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Women's Issues-Equal Pay Act [1]

Women's issues -
equal pay

THE WHITE HOUSE
WASHINGTON

April 6, 1999

EQUAL PAY EVENT AND ROUND TABLE

DATE: April 7, 1999
LOCATION: Presidential Hall
BRIEFING TIME: 1:10 pm - 1:25 pm
EVENT TIME: 1:30 pm - 2:30 pm
FROM: Bruce Reed, Mary Beth Cahill

I. PURPOSE

To announce a new wage data collection provision in the pending legislation which would strengthen enforcement of the Equal Pay Act and to meet with working women to highlight the issue of equal pay and to emphasize the need for Congress to pass this legislation.

II. BACKGROUND

This event is an opportunity for you to announce the new data collection provision for wages in the Paycheck Fairness Act, which is sponsored by Senator Daschle. In addition, it is an opportunity for you and the First Lady to hear first-hand from working women the problem of wage discrimination and issues of equal pay.

One of the panelists highlights the issue of "comparable worth," where a job in a female-dominated profession is "equivalent" to a job in a male-dominated profession but is paid less. This panelist is included because the Administration recently has been urged by Senator Harkin, Congresswoman Norton, the women's groups, and the unions to support Senator Harkin's comparable worth legislation that requires companies to equalize wages between "equivalent jobs," which is defined in the legislation as jobs that may be dissimilar, but whose requirements are equivalent when viewed as a composite of skills, effort, responsibility, and working conditions. While we cannot support this legislation, in a compromise to the above persons and groups, we agreed to include a panelist that highlights the comparable worth problem, but not the solution proposed in the legislation. However, you should not use the words "comparable worth," and should merely emphasize that this woman's story highlights the need for women to be paid equally with men.

Before beginning the roundtable, you will announce the following:

Paycheck Fairness Act with New Data Collection Provision

You again will urge Congress to pass legislation called "The Paycheck Fairness Act," introduced by Senator Daschle and Congresswoman DeLauro, to strengthen laws prohibiting wage discrimination. The legislation will be reintroduced with a new data collection provision added. The highlights of this legislation include:

- **New Pay Data Collection Provision.** This provision would require the EEOC to complete a survey of data currently available for use in enforcing federal wage discrimination laws and to identify additional data collections that would enhance enforcement of these laws. In addition, the provision would call upon the EEOC to issue a regulation, within eighteen months, to provide for the collection of pay information data from employers described by the race, sex, and national origin of employees.
- **Increased Penalties for the Equal Pay Act (EPA).** The legislation would provide full compensatory and punitive damages as remedies for equal pay violations, in addition to the liquidated damages and back pay awards currently available under the Equal Pay Act. This proposal would put gender-based wage discrimination on equal footing with wage discrimination based on race or ethnicity, for which uncapped compensatory and punitive damages are already available.
- **Non-retaliation provision.** The bill would prohibit employers from punishing employees for sharing salary information with their co-workers. Many employers are currently free to take action against employees who share wage information. Without the ability to learn about wage disparities, it is difficult for employees to evaluate whether there is wage discrimination.
- **Training, Research, and Pay Equity Award.** The bill would provide for increased training for EEOC employees to identify and respond to wage discrimination claims; research on discrimination in the payment of wages; and the establishment of an award to recognize and promote the achievements of employers in eliminating pay disparities.

Equal Pay Initiative

Previously, you have announced a new \$14 million Equal Pay Initiative as part of your Fiscal Year 2000 budget. The Initiative includes \$10 million for the EEOC to increase compliance with equal pay laws by providing training to EEOC employees to identify and respond to wage discrimination, increasing technical assistance to businesses on how to meet legal requirements, and launching an equal pay public service announcement campaign to inform employers and employees alike of their rights and responsibilities. The Initiative also includes \$4 million for the Department of Labor, primarily for a program to assist contractors in recruiting and retaining qualified women in non-traditional occupations.

III. PARTICIPANTS

Briefing Participants:

Secretary Alexis Herman
Bruce Reed
Elena Kagan
Karen Tramontano
Jenny Luray
Nicole Rabner
June Shih

Event Participants:

The First Lady
Secretary Herman
Dr. Nancy Hopkins, Molecular Biologist, Massachusetts Institute of Technology
Sanya Tyler, Head Coach, Women's Basketball, Howard University
Carolyn Gantt, Retiree from District of Columbia Government
Patricia Higgins, Nurse, MetroHealth Medical Center, Cleveland, OH

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- **YOU** will enter the room where each of the roundtable participants will be seated.
 - The First Lady will make remarks and introduce **YOU**.
 - **YOU** will make brief remarks and take your seat at the roundtable.
 - Secretary Herman will facilitate a brief introduction from each roundtable participant.
 - **YOU** will invite the participants to speak by posing a question to each person.
 - **YOU** will first call on Dr. Nancy Hopkins, a professor at the Massachusetts Institute of Technology, who spearheaded a study on the status of women professors there.
 - **YOU** and the First Lady will pose questions to each of the participants, and Secretary Herman will conclude the panel discussion.
- [*SEE ATTACHED SCRIPT]
- **YOU** will make brief informal closing remarks and depart.

VI. REMARKS

Provided by Speechwriting.

VII. ATTACHMENTS

- Sequence of panel speakers and suggested questions.
- Bios of panelists.
- NY Times article about the M.I.T. study.
- Newsweek article by George Will disputing that there is a wage gap.

Sequence and Suggested Questions for Panel Discussion

- The Secretary of Labor will begin by calling on panelists to briefly introduce themselves.
- You will lead the discussion by asking any of the below questions, starting with Professor Nancy Hopkins.
- You will close the panel discussion.

Questions for POTUS/FLOTUS

Nancy Hopkins, Professor of Molecular Biology, Massachusetts Institute of Technology.

- How did you become involved with the status of women professors at M.I.T.?
- What did the recent study at M.I.T. find regarding the status of women professors, and what did it recommend? How are you working with M.I.T. to followup?

Carolyn Gantt, Clerk, Retired Senior Volunteer Program, Washington, D.C.

- When you were working, did you ever experience a situation where men with less education and experience received better jobs and were paid differently?
- While you were working full-time, was it difficult to support your family and save for your retirement?
- When you left full-time employment, were you able to quit working and live on your retirement benefits?

Patricia Higgins, Nurse, MetroHealth Medical Center, Cleveland, Ohio.

- As a nurse, would it be difficult, on your salary alone, to support your family and provide for college education for your children?
- How do think the services that nurses provide relate to the pay and the respect that they receive?

Sanya Tyler, Head Women's Basketball Coach, Howard University.

- What were your experiences at Howard University that led you to file suit under the Equal Pay Act and Title IX?
- How has your work experience been since your case was resolved?
- Do you think the problem of wage discrimination has been solved?

Panel Participants for Equal Pay Event

Professor Nancy Hopkins, molecular biologist, Massachusetts Institute of Technology

Professor Hopkins was the initiator of the effort at M.I.T. to study gender discrimination in the School of Science. At the beginning of her career at M.I.T, Professor Hopkins felt that she was treated equally with the male faculty members. However, even after learning somewhat fortuitously that she was 20 percent underpaid, she did not really believe that she was being discriminated against, albeit unintentionally. However, in 1994 after seeing how other women were treated, Professor Hopkins joined forces with the only 14 other tenured women faculty vs. 194 tenured male faculty in the School of Science to see whether their situations were unique. These woman found that they shared common experiences, and the university agreed to set up a committee to study how female faculty were treated in the School of Science. The committee found that senior female faculty members were marginalized; were not given sufficient space or resources for their research; and were not paid equally. Recently, M.I.T. published the report of the committee and has made concerted efforts to correct these disparities. Professor Hopkins believes that the success of this initiative stemmed, in large part, from the collaboration between the school and the professors in trying to identify and solve the problem. Professor Hopkins continues to try to expand this effort to the entire university.

Sanya Tyler, Head Women's Basketball Coach, Howard University

Ms. Tyler is the head women's basketball coach at Howard University. Ms. Tyler sued Howard University under Title IX and the Equal Pay Act and won. Ms. Tyler claimed that her program received fewer resources such as locker room facilities and equipment and that she made less money than the men's basketball and football coaches. Ms. Tyler has worked at Howard for 24 years, and has coached there 18 years, winning many championships and being voted coach of the year several times.

Patricia Higgins, Nurse, MetroHealth Medical Center, Cleveland, Ohio

Ms. Higgins, 50, has been a nurse for 25 years and has worked at MetroHealth Medical Center, a public hospital, in Cleveland for 16 years. She is currently involved in an AFSCME union drive and feels very strongly that nurses are underpaid and undervalued. She has three children -- a son who is 30 years old, a daughter in college who wants to be a nurse, and a son who is 20 and disabled. It was only when her daughter indicated that she wanted to be a nurse that Ms. Higgins became more vocal about trying to get more pay for nurses. Ms. Higgins admitted that if she did not have her husband's salary it would have been very difficult to raise her children and that she certainly could not have paid for her daughter's college tuition.

Carolyn Gantt, Clerk, Retired Seniors Volunteer Program (a senior program), Washington, D.C.

Ms. Gantt is 74 years old, African American, and has seven children. She worked for the D.C. Housing Department between 1976 and 1980, and again between 1985 and 1992. Ms. Gantt, who has a G.E.D., admitted that when she worked for the D.C. government she was paid low wages and that men who had less education than she (high school drop outs) received better positions and more training. Ms. Gantt retired in 1992 and hoped that she would be able to relax, travel, and take some classes. However, she realized that she could not make ends meet on her

social security check, and she, therefore, took a position where she works as a clerk for a senior program, RSVP. (She is actually paid by the National Black Caucus).

M.I.T. Acknowledges Bias Against Female Professors

By CAREY GOLDBERG

CAMBRIDGE, Mass., March 22 — In an extraordinary admission, top officials at the Massachusetts Institute of Technology, the most prestigious science and engineering university in the country, have issued a report acknowledging that female professors here suffer from pervasive, if unintentional, discrimination.

"I have always believed that contemporary gender discrimination within universities is part reality and part perception," the university's president, Charles M. Vest, said in comments to be published in the faculty newsletter within days and already posted on the World Wide Web. "True, but I now understand that reality is by far the greater part of the balance."

Dr. Vest's comments introduced a report about discrimination against women in the School of Science, one of M.I.T.'s five schools. Five years in the making and initiated by some female faculty members, the report documents a pattern of sometimes subtle — but substantive and demoralizing — discrimination in areas from hiring, awards, promotions and inclusion on important committees to allocation of valuable resources like laboratory space and research money.

Such discrimination, national experts say, continues and in some ways has worsened at institutions across the country, despite the growing number of professors who are women. In a report issued last month, the American Association of University Professors found that though women grew to 34 percent of faculty nationwide now from 23 percent in 1975, the gap between salaries for male and female professors actually widened in that period.

Female faculty members involved with the M.I.T. report, the findings of which were posted on the World Wide Web on Friday and reported in *The Boston Globe* on Sunday, say they do not believe that the institute discriminates more than other top-flight universities; it is simply more willing to admit it and address the problem. A hard push to increase the number of tenured professors who are women is well under way, the report says, along with other efforts to redress inequities in the allocation of resources. Efforts to perform similar discrimination research university-wide are also under discussion.

The administration's comments on the report "are the most forward-looking statements on gender discrimination that I've read by a high-ranking administrator in one of these elite institutions in the 25 years I've been a faculty member," said Nancy Hopkins, a prominent molecular biologist and an initiator of the committee that issued the report.

Robert J. Birgeneau, dean of the School of Science, said today that he believed the university was unique in its willingness to make such a document public. He also noted in his written comments: "I believe that in no case was this discrimination conscious or deliberate. Indeed, it was usually totally unconscious and unknowing. Nevertheless, the effects were real."

Real, but hard to pin down until three tenured female professors in the School of Science started to compare notes in the summer of 1994. As the report describes, they quickly decided to poll their other female colleagues, which was not difficult because in the entire School of Science, there were only 15 tenured women, compared with 194 men.

In fact, the report notes, the percentage of the School of Science faculty who are women, 8 percent, has remained virtually unchanged for perhaps 20 years. And that, too, seemed a problem.

By August 1994, the School of Science women proposed creating an initiative to improve the status of women in the school — to which Dean Birgeneau readily agreed, and they began to collect data, on everything from the allocation of laboratory space to the amount of research money professors had to apply for themselves instead of being handed by the university.

"It was data-driven," Dean Birgeneau said of the report, "and that's a very M.I.T. thing."

The report found, for example, that in 1994 in biology, undergraduate women numbered 147, compared with 142 men, but the sex balance shifted as students advanced through graduate school so that by the time the report looked at the highest level, faculty, there were only 7 women to 42 men. In math, the numbers went from 53 women undergraduates and 123 men to only 1 female professor compared with 47 male professors.

Other studies at other schools have looked at questions of salary and promotion and found women consistently paid and promoted less, said

Martha S. West, a professor of law at the University of California at Davis and a member of the American Association of University Professors' committee on the status of women. But, she said of the report, "what's amazing about this is the president's acknowledging that there is a 'scientific' basis for our continual perception that things are not good for us. And my perception is that things have been getting worse, not better, for women over the last 10 years."

Mary Gibson, chairwoman of that committee on the status of women, called the M.I.T. administration's support for the report "absolutely remarkable."

Dean Birgeneau said that participants in the report had not examined its legal implications.

Laying the statistical basis for the report involved fact-finding that uncovered some phenomena participants found striking. For one, junior female faculty tended to feel well taken care of and untouched by dis-

crimination; it was only as they became senior faculty that they felt themselves increasingly marginalized and overlooked by male-dominated networks; and that did not seem to improve with time, the report found.

Report committee members, both men and women, also described their dawning comprehension as they gathered data that they really were seeing a pattern of discrimination, not a set of individual cases involving special circumstances.

Committee members say each little slight to a woman might involve an assumption that did not seem overtly discriminatory, say, that a single woman might seem to need a raise less than a family man, or that a woman might be less likely to seek an outside job offer to propel her promotion, or that it might seem implausible that a woman with children could work hard enough for a given job. But they all added up.

Some aspects of discrimination, like the tendency of men to overlook women's comments in a meeting, can also be somewhat intangible, said Jacqueline Hewitt, a professor of physics and a committee member. "These things, like how much of a voice you have in the decision-making process, are not so easily quantified," she said.

The tenured women faculty and the dean, the report says, "found that discrimination consists of a pattern of powerful but unrecognized assumptions and attitudes that work systematically against women faculty even in the light of obvious good will. Like many discoveries, at first it is startling and unexpected. Once you 'get it,' it seems almost obvious." "Do other elite universities 'get it' better than M.I.T.?" the report, which is posted on the Web at <http://web.mit.edu/fnl/women/women.html>

continues. "No, and indeed a common defense for M.I.T.'s small number of women faculty is that 'Cal Tech and Harvard are doing just as badly.' But to be as bad as these unenlightened institutions is not a defense we should take!"

M.I.T. officials and faculty members involved in the report met today to consider their next steps. Lotte Ballyn, the chairwoman of the faculty and an expert on workplace equality, said the group had discussed trying to spread similar initiatives to the rest of the university.

The report recommended continued vigilance, noting that in the School of Science there had never been a female department head or associate head. It made many other recommendations, including a yearly collection of "equity data" and the dismissal of administrators who knowingly discriminated.

It also pointed out that there was still a long way to go.

"I think what was accomplished here was extraordinary," Dr. Hopkins said. "However, the number of people involved in this initiative was tiny, and the number of years it took us to understand it as well as we do is five years, and most of the people at M.I.T. have still barely heard of it."

"The challenge now," she said, "is what can you do so that this wonderful thing that has happened can become automatic and institutionalized?"

The New York Times

TUESDAY, MARCH 21, 1999

LIES, DAMNED LIES AND ...

Statistics, such as the '74 cents' factoid used to prove pervasive sex discrimination

BY GEORGE F. WILL

WITH THE DOW AVERAGE NEARING A FIFTH DIGIT, Americans are cheerful. However, soon the women's division of the Great American Grievance Industry will weigh in, saying women remain trapped beneath the "glass ceiling" and in the "pink ghetto." Brace yourself for a blizzard of statistics purporting to prove that women are suffering a "wage gap" primarily caused by discrimination that requires government actions like affirmative action, quotas and set-asides.

But a counterblizzard has blown in from Diana Furchtgott-Roth and Christine Stolba, authors of "Women's Figures: An Illustrated Guide to the Economic Progress of Women in America." Furchtgott-Roth is a fellow at The American Enterprise Institute and Stolba is a historian living in Washington, and both had better mind their manners. Feminists are not famous for their sense of humor and may frown at the authors' dedication of their book to their husbands "who have always appreciated our figures."

The National Committee On Pay Equity and other participants in the theatrics of Equal Pay Day will not appreciate the figures Furchtgott-Roth and Stolba marshal. The premise of Equal Pay Day is that women work from Jan. 1 until early April essentially for no pay because women earn only 74 cents for every dollar men earn. That uninformative number is the basis for the allegation that the average woman loses approximately \$420,000 in wages and benefits during her working life. The 74 cents factoid is prima facie proof of "the demeaning practice of wage discrimination," according to President Clinton, who opposes everything demeaning to women.

Furchtgott-Roth and Stolba argue that the 74 cents statistic is the product of faulty methodology that serves the political agenda of portraying women as victims needing yet more government intervention in the workplace. The authors demonstrate that income disparities between men and women have been closing rapidly and that sex discrimination, which has been illegal for 30 years, is a negligible cause of those that remain, which are largely the result of rational personal choices by women.

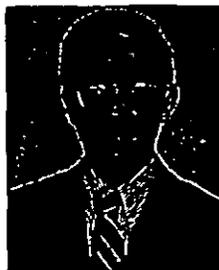
Between 1960 and 1994 women's wages grew 10 times faster than men's, and today, among people 27 to 33, women who have never had a child earn about 98 cents for every dollar men earn. Children change the earnings equations. They are the main reason that meaningful earnings contrasts must compare men and women who have similar experience and life situations. Earnings differentials often reflect different professional paths that are cheerfully chosen because of different preferences, motivations and expectations.

The "adjusted wage gap," adjusted for age, occupation, experience, education and time in the work force, is primarily the product

of personal choices women make outside the work environment. Eighty percent of women bear children and 25 percent of working women work part-time, often to accommodate child rearing. Many women who expect to have children choose occupations where job flexibility compensates for somewhat lower pay, and occupations (e.g., teaching) in which job skills deteriorate slower than in others (e.g., engineering). And it is not sex discrimination that accounts for largely male employment in some relatively high-paying occupations (e.g., construction, oil drilling and many others) which place a premium on physical strength. (Workers in some such occupations pay a price: the 54 percent of all workers who are male account for 92 percent of all job-related deaths.)

Still, between 1974 and 1993 women's wages have been rising relative to men's in all age groups, and most dramatically among the youngest workers. The rise would be more dramatic if many women did not make understandable decisions to favor family over higher pay and more rapid job advancement purchased by 60-hour weeks on the fast track.

Some victimization theorists say the fast track is pointless for women because they are held down by the "glass ceiling" that limits



their rise in business hierarchies. In 1995 the government's Glass Ceiling Commission (the propagandistic title prejudged the subject) saw proof of sex discrimination in the fact that women were only 5 percent of senior managers at Fortune 1000 industrial and Fortune 500 service companies. But Furchtgott-Roth and Stolba note that typical qualifications for such positions include an M.B.A. and 25 years' work experience. The pool of women with those qualifications is small, not because of current discrimination but because of women's expectations in the 1950s and 1960s. In 1970 women received only 4 percent of all M.B.A. degrees, 5 percent of law degrees.

