

Eq. Jmy 6/10

## **Women Who Attended President Kennedy's Equal Pay Act Signing Ceremony**

Dr. Dorothy Height -- National Council of Negro Women -- lives in Washington, D.C. Business address: 633 Penn. Avenue, N.W. WDC 20004 (202) 737-0120. Dr. Height's office has been contacted and put on notice of a **possible** June 10 White House event. Dr. Height's scheduler, Christine Toney, has **penciled** the event in on her schedule.

Senator Maurine Neuberger -served as Democrat, Oregon, approximately 81 years old, living in Portland, Oregon . (503) 227-7927 Res: 3000 North West Cornell Rd. Portland. Oregon 97210

Congresswoman Edna Kelly, Democrat, New York. Lives in Alexandria, Virginia, 91 years old. Res: 1205 Belle Vista Drive. Alexandria, Virginia 22307 (703)768-5716

Congresswoman Martha Griffiths - 86 years old, served as Democrat, Michigan,. (810) 784-8181 Res. Address: 73600 Church Street, P.O. Box 909, Armada, Michigan 48005

Congresswoman Catherine D. May -served as Republican from Washington State, 84 years old, last known to live in Palm Desert, California .(after 2 weeks of investigations, could find no other information).

Dr. Minnie Miles,-- National Federation of Business and Professional Women's Clubs-- according to the NFBPW, she is approximately 85/86 years old, **needs wheelchair**, very lucid, still active, lives at 27 Beech Hills. Tuscaloosa, Alabama.35404 H(205) 553-4463 w(205)348-4767.

Miss Margaret Mealey,-- National Council of Catholic Women -- according to the NCCW, she is approximately 75-80 years old and was in good health at their last convention in October 1997. Miss Mealey now lives at 1483 Wellington Street, Oakland, California. 94602 (510) 530-7719.

Mrs. Mary Chittenden, Legislative Director of the General Federation of Woman's Clubs is living at 1218 Karobee Court. Casselberry, Florida 32708 (407) 699-0425

**ALL** other congresswomen listed on the 1963 agenda are DECEASED.

Mrs. Joseph (Pearl) Willen, National Council of Jewish Women is Deceased

Miss Mary Anderson, 1st WB Director, Deceased, Mrs. Carolyn Davis, UAW is deceased.

- Speech here

- background →

- 33 ops



### Comments

1. Is there going to be a section on how much women lose in their pensions?
2. Should we cite some of the Department of Labor statistics that we cited at the last event --e.g., we used that 74 cents on the dollar figure pretty heavily at the April 2 event.
3. A 12% wage gap is cited throughout the report, weren't we going to state a range of like 10-15 percent?
4. On page 2, 2nd para: delete the second "in the".
5. Can we change or delete the sentence on p.5 in the third full paragraph that states: "Children affect women's wages relative to men's because children tend to reduce women's work experience and time with their employer."
6. We thought that the executive summary should be more bullet points. Here is a possible new executive summary:

### EXECUTIVE SUMMARY

- Although the gap between women's and men's wages has narrowed significantly since the signing of the Equal Pay Act in 1963, there still exists a significant wage gap that cannot be explained by experience and occupational choices.
- After three decades of near-constancy at about 60 percent, the ratio of women's to men's average pay began to rise in the late 1970s, and reached about 70 percent by the mid-1990s.
- Even after controlling for differences in skills and jobs characteristics, women earn only about 88 percent of what men earn.
- Gains in average pay have been greatest for married women with children, with the gap narrowing from approximately 56% (**check**) in 1969 to approximately 74% (**check**) in 1996.
- Improvements in women's relative labor market experience and improvements in their relative occupational status are the two most important factors in narrowing the gender wage gap between 1970 and 1995. Increases in women's relative experience levels explain approximately 35% of the narrowing of wages, and changes in women's occupational choices account for approximately 30% of the narrowing. While another approximately 23% can be attributed to factors such as recent shifts in employment across industries, union membership, and educational levels, there still remains about 12% of the gender wage gap remains unexplained.

- In attempting to analyze the “unexplained” part of the gender wage gap, some studies have concluded that gender pay discrimination, which exists when male and female workers receive different pay for “substantially equal” work, accounts for a substantial portion of the gap.

### Comments

1. Is there going to be a section on how much women lose in their pensions?
2. Should we cite some of the Department of Labor statistics that we cited at the last event --e.g., we used that 74 cents on the dollar figure pretty heavily at the April 2 event.
3. A 12% wage gap is cited throughout the report, weren't we going to state a range of like 10-15 percent?
4. On page 2, 2nd para: delete the second "in the".
5. Can we change or delete the sentence on p.5 in the third full paragraph that states: "Children affect women's wages relative to men's because children tend to reduce women's work experience and time with their employer."
6. We thought that the executive summary should be more bullet points. Here is a possible new executive summary:

### EXECUTIVE SUMMARY

- Although the gap between women's and men's wages has narrowed significantly since the signing of the Equal Pay Act in 1963, there still exists a significant wage gap that cannot be explained by experience and occupational choices.
- After three decades of near-constancy at about 60 percent, the ratio of women's to men's average pay began to rise in the late 1970s, and reached about 70 percent by the mid-1990s.
- Even after controlling for differences in skills and jobs characteristics, women earn only about 88 percent of what men earn.
- Gains in average pay have been greatest for married women with children, with the gap narrowing from approximately 56% (**check**) in 1969 to approximately 74% (**check**) in 1996.
- Improvements in women's relative labor market experience and improvements in their relative occupational status are the two most important factors in narrowing the gender wage gap between 1970 and 1995. Increases in women's relative experience levels explain approximately 35% of the narrowing of wages, and changes in women's occupational choices account for approximately 30% of the narrowing. While another approximately 23% can be attributed to factors such as recent shifts in employment across industries, union membership, and educational levels, there still remains about 12% of the gender wage gap remains unexplained.

- In attempting to analyze the “unexplained” part of the gender wage gap, some studies have concluded that gender pay discrimination, which exists when male and female workers receive different pay for “substantially equal” work, accounts for a substantial portion of the gap.

## COMMENTS

(from Jon Orszag and Ceci Rouse)

### *I. Introduction*

- Second paragraph, first sentence: Delete second “in the”
- Third paragraph, third sentence: Change sentence to “different occupations ~~this may reinforce~~ than men, stereotypes about women’s abilities **may be reinforced** and ~~perpetuate~~ discriminatory behavior by employers **may be perpetuated.**”
- Third paragraph, fourth sentence: Change sentence to “~~this will reduce~~ women’s incentives to invest in the training those occupations demand **will be reduced.**”
- Third paragraph, last sentence: Change “women” to “female”.

### *II. Trends in the Gender Wage Gap*

- **All charts should go 0 to 1, instead of 0 to 0.8.**
- Second sentence of “Trends in the gender gap by demographic characteristic”: Change to “The gender gap ~~does not vary much~~ **varies little....**
- Page 4, first full paragraph: Delete sentence “As a result, the growth of Hispanic population....”
- Page 4, second paragraph, first sentence: Add “those with children **have** had lower wages...”
- Page 4, second paragraph: Delete from “Thus, over the past 30 years,....” to end of paragraph. This is not about the pay gap.

### *III. Explaining the Trends in the Gender Gap*

- Page 4, last paragraph, first sentence: Change “between 1970 and 1995 ~~were~~ **have been** improvements...”
- Page 5, first paragraph under “The Role of Human Capital”, second sentence: We have previously stated that each additional year of schooling (beyond high school) raises wages by 5-15 percent.
- Page 5, second paragraph under “The Role of Human Capital”, second sentence: “But as women **have** moved in the large numbers..... labor force experience ~~eventually~~ **has also** increased.”

- Page 5, footnote 4: The full citation is “Schooling, Intelligence, and Income in America: Cracks in the Bell Curve,” in Meritocracy and Inequality, Kenneth Arrow, Steven Durlauf, and Samuel Bowles (editors) (Princeton, NJ: Princeton University Press, forthcoming, 1998).
- Page 6, first paragraph under “The Role of Occupations”: “Difference” should be “differences”
- Page 6, Chart: Difficult to distinguish between managerial and professional and technical, sales, and admin.
- Page 7, first sentence: What’s the base for the reduction of the gender gap by “about 30 percent” statistic? Is this the raw gap or the adjusted one?
- Page 7, paragraph under “The Role of Industry”, last sentence: Change “has” to “have”
- Page 7, paragraph under “The Role of Industry”: Delete “and the large pay cuts experienced by workers displaced from those jobs,”
- Page 7, paragraph under “The Role of Changing Return to Skill”, third sentence: Change “Increases in the returns to skills **have** served....”
- Page 8, second paragraph under “The Role of Policy”: Cite Leonard for the “one study”.
- Page 8, second paragraph under “The Role of Policy”, last sentence: Change “advance” to “gains.”

#### ***IV. Discrimination***

- Page 9, first paragraph under “the unexplained portion of the gender gap”, last sentence: Change “about 10 percentage points” to “from 22 percent to 12 percent”.
- Page 9, second paragraph under “the unexplained portion of the gender gap”, middle of paragraph: Change “due to childbearing” to “for example, due to childbearing” because they could also be taking care of their parents.
- Page 10, second paragraph under “gender pay discrimination”, middle of paragraph: Change “unlike in previous studies ” to “unlike previous studies”
- Page 10, second paragraph under “gender pay discrimination”, last sentence: Change “The author finds” to “The authors find”
- Page 11, second paragraph under “gender pay discrimination”, second sentence: Change “blinds” to “screens” and change “musician’s” to “musicians”



## *V. Conclusion*

- Page 11, first paragraph, second and last sentence: Earlier “female/male” pay ratio was used.... now it’s “male/female”. Should be consistent.
- Page 11, footnote 24: Ceci thinks this came out in QJE last year.
- Page 12, first paragraph: Change “difference” to “ratio” because the difference actually fell from 40 percent to 30 percent, while the ratio “narrowed from 60 percent to 70 percent”
- Page 12, last paragraph, last sentence: Change to “provide women who wish to **work** with opportunity to ~~work~~ **do so.**”
- Page 12, last paragraph: Need to add that the Administration strongly supports Senator Daschle and Rep. DeLauro’s legislation to strengthen the Equal Pay Act.

*Sh. King*

---

**SAS INSTITUTE INC.**

Karen Thomas-Smith  
Human Resources  
SAS Campus Drive  
Cary, NC 27513  
Phone: 919/ 677-8000  
Fax: 919/ 677-4444

---

**FAX TRANSMISSION COVER SHEET**

---

Date: 02 Jun 98  
To: Mary Smith  
Fax: 202 / 456-7431  
Re: \_\_\_\_\_

---

YOU SHOULD RECEIVE 6 PAGE(S), INCLUDING THIS COVER SHEET.

---

*Please call if you have  
any additional question*

6 GREAT FREEZE-AHEAD FAMILY MEALS WHY KIDS NEED PRIVACY

# WorkingMother

SPECIAL ISSUE



TWELFTH ANNUAL SURVEY

# BEST COMPANIES FOR WORKING MOTHERS

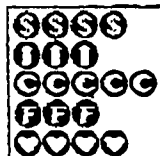
OCTOBER 1997  
USA \$2.95 CANADA \$3.95



women's advancement. **3** Three near-site centers in Hillsville, VA (Sara Lee Knit Products); Clarksville, NC (Sara Lee Hosiery); and Stamford, CT (Playtex). Tuition subsidies. Before- and after-school, holiday and summer programs. Backup care at ho. Pretax set-asides. Reimburses child care costs for business travel and overtime. R&R. Sick-child days: 2-10 (varies by division). **4** Work at home. Job sharing. Flextime. Compressed workweeks. PT (benefits: 20 hrs/wk). Training for mgrs on alternative schedules. **5** Leave for childbirth: FMLA only, with some full pay. Phase-back for new mothers. Paternity leave: 1 wk paid (Coach); 2 days paid (hq). Adoption aid: \$2-3,000. R&R: 4 wks paid leave (Coach). Profit sharing (not all units). Savings plan (no company match). Company-paid pension. Scholarships for employees' children. Health insurance (80% of premium). Full-time work/family mgr. Elder care: R&R.

This Chicago-based conglomerate—which makes products ranging from Ball Park Franks to Playtex bras—has a strong commitment to the advancement of women, who currently make up 19 percent of the top 239 executives with salaries from \$130,000 a year. And women hold 25 percent of the position in the next tier of 420 executives whose average annual earnings are \$165,000. Sara Lee's general counsel, chief financial officer and treasurer are all women, as are the presidents of Sara Lee Hosiery, Eggs Products and Hanes Hosiery. The company has continued to expand programs to enable working moms to climb the corporate ladder while taking care of family needs. Adding to its dependent care package that includes three near-site centers, last year Sara Lee doubled the child care reimbursement for parents who work late or travel out of town to \$6 an hour, up to \$70 a day. The company also contracted with Children First to provide backup care for employees in Chicago. In 50 states and DC. HQ: 3 First National Plaza Bldg., Chicago, IL 60602.

**SAS INSTITUTE INC.** is the world's largest privately held software company. Ninth year on our list.



Employees: 3,010  
Females: 1,324 (44%)  
**5** High (area): Avg (industry). Entry level: \$21,972 (office admin); \$37,656 (asst systems developer). **1** Percent female: senior and exec vps 0 (of 2); vps 30% (of 10); officials and mgrs 51%; profs 46%. Highest paid: 30%. Women's support group. **2** Two on-site centers and one near-site: 400 children total (\$200/mth). Holiday and summer programs. Backup care. Pretax set-asides. R&R. Sick-child days: as needed. **3** Work at home (8-12). Job sharing (16). Flextime (645). PT (31); benefits: 17.5 hrs/wk. Training for mgrs on alternative schedules. **4** Leave for childbirth: FMLA only, with some full pay. 1996 leaves: 29; avg 6 wks. Paternity leave: 2 wks paid. Adoption aid: \$5,000. Profit sharing (15% of pay). Company-paid pension. Scholarships for employees' children: \$10,000 to 5 kids. Health insurance (100% of premium for employees; 77% for dependents). Full-time work/family mgr and staff. Elder care: R&R (450).

The benefits here are rich—and explain why, in an industry where turnover is approximately 20 percent a year, SAS's is 5 percent. For starters, the company offers free on-site medical care, with a staff of 27 health care workers, including two physicians. And, with its third child care center up and running, SAS now provides care for 400 children of employees at the bargain rate of \$200 per month per child. Employees who work

outside of headquarters get their child care subsidized at the same rate.

Not one to rest on its laurels, SAS has, over the past year, upped adoption aid from \$3,000 to \$5,000, added a scholarship program for employees' kids (this year five students received \$2,000 each) and introduced a 10-week summer camp at one of the on-site centers. The cost? Only \$100 per child. On-site backup care has also been added. In 23 states and DC. HQ: SAS Campus Dr., Cary, NC 27513.

**THE SEATTLE TIMES** publishes Seattle's evening newspaper, the second-largest-circulation evening daily in the country. Seventh year on our list.



Employees: 1,969  
Females: 678 (34%)  
**5** High. Entry level: \$378/wk (clerk, customer service); \$476/wk (zone reporter). **1** Percent female: senior and exec vps 20% (of 5); vps 29% (of 7); officials and mgrs 36%; profs 46%. Highest paid: 28%. Women's support group (17). Measures mgrs on women's advancement. **2** On-site center: 30 children (\$560-610/mth). Company contributes \$36,000 to operating cost of center. Tuition subsidies (\$100/mth). Pretax set-asides (70). Reimburses child care costs for nonroutine business travel. Pays 83% of sick-child care costs at nearby hospital. Sick-child days: as needed. **3** Work at home. Job sharing (15). Flextime. Compressed workweeks. PT (300); benefits: 20 hrs/wk. **4** Leave for childbirth: FMLA, plus 19 wks, with some full pay. 1996 leaves: 33 (4 men); avg 5.5 mths (women). Phase-back for new mothers. Savings plan (3% company match up to 6% of pay). Health insurance (100% of premium). Elder care: R&R.

Flexibility has not been a hallmark of the newspaper industry, but the Seattle Times demonstrates that it can be done. The paper, on our list since 1991, offers a variety of alternative work arrangements including a range of options for compressed workweeks. The most popular is a schedule that enables employees to work eight nine-hour days and one eight-hour day in a two-week period. This fall, the Seattle Times will also begin spending \$800,000 on the construction of a new child care center. When compared to the current center, the new one will increase the number of spaces from 64 to 75, and much of this added capacity will be devoted to needed space for infants. In 1997 the newspaper also restructured its top management positions, adding one woman to its new five-member executive council. In 1 state and DC. HQ: 1120 John St., Seattle, WA 98109.

**SEQUENT COMPUTER SYSTEMS, INC.**, makes sophisticated parallel computer systems powerful enough to support large online transactions. Second year on our list.



Employees: 1,805  
Females: 594 (33%)  
**5** High (area): Avg (industry). Entry level: \$720/hr (support staff); \$32,000/yr (finance, human resources); \$36,000/yr (information systems); \$44,000/yr (product development engineer). **1** Percent female: senior and exec vps 25% (of 4); vps 8% (of 13); officials and mgrs 30%; profs 36%. Highest paid: 16%. **2** On-site center at hq: 93 children (\$475-635/mth). NAEYC accredited; on-site school (K-1). 21 children. Company covers 60% of

operating cost of center and school. Before- and after-school (23), holiday (6) and summer (67) programs. Backup care. Pretax set-asides (135). R&R (16). Sick-child days: as needed (salaried); 10 (hourly). **3** Work at home (10-15). Job sharing (2). Flextime (60). Compressed workweeks (10-12). PT (20); benefits: 30 hrs/wk. **4** Leave for childbirth: FMLA, plus 12 wks, with some full pay. 1996 leaves: 29 (5 men); avg 13 wks (women). Phase-back for new mothers. Adoption aid: \$5,000; R&R. Savings plan. Health insurance (100% of premium for employees; 94% for dependents). Full-time work/family mgr and staff. Elder care: R&R.

This Oregon-based computer company made this list in 1992 and returns in a much stronger and healthier position. Sales have nearly doubled while the number of employees has risen by 65 percent. And these are young people raising families. The on-site center now cares for 93 children, up from 75 five years ago; it also provides before- and after-school care, holiday programs and a summer camp for children ages five to 10, and a school covering kindergarten and first grade; the plan is to add a grade a year. In the past year a new Work/Family Community department was created and a Work/Life task force comprised of employee representatives set up. Since then more than 20 new programs have been added or improved, including a child and elder care referral service, a doubling of adoption aid to \$5,000 and a concierge service. There is also new interest in flexible work options. One employee had to move 2,000 miles away to care for an ill parent. Instead of taking family leave, the employee telecommuted, with Sequent equipping her with a computer terminal, a high-speed network connection and additional phone lines. This is one company that certainly cares about its employees. In 31 states. HQ: 15450 S.W. Kell Pkwy., Beaverton, OR 97006-6063.

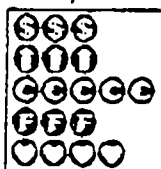
**TEXAS INSTRUMENTS, INCORPORATED**, is one of the world's largest suppliers of semiconductor chips and a range of products, including calculators. Second year on our list.



Employees: 32,153  
Females: 10,186 (32%)  
**5** Avg-High. Entry level: \$490/wk (wafer fab operator); \$3,513/mth (engineer). **1** Percent female: senior and exec vps 4% (of 23); vps 9% (of 104); officials and mgrs 15%; profs 18%. Highest paid: 10%. Women's support groups (1,000). Measures mgrs on women's advancement. **2** Near-site center in Lewisville, TX: 41 children (\$50-120/wk). NAEYC accredited. Summer program (56). Backup care. Pretax set-asides (1,332). R&R (2,035). Pays 75% of in-home sick-child care costs. ABC Champion. **3** Work at home. Job sharing. Flextime. Compressed workweeks (1,200+). PT (305); benefits: 20 hrs/wk. Training for mgrs on alternative schedules. **4** Leave for childbirth: FMLA only, with some full pay. Adoption aid: \$4,000; R&R. Profit sharing (14% of pay). Savings plan (50% company match up to 4% of pay). Company-paid pension. Scholarships for employees' children: \$72,000 to 18 kids. Health insurance (100% of premium for employees; 85-90% for dependents). Full-time work/family mgr and staff. Elder care: R&R (\$31).

"A huge culture change" is how one female engineer, a mother of two, described the atmosphere at Texas Instruments with regard to family needs. TI's Work/Life program, now in its third year, has expanded, and the result is happier working moms. Now included in TI's benefits package are pre- and postnatal support, Mother Rooms and comprehensive wellness/fitness

**ALLSTATE INSURANCE COMPANY** is the nation's second-largest insurer of cars and homes. Seventh year on our list.

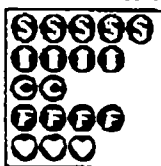


Employees: 45,202  
Females: 23,899 (53%)  
⑤ Avg. Entry level: \$26,700 (receptionist, data processor); \$28,000 (unit supervisor, financial analyst). ① Percent female: senior and exec vps 14% (of 14); vps 19% (of 182); officials and mgrs 42%; profs 48%. Highest paid: 37%. Women's support group. Measures mgrs on women's advancement. ② On-site center in Northbrook, IL: 166 children (\$641-776/mth); three near-site centers in Charlotte, Dallas and Huntington, NY: 43 children total (\$420-710/mth). Charlotte and Dallas centers NAEYC accredited. Before- and after-school (11), holiday (106) and summer (85) programs. Backup care. Pretax set-asides (8,455). R&R (13,012). Sick-child days: 5. ABC Champion. ③ Work at home (231). Job sharing (77). Flextime (626). Compressed workweeks (233). PT (1,479); benefits 1,000 hrs/yr. ④ Leave for childbirth: FMLA plus 14 wks with some full pay. 1996 leaves: 482 (13 men); avg 15 wks (women). Phase-back for new mothers. Adoption aid: \$2,500; R&R. Savings plan (50% company match up to 5% of pay, plus contribution tied to profits). Company-paid pension. Scholarships for employees' children: \$365,000 to 319 kids. Health insurance (75% of premium). Full-time work/family mgr and staff. Elder care: R&R (2,111).

Allstate recently spent \$3 million to build an on-site child care center at its headquarters in Northbrook—and when the center opened last February, 166 kids were already enrolled. The Little Hands Child Development Center is a spectacular-looking facility—open and airy, utilizing a pinwheel design, with rooms radiating out from a central area. Parents not only had input in the design of the center, which can accommodate up to 190 kids but participated in transition seminars to help prepare their children for placement there. In addition to caring for preschoolers, the center offers full-day kindergarten and holiday vacation and backup care.

Women have been working their way up here as well. Allstate has had a rule in effect stating that a diverse slate of qualified candidates, including women, must be considered for every opening from entry through the executive level. The insurer reports that this policy is getting results. The percentage of female officers has tripled over the last 10 years. In 50 states. HQ: 2775 Sanders Rd., Northbrook, IL 60062-6127.

**AMERICAN MANAGEMENT SYSTEMS** devises information technology systems to help clients (companies, government agencies, schools) run their businesses better. Fourth year on our list.



Employees: 6,112  
Females: 2,615 (43%)  
⑤ High. Entry level: \$23-27,000 (receptionist, secretary); \$36,000 (BA/BS consultant). ① Percent female: senior principals 31% (of 407); principals 39% (of 1,282); senior and exec vps 15% (of 41); vps 16% (of 172); officials and mgrs 34%; profs 37%. Highest paid: 36%. Women's support group (136). ② Two near-site centers: 34 children total (\$142-185/wk). Both centers NAEYC accredited. Dependent care fund (\$17,000). Before- and after-school, holiday and summer programs. Backup care. Pays 58% of emergency child and elder care costs. Preact set-asides (187). Reimburses child care costs for nonroutine

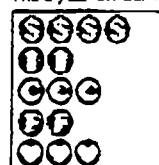
business travel. R&R (\$19). ③ Work at home, job sharing. Flextime (\$400). PT (215); benefits 24 hrs/wk. ④ Leave for childbirth: FMLA only, with some full pay. 1996 leaves: 77 (4 men); avg 16 wks (women). Phase-back for new mothers. Adoption aid: \$4,000; R&R. Profit sharing. Savings plan (no company match). Health insurance (80% of premium). Full-time work/family mgr and staff. Elder care: R&R (233).

One of the world's fastest growing consulting companies (revenues have more than doubled since its first appearance on our list in 1994), American Management Systems experienced a glitch in the delivery of a software product to a telecommunications client in 1996, resulting in a 47 percent plunge in profits. But the company took the blow in stride—no layoffs occurred as a result of the problem. AMS was soon back on track and 700 employees were added in the first five months of 1997.

Few companies celebrate alternative work arrangements as enthusiastically as AMS does. A recent newsletter features a vice president and mom who video-conferences from her home, another working mother who interrupted her maternity leave to attend a crucial meeting (bringing her infant son so she could nurse him), and a mother of three who telecommutes three or four days a week. Little wonder a company spokesperson reports that training managers in alternative schedules isn't necessary—"It's part of our culture."

Flexibility isn't the only area in which AMS stands out. Its track record for women in the upper ranks is also laudable. Currently 43 percent of its work force is female, and women hold 36 percent of the highest-paid jobs. Still, AMS saw fit to roll out an "Advancement of Women Project" this year, which includes a series of seminars for aspiring female executives nationwide. In 21 states. HQ: 4050 Legato Rd., Fairfax, VA 22033.

**AMGEN** develops biotechnology-based medicines. Third year on our list.



Employees: 3,891  
Females: 1,859 (48%)  
⑤ High. Entry level: \$18,720 (lab asst, clerk, manufacturing operator); \$30,000 (research assoc). ① Percent female: senior and exec vps 0 (of 9); vps 17% (of 24); officials and mgrs 36%; profs 49%. Highest paid: 25%. Women's support group. ② On-site center: 270 children (\$465-600/mth). NAEYC accredited. Company contributes \$500,000 to operating cost of center. Summer program. Backup care. Preact set-asides. Reimburses child care costs for business travel. R&R. Sick-child days: 2. ③ Flexible work arrangements with no formal policies. ④ Leave for childbirth: FMLA only, with some full pay. 1996 leaves: 51 (3 men); avg 20 wks (women). Phase-back for new mothers. Paternity leave: 3 days paid. Adoption aid: \$3,000; R&R: 3 days paid leave. Profit sharing (15% of pay). Savings plan (company automatically contributes 3% of pay, plus 100% company match up to 5% of pay). Stock options. Scholarships for employees' children: \$64,000 to 4 kids. Health insurance (95% of premium).

This high-growth company crossed the \$2 billion sales mark in 1996. And as a further sign of financial health, staff increased by 14 percent.

Just as the company is growing, so too are employees' families. In 1996, workers gave birth to 237 babies—which helps explain why this high-tech outfit plans to replace its old child care center (which now cares for 270 kids) with a new one, capable of caring for up to 450. Camp Amgen is scheduled to open next spring.

Other benefits remain top-of-the-line here: a three-

The 10 best companies for

## WORKING MOTHERS

**Allstate**  
★

**Barnett Banks**  
★★★★★

**Fel-Pro**  
★★★★★

**Glaxo Wellcome**  
★★★★

**IBM**  
★★★★★★★★

**Johnson & Johnson**  
★★★★★

**Merck**  
★★★★★★★★

**NationsBank**  
★★★★★

**SAS Institute**  
★★★★★

Number of years on our TOP 5 or TOP 10

# The 100 BEST COMPANIES to work for in AMERICA

WE HAVE BEEN TRACKING GREAT EMPLOYERS SINCE 1981, when we began research on our book *The 100 Best Companies to Work for in America*. From our database of more than 1,000 companies, we selected 238 as the most viable candidates for this list. Of this group, 161 agreed to participate. (To be eligible, a company must be at least ten years old and have a minimum of 500 employees.)

We asked each candidate company to distribute to 225 randomly selected employees the Great Place to Work Trust Index. This employee survey was designed by the Great Place to Work Institute of San Francisco to evaluate trust in management, pride in work/company, and camaraderie. Responses were returned directly to us.

Each company was also required to fill out the Hewitt People Practices Inventory, a comprehensive 29-page questionnaire designed by our partner in this project, Hewitt Associates of Lincolnshire, Ill., a leading management consulting firm. Finally we asked each of our candidates to send us additional corporate materials, such as employee benefits booklets, company newsletters, and videos.

The response was overwhelming. Some 20,000 employees filled out the Great Place to Work survey (return rate: 58%), and 8,000 of them added written comments. We then rated the companies on a 175-point scale, using their overall score on the employee survey (100 points); evaluation of practices detailed in the Hewitt inventory and other submitted materials (55 points); and an evaluation of the handwritten comments (20 points).

Special thanks should go to Hewitt Associates. In addition to processing the mountain of returns, it also added invaluable expertise and perspective. We knew Hewitt was a great place to work because we had selected them in all the previous editions of our *100 Best* books. To collaborate with us, they had to give up the opportunity to be listed again among the 100.

By Robert Levering and Milton Moskowitz

If you think that your company should be considered for this list, send a brief letter explaining why (two-page maximum) to FORTUNE's 100 Best, 1537 Franklin Street, Suite 208, San Francisco, California 94109; E-mail address: 100best@greatplacetowork.com

| Rank | COMPANY                     | U.S. employees<br>(OUTSIDE U.S.) | Job growth<br>New jobs<br>in 1997 | Applicants<br>Voluntary<br>turnover<br>(1997) | Training<br>hrs./yr. | Revenues<br>1996<br>in millions |
|------|-----------------------------|----------------------------------|-----------------------------------|-----------------------------------------------|----------------------|---------------------------------|
|      | Headquarters<br>U.S. cities | Males %<br>Women %               |                                   |                                               |                      |                                 |
| 1    | <b>SOUTHWEST AIRLINES</b>   | 24,757                           | 26%                               | 150,000                                       | 15                   |                                 |
|      | Dallas                      |                                  | 4,917                             | 6%                                            | hrs.                 | \$3,400                         |
| 61   |                             |                                  |                                   |                                               |                      |                                 |
| 2    | <b>KINGSTON TECHNOLOGY</b>  | 552                              | 54%                               | 4,000                                         | 100                  |                                 |
|      | Fountain Valley, Calif.     |                                  | 193                               | 7%                                            | hrs.                 | \$1,300                         |
| 2    |                             |                                  |                                   |                                               |                      |                                 |
| 3    | <b>SAS INSTITUTE</b>        | 3,154                            | 34%                               | 12,000                                        | 32                   |                                 |
|      | Cary, N.C.                  |                                  | 768                               | 4%                                            | hrs.                 | \$653                           |
| 36   |                             |                                  |                                   |                                               |                      |                                 |
| 4    | <b>FEL-PRO</b>              | 2,577                            | 10%                               | 3,000                                         | 60                   |                                 |
|      | Skokie, Ill.                |                                  | 226                               | 2%                                            | hrs.                 | \$450                           |
| 8    |                             |                                  |                                   |                                               |                      |                                 |
| 5    | <b>TDI INDUSTRIES</b>       | 976                              | 31%                               | 800                                           | 40                   |                                 |
|      | Dallas                      |                                  | 228                               | 18%                                           | hrs.                 | \$127                           |
| 6    |                             |                                  |                                   |                                               |                      |                                 |
| 6    | <b>MBNA</b>                 | 18,050                           | 48%                               | 88,230                                        | 48                   |                                 |
|      | Wilmington, Del.            |                                  | 4,234                             | N.A.                                          | hrs.                 | \$3,300                         |
| 20   |                             |                                  |                                   |                                               |                      |                                 |
| 7    | <b>W.L. GORE</b>            | 4,118                            | 26%                               | 23,717                                        | 27                   |                                 |
|      | Newark, Del.                |                                  | 846                               | 6%                                            | hrs.                 | \$1,200                         |
| 31   |                             |                                  |                                   |                                               |                      |                                 |
| 8    | <b>MICROSOFT</b>            | 14,936                           | 22%                               | 150,000                                       | 8                    |                                 |
|      | Redmond, Wash.              |                                  | 2,743                             | 7%                                            | hrs.                 | \$8,700                         |
| 18   |                             |                                  |                                   |                                               |                      |                                 |

Why is Southwest No. 1? Listen to a typical comment from the more than 100 we received from enthusiastic employees: "Working here is truly an unbelievable experience. They treat you with respect, pay you well, and empower you. They use your ideas to solve problems. They encourage you to be yourself. I love going to work!!"

Nearly everyone in the U.S. wanted to work at this manufacturer of computer memory devices after last year's stories about its year-end bonus averaging \$75,000 per employee. The largesse was in line with company policies: free soft drinks and cups of noodles at all times and a golf driving range in the back of the plant.

The world's largest privately held computer software company. Superb on-site child care for \$200 a month. An on-site clinic that offers primary medical care at zero cost to employees. An award-winning cafeteria, where a pianist plays during lunch. No surprise that turnover, at 4% a year, is among the lowest in the software industry.

They make auto, truck, and motorcycle gaskets in a sprawling plant just north of Chicago. Ultra-family-friendly: \$1,000 savings bond at child's birth, affordable on-site child care, summer camp on company's 200-acre recreation area, summer jobs for employees' kids, and \$3,500 annual college scholarships.

TDI installs and services air-conditioning and plumbing systems in six cities. All stock is in the hands of employees, with no one owning more than 9%. A monthly meeting fills in all employees on financial results. Employees are wildly upbeat. One said, "This company makes you feel like a human being again."

This house of plastic, the second-largest issuer of credit cards, pampers employees so they will be nice to customers. The coddling includes four on-site child-care centers, one-week paid leave for new fathers and adoptive parents, adoption aid of up to \$10,000. No. 1 hiring criterion: "People who like other people."

Makers of Gore-Tex waterproof fabrics, Glide dental floss, and dozens of other high-tech materials. Employs avant-garde management theories that seem to work. Instead of a traditional hierarchy topped by bosses and managers, the company uses an organization in which dozens of so-called sponsors set the pace.

Remarkably challenging atmosphere for the brainy. Everybody gets stock options, and most professionals hired before 1992 have thus become millionaires; six became billionaires. All-company picnics with a rodeo and five bands. And Bill (never Mr. Gates) personally answers all E-mail from employees.

**Karen Smith**

**From:** Kim Damofall [kaskrd@UNX.SAS.COM]  
**Sent:** Friday, December 19, 1997 12:47 PM  
**To:** BLDGB-L@VM.SAS.COM  
**Subject:** New honor for SAS Institute!

**To:** All SAS Institute Employees  
**From:** Corporate Communications, Cary

**Institute Ranks #3 on FORTUNE'S "100 Best Companies to Work for in America"**

1997 has been marked by awards recognizing the Institute's work environment, but there's still one more to celebrate as the year draws to a close -- the company's number three placement on FORTUNE'S inaugural list of the "100 Best Companies to Work for in America."

The list, which will appear in the January 12 issue of FORTUNE (available on newsstands December 29), was announced by FORTUNE today. The Institute has already received some media attention from the award, with a mention on NBC's Today Show this morning.

Topping the list was Southwest Airlines, followed by Kingston Technology in the number two spot.

Completing the top ten of the FORTUNE "100 Best" list were: Fel-Pro(4), TDIndustries(5), MBNA(6), W.L. Gore(7), Microsoft(8), Merck(9), and Hewlett-Packard(10). Another eight software or hardware firms were sprinkled throughout the list: PeopleSoft(20); Cisco Systems(25); Intel(32); Compaq Computer(55); Adobe Systems(56); Sun Microsystems(69); Analog Devices(70); and Texas Instruments(77).

FORTUNE collaborated with best-selling authors Robert Levering and Milton Moskowitz to compile the list, using methodology similar to that used for their books, "The 100 Best Companies to Work for in America." To be eligible, a company had to be at least 10 years old and have a minimum of 500 employees. Levering and Moskowitz selected 238 companies (out of their database of more than 1,000 companies) as the most viable candidates for the list. Of this group, 161 agreed to participate.

As one of the "candidate companies," the Institute distributed the "Great Place to Work Trust Index," an employee survey designed to evaluate trust in management, pride in work/company, and camaraderie to 225 randomly selected employees in Cary and US regional offices. (Thanks to all of you who took the time to complete the survey. The Institute's high ranking is, in part, due to the overwhelmingly positive comments and the obvious pride in our company that you conveyed, and your willingness to share those sentiments.)

The Institute also completed the "Hewitt People Practices Inventory," a comprehensive questionnaire designed by Hewitt Associates, a leading compensation and benefits consultant. After the surveys and questionnaires were returned to FORTUNE, the company was rated on a 175-point scale, using the overall score on the employee survey (100 points); an evaluation of practices detailed in the Inventory (55 points); and an evaluation of employee comments in the survey (20 points).

The FORTUNE listing is the fourth award garnered by the Institute this year for its family-friendly policies and benefits. In September, the Institute was named number four in Business Week magazine's 1997 Work and Family Survey and was named in Working Mother Magazine's Top 10. In July, the Institute made Mother Jones magazine's list of "20 Better Places to Work" for how well it balances the bottom line with its responsibilities to employees and the community.



