

Congress of the United States
Washington, DC 20510

August 26, 2016

The Honorable Gene Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
441 G St. NW
Washington, D.C. 20548

Dear Mr. Dodaro:

We write to request that GAO conduct a review of gender-based pricing of goods and services in the American marketplace. Many studies undertaken over the last few decades, and completed as recently as last December, have shown that goods and services—from personal care products to toys to clothing to lending services—offered to women tend to be priced higher than similar versions offered to men. Over time, these persistent markups can cost women thousands of dollars, a phenomenon that has been referred to as a “gender tax” on female consumers. We request GAO’s analysis of this issue and recommendations on actions Congress and the Administration can take to curb or eliminate gender price discrimination.

In December 2015, the New York City Department of Consumer Affairs (DCA) conducted a study that compared prices of nearly eight hundred products that had different versions marketed to men and women.¹ These products were substantively similar except for their gender-specific packaging or coloring. The DCA found that, on average, women’s products cost seven percent more than products marketed to men. This upcharge for women’s products was not limited to a few types of items or certain retailers: the study included products sold by many national and online retailers in thirty-five categories, including toys and accessories, adult and children’s clothing and personal care products. In all but five of the categories, products marketed to women cost more than products marketed to men.

Gender-based upcharges may go unnoticed by consumers in some instances, particularly when women are purchasing a relatively low-priced item. And unseen markups can also be a problem for products and services, such as mortgages, where prices are negotiable and the difficulty of accessing market information makes it harder to compare prices.² Over time, the burden imposed by discriminatory pricing adds up: a 1994 assessment by the State of California determined that women paid an annual “gender tax” of about \$1,351.³ In the course of a woman’s lifetime, she could pay tens of thousands of dollars more than men for similar products and services.

¹ <http://www1.nyc.gov/site/dca/partners/gender-pricing-study.page>

² <http://www.consumerfed.org/pdfs/WomenPrimeTargetsStudy120606.pdf>

³ http://leginfo.ca.gov/pub/95-96/bill/asm/ab_1051-1100/ab_1100_cfa_950831_152302_sen_floor.html

The financial burden that price discrimination places on women is amplified further by the persistent wage gap. Full-time female workers earn only about seventy-eight cents for every dollar that their male counterparts earn.⁴ In other words, on average women have less money to spend and pay comparatively higher prices for goods and services.

In order to get a broad understanding of the scope of this issue, we request that GAO study gender-based pricing for a representative sample of basic products and services in the United States and assess how gender-based pricing affects purchasing power. In your report, we ask that you address the following questions:

1. What is the average price differential between goods and services marketed to female consumers and similar goods and services marketed to male consumers?
2. How does this price differential affect expenditures by women on an annual basis?
3. What are the causes of this price differential? Including but not limited to:
 - a. Does price disparity originate at the wholesale or the retailer level?
 - b. Do profit margins align or diverge with respect to products marketed specifically to men and women?
4. Does price “tailoring” exist in the online marketplace with respect to the sale of gender-specific or gender-neutral products?
5. What actions can be taken at the federal level, through Congressional or Administrative action, to address gender-based pricing and make the marketplace more equitable?

Thank you for your attention to this important issue. We look forward to hearing your input.

Sincerely,



Robert P. Casey, Jr.
United States Senator



Carolyn B. Maloney
Member of Congress

⁴ <https://www.whitehouse.gov/issues/equal-pay>