Which lends support to the optimistic "pipeline" theory: women are rising in economic life as fast as they pour from the educational pipeline—which is faster than men's. Since 1984 women have outnumbered men in undergraduate and graduate schools. Women are receiving a majority of two-year postsecondary degrees, bachelor's and master's degrees, almost 40 percent of M.B.A. degrees, 40 percent of doctorates, more than 40 percent of law and medical degrees. Education improves economic opportunities—and opportunities encourage education, which has higher rewards for women than for men because men without college degrees or even high-school diplomas can get those high-paying, physically demanding—and dangerous—jobs.

The supposed "pink ghetto" is where women are, in the Glass Ceiling Commission's words, "locked into" low-wage, low-prestige, dead-end jobs. Such overheated rhetoric ignores many women's rational sacrifices of pay and prestige for job flexibility in occupations in which skills survive years taken off for raising children. Women already predominate in the two economic sectors expected to grow fastest in the near future, service/trade/retail and finance/insurance/real estate.

The 74 cents statistic and related propaganda masquerading as social science are arrows in the quivers of those waging the American left's unending struggle to change the American premise, which stresses equality of opportunity, not equality of outcomes. Furchtgott-Roth and Stolba have better figures.

PRESIDENT AND FIRST LADY HOLD ROUNDTABLE ON EQUAL PAY AND URGE PASSAGE OF PAYCHECK FAIRNESS ACT WITH NEW WAGE COLLECTION PROVISION

At a roundtable discussion with working women and business leaders, the President and First Lady will discuss the need to ensure that every working American receives equal pay and equal opportunities. A recent Council of Economic Advisors report found that, although the gap between women's and men's wages has narrowed substantially since the signing of the Equal Pay Act in 1963, there still exists a significant wage gap that cannot be explained by differences between male and female workers in labor market experience and in the occupation, industry, and union status of jobs they hold. The President will urge prompt passage of the Paycheck Fairness Act, which would strengthen wage discrimination laws and provide for additional training and public education efforts on this important subject. Senator Daschle, the chief sponsor of the Paycheck Fairness Act, has indicated he will include a new data collection provision in the bill. That provision will direct the Equal Employment Opportunity Commission (EEOC) to determine what additional data is needed to effectively and efficiently enforce the federal wage discrimination laws, and to issue a regulation to provide for collecting this data. Finally, the President will urge Congress to provide \$14 million in funds for the Equal Pay Initiative in his Fiscal Year 2000 budget.

Paycheck Fairness Act with New Data Collection Provision

The President again will urge Congress to pass legislation called the "The Paycheck Fairness Act," introduced by Senator Daschle and Congresswoman DeLauro, to strengthen laws prohibiting wage discrimination. The legislation will be reintroduced with a new data collection provision added. The highlights of this legislation include:

- **New Pay Data Collection Provision.** This provision would require the EEOC to complete a survey of data currently available for use in enforcing federal wage discrimination laws and to identify additional data collections that would enhance enforcement of these laws. In addition, the provision would call upon the EEOC to determine the most effective and efficient means possible to collect pay information from employers and issue a regulation, within eighteen months, to collect pay data identified by the race, sex, and national origin of employees.
- **Increased Penalties for the Equal Pay Act (EPA).** The legislation would provide full compensatory and punitive damages as remedies for equal pay violations, in addition to the liquidated damages and back pay awards currently available under the EPA. This proposal would put gender-based wage discrimination on an equal footing with wage discrimination based on race or ethnicity, for which uncapped compensatory and punitive damages are already available.
- **Non-Retaliation Provision.** The bill would prohibit employers from punishing employees for sharing salary information with their co-workers. Many employers are currently free to take action against employees who share wage information. Without the ability to

learn about wage disparities, it is difficult for employees to evaluate whether there is wage discrimination.

- Training, Research, and Pay Equity Award. The bill would provide for increased training for EEOC employees to identify and respond to wage discrimination claims; research on discrimination in the payment of wages; and the establishment of an award to recognize and promote the achievements of employers in eliminating pay disparities.

Roundtable with Working Women and Business Leaders

The President and First Lady will hold a roundtable discussion with working women, including a university professor, a senior citizen, a nurse, and a college basketball coach. This roundtable will provide an opportunity for the President and the First Lady to listen to the concerns of working women regarding the important issue of equal pay and to urge Congress to pass the soon-to-be reintroduced "Paycheck Fairness Act."

Equal Pay Initiative

Previously, the President has announced a new \$14 million Equal Pay Initiative as part of his Fiscal Year 2000 budget. The Initiative includes \$10 million for the EEOC to increase compliance with equal pay laws by providing training to EEOC employees to identify and respond to wage discrimination, increasing technical assistance to businesses on how to meet legal requirements, and launching an equal pay public service announcement campaign to inform employers and employees alike of their rights and responsibilities. The Initiative also includes \$4 million for the Department of Labor, primarily for a program to assist contractors in recruiting and retaining qualified women in non-traditional occupations.

Questions And Answers on Equal Pay
April 7, 1999

Q: What did the President announce today?

A: The President announced a new provision to collect pay data that will be added to the Paycheck Fairness Act, sponsored by Senator Daschle and Congresswoman DeLauro, that will direct the Equal Employment Opportunity Commission (EEOC) to determine what additional data is needed to enforce effectively and efficiently the federal wage discrimination laws, and to issue a regulation to provide for collecting this data. The President and First Lady also held a roundtable discussion with working women to highlight the need to ensure that every working American receives equal pay and equal opportunities. The President urged prompt passage of the Paycheck Fairness Act, which would strengthen wage discrimination laws; provide for additional training and public education efforts on this important subject; and ensure that pay data is collected. Finally, the President urged Congress to provide \$14 million in funds for the Equal Pay Initiative in his Fiscal Year 2000 budget.

Q: What will the new provision on data collection do?

A: This provision would require the EEOC to complete a survey of data currently available for use in enforcing federal wage discrimination laws and to identify additional data collections that would enhance enforcement of these laws. In addition, the provision would call upon the EEOC to issue a regulation, within eighteen months, to provide for the collection of pay information data from employers described by the race, sex, and national origin of employees.

Q: Why is collection of data related to wages needed?

A: Currently, the federal government does not collect wage data that can be used to monitor and enforce employer compliance with laws that prohibit wage discrimination, with the exception of higher education. This data collection provision will provide an important source of data that will help to end the gender pay gap.

Q: How large is the wage gap?

A: According to the Department of the Labor, in 1998, the average woman who worked full-time earned about 75 cents for each dollar earned by the average man. For women of color, the gap was even wider. Based on weekly wages in 1998, the median earnings of a black woman who worked full-time were only 65 cents, and the median earnings of a Hispanic woman were only 55 cents for each dollar earned by the median white man. Some wage differences exist due to differing levels of experience, education, and skill. However, a recent Council of Economic Advisors (CEA) study shows that even

accounting for differences in education, experience, and occupation, there is still a significant wage differential between women and men.

Q: What about recent reports that there is no longer a wage gap?

A: While these studies are correct that women's wages and educational attainment have been rising in recent years, there is still a sizeable gender wage gap that cannot be explained by observable characteristics. According to the Council of Economic Advisors, in 1997, the gender pay ratio was about 75 percent, leaving a gap between men's and women's wages of approximately 25 percent. The most recent detailed longitudinal study found that in the late 1980s about one-third of the gender pay gap was explained by differences in the full-time experience that women bring to the labor market and about 28 percent was due to differences in industry, occupation, and union status among men and women. Accounting for these differences raised the female/male pay ratio in the late 1980s from about 72 percent to about 88 percent, leaving around 12 percent as an "unexplained" difference. Applied to 1998 data, that leaves a gap of about 10 percent still unexplained. The 98 percent figure cited by these other studies is based on data narrowly limited to women and men aged 27 to 33 who have never had children.

A recently released report by the Massachusetts Institute of Technology (M.I.T.), "A Study on the Status of Women Faculty in Science at MIT" also refutes the notion that there is no longer gender discrimination or a wage gap. The report documents a pattern in the M.I.T. School of Science of sometimes subtle -- but substantive and demoralizing -- gender discrimination. Examination of data revealed that many tenured women faculty feel marginalized and that this marginalization is often accompanied by differences in salary, space, awards, resources, and response to outside offers between men and women faculty with women receiving less despite professional accomplishments equal to those of their male colleagues. The M.I.T. report also found that the percentage of the School of Science faculty who are women, 8 percent, remained virtually unchanged for at least 10 and probably 20 years. In another recent report, the American Association of University Professors found that although women grew from 23 percent in 1975 to 34 percent of faculty nationwide currently, the gap between salaries of male and female professors actually widened in that period. The federal government currently collects some wage data at post-secondary institutions, and the EEOC will look at this data in the course of its survey of data for use in the enforcement of federal laws prohibiting pay discrimination.

Q: What does the Paycheck Fairness Act do?

A: The legislation, sponsored by Senator Daschle, seeks to improve the enforcement of wage discrimination laws and to strengthen the remedy provisions in the Equal Pay Act by permitting victims of wage discrimination to seek compensatory and punitive damages. Currently, women who are the victims of wage discrimination receive only backpay and liquidated damages, which may not fully compensate them for their loss. This change

will mean that the penalties for sex-based wage discrimination will be the same as those for race-based wage discrimination. In addition, the legislation contains a non-retaliation provision that prohibits employers from penalizing employees for sharing information about their salaries with co-workers. The bill also provides for training for EEOC employees on matters involving the discrimination of wages, research on discrimination in the payment of wages, and the establishment of an award to recognize and promote the achievements of employers that have made strides to eliminate pay disparities. Finally, the new data collection provision will call upon EEOC to issue a regulation to provide for collecting pay information to enhance efficiently and effectively the enforcement of the federal laws prohibiting pay discrimination.

Q: What's wrong with the current scheme for collecting damages under the Equal Pay Act?

A: Currently, the Equal Pay Act allows only for liquidated damages and backpay awards. Liquidated damages usually are awarded in an amount equal to backpay. Such awards may not fully compensate a woman for real losses, such as damages for pain and suffering. In addition, employees bringing a claim under the Equal Pay Act cannot receive punitive damages for wage discrimination, no matter how intentional and egregious the employer's conduct. The legislation the Administration is endorsing will ensure that women are fully compensated and will be able to receive punitive damages if an employer's conduct is particularly egregious.

Q: Why isn't the Administration supporting comparable worth?

A: The Daschle-DeLauro bill is a significant step forward in solving the problem of unequal pay. The Administration believes there is no excuse for not taking these obvious steps towards providing better training and fuller remedies to help ensure women receive equal pay, while building a consensus on other ways to make sure all people receive the pay they deserve. The Administration is focusing on legislation that can be passed during this congressional session.

Questions on the Federal Work Force

Q: What are some of the specific accomplishments of the Clinton Administration with respect to women appointees?

A: Here are some specific accomplishments:

- **Appointed More Women than Any Other President** --40 percent of Administration appointees are women.

- **Women Hold 29 Percent of the Top Positions** --29 percent of the positions requiring

Senate confirmation (PAS) are held by women. Additionally,

- ▶ 35 percent of Presidential appointments, including boards and commissions, are held by women.

40 percent of non-career Senior Executive Service positions are held by women.

56 percent of Schedule C positions are held by women.

• **Appointed the First Women Ever to Serve as Attorney General, Janet Reno, and Secretary of State, Madeleine Albright.** Including the Attorney General and Secretary of State, women make up 32 percent of the Clinton Cabinet: Alexis Herman, Secretary of Labor; Donna Shalala, Secretary of Health and Human Services; Carol Browner, Administrator of the Environmental Protection Agency; Janet Yellen, Chair of the Council of Economic Advisors; and Charlene Barshefsky, United States Trade Representative all serve in the President's Cabinet.

• **30 Percent of All of the President's Judicial Nominees Are Women.**

• **Nominated the Second Woman to Serve on the Supreme Court.** During his first year in office, President Clinton nominated Ruth Bader Ginsburg to the United States Supreme Court. Justice Ginsburg is only the second woman to serve on the nation's highest court.

1/99

Q: What is the representation of women in the federal work force?

A: Women represented 42.9 percent of the Federal permanent workforce in 1998 compared to 46.3 percent of the Civilian Labor Force, a difference of a -3.4 percentage points.

Q: What is the average salary of female political employees versus that of male appointees? How does that average compare to comparable figures in the previous Administration?

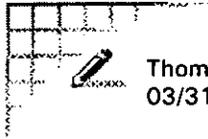
A: In 1992, under President Bush, women made up 40 percent of the political ranks, and the average female political appointee's salary was 75 percent of the average male appointee's salary. In 1998, in the Clinton Administration, the percentage of women appointees increased to 44 percent, and the average woman's salary increased to 86 percent of the average man's.

Number and Average Salary of Political Appointments (by Gender): 1992 (Pres. Bush) Compared to 1998 (Pres. Clinton)				
Gender	1992 (Bush) Appts	1998 (Clinton) Appts	1992 (Bush) Avg. Pay (\$)	1998 (Clinton) Avg. Pay (\$)
Women	1,361	1,292	\$61,554	\$72,329*
Men	2,055	1,629	\$82,490	\$84,023*

TOTAL	3,416	2,921	NOTE: Total Political Appointments exclude Ambassadors but include Noncareer SES, Schedule C and Other.
Pct. Women	39.8%	44.2%	

* Rendered in constant (FY 1992) dollars
Source: Office of Personnel Management

Women's issues -
equal pay



Thomas L. Freedman
03/31/99 12:35:15 PM

Record Type: Record

To: Elena Kagan/OPD/EOP
cc: Mary L. Smith/OPD/EOP
Subject: Draft

This is our draft proposal Ellen V. at EEOC is shopping around to the groups. I've read it to Treasury and Commerce who are ok with it. When we hear back from Ellen, Mary will inform OMB, VP, etc. we have a deal (it isn't that different from the bullet points they agreed to previously), then Caroline F. and Mary can pass it along to Carmel in Daschle's office.

Proposal

Revised Pay Information Provision (S.71 in 105th)

Sec. 4 COLLECTION OF PAY INFORMATION BY THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION.

Section 709 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-4) is amended by adding at the end the following new subsection:

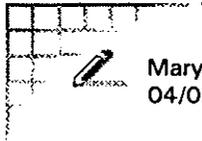
“(1) The Commission shall, not more than 18 months following the enactment into law of this subsection:

A. Complete a survey of data that is currently available to the federal government relating to employee pay information for use in the enforcement of the federal laws prohibiting pay discrimination and, and in consultation with other relevant federal agencies, identify additional data collections that will enhance enforcement of these laws, and

B. After consideration of this study and consultation, by regulation provide for the collection of pay information data from employers who have 100 or more employees for each working day in each of 20 or more calendar weeks in the current or preceding calendar year described by the sex, race, and national origin of employees.

(2) In implementing Section (1), the primary factor the Commission shall consider is the most effective means for enhancing the enforcement of the federal laws prohibiting pay discrimination. The Commission shall also consider other factors including: imposition of burden on employers; the frequency of reports including which employers should be required to annually prepare reports; and the most effective format of the report for data collection.

(3) the Commission is authorized up to \$2 million to promulgate this regulation.



Mary L. Smith
04/09/99 09:00:44 AM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Laura Emmett/WHO/EOP
Subject: data collection language for Daschle bill

Here is the language that we (NEC, OMB, CEA, Commerce, EEOC, Labor, and the VP's office) and the women's groups have signed off on. Unless you have a problem with it, I am going to give it to Daschle's office and let them know they can put this in the bill. Thanks, Mary

Revised Pay Information Provision (S.71 in 105th)

Sec. 4 COLLECTION OF PAY INFORMATION BY THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION.

Section 709 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-4) is amended by adding at the end the following new subsection:

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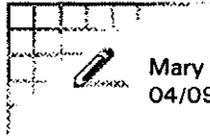
B. After consideration of this study and consultation with other relevant federal agencies, by regulation provide for the collection of pay information data from employers described by the sex, race, and national origin of employees.

(2) In implementing Section (1), the primary factor the Commission shall consider is the most effective and efficient means for enhancing the enforcement of the federal laws prohibiting pay discrimination. The Commission shall also consider other factors including: imposition of burden on employers; the frequency of reports including which employers should be required to prepare reports; appropriate protections for maintaining data confidentiality; and the most effective

format of the report for data collection.

(3) There are authorized to be appropriated up to \$2 million to implement this section.

Women's issue -
equal pay

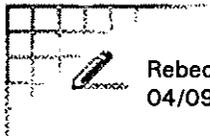


Mary L. Smith
04/09/99 12:37:06 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Laura Emmett/WHO/EOP
Subject: Op ed

----- Forwarded by Mary L. Smith/OPD/EOP on 04/09/99 12:36 PM -----



Rebecca M. Blank
04/09/99 12:31:23 PM

Record Type: Record

To: See the distribution list at the bottom of this message
cc: Cordelia W. Reimers/CEA/EOP, Nora E. Gordon/CEA/EOP
Subject: Op ed



As so GAPOPED.W me of you know, Ann Lewis asked if the CEA could produce an op ed by Janet Yellen, presenting the Administration's concerns with the gender pay gap (and at least indirectly responding to the recent AEI book.) Attached is a copy. I've sent this to Ann's office for their suggestions and input, but also want you to have a chance to look at it as well. Can you get comments back to Cordelia Reimers by COB today?

Thanks much.

Message Sent To:

Jennifer M. Luray/WHO/EOP
Kelley L. O'Dell/WHO/EOP
Shirley S. Sagawa/WHO/EOP
Mary L. Smith/OPD/EOP
Thomas L. Freedman/OPD/EOP

Shrinking the Gender Pay Gap

Janet Yellen

Since the Equal Pay Act was signed into law by President Kennedy in 1963 women workers have made enormous strides. For example, in the Clinton Administration, women hold seven cabinet-level positions, including Secretary of State, Attorney General, and chair of the Council of Economic Advisers. Does this mean that all the barriers have been removed and women now have equal access to the good jobs and higher wages long available only to men? Unfortunately, no.

Before the Equal Pay Act, employers regularly paid women less than men doing the very same job. Since then, new cohorts of women have overtaken men in educational attainment over the last 35 years, and women are entering many high-paying formerly “male” occupations, such as law, medicine, and accounting, in large numbers. Moreover, women are taking fewer years out of the labor force for child-rearing, which means they are accumulating greater work experience. As a result, by 1998 women’s wages had risen to 76 percent of men’s.

While 76 cents on the dollar represents progress, the earnings gap remains much too high. Research on the causes of the remaining gender pay gap were summarized in a recent report by the Council of Economic Advisers. The evidence suggests that about 60 percent can be explained by continuing differences in accumulated years of full-time work experience between

men and women, in the broad occupations and industries in which women and men are concentrated, and in union status. After adjusting for these differences -- some of which may themselves be due to differential treatment of women versus men -- the pay ratio rises to about 90 percent, leaving an ongoing 10 percent unexplained gap between men and women's pay.

Interestingly, the evidence suggests that most of the unexplained pay gap is currently concentrated among women with children. Younger childless women receive pay almost at par with younger men. But mothers' wages are an estimated 10 percent lower than those of childless women with the same levels of education and workforce experience.

Some have argued that the prevalence of lower pay for mothers results from the inherent difficulty women face in combining careers with childrearing and is not a problem requiring a public policy response. After all, if women choose to have children, they must bear the consequences. But the impact of family and children on women's careers and earnings is not an unalterable consequence of biology. Rather, it results from current social arrangements and workplace practices that make it difficult to combine career and family.

These behaviors can change, and indeed are changing: fathers can spend more time in household and child-rearing tasks, and employers can offer family-friendly scheduling and benefits policies. Policies to reduce the gender gap further must focus on making it easier for parents -- both women and men -- to combine work and family. For instance, government can help assure that family and medical leave is available to workers, and can increase the

availability of safe and affordable child care.