# FAX TRANSMISSION

WOMEN'S BUREAU

Office of the Director

IDA L. CASTRO

*"Working for Women"*

TO: Mary Smith  
PHONE: DPE  
FROM: Kelly  
SUBJECT: 2 SAS info

DATE: 6-1-98  
FAX: 456-5571  
PAGES: 8  
(Including Cover Page)

MESSAGE:

U.S. Department of Labor  
Office of the Secretary  
Women's Bureau  
200 Constitution Avenue, N.W., Room S-3002  
Washington, DC 20210  
Phone: (202) 219-6611  
Fax: (202) 219-5529  
Internet: [www.dol.gov/dol/wb/welcome.html](http://www.dol.gov/dol/wb/welcome.html)



5-19-1998 2:04PM

FROM USDOL/ESA/OFCCP RO 404 347 1684

P. 2

## U.S. Department of Labor

Employment Standards Administration  
Office of Federal Contract  
Compliance Programs  
61 Forsyth Street SW  
Atlanta, Georgia 30303



February 18, 1998

## MEMORANDUM FOR:

Shirley J. Wilcher  
Deputy Assistant Secretary

## FROM:

*Carol A. Gaudin*  
Carol A. Gaudin  
Regional Director

## SUBJECT:

Nomination for EVE Award  
SAS Institute Inc.  
Cary, NC

I am pleased to nominate SAS Institute Inc. for an EVE Award.

The company is an employer of choice in the Research Triangle Park area. There is an overall turnover rate of 4% - which drops to 2% for women and 1% for minorities.

The make-up of the employee community at the Institute clearly reflects success in attracting, retaining, and promoting a diverse population. For instance, the institute exceeds availability for minority managers by 5.8%, and 30% of vice-presidents are women. SAS Institute's philosophy is to provide an environment that is responsive to the special needs and requirements of many of the employees. Workplace accommodations such as schedule adjustments, special equipment, sign language interpreters, and job restructuring insure that every employee has the opportunity for growth within the Institute.

College recruitment at historically minority schools, recruitment at minority events at other universities, scholarships offered to students in technical fields, an extensive student intern program, active participation in Inroads (an undergraduate internship program for minority students), and advertisements of open positions through a wide range of publications and organizations enables SAS Institute to succeed in efforts to attract a diverse pool of talent to the company. The company awards 14 undergraduate scholarships annually. In 1997, 57% of the scholarships provided by the Institute went to minorities and women. Over the past three summers, 27% of the summer students in the program were minorities, and 49% were women.

All SAS Institute employees attend one or more training programs which address issues of diversity in the workplace. As part of their training, new managers and newly promoted managers learn that the Institute places a strong emphasis on commitment to Equal Opportunity and Affirmative Action. Many employees have attended a new intensive diversity program being offered as a pilot program by the Institute. Nearly 100% of their workforce has participated in Sexual Harassment Awareness.

*Working for America's Workforce*

**training.** All new hires receive an orientation to the Institute's policies regarding diversity, affirmative action, and equal employment opportunities; the Institute's **zero tolerance of workplace harassment of any kind** is emphasized.

Two departments at the Institute - Corporate Training and Management Education Administration - are dedicated to providing employees the opportunity to develop the skills they need to advance in their careers. Training topics include computer applications. Leadership skills, resume writing and interviewing, and administrative skills. With nearly 1,200 Management Education Administration participants in 1997, **82% of people attending these courses were women and 11% were minorities.**

SAS Institute is an active corporate citizen, providing in-kind and cash donations and volunteers to many area non-profit organizations. They have a history of dedicating a large portion of their philanthropy efforts to organizations that focus the majority of their services on women, minorities, or persons with disabilities. **In 1997, 64% of the total philanthropy budget was dedicated to supporting such groups; the 1998 budget makes a commitment of 69%.**

SAS Institute has a simple philosophy when it comes to employees: If you invest in your employees' professional and personal welfare, everyone wins - the employee and the company. Ongoing best practice programs like **on-site child care and on-site health care, a fully equipped fitness center, wellness programs, comprehensive health care benefits, child care and elder care resource and referral, adoption assistance, generous leave for child birth and adoption, and flexible work schedules** all contribute to the satisfaction and peace of mind of employees who bring with them a wide range of personal and family needs. A culture of trust, a strong sense of collegiality and collaboration, and a corporate structure that is responsive to employee input combine to create a work environment which allows our employees to feel good about working for SAS Institute.

Finally, SAS Institute has received many awards. Some of their 1997 Awards are:

- **Best Companies for Working Mothers** - Ranked in the top ten by *Working Mother* magazine.
- **100 Best places to Work in America** - Ranked #3 by *Fortune* magazine.
- **Best Companies for Work and Family** - Ranked #4 among non-S&P companies by *Business Week* magazine.
- **20 Better Places to Work** - Named in *Mother Jones* magazine's list.
- **1997 Apple PIE Award** - Business Winner for supporting parent involvement in education from the Partnership for Family Involvement in Education, Teachers College at Columbia University, and *Working Mother* magazine.

Your consideration of SAS Institute Inc. for an EVE Award is greatly appreciated.

# SAS INSTITUTE INC.

## 1998 EVE AWARD

### EXECUTIVE SUMMARY

Software solutions are products of the mind . . . world-class software development intelligence is found in people regardless of culture, race, disability, veteran status, or gender. However, in order to attract world-class talent it is vital to *recognize and support the diversity in our communities and within our employee population*. With an overall *turnover rate of 4% – 2% for women and 1% for minorities* – we have a workforce that demonstrates loyalty to a company that respects them as individuals and supports them in their personal and professional lives.

SAS Institute is committed to creating a work environment in which employees thrive. For more than 20 years the company has followed a basic corporate belief that *the success of our employees is crucial for the success of the company*. Each member of the Institute team plays a vital role in meeting company goals. Software developers, child care providers, administrative support staff, landscape crew members, technical support consultants, sales and marketing representatives all are valued as instrumental pieces in our effort to continue to be the leader in providing business software solutions for companies around the world.

We have in place programs and policies which support our efforts to create the *kind of work environment that allows women and minorities to succeed personally and professionally*. We work intentionally to tap into the vast array of resources available to provide us with the best talent for our future success. And we have a culture in which the contributions of all employees are treated as adding value to the company. In this application, we will specifically address the following practices:

#### Workforce Information

The make-up of the employee community at the Institute clearly reflects our success in attracting, retaining, and promoting a diverse population. For instance, *the Institute exceeds availability for minority managers by 5.8%, and 30% of vice-presidents are women*. We recognize the importance of incorporating diversity in all levels of the company, from top-level executives to our service support employees. SAS Institute's philosophy is to provide an environment that is responsive to the special needs and requirements of many of our employees. *Workplace accommodations such as schedule adjustments, special equipment, sign language interpreters, and job restructuring* insure that every employee has the opportunity for growth within the Institute.

#### Recruitment

College recruitment at historically minority schools, recruitment at minority events at other universities, scholarships offered to students in technical fields, an extensive student intern program, active participation in Inroads (an undergraduate internship program for minority students), and advertisements of open positions through a wide range of publications and organizations enables SAS Institute to succeed in efforts to attract a diverse pool of talent to the company. The company awards *14 undergraduate scholarships annually, three of which were created specifically to benefit minority students*. In 1997, *57% of the scholarships provided by the Institute went to minorities and women*. Through our summer student employee program, we lay the groundwork for a diverse workforce in the future. Over the past three summers, *27% of the students in the program were minorities, and 49% were women*.

**Training**

*All SAS Institute employees attend one or more training programs which address issues of diversity in the workplace.* As part of their training, new managers and newly promoted managers learn that the Institute places a strong emphasis on *our commitment to Equal Opportunity and Affirmative Action*. Many employees have attended a new intensive diversity program being offered as a pilot program by the Institute. *Nearly 100% of our workforce has participated in Sexual Harassment Awareness training.* And all new hires receive an orientation to the Institute's policies regarding diversity, affirmative action, and equal employment opportunities; the Institute's *zero tolerance of workplace harassment of any kind* is emphasized.

**Opportunities/Support for Advancement**

Two departments at the Institute – Corporate Training and Management Education Administration – are dedicated to providing employees the opportunity to develop the skills they need to advance in their careers. Training topics include computer applications, leadership skills, resume writing and interviewing, and administrative skills. With nearly 1,200 Management Education Administration participants in 1997, *82% of people attending these courses were women and 11% were minorities.*

**Outreach**

SAS Institute is an active corporate citizen, providing in-kind and cash donations and volunteers to many area non-profit organizations. We have a history of dedicating a large portion of our philanthropy efforts to organizations that focus the majority of their services on women, minorities, or persons with disabilities. *In 1997, 64% of the total philanthropy budget was dedicated to supporting such groups; the 1998 budget makes a commitment of 69%.*

**Corporate Environment**

SAS Institute has a simple philosophy when it comes to employees: If you invest in your employees' professional and personal welfare, everyone wins – the employee and the company. Ongoing best practice programs like *on-site child care and on-site health care, a fully equipped fitness center, wellness programs, comprehensive health care benefits, child care and elder care resource and referral, adoption assistance, generous leave for child birth and adoption, and flexible work schedules* all contribute to the satisfaction and peace of mind of employees who bring with them a wide range of personal and family needs. A culture of trust, a strong sense of collegiality and collaboration, and a corporate structure that is responsive to employee input combine to create a work environment which allows our employees to feel good about working for SAS Institute.

---

**SAS Institute Inc.****1997 Honors*****Best Companies for Working Mothers***

Ranked in the top ten by *Working Mother* magazine

***100 Best Places to Work in America***

Ranked #3 by *Fortune* magazine

***Best Companies for Work and Family***

Ranked #4 among non-S&P companies by *Business Week* magazine

***20 Better Places to Work***

Named in *Mother Jones* magazine's list

***1997 Apple PIE Award***

Business Winner for supporting parent involvement in education  
from the Partnership for Family Involvement in Education.

Teachers College at Columbia University. and *Working Mother* magazine

---

5-19-1998 2:08PM

FROM USDOL/ESA/OFCCP RO 404 347 1684

P. 7

**SAS INSTITUTE INC****Section D—EMPLOYMENT DATA**

Employment at this establishment—Report all permanent full-time and part-time employees including apprentices and on-the-trainees unless specifically excluded as set forth in the instructions. Enter the appropriate figures on all lines and in all columns. Blank spaces will be considered as zeros.

| JOB CATEGORIES                                     |    | NUMBER OF EMPLOYEES                  |                                |                                |          |                           |                                   |                                |                                |          |                           |                                   |
|----------------------------------------------------|----|--------------------------------------|--------------------------------|--------------------------------|----------|---------------------------|-----------------------------------|--------------------------------|--------------------------------|----------|---------------------------|-----------------------------------|
|                                                    |    | OVERALL TOTALS (SUM OF COL B THRU K) | MALE                           |                                |          |                           |                                   | FEMALE                         |                                |          |                           |                                   |
|                                                    |    |                                      | WHITE (NOT OF HISPANIC ORIGIN) | BLACK (NOT OF HISPANIC ORIGIN) | HISPANIC | ASIAN OR PACIFIC ISLANDER | AMERICAN INDIAN OR ALASKAN NATIVE | WHITE (NOT OF HISPANIC ORIGIN) | BLACK (NOT OF HISPANIC ORIGIN) | HISPANIC | ASIAN OR PACIFIC ISLANDER | AMERICAN INDIAN OR ALASKAN NATIVE |
| A                                                  | B  | C                                    | D                              | E                              | F        | G                         | H                                 | I                              | J                              | K        |                           |                                   |
| Officials and Managers                             | 1  | 372                                  | 176                            | 7                              | 2        | 6                         |                                   | 169                            | 8                              |          | 4                         |                                   |
| Professionals                                      | 2  | 1450                                 | 682                            | 31                             | 6        | 35                        |                                   | 619                            | 37                             | 7        | 30                        | 3                                 |
| Technicians                                        | 3  | 91                                   | 51                             | 4                              | 2        | 2                         |                                   | 25                             | 7                              |          |                           |                                   |
| Workers                                            | 4  |                                      |                                |                                |          |                           |                                   |                                |                                |          |                           |                                   |
| Office and Clerical                                | 5  | 296                                  | 26                             | 5                              |          |                           |                                   | 229                            | 31                             | 1        | 2                         | 1                                 |
| Craft Workers (Skilled)                            | 6  |                                      |                                |                                |          |                           |                                   |                                |                                |          |                           |                                   |
| Operatives (Semi-Skilled)                          | 7  |                                      |                                |                                |          |                           |                                   |                                |                                |          |                           |                                   |
| Laborers (Unskilled)                               | 8  |                                      |                                |                                |          |                           |                                   |                                |                                |          |                           |                                   |
| Service Workers                                    | 9  | 174                                  | 31                             | 17                             |          |                           |                                   | 87                             | 36                             |          | 3                         |                                   |
| TOTAL                                              | 10 | 2383                                 | 966                            | 64                             | 10       | 44                        |                                   | 1129                           | 119                            | 8        | 39                        | 4                                 |
| Total employment reported in previous EEO-1 report | 11 | 2065                                 | 861                            | 54                             | 11       | 39                        | 0                                 | 970                            | 89                             | 5        | 34                        | 2                                 |

NOTE: Omit questions 1 and 2 on the Consolidated Report.

Date(s) of payroll period used:

2. Does this establishment employ apprentices?

1 ☐ Yes 2 ☐ No**Section E—ESTABLISHMENT INFORMATION (Omit on the Consolidated Report)**

What is the major activity of this establishment? (Be specific, i.e., manufacturing steel castings, retail grocer, wholesale plumbing supplies, title insurance, etc. Include the specific type of product or type of service provided, as well as the principal business or industrial activity.)

OFFICE  
USE  
ONLY

SIC=7371=Computer programming services

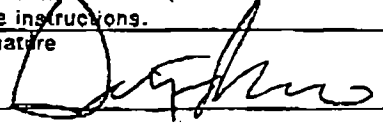
&lt;&lt;&lt; PLEASE CORRECT NARRATIVE IF INCORRECT. &gt;&gt;&gt;

**Section F—REMARKS**

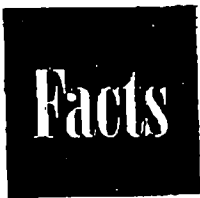
Use this item to give any identification data appearing on last report which differs from that given above, explain major changes in composition of reporting units and other pertinent information.

**Section G—CERTIFICATION (See Instructions G)**

Check 1 ☐ All reports are accurate and were prepared in accordance with the instructions (check on consolidated only)  
 ne 2 ☒ This report is accurate and was prepared in accordance with the instructions.

|                                                                 |                             |                                                                                      |                   |
|-----------------------------------------------------------------|-----------------------------|--------------------------------------------------------------------------------------|-------------------|
| Signature of Certifying Official                                | Title                       | Signature                                                                            | Date              |
| David Russo                                                     | V.P. Human Resources        |  | 25Sep97           |
| Name of person to contact regarding this report (Type or print) | Address (Number and Street) |                                                                                      |                   |
| Stephanie Stringer                                              | SAS Campus Drive            |                                                                                      |                   |
| City and State                                                  | ZIP Code                    | Telephone Number (Including Area Code)                                               | Extension         |
| NO/AA Consultant                                                | Cary, NC                    | 27513                                                                                | 919-677-8000 7890 |

All reports and information obtained from individual reports will be kept confidential as required by Section 709(e) of Title VII.  
 WILLFULLY FALSE STATEMENTS ON THIS REPORT ARE PUNISHABLE BY LAW, U.S. CODE, TITLE 18, SECTION 1001.



## **SAS Institute Inc.**

Incorporated in 1976, SAS Institute is the world's largest privately held software company with more than 4,600 employees worldwide. Some 3.5 million users at more than 30,000 customer sites around the globe are using SAS® software and solutions to achieve a competitive advantage through better business decision making. The Institute's customers cross the lines of industry, government, and education and are among the most successful businesses in the world, including more than 97 percent of Fortune 100 businesses.

SAS Institute marked its twentieth year in business by continuing an unbroken record of double-digit revenue increases in 1996, 16 percent over 1995 revenues. The Institute continues to lead the industry in percentage of revenue reinvested in research and development at 32 percent.

SAS Institute employees work in an environment that fosters and encourages the integration of the Institute's business objectives with their personal needs. With employee turnover at only five percent, SAS Institute reaps the rewards of unprecedented employee loyalty and the benefit of the most talented minds in the industry. Programs and facilities at its Cary, N.C., headquarters include three child care centers, an elder care information and referral program, employee health center, wellness programs, 26,000 square-foot recreation and fitness facility, and many other work-life programs.

The Institute's work-life initiatives and unique corporate culture continue to receive accolades on the national level. For the eighth consecutive year, SAS Institute was recognized by Working Mother magazine as one of the "100 Best Companies for Working Mothers." The Institute is also listed as one of the best places to work in America by the authors of the latest edition of The 100 Best Companies to Work For in America.

An active Corporate Philanthropy program transcends the spirit of SAS Institute as a supportive, caring environment into the community. The Institute provides donations and time to a wide range of non-profit organizations focused on enriching our communities through the promotion of education, the arts, environmental conservation, community services and medical research. Employees also raise money on their own, donate food and clothes, and perform countless hours of labor through a variety of organizations.

---

*For further information, please contact Kat Hardy, Public Affairs,  
SAS Institute Inc., 919/677-8000*

*[www.sas.com](http://www.sas.com)*

5-19-1998 2:08PM

FROM USDOL/ESA/DFCCP RO 404 347 1684

**DATA SUMMARY  
1998 EVE AWARD  
FOR SAS INSTITUTE INC.**

Name, address and telephone of corporation being nominated:

SAS INSTITUTE INC.  
SAS CAMPUS DRIVE  
CARY, NC 27513  
(919) 677-8000 X7801

Name of highest ranking official:

DR. JAMES H. GOODNIGHT, PhD

Name of executive responsible for Human Resources/EEO:

DAVID F. RUSSO  
VICE PRESIDENT, HUMAN RESOURCES

Contact People:

KAREN THOMAS-SMITH  
HUMAN RESOURCES  
SAS INSTITUTE INC.  
SAS CAMPUS DRIVE  
CARY, NC 27513  
(919) 677-8000 X5203

or

STEPHANIE STRINGER  
HUMAN RESOURCES  
SAS INSTITUTE INC.  
SAS CAMPUS DRIVE  
CARY, NC 27513  
(919) 677-8000 X7890

or

KAT HARDY  
CORPORATE COMMUNICATIONS  
SAS INSTITUTE INC.  
SAS CAMPUS DRIVE  
CARY, NC 27513  
(919) 677-8000 X5221

Number of employees:

3161

Principle Product:

SOFTWARE DEVELOPMENT

Date of last compliance review:

MARCH 7, 1995 (LETTER OF COMPLIANCE ATTACHED)

Copy of employer information report (EEO-1):

ATTACHED

Names of us senators and representatives:

U.S. SENATORS:

LAUCH FAIRCLOTH  
JESSE HELMS

U.S. REPRESENTATIVE:

DAVID PRICE

CHARLES ELLER, Chairman

JIM TALENT, MISSOURI  
JOSEPH K. KOLLERBERG, MICHIGAN  
Vice Chairman  
THOMAS E. PETRI, WISCONSIN  
MARCO ROUNDELL, NEW JERSEY  
CASE BALLENGER, NORTH CAROLINA  
WILLIAM F. GOODLING, PENNSYLVANIA



*Eh. py*  
*mo*  
*hw*

## MINORITY MEMBERS

DONALD M. PATNE, NEW JERSEY  
Rising Member

CHUKA FATTAH, PENNSYLVANIA  
RUBEN HINOJOSA, TEXAS  
CAROLYN MCCARTHY, NEW YORK  
JOHN TIERNEY, MASSACHUSETTS

MAJORITY-(202) 225-7101  
(TTY)-(202) 225-3372  
MINORITY-(202) 225-3700  
(TTY)-(202) 225-3114

# SUBCOMMITTEE ON EMPLOYER-EMPLOYEE RELATIONS COMMITTEE ON EDUCATION AND THE WORKFORCE

U.S. HOUSE OF REPRESENTATIVES  
B346 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-8100

May 11, 1998

*Copy to:* Ellen  
Jason  
Mark  
Leslie  
Bill W.  
Spencer

The Honorable Paul Igasaki  
Chairman  
U.S. Equal Employment Opportunity Commission  
1801 L Street, N.W.  
Washington, D.C. 20507

Dear Chairman Igasaki:

I write to you today about a matter that has only recently come to my attention but is of significant potential concern. It has recently been reported that the EEOC and the Department of Labor's OFCCP are working on a Memo of Understanding (MOU) that would give OFCCP the authority to seek damages under Title VII and the Equal Pay Act, a power OFCCP currently lacks. Apparently, the MOU would permit the OFCCP to serve as the "agent" of EEOC when it finds cases of "egregious discrimination" and wants to seek damages (where currently it would refer the case to EEOC). It is my understanding that under the 1991 Civil Rights Act, the EEOC can seek compensatory and punitive damages, but the OFCCP has no such authority under Executive Order 11246 (under which it operates).

I am concerned with whether the EEOC may lawfully delegate its enforcement authority to another agency through a mere Memorandum of Understanding. This change represents a significant expansion of OFCCP's enforcement function, which should be reviewed by Congress before being implemented. I am also troubled that such a change in the civil rights enforcement scheme to create overlapping jurisdiction may not be conducive to the most effective and efficient administration of the law. This new scheme lends itself to the mixing of the mission of the two agencies, something Congress did not intend.

My staff has contacted the Commission and been informed that no draft or outline of the MOU is available at this time. Please provide me with a detailed explanation of how this MOU would operate, what powers would be delegated to the OFCCP, and under what authority this delegation would be made.

Finally, I am troubled that this plan has been interpreted by some to be an attempt to institute the highly controversial concept of comparable worth. I look for your assurance that

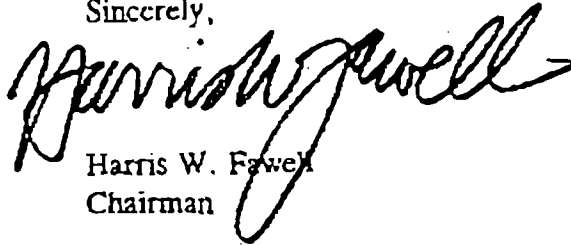
RECEIVED  
MAY 11 1998



such a significant change in interpretation of the law would not be made unilaterally, without Congressional review and approval.

If you have any questions about this request, please call me or contact David Frank of the Committee staff at 225-7101. Thank you for your assistance and for your continuing efforts to work cooperatively with this Committee to make the EEOC a more effective guardian of civil rights.

Sincerely,

A handwritten signature in black ink, appearing to read "Harris W. Fawell". The signature is fluid and cursive, with a long horizontal stroke at the end.

Harris W. Fawell  
Chairman

February 20, 1998

TO: Audrey Tayse Haynes

FROM: Kelly Jenkins-Pultz

SUBJECT: Wage Gap Studies

Hi Audrey -- Ida asked me to send you the following studies on the wage gap which show the following:

- 1) 1996 U.S. Dept of Education study, *Baccalaureate and Beyond*, which shows that among recent college grads from 1992 and 1993, women earned 15.8 percent less than men in their first jobs out of college; and
- 2) Business Week article referencing research by Kahn and Blau which says that when you adjust for differences in education, experience, and occupations, women still earn 12% less; and
- 3) Article from Electronic Media which shows that among cable executives, women with the same education earn 20% less than men in similar management jobs.

I am trying to get a copy of the Kahn and Blau study and will share it with you when I do.

---

# NATIONAL CENTER FOR EDUCATION STATISTICS

---

**Statistical Analysis Report**

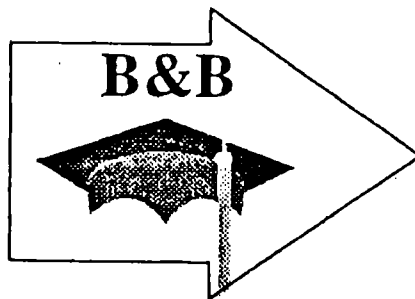
**August 1996**

---

**Baccalaureate and Beyond Longitudinal Study**

## **A Descriptive Summary of 1992-93 Bachelor's Degree Recipients 1 Year Later**

**With an Essay on Time to Degree**



Alexander C. McCormick  
Laura J. Horn  
MPR Associates

Paula Knepper  
Project Officer  
National Center for Education Statistics

---

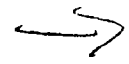
U.S. Department of Education  
Office of Educational Research and Improvement

**NCES 96-158**

- 
- About three-fourths (75 percent) of college graduates reported that their job was related to their degree and that it had career potential (72 percent); a little more than half (56 percent) reported that a bachelor's degree was required to obtain their job (table II.2).
  - With respect to their April occupation, one-fifth of college graduates who were employed in April 1994 had jobs in business and management, and 16 percent had jobs in professional fields other than education, business, health, and engineering. Twelve percent of graduates were working in education as teachers, and 18 percent had administrative support jobs (table II.3).

### *Full-Time Salaries*

Salaries are reported for college graduates who were employed full time in April 1994, regardless of their enrollment status (about 73 percent of all graduates). The salaries represent the annualized wages/salaries reported for the April job. Thus, if the respondent reported an hourly or monthly wage, it was annualized. Yearly salaries that exceeded \$500,000 or were less than \$1,000 (less than 1 percent) were removed from the analysis.

- 
- Among 1992-93 college graduates employed full time in April 1994, men had significantly higher average salaries than women (\$26,440 versus \$22,286) (table II.4).<sup>33</sup>
  - The average full-time salaries of college graduates who had majored in professional fields (business, education, engineering, health, or public affairs/social services) were higher than those who had majored in the arts and sciences (\$26,029 versus \$22,160, respectively) (table II.4).
  - Among the professional fields of study, the average full-time salary was higher for those who had majored in either health professions (\$31,302) or engineering (\$30,948) than it was for graduates who had majored in business fields (\$27,069), public affairs/social services (\$22,042), or education (\$19,280) (table II.4).

<sup>33</sup>This was also true within majors with the exception of health, engineering, biology, the humanities, and psychology. U.S. Department of Education, National Center for Education Statistics, 1993 Baccalaureate and Beyond Longitudinal Study First Followup (B&B:93/94), Data Analysis System.

Table II.4—Percentage distribution of annual salaries, and the average annual salaries, for 1992-93 bachelor's degree recipients employed full time in April 1994, by gender, race-ethnicity, bachelor's degree major, and April occupation

|                                | Less<br>than<br>\$5,000 | \$5,000-<br>9,999 | \$10,000-<br>14,999 | \$15,000-<br>19,999 | \$20,000-<br>24,999 | \$25,000-<br>34,999 | \$35,000-<br>49,000 | \$50,000-<br>74,999 | \$75,000<br>or<br>more | Average<br>annual<br>salary <sup>1</sup> |
|--------------------------------|-------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|------------------------|------------------------------------------|
| Total                          | 1.0                     | 3.5               | 17.8                | 17.3                | 22.7                | 24.5                | 9.9                 | 2.5                 | 0.7                    | \$24,195                                 |
| Gender                         |                         |                   |                     |                     |                     |                     |                     |                     |                        |                                          |
| Male                           | 1.1                     | 2.7               | 13.8                | 13.8                | 20.4                | 30.2                | 13.2                | 3.8                 | 1.1                    | \$26,440                                 |
| Female                         | 1.0                     | 4.3               | 21.1                | 20.3                | 24.6                | 19.7                | 7.1                 | 1.5                 | 0.4                    | \$22,286                                 |
| Race-ethnicity                 |                         |                   |                     |                     |                     |                     |                     |                     |                        |                                          |
| American Indian/Alaskan Native | 0.0                     | 0.0               | 20.6                | 16.6                | 27.3                | 17.0                | 14.9                | 3.6                 | 0.0                    | \$24,403                                 |
| Asian/Pacific Islander         | 0.0                     | 1.5               | 10.5                | 17.9                | 31.4                | 23.8                | 11.7                | 3.2                 | 0.0                    | \$24,885                                 |
| Black, non-Hispanic            | 0.7                     | 5.8               | 17.7                | 23.9                | 20.8                | 20.4                | 8.6                 | 2.0                 | 0.3                    | \$23,119                                 |
| Hispanic                       | 1.2                     | 6.5               | 14.1                | 13.7                | 28.5                | 21.6                | 11.9                | 1.9                 | 0.6                    | \$23,708                                 |
| White, non-Hispanic            | 1.1                     | 3.4               | 18.3                | 17.0                | 22.0                | 25.1                | 9.7                 | 2.5                 | 0.8                    | \$24,246                                 |
| Baccalaureate degree major     |                         |                   |                     |                     |                     |                     |                     |                     |                        |                                          |
| Professional fields            | 0.7                     | 2.7               | 15.3                | 14.5                | 21.2                | 28.4                | 13.2                | 3.3                 | 0.8                    | \$26,029                                 |
| Business and management        | 0.4                     | 1.7               | 12.5                | 14.9                | 22.5                | 31.1                | 11.8                | 3.9                 | 1.1                    | \$27,069                                 |
| Education                      | 1.3                     | 5.8               | 29.8                | 21.3                | 27.5                | 10.9                | 2.0                 | 0.9                 | 0.4                    | \$19,280                                 |
| Engineering                    | 0.6                     | 0.8               | 3.4                 | 4.5                 | 12.6                | 46.2                | 30.4                | 1.2                 | 0.4                    | \$30,948                                 |
| Health professions             | 1.0                     | 3.1               | 6.3                 | 5.5                 | 13.6                | 38.1                | 24.1                | 7.8                 | 0.6                    | \$31,302                                 |
| Public affairs/social services | 0.6                     | 1.8               | 24.7                | 24.6                | 21.4                | 16.9                | 7.6                 | 2.0                 | 0.4                    | \$22,042                                 |
| Arts and sciences              | 1.3                     | 5.1               | 21.3                | 18.3                | 25.1                | 19.1                | 6.6                 | 1.5                 | 0.6                    | \$22,160                                 |
| Biological sciences            | 1.5                     | 3.7               | 26.3                | 17.6                | 24.2                | 19.9                | 3.9                 | 1.8                 | 1.1                    | \$22,763                                 |
| Mathematics and other sciences | 0.2                     | 3.5               | 14.5                | 12.8                | 20.2                | 32.1                | 14.2                | 2.1                 | 0.4                    | \$25,414                                 |
| Social science                 | 0.7                     | 4.8               | 19.3                | 20.2                | 28.1                | 20.1                | 4.2                 | 1.7                 | 0.9                    | \$22,082                                 |
| History                        | 5.9                     | 6.8               | 21.1                | 19.2                | 16.9                | 22.8                | 2.5                 | 4.8                 | 0.0                    | \$21,047                                 |
| Humanities                     | 1.5                     | 5.7               | 24.3                | 17.9                | 27.5                | 14.4                | 7.3                 | 0.8                 | 0.5                    | \$21,307                                 |
| Psychology                     | 1.5                     | 7.4               | 25.4                | 22.4                | 23.4                | 14.7                | 4.8                 | 0.4                 | 0.0                    | \$19,463                                 |
| Other                          | 1.6                     | 3.4               | 19.5                | 26.1                | 23.1                | 19.1                | 4.4                 | 1.8                 | 0.8                    | \$21,619                                 |

Table II.4—Percentage distribution of annual salaries, and the average annual salaries, for 1992–93 bachelor's degree recipients employed full time in April 1994, by gender, race-ethnicity, bachelor's degree major, and April occupation—Continued

|                                   | Less<br>than<br>\$5,000 | \$5,000–<br>9,999 | \$10,000–<br>14,999 | \$15,000–<br>19,999 | \$20,000–<br>24,999 | \$25,000–<br>34,999 | \$35,000–<br>49,000 | \$50,000–<br>74,999 | \$75,000<br>or<br>more | Average<br>annual<br>salary |
|-----------------------------------|-------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|------------------------|-----------------------------|
| April 1994 occupation             |                         |                   |                     |                     |                     |                     |                     |                     |                        |                             |
| Business and management           | 1.4                     | 2.5               | 12.9                | 18.5                | 24.4                | 25.5                | 9.9                 | 4.2                 | 0.7                    | \$25,419                    |
| School teacher                    | 1.1                     | 5.1               | 27.5                | 19.3                | 30.7                | 14.2                | 0.9                 | 0.6                 | 0.6                    | \$20,114                    |
| Engineering                       | 0.4                     | 0.0               | 0.2                 | 1.5                 | 10.6                | 48.5                | 35.0                | 2.1                 | 1.8                    | \$33,259                    |
| Health professions                | 0.3                     | 1.4               | 5.8                 | 4.0                 | 14.3                | 40.3                | 24.9                | 8.9                 | 0.2                    | \$32,351                    |
| Other professions <sup>2</sup>    | 1.5                     | 2.5               | 15.1                | 17.8                | 26.3                | 26.1                | 9.0                 | 1.4                 | 0.2                    | \$23,415                    |
| Computer science, programming     | 0.0                     | 0.3               | 4.3                 | 7.2                 | 22.0                | 40.2                | 20.4                | 4.3                 | 1.3                    | \$29,714                    |
| Noncomputer technician            | 0.2                     | 1.0               | 14.7                | 16.1                | 28.9                | 28.7                | 7.2                 | 1.8                 | 1.4                    | \$25,982                    |
| Administrative, clerical, support | 0.7                     | 6.4               | 26.5                | 26.4                | 22.1                | 14.2                | 2.5                 | 0.5                 | 0.7                    | \$20,215                    |
| Mechanic, operator, laborer       | 0.8                     | 4.3               | 30.8                | 18.5                | 15.6                | 20.2                | 5.7                 | 2.9                 | 1.1                    | \$21,992                    |
| Sales                             | 0.5                     | 4.2               | 16.1                | 17.5                | 18.4                | 26.0                | 14.1                | 2.6                 | 0.5                    | \$24,746                    |
| Service                           | 3.9                     | 8.7               | 44.5                | 17.1                | 14.5                | 6.0                 | 5.3                 | 0.0                 | 0.0                    | \$16,779                    |
| Military, protective services     | 0.8                     | 3.0               | 15.7                | 13.9                | 23.3                | 31.1                | 6.5                 | 3.1                 | 2.6                    | \$25,499                    |

<sup>1</sup>Respondents reporting salaries less than \$1,000 or more than \$500,000 were excluded (eight cases, unweighted).

<sup>2</sup>All other professional occupations excluding business, teaching, engineering, and health. See appendix A for more detail.

NOTE: Percentages may not add to totals due to rounding.

SOURCE: U.S. Department of Education, National Center for Education Statistics, 1993 Baccalaureate and Beyond Longitudinal Study First Followup (B&B:93/94), Data Analysis System.

## Citation

11/3/97 BUSWK 30  
11/3/97 Bus. Wk. 30  
1997 WL 14814029

## Search Result

Rank 32 of 1471

(Publication page references are not available for this document.)

Business Week  
Copyright 1997 McGraw-Hill, Inc.

Monday, November 3, 1997

Number 3551

Economic Trends

...BUT WHAT OF THE WAGE GAP?

Future progress seems less certain

BY GENE KORETZ

It seems logical that the wage gap between men and women would narrow as women flocked into traditionally male jobs. And that, in fact, has been the trend since the 1970s. Recently, however, the Labor Dept. reported that women's median weekly wages, which had risen from 62% of men's wages in 1979 to 77% in 1992, have since slipped back to 75%. Does this mean that progress in reducing the differential has finally run out of steam?

Probably not. For one thing, another Labor Dept. earnings yardstick, annual wages of full-time, year-round female workers, actually jumped from 71.4% of male wages in 1995 to 73.8% in 1996. (The gender gap is wider for annual wages than weekly wages because it includes bonuses and overtime, which accrue more heavily to male workers.) Many experts believe that the influx of former welfare recipients into low-wage jobs has lowered the weekly ratio in recent years.

Indeed, the goal of equal pay for women implies some male-female wage differential because of different social patterns and work experience. Women tend to interrupt their careers to have children, for example, and they bear the brunt of home responsibilities. For many, the critical issue is whether those women possessing the same skills, education, and experience as their male counterparts are receiving comparable pay for comparable work. And here the record appears positive.

In 1984, for example, the hourly wages of female full-time workers were only 67% of male wages. But after adjusting the ratio for differences in women's education, experience, and occupations, economists Francine D. Blau and Lawrence M. Kahn of Cornell University report that the ratio was actually 82%. Moreover, by 1988, the researchers calculate that the adjusted ratio had risen to 88%--which suggests that discrimination in similar jobs was holding women's wages down by no more than 12%.

Copr. © West 1997 No Claim to Orig. U.S. Govt. Works

11/3/97 BUSWK 30

**(Publication page references are not available for this document.)**

Such results suggest that future progress in reducing the gender pay gap will reflect the offsetting influences of two contradictory trends: the growing ranks of female college graduates and the increased labor force participation of poorly educated women at the bottom of the income scale. And, of course, the pace at which women at all educational levels continue to move into traditionally male-dominated occupations.

