

# PAY EQUITY RESOURCE GUIDE



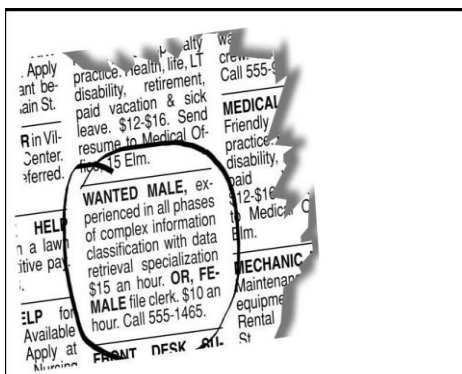
## The Problem

It has been nearly five decades since President Kennedy signed the Equal Pay Act into law, making it illegal for employers to pay unequal wages to men and women who hold the *same* job and perform the *same* work.

Yet unequal pay still exists because job titles performed predominately by women and people of color have been under paid due to historic discrimination. For example clerical workers, nurses and teacher's aides may be paid less than groundskeepers and security staff. These lost earnings and pension benefits are particularly painful for workers and their families forcing them to fall below the poverty line. According to the WAGE project, if women and people of color were to receive wages equal to those of men for comparable jobs, working families would gain a staggering \$200 billion in family income annually, with each working woman's family gaining more than \$4,000 per year.

*How can we ensure economic equity for women and people of color here in New York and nationwide?* The Equal Pay Coalition and New York State Pay Equity Coalition are focused on some proven solutions. Following is information on one piece, equal pay for equivalent work but EPCNYC fuller agenda is:

- Protect workers from retaliation for sharing salary information and create wage transparency;
- Require comparable pay for job-titles requiring comparable levels of skills and responsibilities;
- Ensure Minority and Women Business Enterprises (MWBs) get a fair share of government contracts;
- Increase opportunities for women for good paying jobs, which are typically in male-oriented fields, i.e. "nontraditional" jobs.



## The Solution

**Comparable Worth**, also called job title pay equity, is a reform effort to pay different job titles based on their value to their employer regardless of the gender/race predominance of those working in such titles.

At the heart of comparable worth or job title pay equity reform is the fact that jobs traditionally done by women and people of color have been systematically undervalued in the marketplace. The net result is that these jobs are paid less than comparable jobs with the same levels of skills and responsibilities but commonly held by white males. This bias can be demonstrated and subsequently eliminated by assessing the economic value of different jobs through the use of a gender-neutral job evaluation system. For example, food service, nurse, maintenance, dispatcher, supply clerk and drafting jobs can be compared using job evaluation factors such as the *education/training necessary, the working conditions and the responsibility (for budgets, supervision, health and safety, etc.) required.*

Pay equity studies seek to differentiate legitimate job title wage differences from those that are solely a function of the gender/race of the typical job incumbent. Some job title salary inequities are blatant. For instance, some school districts pay secretaries and teaching assistants (job titles that require associate degrees) less than the cleaners. School nurses in the West Islip school district once started at \$27,000, while groundskeepers started at \$29,000. In Denver, nurses were found to make less than gardeners. In Minnesota there are laws requiring pay equity for all public sector job titles. *In Minnesota the wage gap between men and women employed in the public sector is virtually eliminated.* To establish and eliminate such job title salary inequities, the comparable value of these dissimilar job titles is established using a job evaluation system and the job titles are paid accordingly.

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## But How Can You Compare Apple Job Titles and Orange Job Titles?

Apples and oranges can be compared by using any common denominator such as vitamins, juice content or calories, etc. For over 70 years, most, if not all, large employers have had job evaluation wage-setting processes in place to relate the common denominator requirements of vastly different job titles to their salaries. Now you know what personnel/human resource departments do. Most job evaluation systems are composed of nine to twelve factors that include:

**Job knowledge** (the education and experience required)

**Accountability** (responsibility for people, budgets, resources, reputations)

**Human relationship skills** (the communication abilities required)

**Management/Supervision** (the responsibility for the work of others)

**Working conditions** (the amount of exposure to discomfort and hazards)

The pay equity reform movement proposes that the same tool, the job evaluation system, be used to compare all job titles, regardless of the gender and race of those working in them, and pay job titles accordingly. Currently, many employers use slightly different job evaluation systems to evaluate job titles in different occupational groups so that comparisons cannot be made across blue collar, white collar, professional and administrative groups. But, as demonstrated in the many countries and jurisdictions that have passed pay equity reform, it is possible to evaluate all job titles fairly using the same job evaluation system and set salaries accordingly. **Pay equity is good personnel policy.**

Equal pay can never exist if it is possible to ghettoize women and people of color into traditionally female jobs and, therefore, pay them less than their work is worth. This is a family pocketbook issue that impacts pensions and social security as well as current household income. *Thanks to Lois Haignere of the New York State Pay Equity Coalition and Beverly Neufeld of Equal Pay Coalition NYC for guide content. [www.equalpaynewyork.org](http://www.equalpaynewyork.org)*

## Reducing Poverty with Pay Equity

Pay equity policies, which aim to realign wages, are designed to reduce the gender-based wage gap and lift women and people of color out of poverty. Pay equity does this by revaluing traditionally under-valued female occupations. Although critics argue that pay equity would benefit only the middle-class and single women without children, research has shown this is not true – pay equity has the potential to lift many workers, especially women out of poverty.<sup>1</sup>

In a study of pay equity’s potential to reduce race-based, as well as gender-based discrimination, pay equity reduced poverty among the working poor while alleviating race-and gender-based wage discrimination. Across occupations, for women of color, pay equity reduced the percentage of workers earning poverty-level wages for a family of 3 by 48.8%. The comparable figure for white women was 40%; for men of color, 37.1%; and for white men 31.8%. Among the working poor in occupations dominated by people of color, pay equity raised 60% of them above the poverty threshold for a family of 3, and in occupations dominated by women of color, lifted 52% out of poverty.<sup>2</sup> Combined with access to affordable child care and other antidiscrimination measures, pay equity can provide most women with the ability to earn enough money to sustain their families and to drastically reduce the percentage of women and people of color living at or below the poverty level.

Research also indicates that pay equity may have a far greater impact than the living wage in helping women achieve economic self-sufficiency, thereby helping them transition off public assistance. In jobs typically dominated by people of color, where workers earn approximately 66% of what white men earn, pay equity decreased that disparity almost completely, bringing the earnings ratio up to approximately 94%; by contrast, living wage policy had little impact on gender or race differentials.<sup>3</sup> Pay equity reform has the power not only to drastically decrease the number of people living at or below the poverty line and to assist those transitioning off public assistance, but also to eliminate the race and gender-based job and wage discrimination that has kept working women, especially women of color, at the bottom of the pay scale.

<sup>1</sup> Figart, Deborah M. and June Lapidus. 1996. “The Impact of Comparable Worth on Earnings Inequality.” *Work and Occupations* 23:297-318.

<sup>2</sup> Lapidus, Jane and Deborah M. Figart. 1998. “Remedying ‘Unfair Acts’ : U.S. Pay Equity by Race and Gender.” *Feminist Economics* 4(3): 7-28.

<sup>3</sup> Stone, Pamela and Arielle Kuperberg. 2005. “Anti-Discrimination vs. Anti-Poverty? A Comparison of Pay Equity and Living Wage Reforms.” *Journal of Women, Politics & Policy* 27:23-29. Reported in *Women, Work, and Poverty: Women Centered Research for Policy Change* (Hawthorne Press).

### Real Life Pay Equity Examples:

*These jobs were deemed equivalent yet women were paid less than men*  
County of Los Angeles, California

Female Children’s Social Service Workers	\$35,000
Male Probation Officers	\$55,000
-\$20,000 annual income	

### State of Minnesota Pay Equity

Male Delivery Van Driver	\$1,382
Female Clerk Typist 2	\$1,115
-\$267 per month	
Male Corrections Agent Sr	\$1,961
Female Registered Nurse	\$1,723
-\$238 per month	

### State of Wisconsin Pay Equity Study

Female Administrative Secretary	\$14,017
Male Meatcutter	\$17,028
-\$3,011 annual income	
Female Library Associate	\$17,681
Male Natural Resource Specialist	\$21,951
-\$4,270 annual income	