Gender discrimination in the labor market has not disappeared, as the 24,500 gender-discrimination complaints filed with the Equal Employment Opportunity Commission in 1998 attest. And research consistently finds evidence of ongoing discrimination in the labor market and differential treatment of women on the job.

In many workplaces discrimination may take more subtle forms today than in the past. A recent report on female faculty at MIT indicated that even this group of highly skilled, high-achieving women faced discrimination, which the report defined as “a pattern of powerful but unrecognized assumptions and attitudes that work systematically against women faculty even in the light of obvious good will.” This is a familiar story for women who regularly feel that they are treated less seriously, excluded from key decision-making, or passed over for a project assignment without even being asked (“we know she won’t want to do this given her family demands”).

Working toward gender pay equity means fighting workplace discrimination of all types, and strongly enforcing the Equal Pay Act. But it also means promoting policies that allow workers to be both good parents and effective employees. Raising our children to be well-functioning adults may be the most important thing many of us will do in our lives, and this task is vitally important to the future of our nation. We must find ways to support rather than penalize workers who are also active and involved parents.

Janet Yellen is chair of the Council of Economic Advisers, and a parent.

Women's issues -
equal pay



Thomas L. Freedman
03/03/99 11:39:31 AM

Record Type: Record

To: Elena Kagan/OPD/EOP
cc: Laura Emmett/WHO/EOP, Mary L. Smith/OPD/EOP
Subject: Comparable Worth Plan

Here is our proposed timetable for our Comparable Worth process:

1. This week we are reaching out to Treasury, OMB, Commerce (Orszag is now head of planning there), OPM, DOJ, EEOC, DOL, and SBA to inform them of our process, the idea of endorsing the Harkin bill, and ask them to have preliminary comments ready for a Monday afternoon meeting next week. Orszag in particular says Commerce is going to oppose and will have something to circulate. We are also asking them to be creative about other things in the area we might do. In addition, we want them to see if they can sign on to the data provision that is in Daschle's old bill. We will get you an inventory of other wage disclosure options before the meeting. If any of them look promising, you might ask the agencies to respond to the option as well.

?

2. March 8 Meeting. Tentative list of invites.

- DOJ: Richard Jerome, Deputy Associate Attorney General
Kay Baldwin, Civil Rights Division
- EEOC: Ida Castro, Chairwoman
- Labor: Lee Satterfield, Chief of Staff
Sally Paxton, Solicitor's Office
- SBA: Betsy Meyers, Associate Deputy Administrator for Entrepreneurial Development
- Treasury: David Wilcox Assist. Secty for Economic Policy
- Commerce: Jon Orszag, Director, Office of Policy and Strategic Planning
- OPM: Leigh Shein, Chief of Staff
- NEC: Sally Katzen
- OMB: Josh Gotbaum
- CEA: Becky Blank

}
} Katie?
VP
SFL
OPL
Cey

high enough??

3. Week of March 15. Second Meeting. Final agency comments will be due. In addition, we will have asked OMB and OPM to prepare ideas on limited comparable worth applications in the federal workplace which we can discuss at this second meeting.

4. Week of March 22. Final memo for sign-off. Inform Harkin and Norton. Hopefully have wage disclosure idea ready as well.

I guess we should include OPL on our invite list, yes? But I would stress that they cannot have contact with advocates during this process.

Women's issues - equal pay

Kevin S. Moran 02/08/99 02:18:43 PM

Record Type: Record

To: Elena Kagan/OPD/EOP
cc:
Subject: Pay Equity Meeting

Elena... I'm sorry about any confusion about Wednesday's meeting. I should have included you out of habit... and I certainly didn't realize that you were focusing on the issue. Here's the request I sent out earlier. Do you think we need to gather our internal crew with John for a separate meeting tomorrow or Wednesday morning, or should we be ok with a pre-meeting immediately before? k

----- Forwarded by Kevin S. Moran/WHO/EOP on 02/08/99 11:20 AM -----

Kevin S. Moran 02/08/99 10:51:12 AM

Record Type: Record

To: Caroline R. Fredrickson/WHO/EOP
cc: Jessica L. Gibson/WHO/EOP
Subject: Pay Equity Meeting

Caroline...

As you know, John agreed to hold a Pay Equity Meeting on Wednesday (2/10) afternoon with Senator Harkin and Rep. Eleanor Holmes Norton. I understand that this is a somewhat politically complex discussion, especially in light of the other individuals who have been invited to participate. Can I work with you today to make sure that this meeting is organized in a way to make it run as smoothly as possible? Also, do we need to hold an internal pre-meeting (and who do we want involved on our side)? An will you be preparing John a background / briefing memo for this? Thanks a lot. k

Requested Attendees:

Sen. Tom Harkin
Rep. Eleanor Holmes Norton
Peter Reinecke (Harkin Legislative Director)
Chani Wiggins (Harkin Legislative Assistant)
Susan Bianchi-Sand (Director, Committee on Pay Equity)
Karen Nussbaum (Director, AFL-CIO Working Women Division)
Martha Burke (Director, Center for the Advancement of Public Policy)
Gail Schaeffer (Director, Business and Professional Women)
Chris Turman (BPW lobbyist)
Cynthia Bradley (AFSCME lobbyist)
Holly Fechner (Minority Staff Director, Senate HELP Committee)
Evelyn Kanolle (Deputy Director, National Committee on Pay Equity)
Anne Hoffman (UNITE)

women's issues -
equal pay

PRESIDENT CLINTON: STRENGTHENING EQUAL PAY FOR WOMEN

June 10, 1998

"Equal pay is not a political issue. It is not even a gender issue. It is, at heart, a national issue, a family issue, and a matter of principle -- a question of what kind of country we want America to be today and in the 21st Century."

President Bill Clinton
June 10, 1998

Today, President Clinton, First Lady Hillary Rodham Clinton, Vice President Al Gore, and Tipper Gore come together to commemorate the 35th Anniversary of President Kennedy's signing of the Equal Pay Act, and to urge passage of legislation to strengthen the laws that prohibit wage discrimination against women. In addition, the President will also announce the release of two reports providing current and historical data on the wage gap between men and women.

A CONTINUING NEED TO ADDRESS THE WAGE GAP. The President will release the results of a Council of Economic Advisers (CEA) report showing that the gender gap in wage earnings has closed 29 percent since 1963, and that the gender gap has narrowed among younger women and married women with children; however, the wage gap persists, women earn only 75 cents for every dollar earned by men. The President will also release the results of a Department of Labor report that provides a perspective of the thirty-five years since the Equal Pay Act was enacted. This report shows that:

- Participation in the labor force by women has increased from roughly 38 percent in 1960 to almost 60 percent in 1997.
- Between 1995 and 1996, the number of families with two working parents increased by nearly half a million, making equal pay even more of a family issue. The report shows that in two-parent families with children under 18, nearly 64 percent of those families have a two income household.

A CALL FOR IMPROVED ENFORCEMENT OF WAGE DISCRIMINATION LAWS. The President calls on Congress to pass legislation introduced by Senator Tom Daschle (D-SD) and Congresswoman Rosa DeLauro (D-CT) which strengthens current laws. The legislation includes the following provisions:

- **Increased Penalties For Violations Of The Equal Pay Act.** The legislation would put gender-based discrimination on equal footing with wage discrimination based on race or ethnicity, allowing for full compensatory and punitive damages against a defendant company;
- **Banning Retaliation Against Employees Who Share Salary Information.** The legislation would allow employees to share salary information, helping women better evaluate whether they are suffering wage discrimination;
- **Training, Research, and Pay Equity Award Provisions.** The legislation provides for increased training of Equal Employment Opportunity Commission workers involved in matters of wage discrimination; research on discrimination in the payment of wages; and the establishment of the "National Award for Pay Equity in the Workplace", which will recognize and promote the achievements of employers that have made strides to eliminate wage disparities.

PRESIDENTIAL LEADERSHIP TO ENSURE EQUAL PAY. The President firmly supports the Daschle-DeLauro measure. It is tough, fair, and equitable and goes a long way toward ensuring that as our nation moves forward into the 21st Century, equal pay will be a reality for all women who enter the workforce.

Final
Event
Paper

THE WHITE HOUSE
WASHINGTON

June 9, 1998

EQUAL PAY EVENT

DATE: June 10, 1998
LOCATION: Rose Garden
EVENT TIME: 2:30 pm - 3:30 pm
FROM: Bruce Reed
Gene Sperling
Audrey Tayse Haynes

I. PURPOSE

To commemorate the 35th anniversary of President Kennedy's signing of the Equal Pay Act, to call on Congress to pass Senator Daschle's and Congresswoman DeLauro's equal pay bills, to announce a Council of Economic Advisors report on the gender wage gap, and to announce a Department of Labor report that provides a historical perspective on the wage gap.

II. BACKGROUND

You will be making remarks to approximately 150 people, including equal pay and civil rights advocates, labor leaders, business persons, legislators, and persons from Cabinet agencies. This is an opportunity to highlight women's progress since the signing of the Equal Pay Act and to call for legislative action on the remaining wage gap.

The CEA report shows that a significant gap between the wages of women and men remains today although it has narrowed substantially since the signing of the Equal Pay Act. In 1963, the year that the Equal Pay Act was signed, women earned 58 cents for every dollar men earned. Today women earn about 75 cents for every dollar men earn, a 29 percent increase over the 1963 levels. Despite these gains, there continues to be a significant gap between men's and women's wages, even after accounting for factors such as educational attainment, work experience, and occupational choice.

III. PARTICIPANTS

Briefing Participants:
Gene Sperling
Elena Kagan
Audrey Tayse-Haynes

Janet Yellen
Rebecca Blank
Cecilia Rouse

Event Participants:

The Vice President
The First Lady
Mrs. Gore
Senator Barbara Boxer
Congresswoman Eleanor Holmes Norton
Dr. Dorothy Height, President Emeritus of the National Council of Negro Women
(Janet Yellen and Deputy Labor Secretary Kitty Higgins will be seated on the stage)

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- YOU will be announced onto the stage accompanied by the Vice President, the First Lady, Mrs. Gore, Senator Boxer, Congresswoman Norton, and Dr. Dorothy Height.
- The First Lady will make remarks and introduce Congresswoman Norton.
- Congresswoman Norton will make remarks and introduce Senator Boxer.
- Senator Boxer will make remarks and introduce Mrs. Gore.
- Mrs. Gore will make remarks and introduce the Dr. Height.
- Dr. Height will make remarks and introduce the Vice President.
- The Vice President will make remarks and introduce YOU.
- YOU will make remarks.
- YOU will then work a ropeline and depart.

VI. REMARKS

Provided by Speechwriting.

Attachments:

Background memo on Daschle Equal Pay Legislation and the CEA Report on the Wage Gap
Executive Summary of CEA Report
Photo of Signing of Equal Pay Act Legislation in Oval Office in 1963

**THE PRESIDENT CALLS FOR PASSAGE OF EQUAL PAY
LEGISLATION AND RELEASES COUNCIL
OF ECONOMIC ADVISERS' REPORT ON THE WAGE GAP**

June 10, 1998

Today the President will commemorate the thirty-fifth anniversary of President Kennedy's signing of the Equal Pay Act and will urge passage of legislation to strengthen the laws that prohibit wage discrimination against women. In addition, the President will release a Council of Economic Advisers' (CEA) report on the gender wage gap, and announce a Department of Labor report that provides a historical perspective of the wage gap. The President will be joined by Dr. Dorothy Height, President Emeritus of the National Council of Negro Women, who was at the signing ceremony of the Equal Pay Act in 1963.

Legislation to Improve Enforcement of Wage Discrimination Laws. The President will call on Congress to pass legislation, introduced by Senator Daschle and Congresswoman DeLauro, to strengthen laws prohibiting wage discrimination. The highlights of this legislation include:

- Increased Penalties for the Equal Pay Act (EPA). The legislation adds full compensatory and punitive damages as remedies, in addition to the liquidated damages and back pay awards currently available under the EPA. This proposal would put gender-based wage discrimination on equal footing with wage discrimination based on race or ethnicity, for which uncapped compensatory and punitive damages are already available.
- Non-retaliation provision. The bill would prohibit employers from punishing employees for sharing salary information with their co-workers. Currently, employers are free to take action against employees who share wage information. Without the ability to learn about wage disparities, it is difficult for women to evaluate whether there is wage discrimination.
- Training, Research, and Pay Equity Award. The Daschle-DeLauro bill provides for increased training for Equal Employment Opportunity Commission employees on matters involving the discrimination of wages; research on discrimination in the payment of wages, and the establishment of the "The National Award for Pay Equity in the Workplace," which will recognize and promote the achievements of employers that have made strides to eliminate pay disparities.

CEA Report on the Wage Gap. The President will announce a report by the CEA that shows that a significant gap between the wages of women and men remains today although it has narrowed substantially since the signing of the Equal Pay Act

- Gender Pay Gap Has Closed. In 1963, the year that the Equal Pay Act was signed, women earned 58 cents for every dollar men earned. Today, women earn about 75 cents for every dollar men earn -- a 29-percent increase over the 1963 levels. The gender gap

has narrowed faster among younger women and among married women with children. And relative to all male workers, wage gains have been faster for black and white women than for Hispanic women.

- Rise in Work Experience And Move To Higher-Paying Jobs Explain Part of Narrowing of Wage Gap. Over the past 20 years, increases in women's average work experience and movement into higher-paying occupations have played a major role in increasing women's pay relative to men's. Changes in family status, in industry structure, and unionization have also worked to narrow the wage gap, while the rising returns to skills and increased wage inequality would have, by themselves, widened the pay gap.
- Much of Gender Gap Is "Unexplained." In the 1980s, about one-third of the gender pay gap was explained by differences in the skills and experience that women bring to the labor market and about 28 percent was due to differences in industry, occupation, and union status among men and women. This leaves over one-third of the gender pay gap "unexplained" by factors such as educational attainment, work experience, and occupational choice.
- Labor Market Discrimination Persists. The evidence is that labor market discrimination against women persists. One indirect and rough measure of the extent of discrimination remaining in the labor market is the "unexplained" difference in pay. And academic studies -- whether looking at pay differences between men and women in very similar jobs or by comparing pay to specific measures of productivity -- have consistently found evidence of ongoing discrimination in the labor market.

Department of Labor Report Provides a Historical Perspective on the Wage Gap. The President also will announce a Department of Labor report that provides a thirty-five year perspective on the wage gap. This report focuses on three periods since the signing of the Equal Pay Act -- 1960-1975, 1975-1985, and 1985-1997 -- and highlights the increased participation of women in the labor force, the changing occupations of women, and the emergence of more women-owned businesses.

- Women's Labor Force Participation Has Increased. Women's labor force participation rate rose from 37.7 percent in 1960 to almost 60 percent in 1997.
- Increased Contributions by Women to Family Income. Between 1995 and 1996 alone, the number of families with two working parents increased by nearly half a million, making equal pay even more of a family issue. In these years, both parents were employed in 63.9 percent of married-couple families with children 18 and younger, while 28.2 percent of these families had an employed father and homemaker mother.

EXECUTIVE SUMMARY

- Although the gap between women and men's wages has narrowed substantially since the signing of the Equal Pay Act in 1963, there still exists a significant wage gap that cannot be explained by differences between male and female workers in labor market experience and in the characteristics of jobs they hold.
- After hovering at about 60 percent since the mid-1950s, the ratio of women's to men's median pay began to rise in the late 1970s and reached about 70 percent by 1990. The gender pay ratio is currently on the rise again, surpassing 75 percent in 1997.
- The gender gap has narrowed faster among younger women and among married women with children. The data that permit disaggregation by demographic groups show the overall gender pay ratio rising from 57 percent in 1969 to 68 percent in 1996 (the last year for which these data are available). In contrast, among women under 40, the gender pay ratio rose from 58 percent in 1969 to 74 percent in 1996. Among married women with children, the gender pay ratio (relative to all male workers) rose from 53 percent in 1969 to 68 percent in 1996. Relative to all male workers, wage gains have been faster for non-Hispanic black and non-Hispanic white women than for Hispanic women.
- Over the last twenty years, increases in women's accumulated labor market experience and their movement into higher-paying occupations have played a major role in increasing women's wages relative to men's. In addition, the decrease in the pay gap that remains "unexplained" after controlling for measured differences between men and women has been a large contributor to the narrowing of the pay gap. Changes in family status, in industry structure and in unionization also worked to narrow the gender pay gap, while increasing economic benefits from skills and increasing wage inequality would have, by themselves, widened the pay gap.
- The most recent detailed longitudinal study found that in the late 1980s about one-third of the gender pay gap was explained by differences in the skills and experience that women bring to the labor market and about 28 percent was due to differences in industry, occupation, and union status among men and women. Accounting for these differences raised the female/male pay ratio in the late 1980s from about 72 percent to about 88 percent, leaving around 12 percent as an "unexplained" difference.
- The evidence is that labor market discrimination against women persists, although it is difficult to determine precisely how much of the difference in female/male pay is due to discrimination and how much is due to differences in choices or preferences between women and men. One indirect and rough measure of the extent of discrimination remaining in the labor market is the "unexplained" difference in pay. Some studies have tried to measure discrimination directly by looking at pay differences among men and women in very similar jobs or by comparing pay to specific measures of productivity. These studies consistently find evidence of ongoing discrimination in the labor market and support the conclusion that women still face differential treatment on the job.





Jeffrey A. Shesol
06/10/98 10:26:10 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: Equal Pay Draft 6/10 10am

Draft 06/10/98 10:00am

Jeff Shesol

**PRESIDENT WILLIAM J. CLINTON
REMARKS ON THE EQUAL PAY ACT
THE ROSE GARDEN
June 10, 1998**

Acknowledgements: First Lady; Del. Norton; Sen. Boxer; Sen. Kennedy (for 35 years of leadership on issues of equality); VP and Mrs. Gore; Dorothy Height; CEA Chair Janet Yellen; Dep. Sec. Labor Kitty Higgins

In addition to Dorothy Height, we have another remarkable woman in that remarkable photograph represented here today. Edna Kelly, a former Congresswoman from New York, helped to lead the fight for equal pay, and is pictured here with President Kennedy. Sadly, Congresswoman Kelly passed away recently, but her daughter, Pat Kelly, is with us this afternoon; and I want to recognize the efforts of both women, mother and daughter, for women's rights over the decades.

America has come a long way in the thirty-five years since Dorothy Height and Edna Kelly attended the signing of the Equal Pay Act. Just last week we learned that the American economy, the strongest in a generation, has created 16 million new jobs in the last five years. That's good news for men and women. The rising tide of our surging economy is, indeed, lifting all boats -- creating opportunity for all Americans, regardless of gender.

Equal pay has come a long way in thirty-five years. At that historic bill signing, President Kennedy said that the Equal Pay Act is "basic to democracy" -- giving women "the same rights at the working place. . . that they have enjoyed at the polling place."

Back then, women earned only 58 cents, on average, for every dollar men earned. Today, I am releasing a report by the Council of Economic Advisers showing that the gender gap in wages has narrowed considerably. Women now earn more than 75 cents for every dollar men earn.

We have taken a significant step toward equal pay, opportunity, and dignity for

working women. But 75 cents on the dollar is only three-quarters of the way there. Americans cannot be satisfied until we are all the way there.

The CEA study shows that the gender gap is narrowing; but also that discrimination persists -- despite women's gains in education and experience. Even accounting for the difficulty of balancing family and work, there are still many women whose work is not being fully valued by employers. Today I am also releasing a Labor Department review that paints a historical picture of women's employment, showing obstacles overcome and challenges that remain.

Equal pay is not a political issue. It is not even a gender issue. It is, at heart, a national issue, a family issue, and a matter of principle -- a question of what kind of country we want America to be today and in the 21st century, when our daughters will grow up and enter the workplace.