Word Count: 367

11/3/97 BUSWK 30

END OF DOCUMENT



## Citation

10/20/97 ELTRM 26

10/20/97 Electronic Media 26

1997 WL 8290390

## Search Result

Rank 45 of 1471

## Database

ALLNEWS

(Publication page references are not available for this document.)

Electronic Media

Copyright (C) 1997 Crain Communications, Inc. All rights reserved.

Monday, October 20, 1997

## LESS BUCKS FOR WOMEN CABLE EXECS

JIM McCONVILLE CABLE EDITOR

Women may have come a long way in the world of work, but female cable executives are still taking home smaller paychecks than their male peers.

Women cable executive salaries lag 15 percent behind their male counterparts, according to a survey released last week by Women in Cable & Telecommunications and Cablefile Research, a sister company of Cablevision. That compares to a 17 percent wage gap in 1996.

WICT polled approximately 13, 000 telecommunications-cable, satellite, telco/video services and MMDS-executives this

summer with 1, 461 executives responding to the survey.

WICT's survey reported women cable employees with advanced degrees earn less than men with similar backgrounds.

For example, male managers with advanced degrees earn an average of \$66, 269, while female managers with the same education earn \$52, 743, or roughly 20 percent less. Overall, female managers earn 16.6 percent less than male managers.

Besides base pay, women also pull in smaller bonuses. In 1996 men's bonuses averaged 25 percent of their base pay compared to 20 percent of base pay for women.

"The truth is that women aren't receiving equal pay for equal work," said Ann Carlsen, president of consulting firm Carlsen Resources and a WICT spokesperson.

Women still must overcome several obstacles on the road to equal pay, she said, including the old boy's network.

Besides pay, executives involved in the study said there's disparity in the positions held by women and men cable executives. Women executives tend to be clustered in clerical and administrative support,

Copr. © West 1997 No Claim to Orig. U.S. Govt. Works

10/20/97 ELTRM 26

(Publication page references are not available for this document.)

customer service, office manager and training rather than top executive management.

"We see a predominance of men at the president, CEO, regional manager and general manager level, " said Lynne Revco-Cohen, principal of human resources consulting firm Hubbard and Revco-Cohen, which analyzed the study.

WICT's recommendations for closing cable's gender gap include internal reviews of salary scales paid to men and women; using a performance review ratings system for giving salary raises and bonuses; and reassessing companies' recruitment and promotion policies that may relegate women to staff instead of line positions.

There was some good news in the survey: The wage gap may be narrowing. While women still earn less than men, the gap shrunk from 17 to 15 percent this year as women's salaries increased 9.8 percent while men's wages rose 7.5 percent.

----- INDEX REFERENCES -----

NEWS CATEGORY: FINANCE

Word Count: 382

10/20/97 ELTRM 26

END OF DOCUMENT

## **Studies Documenting the Wage Gap Today**

Enclosed are selected surveys demonstrating the current wage gap crisis for American working women. The surveys represent a sampling of the research and analysis of the wage gap and illustrate how the gap affects women across economic and educational demographics. We have also included information from the Institute for Women's Policy Research (IWPR).

### **1. U.S. Department of Education**

*"A Descriptive Summary of 1992-93 Bachelor's Degree Recipients 1 Year Later"* August, 1996  
(See page 59 in the attached document)

This study of recent college graduates shows us that education is still not paying off for women.

The study tracked 1992-93 graduates one year later and demonstrated that women earned 16% less than their male counterparts when they entered the workforce.

The average annual salary of bachelor degree recipients in 1992-1993 was \$26,440 for men and \$22,286 for women, a difference of \$4,154.

We have also provided an executive summary of a report by the Department of Education, Office of Educational Research and Improvement titled *Women at Thirtysomething: Paradoxes of Attainment*. This document reports a study of the educational careers and labor market experiences of women in the high school class of 1972 through the time they were 32 years old. Despite high academic achievement, women only achieved pay equity in 12 out of 33 occupations. The report states that "[b]oth women's knowledge and their willingness to share that knowledge in the workplace are critical to the Nation's future, and should be rewarded so that all of us may benefit."

### **2. Women in Cable & Telecommunications Foundation**

*"The Fifteen Percent Gap"* 1997 Survey

This comprehensive self-reported survey demonstrates that women in the telecommunications industry only earn about 85% of what their male counterparts earn (\$50,376 compared to a salary of \$59,354 for men), but in one category the difference was as high as 45%. In addition, the pay gap continues to be evident among men and women with similar job levels, education levels, and job tenure. For example, men with advanced degrees and one to three years of experience earn 30% more than women with similar education and job tenure.

In management positions, the survey found that women with advanced degrees earn 20% less than male managers with the same degree of education.

### **3. *Purchasing Magazine's Report on Salary Surveys***

#### ***"Purchasing Pay Rises But Unusually Large Gender Gap Remains"***

This report examined the wage gap in the field of purchasing. It demonstrates that "even when years of experience are taken into account the pay gap stubbornly persists." In one instance, the gap cited is a \$121,000 difference.

The report confirms an earlier report written by John M. McDellar, C.P.M., who has served as Director of Education for the National Association of Purchasing Management and as an Assistant Professor at the University of Wisconsin School of Business Management, Madison. The analysis, looking into the pay discrepancy between men and women in the purchasing field was conducted at the University of Wisconsin. Gender, marital status, education, experience, ethnicity, and organizational title were used as variables in an attempt to determine what effect they have on salary.

Excerpts include:

"The analysis indicated that none of the factors could completely explain the differences in compensation between men and women in the purchasing profession. When all the variables were held constant, a statistically significant difference still existed between men's and women's salaries. The data for 1991 showed that the average salary for a male was more than \$12,000 higher than the average salary for a female."

"Further analysis of the data indicated that only 48% of the \$12,000 pay gap between male and female purchasers could be attributed to factors such as education and experience. The balance of the difference must therefore be attributable to unknown factors or to factors by which gender alone causes women to earn less."

"As women's education, experience, and levels of responsibility increase, will women's pay levels increasingly be on par with men? The numbers suggest otherwise. Looking at this year's EBN salary survey data, we see that experience and title do not seem to equalize the pay gap. Men working in purchasing for one to two years had a mean salary of \$33,600 while women made \$25,900. Men with 20 or more years experience had a mean salary of \$55,100 while women made \$39,700."

"The same holds true when one looks at salaries by title. Men in management positions made 34% more than women in 1996, and men in staff positions made 25% more than women. These numbers suggest that discrimination against women in hiring, work assignments, and promotions still cannot be disregarded as potential factors that help to perpetuate the inequality in male-female compensation."

**4. American Bar Association, Committee on the Status of Women in the Profession,**  
*"Unfinished Business, Overcoming the Sisyphus Factor"* December, 1995

This report of lawyers in selected regions underscores that women start out behind their male counterparts (see page 9). In 1993, the average annual income of female lawyers with 1-3 years of experience was \$30,806 compared to the \$37,500 received by men with comparable experience. In the 10-20 year bracket, men outpace women \$90,574 to \$68,466. The data in this report also shows women behind at the general counsel level and at "all levels of the legal department."

**5. Cejka and Company**

*"Physician Compensation and Production Survey: 1996 Report"*

Table 5 demonstrates wage gaps ranging from 10% (psychiatry) to 23% (plastic surgery).

In addition, according to two studies cited by the Council on Graduate Medical Education (COGME), female physicians earn less than male physicians in all five specialties reviewed. These include general family practice, internal medicine, pediatrics, obstetrics-gynecology, and psychiatry. The pay gap was greatest in psychiatry, where women earned \$58,745 less than their male counterparts. The pay gap was smallest in obstetrics-gynecology where women earned \$7,460 less than their male counterparts.

When assessing salaries in terms of the number of years in practice, women earned less than men across the board. For instance, women with 1-4 years of practice earn an average of \$92,800 per year while men with 1-4 years of practice earn \$153,600 per year -- a yearly difference of \$60,800!

**6. Institutional Investor**

*"The 62 percent solution?"* May 1997

This is a report on a recent survey by Rivel Research Group commissioned by NIRI. The overall average wage gap discrepancy is 62 cents for women in investor relations (financial management). The report states that "the experience factor does not account for all the gender differences in cash compensation."

---

**NATIONAL CENTER FOR EDUCATION STATISTICS**

---

**Statistical Analysis Report**

**August 1996**

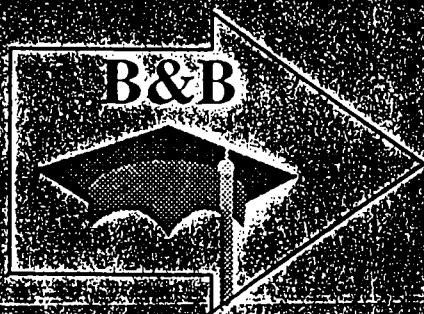
---

**Baccalaureate and Beyond Longitudinal Study**

---

**A Descriptive Summary of  
1992-93 Bachelor's Degree  
Recipients 1 Year Later**

**With an Essay on Time to Degree**



---

U.S. Department of Education  
Office of Educational Research and Improvement

**NCES 96-158**

## The Employment and Enrollment Status of 1992-93 College Graduates

The tables included in this section of the compendium focus on the employment and enrollment status and experiences of 1992-93 college graduates about 1 year after they received their bachelor's degrees. Unless otherwise noted, the status variables were based on participants' reports of their employment and enrollment in April 1994.

### *Overview of Employment and Enrollment Status*

- In April 1994, approximately 87 percent of 1992-93 bachelor's degree recipients reported being employed; 73 percent were working full time; 14 percent were working part time; an additional 5 percent were looking for work; and 9 percent were out of the labor force. The overall unemployment rate (excluding those out of the labor force) was 4.9 percent (table II.1).
- College graduates who were either not working or working part time were more often enrolled full time than those working full time: nearly 60 percent of college graduates who reported being out of the labor force in April 1994 and 24 percent who were unemployed were enrolled full time in further education. The same was true for nearly 30 percent of those who were working part time. In contrast, only 3 percent of college graduates working full time in April 1994 were enrolled full time (table III.1a).
- About 27 percent of 1992-93 bachelor's degree recipients had enrolled in further education since their college graduation. Approximately 17 percent had enrolled in graduate or professional programs; 5 percent had enrolled in bachelor's degree programs or lower; and 6 percent were not pursuing a formal credential (table III.1b).

### *Employment: April 1994*

- Among 1992-93 bachelor's degree recipients, men and women were equally likely to be employed (about 87 percent), but women were more likely than men to work part time (16 percent versus 12 percent) (table II.1).
- Although employment rates for 1992-93 college graduates were generally high, they differed according to major field of study. For example, 90 percent of students who had majored in a professional field of study were employed in April 1994, compared with 82 percent who had majored in the arts and sciences (table II.1). At the same time, those who had majored in the arts and sciences were also more likely to be out of the labor force in April 1994 than those who had majored in a professional field (13 percent versus 6 percent) (table II.1), and were also more likely to have enrolled in a graduate program (23 percent versus 14 percent) (table III.1b).

- About three-fourths (75 percent) of college graduates reported that their job was related to their degree and that it had career potential (72 percent); a little more than half (56 percent) reported that a bachelor's degree was required to obtain their job (table II.2).
- With respect to their April occupation, one-fifth of college graduates who were employed in April 1994 had jobs in business and management, and 16 percent had jobs in professional fields other than education, business, health, and engineering. Twelve percent of graduates were working in education as teachers, and 18 percent had administrative support jobs (table II.3).

### *Full-Time Salaries*

Salaries are reported for college graduates who were employed full time in April 1994, regardless of their enrollment status (about 73 percent of all graduates). The salaries represent the annualized wages/salaries reported for the April job. Thus, if the respondent reported an hourly or monthly wage, it was annualized. Yearly salaries that exceeded \$500,000 or were less than \$1,000 (less than 1 percent) were removed from the analysis.

- Among 1992-93 college graduates employed full time in April 1994, men had significantly higher average salaries than women (\$26,440 versus \$22,286) (table II.4).<sup>33</sup>
- The average full-time salaries of college graduates who had majored in professional fields (business, education, engineering, health, or public affairs/social services) were higher than those who had majored in the arts and sciences (\$26,029 versus \$22,160, respectively) (table II.4).
- Among the professional fields of study, the average full-time salary was higher for those who had majored in either health professions (\$31,302) or engineering (\$30,948) than it was for graduates who had majored in business fields (\$27,069), public affairs/social services (\$22,042), or education (\$19,280) (table II.4).

---

<sup>33</sup>This was also true within majors with the exception of health, engineering, biology, the humanities, and psychology. U.S. Department of Education, National Center for Education Statistics, 1993 Baccalaureate and Beyond Longitudinal Study First Followup (B&B:93/94), Data Analysis System.



## *Underemployment*

Three job-related items were examined to assess the level of underemployment among 1992–93 college graduates. For this analysis, only graduates who were employed and not enrolled in further education in April 1994 were included. If respondents were employed in jobs that were part time, that did not require a college degree,<sup>34</sup> or that had no career potential, they were considered to be underemployed.

Among college graduates who were employed and *not* enrolled in April 1994:

- Approximately 12 percent reported working part time (table II.5).
- About 43 percent of employed graduates reported having jobs in which a bachelor's degree was not required to obtain employment, and a smaller proportion (about 26 percent) reported that their job had no career potential (table II.5).

## *Unemployment*

The unemployment rates were calculated for April 1994 (about 1 year after graduation) and are based on all college graduates who were in the labor force, regardless of their enrollment status. Note that a majority (58 percent) of graduates who were out of the labor force in April 1994 were enrolled full time in school at that time (see table III.1a).

- In April 1994, the unemployment rate for 1992–93 college graduates was 4.9 percent (the rate excludes those not in the labor force) (table II.6). As a point of reference, the U.S. unemployment rate for April 1994 was 6.4 percent (for 20- to-24-year-olds, it was 10 percent, and for adults 25 and older, it was 5 percent).<sup>35</sup>
- The unemployment rate for college graduates who had majored in professional fields of study (4 percent) was lower than the rate for those who had majored in the arts and sciences (6 percent) (table II.6).
- Approximately 29 percent of 1992–93 college graduates had experienced some period of unemployment since their graduation, with an average duration of 5 consecutive months of unemployment (table II.6).
- While Hispanic and black, non-Hispanic graduates appeared to have higher unemployment rates (8 percent for both groups) than white, non-Hispanic graduates (4 percent), there is not enough evidence to support the conclusion that these unemployment rates are different (the difference is not statistically significant) (table II.6).

---

<sup>34</sup> Respondents were asked whether a degree was required to obtain the job, rather than to do the job.

<sup>35</sup> Bureau of Labor Statistics Analysis Office, Bill Denning, personal interview.

*Comparisons of 1993 College Graduates With 1990 College Graduates (1991 Recent College Graduates Survey)<sup>36</sup>*

- The percentage of recent college graduates who were employed in the month of April following their graduation increased slightly between 1991 and 1994 (from 85 percent to 87 percent).<sup>37</sup> However, it was slightly more common for 1993 college graduates to work part time than it was for 1990 graduates (14 percent versus 11 percent), and it was slightly less common for 1993 graduates to be out of the labor force (8 percent versus 11 percent) (table II.7).
- 1990 and 1993 graduates were equally likely to report that their April job following graduation was related to their degree (76 and 75 percent, respectively) and that a bachelor's degree was required to obtain the job (56 percent for both groups). However, 1993 graduates were less likely to report that the job had any career potential (72 percent versus 79 percent) (table II.7).
- The average full-time salary for recent college graduates was \$25,038 for 1991 graduates, and \$24,195 for 1993 graduates (in 1994 dollars). There is not sufficient evidence to support the conclusion that the salaries for the 2 years are different (the difference is not statistically significant) (table II.7).

---

<sup>36</sup>U.S. Department of Education, National Center for Education Statistics, *Occupational and Educational Outcomes of Recent College Graduates 1 Year After Graduation: 1991* (Washington, DC: 1993).

<sup>37</sup>This percentage includes graduate students working as graduate or teaching assistants.

# **Women at Thirtysomething: Paradoxes of Attainment**

**U.S. Department of Education  
Office of Educational Research and Improvement**

# WOMEN at THIRTYSOMETHING: Paradoxes of Attainment

Clifford Adelman  
Senior Associate, Office of Research

## Executive Summary

[This study will be a chapter in a collection of studies, *Archives of a Generation*, to be published later in 1991, and thus includes references to other chapters in that volume. *Archives* is based on the National Longitudinal Study of the High School Class of 1972, an extraordinarily rich assembly of data consisting of surveys conducted in 1972, 1973, 1974, 1976, 1979 and 1986, high school records and test scores, and, most importantly, the postsecondary transcripts of those individuals from the high school class of 1972 who attended any kind of postsecondary school or college at any time between 1972 and 1984.]

This study describes the educational careers and labor market experience of women in the high school class of 1972 through the time they were 32 years old. The paradox of this story--that women's educational achievements were superior to those of men, but that their rewards in the labor market were thin by comparison--is set in the context of national economic development.

### *Women's Educational Attainment*

Women's academic performance in high school was far stronger than that of men, and those who studied more than 2 years each of math and science performed just as well as men with the same curricular backgrounds on the SAT. At the same time, both their educational aspirations and plans were lower than those of men. Nonetheless, they continued their education after high school at the same rate as men, were rewarded more with scholarships for postsecondary education, and completed college degrees (both bachelor's and associate's) faster than did men.

Using actual college transcripts, this study tells a more complex story of curricular preference than we have ever heard. Yes, the "women's curriculum" is dominated by human services and humanities courses, the men's by business and core science and engineering courses. But there are different patterns of course-taking *within* fields, and some of the most interesting are in foreign languages, biological sciences, English, and math.

Women's grade point averages in college were higher than men's no matter what field they studied. This pattern held in individual courses, particularly in mathematics, where women earned higher grades than men in both statistics and calculus. As a result of their undergraduate achievements, the educational aspirations of women changed considerably, with dramatic increases in the percentage aspiring to graduate degrees. And a higher percentage of women than men continued their education

after the age of 30, whether or not they had previously earned a degree. Women's curricular preferences changed, however, during this period of their lives, as more of them moved into fields such as accounting and computer science.

From age 18 to age 32, the women of the Class of '72 developed more positive attitudes toward education than did men, and came to believe that they truly benefited from schooling.

### *Women's Labor Market Experience*

These beliefs, however, did not hold up in the labor market, where the evidence of women's superior educational performance and commitment was discounted. Between age 25 and 32, for example, a much higher percentage of women than men experienced genuine unemployment, no matter what degree they had earned.

The analysis of such features of economic life as unemployment, occupation, and earnings in this story compares men to women who did not have children by age 32, as these two groups are more likely to have similar amounts of job experience.

In only 7 of 33 major occupations did women achieve pay equity with men. In five other occupations, four of them in business-related fields, women who took more than 8 credits in college-level mathematics achieved pay equity. Outside of these areas and these conditions, however, the men of the Class of '72 were paid more than the women without children no matter what unit of analysis is applied.

Despite the discouraging pattern of earnings differentials, more women than men found their education relevant to their work, and, among bachelor's degree holders, more women than men came to work "a great deal" with ideas, the engine of an information economy. Women also took a more positive attitude than men toward working conditions, relationships on the job, and development of new skills. They were, in short, more enthusiastic and potentially productive workplace participants at the same time that they were under-rewarded.

Do women value traditional economic rewards? Yes. In fact, they came to value salary in occupational and job selection more than did men. At the same time, however, men's general life values tilted more toward materialism and self-centeredness than did those of women. These differences are confirmed by the patterns of involvement of men and women at age 32 in different kinds of organizations, clubs, and charities.

The study concludes that both women's knowledge and their willingness to share that knowledge in the workplace are critical to the Nation's future, and should be rewarded so that all of us may benefit.



WOMEN IN CABLE  
& TELECOMMUNICATIONS  
Foundation

For Immediate Release

Contact: Jim Flanigan  
(312) 634-2343

## Survey Finds Women in Cable Companies Make 15 Percent Less Than Their Male Counterparts *WICT Foundation Calls for Changes*

CHICAGO (October 14, 1997) -- The Women in Cable & Telecommunications (WICT) Foundation released the findings of a comprehensive survey today that shows persistent salary disparity among men and women working for multivideo distribution services companies (MVDS), which encompasses cable operators, direct broadcast satellite, and telco video services.

On average, women in this industry are compensated at a rate 85 percent of their male counterparts. The average reported 1997 salary paid to women was \$50,376 versus an average 1997 male salary of \$59,354.

Even when filtering the data to compare respondents with similar job levels, education levels and job tenure, the pay gap still exists. In some cases the gap is even worse. More than 41 percent of the respondents reported their position as manager. Within that group, the pay gap for men and women with advanced degrees was more than 20 percent. Women with advanced degrees and who have been in their jobs for one to three years made 30 percent less than a their male counterparts with similar education and job tenure.

The gap, overall, does appear to be closing. Due mainly to women having reported bigger pay increases from 1996 to 1997 the pay gap has narrowed from 17 percent in 1996 to its current level. However, it is difficult to tell if this one year shift is a statistical anomaly, a one year shift or truly a trend in the MVDS industry.

In response to the findings, the WICT Foundation is offering a series of suggestions companies can use to ensure they are compensating men and women equitably and to address the issues surrounding pay equity.

-more-

**Salary Parity**  
**Page 2**

The WICT Foundation suggests companies address gender pay equity issues by:

- undertaking internal reviews of salaries paid to men and women within their own salary structures,
- instituting formal performance review rating systems. Pay and bonus decisions are often linked to performance issues, and
- examining and changing recruitment and promotion structures that relegate women into staff positions while men advance to the executive suite through the line positions they dominate.

The survey was conducted in conjunction with *Cablevision Magazine* and the publication's sister research service CableFile. Additional analysis of the salary parity aspects of the survey were completed by the human resources consulting firm of Hubbard & Revo-Cohen, Inc.

Results were drawn from the completed responses of 759 men and 627 women. Factors built into the survey were education level, performance ratings, time in current job, time with current employer, time in the industry, job title, facility location, and employer's subscriber base.

A complete report on the findings of the survey and recommended tools for companies to use to insure equity in salaries can be obtained by calling the WICT Foundation fax on demand system at (888) ASK-WICT and requesting document number 7005 or by calling the WICT Foundation at (312) 634-5270.

Established in 1985, the Women in Cable & Telecommunications Foundation is a not-for-profit entity designed to address long-range workforce trends and issues impacting the productivity of the industry. The Foundation serves as a catalyst for change through research, development and awareness.

###



WOMEN IN CABLE  
& TELECOMMUNICATIONS  
Foundation

For Immediate Release

Contact: Jim Flanigan  
(312) 634-2343

## Female Cable Managers Make Less Than Male Counterparts Despite Equal Education and Tenure

CHICAGO (October 14, 1997) -- Women working as managers for multivideo distribution services companies (MVDS), which encompasses cable operators, direct broadcast satellite, and telco video services make as little as 55 percent of their male counterparts despite equal education and tenure in their jobs.

This is one of the findings released today as part of the Women in Cable & Telecommunications (WICT) Foundation white paper report "The Fifteen Percent Gap." The results are drawn from the responses of 759 men and 627 women to a comprehensive, self-reported survey examining compensation issues in the MVDS segment of the telecommunications industry.

Overall, the pay gap between men and women working in MVDS is 15 percent. However, when accounting for the key factors of education and tenure, the gap appears to widen.

The largest respondent group (41 percent) was that of manager. In that category, there is nearly a 30 percent gap between men and women with advanced degrees and who have been in their jobs one to three years. A women with an undergraduate degree and between four and six years in her job, on average, makes just 69.7 percent of the salary paid to a man with similar education and tenure.

When comparing just education, the gap is persistently greater than the overall wage gap. Women with advance degrees make 20.4 percent less than men with like educational backgrounds. For those with undergraduate degrees, the gap is 17.3 percent. The Associate/Vocational degree category has a 20.4 percent gap, and the gap for those with high school diplomas is the greatest at 21.7 percent.

-more-

WICT  
Foundation



## **Salary Parity**

### **Page 2**

The survey was conducted in conjunction with *Cablevision* Magazine and the publication's sister research service CableFile. Additional analysis of the salary parity aspects of the survey were completed by the human resources consulting firm of Hubbard & Revo-Cohen, Inc. Factors built into the survey were education level, performance ratings, time in current job, time with current employer, time in the industry, job title, facility location, and employer's subscriber base.

A complete report on the findings of the survey and recommended tools for companies to use to insure equity in salaries can be obtained by calling the WICT Foundation fax on demand system at (888) ASK-WICT and requesting document number 7005 or by calling the WICT Foundation at (312) 634-5270.

Established in 1985, the Women in Cable & Telecommunications Foundation is a not-for-profit entity designed to address long-range workforce trends and issues impacting the productivity of the industry. The Foundation serves as a catalyst for change through research, development and awareness.

###

**(Note: a complete table of salaries for managers by tenure and education is attached)**

## MVDS Manager Average Salary Levels by Tenure and Education

| <u>Advanced Degree</u> | <u>Male Salary</u> | <u>Female Salary</u> | <u>% Difference</u> |
|------------------------|--------------------|----------------------|---------------------|
| Under one year         | \$59,000           | \$55,700             | 94.4                |
| 1-3 years              | \$64,447           | \$45,257             | 70.2                |
| 4-6 years              | \$66,521           | \$49,400             | 74.3                |
| 7-10 years             | \$58,572           | \$50,439             | 86.1                |
| More than 10 years     | \$82,803           | \$62,917             | 76.0                |
| Category Average       | \$66,269           | \$52,743             | 79.6                |

| <u>Undergraduate Degree</u> | <u>Male Salary</u> | <u>Female Salary</u> | <u>% Difference</u> |
|-----------------------------|--------------------|----------------------|---------------------|
| Under one year              | \$59,552           | \$44,808             | 75.2                |
| 1-3 years                   | \$50,707           | \$47,172             | 93.0                |
| 4-6 years                   | \$64,926           | \$45,237             | 69.7                |
| 7-10 years                  | \$51,407           | \$49,334             | 96.0                |
| More than 10 years          | \$53,445           | \$45,049             | 84.3                |
| Category Average            | \$56,007           | \$46,320             | 82.7                |

| <u>Assoc./Vocational</u> | <u>Male Salary</u> | <u>Female Salary</u> | <u>% Difference</u> |
|--------------------------|--------------------|----------------------|---------------------|
| Under one year           | \$51,255           | \$47,916             | 93.5                |
| 1-3 years                | \$50,246           | \$40,788             | 81.5                |
| 4-6 years                | \$55,306           | \$40,479             | 73.2                |
| 7-10 years               | \$51,990           | \$38,276             | 69.8                |
| More than 10 years       | \$52,175           | \$40,358             | 77.4                |
| Category Average         | \$52,194           | \$41,563             | 79.6                |

| <u>High School</u> | <u>Male Salary</u> | <u>Female Salary</u> | <u>% Difference</u> |
|--------------------|--------------------|----------------------|---------------------|
| Under one year     | \$41,550           | \$45,237             | 108.9               |
| 1-3 years          | \$48,075           | \$42,286             | 88.0                |
| 4-6 years          | \$50,787           | \$34,388             | 67.7                |
| 7-10 years         | \$53,263           | \$29,597             | 55.5                |
| More than 10 years | \$47,686           | \$37,531             | 78.7                |
| Category Average   | \$48,272           | \$37,808             | 78.3                |

| <u>Tenure Only</u> | <u>Male Salary</u> | <u>Female Salary</u> | <u>% Difference</u> |
|--------------------|--------------------|----------------------|---------------------|
| Under one year     | \$52,839           | \$48,415             | 91.6                |
| 1-3 years          | \$53,368           | \$43,876             | 82.2                |
| 4-6 years          | \$59,385           | \$42,376             | 71.4                |
| 7-10 years         | \$53,808           | \$41,911             | 77.9                |
| More than 10 years | \$59,027           | \$46,463             | 78.7                |

# The Fifteen Percent Gap

Gender Salary Parity Analysis of the Women in  
Cable & Telecommunications Foundation/  
*Cablevision* Magazine Compensation Survey



Funding for the publication of the  
salary parity results was generously  
provided by  
Tele-Communications, Inc.



WOMEN IN CABLE  
& TELECOMMUNICATIONS  
*Foundation*

230 West Monroe Street • Suite 730 • Chicago, Illinois 60606  
(312) 634-2330 • Fax (312) 634-2345

© 1997 *Women in Cable & Telecommunications Foundation*

# Introduction

The Women in Cable & Telecommunications Foundation and *Cablevision* Magazine conducted a comprehensive self-reported salary survey during the summer of 1997. The survey was carried out by Cablefile Research, a sister company of *Cablevision*. *Cablevision* published general salary findings in its October 6, 1997 issue.

Analysis for the salary parity aspects of this survey were provided by Hubbard & Revo-Cohen. Funding for the publication of the salary parity results was generously provided by Tele-Communications, Inc.

The survey was sent to 13,000 telecommunications executives (primarily *Cablevision* subscribers and Women in Cable & Telecommunications members) who work for multiple video distribution service (MVDS) companies—cable operators, satellite distributors, telco video services, MMDS. The results are based on 1,461 responses.

Our purpose is to examine the results as they relate to salary parity in this segment of the telecommunications industry. Additional surveys will be conducted in other segments of the industry, including programmers and suppliers.

Sample

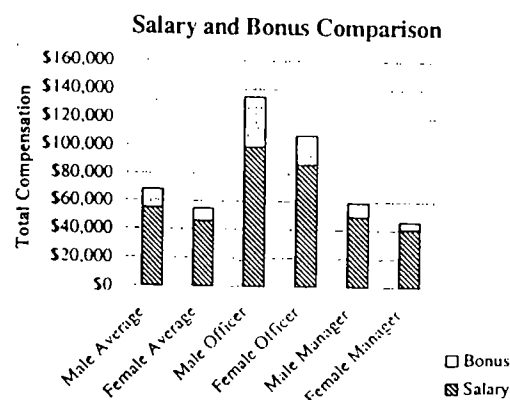
## The Wage Gap

"I feel there is a big gap in the cable industry, as far as wages and educational training opportunities are concerned, for women. There needs to be an equitable wage scale for all employees, regardless of gender or race."

47-year-old woman, working as an office manager for a cable system office with less than 10,000 subscribers. She has an associate's degree.

Overall, women in the MVDS segment of the telecommunications industry earn 15% less than the 1997 base salaries of men. Women are earning less than men in every area except the professional and technical areas. Overall, monetary compensation for women in 1996 was 20 % lower than for men.

Women's bonuses also are lagging behind their male counterparts. Men's 1996 bonuses averaged one quarter of their higher base pay, while women's bonuses represented only one-fifth of their lower base pay. Women's bonuses in total dollars amounted to slightly less than 70% of their male counterparts.



While women earn less than men, they may be making gains. The survey's findings indicate that the gap may be narrowing. Overall, women's salaries increased 9.8% from 1996 to 1997, while men received raises of 7.5%. The overall wage gap narrowed from 17% to 15% over the last year and holds true in every job category except supervisor.

While women and men self-report that they have been promoted by their current employer at about the same rate, women report more recent promotions than men. Of those women promoted by their current employers, 75% report the promotion in the last three years, compared to 66% of men in the same time frame.

# The Position Gap

"It is still extremely difficult for women to reach upper management levels in top companies. I had to leave the 'big leagues' to get to my current officer level - a smaller entrepreneurial firm. I can count on one hand the times I saw a less qualified male promoted over me. In addition, the marketing discipline is not a respected discipline-often a staff management position-rather than a line position."

41-year-old vice president of marketing for a small cable headquarters who has an undergraduate degree.

"The system that I work in seems to support me in relation to where I'm at now in my career. However, it seems that there is definitely a restriction as to how far I would be able to advance."

41-year old dispatch supervisor for an MMDS system office with less than 100,000 subscribers. She has an associate's degree.

Women tend to be clustered in clerical and administrative support, human resources, customer service/consumer affairs, office manager and training areas. In fact, only three male respondents were in the clerical categories, compared with 74 females, precluding evaluation of salary parity at that level. Among survey respondents, 48.9% of the men are engineers and technicians compared with 4.4% of the women. Conversely, 52% of the women are in office management, customer service, public affairs, human resources or marketing.

Among survey respondents, women and men hold almost equal numbers of senior management positions, including senior officers, officers and directors (127 women and 134 men reporting). In fact, 55% of the directors responding to the survey were women. At the senior levels, women tend to hold positions in human resources, public affairs and marketing while men hold the majority of positions such as CEO/president, regional manager and general manager. Of the 86 senior managers reporting job titles in human resources, public affairs and marketing, 68.6% were women and 31.4% were men. Of the 78 respondents reporting titles of CEO/president, regional manager and general manager, 23.1% were women and 76.9% were men.

Women tend to work at larger systems or at company headquarters. Twenty-six percent of women and 19.2% of men report working at corporate headquarters while 43.7% of women and 26.6% of

men report working in systems with more than 200,000 subscribers (the largest category listed in the survey).

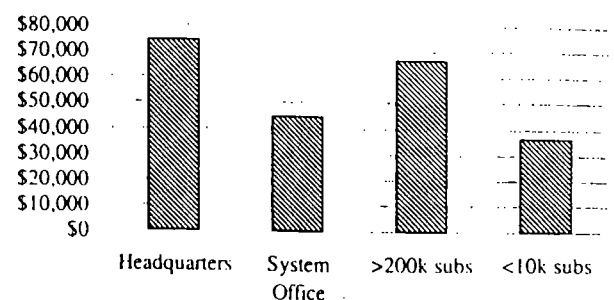
As reported in *Cablevision*, the average salary at corporate

headquarters in 1997 is \$74,432 vs. \$44,474 at a system office, or 40% less. Employees at the largest systems earn an average of \$66,827 while at systems of less than 10,000 subscribers, the average salary was \$36,255, or 45.8% less.

Even in job categories where women dominate employment at both headquarters and at systems of 200,000 or more subscribers, a wage gap exists. For example, among senior officers, while 63% of the women work at headquarters and 53.6% are at systems of over 200,000, women earn 11% less than their male colleagues.

Women in professional and technical areas have achieved salary parity with their male colleagues, with women's salaries ranging from 97.2% to 104.1% of men. However, men represent 74% of the respondents in these categories. The men and women in these areas also hold different types of positions. Men are engineers and technicians, while women hold a variety of positions, including marketing, ad sales, human resources and public affairs. Of the 218 engineers and technicians in this category responding to the survey, 95.4% were men and 4.8% were women. At the same time, 55 respondents reported working in marketing, ad sales, human resources and public affairs. Of those, 34.5% were men and 65.5% were women.

Average Salary by Workplace



# Education, Performance and Tenure

"Our system is a white, male-dominated company.

Advancement is slow for women and minorities.

Training is provided on a continuing basis in-house, however, advance training through outside organizations such as WICT is discouraged unless it is within driving distance. This is not equitable because our male dominated technical staff is allowed the opportunity to travel outside our area to gain advanced training."

40-year-old community relations manager working for a cable system with more than 150,000 subscribers. She holds an undergraduate degree.

wage gap

same

Women have higher levels of education than men. Almost 46% of the respondents hold a college or advanced degree. Of those, 55% are women. While the industry does pay more highly educated employees higher wages (\$78,620 for those with advanced degrees vs. \$39,294 for employees with high school diplomas, as published in *Cablevision*), men and women with equal education are paid different wages. For example, male managers with advanced degrees earn an average of \$66,269, while female managers with the same level of education earn \$52,743, or 20.4% less. Overall, female managers earn 16.6% less than male managers.

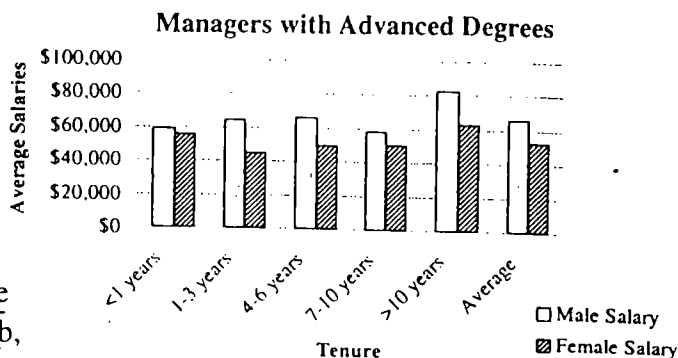
Men tend to have longer service with their current employer, in their current position and in the industry, with 36% reporting ten or more years with their current employer, compared to 25% of women.

However, the survey also shows that among employees with the same tenure in their current job, men are paid more than women.

Among managers with more than 10 years in their current position, women earn 21.3% less than men.

The data shows that more recently promoted or hired women are being paid more closely to their male colleagues. Female managers with less than one year in their current position earn 91.6% of the male managers responding to the survey.

Women reported higher performance ratings than men, with 66% of the women reporting high ratings, while 60% of the men reported the same. Women also tend to be slightly younger than men (almost 37 vs. 41).



## Conclusion

"I love my job. I have the world's greatest boss. I worry about future opportunities, however, despite my own excellent performance when I see the lack of female VPs in my company as well as the lack of female directors on the board"

34-year-old woman with an advanced degree, working as a manager of strategic planning in a regional cable office with more than 200,000 subscribers.

