay gap in California are available <u>here</u>.

The California Civil Rights Department (CRD) is the state agency charged with enforcing California's civil rights laws. CRD's mission is to protect the people of California from unlawful discrimination in employment, housing, public accommodations, and state-fund programs and activities, and from hate violence and human trafficking. For more information, visit <u>calcivilrights.ca.gov</u>.