That is why our administration is working hard for the economic empowerment of women, as the Vice President explained. And that is why, today, I am expressing my strong support for the equal pay measure introduced by Senator Daschle and Congresswoman DeLauro. This legislation would strengthen enforcement of the Equal Pay Act, toughen penalties, and boost compensation -- because wage discrimination based on gender is as wrong as wage discrimination based on race. This bill is tough, it is fair, and Congress should pass it today.

Americans have always believed that anyone who works hard should be able to provide for themselves and their family. More women than ever now have that chance. But 75 cents on the dollar is not enough -- for women, for families, or for America. As our nation moves forward into the 21st century, we must make sure that our age of opportunity will not be remembered for opportunities lost. If we meet this challenge, if we value the contributions of all America's workers, then we will be a more productive, prosperous and proud nation in the 21st century.

Message Sent To:

Laura Emmett/WHO/EOP
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**THE PRESIDENT CALLS FOR PASSAGE OF EQUAL PAY
LEGISLATION AND RELEASES COUNCIL
OF ECONOMIC ADVISERS' REPORT ON THE WAGE GAP
June 10, 1998**

Today the President will commemorate the thirty-fifth anniversary of President Kennedy's signing of the Equal Pay Act and will urge passage of legislation to strengthen the laws that prohibit wage discrimination against women. In addition, the President will release a Council of Economic Advisers' (CEA) report on the gender wage gap, and announce a Department of Labor report that provides a historical perspective of the wage gap. The President will be joined by Dr. Dorothy Height, President Emeritus of the National Council of Negro Women, who was at the signing ceremony of the Equal Pay Act in 1963.

Legislation to Improve Enforcement of Wage Discrimination Laws. The President will call on Congress to pass legislation, introduced by Senator Daschle and Congresswoman DeLauro, to strengthen laws prohibiting wage discrimination. The highlights of this legislation include:

- Increased Penalties for the Equal Pay Act (EPA). The legislation adds full compensatory and punitive damages as remedies, in addition to the liquidated damages and back pay awards currently available under the EPA. This proposal would put gender-based wage discrimination on equal footing with wage discrimination based on race or ethnicity, for which uncapped compensatory and punitive damages are already available.
- Non-retaliation provision. The bill would prohibit employers from punishing employees for sharing salary information with their co-workers. Currently, employers are free to take action against employees who share wage information. Without the ability to learn about wage disparities, it is difficult for women to evaluate whether there is wage discrimination.
- Training, Research, and Pay Equity Award. The Daschle-DeLauro bill provides for increased training for Equal Employment Opportunity Commission employees on matters involving the discrimination of wages; research on discrimination in the payment of wages; and the establishment of the "The National Award for Pay Equity in the Workplace," which will recognize and promote the achievements of employers that have made strides to eliminate pay disparities.

CEA Report on the Wage Gap. The President will announce a report by the CEA that shows that a significant gap between the wages of women and men remains today although it has narrowed substantially since the signing of the Equal Pay Act.

- Gender Pay Gap Has Closed: Today, Women Earn 75 Cents for Every Dollar Men Earn.

In 1963, the year that the Equal Pay Act was signed, women earned 58 cents for every dollar men earned. Today, women earn about 75 cents for every dollar men earn -- a 29-percent increase over the 1963 levels. The gender gap has narrowed faster among younger women and among married women with children. And relative to all male workers, wage gains have been faster for black and white women than for Hispanic women.

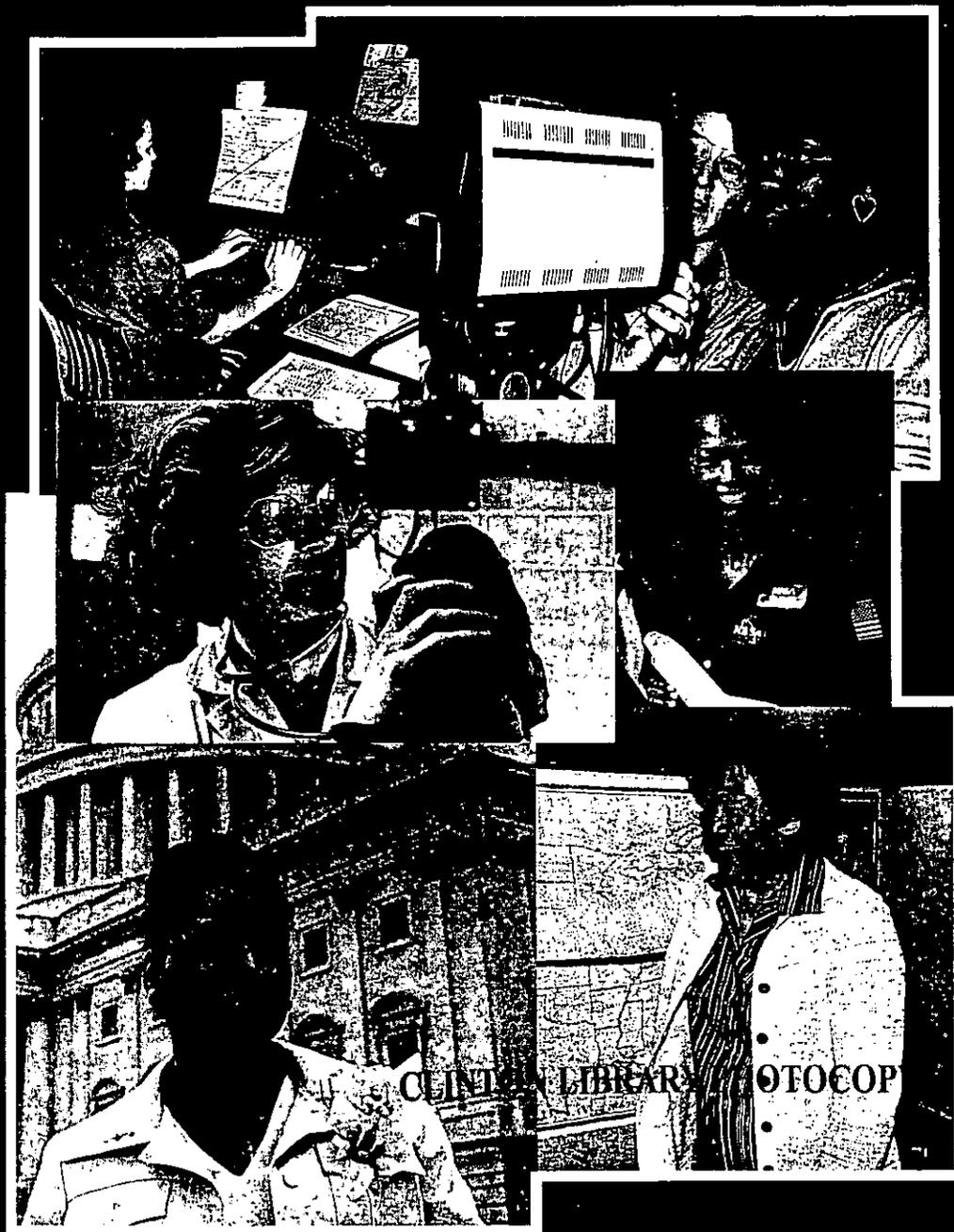
- Rise in Work Experience And Move To Higher-Paying Jobs Explain Part of Narrowing of Wage Gap. Over the past 20 years, increases in women's average work experience and movement into higher-paying occupations have played a major role in increasing women's pay relative to men's. Changes in family status, in industry structure, and unionization have also worked to narrow the wage gap, while the rising returns to skills and increased wage inequality would have, by themselves, widened the pay gap.
- Much of Gender Gap Is "Unexplained." In the 1980s, about one-third of the gender pay gap was explained by differences in the skills and experience that women bring to the labor market and about 28 percent was due to differences in industry, occupation, and union status among men and women. This leaves over one-third of the gender pay gap "unexplained" by factors such as educational attainment, work experience, and occupational choice.
- Labor Market Discrimination Persists. The evidence is that labor market discrimination against women persists. One indirect and rough measure of the extent of discrimination remaining in the labor market is the "unexplained" difference in pay. And academic studies -- whether looking at pay differences between men and women in very similar jobs or by comparing pay to specific measures of productivity -- have consistently found evidence of ongoing discrimination in the labor market.

Department of Labor Report Provides a Historical Perspective on the Wage Gap. The President also will announce a Department of Labor report that provides a thirty-five year perspective on the wage gap. This report focuses on three periods since the signing of the Equal Pay Act -- 1960-1975, 1975-1985, and 1985-1997 -- and highlights the increased participation of women in the labor force, the changing occupations of women, and the emergence of more women-owned businesses.

- Women's Labor Force Participation Has Increased. Women's labor force participation rate rose from 37.7 percent in 1960 to almost 60 percent in 1997.
- Increased Contributions by Women to Family Income. Between 1995 and 1996 alone, the number of families with two working parents increased by nearly half a million, making equal pay even more of a family issue. In these years, both parents were employed in 63.9 percent of married-couple families with children 18 and younger, while 28.2 percent of these families had an employed father and homemaker mother.

EQUAL PAY:

A Thirty-Five Year Perspective



“Women Make America Work”

U.S. Secretary of Labor, Alexis M. Herman



U.S. Department of Labor
Women's Bureau

EQUAL PAY:
A THIRTY-FIVE YEAR
PERSPECTIVE

U.S. Department of Labor
Alexis M. Herman, Secretary

Women's Bureau
Ida L. Castro

June 10, 1998

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CLINTON LIBRARY PHOTOCOPY



In the John F. Kennedy Library Photo #DX65-27:7 10 Jun 1963

PRESIDENT JOHN F. KENNEDY SIGNS THE EQUAL PAY ACT ON JUNE 10, 1963.

CLINTON LIBRARY PHOTOCOPY



Public Law 88-38
88th Congress, S. 1409
June 10, 1963

An Act

To prohibit discrimination on account of sex in the payment of wages by employers engaged in commerce or in the production of goods for commerce.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Equal Pay Act of 1963."

DECLARATION OF PURPOSE

SEC. 2. (a) The Congress hereby finds that the existence in industries engaged in commerce or in the production of goods for commerce of wage differentials based on sex—

- (1) depresses wages and living standards for employees necessary for their health and efficiency;
- (2) prevents the maximum utilization of the available labor resources;
- (3) tends to cause labor disputes, thereby burdening, affecting, and obstructing commerce;
- (4) burdens commerce and the free flow of goods in commerce;
- and
- (5) constitutes an unfair method of competition.

(b) It is hereby declared to be the policy of this Act, through exercise by Congress of its power to regulate commerce among the several States and with foreign nations, to correct the conditions above referred to in such industries.

SEC. 3. Section 6 of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. et seq.), is amended by adding thereto a new subsection (d) as follows:

"(d) (1) No employer having employees subject to any provisions of this section shall discriminate, within any establishment in which such employees are employed, between employees on the basis of sex by paying wages to employees in such establishment at a rate less than the rate at which he pays wages to employees of the opposite sex in such establishment for equal work on jobs the performance of which requires equal skill, effort, and responsibility, and which are performed under similar working conditions, except where such payment is made pursuant to (i) a seniority system; (ii) a merit system; (iii) a system which measures earnings by quantity or quality of production; or (iv) a differential based on any other factor other than sex: *Provided*, That an employer who is paying a wage rate differential in violation of this subsection shall not, in order to comply with the provisions of this subsection, reduce the wage rate of any employee.

"(2) No labor organization, or its agents, representing employees of an employer having employees subject to any provisions of this section shall cause or attempt to cause such an employer to discriminate against an employee in violation of paragraph (1) of this subsection.

"(3) For purposes of administration and enforcement, any amounts owing to any employee which have been withheld in violation of this subsection shall be deemed to be unpaid minimum wages or unpaid overtime compensation under this Act.

"(4) As used in this subsection, the term 'labor organization' means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work."

77 STAT. 57.
Effective date.

SEC. 4. The amendments made by this Act shall take effect upon the expiration of one year from the date of its enactment: *Provided*, That in the case of employees covered by a bona fide collective bargaining agreement in effect at least thirty days prior to the date of enactment of this Act, entered into by a labor organization (as defined in section 6(d) (4) of the Fair Labor Standards Act of 1938, as amended), the amendments made by this Act shall take effect upon the termination of such collective bargaining agreement or upon the expiration of two years from the date of enactment of this Act, whichever shall first occur.

Approved June 10, 1963, 12:00 m.

EQUAL PAY: A THIRTY-FIVE YEAR PERSPECTIVE

TABLE OF CONTENTS

Letter from the Secretary9

Introduction 13

Part I. The Early Impact of the Equal Pay Act: 1960-1975 15

Part II. Making Their Place in the Work Force: 1975-1985 23

Part III. Moving Forward — Making a Difference: 1985-1997 29

Part IV. Issues to Watch in the New Century 43

Appendix A: Chronology and Tables 51

Appendix B: Data Supporting Figures in Text 57

LISTING OF FIGURES AND TABLES

Part I

Figure 1. Stubborn Pay Gap Persists	15
Figure 2. Women in the Labor Force, 1960-1997	17
Table 1. 10 Leading Occupations for Women, 1960-1980	18
Table 2. Leading Nontraditional Occupations for Women, 1960-1980	19
Table 3. Important Federal Court Cases Related to the Equal Pay Act of 1963	21

Part II

Figure 3a. Labor Force Participation Rate of Women by Age, 1950-1990	23
Figure 3b. Labor Force Participation Rate of Men by Age, 1950-1990	24
Table 4. 10 Leading Occupations for Women With Median Weekly Earnings of Women and Men, 1985-1997	25
Figure 4. Earnings of Persons Age 25-54 by Race, Ethnicity and Gender	27

Part III

Figure 5. Earnings by Sex/Race/Ethnic Type for High School Grads and College Grads, 1997	32
Figure 6. Percent of Family Earnings Contributed by Wives, 1997	34
Table 5. Leading Nontraditional Occupations for Women, 1985-1997	36
Table 6. Median Weekly Earnings of Full-Time Workers in Nontraditional Occupations, 1985-1997	37
Figure 7. Number of Women-Owned Businesses, 1972-1992	39
Figure 8. Sales/Receipts and Payrolls for Women-Owned Businesses, 1972-1992	39
Figure 9. Number of Workers Employed by Women-Owned Businesses, 1972-1992	40

Part IV

Table 7. Fastest Growing Occupations, 1996-2006 44
Table 8. Industries With Fastest Employment Growth, 1996-2006 44

Appendix A: Chronology and Tables

Equal Pay Chronology 51
Table 1. Labor Force Participation Rate of Women, 1960-1997 53
Table 2. Women and Educational Attainment, 1960-1997 54
Table 3. Underpayments Found by the U.S. Department of Labor
Under the Equal Pay Act, Number of Employees Underpaid,
and Income Restored, Fiscal Years 1965-1978 55
Table 4. Employed Women, 1960-1997 56
Table 5. Full-Time/Part-Time Job Status of Working Women, 1960-1997 56

Appendix B: Data Supporting Figures in Text

Table 1. Stubborn Pay Gap Persists 57
Table 2. Women in the Labor Force, 1960-1997 58
Table 3a. Labor Force Participation Rate of Women by Age, 1950-1990 59
Table 3b. Labor Force Participation Rate of Men by Age, 1950-1990 59
Table 4. Earnings of Persons Age 25-54 by Race, Ethnicity and Gender 60
Table 5. Earnings by Sex/Race/Ethnic Type for
High School Grads and College Grads, 1997 61
Table 6. Percent of Family Earnings Contributed by Wives, 1997 61
Table 7. Number of Women-Owned Businesses, 1972-1992 62
Table 8. Sales/Receipts and Payrolls for
Women-Owned Businesses, 1972-1992 62
Table 9. Number of Workers Employed by
Women-Owned Businesses,; 1972-1992 62

LETTER FROM THE SECRETARY

Thirty-five years ago, President John F. Kennedy signed historic, landmark legislation to guarantee equal pay for women and men who held the same job. The Equal Pay Act changed the legal landscape for working women and laid a firm foundation for the beginning of their unprecedented movement into the paid labor force.

At the signing ceremony for the Equal Pay Act on June 10, 1963, special recognition was given to women's leaders, Members of Congress, and government officials, such as Business and Professional Women President Dr. Minnie Miles, National Council of Negro Women President Dr. Dorothy Height, Congresswomen Edith Green and Edna Kelly and Assistant Secretary of Labor Esther Peterson, who were lauded for their leadership and vision.

These leaders understood that the Equal Pay Act was necessary — not just for the many women who were already holding down jobs essential to their well-being and that of their families — but for the next generation of women seeking to expand their horizons beyond the familiar sphere of family and community volunteer work. They were visionaries who understood the dignity of work and the moral imperative of equal pay. They blazed a trail for a new generation of women. Women who would come of age in a world where social customs, workplace trends, and occupations would be vastly different from those in 1963.

The Equal Pay Act is as relevant today as it was on the day it was signed. The law provides a critical foundation for women seeking greater opportunities in the workplace and a paycheck free from stereotypes about the value of women's work.

The women who share their 35th birthday with the Equal Pay Act need and depend on the law as much as their mothers did in 1963. Although they have benefited from a generation of phenomenal progress for working women, there is still a wage gap — full-time working women between the ages of 25 and 35 earn only 84 percent of the weekly earnings of men their age.

This generation of women has invested greatly in education, returned quickly to the labor force after child birth, held more full-time jobs and sought more nontraditional jobs than any in our nation's history. Their mere presence in the labor force has transformed our work culture, spurred new industries, and infused the nation's labor force with a ready supply of educated and skilled workers. It is difficult to imagine our nation's economy without them.

The Equal Pay Act has lived up to the promise articulated by the great Esther Peterson when she said, "Most of our major legislation to meet human needs had to run the painful gauntlet of bitter resistance and attack. Yet in retrospect, we can see that these laws will serve the cause of freedom. Without them our nation would not be so strong or respected."

During an 18 year long effort to enact the legislation into law, the Equal Pay Act weathered intense criticism that the test of time has proven unfounded. The law is a basic foundation for women's economic empowerment that has served as a path for our progress and a model for other nations.

In the early 1960s, there were many who resisted the Equal Pay Act, and there are many today who question the motivation of those who seek to expand this law. In fact, the arguments against our progress today are frighteningly similar to those raised in the past.

There are three fundamental reasons why equal pay is in America's best interests.

First, this is a family issue. Today, nearly three out of four women with children work. In many cases, women are the sole breadwinners. When women aren't paid equally, the whole family suffers. Second, it's good business sense. Women make America work. They comprise nearly half of our workforce. Equal pay is essential to attracting good workers and keeping America competitive in this global economy. Finally, this is a kitchen table economic issue and an issue about simple right and wrong. Working women pay the same as men for goods and services — and should be paid the same for their work in producing goods and services.

This report presents a look at where we have come from, where we are today and where we need to go tomorrow to build on our commitment to equal pay and to continue to reap its benefits. We can make no greater investment in our future than valuing and rewarding all of our workers equally, regardless of our gender, race or other nonmaterial differences. Our challenge is to keep working for equal pay until every American can say they work for equal pay.



Alexis M. Herman
Secretary of Labor

INTRODUCTION

In June 1998, we commemorate the anniversaries of two very important events for working women — the 78th anniversary of the founding of the Women's Bureau and the 35th anniversary of the Equal Pay Act. In honor of these two occasions, we are pleased to present **Equal Pay: A Thirty-Five Year Perspective**. This report is a historical analysis of the economic trends affecting women workers from the years leading up to Equal Pay Act passage through the present. It is divided into three time periods to highlight important developments: Part I. The Early Impact of the Equal Pay Act: 1960-1975; Part II. Making Their Place in the Work Force: 1975-1985; and Part III. Moving Forward — Making a Difference: 1985-1997. Within each time frame, the report provides data on women's labor force participation, leading occupations and educational attainment. When available, it also includes data on wages, issues particular to women of color and other important trends.