While these general findings indicate that the wage gap of 15% in the MVDS sector of the telecommunications industry may be narrowing, it does still exist. In addition, bonuses paid to women are smaller than those paid to men.

Women hold more advanced educational degrees than men, while men tend to have held their positions longer than women. However, the difference in wages persists, and in some cases is larger than the average, even when comparing men and women with equal education and tenure in their positions.

Women are more likely to work at company headquarters or in large system offices. More women have been promoted in the last three years than men.

Women in the technical and professional fields have achieved parity with their male colleagues, but hold different types of positions. Men and women at every job level hold different types of positions, with women more likely to hold positions in human resources, customer service, public affairs and marketing, while men are more likely to be CEOs, regional and general

managers and engineers. The comments survey respondents included indicate that many women within the industry do not see progress toward salary parity.

## The WICT Foundation Responds

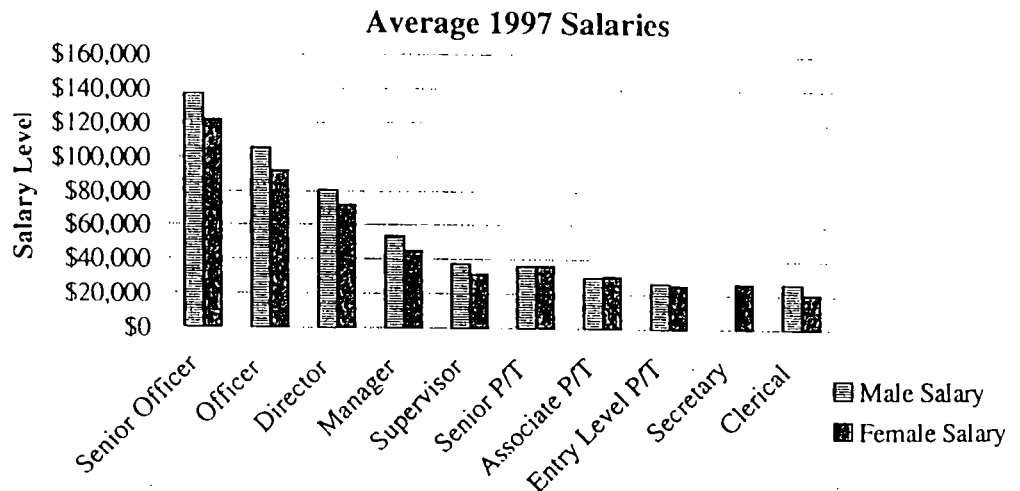
“The ‘glass ceiling’ makes it very difficult to advance to an officer level for females and especially minorities, without sacrificing your entire personal life. I am currently working part-time and believe, as a result, I am no longer taken seriously.”

Financial analysis director working at a DBS corporate office. She is a 36-year-old white woman with an advanced degree.

The MVDS segment of the telecommunications industry is to be commended for efforts which move salaries of men and women toward parity. That disparity still exists requires further action.

When education and experience together do not close the gap, but rather, in some instances, widen it, the disparity needs to be corrected. In addition, the WICT Foundation calls upon the industry to make greater efforts to combat the perception, quite strong among women, as indicated in the comments to this survey, that women are not paid equally to men, and that the industry is still a “good ol’ boys” network.

Women will continue to make up a larger portion of the new entrants to the workforce well into the next century. Attracting and retaining the best of those women will be significantly influenced by the salary structure and advancement opportunities within the industry. Women will continue to seek out those industries and companies that pay them equitably, and avoid those that do not. If the industry addresses and corrects this issue quickly, it will continue to attract top quality employees. Without such efforts, the future quality of the workforce could be in jeopardy.



## Tools for Change

The findings of this WICT Foundation survey do not speak to the specific situation in any particular company. We urge all MVDS companies to undertake an internal evaluation of salary parity within their own structure. The results of such a study can be used to repair any inequities each individual company may find.

Performance review systems are an integral component of fair compensation. Only 71% of the men and 79.6% of the women reported that they receive regularly scheduled performance reviews. Although performance review rating systems are viewed with skepticism by many business leaders, employees need and want unbiased feedback on their

“My company is very in tune to women in cable and are very encouraging and complimentary of professional women. I am with a leader in the industry that hires and promotes women.”

25-year-old woman with an undergraduate degree working as a sales planner, a senior level professional position. She works in a regional office with 200,000 subscribers.

“I still find that there is a male gender-based hierarchy in the industry. Women are involved, but I feel they are not identified as decision-makers. I also feel that the men merely allow the women to ‘think’ they are making a difference. They still tend to make the decisions based on their perspective.”

45-year-old telemarketing supervisor working in a regional office with 200,000 subscribers.

performance, both successes and areas for improvement. As pay and bonus decisions are often linked to performance issues, the industry needs to strive for greater use of formal appraisal systems and for the implementation of those systems in a consistent manner.

The clustering of men and women in different types of positions—line vs. staff—shown by this survey also is an industry generalization. The WICT Foundation urges each company to look at their own hiring, promotion and retention patterns to evaluate how employees are clustered. In addition, we urge companies to evaluate the communications used to inform employees of the types of entry and middle level positions which tend to lead to senior positions within the company, and to look at how men and women fare in those types of positions. Finally, we recommend that senior executives look for opportunities to move women holding staff positions into line positions, providing women with opportunities to show that they are able to achieve in such posts.

Mentoring often provides the means for women to move into higher positions and/or positions with greater potential for moving to the executive suite. Formal and informal mentoring programs can be beneficial in providing women the opportunities to take on line positions. The WICT Foundation suggests identify those women already employed by their companies who have great potential and create a formal or informal mentoring program for them.

The WICT Foundation recognizes that every senior executive wants to think that their company has solved the gender equity issue and already pays men and women equally. This study reveals that inequities exist across MVDS companies. Each senior executive now needs to ask, “how does my company stack up?” Finding the answer requires diligence, and it requires accountability. By appointing a task force of senior level executives to oversee these internal reviews and making sure that the findings are heard, companies will be able to create change within their corporate structures.

Change comes from recognizing statistics, and it comes from recognizing personal behavior patterns that contribute to the statistics. By bringing diversity training into the executive suite, companies will shine a clear light on how the senior officers in the company treat diverse individuals in terms of pay and advancement opportunities. Evaluate the cross-gender communication pattern operating throughout the corporate structure; the results may be startling.

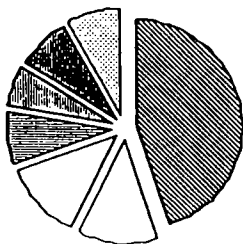
This industry is on the cutting edge of communications technologies. It has afforded women many opportunities as the industry grows and changes. The WICT Foundation urges MVDS companies to continue to provide those opportunities by placing women’s salaries and bonuses in alignment with those of men.



# Senior Officers

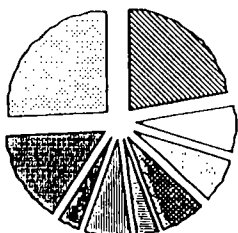
- Females earn 89% of their male colleagues salaries in 1997.
- The average male salary is \$136,804, and the average female salary is \$121,817.
- Women represent 35% of survey respondents in this category.
- 81.5% of women hold college or advanced degrees, compared to 70.8% of the men.
- 42.9% of the men reported receiving regular performance appraisals, compared with 63% of the women. 70.4% of the women reported a high rating, vs. 61.2% of the men.
- The majority of both men and women have been with the same employer 10 years or more.
- 51.1% of the men were promoted by their current employer, and 60% were promoted in the last three years. For women, 72% were promoted by their current employer, 58.8% in the last three years.
- 44.9% of the men are president/CEO vs. 22.2% of the women. Women CEO's represent 8% of the total respondents in this category, while men represent 29%.
- 14.8% of the women are in human resources, while no men responded in that category.
- 33.3% of the men work in systems of less than 10,000 subscribers, compared with 7.7% of the women. Conversely, 53.8% of women work in systems of over 200,000 vs. 40% of the men.

## Male Senior Officers



- ▨ President/CEO
- Regional Manager
- General Manager
- ▨ Administration
- ▨ Finance
- ▨ Marketing
- ▨ Engineering
- ▨ Human Resources
- ▨ Other

## Female Senior Officers



# Officers

- Women earn 87.3% of men's 1997 salaries among survey respondents.
- The average male salary is \$105,831, and the average female salary is \$92,438.
- Women represent 48.3% of survey respondents in this category.
- 75% of women hold college or advanced degrees, compared with 81% of men.
- 43.8% of men and 82.8% of women report receiving regular performance reviews. 92.3% of the men and 86.2% of the women report high ratings in their last review.
- Men and women in this category have been in their current positions about the same length of time, almost a quarter reporting 10 years or more.
- 35.7% of women have been with their current employer ten or more years, compared with 46.9% of men.
- 46.9% of men were promoted by their current employer, vs. 82.1% of women. 43.8% of the men were promoted in the last three years, while 57.1% of women were promoted in that time frame.
- One-quarter of the men in this category report they are engineers, while no women report in that category.
- 15.6% of men are general managers, vs. 3.4% of men.
- 24.1% of women are in financial management, vs. 9.4% of women.
- 10.3% of women are in public affairs, while no men reported in that category.
- 59.4% of men work in company headquarters, vs. 44.8% of women.
- Two-thirds of both men and women work in systems of over 200,000.

## Director

- Women earn 89% of men's 1997 salaries at this level among survey respondents.
- The average male salary is \$80,254, and the average female salary is \$71,448.
- Women make up 54% of respondents in this category.
- 87% of women hold college or advanced degrees, vs. 80% of men.
- 70% of men and 81.7% of women report receiving regular performance reviews. 83.3% of men and 79.4% of women report high ratings in their last review.
- Half of both men and women in this category have been in their current job one to three years.
- 18.3% of women have been with their current employers ten years or more, while 31.7% of men have that tenure.
- 69% of men were promoted by their current employer, while 36.6% of women report the same.
- 79% of women and 67.6% of men were promoted within the last three years.
- 29.5% of the women and 26.7% of the men in this category are in marketing.
- 10% of the men and 2.8% of the women are general managers.
- 15% of the men and 1.4% of the women are engineers.
- 10% of the men are in programming, while no women reported in that category.
- 16.9% of the women are in human resources, while no men reported in that category.
- 9.9% of the women and 3.3% of the men are in public affairs.
- About half of both men and women work at company headquarters.
- More than 65% of both men and women work at systems larger than 200,000 subscribers.

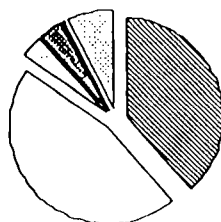
## Manager

- Women earn 83% of their male counterparts 1997 salaries in this category.
- The average male salary is \$53,502, and the average female salary is \$44,607.
- Women make up 48% of the respondents in this category.
- 57% of the women hold college or advanced degrees, while 43.8% of the men hold similar degrees.
- 78.7% of men and 78.9% of women report receiving regular performance reviews. 50.8% of men and 66.7% of women report high ratings in their last review.
- Men and women have similar tenure in their current positions, but 40.8% of the men have been with their current employer ten or more years, vs. 26.6% of the women.
- About two-thirds of both men and women have been promoted to their current positions within the last three years. One third of the men and two thirds of the women were promoted by their current employer.
- 28.7% of the male respondents in this category are general managers, compared with 12.9% of the women.
- 25.3% of the men are engineers, vs. 1.1% of the women hold the same position.
- 16.1% of the women are office managers, vs. 4.7% of the men.
- 7.2% of the women are in public affairs, vs. 1.7% of the men.
- 6.1% of the women are in human resources, vs. 0.7% of the men.
- The majority of both men and women in this category work in system offices.
- 41.7% of the men work in systems with less than 40,000 subscribers, compared with 34.7% of women.
- 18.8% of men work in systems with more than 200,000 subscribers, while more than 30% of women work in the largest systems.

## Supervisor

- Women earn 85% of their male counterparts 1997 salaries among respondents to the survey in this category.
- The average male salary is \$37,554, and the average female salary is \$31,860.
- Women represent 42% of the respondents in this category.
- 30.9% of the women hold college or advanced degrees, compared with 14% of men.
- 83.5% of men and 84.4% of women report receiving regular performance reviews. 45.6% of men and 60.8% of women report high ratings in their last review.
- Men and women have been in their current positions about the same length of time.
- 55.3% of men have been with their current employer ten or more years, compared with 33.8% of women.
- The majority of both men and women (54.3% and 62.7% respectively) were promoted within the last three years. More than 75% of both men and women were promoted by their current employer.
- 35.9% of men in this category are engineers, compared with 2.6% of women.
- 30.1% of men are technicians, vs. 6.5% of women.
- 23.4% of women are in customer service, compared to 6.8% of men.
- 15.6% of women are in marketing, vs. 3.9% of men.
- 11.7% of women are in office management, vs. 5.8% of men.
- The overwhelming majority of both men and women work in system offices.
- 38.8% of men, and 19.7% of women work in systems with under 40,000 subscribers.
- 36.8% of women and 21.4% of men work in systems with over 200,000 subscribers.

Male Senior Prof/Tech

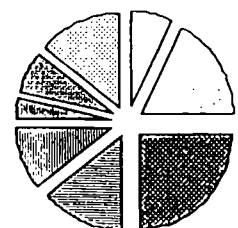


## Senior Level

### Professional/Technical

- Women earn 99.9% of the male respondents 1997 salaries in this category.
- The average male salary is \$36,857, and the average female salary is \$36,803.
- Women represent 17.3% of the respondents.
- 78.6% of women hold college or advanced degrees, compared with 18.2% of men.
- 77.4% of men and 82.1% of women report receiving regular performance reviews. 51.1% of men and 64.3% of women report high ratings in their last review.
- 50% of the women have been in their current position 1 - 3 years, while 44.5% of men have been in their positions for more than 10 years.
- About half of the men and one-third of the women were promoted by their current employer. 53.7% of the men, and 88.2% of the women were promoted in the last three years.
- 46% of the men in this category are technicians, vs. 7.1% of the women
- 38.7% of the men are engineers, but none of the women.
- 25% of the women are in ad sales, vs. 3.6% of the men.
- 17.9% of the women are in marketing, vs. 3.6% of the men.
- The women in this category are spread between company headquarters (35.7%) and system offices (42.9%). The men work predominately in system offices (65.2%).
- 45.6% of the men work in systems with less than 40,000 subscribers, while 57.7% of the women work in systems with more than 200,000 subscribers.

Female Senior Prof/Tech



## Associate Level Professional/Technical

- Women earn 104.1% of the male respondents in this category.
- The average male salary is \$29,902, and the average female salary is \$31,133.
- Women make up 32.8% of the respondents in this category.
- 16.3% of the men have college or advanced degrees, compared with 56.5% of the women.
- 73.5% of men and 84.8% of women report receiving regular performance reviews. 49% of men and 54.3% of women report high ratings in their last review.
- 27.6% of men have been in their current jobs more than 10 years, while 26.1% of women have been in their jobs less than one year.
- 46.9% of men and 58.7% of women have been promoted by their current employer, the majority of both men and women within the last three years.
- 66.3% of the men in this category are technicians, compared with 6.5% of women.
- 17.3% of men are engineers, vs. 6.5% of women.
- 21.7% of women are in marketing, but no men.
- 10.9% of women are in ad sales, vs. 3.1% of men.
- 10.9% of women are in public affairs, but no men.
- 73.5% of men work in system offices, compared with 51.1% of women.
- 22.4% of men work in systems with 200,000 or more subscribers, compared with 75.6% of the women.

## Entry Level Professional/Technical

- Women earn 97.2% of male respondents in this category.
- The average male salary is \$26,779, and the average female salary is \$26,034.
- Women represent 42.9% of the respondents in this category.
- 38.5% of men and half the women hold college or advanced degrees.
- 76.9% of men and 60% of women report receiving regular performance reviews. 46.2% of men and 80% of women report high ratings in their last review.
- 90% of the women have been in their current position 3 years or less, compared with 38.5% of the men.
- 60% of the women have been with their current employer three years or less, and half were promoted by their current employer. Among men, 38.5% have been with their current employer three years or less, and 38.5% were promoted by that employer.
- 76.9% of the men are technicians, but none of the women.
- 15.4% of the men are in marketing, but none of the women.
- 20% of the women are in financial positions, but none of the men.
- 20% of the women are engineers, but none of the men.
- 20% of the women are in ad sales, but none of the men.
- 40% of the women work in regional offices and another 40% in system offices. 61.5% of the men work in system offices, and 23.1% are in regional offices.
- 40% of the women work in systems with more than 200,000 subscribers, vs. 15.4% of the men.

# Purchasing Pay Rises But Unusually Large Gender Gap Remains

## Survey Overview

Purchasing salaries increased only slightly over the past year, but bonuses continued to play a substantial role in taking up the slack, according to a study conducted by Purchasing Magazine, an industry trade journal. For the majority of purchasing positions, the larger the company and the greater the dollar responsibility of the purchaser, the higher the salary. The actual title, however, can also have a strong influence on pay. In addition, this study, which has followed the gender-based pay gap for 13 years, reports that it still exists—even when experience is taken into account.

## Selected Data

Taking a look at the data by industry, purchasers in primary metals earn the overall highest salary, \$61,500 (see Table 1). For women, however, the average salary in the industry is far less, at \$36,300. The high end of the salary spectrum among the industries reveals an even larger pay gap: Men in primary metals earn up to \$161,000, compared with \$40,000 for women. Even though part of this difference may be due to length of experience, another portion of the survey found that when years of experience are taken into account the pay gap stubbornly persists.

Among industries, primary metals is one of the more extreme in gender-based pay gaps. For example, in the next highest-paying industry, chemicals, the gap is narrower. The chemical industry has long been one of the higher-paying fields for purchasing personnel, coming in second this time, with an average salary of \$60,000. For male purchasers, the average salary is \$64,100, while it is \$47,400 for women.

Dropping down the list is lumber, the lowest-paying industry, at an average of \$33,000. Interestingly, lumber is the one industry in the survey where there is a reversed gender pay gap:

Women take in slightly more, \$33,500, compared with \$32,000 for men.

Inevitably, the size of the company affects purchasing salaries. There is, however, one exception. At companies with sales of \$251 million to \$500 million, the average salary is \$55,700, while at the next larger company (sales of \$501 million to \$1 billion) the average salary is \$53,600 (see Table 2). At companies with sales over \$1 billion, pay jumps to \$64,500. The average salary is less than half that, \$31,300, at the smallest companies, those with sales of under \$2 million. One reason for these pay differences is simply that purchasers at larger companies are dealing with larger dollar amounts in their work, which translates to more responsibility.

The pay gap between male and female purchasers, whether it is by company size, industry, or experience, is not easily explained. During the 13 years of this study's existence, the gender gap

Table 1. Average Salary, by Industry, (\$000)

| Industry              | All    | Men    | Women  |
|-----------------------|--------|--------|--------|
| Primary metals        | \$61.5 | \$64.9 | \$36.3 |
| Chemicals             | 60.0   | 64.1   | 47.4   |
| Paper                 | 58.4   | 67.8   | 41.7   |
| Transportation        | 58.0   | 61.7   | 38.4   |
| Financial Services    | 57.1   | 57.4   | 56.4   |
| Food, tobacco         | 54.8   | 59.5   | 36.1   |
| Petroleum             | 54.5   | 57.4   | 46.1   |
| Public utilities      | 53.9   | 57.7   | 45.3   |
| Transportation eqt.   | 53.0   | 57.2   | 40.6   |
| Printing, publishing  | 52.7   | 61.6   | 40.6   |
| Stone/glass/clay      | 51.5   | 63.7   | 27.0   |
| Furniture             | 50.7   | 57.0   | 31.8   |
| Electrical eqt.       | 49.4   | 54.5   | 36.6   |
| Rubber                | 48.5   | 54.5   | 42.5   |
| Construction          | 47.9   | 52.3   | 32.1   |
| Instruments           | 46.3   | 45.7   | 47.5   |
| Fabricated metals     | 46.1   | 50.1   | 33.1   |
| Wholesale             | 44.7   | 47.5   | 32.9   |
| Misc. manufacturing   | 44.3   | 50.8   | 35.3   |
| Energy                | 43.6   | 54.4   | 31.0   |
| Machinery excl. elec. | 40.5   | 43.2   | 35.1   |
| Textile, leather      | 36.7   | 39.9   | 28.3   |
| Lumber                | 33.0   | 32.0   | 33.5   |

(Source: Purchasing Magazine)

has not narrowed, even as women have entered and remained in the purchasing field. Women who have acquired the same amount of experience as men still do not earn the same pay. For example, women with less than three years' experience earn an average \$33,500, compared with \$46,900 for men (see Table 3). This pay gap persists as experience levels rise. For those with over 15 years behind them, men earn \$61,200 to women's \$42,500. This study also compares men and women who both have certification, have the same amount of education, and hold the same job title, and in all cases the gap remains, with little explanation available. For example, a male buyer with CPM certification earns an average \$61,700, while a female buyer with CPM earns \$48,400.

Breaking down purchasing salaries by title, an interesting finding emerges: Job titles affect pay levels. For example, the title of purchasing agent sounds as if it would be a higher level position than senior buyer, yet a senior buyer averages more, \$44,400, compared with the \$39,200 that a purchasing agent takes home (see Table 4). This holds true for both men and women. But, of course, titles that contain the words "director" or "vice president" are paid the most: A purchasing director earns \$77,400 and a purchasing vice president earns \$102,500.

#### Purchase Information

The complete salary survey, in two volumes, with data broken down by 11 different categories, is available from

Purchasing Magazine, P.O. Box 497, New Town Branch, Boston, MA 02258; 617-558-4348.  
Cost: \$450. □

**Table 2. Salary vs. Company Size (\$000)**

| Company Size<br>(annual sales) | Average Salary |        |        |
|--------------------------------|----------------|--------|--------|
|                                | All            | Men    | Women  |
| Less than \$2 mil.             | \$31.3         | \$35.2 | \$25.5 |
| \$2 mil. to \$10 mil.          | 34.7           | 37.4   | 30.1   |
| \$11 mil. to \$20 mil.         | 39.6           | 43.5   | 32.6   |
| \$21 mil. to \$50 mil.         | 44.3           | 49.0   | 34.8   |
| \$51 mil. to \$125 mil.        | 49.2           | 52.5   | 40.0   |
| \$126 mil. to \$250 mil.       | 52.0           | 59.9   | 34.7   |
| \$251 mil. to \$500 mil.       | 55.7           | 59.1   | 41.7   |
| \$501 mil. to \$1 bil.         | 53.6           | 56.2   | 47.1   |
| More than \$1 bil.             | 64.5           | 68.4   | 47.8   |

(Source: Purchasing Magazine)

**Table 3. Salary by Experience (\$000)**

| Years<br>Experience | Average Salary |        |        | Highest Salary |         |
|---------------------|----------------|--------|--------|----------------|---------|
|                     | All            | Men    | Women  | Men            | Women   |
| 3 or fewer          | \$41.0         | \$46.9 | \$33.5 | \$158.0        | \$116.0 |
| 4 to 6              | 41.9           | 47.3   | 31.8   | 200.0          | 60.0    |
| 7 to 10             | 45.3           | 49.6   | 37.4   | 156.0          | 110.0   |
| 11 to 15            | 52.5           | 57.3   | 41.6   | 280.0          | 80.0    |
| More than 15        | 57.8           | 61.2   | 42.5   | 350.0          | 80.0    |

(Source: Purchasing Magazine)

**Table 4. Salary vs. Job Title (\$000)**

| Title                        | Average Salary |        |        | Highest Salary |        |
|------------------------------|----------------|--------|--------|----------------|--------|
|                              | All            | Men    | Women  | Men            | Women  |
| Buyer                        | \$32.5         | \$35.7 | \$29.7 | \$68.0         | \$51.0 |
| Senior buyer                 | 44.4           | 46.1   | 40.9   | 90.0           | 63.0   |
| Purchasing agent             | 39.2           | 42.1   | 34.5   | 100.0          | 75.0   |
| Purchasing manager           | 54.3           | 56.4   | 45.1   | 173.0          | 97.0   |
| Materials manager            | 59.4           | 60.6   | 52.3   | 350.0          | 116.0  |
| Materials director           | 75.9           | 81.3   | 38.3   | 125.0          | 60.0   |
| Subcontracting administrator | 48.8           | 46.9   | 44.8   | 57.0           | 51.0   |
| Purchasing director          | 77.4           | 78.4   | 65.7   | 183.0          | 115.0  |
| Vice president purchasing    | 102.5          | 104.5  | 38.0   | 280.0          | 38.0   |

(Source: Purchasing Magazine)

Assessing  
the

# EXPERI- ENCES

of Women  
Lawyers



**"If there is one message  
that echoes forth...let it be  
that human rights are  
women's rights and  
women's rights are human  
rights once and for all."**

HILLARY RODHAM CLINTON  
FOURTH WORLD CONFERENCE,  
BEIJING 1995

## **ELUSIVE EQUALITY**

Women are now a permanent and integral part of the profession, comprising more than 20% of all lawyers and nearly 50% of all law students.<sup>3</sup> Nevertheless, gender equality remains theoretical.

Despite the influx of women into the profession since 1970, workplace issues that existed when women were virtually invisible remain unresolved. These are issues universal to working women: pay inequity, skewed opportunities for advancement, sexual harassment, and hostility to family needs. Industries, on advice of their legal counsel, have instituted gender-fair employment programs; but the legal profession has not taken its own advice. Law firms are resistant and sometimes hostile to progressive employee policies that are effective in many corporations.

### **WOMEN IN THE PROFESSION**

*Distribution of U.S. lawyer population in selected years by gender*

| YEAR |       | NUMBER  | PERCENT |
|------|-------|---------|---------|
| 1960 | Men   | 278,499 | 97%     |
|      | Women | 7,434   | 3%      |
| 1971 | Men   | 345,295 | 97%     |
|      | Women | 9,947   | 3%      |
| 1980 | Men   | 498,020 | 92%     |
|      | Women | 44,185  | 8%      |
| 1985 | Men   | 569,649 | 87%     |
|      | Women | 85,542  | 13%     |
| 1991 | Men   | 646,495 | 80%     |
|      | Women | 159,377 | 20%     |
| 1995 | Men   | 688,434 | 77%     |
|      | Women | 207,738 | 23%     |
| 2000 | Men   | 736,774 | 73%     |
|      | Women | 269,068 | 27%     |

ALL STATISTICS REFLECT THE BEGINNING OF THE YEAR SHOWN. STATISTICS FOR 1995 AND 2000 ARE ESTIMATES.

(Source: Commission on Women in the Profession, "Women in the Law: A Look at the Numbers," Chicago: American Bar Association, November 1995.)

Gilbert F. Casellas, chair of the Equal Employment Opportunity Commission, minced no words in his April 1995 speech to the ABA,

*"...an industry with one of the most abominable and embarrassing records has to be that industry comprised of America's largest law firms. It is overwhelmingly male and predominantly white. How many other billion dollar industries...have managed to survive serious and sustained legal challenge? It is just cause for some professional soul searching and some concrete corrective action."*

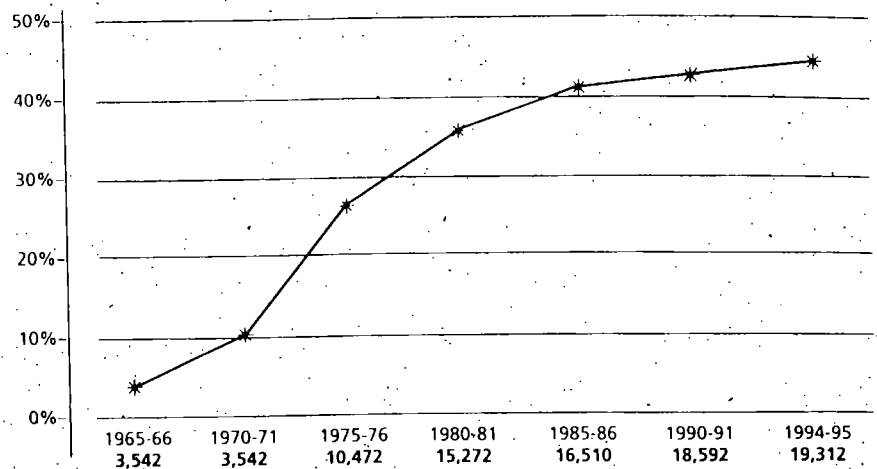
Women lawyers who have succeeded often have done so at tremendous personal sacrifice. Many attribute their achievements to a willingness and ability to adapt to a work culture that is defined by and for white men. Many placed family or personal life at risk as they emulated the male model of "commitment" to the law. Young women are reluc-

3. *Id.*



## WOMEN ENTERING LAW SCHOOL

Academic Years 1965-66 to 1994-95



(Source: Barbara A. Curran & Clara N. Carson, "The Lawyer Statistical Report: The U.S. Legal Profession in the 1990s," Chicago: American Bar Foundation, 1994.)

The 1994 study of the University of Pennsylvania Law School chronicled similar hostility in "Becoming Gentlemen: Women's Experiences at One Ivy League Law School":

*"Female Student: 'If someone was rumored to be a woman who speaks too much [in class], she was a lesbian.'*

*Another Female Student: 'After I discovered I was being called a feminazi dyke, I never spoke in class again.'*"<sup>6</sup>

During Commission hearings on law school environments, students testified they had experienced undergraduate studies as gender neutral and fully expected to be accepted as equal colleagues in the more intellectually select law school environment. These women were not prepared for the bias they confronted.

*"I've been in classes where my male peers smirk whenever a female professor says anything," observes a Chicago law school student. "They question her right to be in this world. These same men did not question the male professor. It drives you nuts because they are making presumptions about the level of knowledge based on nothing but gender."*

Gender bias is not confined to the student population. One need only examine the hiring practices and treatment of women law professors to understand the depth of the problem. Although the number of women lawyers in academia has increased dramatically to approximately 28% during the past two decades, only 19.3% of tenured law faculty nationwide are women.<sup>7</sup> In fact, law students often complete first-year core courses without having a single female professor.<sup>8</sup>

6. Lani Guinier et al., "Becoming Gentlemen: Women's Experience at One Ivy League Law School," *University of Pennsylvania Law Review*, Vol. 143, No. 1, November 1994, p. 52. However, Professor Jean Love at the University of Iowa College of Law set out to see if there was similar gender bias at her own school. Using the same measures as the Pennsylvania study, including grade-point average, class rank, faculty chosen honors and membership on the law review, Love found that the women's performance at Iowa equalled the men's performance. Several possible reasons for this result are that Iowa has smaller first-year sections where women may feel more comfortable speaking, and students compete for positions on law review and moot court without reference to grades, thus opening the field to talented women.

7. ABA Commission on Women in the Profession, "Women in the Law: A Look at the Numbers," Chicago: American Bar Association, November 1995, citing the Association of American Law Schools, December 1994.

8. Female professors are scarce at the first-tier law schools, and even when they are on the faculty they are not always in visible roles. Recent research found that in six top-tier law schools, women professors taught less than 20% of the courses for first-year students, ranging from a low of 5% at the University of Chicago to a high of 18% at Harvard. [Source: "The Fertile Octogenarian," Newsletter of the Law Women's Caucus, University of Chicago Law School, October 1995. Other schools included in the sample were Columbia (14%), Michigan (15%), Northwestern (17%) and Yale (11%).]

- Margaret F. Brinig,  
law professor,  
George Mason University

The most prestigious committees, curricula and tenure, are rarely chaired by women.<sup>9</sup> Feminist jurisprudence is treated as a "fringe" subject and seldom incorporated into course material. Too few case studies involve women, unless rape or divorce is at issue, and even then these subjects are frequently treated in a demeaning manner.

Law schools, as educators and employers, have an obligation to correct inequities. When law schools engage in or condone bias, the lesson taught is that discrimination is acceptable. Some law schools are addressing gender-related issues by hiring and granting tenure to women academics, and monitoring the environment and curricula. Law schools must teach by example. The concept of equal opportunity and the precepts of gender neutrality should be instilled in the minds of future generations of lawyers.<sup>10</sup>

### THE COMPOSITION OF SCHOOL ADMINISTRATION AND FACULTY

*Professionals employed in law schools: Gender distribution by position held (1994)*

| Position held           | Number | Percent Men | Percent Women |
|-------------------------|--------|-------------|---------------|
| Dean                    | 178    | 92          | 8             |
| Associate Dean          | 323    | 67          | 33            |
| Assistant Dean          | 310    | 31          | 69            |
| Head Librarian          | 170    | 56          | 44            |
| Professor               | 4,051  | 83          | 17            |
| Associate Professor     | 1,170  | 60          | 40            |
| Assistant Professor     | 657    | 48          | 52            |
| Lecturer/Instructor     | 433    | 33          | 67            |
| Visiting Professor      | 220    | 55          | 45            |
| Dean/Professor Emeritus | 719    | 95          | 5             |
| Total Positions         | 8,231  | 72          | 28            |

(Source: Association of American Law Schools, December 1994)

Women are present on our nation's law campuses but rarely in the most prestigious positions in the hierarchy. In his study, "The Hiring and Retention of Minority and Female Faculty in American Law Schools," Richard Chused confirms that the more tenured women in the law school faculty, the greater the likelihood that women would obtain tenure in the future.<sup>1</sup>

1. Marina Angel, "Women in Legal Education: What It's Like to Be Part of a Perpetual First Wave or the Case of the Disappearing Women," *Temple Law Review*, Vol. 61, 1988, pp. 799, 829; Richard Chused, "The Hiring and Retention of Minority and Female Faculty in American Law Schools," *University of Pennsylvania Law Review*, Vol. 137, 1988, pp. 537, 552.

## IN SEARCH OF GENDER FAIRNESS

Women enter the practice of law on an equal footing with their male peers. In 1994, the Commission noted that

*"...the employment market has changed dramatically since women began entering the profession in significant numbers...Thirty years later, many of the entry-level*

*"The first Federal law against sex discrimination in employment was the Equal Pay Act (EPA) of 1963, enacted as a Fair Labor Standards Act amendment 18 years after it was first introduced in Congress and more than a half century after women's and labor groups had adopted the fight for 'equal pay and equal work.'"*

*"...the EPA was the first nationwide legal protection to require that women working in what were then characterized as 'men's jobs' be paid the same wage that men received. This legal right remains important today because many women work in predominantly male occupations."*

U.S. DEPARTMENT OF LABOR  
WOMEN'S BUREAU 1993 REPORT  
"WOMEN WORKERS: TRENDS  
AND ISSUES"

9. Faculty appointment and tenure decisions are very subjective, and rely heavily upon the "old boy" networks. Without the participation of women in these decisions, the male hegemony perpetuates itself. (Source: Marina Angel, "Women in Legal Education: What It's Like to Be Part of a Perpetual First Wave or the Case of the Disappearing Women," *Temple Law Review*, 61, 1988, pp. 799, 829)

10. To gain a perspective on women's experiences in law school, the Commission embarked on a project in 1994 to assess law school environments. The fact-finding included regional hearings throughout the country and a review of studies and law reviews on gender influences in law schools. The Commission report examining the experience of students, faculty and administrators will be released in January 1996.

## UNEQUAL PAY IN THE LEGAL WORKPLACE

### Average Annual Income By Years of Practice

|                   | Women     | Men       |
|-------------------|-----------|-----------|
| Less than 1 Yr.   | \$22,581  | \$23,636  |
| 1-3 Years         | \$30,806  | \$37,500  |
| 4-9 Years         | \$49,191  | \$57,511  |
| 10-20 Years       | \$68,466  | \$90,574  |
| More than 20 Yrs. | \$102,500 | \$104,103 |

The 1993 survey of Colorado lawyers revealed dramatic disparities along gender lines. Of great concern is the \$7,000 differential that exists at the 1-3 year level, when women and men are equally inexperienced and have not established a substantial client income base.<sup>1</sup>

### Survey of Corporate Law Departments

|                 | Women     | Men       |
|-----------------|-----------|-----------|
| General Counsel | \$152,000 | \$205,000 |

This study also reported that, on the average, women were paid less than men at all levels of the legal department.<sup>2</sup>

### Legal Services Executive and Managerial Positions

|                   | Women    | Men      |
|-------------------|----------|----------|
| Director          | \$53,084 | \$57,886 |
| Deputy Director   | \$48,073 | \$54,630 |
| Managing Attorney | \$37,982 | \$48,677 |

Despite the high visibility of women lawyers in legal aid programs, on average men in legal services are making more than women.<sup>3</sup>

### Not For Lawyers Only

The lack of economic parity in the legal workplace tracks a similar profile in the general workforce. Although gains have been made, the ratio of women's 1994 median weekly earnings to men's still stands at 76%. Even in traditionally female occupations where women outnumber men, women still earn less. The elite business arena is not immune from this disparity either. The Federal Glass Ceiling Commission's report cites a 1990 Business Weekly report on earnings of MBA graduates from the top 20 business schools one year after graduation men earned 12% more than women in comparable positions.<sup>4</sup>

1. Colorado Women's Bar Association and the Colorado Bar Association, "1993 Economic Survey Report," Colorado Women's Bar Association and the Colorado Bar Association, 1994.

