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Call to Action: A Pay Equity Resource Guide

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CALL TO ACTION: A Pay Equity Resource Guide

Problem

Women continue to enter the workforce at record levels and laws on the state and federal levels prohibit gender discrimination in the workplace. Yet employment discrimination persists and women's wages remain lower than men's wages for comparable positions and occupations. With the 2005 publication of *GETTING EVEN: Why Women Don't Get Paid as Much as Men and What To Do About It* by Economist and former Massachusetts Lieutenant Governor Evelyn Murphy, the issue of wage equity is finally receiving the widespread and sustained attention it deserves.

This resource guide provides an overview of the issues related to the wage gap between men and women (the "horizontal wage gap") and between women earning top salaries and women engaged in low-wage work (the "vertical wage gap"). In addition, this guide summarizes federal and state pay equity legislation and offers action opportunities for advocates to work to decrease the wage gap and ensure gender equity in all employment sectors and workplaces.

Horizontal and Vertical Wage Gaps

- Nationally, women working full-time and year round earn only about 77 cents for every dollar earned by men. This disparity in pay represents the horizontal wage gap that exists between men and women (*National Women's Law Center, <http://www.mwlc.org>, accessed May 5, 2008*).
- As shown in Table 1, women of color fare significantly worse when it comes to earnings in comparison to men overall. While White women earn 80%, Black women earn only 72% and Hispanic women earn only 60% of what average men earn.
- There is a "vertical wage gap" between women who make a lot and those who earn very little and have few or no work-related benefits. As Table 1 shows, the vertical wage gap is highly related to race/ethnicity as well as gender.

Table 1. Median Annual Income of Full-Time Workers by Race/Ethnicity & Gender, 2006

	Dollars	Percentage Earned*
All Men	\$42,261	(100%)
White Men	\$44,152	104%
Black Men	\$34,770	82%
Asian Men	\$51,438	122%
Hispanic Men	\$29,061	68%
All Women	\$32,515	77%
White Women	\$33,768	80%
Black Women	\$30,352	72%
Asian Women	\$39,313	93%
Hispanic Women	\$25,198	60%

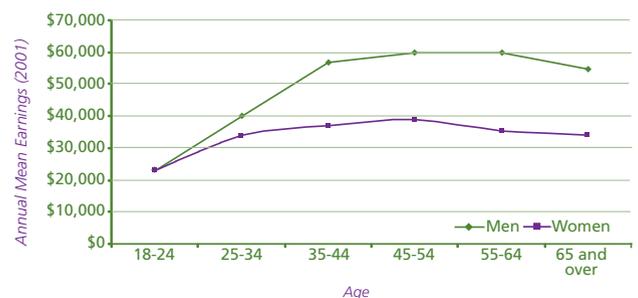
*Compared to the annual median income of ALL men (represented here as 100%).

Source: U.S. Census Bureau, Current Population Survey, 2007 Annual Social and Economic Supplement, Series PINC-05.

The Wage Gap Over Time

The wage gap widens as women get older as shown in Figure 1. Although women aged 18 to 24 who are at the beginning of their careers working full-time year round experienced a wage gap of only about 4% in 2001, women 55 and older earned only 66% of men in the same age group constituting a gap of 34%.

Figure 1. Wage Gap by Age



Source: The Wage Project, <http://www.wageproject.org/content/gap/who.php>, accessed April 15, 2008.



Across Occupations and Educational Levels

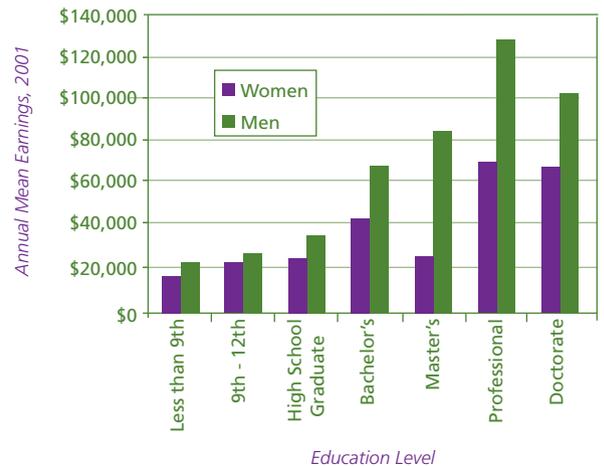
The earnings gap exists across a wide spectrum of occupations.

- The median weekly earnings of female physicians were only 61% of the median weekly wages of male physicians in 2005.
- Women in sales and sales-related occupations earned only 63 cents for every dollar of the median weekly wages of men in equivalent positions.
- The wage gap is slightly smaller in construction industries as well as computer and mathematical occupations with women's earnings ranging from 79-86% of the earnings of men in similar positions.

As shown in Figure 2, the earnings gap also persists across all educational levels.

- Among workers with some high school education, women's mean annual earnings were \$24,318 compared to \$28,890 for men.
- Female high school graduates earned an average of \$26,660 per year while men with high school diplomas yielded an average of \$37,362.

Figure 2. Wage Gap by Education



Source: *The Wage Project*, <http://www.wageproject.org/content/gap/who.php>, accessed April 15, 2008.