In some cases, in order to frame an important issue or trend, the report presents statistics outside of the section in which readers would expect them. The conclusion, Part IV. Issues to Watch in the New Century, sums up these patterns and discusses trends to watch for in the future.

The report makes clear that the Equal Pay Act laid the foundation for massive changes not only in women's pay but in patterns of work and the nature of work itself. Working women were affected by these changes and they, themselves, were the agents of change.

When President Kennedy signed the Equal Pay Act, 35 years ago, the wage gap stood at 59 percent. Women earned 59 cents, on average, for every dollar earned by men. Job advertisements in newspapers nationwide listed separate openings — with separate pay scales — for women and men doing the exact same jobs. And women were explicitly discouraged from applying for many jobs, which fell only under the category "Help Wanted — Male."

In 1997, women earned 74 cents for every dollar men earned, on average. For the first quarter of 1998, the weekly wage ratio reached 76.3 percent. The gender-segregated newspaper ads, with their separate pay scales for men and women, are long gone. Equal Pay Act enforcement has ensured that employers understand the law, and working women understand their rights.

The Women's Bureau is extremely proud of the role of former Director Esther Peterson, who fought tirelessly for passage of the Equal Pay Act. And we honor all the former Women's Bureau directors — including our current Secretary Alexis M. Herman — for the many and significant milestones they have achieved for women workers. The Women's Bureau will continue to serve as a voice for working women and a partner with business, government and labor to further women's economic opportunity and security. As First Lady Hillary Rodham Clinton said at the Fourth World Conference on Women in Beijing, China, "If women have a chance to work and earn as full and equal partners in society, their families will flourish. And when families flourish, communities and nations will flourish."

PART I .

THE EARLY IMPACT OF THE EQUAL PAY ACT: 1960-1975

Passage of the Equal Pay Act Establishes A Critical Threshold for Working Women

For two years before the Equal Pay Act passed Congress, Assistant Secretary of Labor and Director of the Women's Bureau, Esther Peterson, traveled throughout the nation sharing poignant and passionate stories of women she had met throughout the nation who desperately needed this legislation. "I see the unequal pay problem not only nationally and economically, but I see it as reflected in the lives of women workers I have met throughout the country. I have seen its sharp and painful thrust in factories in which women and men stand side by side doing the same work but receiving different pay."¹

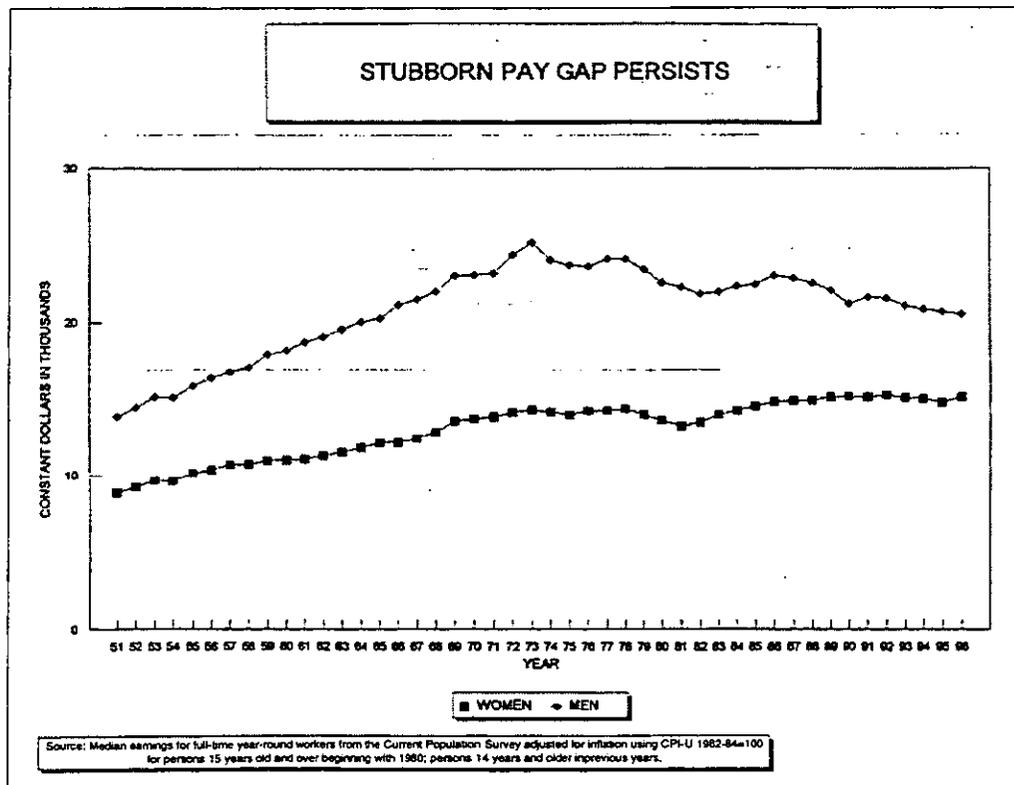


FIGURE 1

The Equal Pay Act set a basic labor standard that reversed the historical practice of paying women less than men for their work. Under the new law, employers could no longer pay women lower wages than men for doing essentially the same job, unless they could show that the wage differential was clearly based on seniority, merit, the quality or quantity of work or another factor other than sex.

Passage of the Equal Pay Act firmly supported women's economic rights, and improved earnings of those women who worked with men in a range of occupations. It was later expanded to cover employees in executive, administrative, professional and outside sales jobs.

In 1963, stereotypes about the appropriate role for women — particularly married women with children — made it extraordinarily difficult for women to obtain the types of jobs that men held. Women were discouraged from seeking education and training for fields such as medicine, law and business and restricted from apprenticeships for skilled trades. In 1963, among full-time, year-round workers, the average woman earned only 59 percent of the wages of the average man. (See Figure 1. Supporting data in Appendix B: Table 1.)

Increases in Women's Labor Force Participation and Education

After the law was passed, women's labor force participation rate (the combined percentage of women holding jobs and those looking for work) continued to increase while growing numbers of women sought to continue their education. Women's labor force participation rate rose from 37.7 percent in 1960 to 46.3 percent in 1975. (See Appendix A: Table 1.) The number of women in the labor force increased from 23.2 million in 1960 to 37.5 million in 1975 — a 61.3 percent increase.² (See Figure 2. Supporting data in Appendix B: Table 2.)

The expansion of the female labor force in the 1960s and 1970s largely reflected the entry of married women into the labor force, especially those with children. In 1960, only a quarter of married women with children worked or were looking for work. By 1975, 44.9 percent of married mothers were in the labor force. (See Appendix A: Table 1.)

The numbers of women graduating from college or graduate school grew as well. In 1960, 35.3 percent of all bachelor's and first professional degrees were awarded to women. By 1975, 45.3 percent of all bachelor's degrees went to women. (See Appendix A: Table 2.)

Women Remain Employed in Traditional Women's Occupations

Between 1960 and 1972, the top ten occupations held by women were in areas employing few male workers. (See Table 1.) In 1965, nearly two-thirds of women were employed in clerical, service or sales positions. Thirteen percent of women held professional and technical jobs, yet even these were likely to be traditional women's jobs, such as teachers or nurses.³

While women's participation in the paid labor force increased steadily from 1960 to 1975, the mix of occupations that women were employed in did not change significantly. By 1975, private household worker was no longer the



FIGURE 2

TABLE 1. 10 LEADING OCCUPATIONS FOR WOMEN, 1960-1980

	1960	1972	1975	1980
Private household workers	1	3	4	8
Secretaries	2	1	1	1
Retail trade, sales clerks	3	2	2	3
Elementary school teachers	4	5	5	7
Bookkeepers	5	4	3	2
Waiters	6	6	6	5
Nurses, professional (RNs)	7	10	9	6
Sewers and stitchers, manufacturing	8	8	—	—
Typists	9	7	8	9
Cashiers	10	9	7	4
Nursing aides, orderlies, and attendants			10	10

Source: Department of Commerce, Bureau of the Census, *U.S. Census Population: 1960, Vol. 1 and Statistical Abstract of the United States: 1963*, Table 305—Detailed Occupation of Employed Persons, by Sex: 1960, pp.232-236 and U.S. Department of Labor, Bureau of Labor Statistics, *Labor Force Statistics Derived from the Current Population Survey: A Databook, Volume 1, Table B-20—Employed Persons by Detailed Occupation, Sex, and Race, 1972-81*, pp. 653-667.

TABLE 1

number one occupation of women, but it was still among the top four jobs, trailing secretaries, retail trade sales clerks and bookkeepers on the top jobs list. Elementary school teachers ranked as the fifth most likely job for women, slipping below bookkeepers.

In 1975, the only two occupations to fall from the top ten occupations list were sewers/stitchers and cooks. They were replaced by two other predominantly female jobs, waiters and nursing aides/orderlies/ attendants. The decline of sewers/stitchers and the increase of waiters and nursing aides/orderlies/attendants were reflectors of the emergence of the service sector and the decline of the manufacturing sector. (See Table 1.)

Women who did work in the nontraditional occupations — those employing fewer than 25 percent women — mainly worked on farms, as janitors or in retail sales. (See Table 2.)

Women of Color in the Labor Force

Until the mid-1970s, when labor force participation rates for white women started increasing rapidly, black women had much higher participation rates than white women. In 1964, a higher proportion of non-white than white

TABLE 2. LEADING NONTRADITIONAL OCCUPATIONS FOR WOMEN, 1960-1980

Numbers in Thousands

Occupation	1960	1972	1975	1980
Farmers, managers, and tenant farmer	1	7	8	5
Farm laborers, wage workers	2	3	5	6
Accountants and auditors	3	1	1	
Janitors and sextons	4	4	3	2
Buyers and department heads, stores	5			
Stock clerks and storekeepers	6	6		
Salesmen&sales clerks, manufacturing	7			
Real estate agents and brokers	8			
Managers, food and dairy stores	9			
Postal clerks	10			
Nonfarm laborers -- stock handlers		5	4	3
Transport equipment operatives		4	2	1
Bank officials and financial managers		8	6	
Buyers and purchasing agents		9		
Engineering and science technicians		10	7	4
Computer specialist			9	8
Shipping and receiving clerks			10	
Protective service				7
Physicians, dentists, and related practitioners				9
Sales workers, except clerks, retail trade				10

Source: *Statistical Abstract of the United States: 1963*, Table 305. Detailed Occupation of Employed Persons, by Sex: 1960, pp. 232-236. U.S. Department of Commerce, Bureau of the Census, *U.S. Census of Population: 1960*, Vol 1; [persons 14 years and over]. *Labor Force Statistics Derived from the Current Population Survey: A Databook, Volume 1*; [persons 16 years and over]. Table B-20.- Employed persons by detailed occupation, sex, and race, 1972-81, pp. 655-667; and Table C23.- Median weekly earnings of full-time wage and salary workers by [Major] occupation, sex, and race, May, selected years, 1967-78, pp. 732-733, U.S. Department of Labor, Bureau of Labor Statistics, Bulletin 2896, September 1982.

TABLE 2

women were in the labor force, most strikingly among the 25 to 34 year age group, among which 53 percent of non-white women, but only 35 percent of white women held jobs. Data for wages by race and gender were not collected during this time.⁴

Title VII of the Civil Rights Act of 1964, which prohibited discrimination in employment on the basis of race and gender, was generally acknowledged to be more significant in furthering employment opportunities for women of color. Under Title VII, employers were prohibited from discriminating in hiring, promotion and wages.

Enforcement and Expansion of the Equal Pay Act

In the early 1970s there were a number of court cases and administrative actions that increased the effectiveness of the Equal Pay Act. A case that was decided in 1970, *Schultz v. Wheaton Glass Co.*, 421 F.2d 259 (3rd Cir. 1970),

affirmed that the Equal Pay Act was "intended as a broad charter of women's rights in the economic field," and that it sought to "overcome the age-old belief in women's inferiority and to eliminate the depressing effect on living standards of reduced wages for female workers and the economic and social consequences which flow from it."

This case clarified for the first time that jobs need only be "substantially equal" not "identical" to fall under the protection of the Equal Pay Act. This equal work standard strengthened the law by ensuring that employers could not simply change the job titles for women and men performing basically the same jobs to justify a pay differential.

Four years later, the court further clarified that employers could not justify lower pay for women through a defense that the "going market rate" for women's labor was lower than men's, or that employing women at different times of the day than men for the same jobs entitled the employer to pay lower wages to women. In *Corning Glass Works v. Brennan*, 417 US 188 (1974), the Supreme Court held that a wage differential arising "simply because men would not work at the low rates paid women" was illegal under the Equal Pay Act. (See Table 3.)

Between June 1964 and January 1971, under the Equal Pay Act, the Department of Labor found underpayments amounting to over \$26 million due to nearly 71,000 employees, almost all of them women. The Department filed over 200 lawsuits, about 75 percent of which were decided or settled, most of them favorably.⁵ (See Appendix A: Table 3.) At that time, the Equal Pay Act covered most employees who worked in manufacturing, processing, and distributing establishments; in telephone, telegraph, radio, television, and transportation industries; in banks, insurance companies, and advertising agencies; in laundries and dry cleaning establishments; most hospitals and nursing homes; and most schools (both public and private); in the larger hotels, motels, restaurants; and other retail and service establishments.⁶

The following year, the law was broadened to cover executive, administrative, professional and outside sales employees by the Education Amendments Act of 1972. In 1974, equal pay protections were further extended to public sector workers in the states and their political subdivisions by the Extension of Equal Pay Act.

TABLE 3. IMPORTANT FEDERAL COURT CASES RELATED TO THE EQUAL PAY ACT OF 1963

Court Cases	Issue	Significance
<i>Schultz v. Wheaton Glass Co.</i> , 421 F.2d 259 (3rd Cir. 1970), cert. denied 398 U.S. 905.	Whether a defendant bears the burden of proving an alleged "factor other than sex" defense when the plaintiff has established a prima facie case under the Equal Pay Act.	The Third Federal Circuit Court held that once a plaintiff has clearly proven a prima facie case under the Equal Pay Act, the burden shifts to the defendant to establish his/her defense. Most notably, this case clarified that jobs need only be "substantially equal" and not "identical" to fall under the analysis and protection of the Act.
<i>Corning Glass Works v. Brennan</i> , 417 U.S.188 (1974)	Whether the Corning Glass Company had violated the Equal Pay Act when it paid a higher wage rate to male night shift inspectors than it paid to female inspectors performing the same tasks as the day shift.	The Supreme Court held that the Equal Pay Act had been violated. The Court completely rejected the "Market Rate" defense used by businesses as a "factor other than sex" exception to the Act's applicability. This defense traditionally espoused that males were paid higher wages because they would not work at the rates paid to women.
<i>Los Angeles Dept. Of Water & Power v. Manhart</i> , 435 U.S. 702 (1978)	Whether the existence or nonexistence of "discrimination" is to be determined by a comparison of class characteristics or individual characteristics.	The Supreme Court determined that there was pay discrimination. The Court stated that the "...basic policy of the statute requires ...[a] focus on fairness to the individual rather than to...classes."
<i>County of Washington v. Gunther</i> , 452 U.S. 161 (1981)	Whether section 703(h) of Title VII of the Civil Rights Act of 1964 restricts Title VII's prohibition of sex-based wage discrimination to claims of equal pay for equal work.	Although this case did not require a ruling as to whether the Equal Pay Act had been violated, the Supreme Court clarified that issues of wage differentials can be brought under Title VII without having to show the "Equal Pay for Equal Work" standards under the Equal Pay Act.

TABLE 3

The expansion of the law brought needed protections to millions of additional women. For instance, in the latter part of 1971, a young woman professor at a small private college inquired at the Department of Labor, Wage and Hour Division about a possible equal pay violation. She had recently discovered that the college hired male professors in her department at an annual salary of \$13,000. The woman, who had been with the school for a year, was earning \$8,500. The case presented by this employee was

undeniably more clear cut than most situations the Division investigated under the statute. However, at that time, college professors and other professional employees were not protected by the Equal Pay Act.⁷

With the expansion, by 1975, total underpayments to employees under the Act reached more than \$125 million affecting nearly a quarter of a million workers.⁸

In 1975, among full-time workers, women's yearly earnings were 58.5 percent of men's earnings. (See Figure 1.)

PART II.

MAKING THEIR PLACE IN THE WORK FORCE: 1975-1985

Rise of Women in the Labor Force Continues, With Slow Movement Into Nontraditional Occupations

During the ten-year period between 1975 and 1985, women's labor force participation and education continued to increase. Also, this period marked the beginning of women's movement into more nontraditional jobs.

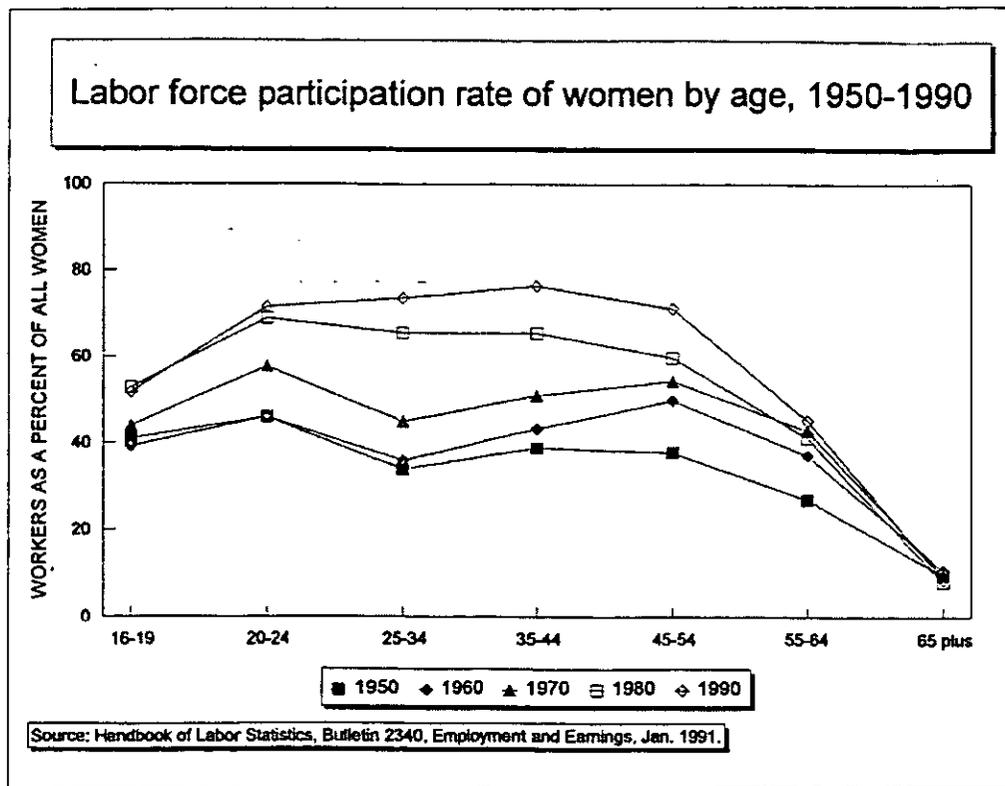


FIGURE 3A

The increase in the number of married mothers in the labor force continued to have a dramatic impact upon the overall labor force participation rates of

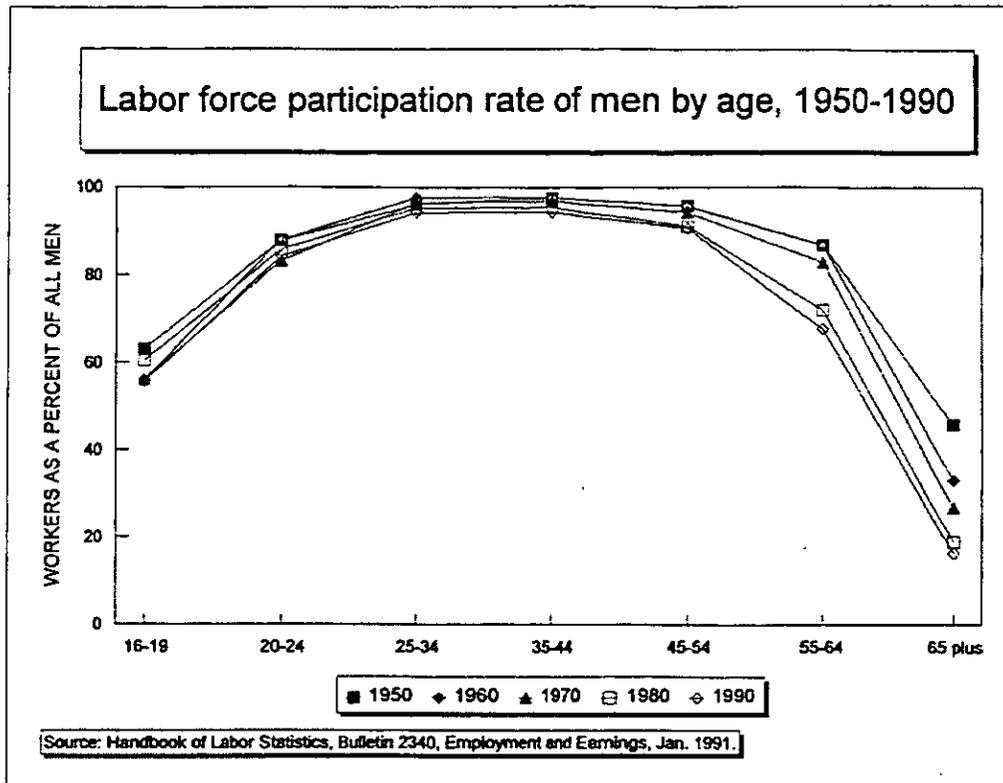


FIGURE 3 B

women. The labor force participation rate of women over their life span began to resemble the pattern of men's — it no longer dipped down in the mid-career years, as it had previously when many women left the paid labor force to care for family. (See Figures 3a and 3b. Supporting data in Appendix B: Tables 3a and 3b.)