2. Shelley Wallace, "Has the Glass Ceiling Been Replaced by the Sticky Floor?" CCM: The American Corporate Lawyer's Corporate Counsel Magazine, February 1995, p. 85. The corporate survey, sponsored by the Bar Association of the City of New York and the American Corporate Counsel Association, covered 3,000 lawyers working in-house at 500 corporations across the country.

3. Kelly A. Miller, "The Pink-Collar Ghetto," *Clearinghouse Review*, February 1995, p. 1108.

4. "20 Facts on Women Workers," U.S. Department of Labor Women's Bureau, *Bulletin* 95-1, May 1995. Federal Glass Ceiling Commission, "Good for Business: Making Full Use of the Nation's Human Capital," March 1995.

employment gaps between women and men are being closed, particularly for white women law school graduates."<sup>11</sup>

Because of entry-level parity, many women do not identify differential treatment as gender-based. As women advance within the professional hierarchy, subtle differences in case assignments, mentoring opportunities, inclusion in social gatherings, and access to clients begin to raise the specter of gender bias.

Pay inequities may be the most glaring discrepancy. The 1993 Colorado Bar Association economic survey report reveals a significant disparity between men and women practitioners.<sup>12</sup>

With regard to corporate counsel, a 1994 Price Waterhouse survey confirms that female attorneys earn less than their male counterparts at every level of seniority. This earnings gap ranged from 7.23% for junior in-house attorneys to a 10.5% gap between male and female general counsels.<sup>13</sup> However, another recent survey found the gap in salaries to be as high as 35% between male and female general counsels.<sup>14</sup> Even among federal government attorneys, 37.7% of the female attorneys are compensated at the lower salary grades compared with only 25.2% of the male attorneys. Wage disparities are even more striking among government attorneys at higher salary grades.<sup>15</sup> Twice as many men as women have reached senior pay levels in federal government attorney positions.

Of course, success within the profession is not measured by money alone. It is also determined by the power wielded within an organization, and women are noticeably absent from positions of influence throughout the profession. Women's participation on compensation committees, management committees, tenure and appointment committees, and judicial review boards is not commensurate with the number of qualified women available. In subtle ways, the job setting precludes women from demonstrating their talents and progressing professionally to the same extent as comparably situated males.

## THE LAW FIRM EXPERIENCE

Women have comprised no less than 37% of all lawyers admitted to practice since 1985. It is incomprehensible that the percentage of women who have attained partnership positions in large firms is still in the low teens.<sup>16</sup> Clearly, advancement opportunities are artificially limited.



In 1988, Chief Justice William H. Rehnquist stated in his speech, "The State of the Legal Profession": "What are the consequences to the associate, to the profession and to the public at large if the associate is expected to bill 2,000 or 2,100 hours per year? Does such an associate have time to be anything but an associate lawyer in that firm? At the time I practiced law, there was always a public aspect to the profession, and most lawyers did not regard themselves as totally discharging their obligation by simply putting in a given number of hours that could be billed to clients."

11. ABA Commission on Women in the Profession, "Options and Obstacles: A Survey of the Studies of the Careers of Women Lawyers," Chicago: American Bar Association, July 1994, p. 2.

12. Colorado Women's Bar Association and the Colorado Bar Association, "1993 Economic Survey Report," Colorado Women's Bar Association and the Colorado Bar Association, 1994.

13. Mike France, "In-House Counsel Shows Gender Gap," *The National Law Journal*, November 28, 1994.

14. Shelley Wallace, "Has the Glass Ceiling Been Replaced by the Sticky Floor?" *CCM: The American Corporate Lawyer's Corporate Counsel Magazine*, February 1995, p. 85. The corporate survey, sponsored by the Bar Association of the City of New York and the American Corporate Counsel Association, covered 3,600 lawyers working in-house at 500 corporations across the country.

15. Only 8.9% of women attorneys have reached the senior pay levels, compared with 13.7% of men attorneys. [Source: National Information Technical Service, "Federal Civilian Workforce Statistics, Occupations of Federal White Collar and Blue Collar Workers," Washington, D.C. September 30, 1993, pp. 70-71].

16. ABA Commission on Women in the Profession, "Women in the Law: A Look at the Numbers," Chicago: American Bar Association, November 1995.



**"It's distressing to see so few women in the partnership ranks, and even fewer multicultural women. Some senior male partners assume that women lawyers are not aggressive enough to get and keep business. Women lawyers must often expend a great deal of time and energy proving their competency and worth to the firm."**

DEBORA CHONG  
PARTNER IN A SAN FRANCISCO FIRM

## WHERE ARE THE WOMEN PARTNERS?

Of post-1967 law school graduates in private practice, 45% of the men had attained partnership status compared with only 18% of the women in 1990. Although large law firms overall can be credited for making the most progress in increasing the number of women partners, there are wide disparities among these firms.<sup>1</sup>

In a 1991 National Law Journal survey of the 251 largest U.S. firms, the representation of women in the partnership ranks in any one firm ranged from a high of 33% to a low of zero.<sup>2</sup> Information from the National Association for Law Placement's 1994 "Directory of Legal Employers" reported that women were partners and of counsel in 12.91% of the 900 individual law offices represented in the sample, predominantly larger law firms.<sup>3</sup>

A 1995 study of eight large New York City law firms reveals a continuing picture of gender disparity at the partnership level. According to this study, male first-year associates consistently attained partnership status at a rate far greater than women. Over time, partnership for both women and men declined as a result of general economic downturns. But, more interesting is that men's rate of decline in attaining promotion dropped by 4%, while women's dropped precipitously by 10%.<sup>4</sup>

| Hire Date         | Promotion to Partner   | Rate of Promotion |
|-------------------|------------------------|-------------------|
| From 1973 to 1981 | Among Male Associates  | 21%               |
|                   | Among Women Associates | 15%               |
| Post 1981         | Among Male Associates  | 17%               |
|                   | Among Women Associates | 5%                |

Another 1995 study drawn from the metropolitan St. Louis area provides a contrast to the dismal New York statistics: 24% of the women who participated in this survey held either partnership rank in a law firm or an executive position in a corporate, governmental or other setting.<sup>5</sup>

### An Added Factor

More and more law firms are creating non-equity partnership positions, which makes it more difficult to measure "comparable" positions in law firms. In one recent survey that looked at 103 law firms in and around San Francisco and Oakland, California, all with more than 15 attorneys, the percentage of non-equity partners who are women was without exception greater than the percentage of equity partners who are women.<sup>6</sup> However more data collection that accounts for the significant differences between equity and non-equity partnership is needed.

1. ABA Young Lawyers' Division, "The State of the Legal Profession 1990 - Executive Summary," Chicago: American Bar Association, 1990.

2. Claudia MacLachland and Rita Henley Jensen, "Progress Glacial for Women, Minorities," *National Law Journal*, January 27, 1992 at 1.

3. NALP press release dated March 22, 1995 regarding the 1994 Directory of Legal Employers.

4. Cynthia Fuchs Epstein, et al., "Glass Ceiling and Open Doors: Women's Advancement in the Legal Profession," A Report to the Committee on Women in the Profession, Association of the Bar of the City of New York, 1995.

5. Bar Association of Metropolitan St. Louis, "The St. Louis Report: State of the Legal Profession," St. Louis: Bar Association of Metropolitan St. Louis, 1995.

6. Queen's Bench Bar Association of the San Francisco Bay Area, "1995 Survey of San Francisco Law Firms," San Francisco: Queen's Bench Bar Association of the San Francisco Bay Area, 1995.

The legal work environment is rife with attitudes and actions that systematically devalue women by excluding them from many avenues of career advancement, restricting their access to key clients, questioning their commitment to the firm if they have or want families, and stigmatizing requests for flexible work schedules

In today's firm culture, lawyers are evaluated on what is generally viewed as a gender-neutral "bottom line" system, using billable hours as the predominant criteria. Yet, billable hours are not an adequate, neutral measure of one's contribution to the firm.

The billable hour criterion negatively impacts on women who carry a greater proportion of responsibilities at home. At the same time, this evaluation system fails to value results, efficiency and client satisfaction. Barbara Billauer, a New York attorney, testified at the 1995 ABA Midyear Meeting hearings:

*"The status of women in the profession is tied to the status of the profession. And the sooner we realize that the law is a service industry and not a manufacturing industry, the better we will all be. A decrease in billable hours for everybody is a goal that serves our clients, as well as ourselves."*

Even when attorneys are evaluated using criteria other than billable hours, the playing field will not be level unless women are provided client networking opportunities, assigned important cases, and invited to participate on prestigious firm committees. A recent Ninth Circuit report found that the majority of women interviewed believe that their gender hinders their ability to obtain "plum" assignments and, therefore, to make partner.<sup>17</sup>

Law firms must recognize that traditional measures of ability are no longer foolproof. Jamienne Studley, a Washington, D.C. lawyer, notes:

*"The real issue is that far too often the people who have the power to set selection standards fall back on traditional, superficial criteria instead of thinking about the substance of the job that needs doing and the abilities needed to do it. At the very least, applying selection shortcuts when both job requirements and the workforce are changing significantly risks poor choices and perpetuation of the status quo. At worst, it can lead to outright discrimination."<sup>18</sup>*

Using the same criteria to evaluate men and women frequently undervalues the contributions of women.

The traditional law firm evaluation process, intended to identify those who merit partnership status, is riddled with myths and stereotypes. One of the most harmful myths is an indictment of women's commitment to the profession. The myth is fueled by "evidence" that women are abandoning their legal careers. No such evidence exists. The most recent information reveals only a 1-2% difference between men and women leaving the profession.<sup>19</sup> Nevertheless, publications sometimes perpetuate the notion that women are leaving the practice of law in droves. The Commission is concerned that employers will use this myth to justify any reluctance to hire women.

*"...there is no greater inequality than the  
equal treatment of unequals."*

— SUPREME COURT JUSTICE FELIX FRANKFURTER IN DENNIS VS. UNITED STATES

17. "The Effects of Gender in the Federal Court," The Final Report of the Ninth Circuit Gender Bias Task Force, *Southern California Law Review*, 67, No. 4, 1994, p. 803

18. Jamienne S. Studley, "Gender Bias: Challenging the Hypothetical," *The Recorder*, January 10, 1992.

19. ABA Commission on Women in the Profession, "Women in the Law: A Look at the Numbers," Chicago: American Bar Association, 1995.



**In its 1995 report, "Glass Ceilings and Open Doors," the Association of the Bar of the City of New York states "[Women] do not have the additional benefits of access to the social networks that men use to develop business relations... and some believe senior men in the firms do not help them to develop such contacts."**



**"Many women lawyers realize that they are not being valued in law firms and leave to go in-house. As more women rise within corporate legal departments to positions of responsibility, they have the authority to select the law firms that will handle the company's legal work. Firms are beginning to realize they must have a diverse team of partners and associates that include women if they want to attract and keep major corporate clients."**

ILVEIA BARNES  
CORPORATE COUNSEL IN CALIFORNIA

Stereotypes are at the core of discrimination. Both men and women report that women lawyers are viewed as insufficiently aggressive, uncomfortably forthright, too emotional, or not as serious as men about their careers. When women opt for family leave or report sexual harassment, these stereotypes are reinforced.

The impact of stereotypes becomes even more startling in the seemingly neutral arena of rainmaking. Law firms view rainmaking as an important indicator of an attorney's worth. Too often, men view women as genetically ill-equipped to succeed as rainmakers. In summarizing the outcome of focus groups, former ABA President William Falsgraf writes in the fall 1995 issue of *Perspectives*, the Commission's newsletter:

*"Men perceive women to be less effective as rainmakers and therefore less likely to advance to the top law firm management positions. There is a nagging sense that some men are fearful of dealing with women. Some suggest that this attitude stems from fear of the appearance of sexual impropriety. Others simply believe that women are difficult to deal with, and men don't want the hassle."*

- Such attitudes foreclose women from traditional business development networks that are often built around male-only activities. Women are thereby denied access to the highest corporate echelons.

Changes in the corporate marketplace are forcing law firms to change their views. As the number of women in senior level corporate positions rises (currently increasing at a rate of 3-5% a year),<sup>20</sup> more law firms are realizing the importance of reflecting the diversity of the clients they serve. To remain competitive in the marketplace, law firms must attract and retain today's women lawyers so that they may in turn attract and retain corporate clients. The change in corporate America could be the catalyst for ensuring that women become fully integrated into the top levels of the profession.

## **CORPORATE COUNSEL**

Women lawyers have made noticeable inroads within corporate law departments. Increasingly, women are replacing men as the chief legal officer at Fortune 250 companies.<sup>21</sup> In 1995, 528 female general counsels were members of the American Corporate Counsel Association, up from 444 in the prior year. According to a 1994 Price Waterhouse survey of corporate law departments, women are employed in 55% of the junior attorney positions.<sup>22</sup>

In 1995, the *National Law Journal* reported that, during the past 25 years, women who valued their lives as professionals but "who felt undervalued or found the [law firm] culture inhospitable have flocked to in-house legal departments."<sup>23</sup> Female attorneys

20. Federal Glass Ceiling Commission, "Good for Business: Making Full Use of the Nation's Human Capital," Washington D.C.: Federal Glass Ceiling Commission, March 1995, p. 10.

21. Ann Davis, "Women's Networking Spreads Work Around," *National Law Journal*, October 9, 1995. Some of the Fortune 250 companies with women as chief legal officers include Sara Lee Corp., American Stores Co., General Mills Inc., Commonwealth Edison Co., American International Group Inc., Transamerica Corp., PNC Bank Corp., Home Savings of America, AMR Corp., Merck & Co., The Gap Inc., Aetna Life & Casualty Co., American Express Co., Dean Witter, and Discover & Co.

22. *Id.*

23. *Id.*

are drawn to in-house work for a variety of reasons. Work schedules are more reasonable than the excessive hours typically demanded by law firms. Corporations value results and efficiency, not just hours. Business development and administrative matters such as associate recruitment are not priorities for the corporate lawyer.

Still, in the vast majority of major corporations, the general counsel is a man. Despite the many advantages of the corporate law environment, female corporate counsels continue to face inequities in both promotion and pay.

## **PUBLIC SECTOR**

Female attorneys are attracted to work in the public sector because the hours required are generally less onerous than in the private sector. Women working for the federal government, for example, feel they face fewer obstacles than women in private firms. The U.S. Department of Justice is at the forefront of federal agencies in creating a workplace environment more hospitable to women. Part-time work, job-sharing, flexible work schedules and on-site dependent care are among the options available to women lawyers in the Department of Justice.

The most recent statistics available indicate that 35% of the approximately 25,000 attorneys in the executive branch of the federal government are women.<sup>24</sup> Despite the large numbers of women attorneys working for the government, a significantly smaller percentage, only 18.5%, is employed at a supervisory level compared with 25.1% of the men.<sup>25</sup> Such disparities are particularly distressing given that government was the first arena to welcome women attorneys. There is simply no excuse for the inadequate representation of women lawyers in the higher echelons of government.

## **THE JUDICIARY**

The recent increase in female federal judges with lifetime tenure is encouraging. In the early 1990s, approximately 10% of federal judges were women. As of January 1995, women constituted a record 31% of President Clinton's appointees (including a second Supreme Court Justice) compared with 19% during the Bush Administration and 8% under President Reagan.<sup>26</sup> As a direct result of the Clinton Administration's appointments, women comprise 12% of the U.S. federal bench.<sup>27</sup> In 1991, an average of 9% of state court judges were women, and the number has continued to rise as a result of appointments and elections. The ongoing selection of women for both the state and federal judiciary is crucial to the creation of a gender-neutral judicial system.

Unfortunately, even women who enjoy the prestige of the judiciary are affected by bias. Judicial evaluation programs reflect that women judges endure consistently stronger criticism than their male colleagues, especially in subjective categories such as demeanor. Those who score high in response to judicial evaluation questions about legal



***"The number of women in critical positions at the Justice Department clearly shows that women can break through the glass ceiling in the legal profession and excel. Never before have the top ranks of any Cabinet department been filled with so many talented and effective women"***

MARCIA GREENBERGER  
CO-PRESIDENT OF THE NATIONAL  
WOMEN'S LAW CENTER

24. National Technical Information Service, "Federal Civilian Workforce Statistics, Occupations of Federal White Collar and Blue Collar Workers," September 30, 1993, pp. 70-71.

25. *Id.*

26. Sheldon Goldman, "Judicial Selection Under Clinton: A Mid-Term Examination," *Judicature*, 78, May/June 1995, p. 276.

27. Supplied by the Federal Judicial Center Office, Statistics as of September 1995.



“...women are the  
architects of society.”

—Harriet Beecher Stowe

16

*"[Women judges are] important as symbols that positions of power and responsibility are attainable for women; they are indispensable as well to the public's confidence in the ability of our courts to respond to the legal problems of all Americans."*

—HON. PATRICIA M. WALD

## WOMEN IN THE JUDICIARY

1995

### Women judges in the federal courts<sup>1</sup>

|                               | Women |
|-------------------------------|-------|
| Supreme Court Justices        | 22%   |
| U.S. Circuit Court of Appeals | 13%   |
| U.S. District Courts          | 12%   |
| Total Federal Court Judges    | 12%   |

Between 1922 and 1992, a total of 59 women sat on the highest state courts. Almost 91% of these women joined the court after 1970, with 69% joining after 1980.<sup>2</sup> Representation of women among state judges increased to 9% by 1991. Progress since 1991 varies greatly from state to state: In New York, for example, between 1986 and 1994, the number of women judges increased from 106 or 9.7% of all judges to 208 or 18.2%. Other states, however, show a distinct lack of progress. For example, in late 1994, the Illinois Supreme Court filled four appellate vacancies and appointed 27 new judges to trial courts in Cook County, the largest circuit in Illinois. None of the appointees were women.<sup>3</sup> Subsequently, women were appointed to the Illinois bench.

1. Federal Judicial Center History Office, Statistics as of September 1995.

2. David W. Allen and Diane E. Wall, "Role Orientations and Women State Supreme Court Justices," *Judicature*, November/December 1993.

3. ABA Commission on Women in the Profession, "Women in the Law: A Look at the Numbers," Chicago: American Bar Association, 1995.

## Star Performers

**Working Mother's tenth anniversary issue features the 100 best companies for working mothers. Researchers located companies that pay the best salaries on an industry-by-industry basis, provide advancement opportunities for women, and family friendly policies and programs.**

**Since the last survey in 1986, Working Mother found a dramatic increase in the number of companies actively accommodating the family related needs of employees. In 1986, only 30 firms were worthy of recognition. In 1995, the list was expanded to 100.**

**Interestingly, the 1995 list includes companies as large as IBM with 106,000 employees and as small as a plumbing products firm with only 27 employees.**

**Note: Law firms and law-related companies were eligible. None made the list.**

Source: Milton Moskowitz and Carol Townsend,

"100 Best Companies for Working Mothers,"

Working Mother Magazine, October 1995.

**"From a lifestyle perspective, I found practicing law intolerable. It might have been tolerable to work 65 hours a week, but from day-to-day, you had no control. I would make dates and break them all the time. Families are less understanding of a woman's inability to be present at functions, and to be attentive to the needs of individual family members."**

JOHNIE HAHN,

A FORMER MANHATTAN ATTORNEY

knowledge, promptness and case management are subject to condescending barbs. Women judges often receive low marks for strong and decisive action, behavior that garners praise for their male colleagues.<sup>28</sup> Judicial evaluation programs sponsored either by bar associations or the courts should closely scrutinize subjective criticisms to determine whether gender bias is the underlying motivation.

In short, women lawyers continue to be underrepresented in the judiciary, despite the growth since 1980 of the number and proportion of women on the bench. Some argue that since judges serve the general population, the number of women judges should reflect the number of women in the community—not the percentage of women lawyers. Based on that premise, women who comprise more than 50% of the population are significantly underrepresented on the bench.

## GETTING A LIFE

The 1988 status report emphasized that balancing work and family was an issue of concern to all people, not just women. The Commission urged the legal profession to seriously consider the balanced life needs of all employees. Yet, seven years have passed and little change is evident. The Commission still believes that, philosophically, these issues relate to everyone; in reality, women bear the greater burden of prioritizing work and family. And, women suffer the most from this daily balancing act.

Today, many law firms have "family friendly" policies. Firms with on-site child care report that these facilities have a positive impact on the recruitment and retention of attorneys and support staff. Firms that offer dependent-care assistance find that it provides a great advantage to the firms' employees, attorneys and clients by alleviating the stress and lost working time that often result from total dependence on ordinary care arrangements. However, these positive steps should be monitored to assure that the benefits are not offset by concomitant increases in billable hour requirements.

A 1994 National Association for Law Placement (NALP) survey of 995 law offices found that alternative work schedules are generally available.<sup>29</sup> About 86% of the offices surveyed indicated that they allow part-time schedules, either by express policy or on a case-by-case basis. After the enactment of the Family and Medical Leave Act of 1993, a National Law Journal study of 800 lawyers in large firms reported that 54% of their firms have a parental leave policy, compared with 32% in 1989.<sup>30</sup>

Unfortunately, lawyers are not using family friendly policies. Despite the growth in the availability of alternative work schedules, parental leave and child care assistance, the profession stands almost exactly where it did in 1988. According to the NALP study, only 4% of associates and 1.2% of partners took advantage of part-time work schedules.<sup>31</sup> Attorneys hesitate to use flexible work schedules, because they fear seri-

28. "The Effects of Gender in the Federal Court," The Final Report of the Ninth Circuit Gender Bias Task Force, *Southern California Law Review*, 67, No. 4, 1994, p. 830.

29. "Part-Time Schedules for Lawyers Widely Available, Minimally Used," 1994 National Association of Law Placement, *Part-Time Lawyering Bulletin*, January 13 1995 (hereinafter "NALP Study").

30. Charise K. Lawrence, "Men and Women Take More Parental Leave at Large Law Firms," *The National Law Journal*, December 20, 1993.

31. The dearth of part-time attorneys distinguishes the profession from both the workforce as a whole and also from more narrowly defined segments of the part-time workforce. According to the Bureau of Labor Statistics, 18% of all those employed and 16% of those employed in professional specialties during 1993 were working on a part-time basis, rates that contrast markedly with the 2.4% rate among attorneys in large law firms. [Source: "Part-Time Schedules for Lawyers Widely Available, Minimally Used," 1994 National Association of Law Placement, *Part-Time Lawyering Bulletin*, January 13, 1995.]

ous professional repercussions. Worse, lawyers who officially work two or three days a week at a reduced salary often find themselves working four or five days a week without any increase in pay or appreciation for the additional commitment. Many lawyers perceive that colleagues who choose flexible work schedules are not seriously committed to the law.

The desire for a whole life is not unique to attorneys with family responsibilities. Given the option, many attorneys would seek an environment that allows them to combine professional satisfaction with personal fulfillment. Legal workplaces should accommodate both work, family and other whole life issues. As one Commission focus group participant aptly put it,

*"Our young lawyers should be able to join a profession and still have time for family. [Women] must be the ones who lead, who push and who make the changes that will allow for this."*

Both women and men stand to benefit from the recognition that committed attorneys can enjoy a life outside the law.

## SEXUAL HARASSMENT

Much has changed since the Commission's 1988 status report in which the specter of sexual harassment in the legal profession was first raised. A 1993 National Law Journal survey revealed that 73% of the reporting firms had a formal written policy on sexual harassment (up from only 38% in 1989).<sup>32</sup> Despite the proliferation of information, increased awareness, and a seemingly sincere commitment by the profession to address the issue, sexual harassment, although less blatant, remains a destructive problem.

### PERCENT OF LAWYERS EXPERIENCING OR OBSERVING SEXUAL HARASSMENT OF FEMALE ATTORNEYS

*Based on the 1994 study of the Bar Association of Metropolitan St. Louis*

*By gender of observer and role of perpetrator*

|                                                          | Superior |     | Colleague |     | Client |     |
|----------------------------------------------------------|----------|-----|-----------|-----|--------|-----|
|                                                          | M        | F   | M         | F   | M      | F   |
| Unwanted sexual teasing, jokes, remarks, or questions    | 4%       | 17% | 12%       | 25% | 10%    | 19% |
| Unwanted pressure for dates                              | 1%       | 2%  | 0%        | 3%  | 1%     | 5%  |
| Unwanted sexual looks/gestures                           | 2%       | 10% | 7%        | 12% | 6%     | 10% |
| Unwanted deliberate touching, leaning over, or cornering | 1%       | 6%  | 1%        | 3%  | 1%     | 3%  |
| Other types of sexual harassment                         | 2%       | 8%  | 3%        | 7%  | 2%     | 6%  |

Because more incidents of sexual harassment occur between colleagues rather than between superior and subordinate, it can be assumed that younger men are committing more sexual harassment than their older counterparts.

The question which this data cannot answer is whether this decrease in the frequency and spread of sexual harassment is indicative of a decrease that has occurred nationally during the past four years or whether this data is merely an indication that St. Louis is markedly different from the national norm.

Source: Bar Association of Metropolitan St. Louis, "State of the Legal Profession in St. Louis, 1993: Survey of Lawyer/Client Relation, Career Satisfaction, and Other Issues."

*"At work, you think of the children you have left at home. At home, you think of the work you've left unfinished. Such a struggle is unleashed within yourself. Your heart is rent."*

—GOLDA MEIR

32. Thom Weidlich and Charise K. Lawrence, "Sex and the Firms: A Progress Report," *The National Law Journal*, December 20, 1993.



***"Until managing partners enforce the rules prohibiting sexual harassment, women's complaints will not be taken seriously. A slap on the wrist and a wink sends the message to male attorneys that they can misbehave with impunity."***

JENNIFER A. KELLER  
SENIOR ASSOCIATE AT A  
MID-SIZE CHICAGO FIRM

The views of men and women differ as to the degree and frequency of sexual harassment in the workplace, but both report observing at least one incident of sexual harassment by a superior.<sup>33</sup> More than half of the women responding to the 1993 *National Law Journal* survey had experienced sexual harassment on the job, yet few reported the incident to firm management.<sup>34</sup> Women cite fear of reprisal as the underlying cause of their reticence. In contrast, in the 1994 St. Louis study, the percentage of men and women observing or experiencing sexual harassment of women lawyers in the past two years is sharply less than that indicated by a survey conducted by the ABA in 1990. Yet, it is unclear whether the St. Louis study reflects a nationwide decline in incidents of sexual harassment or if the results are unique to a Midwestern city.<sup>35</sup>

Effective remedies for sexual harassment will remain elusive so long as perpetrators go virtually unpunished. Although increased consciousness about sexual harassment is a positive step, anecdotal evidence suggests that women often are blamed for diminished collegiality in the workplace. Men avoid women rather than risk the possibility of a harassment claim. In the law firm setting, for example, out-of-town matters or complex cases requiring late nights and weekends frequently are assigned to men. Social interaction is more constrained.

To more effectively fight sexual harassment, the problem must be discussed not only in human, emotional terms, but also in economic terms. Sexual harassment undermines the firm's bottom line, diverting important resources from the business at hand. Women must report incidents of sexual harassment, institutions must reduce the risks of doing so, law firms must sever relationships with perpetrators, and men must understand that polite behavior will seldom be mistaken for sexual harassment.

## **THE BOTTOM LINE**

Eradication of bias requires a hard look at the factors that engender discrimination—a necessary but uncomfortable precursor to progress. Creating opportunities is not simply a matter of adopting gender neutral policies. Many employment procedures appear to be objective: Evaluation processes, sexual harassment policies and equal employment opportunity policies all work on paper. In practice, these methods often fail because latent bias and stereotypes cannot be tackled through written directives alone.

It is the responsibility of both men and women to assure equality in the workplace and opportunities for advancement. Change requires both rhetoric and the will to act.

33. Bar Association of Metropolitan St. Louis, "The St. Louis Report: State of the Legal Profession," St. Louis: Bar Association of Metropolitan St. Louis, 1995, p. 15. The St. Louis statistics update the results of the ABA 1990 national career satisfaction/dissatisfaction surveys.

34. Thom Weldlich and Charise K. Lawrence, "Sex and the Firms: A Progress Report," *The National Law Journal*, December 20, 1993.

35. Bar Association of Metropolitan St. Louis, "The St. Louis Report: State of the Legal Profession," St. Louis: Bar Association of Metropolitan St. Louis, 1995, p. 15.



**Jean Kneale, a Miami attorney, remembers, "We were always told to be women lawyers in a man's suit. That never works. Women are now changing this profession so we can be both a woman and a lawyer in our own right."**

### **Would a Woman Judge Come to These Conclusions?**

**A judge in New York convicts five men of raping an unconscious woman in a local bar and fines each \$750 with no jail time.**

**A judge in Maryland sentences a man to 18 months in jail for killing his wife after finding her in bed with another man, finding his action to be "understandable."**

## **VIVE LA DIFFERENCE**

Sensibilities and perspectives are shaped by life experiences, and women's life experiences are decidedly different from men's. Variations in socialization and education between women and men account for significant differences. Additionally, most women lawyers have encountered some form of gender bias and are more likely than men to be aware of obstacles in the workplace. Although women's opinions are not necessarily dissimilar from their male colleagues on any given issue, each has a perspective influenced by gender.

Even today, male judges and lawyers of all ages continue to be largely unaware of the differing experiences and perceptions of their female colleagues. The Ninth Circuit Gender Bias Task Force report, "The Effects of Gender in the Federal Courts" states that all men, regardless of age, are unlikely to identify instances of gender inequity.<sup>36</sup> Unfortunately, this reinforces the premise that gender bias is not the generational problem of "older" men that will disappear as younger generations of men begin to control the practice.

An equitable judicial system requires that women of diverse race and ethnicity serve as lawyers and judges. In her remarks following inauguration as Associate Justice of the U.S. Supreme Court in 1993, Ruth Bader Ginsburg stated,

*"...women, like persons of different racial groups and ethnic origins, contribute to the U.S. judiciary a distinctive medley of views influenced by differences in biology, cultural impact and life experience."*

With their unique perspective, women lawyers serve as catalysts for change in substantive areas of law. It was women lawyers and judges who validated the battered woman's syndrome, championed the recognition of non-stranger rape, established redress for sexual harassment, and spearheaded efforts to strengthen orders of protection against domestic violence and orders of enforcement for child support. Certainly, it is only since women judges ascended the bench and women lawyers became visible in the courtroom that the reform movement to identify gender bias in our judicial system was launched.

## **GENDER BIAS IN THE JUSTICE SYSTEM**

To date, forty states and nine federal circuits have appointed task forces to investigate the nature and extent of gender bias in their jurisdictions, and to recommend and implement reforms. Investigations have examined a wide range of issues, from the treatment of women litigants in family, criminal, and civil proceedings, to the treatment of women lawyers and court personnel.

Overall, the findings of the current gender bias task force reports are remarkably similar to recommendations drafted in 1985. The universal consensus is that gender bias severely impacts the decision-making process and affects the interaction of judges, lawyers, court personnel, litigants, and witnesses. Nevertheless, as noted in the 1994 ABA "Just Solutions Conference Report," implementation of the consistent recommendations of gender bias task forces has been sporadic.<sup>37</sup>

36. "The Effects of Gender in the Federal Court," The Final Report of the Ninth Circuit Gender Bias Task Force, *Southern California Law Review*, 67, No. 4, 1994, p. 830.

37. ABA, "Just Solutions Conference Report," Chicago: American Bar Association, 1994.

Although gender discrimination is a problem everywhere in our society, it is particularly disturbing in the corridors of our justice system. If the system that interprets and enforces our laws is itself tainted by gender bias, the law cannot be used as an instrument for achieving constructive social change and protecting our freedom.

## **DIVIDED WE FALL**

The increased number of women in the profession during the past twenty years has created issues not considered in the 1988 report. For the first time, perspectives of women lawyers vary from generation to generation. While older women are discouraged by the lack of systemic change, they share a pride in having been the trailblazers of their profession. Yet, this pioneering spirit does not sustain new women lawyers discouraged by gender-based distinctions that hinder their full participation. Younger women question the tremendous personal sacrifices that older women lawyers made to succeed. The new generation reports a lack of role models and chooses not to identify with the "first wave" that prioritized career over personal life.

This new generation of women lawyers challenges the belief that to practice law one must adhere to the same rules that governed earlier generations. Judge Nancy Gertner of Boston observes,

*"The next generation of lawyers will guard their private time much more than we did. That's not a bad thing because it allows the profession to accommodate the needs of human beings, as opposed to automatons and workaholics."*

Besides generational differences, racial and ethnic differences and biases divide women lawyers. Often, white women attorneys are uncomfortable or unconcerned about addressing race or ethnicity issues. Generally, multicultural women feel ostracized by white women and believe they carry the responsibility of rectifying their own outsider status. When women finally acknowledge their differences and appreciate their commonalities, the resulting alliances will empower them to promote change.<sup>38</sup>

Just as women lawyers expect men in the legal profession to value their contributions, white women must recognize the value that multicultural women bring to the legal community. By confronting the problems that exist among them, women lawyers can move forward as a powerful block to eradicate bias in the justice system.

## **FUTURE PERSPECTIVES**

Women are beginning to challenge a legal system that has traditionally promoted victory at any cost. Although this "take no prisoners" strategy often is used by successful male lawyers, many women attorneys are unwilling to adopt it. Just as research confirms differences in corporate leadership styles between men and women, women's ability to negotiate and reach agreement without confrontation should be respected and be utilized to expand the manner in which the judicial system operates.

In the business world, women have effected substantial change in management protocol. However, in the legal world, many women have chosen to accommodate a



### **Banning Discrimination**

*The U.S. Judicial Conference adopted as part of its long-range plan a resolution stating:*

*"Invidious discrimination has no place in the federal judiciary. The circuit judicial councils are encouraged to study whether bias, based on gender, race or other invidious discrimination, exists in the federal courts, and whether additional education programs are necessary."*

Source: "Judicial Conference Receives Long Range Plan," New Release, Administrative Office of the Courts, March 14, 1995.

### **A Note About the Federal Glass Ceiling Commission**

*The Federal Glass Ceiling Commission released a report in March 1995,*

*"Good for Business: Making Full Use of the Nation's Human Capital."*

*The culmination of an extensive fact-gathering process, the first report in a two-part series describes and analyzes the barriers that prevent advancement. The second report will make recommendations on how to dismantle the barriers that hinder advancement and prevent equal opportunity.*

*The ideas presented in these two reports should provide templates for the legal community to use in fashioning solutions to its own problems.*

38. ABA Multicultural Women Attorneys Network, "The Burdens of Both, The Privileges of Neither," Chicago: American Bar Association, August 1994, p. 28.

"If women want any **rights** more than they have,  
why don't they **just take them,**  
and not be talking about it."

-Sojourner Truth



*"The young women felt the older ones made sacrifices they are unwilling to make. They want and expect to have a more balanced life, so that they can have a rich career experience and also a real family life."*



— CYNTHIA FUCHS EPSTEIN, PROFESSOR OF SOCIOLOGY, CITY UNIVERSITY OF NEW YORK

## MULTICULTURAL WOMEN

Multicultural women lawyers encounter persistent, pervasive and unique barriers to career opportunity, growth and advancement. In the focus groups and conferences conducted for the 1994 MWAN report titled, "The Burdens of Both, The Privileges of Neither," it was revealed that:

The combination of being an attorney of color and a women is a double negative in the legal marketplace, regardless of the type of practice or geographic region involved:

- Multicultural women attorneys perceive they are "ghettoized" into certain practice areas, while other options are closed or implicitly unavailable;
- Multicultural women attorneys must repeatedly establish their competence to professors, peers and judges;
- Multicultural women attorneys, because of misconceptions and negative stereotypes, are largely invisible to the profession. As a result, they face greater difficulties achieving prominence within the legal field;
- To succeed, multicultural women attorneys must identify with either their race or gender, but not both; and
- Minority women lawyers encounter gender discrimination in minority bar associations and race discrimination in majority bar associations.

Source: ABA Multicultural Women Attorneys Network. "The Burdens of Both, The Privileges of Neither," Chicago: American Bar Association, August 1994.

## WOMEN IN BAR LEADERSHIP ROLES

Women are enjoying unprecedented success in the leadership ranks of bar associations. In 1995, women were presidents of 18% of the state bar associations, up from only 2% ten years prior. The presidency rolls of metropolitan bar associations shows even better representation at 23% in 1995, up from 10% in 1985. Currently, two of the largest metropolitan bar associations, the Los Angeles County Bar and the Association of the Bar of the City of New York, are led by women. Despite these significant advances, more than ten state bar associations have never elected a woman as their president.

***"Now a second wave of women is making its way into top management, not by adopting the style and habits that have proved successful for men, but by drawing on the skills and attitudes they developed from their shared experience as women."***

JUDY B. ROSENER  
HARVARD BUSINESS REVIEW  
NOV. DEC. 1990

***Carol Mager left an established Philadelphia firm and with two other women, created a litigation and labor/employment firm. She says they were motivated by "a vision of a certain kind of service we could provide in a more efficient and flexible manner."***

male-dominated profession. To date, women's talents have had little impact on the manner in which law is practiced. The male-dominated settings in which women work force them to struggle to gain approval. Now that women enjoy a numerical presence, they must forge a profession that integrates both male and female models. Former Congresswoman Bella Abzug told the ABA in 1995: "I believe that women will change the nature of power rather than power changing the nature of women."