- Women with a bachelor's degree had an average annual income of \$45,290 while male counterparts earned an average of \$70,253.

Historical Context

The Equal Pay Act (EPA) and the Civil Rights Act provide federal protections against gender discrimination in the workplace.

Equal Pay Act (EPA) of 1963 – This federal law prohibits unequal pay for equal or “substantially equal” work performed by men and women. This law requires that men and women who perform the same (or substantially same) job in the same place and under the same conditions receive equal pay. Seniority, merit, and measures related to the quantity and quality of the work provide legal basis for pay differentials. Primary enforcement of the law is based on the filing of an individual or group claim with the Equal Employment Opportunity Commission (EEOC).

Title VII of the Civil Rights Act of 1964 – This federal law prohibits wage discrimination on the basis of race, color, sex, religion or national origin. Title VII is broader than the EPA and prohibits wage discrimination even when jobs are not identical. This law is limited to workplaces with 15 or more employees. Frequently, gender discrimination cases filed under Title VII provisions address the issue of how “bona fide occupational qualifica-

tion” is defined. This term allows for gender to be used as a qualifying/eligibility requirement in order to fulfill the normal operation of the business. One example of bona fide occupational qualifications is that a manufacturer of men's clothing may lawfully advertise for male models.

KEY TERMS

Equal Pay: the same salary for the same job in the same place and under the same conditions.

Substantially Equal Work: both jobs require equal levels of skill, effort, and responsibility and are performed under similar conditions.

Wage Discrimination: can occur in the following ways: 1. An employee is paid less than another employee who does the same or comparable work, 2. An employee has been denied promotions or training opportunities based on gender or race, 3. An employee is kept from high paying jobs and professions based on gender or race.

Current Federal Legislation

1. PAYCHECK FAIRNESS ACT (H.R.1338/S.766)

SPONSORS: Representative Rosa DeLauro (D-CT) & Senator Hillary Rodham Clinton (D-NY)

SUMMARY: This measure strengthens penalties courts may impose for equal pay violations and prohibits retaliation against workers who disclose information about employers' wage practices. The bill provides for compensatory damages and back pay for women denied equal pay for equal work. It authorizes class action lawsuits for equal pay cases, and directs the U.S. Department of Labor to provide public information about strategies for eliminating wage discrimination and to issue guidelines for evaluating jobs. This act would update and strengthen the EPA.

STATUS: Referred to the Committee on Health, Education, Labor and Pensions.

2. FAIR PAY RESTORATION ACT (S.1843)

SPONSOR: Senator Edward Kennedy (D-MA)

SUMMARY: This legislation was filed in response to the Supreme Court's 2007 ruling in *Ledbetter v. Goodyear Tire & Rubber Company*, which held that employees must sue for pay discrimination

within the current 180-day statute of limitations. Currently, the EPA requires the employee to file suit within 180 days of the first offense. This legislation would permit employees to sue employers for wage discrimination even if the discrimination was discovered beyond the 180-day limit.

STATUS: Referred to the Committee on Health, Education, Labor and Pensions.

3. LILLY LEDBETTER FAIR PAY ACT (H.R. 2831)

SPONSORS: Representative Eleanor Holmes Norton (D-DC) & Senator Tom Harkin (D-IA)

SUMMARY: This measure prohibits wage discrimination based on sex, race, and national origin by requiring employers to provide equal pay for work of equal value, whether or not the jobs are the same. The bill would also ban retaliation and require employers to file wage information annually with the EEOC. It addresses the depressed incomes in jobs that are traditionally held by women by extending the reach of existing equal pay laws.

STATUS: Although this bill was passed in the House, on April 23, 2008 it was voted down in the Senate.

Current Massachusetts Legislation

1. AN ACT TO AUTHORIZE THE HUMAN RESOURCES DIVISION TO UNDERTAKE A STUDY OF THE STATE'S JOB CLASSIFICATION SYSTEM *Senate Bill 2386/House Bill 2826*

SPONSORS: Senator Harriette Chandler (D-Worcester) & Representative Alice Wolf (D-Cambridge)

SUMMARY: This bill would require the state's human resources division to establish a job analysis study of state employees of the executive branch to update the current job classification system and review class titles, job specifications, organizational relationships and job qualifications to insure that employee compensation, pensions, and benefits are free from gender and racial bias. It would also establish a Workforce Advisory Council of experts to assist the human resources division with this work.

STATUS: This legislation passed the Senate in October 2007 and is awaiting action in the House of Representatives.

2. AN ACT FURTHER DEFINING COMPARABLE WORK

Senate Bill 1070/House Bill 1869

SPONSORS: Senator Patricia Jehlen (D-Somerville) & Representative Alice Wolf (D-Cambridge)

SUMMARY: This legislation would define comparable work as "solely based on whether the two positions entail comparable skill, effort, responsibility, and working conditions between employees of the opposite sex."

STATUS: This bill was heard by the Labor and Workforce Development Committee in June 2007 and has been placed into a study.

How Can You Take Action?