By 1980, private household worker had fallen to number eight on the list of top ten occupations for women, and by the close of 1985 it dropped completely from the list. At the start of the 1980s, the four most likely jobs for women were still secretaries, bookkeepers, retail trade sales clerks and cashiers. By 1985 a new occupational category made an appearance on the top ten list — managers and administrators, not elsewhere classified (n.e.c.). This job trailed secretaries as the second most likely occupation for women. (See Table 4.)

The appearance of managers/administrators among the top four women's occupations reflected a number of new trends, including the increased education and work experience of women and the growing "office economy," which

**TABLE 4. 10 LEADING OCCUPATIONS FOR WOMEN
WITH MEDIAN WEEKLY EARNINGS OF WOMEN AND MEN, 1985-1997**

Occupations	Median Weekly Earnings			
	Women 1985	Men 1985	Women 1990	Men 1990
Median Weekly Earnings, Total	\$277	\$406	\$348	\$485
Secretaries	1-\$279	—	1-\$343	—
Managers and administrators, n.e.c.	2-\$363	\$501	2-\$453	\$769
Bookkeepers, accounting/auditing clerks	2-\$267	\$331	4-\$335	\$391
Cashiers	3-\$172	\$209	3-\$210	\$242
Registered nurses	4-\$431	\$492	5-\$608	\$616
Waiters and waitresses	5-\$159	\$236	9-\$194	\$266
Elementary school teachers	6-\$403	\$468	8-\$513	\$575
Nursing aides, orderlies, and attendants	7-\$199	\$234	7-\$248	\$284
Sales workers, other commodities	8-\$179	\$272	10-\$225	\$314
Sales supervisors and proprietors	9-\$276	\$438	6-\$327	\$509
Typists	10-\$259	—		

Occupations	Median Weekly Earnings			
	Women 1995	Men 1995	Women 1997	Men 1997
Median Weekly Earnings, Total	\$406	\$557	\$431	\$579
Secretaries	1-\$406	—	1-\$409	—
Managers and administrators, n.e.c.	3-\$595	\$912	3-\$658	\$934
Bookkeepers, accounting/auditing clerks	6-\$382	\$445	7-\$418	\$446
Cashiers	2-\$233	\$256	2-\$248	\$269
Registered nurses	4-\$693	\$715	4-\$705	\$778
Waiters and waitresses	9-\$258	\$314	9-\$268	\$328
Elementary school teachers	8-\$627	\$713	8-\$655	\$719
Nursing aides, orderlies, and attendants	7-\$275	\$331	7-\$296	\$341
Sales workers, other commodities	10-\$270	\$317	10-\$280	\$381
Sales supervisors and proprietors	5-\$389	\$591	5-\$438	\$619

Medians are not shown where the base is less than 50,000. Such cases are indicated by dashes.
n.e.c. = not elsewhere classified.

Source: U.S. Department of Labor, Bureau of Labor Statistics, *Employment and Earnings*, January 1986, 1991, 1996, and 1998.

TABLE 4

demanded new workers with management, administrative and computer skills in government and the service sectors.⁹

The introduction of electronic typewriters and personal computers also had a tremendous impact on women's jobs during this time frame. In 1975, computers were not common office equipment. By 1985, desktop computers emerged as a popular tool for word processing, data analysis and internal communication. This advance in technology revolutionized clerical, administrative, managerial and professional jobs. The advance of the computer has had particular impact on jobs for women, over one quarter of whom held

administrative and clerical positions during this time period. The number of typists jobs started to decline in the mid 1970s, a pattern which continued throughout the 1980s. By 1985, typists had dropped to number ten on the list of top ten occupations of employed women. By 1990, typists had completely dropped off the top ten list.

Wage Gap Narrows

As the 1980s began, the wage gap, which had been fairly constant for nearly two decades, began to narrow. The wage ratio between men's and women's earnings improved, going from 56.6 percent in 1973 to 60.2 percent in 1980 and 64.6 percent by 1985. (See Figure 1.)

In 1973, both men and women had experienced a peak in their real earnings, and both felt the effects of a subsequent recession in their paychecks. While women were able to regain ground and increase their earnings, men's earnings have still not fully reached their 1973 heights. Real earnings for women slowly increased between 1973 and 1985 by almost 2 percent, while real earnings for men declined by 10.7 percent. The changes in the wage ratio during these early years reflect both the slow steady climb of women's earnings and the decline in men's earnings.

While women entered more nontraditional, higher paying occupations, they were still unlikely to earn the same wages as men holding those same jobs. For instance, in 1985, women comprised 29 percent of all workers in the category "managers and administrators n.e.c.," yet their wages were only \$363 per week, 72 percent of the \$501 that men in the same occupation earned. (See Table 4.)

Employment by Race

White, black and Hispanic women all experienced significant employment growth during the decade of the eighties. In 1979, the Department of Labor, Bureau of Labor Statistics began reporting weekly wages for black men and women. It showed that black women, who represented the largest female

minority group, earned 7.9 percent less than their female white counterparts, and 25.6 percent less than black men.

Over the next ten years, earnings for white women grew faster than for black women, particularly in comparison to black men. In 1985, white women earned just 7.8 percent less than black men, while black women earned 17.3 percent less than black men. This trend continued until 1991, when white women reached parity with black men, while black women were still earning 13.8 percent less than black men. (See Figure 4. Supporting data is in Appendix B: Table 4.)

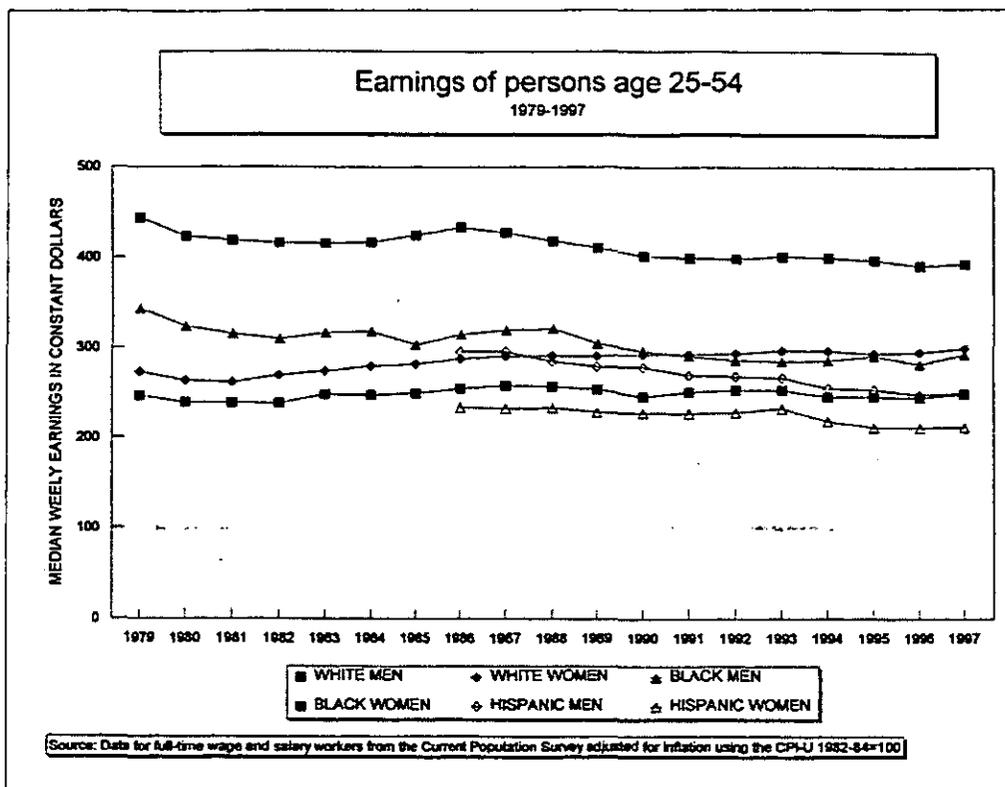


FIGURE 4

Growth in Educational Attainment

Another significant trend during this time frame was the growth in women's educational attainment. In 1975, women were earning 45 percent of all bachelor's and master's degrees — by 1985 they were earning fully half of those degrees. Growth was even more dramatic in the attainment of first professional degrees, which doubled between 1975 and 1980, from 12 percent to 25 percent, and continued to soar to 33 percent by 1985. (See Appendix A: Table 2.)

The slow gains in women's earning power were of particular concern to leaders in women's organizations and others who monitored women's economic progress. The Women's Bureau's 1975 Handbook on Women Workers published data showing that women with college degrees still earned less than the average man with only a high school diploma, suggesting that the occupations women held were still not compensated for the skills and education that women brought to their work. For instance, in 1979, men with just a high school education earned 8.4 percent more than women with five or more years of college education. Compared to men with similar levels of college education, the women earned 54.9 percent as much.¹⁰

Enforcement Issues

In the late 1970s and early 1980s, a number of important administrative and court actions strengthened enforcement of the Equal Pay Act and improved women's pay. First, on July 1, 1979, all functions related to enforcing or administering the Equal Pay Act were transferred from the U.S. Department of Labor and the Civil Service Commission to the U.S. Equal Employment Opportunity Commission (EEOC) pursuant to Reorganization Plan No. 1 of 1978. Between July and September 1979, the EEOC resolved 350 Equal Pay complaints.¹¹ (See Appendix A: Equal Pay Chronology)

Second, in 1981, the Supreme Court clarified in *County of Washington v. Gunther*, 452 U.S. 621 (1981), that Title VII of the Civil Rights Act was not limited by the equal work standard found in the Equal Pay Act. However, this decision did not lay out any new standards by which wage discrimination cases should be analyzed under Title VII. The Court left that discussion to lower courts as individual cases came before them. Many of these cases were lost when plaintiffs, bringing suit under Title VII of the Civil Rights Act could not provide evidence of intentional wage discrimination against women who held similar skills and responsibilities as men, but worked in different occupations. (See Table 3.)

After 1981, Equal Pay Act (EPA) cases were often combined with Title VII suits. A number of cases filed under the EPA were against public employers whom the Commission alleged paid their female employees less than male employees performing substantially equal work. Many of the EPA cases filed against employers in the private sector involved service-related or retailing jobs, such as public health nurses, physician assistants, customer service representatives, and managerial positions.¹²

P A R T I I I .

MOVING FORWARD — MAKING A DIFFERENCE: 1985-1997

Since the Equal Pay Act was passed, women have ensconced themselves firmly in the labor market. Between 1985 and the present, the equal pay issue has continued to resonate as greater numbers of women find themselves working side by side in the same jobs as men, yet earning less pay. A number of new issues related to pay have emerged also. In the late 1980s, a new term, the “glass ceiling” was coined to express women’s frustration with their inability to break through to the top paying jobs in corporate America. Another significant issue to gain widespread awareness has been the difficulty in balancing work and family. More married mothers than ever before are working, and their earnings have become a significant factor in family well-being. Finally, as computer technology has continued to evolve, home-based businesses and telecommuting have grown and women’s business ownership has risen dramatically. In 1994, the U.S. Department of Labor Women’s Bureau released the *Working Women Count! A Report to the Nation*, which showed that improving pay and benefits was one of working women’s three main priorities for change, alongside balancing work and family and gaining respect and opportunity on the job.¹³

Labor Force Participation of Women

In 1985, women’s overall labor force participation reached 54.5 percent, while the percentage of married women with children in the labor force grew to 60.8 percent. A solid majority of married mothers were working, and their labor force participation rates continued to rise each year, reaching nearly three-quarters by the end of 1997. (See Appendix A: Table 1.)

Wage Gap Hits An All Time Low, As Women's Earnings Slowly Rise and Men's Wages Drop

Between 1985 and 1990, the wage gap continued to narrow. By 1990, the wage ratio hit the 72 percent mark — women who worked full time, year round earned 72 cents for each dollar a man earned, based on annual earnings. Yet during the next six years the annual earnings ratio began to follow the “one step up — two steps back” pattern of preceding years, and slipped back and forth between 70 and 72 percent until 1996, when it reached the current high of 73.8 percent. Weekly wages for women ages 16 and over experienced a similar pattern — they hit a high ratio of 77.1 percent in 1993, yet slipped down to 74.4 percent by the end of 1997.¹⁴ First quarter data for 1998 look promising for women — according to the Department of Labor, Bureau of Labor Statistics' median weekly earnings data, women who worked full-time earned 76.3 percent of men's earnings, on average.

In its September 1997 report, *Money Income in the United States: 1996*, the Census Bureau cautioned specifically that the drop in the wage gap was not necessarily cause for celebration. “Recent increases in the female-to-male earnings ratio have been due more to declines in the earnings of men than to increases in the earnings of women,” it said. The report further explained that women's real earnings have remained stagnant since 1990, while men's real earnings have dropped by 3.3 percent.¹⁵

Women's rising level of education and experience in the labor market, and their growing share of better-paying managerial and professional jobs have been critical in increasing women's real earnings during the 1980s and maintaining their level during the 1990s. Yet even within these good-paying jobs, women's average earnings have not reached those of men.¹⁶

1997 Bureau of Labor Statistics weekly wage data show that women earned less than men in 99 percent of all occupations for which data is available. For example, women in the prestigious executive, administrative and managerial occupations earned wages that were 69.7 percent of men's pay, while women in the professional specialty occupations averaged 75.0 percent of men's weekly wages.¹⁷ Even among medicine and health managers, 76.8 percent of whom were women, women earned 74 percent of what men earned.¹⁸

Enforcement at EEOC and OFCCP

From Fiscal Year 1985 through Fiscal Year 1997, EEOC filed 164 cases, resolved 251 lawsuits, and recovered over \$16 million either under the Equal Pay Act alone or under the Equal Pay Act in combination with Title VII of the Civil Rights Act.

While EEOC continued to hold enforcement authority for the Equal Pay Act, in the early 1990s the Department of Labor, Office of Federal Contract Compliance Programs (OFCCP) began meeting with much success in resolving instances of wage discrimination among federal contractors through the Executive Order 11246. Executive Order 11246 (issued in 1965 and amended in 1967 to include gender) requires that non-exempt federal contractors and subcontractors take affirmative action in employment and prohibits discrimination in employment on the basis of sex, among other things. OFCCP ensures compliance with equal employment opportunity laws through routine compliance evaluations and complaint investigations. Women have benefitted greatly as a result — since OFCCP implemented a specific focus on corporate management practices in 1993, there have been over sixteen compensation settlements, awarding women and minority workers over \$5 million to correct discriminatory wage practices.

Education Levels Soar, Pushing Overall Earnings for Women Up

Education levels for women at the undergraduate and master's degree level began to match those of men in 1981 and 1982. By 1990, women took home more than half of bachelor's and master's degrees and nearly 40 percent of all first professional degrees. This trend has held constant during the 1990s. Earnings for college-educated women finally began to surpass those of men who had not attended college. Yet for women of color, the gains were not as great as for white women. 1996 Census data show that earnings for white college-educated women were seven percent higher than for men who held high school diplomas and G.E.D.s; Hispanic college women earned only 5 percent more and African American college women earned less than one percent more than high school-educated men.¹⁹ (See Figure 5. Supporting data in Appendix B: Table 5.)

Young Women Still Fighting the Wage Gap

Even though young women still experience a wage gap, it is less than the gap faced by older women. In 1997, women under 25 years of age working full time earned 92.1 percent of men's weekly earnings as compared to 74.4 percent for women age 25 to 54.²⁰

Many economists have predicted that as women's education, experience and occupations come to match those of men, their pay will follow. Researchers have focused intently on the education patterns and labor force experiences of the youngest women to gauge their future impact on working women. In *Baccalaureate and Beyond*, the Department of Education surveyed college graduates from 1992 and 1993 and found an average wage gap of 15.7 percent between men and women. The report also documented differences in the fields of study chosen between women and men, with women more likely to prepare for and enter lower-paying occupations, such as teaching and clerical/administrative positions. However, such choices were hardly universal. The study found that more women majored in business than in any other specialty.²¹

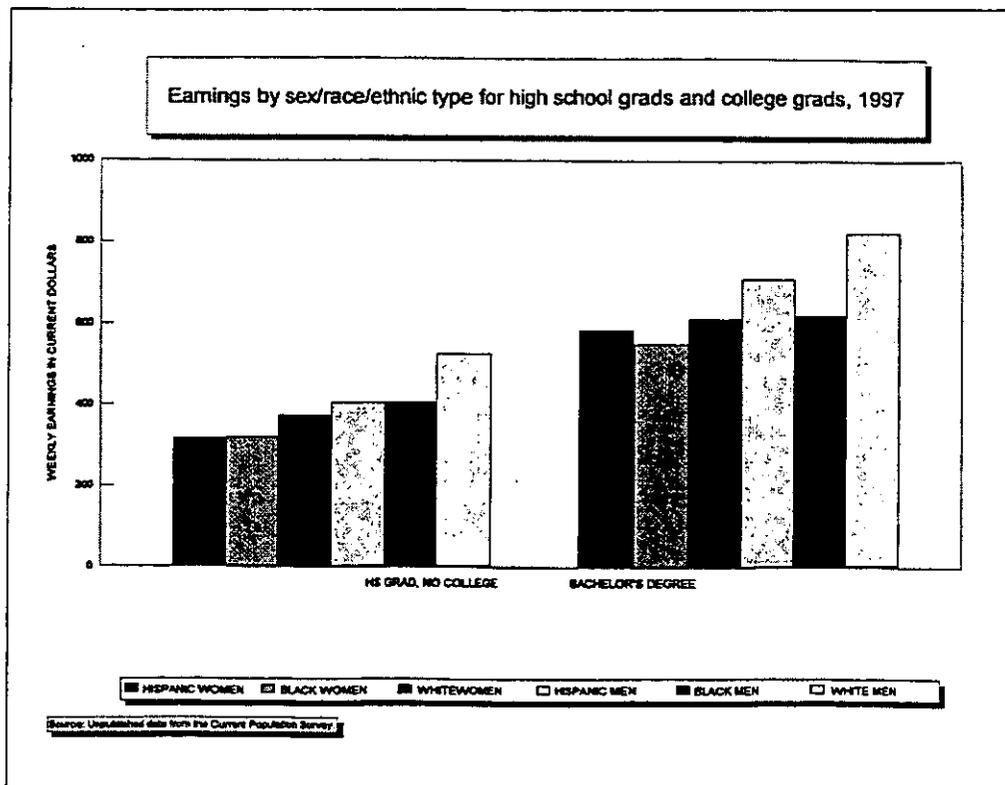


FIGURE 5

A recent article in the Department of Labor's *Monthly Labor Review* explored the effects of major fields of study and occupational choices on women's and men's earnings for 130 major fields. It compared earnings for women and men by college major, occupation and age, and found that while earnings differences were smaller for those with similar characteristics, they did not disappear completely. Women earned 100 percent or more of men's earnings in 8.5 percent of the major fields, representing only 2 percent of women's employment. In about half of the fields, accounting for almost half (48 percent) of employment, women's earnings were at least 87 percent of men's earnings. In the remaining 51 major fields, or 39 percent, accounting for the remaining half of employed women, earnings were less than 87 percent of men's pay.