Women lawyers are also challenging the traditional notion of what constitutes a career in law. Just as gender affects experiences and perspectives, it also affects priorities. Women often base their choice of work environments on how that environment can accommodate their personal needs. They seek an environment that allows for an integrated family life and career, has a relatively flexible structure, and evaluates performance according to objective standards that are not limited to billable hours. These priorities influence women's choices to work in a solo or small firm, academia, government, corporate or the non-profit sector. Debra Deitrich, a former partner in a California firm, explains,

*"It was important for us to find a way to practice that would be both fulfilling professionally and allow women to meet our obligations at home. Ultimately, to have that kind of flexibility, you have to be an owner."*

#### WHERE WOMEN PRACTICE LAW

The employment distribution of women lawyers is becoming increasingly similar to men. The following information from 1991 shows the largest gender difference (5%) in the government sector, a traditional bastion for women. This should be contrasted with information compiled in 1980, when private practice showed more than a 14% gender differential and government showed an 8% difference.

|                         | Women | Men |
|-------------------------|-------|-----|
| Private Practice        | 70%   | 74% |
| Government              | 12%   | 7%  |
| Private Industry/Assoc. | 9%    | 10% |
| Retired                 | 3%    | 5%  |
| Judiciary               | 3%    | 3%  |
| Legal Aid/Pub. Def.     | 2%    | 1%  |
| Education               | 1%    | 1%  |

(Source: ABA Commission on Women in the Profession, "Women in the Law: A Look at the Numbers," Chicago: American Bar Association, 1995.)

Legal workplaces that recognize the priorities of women lawyers will be the most likely to successfully retain them. A gender-neutral workplace is a matter of fundamental fairness. It is also a matter of good business. As the profession struggles to maintain economic viability in a bottom-line environment, the inclination may be to abandon innovations that do not directly improve profits. But, today's clients demand diverse legal representation, and "business as usual" simply will not meet marketplace demands. Hiring women lawyers at the entry level is not enough. Women must be an integral part of the legal profession.

***"The profession must ask itself:  
What does it mean that gender  
discrimination is practiced so  
blatantly in a profession that is  
linked so closely to the value placed  
in democratic societies on equal  
treatment?"***

TOUCHSTONES FOR CHANGE  
THE CANADIAN BAR ASSOCIATION'S  
REPORT ON GENDER EQUALITY

The profession has reached a watershed. It has not been that long since Myra Bradwell was denied admission to the Illinois bar 116 years ago on the ground that "[the] delicacy which belongs to the female sex evidently unfits it for...occupations of civil life." Nor has much time passed since women won the right to vote 75 years ago; or since Chief Justice Harlan Fisk Stone, while dean of Columbia Law School, declared that women would be admitted to law school "over my dead body". Today, women comprise 23% of a profession that was closed to them for hundreds of years.<sup>39</sup>

At the present rate, women will comprise 40% of the legal profession by the year 2010.<sup>40</sup> With strength in numbers, women need no longer play by someone else's rules. Women can and must create new rules and reshape the profession. Women must develop an agenda to ensure that their voices are heard and respected within the justice system.

The frustration women experience today does not stem from a failure to recognize progress, but from the repetition of old scenarios played out daily in the workplace. Given the large number of qualified women available to fill top positions, continued male dominance in the most prestigious and influential segments of the profession is an anomaly. Why, in 1995, must we debate the existence of gender bias in our courts, the merits of family friendly workplace policies and the need for gender neutral evaluations? If corporations throughout this country have found answers, then their client law firms can no longer refuse to design gender-fair work environments.

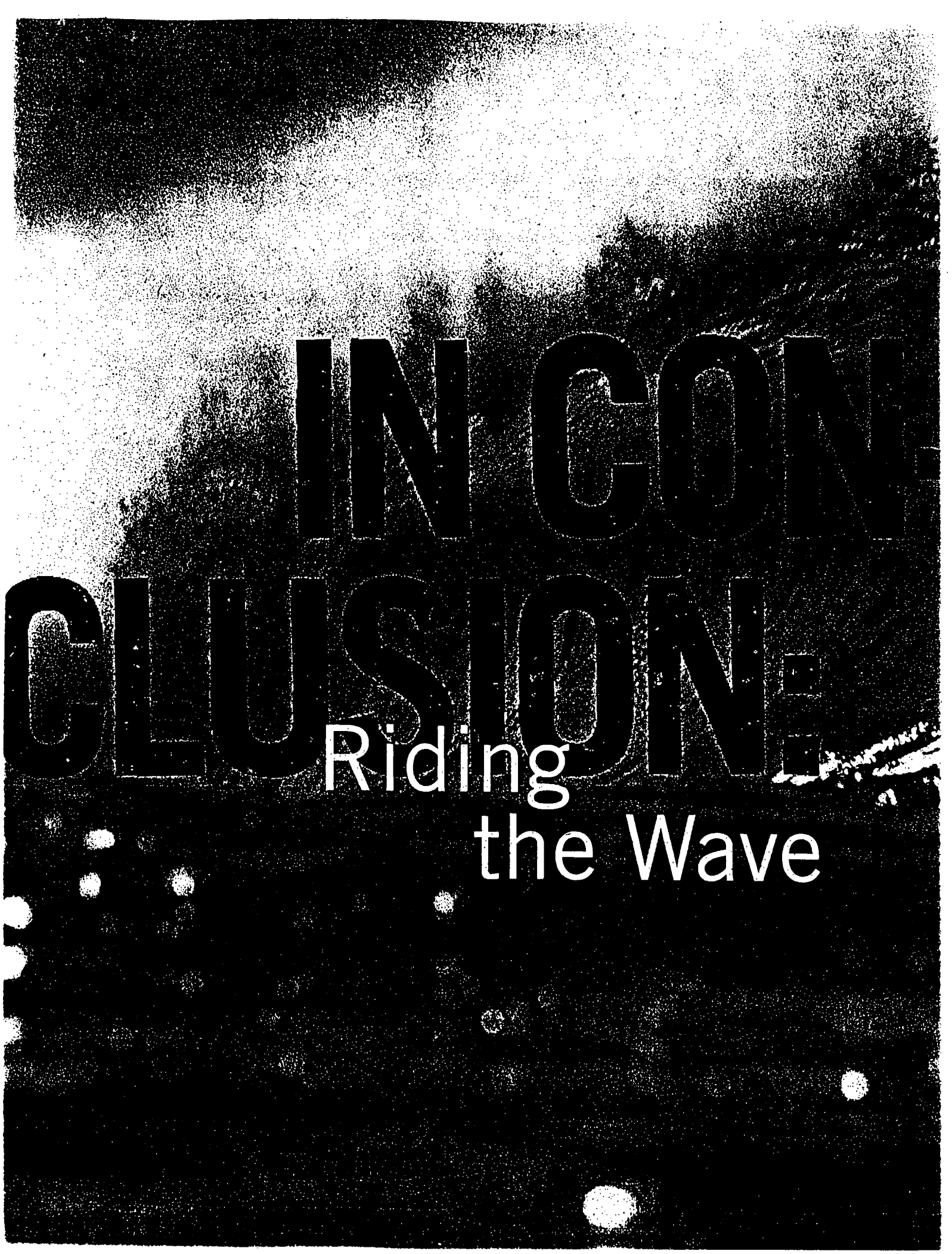
The charge to the profession remains the same as it was seven years ago: to eliminate existing but often subtle structural and attitudinal barriers. In 1995, the Commission adds this caveat: All that has been gained may be lost without constant vigilance.

The gains women have made in the legal profession are attributable to unflagging perseverance. Complacency is not an option. The hard-won achievements of a select percentage of women attorneys should not eclipse the profession's failure to integrate the larger group of women lawyers.

The Commission calls for sustained commitment from women and men in leadership. Both genders must work to destroy stereotypes and attitudes that have dictated our nation's "business norms" for too long. But, the ultimate responsibility rests most heavily on all women lawyers. By refusing to play a role created by and for men, women will ascend the mountain free of constraints. In this way, unlike Sisyphus, women will reach the summit.

39. ABA Commission on Women in the Profession, "Women in Law: A Look at the Numbers." Chicago: American Bar Association, November 1995.

40. *Id.*



# IN CON- CLUSION:

Riding  
the Wave

## BIBLIOGRAPHY

Administrative Office of the Courts. "Judicial Conference Receives Long Range Plan." News Release, Administrative Office of the Courts, March 14, 1995.

American Bar Association. "Just Solutions Conference Report." Chicago: American Bar Association, 1994.

ABA Commission on Women in the Profession. "Options and Obstacles: A Survey of the Studies of the Careers of Women Lawyers." Chicago: American Bar Association, July 1994.

ABA Commission on Women in the Profession. "Women in Law: A Look at the Numbers." Chicago: American Bar Association, December 1995.

ABA Multicultural Women Attorneys Network. "The Burdens of Both, The Privileges of Neither." Chicago: American Bar Association, August 1994.

ABA Young Lawyers Division. "The State of the Legal Profession 1990 - Executive Summary." Chicago: American Bar Association, 1990.

Allen, David W. and Wall, Diane E. "Role Orientations and Women State Supreme Court Justices." *Judicature*, November/December 1993.

Angel, Marina. "Women in Legal Education: What It's Like to Be Part of a Perpetual First Wave or the Case of the Disappearing Women." *Temple Law Review* 61, 1988.

Bar Association of Metropolitan St. Louis. "The St. Louis Report: State of the Legal Profession." St. Louis: Bar Association of Metropolitan St. Louis, 1995.

Chicago Bar Association Alliance for Women. "Women Students' Experiences of Gender Bias in Chicago Area Law Schools: A Step toward a Gender Bias Free Jurisprudence." Chicago Bar Association, 1994.

Chused, Richard. "The Hiring and Retention of Minority and Female Faculty in American Law Schools." *University of Pennsylvania Law Review*, 137, 1988.

Colorado Women's Bar Association and the Colorado Bar Association. "1993 Economic Survey Report." Colorado Women's Bar Association and the Colorado Bar Association, 1994.

Davis, Ann. "Women's Networking Spreads Work Around." *The National Law Journal*, October 9, 1995.

Federal Glass Ceiling Commission. "Good for Business: Making Full Use of the Nation's Human Capital." Washington D.C.: Federal Glass Ceiling Commission, March 1995.

France, Mike. "In-House Counsel Shows Gender Gap." *The National Law Journal*, November 28, 1994.

Fuchs Epstein, Cynthia; Saute, Robert; Oglesky, Bonnie; and Gever, Martha. "Glass Ceilings and Open Doors: Women's Advancement in the Legal Profession." A Report to the Committee on Women in the Profession, Association of the Bar of the City of New York, 1995.

Goldman, Sheldon. "Judicial Selection Under Clinton: A Mid-Term Examination." *Judicature* 78, May/June 1995.

Guinier, Lani; Fine, Michelle; Balin, Jane; Bartow, Ann; and Stachel, Deborah Lee. "Becoming Gentlemen: Women's Experience at One Ivy League Law School." *University of Pennsylvania Law Review* 143, No. 1, November 1994.

Lawrence, Charise K. "Men and Women Take More Parental Leave at Large Law Firms." *The National Law Journal*, December 20, 1993.

MacLachland, Claudia, and Henley Jensen, Rita. "Progress Glacial for Women, Minorities." *The National Law Journal*, January 27, 1992.

Miller, Kelly A. "The Pink-Collar Ghetto." *Clearinghouse Review*, February 1995.

Moskowitz, Milton and Townsend, Carol. "100 Best Companies for Working Mothers." *Working Mother Magazine*, October 1995.

"Part-Time Schedules for Lawyers Widely Available, Minimally Used." 1994 National Association for Law Placement, *Part-Time Lawyering Bulletin*, January 13, 1995.

National Technical Information Service. "Federal Civilian Workforce Statistics, Occupations of Federal White Collar and Blue Collar Workers." September 30, 1993.

Wallace, Shelley. "Has the Glass Ceiling Been Replaced by the Sticky Floor?" *CCM: The American Corporate Lawyer's Corporate Counsel Magazine*, February 1995.

Studley, Jamieenne S. "Gender Bias: Challenging the Hypothetical." *The Recorder*, January 10, 1992.

"The Effects of Gender in the Federal Court." The Final Report of the Ninth Circuit Gender Bias Task Force. *Southern California Law Review* 67, No. 4, 1994.

U.S. Department of Labor Women's Bureau. "20 Facts on Women Workers." Bulletin 95-1. Washington, D.C.: U.S. Department of Labor, Women's Bureau, May 1995.

U.S. Department of Labor, Women's Bureau. "Facts on Working Women: The Family and Medical Leave Act of 1993." Bulletin No. 93-1. Washington, D.C.: U.S. Department of Labor, Women's Bureau, March 1993.

Weidlich, Thom, and Lawrence, Charise K. "Sex and the Firms: A Progress Report." *The National Law Journal*, December 20, 1993.

**THE COMMISSION ON WOMEN**  
**IN THE PROFESSION:**

CHAIR

Laurel G. Bellows

COMMISSION MEMBERS

J. David Andrews

Kim J. Askew

Dolores S. Atencio

Teveia Barnes

Hon. Martha Craig Daughtrey

Marcia D. Greenberger

Mark I. Harrison

Sheryl Ramstad Hvass

Raymond C. Marshall

Estelle H. Rogers

Diane C. Yu

SPECIAL ADVISOR

Cory M. Amron

BOARD OF GOVERNORS LIAISON

Samuel S. Smith

COMMISSION LIAISONS

Prof. Mary Becker

Mary B. Cranston

Dianne K. Dailey

Parthenia B. Evans

Cecilia I. Johnstone

Armando Lasa-Ferrer, Sr.

Bettina Lavton

Georgia A. Niedzielko

Jamienne S. Studley

Eugene C. Thomas

COMMISSION STAFF

Ellen Mayer, *Director*

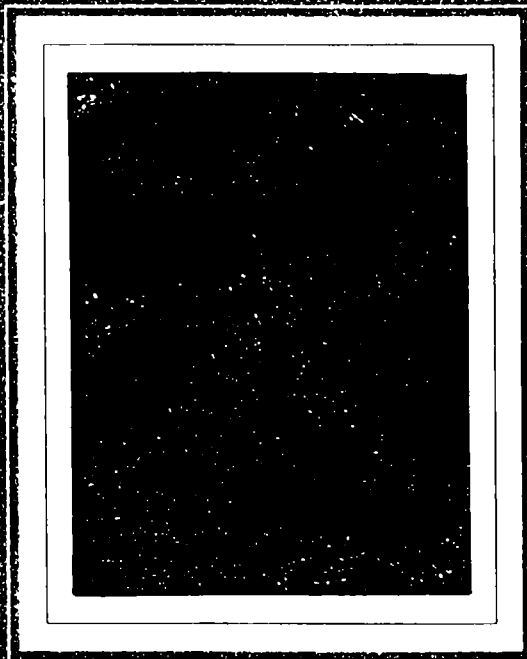
Jane Nosbisch, *Assistant Director*

Veronica Muñoz, *Research Specialist*

Karen Berenbaum, *Meeting Planner*

Bridgette Williams, *Administrative Assistant*

# PHYSICIAN COMPENSATION AND PRODUCTION SURVEY



1996 REPORT BASED ON 1995 DATA



**Cejka & Company**

Cejka & Company/Seattle, Wash. and provided  
auditing support for this survey.



VERDIE A. GRIFF  
MANAGING  
SECRETARY

**Table 5: Physician Compensation by Gender**  
Compensation is reported by provider gender.

| Specialty                                                      | Male      |                   |           | Female    |                   |           |
|----------------------------------------------------------------|-----------|-------------------|-----------|-----------|-------------------|-----------|
|                                                                | Providers | Medical Practices | Median    | Providers | Medical Practices | Median    |
| Allergy/Immunology.....                                        | 148       | 81                | \$162,189 | 18        | 11                | \$139,390 |
| Anesthesiology.....                                            | 1,039     | 84                | \$247,447 | 152       | 50                | \$206,170 |
| Cardiology:                                                    |           |                   |           |           |                   |           |
| Inv./Interventional.....                                       | 869       | 183               | \$345,000 | 39        | 28                | \$273,054 |
| Cardiology: Noninvasive.....                                   | 417       | 146               | \$250,000 | 37        | 24                | \$176,703 |
| Critical Care.....                                             | 50        | 13                | \$177,151 | 6         | 4                 | *         |
| Dentistry.....                                                 | 27        | 11                | \$117,431 | 8         | 5                 | *         |
| Dermatology.....                                               | 239       | 110               | \$181,863 | 70        | 40                | \$158,673 |
| Emergency Medicine.....                                        | 485       | 55                | \$177,009 | 61        | 30                | \$150,000 |
| Endocrinology/Metabolism.....                                  | 142       | 71                | \$149,811 | 31        | 25                | \$110,204 |
| Family Practice (with OB).....                                 | 740       | 165               | \$133,220 | 180       | 89                | \$112,518 |
| Family Practice (without OB)...                                | 2,090     | 342               | \$131,268 | 342       | 158               | \$112,089 |
| Gastroenterology.....                                          | 467       | 171               | \$212,000 | 37        | 26                | \$173,700 |
| Genetics.....                                                  | 5         | 2                 | *         | 1         | 1                 | *         |
| Geriatrics.....                                                | 12        | 7                 | \$122,500 | 7         | 6                 | *         |
| Gynecological Oncology.....                                    | 13        | 6                 | \$251,716 | 2         | 2                 | *         |
| Gynecology (only).....                                         | 65        | 42                | \$141,650 | 11        | 9                 | \$115,000 |
| Hematology/Oncology.....                                       | 390       | 138               | \$196,625 | 51        | 34                | \$167,613 |
| Infectious Disease.....                                        | 111       | 57                | \$148,895 | 29        | 20                | \$126,763 |
| Internal Medicine.....                                         | 2,512     | 346               | \$143,552 | 574       | 178               | \$119,088 |
| Maternal and Fetal Medicine...                                 | 15        | 4                 | \$348,400 | 4         | 4                 | *         |
| Neonatal Medicine.....                                         | 87        | 18                | \$185,000 | 25        | 8                 | \$170,400 |
| Nephrology.....                                                | 239       | 79                | \$198,340 | 24        | 14                | \$192,066 |
| Neurology.....                                                 | 379       | 122               | \$171,425 | 61        | 43                | \$135,848 |
| Nuclear Medicine.....                                          | 23        | 12                | \$187,289 | 4         | 2                 | *         |
| Obstetrics/Gynecology.....                                     | 925       | 245               | \$224,369 | 377       | 144               | \$192,800 |
| Occupational Medicine.....                                     | 93        | 51                | \$137,235 | 13        | 10                | \$120,183 |
| Ophthalmology.....                                             | 528       | 162               | \$214,004 | 71        | 46                | \$180,048 |
| Otorhinolaryngology.....                                       | 396       | 139               | \$222,290 | 30        | 22                | \$190,352 |
| Pathology: Anatomic.....                                       | 98        | 23                | \$194,630 | 19        | 11                | \$193,471 |
| Pathology: Clinical.....                                       | 82        | 23                | \$199,588 | 32        | 11                | \$154,323 |
| Pediatric Cardiology.....                                      | 18        | 9                 | \$179,573 | 3         | 1                 | *         |
| Pediatric Critical Care.....                                   | 14        | 9                 | \$168,700 | 5         | 5                 | *         |
| Pediatric Endocrinology.....                                   | 13        | 12                | \$129,500 | 6         | 5                 | *         |
| Pediatric Gastroenterology....                                 | 15        | 9                 | \$145,000 | 4         | 4                 | *         |
| Pediatric Neurology.....                                       | 20        | 11                | \$158,852 | 5         | 5                 | *         |
| Pediatric Pulmonology.....                                     | 11        | 8                 | \$175,407 | 4         | 3                 | *         |
| Pediatrics.....                                                | 1,062     | 224               | \$137,065 | 506       | 153               | \$119,660 |
| Physical Medicine.....                                         | 91        | 44                | \$164,685 | 35        | 24                | \$134,415 |
| Podiatry.....                                                  | 123       | 49                | \$126,739 | 9         | 6                 | *         |
| Psychiatry.....                                                | 284       | 61                | \$136,048 | 84        | 26                | \$122,869 |
| Pulmonary Disease.....                                         | 342       | 137               | \$171,098 | 32        | 19                | \$141,981 |
| Radiation Oncology.....                                        | 73        | 25                | \$300,000 | 11        | 9                 | \$426,000 |
| Radiology: Diagnostic (with<br>Invasive/Interventional)....    | 336       | 66                | \$259,130 | 48        | 23                | \$222,500 |
| Radiology: Diagnostic (without<br>Invasive/Interventional).... | 333       | 59                | \$256,896 | 66        | 27                | \$214,558 |
| Reproductive Endocrinology....                                 | 14        | 9                 | \$271,768 | 5         | 3                 | *         |
| Rheumatology.....                                              | 182       | 96                | \$150,067 | 33        | 27                | \$120,000 |
| Surgery: Cardiovascular.....                                   | 199       | 60                | \$505,200 | 2         | 2                 | *         |
| Surgery: Colon and Rectal.....                                 | 39        | 18                | \$228,200 | 2         | 2                 | *         |
| Surgery: General.....                                          | 774       | 236               | \$218,204 | 56        | 35                | \$175,034 |
| Surgery: Hand.....                                             | 61        | 30                | \$308,000 | 3         | 3                 | *         |
| Surgery: Neurological.....                                     | 188       | 55                | \$399,484 | 4         | 4                 | *         |
| Surgery: Oral.....                                             | 12        | 7                 | \$176,164 | 1         | 1                 | *         |
| Surgery: Orthopedic.....                                       | 1,401     | 296               | \$305,453 | 51        | 23                | \$254,138 |
| Surgery: Pediatric.....                                        | 11        | 9                 | \$251,812 | 1         | 1                 | *         |
| Surgery: Plastic.....                                          | 98        | 49                | \$239,725 | 13        | 7                 | \$183,068 |
| Surgery: Vascular/Thoracic....                                 | 154       | 64                | \$282,632 | 3         | 3                 | *         |
| Urology.....                                                   | 482       | 155               | \$213,000 | 9         | 8                 | *         |
| Other Physician Specialties...                                 | 79        | 26                | \$139,634 | 26        | 15                | \$92,763  |

Notes: An asterisk indicates that data are suppressed when the number of provider responses is less than 10 or the number of medical practice responses is less than 3. Data for academic faculty are excluded. TC: technical component for laboratory, radiology, medical diagnostic, and surgical procedures. PE: physician extenders.



Here's the article!

Thanks for your help —  
Mary

# The 62 percent solution?

A recent survey reveals a whopping gender gap in IR pay scales, and no one seems surprised.

By Mary Lowengard

**B**ack before it was deemed politically incorrect in the extreme to think — much less say — such a thing, investor relations was widely regarded as a profession particularly well suited for women. This then-conventional wisdom held that IR is a relationship-based, rather than transaction-driven, job and that traditionally women succeed in the former, not the latter.

It also didn't hurt that IR departments offered opportunities to showcase women in highly visible posts, particularly in overwhelmingly male-dominated companies or industries. Hence executive recruiters not only routinely sought (and a few still seek) candidates with the ideal educational and professional credentials, but they often candidly specified that the company would prefer a woman for the job.

Women are, in fact, prominent in the profession today. Membership in the National Investor Relations Institute, which at year-end 1996 approached 3,500, is split 54-46, male-to-female. A broader sample, using listings in the corporate section of the 1997 *Nelson's Directory of Investment Research*, reveals that of the 1,102 publicly traded companies with market capitalizations in excess of \$500 million where the investor relations department is independently run — that is, not part of the chief financial officer's or treasurer's office — approximately 35 percent have women in charge.

Yet for all the inroads women have

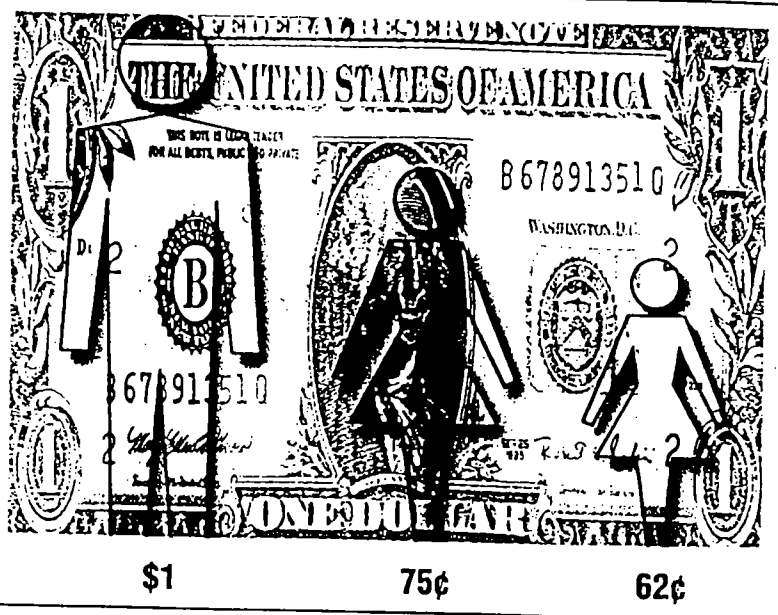
made in IR, they face the same pay inequities that affect women across corporate America. Proof of this was delivered in the form of a November 1996 survey commissioned by NIRI, conducted by Rivel Research Group. The survey results indicate, among other things, that female IR practitioners

over year, the data indicates that women in this group earn 64 cents to each dollar earned by similarly employed men, close enough to NIRI's number. But female IR professionals do even worse when compared with the overall national average, which, according to U.S. Census Bureau data, is 75

## High visibility, low pay

Female IR professionals face even worse pay inequities than those affecting women elsewhere in the workplace, earning only 62 cents for every dollar paid to comparably employed men. The national average for women is 75 cents.

Sources: Rivel Research Group,  
U.S. Census Bureau.



ers at large-cap companies (\$1.5 billion or more in capitalization) earn 73 cents for every dollar paid to male professionals. The pay gap widens significantly at companies that fall below \$1.5 billion in market cap, where female IR professionals earn, on average, just 56 cents for every dollar earned by men. The overall average, Rivel found, is 62 cents.

Under U.S. Department of Labor categorizations, the group that most closely approximates the investor relations profession is "financial managers." Although the number of financial managers has been steadily increasing year

cents to the dollar.

Although the survey finds that men in the sample had, on average, more professional and IR experience, it nonetheless concludes that "the experience factor does not account for all of the gender differences in cash compensation, since there are remaining significant differences within the same levels of experience, within market capitalizations of companies, within the same industry groups, within the same or similar titles and within the same type of corporate background before coming into IR."

Rivel principal Ardith Rivel notes



Feel the Grand Hyatt Hong Kong.

Celebrated  
harbour views  
that command  
all attention.

Elevated ceilings  
that lift you  
to new heights.

Restaurants  
that inspire  
your finest  
performance.

Impeccable service  
without drama.

Feel the Hyatt Touch.



FOR RESERVATIONS AND MORE  
INFORMATION, CALL TOLL-FREE (800) 234-1234  
IN U.S.A., OR (852) 2500-1234 IN HONG KONG.  
YOUR TRAVEL PLANNER OR YOUR  
NEAREST HYATT HOTEL. ALSO FEEL THE  
TOUCH OF HYATT REGENCY HONG KONG.

that "when we found this difference, we did a great deal of analysis to see if we could find some factor to account for it." None has surfaced.

The question remains: Why? A number of theories are put forward by investor relations professionals (most of whom are reluctant to be identified when the matter is discussed). Women who hold top corporate IR posts defend their compensation levels for the most part, insisting they are well paid for their work. But on second thought they admit the discrepancy is infuriating. Notes one, "I've always believed that women are compensated based on performance, whereas men are paid for their potential." However, no one seems shocked or even mildly surprised by the 62 percent figure. Recalls another, matter-of-factly, "At my last position I was earning less than the guy who reported to me." (On reflection she admits, "I was pretty disgusted.")

One rationale offered for the pay gap is that women may have moved up the corporate ranks into the position faster than men. For example, the IR post at one company could be held by a 35-year-old woman with eight years of experience, whereas her counterpart at another company could be a better-paid 45-year-old man with 20 years' experience.

Katharine Tarbox, vice president of investor relations at Colgate-Palmolive Co. for seven years before retiring in 1993, comments that "investor relations is a job that rewards maturity and business experience." She adds that, especially in companies where the function is only recently established, it may be difficult to put a fair market price on the position. Still, she concedes that, in general, "women have not been as well informed about what the job ought to pay."

These various viewpoints are confirmed by executive recruiters. "I've seen the differential when women have grown up in their organizations and become underpaid, compared with their peers who have moved around," says Julianne Stevenson of Russell Reynolds Associates. However, notes her colleague Kathleen Noyes, it's important to acknowledge that pay packages change rapidly. For example, right now bonus payments are undergoing a transforma-

tion, she says. "Compensation packages are structured for individuals, not by gender," she continues, adding that 100 percent bonuses are becoming increasingly within reach of IR executives, male and female.

Consulting firm Hay Group managing director Michael Thompson also offers some insights into how jobs are priced. There's the "how you pay" piece, driven by the organization's work culture, and the "how much you pay" piece, which is more responsive to economic factors. The marketplace is constantly shifting, he says, and two companies can easily view — and reward — the same position completely differently.

Dee Soder, founder of the CEO Perspective Group, an association of former top executives who advise current and aspiring male and female chief executives, notes that "in few, if any, situations do senior executives say, 'We're going to pay women less.' It happens for several different reasons that are company- and industry-specific. Another factor is that you have women moving into new professions who haven't been in them before, and they don't know how to price themselves or negotiate." Indeed, while many take for granted a company's desire to put a woman in the IR seat, no one contends it is done so that the companies can pay less.

But Kelly Jenkins, program coordinator for the National Committee on Pay Equity, a membership coalition of more than 170 groups working to eliminate gender- and race-based wage discrimination, is less passive about the gap than investor relations insiders. "Pay equity problems affect women across the board," she asserts. "Some women, especially at the top, think they're earning decent pay, so what do they have to complain about? But it doesn't matter how much you're paid: If you're doing the same job [as a man], your work should be valued at the same rate."

Warns Tarbox: "Senior management should worry about giving IR the respect it deserves so that their company can get the attention it deserves in the capital markets. The worst risk a senior executive can have is if someone's doing a good job of IR and then she leaves because of the pay level." ■



# Research in Brief

## Pay Equity and the Wage Gap: Success in the States

By 1989, twenty states had implemented programs to raise the wages of workers in female-dominated jobs in their state civil services. According to a joint Institute for Women's Policy Research and Urban Institute study, of the fourteen states for which information was available, all succeeded in increasing the female/male wage ratio in their civil service. Statistical analysis of wages and employment in three states indicates that these adjustments were implemented without substantial negative side effects such as increased unemployment. These findings suggest that pay equity is an effective means of raising women's wages to levels that reduce the impact of discrimination or devaluation. This fact sheet answers many common questions about the wage gap and pay equity based on findings from this study. The data analyzed in the study were collected over a four-year period from the relevant state agencies.<sup>1</sup>

### THE WAGE GAP AND PAY EQUITY

**Isn't most of the gap between female and male workers due to differences in education, skill, and work experience?**

No. Reviewing its civil service for pay equity, the State of Minnesota found that female-dominated jobs were consistently paid less than comparable male-dominated jobs. For instance, the jobs of radio communications supervisors (who were more likely to be male) and typing pool supervisors (who were more likely to be female) were determined to entail comparable skills and responsibilities, yet the male communications supervisors were paid \$460 a month more than the female typing pool supervisors, an additional \$5,500 a year. Studies that attempt to control for variations in human capital disagree as to what proportion of the wage gap is due to discrimination, with those using a greater number of variables finding smaller unexplained wage gaps. These unexplained remaining wage gaps are usually considered to be the result of discrimination. However, certain control variables reflect discrimination themselves and should not be factored out.<sup>2</sup> In 1981, the National Academy of Sciences estimated that about half the gross wage gap between women and men might be due to discrimination.<sup>3</sup>

### What is Pay Equity?

The concept of pay equity, also known as comparable worth or equal pay for jobs of equal value, refers to a set of remedies designed to raise the wages of jobs that are undervalued at least partly because of the sex or race of the workers who hold those jobs.

As practiced in the United States and Canada, pay equity remedies are applied within a given firm, rather than in the labor market as a whole. The jobs in a single firm are evaluated and compared to one another according to a set of uniform criteria accepted by the firm. Once these guidelines are set, however, they must be applied equally to all employees in the firm. Based on these criteria, a determination is made as to whether those jobs typically held by women or minorities are underpaid (ie., paid less than jobs typically held by white males that are comparable in the skill, effort, responsibility, or working conditions they entail). An adjustment plan is developed to raise the wages of the jobs found to be underpaid.

## THE EXTENT OF STATE PAY EQUITY PROGRAMS

### **How extensive have pay equity adjustments in the state civil services<sup>4</sup> been?**

When the study began in 1989, twenty states had implemented reforms aimed at increasing the wages of employees in female-dominated job classes: California, Connecticut, Florida, Hawaii, Illinois, Iowa, Maine, Massachusetts, Michigan, Minnesota, New Jersey, New Mexico, New York, Oregon, Pennsylvania, Rhode Island, South Dakota, Vermont, Washington, and Wisconsin. Of these, Florida, Hawaii, Pennsylvania, and South Dakota do not consider their adjustments to have been motivated by pay equity concerns. In Maine, the reform was limited to the University system. In some other states, such as Vermont and New Mexico, pay equity was not the only goal of the civil service reform.

For the sixteen states from which we were able to collect data, the total spent on pay equity adjustments was more than \$527,000,000 (1990 dollars) through 1992. Individual states spent between \$1.1 million in Hawaii to \$71 million in Massachusetts (1990 dollars).

Pay equity adjustments as a percent of the states' annual wage bills ranged from one-tenth of one percent in Hawaii to twelve percent in Vermont. Of the sixteen states for which we were able to collect data, twelve states -- California, Connecticut, Iowa, Maine (the University System only), Massachusetts, Michigan, Minnesota, New Mexico, New York, Oregon, Vermont, and Washington -- spent one percent or more of their wage bills on pay equity adjustments, a considerable reform.

Approximately 335,000 workers received pay increases. The number of affected workers ranged from 700 in Hawaii to 78,000 in New York. In ten of the twelve states for which we were able to collect data about the gender of affected workers, women were the majority of those receiving pay increases (from 59 percent in Iowa to 98 percent in Pennsylvania). In Connecticut and Oregon, where women constituted 49 percent of the workers receiving pay increases, they nevertheless were more likely to receive increases than male workers (who constituted an even larger portion of their state work forces). In Connecticut, 79 percent of the female workers received increases, while in Oregon, 65 percent did.

The average annual pay equity adjustment received by an affected worker was \$1,400 (1990 dollars).

## FEATURES OF STATE PAY EQUITY PROGRAMS

### **What methods did states use to increase women's wages?**

Some states targeted adjustments at the most undervalued female-dominated job classes. Other states made large scale changes in their personnel systems. These large scale or systemic changes can be further broken down into those that affected the classification system, those that updated or implemented a job evaluation system, and those that revised the state's compensation system. Many states utilized a combination of these three systemic changes, and some used both targeting and systemic reform. Of the sixteen states for which we have sufficient information, seven states targeted adjustments, five implemented system-wide changes, and four combined both approaches.

### **Who was involved in pay equity reform?**

A wide range of actors worked to increase women's wages, including women's groups, unions, consultants, elected officials, and administrators.

Legislatures, government employees, and women's leaders worked together to institute pay equity in the states. Six states -- Hawaii, Massachusetts, Minnesota, New Jersey, Oregon, and Vermont -- created committees to study the extent of discrimination and potential comparable worth policies.

All the states that implemented pay equity plans allow collective bargaining. In all but four of the states (Michigan, New Mexico, South Dakota, and Washington) unions are allowed to bargain on classification. In all but two (South Dakota and Washington) the unions are allowed to bargain over wages. In virtually all the states, unions were involved in raising the visibility of workers' pay equity concerns and in negotiating specific pay increases or classification changes. The high rate of unionization in pay equity states suggests the importance of unions in promoting pay equity.

### **What factors affected the success of the pay equity programs?**

The following decisions about the scope of pay equity and methodology used in implementing it substantially affected program outcomes:

- whether states revised their job classification systems to better account for the skills associated with female-dominated jobs;

- whether states gave adjustments to all undervalued job classes or only to some undervalued female-dominated job classes;

- whether states raised the salaries of undervalued job classes to an average payline (which would be below the payline for male-dominated jobs), or to the male payline, or to some percentage of either;

- whether pay equity was the only goal of reform or whether (as in New Mexico, Oregon, and Vermont), pay equity was only one goal of larger civil service reform, in which case, pay equity goals may have been moderated to meet other requirements.

