

Pay Equity Information Sheet

Pay equity is equal pay for work of equal value.

Pay equity aims to address one of the three contributors to the wage gap: under-valuation of traditional female occupations.

This contributor refers to paying lower wages to women even though men perform the same duties. Because women's skills are often associated with household duties, employers tend to undervalue the skills required in female-dominated jobs and discriminate in what they pay these workers without realizing it.

These pay practices, inherited from a period when men's work contribution was more fully valued in the workplace, are so deeply rooted in our society that they have become systemic.

Pay equity looks to address the under-valuation of female-dominated occupation by evaluating and comparing, within an organization, jobs typically done by women to different jobs typically done by men. If these are found to be of equal value then they should be paid the same.

What's the difference between pay equity and wage gap?

Wage Gap is the difference between the average wages earned by men and the average wages earned by women.

Pay Equity is equal pay for work of equal value.

Although the terms wage gap and pay equity are frequently used interchangeably, they are not the same thing. However, they both relate to the same concern: the gap in earnings between women and men. Pay equity is also often confused with pay parity which is equal pay for equal work.

What's involved in a pay equity process?

A pay equity process evaluates all aspects of female-dominated jobs and male-dominated jobs to assess their values.

Jobs are traditionally evaluated using four factors:

- 1) Qualification
- 2) Responsibility
- 3) Effort Required
- 4) Working Conditions

For employers to achieve pay equity, they need to assess all jobs for their value, and provide equal wages for jobs of equal value.

What does pay equity mean for you, the employer?

There are numerous benefits to implementing pay equity within your workplace. It helps to:

- provide a good knowledge of the work that is required;
- establish equitable compensation practices;
- strengthen employee relations and morale;
- increase recruitment and retention of employees;
- improve employee engagement and productivity; and
- enhance an organizations competitiveness

To find out if your pay practices are equitable, check out the tools on our website at www.gnb.ca/economic_security.

Or contact us at **1-877-253-0266** or web-edf@gnb.ca and follow us on Facebook and Twitter.