Among women in the 25 to 34 year age group, the fields that led to the best earnings ratios within occupations were: accounting, chemistry, computer and information sciences, engineering, mathematics and pharmacy.

Of further interest, the study estimated how much of the wage gap would disappear if men and women were equally likely to study the same subjects and enter the same occupations at roughly the same age. It noted that the actual 73 percent ratio between college-educated women's and men's earnings would increase by nine percentage points to 82 percent, if men and women held the same degrees, chose the same occupations and were the same age.²²

Gains for young, highly-educated and motivated women without children have been impressive indeed. However, as economist Katha Pollitt has pointed out, "young men and women have always had earnings more comparable than those of their elders: Starting salaries are generally low, and do not accurately reflect the advantages that accrue, or fail to accrue, over time as men advance and women stay in place, or as women in mostly female kinds of jobs reach the end of characteristically short career paths."²³

Working Families Depend on Earnings of Women

It is also important to recognize that most working women in the United States do have children at some point during their prime working years. In 1997, 40 percent of all working women had children under age 18 at home. New mothers are returning to the workforce sooner after having children and

are more likely to continue working for pay than they are to become homemakers and care for their own children exclusively. In 1996, 54.3 percent of women were back on the job by their baby's first birthday, while 63.3 percent of moms with two-year-old children held paying jobs.²⁴

During the late 1980s and 1990s, the proportion of families maintained by women increased greatly. In 1997, 18 percent of all families were maintained by women.²⁵ In these families, women's earnings made up 75 percent of total family income.²⁶

In addition, the number of families with two working parents increased by nearly half a million between 1995 and 1996 alone, while the number of "traditional" families with a husband employed as breadwinner and wife engaged as homemaker remained unchanged. Both parents were employed in 63.9 percent of married-couple families with children 18 and younger, while 28.2 percent of these families had an employed father and a homemaker mother.²⁷

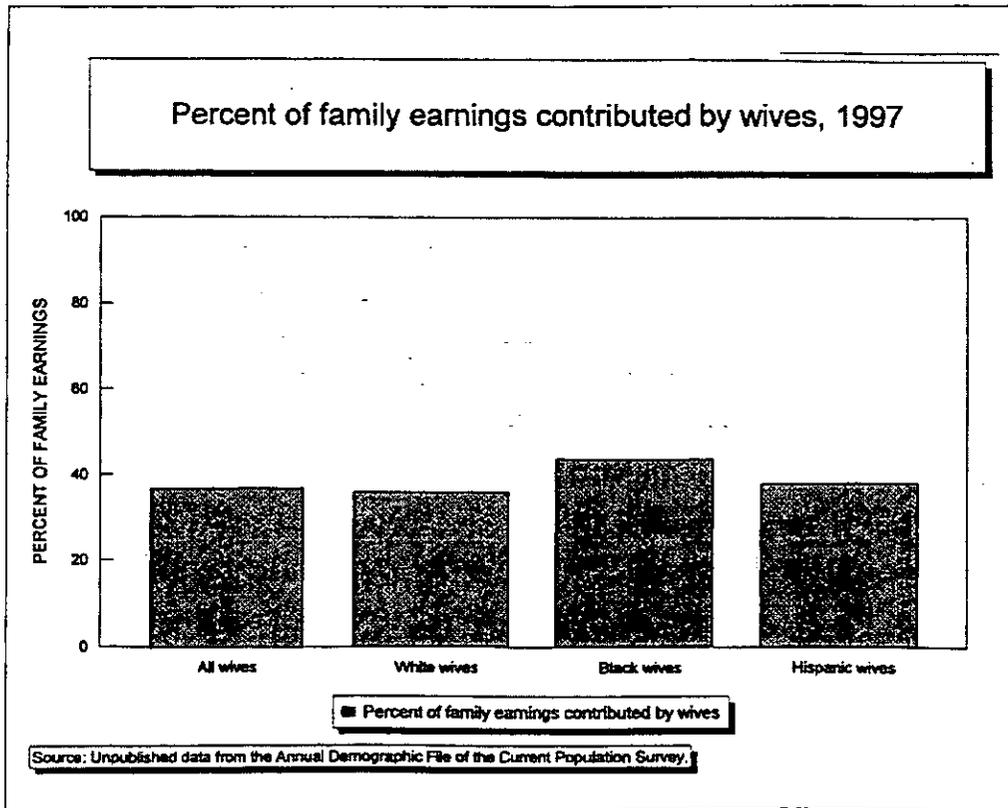


FIGURE 6

Women contribute substantially to family earnings. In 1996 working wives contributed an average of 36.5 percent of family earnings. White wives contributed 35.8 percent, black wives contributed 43.7 percent and Hispanic wives contributed 37.5 percent. (See Figure 6. Supporting data in Appendix B: Table 6.)

There is a strong connection between the earnings of working mothers and the economic well-being of their families, according to a recent *Monthly Labor Review* article. Wives' earnings reduced the poverty rate by more than half for U.S. born and immigrant Mexican families, by more than three-fifths for Cubans and blacks, and by three-fourths for white families.²⁸

Women Gain More Managerial/Professional Occupations, Yet Clerical and Teaching Fields Still Among Most Likely Occupations

The most significant changes in the order of top ten occupations for women between 1985 and 1990 involved the rise in sales supervisors and proprietors, and the dropping of typists from the list. Secretaries still topped the list, followed by managers/administrators, with bookkeepers, cashiers and nurses close behind. Waiters, elementary school teachers, nursing aides/orderlies/attendants and sales workers were still on the latter half of the list. By 1995, bookkeepers fell from its slot in the top four jobs, losing ground to cashiers, sales supervisors and proprietors. (See Table 4.)

Although elementary school teacher was not among the top five jobs for women, it should be noted that teachers (not including post-secondary teachers, those teaching in colleges and universities generally) numbered 3.6 million in 1997. This was the largest category of women workers in 1997, larger than the 3.0 million secretaries. Teachers have accounted for a consistently large group of women workers, but because statisticians divide teaching into the sub-categories of elementary, high school, kindergarten/pre-kindergarten, and special education teachers, the significance of the overall number of women teachers is hidden.

Nontraditional Occupations for Women Evolve

At the same time that women began increasing their presence in managerial and administrative occupations, they were also making their imprint on skilled technical and machinist positions. Women have joined the ranks of bank officials and financial managers, transport equipment operatives, engineering and science technicians and computer specialists. These occupations have shaped the post-industrial period and been the first indicators of a new age of information and technology. Women's educational gains, particularly at the graduate level, have led to such increases in professional fields that women now account for more than 25 percent of all lawyers and physicians — thus these once male bastions are no longer “nontraditional” jobs for women. Moreover, it is still true that weekly earnings of women working full time in the nontraditional occupations, such as precision production and high technology fields, are substantially higher than in traditional women's jobs, although somewhat less than those of their male counterparts. (See Tables 5 and 6.)

TABLE 5. LEADING NONTRADITIONAL OCCUPATIONS FOR WOMEN, 1985-1997

Numbers in Thousands

Occupation	1985	1990	1995	1997
Sales representatives, commodities, except retail trade	1	1	3	3
Freight, stock, and materials handlers	2	2	1	1
Protective service	3	3	2	2
Farm workers	4	6	—	—
Laborer, except construction	5	4	4	4
Farmers, managers, and tenant farmer	6	7	1	5
Engineering and related technologists, and technicians	7	8	10	10
Precision production, supervisors	8	5	5	6
Mechanics and repairers	9	9	6	9
Motor vehicles operators	10	10	9	8
Physicians	—	—	7	—
Engineers	—	—	8	—

Source: *Labor Force Statistics Derived from the Current Population Survey, 1948-87*, [persons 16 years and over]. Abstracted from: Table B-11. *Employed civilians by detailed occupations, sex, race, and Hispanic origin, 1983-87*, pp. 673-692 and Table B-31. *Median weekly earnings of full-time wage and salary workers by detailed occupation and sex, 1983-87*, pp. 748-767, U.S. Department of Labor, Bureau of Labor Statistics, *Bulletin 2307*, August 1988. *Employment and Earnings*, Table A-11. *Employed persons by detailed occupation, sex, race, and Hispanic origin and Table A-39. Median weekly earnings of full-time wage and salary workers by detailed occupation*, U.S. Department of Labor, Bureau of Labor Statistics (monthly publication), January issues 1991, 1996, and 1998, annual averages data for 1990, 1995, and 1997.

TABLE 5

TABLE 6. MEDIAN WEEKLY EARNINGS OF WOMEN FULL-TIME WORKERS IN NONTRADITIONAL OCCUPATIONS: 1985-1997

Occupation	1985	1990	1995	1997
Sales representatives, commodities, except retail trade	\$364	\$501	\$568	\$582
Freight, stock, and materials handlers	205	227	281	289
Protective service	278	405	438	451
Farm workers	178	202	217	247
Laborer, except construction	207	258	285	307
Farmers, managers, and tenant farmer	2	—	—	—
Engineering and related technologists, and technicians	344	398	519	529
Precision production, supervisors	303	363	428	435
Mechanics and repairers	392	459	550	489
Motor vehicles operators	246	305	345	399
Physicians	—	—	806	—
Engineers	—	—	806	—

Source: *Labor Force Statistics Derived from the Current Population Survey, 1948-87*, [persons 16 years and over]. Abstracted from: Table B-11. *Employed civilians by detailed occupations, sex, race, and Hispanic origin, 1983-87*, pp. 673-692 and Table B-31. *Median weekly earnings of full-time wage and salary workers by detailed occupation and sex, 1983-87*, pp. 748-767, U.S. Department of Labor, Bureau of Labor Statistics, Bulletin 2307, August 1988. *Employment and Earnings, Table A-11. Employed persons by detailed occupation, sex, race, and Hispanic origin and Table A-39. Median weekly earnings of full-time wage and salary workers by detailed occupation, U.S. Department of Labor, Bureau of Labor Statistics (monthly publication), January issues 1991, 1996, and 1998, annual averages data for 1990, 1995, and 1997.*

TABLE 6

Glass Ceiling Commission Documents Barriers, Recommends Changes for Working Women and Minorities

Although women entered the managerial and professional occupations in record numbers during the late 1980s and 1990s, surveys of corporate leadership and senior government positions found that very few women were reaching the upper levels of management in corporations and public service.

This was especially true for black women. Historically, black women have worked longer in paid employment and have greater work experience than white women. In 1987, they accounted for a record 50 percent of total black employment and have represented the larger segment of black employment ever since. Black women were more likely than white women to work, but generally earned less and held lower status jobs.²⁹

In the late 1980s, Senator Robert Dole sponsored legislation to create a bipartisan Glass Ceiling Commission to study the barriers to advancement in the workplace for women and minorities, issue reports on its findings and share recommendations. In 1991, President George Bush appointed members to the Glass Ceiling Commission.

In 1995, the Commission issued two reports. The first, *Good for Business: Making Full Use of the Nation's Human Capital*, found that women and minorities had made some inroads into entry level managerial and professional jobs, but faced significant barriers to movement up the rungs of the corporate ladder. The Commission found that 97 percent of the senior managers of Fortune 1000 and Fortune 500 companies were white, and 95 to 97 percent were male. In the Fortune 2000 industrial and service companies, only 5 percent of senior managers were women. In addition, the Commission indicated that when women or minorities did achieve the top jobs, they were not able to collect the same paycheck. Its report included an analysis of the unique barriers faced by African American women, Asian women, Hispanic women and Native American women, as well as the problems for African American men, Asian men, Hispanic men and Native American men.³⁰

The second report, *A Solid Investment: Making Full Use of the Nation's Human Capital*, offered eight recommendations for business and four for government to help break through the glass ceiling and improve opportunities for all women and minorities. In addition, it listed societal initiatives to help change the attitudes that reinforce the glass ceiling. Many of these recommendations have been woven into Department of Labor strategies to ensure a secure workforce.³¹

Women-Owned Businesses Flourish

Finally, another important trend that emerged during this period was the phenomenal growth in women-owned businesses. Women owned fewer than one million firms in 1977. By 1992, they owned nearly 6.4 million businesses. Today, that number has increased to eight million (including C Corps) — one third of all firms. Women-owned businesses contribute more than \$2.3 trillion annually in revenues to the economy, more than the gross domestic product of most countries, and employ one out of every five U.S.

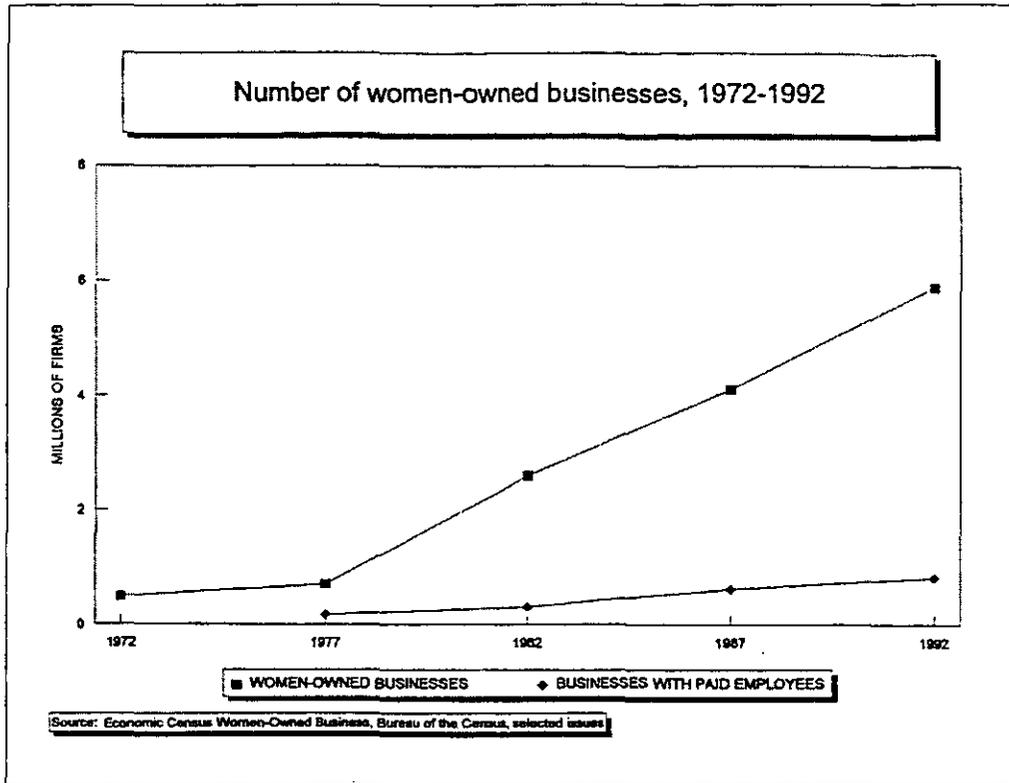


FIGURE 7

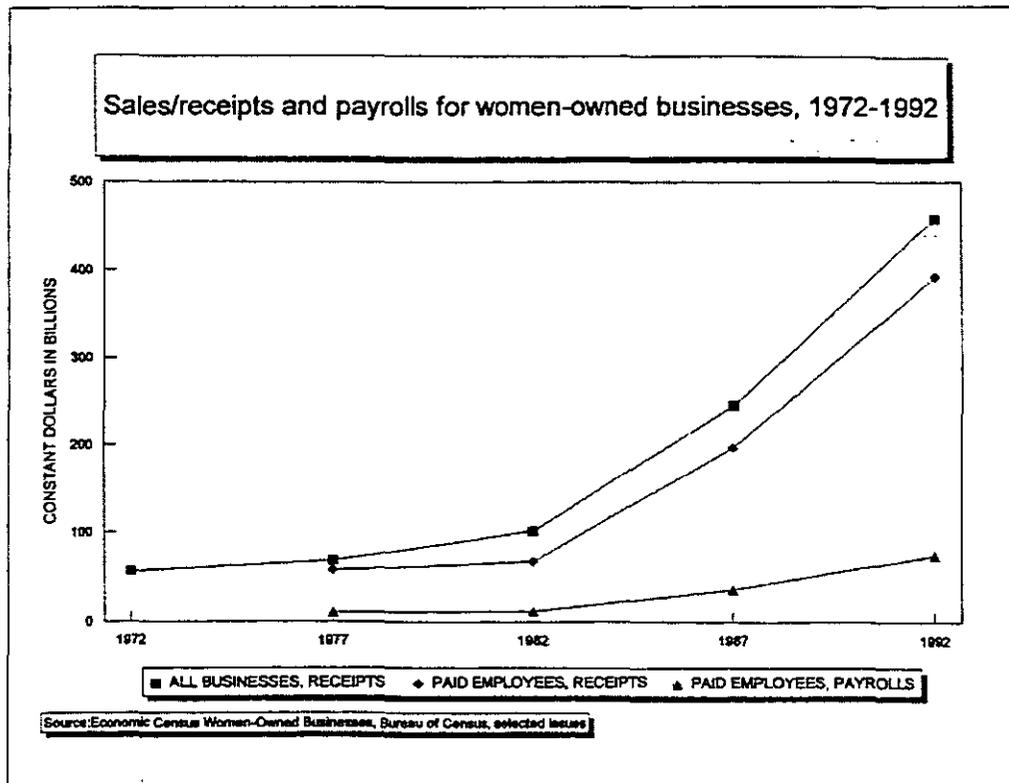


FIGURE 8

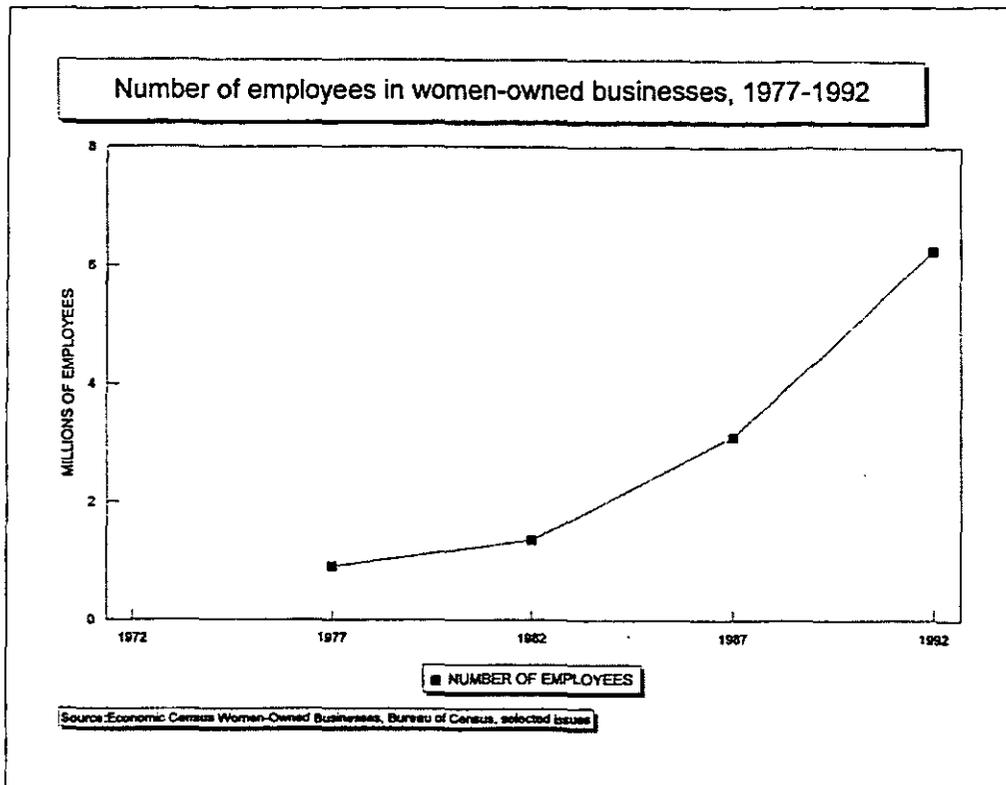


FIGURE 9

workers — a total of 18.5 million employees.³² (See Figures 7, 8 and 9. Supporting data in Appendix B: Tables 7, 8 and 9.)