Program details are important because they determine how much pay discrimination is found, how many and which workers are affected, and the extent of the remedies.

## **PAY EQUITY IS AN EFFECTIVE MEANS OF CLOSING THE WAGE GAP**

### **Did the female/male wage gap close during the period of pay equity implementation?**

Yes. In all fourteen states that implemented some type of wage adjustments and for which we have outcome data, the female/male wage ratios improved during the period of implementation, no matter how small the program.

Improvement in the state female/male wage ratios ranged from one to eight percentage points. All fourteen states increased their wage ratios to between 74 and 88 percent, higher than the national wage ratio of 71 percent in 1992.

Minnesota, Oregon, Washington, Michigan, California, and Connecticut saw their female/male wage ratios increase significantly, by at least four percentage points.

### **Statistical regression analysis of three states shows that pay equity reforms were responsible for the wage gains taking place.**

In Minnesota, pay equity implementation was responsible for a nine percentage point increase in the ratio.<sup>5</sup> In the state of Washington, pay equity was responsible for five out of the seven percentage points

**Table 1.**  
**Change in Female/Male Wage Ratio During Pay Equity Implementation**  
**by Type of Program, Pay Equity Programs in Sixteen States**

(States ranked by percentage point change in wage ratios)

| State                      | Percent of<br>Wage Bill<br>Spent | Type of Program Implemented                    | Increase in the<br>Female/Male<br>Wage Ratio <sup>1</sup> | Percent of the<br>Total Workforce<br>Affected | Average<br>Adjustment per<br>Affected Worker<br>(1990 dollars) |
|----------------------------|----------------------------------|------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------|----------------------------------------------------------------|
| Minnesota                  | 3.5%                             | Targeted Occupations                           | 0.08                                                      | 30.6%                                         | \$2,531                                                        |
| Washington <sup>2</sup>    | 7.0%                             | Job Evaluation, Compensation                   | 0.07                                                      | 63.7%                                         | 2,873                                                          |
| Oregon <sup>2</sup>        | 9.8%                             | Reclassification, Job Evaluation, Compensation | 0.06                                                      | 64.1%                                         | 2,718                                                          |
| Michigan                   | 1.0%                             | Targeted Occupations                           | 0.05                                                      | 34.3%                                         | 1,195                                                          |
| California                 | 1.0%                             | Targeted Occupations                           | 0.05                                                      | 35.3%                                         | 862                                                            |
| Connecticut                | 7.2%                             | Reclassification, Job Evaluation, Compensation | 0.04                                                      | 79.7%                                         | 1,279                                                          |
| Maine (Univ.)              | 2.7%                             | Reclassification, Job Evaluation               | 0.03                                                      | 36.6%                                         | 1,977                                                          |
| New Mexico <sup>2, 3</sup> | 5.2%                             | Job Evaluation, Compensation                   | 0.03                                                      | 73.8%                                         | \$1,453                                                        |
| Pennsylvania               | 0.3%                             | Targeted Occupations                           | 0.02                                                      | 3.5%                                          | 2,471                                                          |
| New York                   | 1.0%                             | Reclassification, Job Evaluation               | 0.02                                                      | 45.5%                                         | 685                                                            |
| Illinois                   | 0.7%                             | Targeted Occupations                           | 0.02                                                      | 25.1%                                         | 562                                                            |
| Vermont                    | 11.8%                            | Reclassification, Job Evaluation, Compensation | 0.02                                                      | 78.7%                                         | 2,794                                                          |
| Iowa                       | 7.6%                             | Job Evaluation, Compensation                   | 0.01                                                      | 57.5%                                         | 3,497                                                          |
| New Jersey                 | 0.4%                             | Targeted Occupations                           | 0.01                                                      | 15.0%                                         | 903                                                            |
| Massachusetts <sup>2</sup> | 4.2%                             | Reclassification, Job Evaluation               | N                                                         | 54.8%                                         | \$2,081                                                        |
| Hawaii                     | 0.1%                             | Targeted Occupations                           | N                                                         | 1.8%                                          | 1,735                                                          |

Source: Data collected by the Institute for Women's Policy Research (IWPR) from the states and other sources, as adjusted by IWPR.

**Notes:**

<sup>1</sup> In states that had more than one program, changes are for all programs implemented unless otherwise noted.

<sup>2</sup> State initially targeted occupations before instituting the systemic programs listed above.

<sup>3</sup> Because of lack of data, the change in the female/male wage ratio reflects only the effects of the systemic program and not the prior targeted adjustments.

N Data not available.

of the wage ratio increase. In Iowa, the model estimated that pay equity policies increased the female/male wage ratio by one percentage point.

### **Which pay equity programs were the most cost-effective?**

Targeting underpaid female-dominated occupations is more cost-effective than systemic approaches, if pay equity is the only goal. This may be due to the fact that women receive a greater proportion of the pay adjustments when they are targeted.

**No state that used targeting spent over 3.5 percent of its wage bill** on pay equity programs, yet three of the six targeting states achieved wage ratio improvements of five percentage points or more. For these three states, the “average” improvement was six percentage points at a cost of 1.8 percent of the wage bill.

**States that used the more comprehensive methods spent up to twelve percent of their wage bills**, yet only two out of eight achieved wage ratio improvements of five percentage points or more. These two states, Washington and Oregon, experienced an “average” gain of seven percentage points at a cost of 8.4 percent of the wage bill. It should be noted that some states using comprehensive methods, such as Vermont, were trying to achieve other goals in addition to pay equity when implementing their adjustments.

Although targeting is more cost-effective, it may not be feasible for all states. Systemic approaches address more issues and therefore garner more support for pay equity objectives. Furthermore, systemic approaches may be the only practical route to achieve pay equity, if the state does not have a sound enough personnel system on which to base specific targeting.

## **PAY EQUITY DOES NOT HAVE SIGNIFICANT NEGATIVE SIDE-EFFECTS**

### **Won't the wages of white male workers have to be reduced in order to raise the wages of underpaid women and minorities?**

No. Pay equity reforms need not come at the expense of other workers, and in fact may be less effective if they do so. In Iowa and New York, where the original pay equity proposals included reductions in the wages of some men's jobs, the programs failed to gain broad support. As a result, pay equity in Iowa and New York had a much smaller effect on the wage gap than in states whose plans did not include pay reductions for male workers.

### **Won't employers be forced to reduce employment in order to pay for higher wages?**

No. Statistical regression analysis in three states indicates that in Minnesota there was virtually no effect on employment growth, while in Washington, women did experience slightly slower (but not negative) employment growth. In these states pay equity was implemented over a number of years, probably reducing the impact on employment. In Iowa, where employment growth slowed noticeably for both men and women, reforms were implemented all at once.

## **CONCLUSION**

Women employed in state governments that implemented pay equity programs have made significant wage gains, absolutely, relative to their male co-workers, and relative to the national experience for all women. In all states, the female/male wage ratio improved during the period of pay equity implementation. The pay equity programs of all states affected more women than men. In two-thirds of the states, more than half of all women workers received pay increases through these programs. Thus, these programs were generally large enough to make a positive difference for women workers.

# Support IWPR with your annual membership in the IWPR Information Network

Join the IWPR Information Network at the *special introductory rate*:

## INDIVIDUAL MEMBERSHIPS

### ■ INDIVIDUAL SUSTAINING MEMBERS receive

*Research News Reporter*, a monthly compilation of research in the news which includes full citation and ordering information;

Quarterly Products Mailings including all current IWPR briefing papers, fact sheets, and working papers;  
20 percent discount on major reports and all previously issued publications; and a

50 percent discount on one registration to IWPR's biennial Women's Policy Research Conference.

RENEWAL RATE \$175

INTRODUCTORY RATE \$150

### ■ INDIVIDUAL SUPPORTING MEMBERS receive

Quarterly Products Mailings including all current IWPR briefing papers, fact sheets, and working papers;  
20 percent discount on major reports and all previously issued publications; and a

20 percent discount on one registration to IWPR's biennial Women's Policy Research Conference.

Does not include *Research News Reporter*.

RENEWAL RATE \$60

INTRODUCTORY RATE \$50

### ■ INDIVIDUAL MEMBERS receive

Quarterly one-page IWPR update;

Announcements of IWPR activities and publications;

20 percent discount on all IWPR publications; and a

20 percent discount on one registration to IWPR's biennial  
Women's Policy Research Conference.

Does not include Quarterly Products Mailings  
or *Research News Reporter*.

REGULAR RATE \$40

### ■ GRADUATE STUDENT MEMBERS receive (must send copy of photo identification)

Quarterly one-page IWPR update;

Announcements of IWPR activities and publications;

20 percent discount on all IWPR publications; and a

20 percent discount on one registration to IWPR's biennial  
Women's Policy Research Conference.

Does not include Quarterly Products Mailings  
or *Research News Reporter*.

REGULAR RATE \$30

## ORGANIZATIONAL MEMBERSHIPS

### ■ ORGANIZATIONAL AFFILIATES receive

*Research News Reporter*, a monthly compilation of research in the news which includes full citation and ordering information;

Quarterly Products Mailings including all current IWPR briefing papers, fact sheets, and working papers;  
IWPR major reports;

20 percent discount on all previously issued publications; and a

50 percent discount on one registration to IWPR's biennial Women's Policy Research Conference and a  
20 percent discount on conference registration fees for additional organizational attendees.

RENEWAL RATE \$295

INTRODUCTORY RATE \$245

### ■ ORGANIZATIONAL MEMBERS receive

Quarterly Products Mailings including all current IWPR briefing papers, fact sheets, and working papers;

20 percent discount on major reports and all previously issued publications; and a

20 percent discount on registration fees to IWPR's biennial Women's Policy Research Conference for  
all organizational attendees.

Does not include *Research News Reporter*.

RENEWAL RATE \$140

INTRODUCTORY RATE \$115





## Stall in Women's Real Wage Growth Slows Progress in Closing the Wage Gap

Since 1979, the wage gap between women and men has narrowed significantly, falling by more than 10 percentage points overall. At first glance, this seems like great news for women. However, it is misleading to interpret this statistic as proof of a continuing and robust improvement in wages for today's working women. First, the closing of the wage gap has slowed down considerably in the 1990s. Second, women's real wages (wages adjusted for inflation<sup>1</sup>) have stagnated in recent years.

In the 1990s, the remarkable success story of women's rising real wages seen during the 1980s ended. Instead, stagnating real wages for women has been the norm since the beginning of the 1990s. Women's wage growth during the 1980s differed dramatically from men's experience in the labor market (see Figure 1a, showing real median weekly earnings from 1979 to 1997 for women and men who work full-time<sup>2</sup>). While men's real wages fell, women's real wages increased substantially. Men who worked full-time lost \$25 in weekly earnings (adjusted for inflation) between 1979 and 1989 while women gained \$30 during the same period. These losses can be clearly seen in Figure 1a which compares the 1979 wage levels (marked by straight lines extending from the 1979 earnings points across the graph) to the 1989 earnings points.

Between 1989 and 1997 women gained only \$6 in real weekly earnings while men's earnings continued to decline (see Table 1a).

These losses for men can be clearly seen in Figure 1a by comparing the 1989 wage level, marked by solid lines from the 1989 points extending

Figure 1a:  
Full-time Men and Women's Real Median Weekly Earnings 1979-97  
(1997 Dollars)

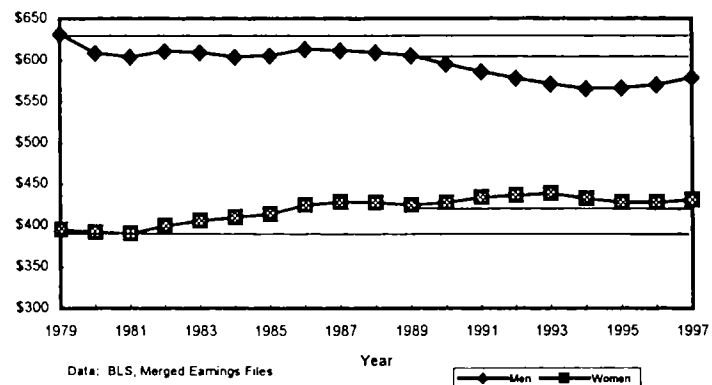


Figure 1b:  
Full-time Men and Women's Real Median Annual Earnings 1979-97  
(1997 Dollars)

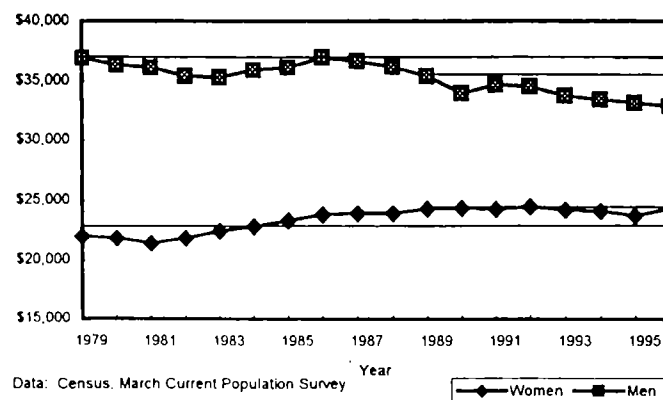


Table 1a:  
Full-time Men and Women's Real Median Weekly Earnings 1979-97  
(1997 Dollars)

| Year | Men's Median Weekly Earnings | Women's Median Weekly Earnings | Wage Gap | Percent of Women's to Men's Weekly Earnings |
|------|------------------------------|--------------------------------|----------|---------------------------------------------|
| 1979 | \$631                        | \$395                          | \$236    | 62.54%                                      |
| 1980 | \$608                        | \$392                          | \$216    | 64.42%                                      |
| 1981 | \$604                        | \$390                          | \$214    | 64.60%                                      |
| 1982 | \$611                        | \$400                          | \$212    | 65.38%                                      |
| 1983 | \$609                        | \$406                          | \$203    | 66.67%                                      |
| 1984 | \$604                        | \$409                          | \$195    | 67.77%                                      |
| 1985 | \$606                        | \$413                          | \$192    | 68.23%                                      |
| 1986 | \$614                        | \$425                          | \$189    | 69.21%                                      |
| 1987 | \$612                        | \$428                          | \$184    | 69.98%                                      |
| 1988 | \$609                        | \$427                          | \$182    | 70.16%                                      |
| 1989 | \$606                        | \$425                          | \$181    | 70.09%                                      |
| 1990 | \$596                        | \$427                          | \$168    | 71.75%                                      |
| 1991 | \$586                        | \$434                          | \$152    | 74.04%                                      |
| 1992 | \$578                        | \$436                          | \$142    | 75.45%                                      |
| 1993 | \$571                        | \$439                          | \$132    | 76.85%                                      |
| 1994 | \$565                        | \$432                          | \$133    | 76.44%                                      |
| 1995 | \$567                        | \$428                          | \$139    | 75.46%                                      |
| 1996 | \$570                        | \$428                          | \$142    | 75.04%                                      |
| 1997 | \$579                        | \$431                          | \$148    | 74.44%                                      |

Data Source: IWPR calculations from BLS, Merged Earnings Files

The lack of growth in both women's and men's wages in the 1990s is especially disturbing, given that the economy is now enjoying the longest period of sustained growth since the end of World War II (27 quarters since the trough of the business cycle in the 1st quarter of 1991). While both women's and men's real earnings (in the weekly data series) are showing signs of recent growth, the increases are quite small.

The weekly earnings series (Figure 1a) show that the gap between women's and men's earnings was smallest in 1993 (\$132), and grew thereafter (to \$148 in 1997) as the trend lines for women's and men's earnings began to diverge after converging for previous 15 years. The gap had been \$236 per week in 1979. In Figure 2a, which shows the ratio of women's to men's median weekly earnings, the highest point is in 1993, and the growth in the ratio is clearly

across the graph, to the 1997 earnings point. In fact, the highest ratio of women's median weekly earnings to men's earnings was in 1993 (76.9%). The wage gap has actually increased since that time, so that women in 1997 only earned 74.4 % of men's median weekly earnings.

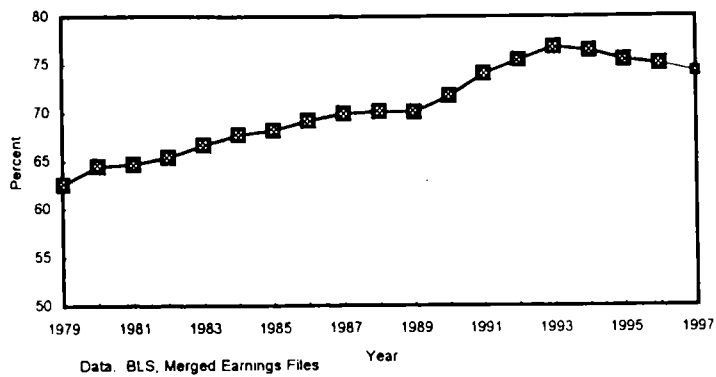
The end of women's wage growth raises the question of whether women have finally caught "male wage disease." If so, progress in closing the wage gap will be hopelessly stalled unless men continue their real wage losses, which is certainly not a desirable outcome. There is some evidence that this might be the case. In the median *annual* earnings data series from the US Bureau of the Census, the wage gap narrowed sharply between 1995 and 1996 (the last year for which this data series is available) because men's real earnings continued to decline (see Table 1b).<sup>1</sup>

Table 1b:  
Full-time Men and Women's Real Median Annual Earnings 1979-96  
(1997 Dollars)

| Year | Men's Median Annual Earnings | Women's Median Annual Earnings | Wage Gap | Percent of Women's to Men's Annual Earnings |
|------|------------------------------|--------------------------------|----------|---------------------------------------------|
| 1979 | \$36,902                     | \$22,017                       | \$14,885 | 59.66%                                      |
| 1980 | \$36,297                     | \$21,836                       | \$14,461 | 60.16%                                      |
| 1981 | \$36,090                     | \$21,378                       | \$14,712 | 59.23%                                      |
| 1982 | \$35,386                     | \$21,849                       | \$13,537 | 61.75%                                      |
| 1983 | \$35,260                     | \$22,423                       | \$12,837 | 63.59%                                      |
| 1984 | \$35,866                     | \$22,831                       | \$13,035 | 63.66%                                      |
| 1985 | \$36,090                     | \$23,305                       | \$12,785 | 64.58%                                      |
| 1986 | \$36,985                     | \$23,770                       | \$13,215 | 64.27%                                      |
| 1987 | \$36,658                     | \$23,893                       | \$12,765 | 65.18%                                      |
| 1988 | \$36,165                     | \$23,886                       | \$12,278 | 66.05%                                      |
| 1989 | \$35,376                     | \$24,294                       | \$11,082 | 68.67%                                      |
| 1990 | \$33,989                     | \$24,341                       | \$9,647  | 71.62%                                      |
| 1991 | \$34,670                     | \$24,220                       | \$10,450 | 69.86%                                      |
| 1992 | \$34,545                     | \$24,453                       | \$10,092 | 70.79%                                      |
| 1993 | \$33,774                     | \$24,155                       | \$9,619  | 71.52%                                      |
| 1994 | \$33,415                     | \$24,048                       | \$9,367  | 71.97%                                      |
| 1995 | \$33,170                     | \$23,693                       | \$9,477  | 71.43%                                      |
| 1996 | \$32,882                     | \$24,254                       | \$8,628  | 73.76%                                      |

Data: IWPR Calculations from Census, March Current Population Survey

Figure 2a:  
The Wage Ratio: Full-time Men and Women's Median Weekly Earnings 1979-97



However, in the weekly series, 41 percent (about two-fifths) of the closing of the gap is due to the increase in women's real wages, while 59 percent, or three-fifths, is due to the fall in men's real wages. Likewise, the effect of the slowdown in real wage growth for women in the 1990s is clearly shown in the vastly decreased proportion of the closing of the gap that is due to women's real wage growth—only 19 percent in the 1990s compared with 51 percent in the 1980s.

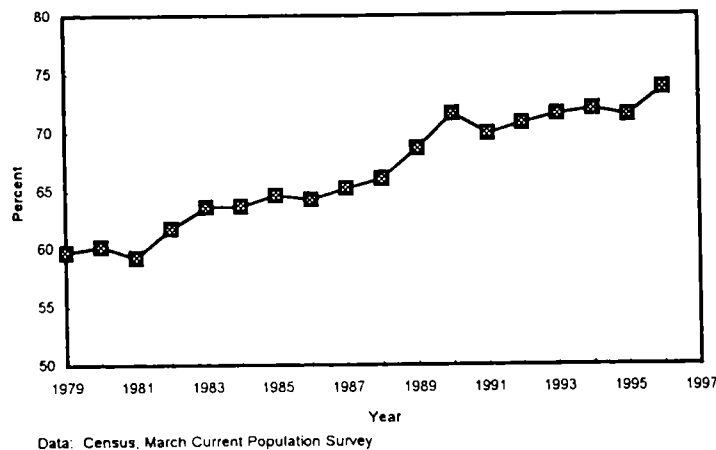
Analysis of the annual earnings series in Table 2b shows a similar phenomenon, with 60 percent of the

much greater in the 1980s than in the 1990s.

The annual earnings series (Figure 1b) shows the gap at its smallest in 1996 (\$8,628 annually compared with \$14,885 in 1979), but also shows a marked slowdown in progress in the 1990s compared with the 1980s. The ratio of women's to men's annual earnings is shown in Figure 2b. This trend line is fairly flat in the 1990s, in contrast with steady growth in the 1980s, with peaks in 1990 and 1996.

Tables 2a and 2b analyze how much of the closing of the gap was due to the growth in women's real wages and how much to the fall in men's real wages. Notice that the gap fell substantially over the nearly 20-year period, by 12 percentage points in the weekly series or 14 percentage points in the annual series.

Figure 2b:  
The Wage Ratio: Full-time Men and Women's Real Median Annual Earnings 1979-96



closing of the gap due to increases in women's real wages in the 1980s, but none of the further closing of the gap in the 1990s due to women's real wage growth. In the latter period, all of the closing of the gap in this series was the result of men's falling real wages.

Table 2a:  
The Causes for the Changing Wage Gap 1979-1997  
The Decreasing Female-Male Gap in Median Weekly Earnings

| Year      | % Point Change in Female/Male Wage Ratio | % Change in Women's Real Wages | % Change in Men's Real Wages | % Change in Gap Due to Rising Women's Real Wages | % Change in Gap Due to Falling Men's Real Wages |
|-----------|------------------------------------------|--------------------------------|------------------------------|--------------------------------------------------|-------------------------------------------------|
| 1979-1989 | -7.54%                                   | 7.55%                          | -4.02%                       | 51.37%                                           | 43.77%                                          |
| 1989-1997 | -4.35%                                   | 1.52%                          | -4.42%                       | 19.43%                                           | 80.57%                                          |
| 1979-1997 | -11.90%                                  | 9.18%                          | -8.26%                       | 41.01%                                           | 58.99%                                          |

Source: IWPR calculations from BLS, Merged Earnings Files

Table 2b:  
The Causes for the Changing Wage Gap 1979-1996  
The Decreasing Female-Male Gap in Median Annual Earnings

| Year      | % Point Change<br>in Female/Male<br>Wage Ratio | % Change in<br>Women's<br>Real Wages | % Change in<br>Men's Real<br>Wages | % Change in<br>Gap Due to<br>Rising<br>Women's<br>Real Wages | % Change in<br>Gap Due to<br>Falling Men's<br>Real Wages |
|-----------|------------------------------------------------|--------------------------------------|------------------------------------|--------------------------------------------------------------|----------------------------------------------------------|
| 1979-1989 | -9.01%                                         | 10.34%                               | -4.14%                             | 59.87%                                                       | 40.13%                                                   |
| 1989-1996 | -5.09%                                         | -0.16%                               | -7.05%                             | -1.62%                                                       | 101.62%                                                  |
| 1979-1996 | -14.10%                                        | 10.16%                               | -10.89%                            | 35.75%                                                       | 64.25%                                                   |

Data: IWPR calculations from Census, March Current Population Survey

Further research is needed to understand why women's and men's wages have behaved so differently throughout this period and why women's real wage growth seems to have stalled after a long period of steady growth. Some of the underlying trends that have led to increases in women's real wages — increased education and increased labor market experience — are likely to continue. But some may have come to an end. Much of the growth in women's real wages was fueled by the movement of women into higher earning occupations, such as management and the professions. Overall, in these two large occupational groups, women's representation is now equal to their

representation in the labor market as a whole. Unfortunately, women still earn less than men within these occupational groups; there are many differences in the distribution of women and men across the finer occupational breakdowns within these broad categories.

There is still plenty of room for further declines in sex segregation in the labor market. However, such declines may have to occur more in blue collar occupations, where progress has been slower, than in white collar occupations. Further wage will have to come from women's wages catching up to men's wages within occupations in addition

to the continued movement of women into higher paying men's occupations. Therefore, stronger enforcement of the Equal Employment Opportunity laws and regulations by the federal government is necessary for continued improvement in women's wages. In addition, pay equity or comparable-worth-type wage increases in women's occupations (for example, many clerical occupations) would clearly help to close the wage gap between women and men.

Education and training policies can help women and men earn higher wages through increased productivity and competitiveness. Labor legislation also has a place in assuring that workers receive fair compensation for their productivity gains. These laws ensure that workers have the right to join unions without intimidation and enforce the rights of workers to engage in collective bargaining. Finally, continued efforts to increase the wage floor by raising the minimum wage will benefit both women's and men's real wage growth.

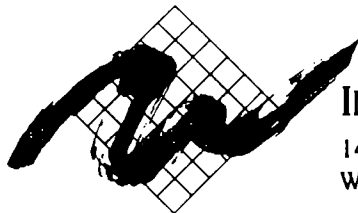
Heidi Hartmann, President  
Julie Whittaker, Study Director  
Institute for Women's Policy Research  
February 1998

<sup>1</sup> All earnings and wages are converted into 1997 dollars by using the Consumer Price Index U XI series.

<sup>2</sup> Earnings are compared at the median because the median worker is considered the most typical worker. The median worker is the worker in the precise middle of the earnings distribution—just as many workers earn more as earn less than the median worker. The BLS weekly earnings data consistently show a higher ratio of women's to men's earnings (and therefore a smaller earnings gap) than the Census Bureau annual earnings data.

<sup>3</sup> Both the weekly and the annual data come from the same data collection vehicle, the Current Population Survey, a survey of nearly 60,000 households conducted monthly by the US Bureau of the Census. Respondents are asked about their weekly earnings each month, while annual earnings for the previous year are asked of respondents only in March of each year. The Bureau of Labor Statistics reports on weekly earnings and provides the annual average of the weekly data for the previous year in late January of each year. The weekly data, called the Merged Earnings Files, are more reliable, both because there is likely to be less recall error on the part of respondents and because the number of respondents is much larger. However, the weekly data do not include self-employed workers' earnings. The Census Bureau reports the annual earnings for the previous year in early fall of each year.

The Institute for Women's Policy Research (IWPR) is an independent, non-profit, scientific research organization founded in 1987 to meet the need for women-centered, policy-oriented research. For information on ordering reports or on IWPR membership, call (202) 785-5100 or visit our World Wide Web site at <http://www.iwpr.org>.



## INSTITUTE FOR WOMEN'S POLICY RESEARCH

1400 20th Street, NW, Suite 104  
Washington, DC 20036

### Median Annual Female and Male Earnings by Dollar and Ratio for Full-Time, Full-Year Employed Men and Women

| State                | Female<br>Earnings | Male<br>Earnings | Female/Male<br>Ratio | Rank* |
|----------------------|--------------------|------------------|----------------------|-------|
| Alabama              | \$15,000           | \$24,499         | 61.2%                | 46    |
| Alaska               | \$24,000           | \$32,000         | 75.0%                | 3     |
| Arizona              | \$18,000           | \$25,822         | 69.7%                | 17    |
| Arkansas             | \$14,000           | \$20,000         | 70.0%                | 15    |
| California           | \$22,000           | \$30,000         | 73.3%                | 6     |
| Colorado             | \$19,000           | \$27,000         | 70.4%                | 14    |
| Connecticut          | \$23,000           | \$34,000         | 67.6%                | 24    |
| Delaware             | \$19,600           | \$29,000         | 67.6%                | 24    |
| District of Columbia | \$24,500           | \$28,000         | 87.5%                | 1     |
| Florida              | \$17,062           | \$24,500         | 69.6%                | 18    |
| Georgia              | \$18,000           | \$25,000         | 72.0%                | 8     |
| Hawaii               | \$19,000           | \$25,000         | 76.0%                | 2     |
| Idaho                | \$15,000           | \$23,000         | 65.2%                | 40    |
| Illinois             | \$19,842           | \$30,000         | 66.1%                | 35    |
| Indiana              | \$16,500           | \$27,000         | 61.1%                | 47    |
| Iowa                 | \$16,000           | \$24,000         | 66.7%                | 30    |
| Kansas               | \$16,640           | \$25,000         | 66.6%                | 32    |
| Kentucky             | \$15,087           | \$24,000         | 62.9%                | 44    |
| Louisiana            | \$15,000           | \$25,000         | 60.0%                | 49    |
| Maine                | \$16,536           | \$24,000         | 68.9%                | 21    |
| Maryland             | \$22,000           | \$31,000         | 71.0%                | 12    |
| Massachusetts        | \$22,000           | \$31,053         | 70.8%                | 13    |
| Michigan             | \$19,500           | \$31,550         | 61.8%                | 45    |
| Minnesota            | \$19,000           | \$28,000         | 67.9%                | 23    |
| Mississippi          | \$14,000           | \$22,000         | 63.6%                | 41    |
| Missouri             | \$17,000           | \$25,200         | 67.5%                | 26    |
| Montana              | \$14,000           | \$22,000         | 63.6%                | 41    |
| Nebraska             | \$15,000           | \$22,000         | 68.2%                | 22    |
| Nevada               | \$18,531           | \$26,000         | 71.3%                | 11    |
| New Hampshire        | \$19,800           | \$29,872         | 66.3%                | 34    |

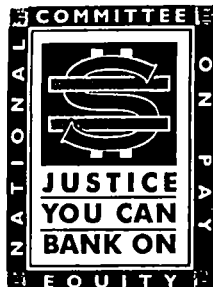
| <b>State</b>   | <b>Female<br/>Earnings</b> | <b>Male<br/>Earnings</b> | <b>Female/Male<br/>Ratio</b> | <b>Rank*</b> |
|----------------|----------------------------|--------------------------|------------------------------|--------------|
| New Jersey     | \$22,700                   | \$34,572                 | 65.7%                        | 37           |
| New Mexico     | \$15,900                   | \$23,619                 | 67.3%                        | 28           |
| New York       | \$22,000                   | \$30,000                 | 73.3%                        | 6            |
| North Carolina | \$16,000                   | \$22,300                 | 71.7%                        | 10           |
| North Dakota   | \$14,000                   | \$20,000                 | 70.0%                        | 15           |
| Ohio           | \$18,000                   | \$28,300                 | 63.6%                        | 41           |
| Oklahoma       | \$16,000                   | \$24,000                 | 66.7%                        | 30           |
| Oregon         | \$18,000                   | \$26,000                 | 69.2%                        | 19           |
| Pennsylvania   | \$18,000                   | \$27,500                 | 65.5%                        | 38           |
| Rhode Island   | \$18,833                   | \$28,000                 | 67.3%                        | 28           |
| South Carolina | \$15,500                   | \$23,000                 | 67.4%                        | 27           |
| South Dakota   | \$13,429                   | \$18,000                 | 74.6%                        | 5            |
| Tennessee      | \$15,739                   | \$23,800                 | 66.1%                        | 35           |
| Texas          | \$18,000                   | \$25,000                 | 72.0%                        | 8            |
| Utah           | \$16,500                   | \$27,000                 | 61.1%                        | 47           |
| Vermont        | \$18,000                   | \$24,000                 | 75.0%                        | 3            |
| Virginia       | \$19,000                   | \$27,500                 | 69.1%                        | 20           |
| Washington     | \$19,680                   | \$29,581                 | 66.5%                        | 33           |
| West Virginia  | \$14,738                   | \$25,000                 | 58.9%                        | 51           |
| Wisconsin      | \$16,981                   | \$26,000                 | 65.3%                        | 39           |
| Wyoming        | \$15,200                   | \$25,480                 | 59.7%                        | 50           |
| United States  | \$18,780                   | \$27,460                 | 68.5%                        |              |

\* States received the same rank when they were tied.

Source: Institute for Women's Policy Research. 1995. *A Cross-State Comparison of the Economic Status of Women*. Calculations are based on the U.S. Bureau of the Census Public Use Microdata Sample, 1990. Prepared by Susan M. Dynarski under the Public Policy Masters Program at the John F. Kennedy School of Government, Harvard University.

---

*The Institute for Women's Policy Research (IWPR) is an independent, nonprofit, scientific research organization dedicated to conducting and disseminating research that informs public policy debates affecting women. Members and affiliates of IWPR receive regular reports and information. Please contact the Institute at (202) 785-5100 or visit our website at <http://www.iwpr.org> for information about individual and organizational memberships. The Institute is a 501(c)(3) tax-exempt organization. This Research-in-Brief was prepared by Jill Braunstein in February 1997.*



# NATIONAL COMMITTEE ON PAY EQUITY

1126 Sixteenth St. NW, • Washington, DC 20036 • (202) 331-7343 FAX (202) 331-7406

## PROFILE OF THE WAGE GAP BY SELECTED OCCUPATIONS AND CLASS

Regardless of occupational level or economic class, wage discrimination affects women's salaries across the board.

### HIGH INCOME OCCUPATIONS

Occupations with Estimated Annual Earnings of \$33,000 + , Selected Comparisons<sup>1</sup>

| Occupation                        | Women's<br>Weekly Wages | Men's<br>Weekly Wages | Percent Wage Gap |
|-----------------------------------|-------------------------|-----------------------|------------------|
| <b>Managerial</b>                 | <b>\$570</b>            | <b>\$833</b>          | <b>68.4%</b>     |
| -Public Administration            | \$652                   | \$829                 | 78.6%            |
| -Marketing, Advertising, PR       | \$631                   | \$1,063               | 59.4%            |
| -Education                        | \$674                   | \$952                 | 70.8%            |
| -Medicine, Health                 | \$580                   | \$838                 | 69.2%            |
| -Properties, Real Estate          | \$464                   | \$614                 | 75.6%            |
| <hr/>                             |                         |                       |                  |
| <b>Professional</b>               | <b>\$632</b>            | <b>\$827</b>          | <b>76.4%</b>     |
| -Engineers, Architects, Surveyors | \$778                   | \$926                 | 84.0%            |
| -Physicians                       | \$806                   | \$1,241               | 64.9%            |
| -Registered Nurses                | \$693                   | \$715                 | 96.9%            |
| -Elementary School Teachers       | \$627                   | \$713                 | 87.9%            |
| -Social Workers                   | \$497                   | \$565                 | 87.9%            |
| -Lawyers                          | \$958                   | \$1,171               | 81.8%            |
| -Editors, Reporters               | \$561                   | \$656                 | 85.5%            |
| <hr/>                             |                         |                       |                  |
| <b>Technical</b>                  | <b>\$480</b>            | <b>\$641</b>          | <b>74.9%</b>     |
| -Clinical Lab Technicians         | \$508                   | \$561                 | 90.5%            |
| -Computer Programmers             | \$681                   | \$762                 | 89.4%            |
| -Legal Assistants                 | \$501                   | \$582                 | 86.1%            |

<sup>1</sup> Approximate Annual Earnings categories were estimated by multiplying the median weekly wages for men by 52 weeks.