Massachusetts Commission on the Status of Women

www.mass.gov/women/payequity.htm

- In 2006, the MCSW made wage equity a priority. It developed a multi-faceted strategy including legislative advocacy, statewide public hearings, research and coalition building. Advocate for the legislation listed in the “Current Massachusetts Legislation” box.
- The Commission established the MA Coalition for Women’s Wage Equality. Composed of representatives from a range of organizations, the Coalition works to educate, elevate, and mobilize pay equity legislative action and advocacy in Massachusetts. JOIN US!
- The Coalition sponsors annual Equal Pay Day events in April as well as statewide regional pay equity programs to engage women on the issue and promote statewide awareness. Contact the MCSW at mcsw@state.ma.us.

ABOUT THE RESOURCE GUIDE

This Pay Equity Resource Guide was prepared for the Center for Women in Politics & Public Policy’s Women, Wages and Work Policy Conference held on June 9, 2008 at the University of Massachusetts Boston. The conference was sponsored by the Boston Women’s Commission, Massachusetts Coalition for Women’s Wage Equality, Massachusetts Commission on the Status of Women, Service Employees International Union (SEIU Local 615), YWCA of Greater Boston, and Crittenton Women’s Union. The information and resources included in this guide are intended to empower women to take an active role in impacting pay equity policies and closing their own wage gap. Funds from the University of Massachusetts Boston Public Service Grant program were used to produce this guide.

AN ELECTRONIC VERSION OF THIS RESOURCE GUIDE MAY BE DOWNLOADED AT:
www.mccormack.umb.edu/centers/cwppp/publications

ABOUT THE CENTER FOR WOMEN IN POLITICS & PUBLIC POLICY

The mission of the McCormack Graduate School’s Center for Women in Politics & Public Policy at the University of Massachusetts Boston is to promote women’s leadership by providing quality education, conducting research that makes a difference in women’s lives, and serving as a resource for the empowerment of women from diverse communities across the Commonwealth. Recognizing the talent and potential of women from every community, and guided by the urban mission of an intellectually vibrant and diverse university in the heart of Boston, the Center seeks to expand the involvement of women in politics and their influence on policies that affect them, their families and their communities. The Center was established in 1994 with the support of the Massachusetts Caucus of Women State Legislators; oversees a Graduate Certificate Program for Women in Politics and Public Policy, and supports other initiatives at the McCormack Graduate School.

CENTER FOR WOMEN IN POLITICS & PUBLIC POLICY

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The WAGE Project

www.wageproject.org

- Participate in a Smart Starts Program as a college student or as a mentor to a college student. This initiative provides women who are college juniors and seniors with knowledge and skills when approaching the job market to negotiate salaries and benefits to receive fair and realistic compensation.
- Become a Smart Starts Program Facilitator
- Learn how to “Get Even” through wage gap education, advocacy, and outreach: www.wageproject.org/content/get_even/

Massachusetts Resources

American Association of University Women – MA

www.aauw-ma.org/Branches.shtml

- Join local branches to learn about policy priorities
- Become a 2-Minute Activist

Center for Women in Politics & Public Policy, McCormack Graduate School of Policy Studies, University of Massachusetts Boston

www.mccormack.umb.edu/centers/cwppp/

- Learn more about the wage gap, current policy issues, and legislative advocacy by watching video clips from the 2008 Women, Wages, and Work conference

National Organization for Women (NOW) – Massachusetts Chapter

www.massnow.org/action.html

- Attend monthly legislative task force committee meetings
- Receive regular email updates about events, actions, and key issues affecting women

Crittenton Women’s Union

www.liveworkthrive.org/womantowoman.php

- Participate in the Woman to Woman Mentor Workforce Development Program
- Join the Voices Advocacy Network to assist with grassroots efforts to reduce the barriers low-income women face in achieving economic independence
www.liveworkthrive.org/voices.php

National Resources

American Association of University Women – National

www.aauw.org/advocacy/issue_advocacy/grassroots.cfm

- Access the Pay Equity Resource Toolkit which includes information on legislation, FAQs about pay equity, and ideas for taking action step by step
- Mobilize other women in the cause:
www.aauw.org/advocacy/issue_advocacy/voter_ed/Woman-to-WomanVoterTurnout.cfm

National Committee on Pay Equity

www.pay-equity.org/index.html

- Access tips for wage and salary negotiations:
www.pay-equity.org/cando-negs.html
- Calculate your wage gap
- Learn how to contact federal legislators about wage equity bills:
www.pay-equity.org/cando.html

Institute for Women’s Policy Research

www.iwpr.org/index.cfm

- Learn about research and resources on women and economic policy issues
- Access reports and fact sheets on the gender and racial dimensions of economic disparities

National Organization for Women (NOW)

- Access the Women-Friendly Workplace Campaign Kit which includes suggestions for employees and employers, and action ideas for advocates:
www.now.org/issues/wfw/
- Develop strategies for taking action on the national and grassroots levels:
www.now.org/issues/economic/factsheet.html#takeaction

National Women’s Law Center

- Sign the Fair Pay Campaign Pledge:
www.nwlc.org/fairpay/getinvolved.html
- Access fact sheets, media reports, and other information about federal fair pay legislation