## MIDDLE INCOME OCCUPATIONS

Occupations With Estimated Annual Earnings of \$20,000 to \$32,999, Selected Comparisons:

| Occupation                               | Women's<br>Weekly Wages | Men's<br>Weekly Wages | Percent Wage Gap |
|------------------------------------------|-------------------------|-----------------------|------------------|
| <b>Sales</b>                             | <b>\$330</b>            | <b>\$579</b>          | <b>57.0%</b>     |
| -Insurance                               | \$453                   | \$777                 | 58.3%            |
| -Retail and personal services            | \$253                   | \$365                 | 69.3%            |
| -Cashiers                                | \$233                   | \$256                 | 91.0%            |
| <hr/>                                    |                         |                       |                  |
| <b>Administrative Support</b>            | <b>\$384</b>            | <b>\$489</b>          | <b>78.5%</b>     |
| -Computer Operators                      | \$392                   | \$527                 | 74.4%            |
| -Secretaries, Steno, Typists             | \$395                   | \$441                 | 89.6%            |
| -Ticket, Reservation Agents              | \$391                   | \$498                 | 78.5%            |
| -Adjusters, Investigators                | \$411                   | \$503                 | 81.7%            |
| <hr/>                                    |                         |                       |                  |
| <b>Precision Product., Craft, Repair</b> | <b>\$371</b>            | <b>\$534</b>          | <b>69.5%</b>     |
| -Mechanics, Repairers                    | \$550                   | \$538                 | 102%             |
| -Food Production                         | \$293                   | \$377                 | 77.7%            |
| -Textile, Apparel Machine                | \$291                   | \$363                 | 80.2%            |
| <hr/>                                    |                         |                       |                  |
| <b>Operators, Fabricators, Laborers</b>  | <b>\$297</b>            | <b>\$413</b>          | <b>71.9%</b>     |
| -Printing Machine                        | \$360                   | \$492                 | 73.2%            |
| -Slicing and Cutting Machine             | \$277                   | \$391                 | 70.8%            |
| -Assemblers                              | \$306                   | \$396                 | 77.3%            |
| <hr/>                                    |                         |                       |                  |
| <b>Transportation, Material Moving</b>   | <b>\$354</b>            | <b>\$482</b>          | <b>73.4%</b>     |
| -Truck Drivers                           | \$345                   | \$484                 | 71.3%            |
| -Bus Drivers                             | \$331                   | \$497                 | 66.6%            |
| <hr/>                                    |                         |                       |                  |



## LOW INCOME OCCUPATIONS

Occupations With Estimated Annual Earnings of Less than \$20,000:

| <b>Occupation</b>                      | <b>Women's<br/>Weekly Wages</b> | <b>Men's<br/>Weekly Wages</b> | <b>Percent Wage Gap</b> |
|----------------------------------------|---------------------------------|-------------------------------|-------------------------|
| <b>Service</b>                         | <b>\$264</b>                    | <b>\$300</b>                  | <b>88.0%</b>            |
| -Bartenders                            | \$262                           | \$315                         | 83.2%                   |
| -Janitors and Cleaners                 | \$259                           | \$307                         | 84.4%                   |
| <hr/>                                  |                                 |                               |                         |
| <b>Handler, Equip Cleaner, Laborer</b> | <b>\$284</b>                    | <b>\$328</b>                  | <b>86.6%</b>            |
| -Stock handlers, baggers               | \$248                           | \$279                         | 88.9%                   |
| -Hand packers, packagers               | \$283                           | \$298                         | 95.0%                   |
| <hr/>                                  |                                 |                               |                         |
| <b>Farming, Forestry and Fishing</b>   | <b>\$249</b>                    | <b>\$294</b>                  | <b>84.7%</b>            |
| -Farm workers                          | \$217                           | \$266                         | 81.6%                   |

Source: 1995 Annual Averages, U.S. Department of Labor, Bureau of Labor Statistics.

## To Do

1. Eli taxes
2. Clean use
3. Invest stocks
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.

## Work

1. (files) - notebook
2. Unprocessed
- 3.
- 4.
- 5.
- 6.



DRAFT

8. CRS 9

## Memorandum

January 23, 1998

TO : Honorable Eleanor Holmes Norton  
Attention: Erin Prangley

FROM : Linda Levine  
Specialist in Labor Economics  
Economics Division

SUBJECT : Background information on pay equity

This memo responds to your request of December 10, 1997, for CRS to prepare a written product on the issue of pay equity as background information for Members participating in a town hall meeting on February 5, 1998, on the same subject. As we discussed, the contents of this memo will be part of a forthcoming CRS report on pay equity. The main difference between the memo and report will be the development of a policy section.

### **Introduction**

Women's participation in the labor market has undergone considerable change in the last few decades. Women now comprise 46% of all workers, up from 33% in 1960. More than one-half of the noninstitutional female population age 16 or older has been in the paid work force since 1979, according to U.S. Bureau of Labor Statistics' data. The majority of today's married women have forsaken the traditional role of full-time child care givers for the dual role of unpaid homemakers and paid workers. Although married mothers still typically combine family responsibilities with paid employment by working in part-time or part-year jobs, or by leaving the labor force when their children are born and then reentering as their children grow older,<sup>1</sup> their contribution to family income has been increasing over the years.<sup>2</sup>

One constant over time, however, has been the lower wages of women compared to men. The persistence of the gender wage gap in the face of significant changes in women's labor force participation has prompted concern in some quarters about the "equity" or "fairness" of the market's wage-setting process. It is contended that corrective action,

---

<sup>1</sup> Hayghe, Howard V. and Suzanne M. Bianchi. Married Mothers' Work Patterns: the Job-Family Compromise. *Monthly Labor Review*, June 1994.

<sup>2</sup> Hayghe, Howard V. Contributions of Working Wives to Family Income. *Monthly Labor Review*, August 1993.

beyond already enacted equal pay and employment legislation, is needed because ongoing discrimination against women is distorting the allocation of human resources and creating inefficiencies in the labor market. Others believe that the pay gap reflects differences in freely chosen labor market qualifications between the sexes that legitimately affect relative wages. They assert that as the work expectations, schooling, and labor market experience of women and men continue to converge, the wage gap will narrow further without the need for additional intervention which could itself impede economic efficiency.

## The Male-Female Wage Gap

The issue termed "pay equity" originates from the chronic fact that women as a group are paid less than men. In 1960, half of all women employed year-round full-time (i.e., 50-52 weeks, at least 35 hours per week) earned more than \$3,257 and half earned less than that amount; in the same year, the median annual earnings of men employed year-round full-time were \$5,368. Thirty-six years later, according to U.S. Bureau of the Census data, the median earnings of women with a strong commitment to the workforce were \$23,710 while those of men were a substantially greater \$32,144.

It is often reported that even when comparisons are made between similar groups, women still earn less than men. For example, women with a bachelor's degree earned \$28,701 in 1996 while similarly educated men earned an average of \$46,702.<sup>3</sup> Male high school graduates were paid \$27,642 on average, well above the \$16,161 paid to female high school graduates. Regardless of age, women typically earn less than men as well. The wage gap is narrowest among young adults, and then generally widens with age: according to Census Bureau data for 1996, female 18-24 year olds were paid 80% as much as male 18-24 year olds; female 25-34 year olds earned 69% as much as males in the same age group; female 35-44 year olds, 58%; female 45-54 year olds, 53%; and, female 55-64 year olds were paid 50% as much as male 55-64 year olds. Although these disparities between seemingly similar groups of men and women sometimes are taken as proof of sex-based wage discrimination, they have not been adjusted to simultaneously reflect gender differences in *all* characteristics that can legitimately affect relative wages. These differences will be addressed in the next section of this memo.

The size of the male-female wage gap has shrunk at a fairly slow and uneven pace over the years. (See Table 1.) In the 1960s and 1970s, women earned less than 60 cents for every dollar earned by men. The gap narrowed steadily during the 1980s, so that by the end of the decade women were being paid about 70 cents on the dollar. To date in the 1990s, the trend is unclear: according to the data series on annual earnings, the ratio of female-to-male wages has fluctuated erratically within a narrow band (70%-74%); according to the series on weekly

---

<sup>3</sup> According to one analysis, a portion of the wage gap between male and female college graduates is due to gender differences in majors which, in turn, affect the occupations and industries in which college graduates subsequently work. In contrast, differences in high school course work between the sexes were estimated to have little impact on the wage gap of that educational group. Brown, Charles and Mary Corcoran. Sex-Based Differences in School Content and the Male-Female Wage Gap. *Journal of Economic Literature*, v. 15, no. 3, pt. 1, July 1997.

**Table 1. Ratio of Female-to-Male Earnings**

| Year | Year-Round Full-Time Workers <sup>a</sup> | Full-Time Workers <sup>b</sup> | Year | Year-Round Full-Time Workers <sup>a</sup> | Full-Time Workers <sup>b</sup> |
|------|-------------------------------------------|--------------------------------|------|-------------------------------------------|--------------------------------|
| 1997 | n.a.                                      | n.a.                           | 1979 | 59.7                                      | 62.5                           |
| 1996 | 73.8                                      | 75.0                           | 1978 | 59.4                                      | n.a.                           |
| 1995 | 71.4                                      | 75.5                           | 1977 | 58.9                                      | n.a.                           |
| 1994 | 72.0                                      | 76.4                           | 1976 | 60.2                                      | n.a.                           |
| 1993 | 71.5                                      | 77.1                           | 1975 | 58.8                                      | n.a.                           |
| 1992 | 70.8                                      | 75.8                           | 1974 | 58.8                                      | n.a.                           |
| 1991 | 69.9                                      | 74.2                           | 1973 | 56.6                                      | n.a.                           |
| 1990 | 71.6                                      | 71.9                           | 1972 | 57.9                                      | n.a.                           |
| 1989 | 68.7                                      | 70.1                           | 1971 | 59.5                                      | n.a.                           |
| 1988 | 66.0                                      | 70.2                           | 1970 | 59.4                                      | n.a.                           |
| 1987 | 65.2                                      | 70.0                           | 1969 | 58.9                                      | n.a.                           |
| 1986 | 64.3                                      | 69.2                           | 1968 | 58.2                                      | n.a.                           |
| 1985 | 64.6                                      | 68.2                           | 1967 | 57.8                                      | n.a.                           |
| 1984 | 63.7                                      | 67.8                           | 1966 | 57.6                                      | n.a.                           |
| 1983 | 63.6                                      | 66.7                           | 1965 | 59.9                                      | n.a.                           |
| 1982 | 61.7                                      | 65.4                           | 1964 | 59.1                                      | n.a.                           |
| 1981 | 59.2                                      | 64.6                           | 1963 | 58.9                                      | n.a.                           |
| 1980 | 60.2                                      | 64.4                           | 1962 | 59.3                                      | n.a.                           |
|      |                                           |                                | 1961 | 59.2                                      | n.a.                           |
|      |                                           |                                | 1960 | 60.7                                      | n.a.                           |

**Source:** Series on year-round/full-time workers, the U.S. Bureau of the Census; series on full-time workers, the U.S. Bureau of Labor Statistics.

**Note:** n.a. = not available. The ratio of female-to-male earnings would be lower if all workers were compared because relatively more women than men work part-time or part-year schedules.

<sup>a</sup> Based on median annual earnings data for all workers age 15 or older (14 or older before 1980) who worked year-round full-time (i.e., 50-52 weeks in a year and at least 35 hours in a week), including the self-employed. Before 1989, earnings covered civilian workers only.

<sup>b</sup> Based on median weekly earnings data for wage and salary workers age 16 or older who worked full-time.

earnings, the gap continued to shrink through 1993 but since then, it has expanded.<sup>4</sup> Despite substantial changes in women's labor force participation over the last few decades, the unadjusted wage gap has narrowed by 13 percentage points over the 36-year interval and has ceased to steadily narrow in the current decade. Reasons suggested for the lack of convergence in the male-female wage gap through the 1970s and for its improvement during the 1980s are discussed in the last section of this memo.

## Reasons Suggested for the Wage Gap's Persistence

The persistence of the wage gap between the sexes has led to a search for explanations. Basically, two schools of thought have developed. The human capital explanation has a supply-side focus, that is, it looks at the personal characteristics of working women and men. The occupational segregation explanation has a demand-side focus, that is, it looks at the characteristics of the jobs in which women and men typically work.

**The Human Capital Explanation.** One school of thought asserts that women earn less than men because of the division of labor within the family which results in productivity differences between the sexes.<sup>5</sup> Anticipated family responsibilities are believed to influence women's decisions about the amount and kind of investment in education/training (e.g., number of years of schooling, subject matter of course work, and general versus firm-specific training) as well as the length and pattern of time devoted to market work (i.e., total years of work experience, intermittent/continuous participation, and part-time/part-year or full-time/full-year schedules). Because women expect to spend fewer years than men in the labor force, women have comparatively less incentive to invest in market-oriented skills. According to the human capital explanation, then, women's smaller human capital investment lowers their productivity, and hence earnings, relative to men's.

The discontinuous employment history of women is thought to further depress their relative wages.<sup>6</sup> Because skills deteriorate (i.e., become less valuable) with prolonged non-use, women's wages upon reentering the labor force initially are lower than their wages had been when they exited the labor force to bear and care for their children. It is argued that women who anticipate moving in and out of the labor force *choose* to enter occupations having the least earnings penalty for intermittent employment, that is, occupations having the

---

<sup>4</sup> The wage gap based on annual data is wider than the wage gap based on weekly data because women generally work fewer weeks and hours per week than men. In addition, the annual series covers self-employed workers who have larger earnings differences than the wage and salary workers covered by the weekly series.

<sup>5</sup> Mincer, Jacob and Solomon Polachek. Family Investments in Human Capital: Earnings of Women. *Journal of Political Economy*, v. 82, pt. 2, March/April 1974; and, Mincer, Jacob and Solomon Polachek. Women's Earnings Reexamined. *Journal of Human Resources*, v. 13, no. 1, Winter 1978.

<sup>6</sup> Polachek, Solomon. Occupational Segregation among Women: Theory, Evidence, and a Prognosis, in Lloyd, Cynthia B. with Emily S. Andrews and Curtis L. Gilroy (eds.) *Women in the Labor Market*. New York, Columbia University Press, 1979; Polachek, Solomon. Occupational Self-Selection: A Human Capital Approach to Sex Differences in Occupational Structure. *Review of Economics and Statistics*, v. 63, no. 1, 1981; Mincer, Jacob and Haim Ofek. Interrupted Work Careers: Depreciation and Restoration. *Journal of Human Resources*, v. 17, no. 1, Winter 1982; and, Kim, Moon-Kak and Solomon Polachek. Panel Estimates of Male-Female Earnings Functions. *Journal of Human Resources*, vol. XXIX, no. 2, Spring 1994.

lowest rate of skill depreciation. Therefore, women more so than men would *prefer* employment in jobs in which wage growth is not closely linked to skill accumulation. As a result of this preference,<sup>7</sup> women who do not expect to work continuously would want jobs that offer a smaller reward for additional work experience (i.e., jobs with a flatter experience-earnings profile) than would continuous workers (e.g., men). Human capital theory thus not only attempts to explain the relatively lower wages of women, but also the difference in the occupational distributions of men and women.

The division of labor within the family could have a more direct impact on women's wages than through its effect on human capital accumulation. Married women continue to be largely responsible for child care and other energy-intensive household responsibilities.<sup>8</sup> Because they consequently expend more effort than men on these family duties, it arguably reduces the effort that women can expend on market work. If wages and the amount of market work (measured by hours *and* effort) are positively related, then married women's wages will be lower than those of married men — even for workers having the same human capital endowments.<sup>9</sup> Some analysts also believe that household duties promote occupational segregation by encouraging married women to seek less-demanding jobs which allow them to economize on the energy they expend on market work.<sup>10</sup>

Researchers have tried to explain the existence of the wage gap by estimating the proportion that is due to differences in the average amounts of human capital accumulated by female and male workers. The residual or unexplained portion of the pay differential is due to differences in the rates of return (reward) to working women and men with the same measured characteristics. Because productivity rarely can be directly observed, commonly used proxies for it include amount and quality of formal education, on-the-job training, hours of work, job tenure, amount and continuity of labor market experience, health, age, race, socioeconomic background, marital status, presence of children, and region of residence.

While to some the unexplained portion indicates the existence of sex-based wage discrimination, to others it indicates the limits of knowledge. For the residual to solely

---

<sup>7</sup> The human capital explanation assumes that individuals' preferences and choices are voluntary. It does not take into account the possibility of pre-labor market (societal) discrimination. For example, social norms/customs may constrain women's ideas about appropriate careers (e.g., becoming a nurse rather than a doctor). For more information on the relationship between socialization and occupational choice, see: Marini, Margaret Mooney and Mary C. Brinton. *Sex Typing in Occupational Socialization*, in Reskin, Barbara F. (ed.) *Sex Segregation in the Workplace: Trends, Explanations, Remedies*. Washington, National Academy Press, 1984.

<sup>8</sup> There is evidence to suggest that in the 1980s husbands increased the number of hours they were involved in housework, which is a departure from the pattern that prevailed in the two prior decades. Nonetheless, married women continue to spend much more time than men on household duties. Blau, Francine. *Trends in the Well-Being of American Women, 1970-1995*. Working Paper 6206. Cambridge, Mass., National Bureau of Economic Research, October 1997.

<sup>9</sup> According to one analysis, gender differences in personal and job characteristics explain 27-30% of the wage gap when housework was not considered; when the gender difference in housework was taken into account, about 38% of the wage gap could be explained. Hersch, Joni and Leslie S. Stratton. *Housework, Fixed Effects, and Wages of Married Workers*. *Journal of Human Resources*, vol. 32, no. 2, Spring 1997.

<sup>10</sup> Becker, Gary S. Human Capital, Effort, and the Sexual Division of Labor. *Journal of Labor Economics*, v. 3, no. 1, January 1985 supplement.

reflect discrimination — that is, *all* earnings differences between the sexes not accounted for by differences in their measured attributes — then *all* relevant variables must be included in the empirical studies and the included variables must be measured *accurately*. However, relevant factors may be omitted from studies because they are difficult or impossible to measure (e.g., motivation) or are not included in a particular data set (e.g., field of specialization in school), and they may be imprecisely measured (e.g., use of potential rather than actual work experience).

Based on its review of seven empirical studies that used this decomposition approach, the National Academy of Sciences found that the majority of the wage gap between the sexes could not be explained by human capital variables alone.<sup>11</sup> The studies' results ranged widely, from explaining none of the pay disparity to justifying 44% of the earnings differential between men and women. Several researchers also have questioned the ability of the skill depreciation hypothesis to account for the wage gap over the long-run and to explain the different occupational distributions of women and men.<sup>12</sup>

Leaving aside the question of how much of the pay disparity can be ascribed to differences in worker characteristics, a number of problems in applying human capital theory to the male-female wage gap have been noted.<sup>13</sup> As previously mentioned, the variables used to measure productivity are indirect, and thus may pick up more than, or something other than, productivity differences. In addition, disagreement exists about whether wages are related to labor productivity alone. Other factors may intervene in the relationship, including the presence and strength of unions, the economic condition of a firm or industry, and custom.

**The Occupational Segregation Explanation.** In contrast to human capital theorists, other researchers look to job-related variables as justification for the existence of the wage gap. Some focus particularly on the relationship between occupational segregation by gender and the comparatively low wages of women. Occupational segregation is the clustering of women and men in different occupational groups, in different occupations within these groups, in different jobs within these occupations, and in different industries or firms performing the same jobs.

**Sex segregation by occupation.** The occupational distributions of men and women have become more similar over the years. In the 1960s, occupational segregation of the sexes declined somewhat, due partly to the movement of men into female-intensive jobs

---

<sup>11</sup> Treiman, Donald J. and Heidi I. Hartmann (eds.) *Women, Work, and Wages: Equal Pay for Jobs of Equal Value*. Washington, National Academy Press, 1981. p. 19-23.

<sup>12</sup> England, Paula. The Failure of Human Capital Theory to Explain Occupational Sex Segregation. *Journal of Human Resources*, v. 17, no. 3, Summer 1982; Abowd, John M. and Mark R. Killingsworth. Sex, Discrimination, Atrophy, and the Male-Female Wage Differential. *Industrial Relations*, v. 22, no. 3, Fall 1983; Corcoran, Mary with Greg J. Duncan and Michael Ponza. Work Experience, Job Segregation, and Wages, in Reskin, *Sex Segregation in the Workplace*; and, Wellington, Allison J. Changes in the Male/Female Wage Gap, 1976-85. *Journal of Human Resources*, v. 28, no. 2, Spring 1993.

<sup>13</sup> Treiman and Hartmann, *Women, Work, and Wages*, p. 18-19.



(e.g., elementary school teachers, librarians, and social workers).<sup>14</sup> Segregation continued to decrease in the 1970s, and it did so to a greater extent than in the prior decade. The growing similarity primarily occurred because both men and women entered neutral occupations.<sup>15</sup> Women also increased their presence in a few male-dominated occupations during the 1970s, with the greatest inroads being made in the rapidly expanding occupational groups of executive, administrative, and managerial workers as well as professional workers. The occupational distributions kept converging over the ensuing decades, but at a progressively slower pace through the 1980s and mid-1990s compared to the 1970s.<sup>16</sup> While men and women decreased their shares of employment in male- and female-dominated occupations respectively between 1985 and 1995, there was little movement of women into male-dominated and of men into female-dominated occupations. Most of the gain in occupational similarity through the mid-1990s resulted from women's increased presence in occupations that are 60-80% female and from men's increased presence in occupations that are 60-80% male.

As a consequence, women and men remain quite concentrated in different occupations. In 1995, for example, 4% of women were employed in male-dominated occupations, 58% were employed in gender neutral occupations, and 38% were employed in female-dominated occupations.<sup>17</sup> The degree of sex segregation by occupation is sensitive to the definition of these three groups: if instead of 80%, female-dominated occupations are defined as those in which women comprised 70% or more of total employment, then 55% of women were in female-dominated occupations in 1995; and, if a 60% cutoff were used, then 61% of women worked in female-dominated occupations.

*Why does occupational segregation depress women's relative wages?* The crowding hypothesis offers one explanation of why occupational segregation is associated with lower earnings for women relative to men. According to this theory, women are excluded from many jobs due to the discriminatory tastes of employers.<sup>18</sup> Because women have access to only a limited number of occupations, the supply of labor to those occupations increases which in turn reduces the capital-to-labor ratio. As a result, the productivity and wages of both women and men in the crowded, female-intensive occupations are depressed. Similarly, productivity and wages in male-dominated occupations are higher than they would otherwise be because the supply of labor to them is restricted. Discrimination, it is asserted, prevents the labor mobility between the two sets of occupations that would otherwise equalize wages between male and female workers with the same human capital endowments.

---

<sup>14</sup> Chertos, Cynthia H., Lois Haignere, and Ronnie J. Steinberg. *Occupational Segregation and Its Impact on Working Women*. New York, Center for Women in Government, 1982. p. 58-59.

<sup>15</sup> Rytina, Nancy F. and Suzanne M. Bianchi. Occupational Reclassification and Changes in Distribution by Gender. *Monthly Labor Review*, March 1984. Neutral occupations were defined as having between 21% and 59% female employment; male-dominated occupations were defined as employing 20% or fewer women; and, female-dominated occupations as employing 60% or more women.

<sup>16</sup> Wooton, Barbara H. Gender Differences in Occupational Employment. *Monthly Labor Review*, April 1997.

<sup>17</sup> Ibid.

<sup>18</sup> Bergmann, Barbara R. Occupational Segregation, Wages and Profit When Employers Discriminate by Race or Sex. *Eastern Economic Journal*, vol. 1, no. 2 & 3, April & July 1974.

The dual labor market theory offers another explanation for the relationship between occupational segregation and the wage gap.<sup>19</sup> According to this hypothesis, the labor market has both primary and secondary sectors. The former is comprised of jobs having opportunities for advancement, offering good wages and working conditions, and providing job security. The latter is comprised of dead-end jobs, with low wages and poor working conditions, and substantial employee turnover. Because many jobs in the primary sector require employers to invest in training of their employees, wage differentials can arise from this market segmentation. Primary sector employers will want to hire stable workers so that they have some assurance of recouping their training costs. Since women as a group tend to move in and out of the labor force more often than men, primary sector employers who rely upon their impressions about the relative labor force stability of *all* men and women when making decisions about hiring *individual* men and women (i.e., statistical discrimination) would prefer to hire men over women. The outcome, some analysts claim, is that women are relegated to the secondary, low-paying sector of the labor market.

*Some portion of the wage gap remains unexplained.* Studies have attributed the wage gap's existence to characteristics of both jobs *and* workers. Typical job characteristics include occupational prestige, supervisory status, union status, industry, occupation, percent female, and median income of male incumbents. In those studies that adjust for differences in the employment distributions of men and women at the detailed occupational level, more of the gap is explained than in studies that adjust across major occupational groups. This was the case among the seven empirical analyses reviewed by the National Academy of Sciences which took into account job as well as worker characteristics: all but one of the studies that used detailed occupational classifications could explain between 30% and 71% of the male-female pay differential.<sup>20</sup>

The greater explanatory power of studies that use more detailed occupational classifications is due to the fact that employment and earnings differences between men and women can be quite large even within occupational groups. For example, U.S. Bureau of Labor Statistics' data show that within the major occupational group of professionals, women were 83% of elementary school teachers and had median weekly earnings of \$648 in 1996, while men were 91% of engineers and had median weekly earnings of \$963.

The results of empirical studies reviewed by the National Academy of Sciences and other researchers<sup>21</sup> indicate that the addition of job-related variables to human capital

---

<sup>19</sup> Doeringer, Peter B. and Michael J. Piore. *Internal Labor Markets and Manpower Analysis*. Lexington, Mass., D.C. Heath and Company, 1971.

<sup>20</sup> Treiman and Hartmann, *Women, Work, and Wages*, p. 31-38.

<sup>21</sup> Other reviews of empirical work on the male-female wage gap are included in: Lloyd, Cynthia B. and Beth T. Niemi. *The Economics of Sex Differentials*. New York, Columbia University Press, 1979; Agarwal, Naresh C., Pay Discrimination: Evidence, Policies, and Issues, in Jain, Harish C. and Peter J. Sloane. *Equal Employment: Race and Sex Discrimination in the United States, Canada, and Britain*. New York, Praeger Publishers, 1981; O'Neill, June. Earnings Differentials: Empirical Evidence and Causes, in Schmid, Gunther and Renate Weitzel (eds.) *Sex Discrimination and Equal Opportunity: the Labor Market and Employment Policy*. NY, St. Martin's Press, 1984; Willborn, Steven L. *A Comparable Worth Primer*. Lexington, Mass., D. C. Heath and Company, 1986. p. 12-25; Cain, Glen G. The Economic Analysis of Labor Market Discrimination: A Survey, in Ashenfelter, Orley and Richard Layard (eds.) *Handbook of Labor Economics*, v. 1.

(continued...)

variables increases the ability to account for justifiable differences between the wages paid to women and men. Nonetheless, even those studies that incorporate both job and productivity variables leave a portion of the wage gap unaccounted for. And, to the extent that one job characteristic — the occupational distributions of women and men — “partly reflects employment discrimination or unequal occupational access...then clearly this gender difference cannot legitimately be used to help “explain” the gender wage gap.”<sup>22</sup> In other words, the result of including occupation as an explanatory variable would be underestimation of labor market discrimination *to the degree* that gender differences in occupational distributions reflect discrimination rather than personal preferences and choices.<sup>23</sup>

Because neither discrimination nor productivity can be measured directly, it is likely that debate will continue on precisely how much of the wage gap can be attributed to each of them. By extension, disagreement also will continue about whether remedial action is needed; and, if so, what kind of action.

## Reasons Suggested for the Gap's Narrowing

As shown in Table 1, the wage gap has narrowed gradually and sporadically over the years. Some assert that the intransigence of discrimination, despite enforcement of equal pay and employment legislation, accounts for the slow and fitful erosion of the wage gap. Others conclude that it is due to, among other things, the timing of market skill convergence between the sexes and to non-gender-specific changes in the labor market.

During much of the post-World War II period, the human capital endowments of women entering the labor force worked against contraction in the wage gap.<sup>24</sup> Working men's educational attainment increased more than working women's, and a greater number of less educated than more educated women joined the labor force through the 1970s. In addition, the average work experience of employed women was held down by the entrance into the labor force of many women who had little or no prior experience. It is thus argued that the lack of skill convergence between working women and men during the 1970s kept

---

<sup>21</sup>(...continued)

Netherlands, Elsevier Science Publishers, 1986; Blau, Francine D. and Marianne A. Ferber. *Discrimination: Empirical Evidence from the United States*. *American Economic Review*, May 1987; and, Sorenson, Elaine. The Wage Effects of Occupational Sex Composition: A Review and New Findings, in Hill, M. Anne and Mark R. Killingsworth (eds.) *Comparable Worth: Analyses and Evidence*. Ithaca, NY, ILR Press, 1989.

<sup>22</sup> Kidd, Michael P. and Michael Shannon. Does the Level of Occupational Aggregation Affect Estimates of the Gender Wage Gap? *Industrial and Labor Relations Review*, vol. 49, no. 2, January 1996. p. 318.

<sup>23</sup> The same kind of argument can be made about other explanatory variables, such as differences in job tenure and unionization. Bergmann, Barbara R. Does the Market for Women's Labor Need Fixing? *Journal of Economic Literature*, v. 3, no. 1, Winter 1989.

<sup>24</sup> Smith, James P. and Michael P. Ward. *Women's Wages and Work in the Twentieth Century*. Santa Monica, Calif., The Rand Corporation, 1984.

the wage gap fairly constant, despite decreases in occupational and industrial segregation over the period.<sup>25</sup>

The situation appears to have changed in the 1980s, when the work experience and schooling of women increased relative to men. About 25% of the 1% per year reduction in the wage gap between 1976 and 1989 is ascribed to the increase in the amount of women's work experience compared to men's, and another 35%-40% to the rise in the monetary return (reward) to an additional year of experience for women compared to men.<sup>26</sup> The relative gain in the level and reward to women's educational attainment accounted for a significant but smaller share of the wage gap's contraction.<sup>27</sup> In terms of schooling level, the incidence of college graduates among female labor force participants grew more than among male participants.<sup>28</sup> While the financial payoff for an additional year of schooling increased for all workers, the greater increase among women may be related to changes in their college schooling characteristics.<sup>29</sup> Another 20% of the decrease in the wage gap was attributed to the decline in wages of blue-collar workers — a predominantly male occupational group — compared to white-collar workers.<sup>30</sup>

Changes in the labor market during the 1980s also appear to have had an impact on the gender wage gap. Some non-gender-specific factors are estimated to have affected men more adversely than women. For example, decreases in unionization and employment shifts by industry (e.g., away from manufacturing) lowered men's wages more so than women's, thereby narrowing the earnings differential between the two.<sup>31</sup> In contrast, the gender pay gap shrank in the face of increasingly unfavorable changes in the wage structure for low-wage male and female workers over the period, namely, widening wage inequality and increasing returns to skill. It is estimated that these two factors dampened the decrease in the gender wage gap by, in effect, "reclaiming" between one-third and two-fifths of women's potential

<sup>25</sup> Fields, Judith and Edward N. Wolff. The Decline in Sex Segregation and the Wage Gap, 1970-80. *Journal of Human Resources*, v. 26, no. 4, Fall 1991.

<sup>26</sup> O'Neill, June and Solomon Polachek. Why the Gender Gap in Wages Narrowed in the 1980s. *Journal of Labor Economics*, v. 11, no. 1, part 1, January 1993.

<sup>27</sup> Results from another study also suggest that the primary factor in the wage gap's narrowing was increases in women's average levels of work experience rather than of educational attainment. Wellington, Changes in the Male/Female Wage Gap, 1976-85.

<sup>28</sup> Between 1979 and 1994, for example, the share of working women aged 25-64 with a 4-year college degree rose from 18% to 26% while the share of working men with college degrees rose by just 5 percentage points, from 24% to 29%. U.S. Bureau of Labor Statistics. *Women in the Workforce: An Overview*. Report 892. Washington, 1995. p. 11.

<sup>29</sup> In a study of young workers with college educations, it was estimated that changes in college major and grades accounted for much of the decrease in the group's gender wage gap. While changes in the distribution of college majors among women contributed to the narrowing of the pay differential, more of the narrowing appears to be explained by increasing monetary rewards to women's skills compared to men's skills within a given major. (College grades was the measure of skills used in the study.) Loury, Linda Datcher. The Gender Earnings Gap Among College-Educated Workers. *Industrial and Labor Relations Review*, v. 50, no. 4, July 1997.

<sup>30</sup> O'Neill and Polachek, Why the Gender Pay Gap in Wages Narrowed in the 1980s.

<sup>31</sup> Blau, Francine and Lawrence M. Kahn. Swimming Upstream: Trends in the Gender Wage Differential in the 1980s. *Journal of Labor Economics*, v. 15, no. 1, part 1, January 1997.

increase in relative pay. The expanding supply of working women, particularly of high-skilled women, also exerted downward pressure on women's wages compared to men's. However, women's relatively large gains in work experience and occupational upgrading (e.g., women's increased presence in professional and managerial occupations) were more than enough to offset these adverse factors and enable the wage gap to diminish in the 1980s.

It also is estimated that the unexplained portion of the wage gap decreased considerably during the 1980s. Interpretations of this finding are ambiguous, however: the improvement in women's unmeasured labor market attributes or a decline in discrimination, or some combination of the two, could have reduced the residual.<sup>32</sup> As women's relative level of measured characteristics increased over the decade (e.g., work experience and occupational upgrading), it is possible that unaccounted for characteristics (e.g., work expectations and job motivation) improved as well. As a result of women's increased commitment to the labor force and enhancement of their job skills during the 1980s, it also is possible that employers' rationale for discriminating against them as a group may have diminished. For example, if employers revised their perception about job turnover differences between all men and all women, firms might have become less prone to discount all women's wages and have thereby narrowed the wage gap. Changes in unmeasured social attitudes also might have made discrimination increasingly unacceptable over the years.

In conclusion, although the unexplained portion of the gender wage gap has diminished, it does not mean that labor market discrimination has been vanquished. Because a large part of the wage gap's narrowing is "unexplained," it might indicate either a decrease in discrimination, the limitations of data sets and statistical techniques, or both.<sup>33</sup> Observers diverge in the credence they give to each of these explanations.

---

<sup>32</sup> Blau, *Trends in the Well-Being of American Women, 1970-1995*.

<sup>33</sup> Ibid.



*Do this*

**OFFICE FOR WOMEN'S INITIATIVES AND OUTREACH**

TO: Mary / Tom

FAX: 6-7431

DATE: 4/19

NUMBER OF PAGES (INCLUDING COVER SHEET): 3

FROM:

☒ Jenny Luray, Director  
☐ Sondra Seba, Agency Representative  
☐ Robin Leeds, Agency Representative  
☐ Kelley O'Dell, Special Assistant to the Director  
☐ Other

NOTES:

*fyz*

---

**THE WHITE HOUSE**  
**OFFICE FOR WOMEN'S INITIATIVES AND OUTREACH**  
**OLD EXECUTIVE OFFICE BUILDING, ROOM 15**  
**WASHINGTON, DC 20502**  
**PH: (202) 456-7300**  
**FAX: (202) 456-7311**  
<http://www.whitehouse.gov/WH/EOP/Women/OWIO/>

The information contained in this facsimile message is CONFIDENTIAL and intended for the recipient ONLY. Please call if there are any problems with this transmission.

04/21/99 14:57 88

002

002/002

**Congress of the United States**  
Washington, DC 20515

*Lynd  
Pm*

**FOR IMMEDIATE RELEASE**  
Wednesday, April 21, 1999

Contact: Kristian Denny (Murray)  
202-224-0228  
G. James Papa (DeLauro)  
202-225-3661

**DEMOCRATS TO DENOUNCE GOP "REALITY GAP"**

**GOP WEBSITE CLAIMS WAGE GAP IS FIGMENT OF WOMEN'S MINDS**

WASHINGTON, DC -- Democrats in the Senate and House will denounce the Republican Leadership's claim that the wage gap is a figment of women's minds at a press conference tomorrow, Thursday, April 22, at 11:45AM in Room 418 of the Russell Senate Office Building. Senators Patty Murray (D-WA) and Chuck Robb (D-VA) will join Congresswomen Rosa L. DeLauro (D-CT), Eleanor Holmes Norton (D-DC), and Carolyn Maloney (D-NY) as they address the Republican characterization of the wage gap as an "imaginary hobgoblin" on its website at <http://www.senate.gov/~rpc/>

**WHAT:** Press conference to denounce Republican characterization of the wage gap as a product of women's imagination

**WHERE:** Room 418  
Russell Senate Office Building

**WHEN:** 11:45AM  
Thursday, April 22

**WHO:** Senator Patty Murray (D-WA)  
Senator Chuck Robb (D-VA)  
Congresswoman Rosa L. DeLauro (D-CT)  
Congresswoman Carolyn Maloney (D-NY)  
Congresswoman Eleanor Holmes Norton (D-DC)

FOR IMMEDIATE RELEASE  
Wednesday, April 21, 1999

Contact: Kristian Denny (Murray)  
202-224-0228  
G. James Papa (DeLauro)  
202-225-3661

## DEMOCRATS TO DENOUNCE GOP "REALITY GAP"

GOP WEBSITE CLAIMS WAGE GAP IS FIGMENT OF WOMEN'S MINDS

WASHINGTON, DC -- Democrats in the Senate and House will denounce the Republican Leadership's claim that the wage gap is a figment of women's minds at a press conference tomorrow, Thursday, April 22, at 11:45AM in Room 418 of the Russell Senate Office Building. Senators Patty Murray (D-WA) and Chuck Robb (D-VA) will join Congresswomen Rosa L. DeLauro (D-CT), Eleanor Holmes Norton (D-DC), and Carolyn Maloney (D-NY) as they address the Republican characterization of the wage gap as an "imaginary hobgoblin" on its website at <http://www.senate.gov/~rpc/>

**WHAT:** Press conference to denounce Republican characterization of the wage gap as a product of women's imagination

**WHERE:** Room 418  
Russell Senate Office Building

**WHEN:** 11:45AM  
Thursday, April 22

**WHO:** Senator Patty Murray (D-WA)  
Senator Chuck Robb (D-VA)  
Congresswoman Rosa L. DeLauro (D-CT)  
Congresswoman Carolyn Maloney (D-NY)  
Congresswoman Eleanor Holmes Norton (D-DC)