In the last few years, some women's leaders have commented that the continuing existence of the glass ceiling has fueled the skyrocketing growth in women-owned businesses. A February 1998 study by the National Foundation for Women Business Owners found that 29 percent of women business owners with corporate experience said that "glass ceiling issues" were significant in motivating them to start their own companies.³³

Writer and women's rights activist Gloria Steinem has noted that the growth in self-employment and micro enterprise among women is similar to the entrepreneurial patterns of other minority groups, particularly immigrants to the United States, who have experienced language barriers, stereotypes and discrimination which limited access to jobs and hindered earning potential. "Owning your own business can give women freedom and equity, not just security and a salary. It isn't right for everyone, but women, like other minority groups before them, are discovering entrepreneurship including cooperatively-owned businesses," she said in a meeting of women's leaders with

government officials following the Fourth World Conference in Beijing, China.

Some have criticized the promotion of self employment, particularly micro enterprise and other home-based business as viable avenues to boost women's earning power because of their high financial risk, long hours and few health or pension benefits. Yet Ms. Steinem pointed out that in some communities, such as rural North Carolina, women who cooperatively own a handicraft business were averaging a \$9.00 per hour wage, much higher than the average hourly wage for workers in that State.

Home-Based Businesses and Telecommuting

In fact, the interest of women in home-based employment during the 1990s has been a significant factor in the dramatic reversal of the previous 20 year trend toward declining at-home workers. Home-based business employment declined from 4.7 million in 1960 to 2.7 million in 1970 and 2.2 million in 1980 before rising to 3.4 million in 1990. Commenting on the major factors contributing to the growth of at-home workers, the Daily Labor Report noted that women were a proportionately larger group of the at-home group of workers (52 percent) than they were in the "work away from home" group (45 percent.) In addition, the report predicted that "[g]iven the advancements in personal computers and Internet technology since these data were collected in the 1990 census, we expect more significant increases in the proportion working at home by Census 2000."³⁴

Even more dramatic estimates of at-home workers have already been reported by groups that study telecommuting. A Telecommute America survey found that in 1997 approximately 11 million workers performed some part of their jobs via a computer that was connected to an outside employer.³⁵

It is unclear what impact the home-based business and telecommuting trends will have on women's pay. Some have expressed fear that the lack of "face-time" in an office setting diminishes women's opportunities for promotions that lead to higher pay. Others have pointed to the blurring distinction between workplace and home and worry that employers will begin expecting more hours on the clock, yet will not make corresponding increases in pay.

Balancing Work and Family

The interest of many women and men in working from their homes is directly related to the stress that working parents feel trying to balance the need to earn an income that supports a family while still being available to meet the physical and emotional needs of their children, parents and community responsibilities. The 1990s have been marked by the growth in companies implementing formal policies to help workers meet their families' needs, the passage of the Family and Medical Leave Act, and the number of conferences and reports urging more action on the part of government officials and business leaders. Support for such benefits as child care, elder care, flextime and flexiplace has grown significantly while demand for greater attention to these issues continues to affect the bottom-line business success of employers.

While work and family benefits are generally not calculated as wages, the value of these benefits can help working women maintain jobs, and wages, that might otherwise be lost due to pressing needs of families. For instance, a paid family and medical leave policy has an obvious impact on the income of a working woman who takes such a leave. Unpaid leave protects wages as well, by making it possible for workers to take time off to care for a family member or their own health needs, while keeping the job and its accompanying wages on hold. This makes the transition back to work much smoother and ensures overall continuity of wages and an employment history or career path. Flexiplace and flextime programs often similar advantages to workers, helping them to maintain jobs which they may not otherwise be able to keep when family needs require greater flexibility. Some employers also offer assistance in purchasing dependent care services, which is a significant monetary benefit for some working women and men.

P A R T I V .

ISSUES TO WATCH IN THE NEW CENTURY

Advances in Technology, Expansion of the Service Economy and Increased Opportunities for Highly-Educated Workers

The last three decades have been marked by significant economic changes. High-wage manufacturing occupations, which accounted for nearly a third of all jobs in 1964, now make up only 15 percent of all jobs. The service producing industries, including government, education and retail trade, comprised two-thirds of all jobs in 1964 and four-fifths of jobs today.³⁶ Advances in technology have transformed the occupations available, the manner in which goods are produced and the basic living conditions of U.S. workers. These developments, combined with recent economic forces such as corporate downsizing and an economy soaring from record stock market gains, have led to a stratification in the workforce — a demand for highly-educated and skilled workers at one end of the spectrum and fewer good-paying opportunities for those without education and professional skills at the other.

Women Meet Demand For Skilled and Educated Workers, But Wage Gap Persists

The effects of such change on women workers have been complex. Women represent a growing share of the educated workforce and their skills have served the economy's need for more workers in health services, retail trade, education and government. This has led to the overall increase in women's earnings.

Most of the fastest growing occupations are concentrated in one or more of the rapidly growing industries of computer and data processing services;

Table 7. FASTEST GROWING OCCUPATIONS, 1996-2006
(numbers in thousands)

Occupation	Employment		Change	
	1996	2006	No.	Percent
Database administrators, computer support specialists, and all other computer scientists	212	461	249	118
Computer engineers	216	451	235	109
Systems analysts	506	1,025	520	103
Personal and home care aides	202	374	171	85
Physical and corrective therapy assistants and aides	84	151	66	79
Home health aides	495	873	378	76
Medical assistants	225	391	166	74
Desktop publishing specialists	30	53	22	74
Physical therapists	115	196	81	71
Occupational therapy assistants and aides	16	26	11	69

Source: U.S. Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review*, November 1997.

TABLE 7

Table 8. INDUSTRIES WITH FASTEST EMPLOYMENT GROWTH, 1996-2006
(numbers in thousands)

Industry Description	Employment		Change	
	1996	2006	No.	Percent
Computer and data processing services	1,207.9	2,509.1	1,301.2	107.7
Health services, n.e.c. ¹	1,171.9	1,968.3	796.4	68.0
Management and public relations	873.2	1400.0	526.8	60.3
Miscellaneous transportation services	204.3	327.4	123.1	60.2
Residential care	672.1	1,069.8	397.7	59.2
Personnel supply services	2,646.0	4,039.3	1,393.3	52.7
Water and sanitation	230.9	349.1	118.2	51.2
Individual and miscellaneous social services	846.3	1,265.9	419.6	49.6
Offices of health practitioners	2,751.4	4,045.9	1,294.5	47.0
Amusement and recreation services, n.e.c. ¹	1,108.6	1,565.3	456.7	41.2

¹ n.e.c. = not elsewhere classified.

Source: U.S. Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review*, November 1997.

TABLE 8

health services; and management and public relations shown in Table 7. Since 1985, women have held about 28 percent of the computer system analyst/engineer and scientist jobs. In the fast-growing health care occupations, women continue to hold three-quarters of all therapist jobs — respiratory, occupational, physical, and speech — and have increased their share of physician's assistant jobs from 38 percent in 1985 to 63 percent in 1997.

Looking at the projections for the top ten fastest growing occupations from 1996 to 2006 in Table 7, women currently comprise the larger share of most of these occupations. Women have increased their employment in the growing occupations, yet their median weekly earnings still lag behind similarly employed men. For instance, men who worked as computer system analyst/engineers earned \$952 per week, while women earned \$850 in 1997. As therapists, where women outnumber men three to one, they still earned less than men — women's weekly earnings were \$686 compared with \$733 per week for men.³⁷

Continuing Inequity Squeezes U.S. Families

Continuing inequities in pay hurt not only women, but families as well. Trends such as corporate downsizing and the loss of high-wage jobs for high school-educated men have put much economic pressure on families. Families have come to depend on the earnings of working women to maintain middle-class living standards. In the 1960s, the majority of families with young children were supported by one earner, usually the husband. The Women's Bureau's testimony in support of the Equal Pay Act asserted that women who were in the workforce in 1960 were there for economic reasons.³⁸ Today, women are still working for economic reasons — the earnings of working wives in married-couple families provided 32.6 percent of family income in 1996.³⁹ The majority of married-couple families send two earners to the workplace, and there are higher numbers of single parent families.

Increase in Dual Earner/Single Parent Families Fuels Demand for Workers in the “Business of Caring”

While our working patterns and daily tasks on the job have changed, our social patterns and daily tasks off the job have been slower to evolve. Married women with children have shifted into the paid labor force, yet families still need the tasks that women have routinely performed in the home as labors of love. The “business” of caring for children, or sick and elderly family members and managing the needs of a household are often performed by women after a full day of paid work. Husbands do more “chores” than they used to, yet time use surveys show that the division of labor within the home is still not even.

Women’s presence in the labor force has given rise to a demand for paid workers to take on the tasks of dependent care and home management. Many families have turned to professional dependent care workers, cleaning services, take-out meals and other services to alleviate their stress and meet their many responsibilities to their families. This demand has led to the growth of businesses providing these services, and current projections show that the number of workers in these fields will expand further.

Equal Pay Good For Women, Families and the Economy

The Equal Pay Act laid the foundation for women to move into the workforce with dignity and to demand the rightful reward for their efforts. Since its passage, working women have made tremendous strides. There is still more ground to cover before the wage gap between men’s and women’s wages is eliminated — and this should be a goal for all of us.

As we move into the new century, we must wage a multi-faceted effort for equity. We must strengthen and enforce vigorously our laws against wage discrimination. We must shatter the glass ceiling so women can compete fairly for well-paying jobs in business, government and other arenas.

Finally, we need to recognize that work is a source of dignity as well as a source of income. Occupations which are projected to grow significantly, such as cashier, receptionists/information clerks, and home health aides, are traditional women's jobs where 75 percent or more of the workers are women. They are typically among the lowest paying positions. However, they, too, contribute to society and the workers who perform them deserve our appreciation and respect.

In the past thirty five years, women have joined the labor force in record numbers. Today, they account for nearly half of all workers and represent a significant segment of the educated and skilled workforce. Women have driven new ways of working and changed the way we think about the relationship between work and family. They have made our nation the world power it is. Our commitment to equal pay has been, and continues to be, not only the right moral action to take, but good for our nation's families and our nation's economy.

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- ¹ Statement of Ester Peterson, Assistant Secretary of Labor, Before the Subcommittee on Labor of the Senate Committee on Labor and Public Welfare on S.910, the Equal Pay Act, April 2, 1963.
- ² U.S. Department of Labor, Bureau of Labor Statistics, *Handbook of Labor Statistics, 1989, Employment and Earnings, January 1998* and unpublished tables.
- ³ U.S. Department of Labor, Women's Bureau, Table 42. Major Occupational Groups of Employed Women, 1965 *Handbook on Women Workers*, p. 89.
- ⁴ U.S. Department of Labor, Women's Bureau, 1965 *Handbook on Women Workers*, p. 16.
- ⁵ Morag MacLeod Simchak, "Equal Pay in the United States," *International Labor Review*, June 1971.
- ⁶ U.S. Department of Labor, Workplace Standards Administration, Wage and Hour Division, "Equal Pay Under the Fair Labor Standards Act as Amended in 1966," Wage and Hour Publication 1179, Reprinted August 1970.
- ⁷ U.S. Department of Labor, Women's Bureau, "Equal Pay Benefits for White Collar Workers," Equal Pay Briefing Kit, August 1972.
- ⁸ U.S. Department of Labor, USDL 75-402. "Illegal Underpayments of Workers Rise 13 Percent in Fiscal Year 1975," July 1975.
- ⁹ U.S. Department of Labor, Women's Bureau, 1975 *Handbook on Women Workers*.
- ¹⁰ Anthony P. Camevale and Stephen J. Rose, "Education for What? The New Office Economy," Educational Testing Service, 1998.
- ¹¹ U.S. Equal Employment Opportunity Commission, *14th Annual Report for Fiscal Year 1979*.
- ¹² These suits included: *EEOC v. State of Delaware* (D.Del. 1983); *EEOC v. Madison School District*, (S.D.Ill 1983); *EEOC v. Memphis Mental Health Institute* (W.D.Ill. 1983); *EEOC v. Missouri Department of Corrections*, (E.D.Mo. 1983); *EEOC v. Von Hoffman Press, Inc. And Graphic Arts International Union Local III-B*, (W.D.Mo. 1983); and *EEOC v. Fremont Christian School*, (N.D.Cal. 1983).
- ¹³ U.S. Department of Labor, Women's Bureau, *Working Women Count! A Report to the Nation*, 1994.
- ¹⁴ U.S. Department of Labor, Bureau of Labor Statistics, Table 37. Median weekly earnings of full-time wage and salary workers by selected characteristics, *Employment and Earnings, January 1998*.
- ¹⁵ U.S. Department of Commerce, Economics and Statistics Administration, Bureau of the Census, *Money Income in the United States: 1996*, p.ix, *Current Population Reports, Consumer Income*, p. 60-197.
- ¹⁶ "Stall in Women's Real Wage Growth Slows Progress in Closing the Wage Gap," Institute for Women's Policy Research, February 1998.
- ¹⁷ U.S. Department of Labor, Bureau of Labor Statistics, Table 5. Median weekly earnings of wage and salary workers who usually work full time by detailed occupation and sex," 1997 *Annual Averages*.
- ¹⁸ See *Lemons. v. City and County of Denver* (620 F.2d 228 (10th CIR. 1980) for an example of the difficulty that women in some of these administrative/managerial occupations face in using current law to raise allegations of wage discrimination. Since the jobs are not "substantially equal" they are outside the Equal Pay Act's protections, and since it is difficult to prove that employers are intentionally discriminating against women in pay, Title VII of the Civil Rights Act is not always effective.
- ¹⁹ U.S. Census Bureau, Table 15. Educational Attainment — Total Money Earnings in 1996 of Persons 25 Years Old and Over, by Age, Race, Hispanic Origin, Sex, and Work Experience in 1996, Median Earnings for Year-Round, Full-Time Workers.
- ²⁰ U.S. Department of Labor, Bureau of Labor Statistics, Unpublished data, *Current Population Survey*, 1997.

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- ²¹ U.S. Department of Education, Office of Educational Research and Improvement, National Center for Education Statistics, "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," *Statistical Analysis Report*, August, 1996.
- ²² U.S. Department of Labor, Bureau of Labor Statistics, Daniel E. Hecker, "Earnings of college graduates: women compared with men," *Monthly Labor Review*, March 1998.
- ²³ Katha Pollitt, "Go Figure," *The Nation*, April 14, 1997.
- ²⁴ U.S. Department of Labor, Bureau of Labor Statistics, Table 6. Employment Characteristics of Families in 1996.
- ²⁵ U.S. Department of Labor, Bureau of Labor Statistics, Table 2. Employment Characteristics of Families in 1997.
- ²⁶ U.S. Department of Labor, Bureau of Labor Statistics, Work and Family Statistics, Annual Demographic File, *Current Population Survey*, Unpublished data from Table 26, 1997.
- ²⁷ U.S. Department of Labor, Bureau of Labor Statistics, Tables 2 and 4. Employment Characteristics of Families in 1996.
- ²⁸ U.S. Department of Labor, Bureau of Labor Statistics, "The effect of working wives on the incidence of poverty," *Monthly Labor Review*, March 1998.
- ²⁹ U.S. Department of Labor, Women's Bureau, 1983 *Handbook on Working Women*.
- ³⁰ *Good for Business: Making Full Use of the Nation's Human Capital*, Federal Glass Ceiling Commission, Washington, DC, March 1995.
- ³¹ *A Solid Investment: Making Full Use of the Nation's Human Capital*, Federal Glass Ceiling Commission, Washington, DC, November 1995.
- ³² U.S. Small Business Administration, "Statistics on Women Business Ownership," November 1996.
- ³³ Robert Schwab, "Women executives warn of female brain drain. Conference in May takes aim at Glass Ceiling," *Denver Post*, March 17, 1998.
- ³⁴ "Employment Increase in At-Home Workers Reverses Earlier Trend Census Says," *Daily Labor Report*, May 7, 1998.
- ³⁵ *Ibid.*
- ³⁶ U.S. Department of Labor, Women's Bureau, "Women's Jobs: 1964-1996: More than 30 Years of Progress."
- ³⁷ U.S. Department of Labor, Bureau of Labor Statistics, Table 5. Median Weekly Earnings for Wage and Salary Workers Who Usually Work Full Time by Detailed (3-Digit Census Code) Occupation and Sex, 1997.
- ³⁸ Statement of Esther Peterson, Assistant Secretary of Labor, to the Subcommittee on Labor of the Senate Committee on Labor and Public Welfare on S. 2494, the Equal Pay Act of 1962, August 1, 1962.
- ³⁹ U.S. Department of Labor, Bureau of Labor Statistics, Work and Family Statistics, Annual Demographic File, *Current Population Survey*, Unpublished data from Table 24, 1997.

APPENDIX A

EQUAL PAY CHRONOLOGY

- November 24, 1942 The National War Labor Board issued General Order No. 16, which authorized employers voluntarily to make "adjustments which equalize wage or salary rates paid to females with the rates paid to males for comparable quality and quantity of work on the same or similar operations."
- June 10, 1963 President Kennedy signed the Equal Pay Act, which covered some 27.5 million men and women. It requires that, regardless of gender, employees doing work requiring equal skill, effort and responsibility and which is being performed under similar working conditions, be paid equal wages.
- June 11, 1964 The Equal Pay Act takes effect.
- June 19, 1963 President John F. Kennedy calls for passage of Civil Rights legislation
- July 2, 1964 Passage of the Civil Rights Act of 1964. Title VII of this Act, as amended, prohibits employers from engaging in employment actions adverse to their employees on the basis of race, color, national origin, sex or religion.
- July 2, 1965 Effective date of the Civil Rights Act of 1964.
- October 13, 1967 President Lyndon Baines Johnson extended anti-discrimination and affirmative action protections to women by signing Executive Order 11375, which amended Executive Order 11246 to prohibit employment discrimination on the basis of race, creed, color, national origin or sex, by federal contractors.
- 1970 In Schultz v. Wheaton Glass Company, the U.S. Court of Appeals for the Third Circuit ruled that jobs need only be "substantially equal" to be compared under the Equal Pay Act's provisions.
- 1971 From the effective date of the Equal Pay Act in June 1964 up to the end of January 1971, a total of back wages (i.e. underpayments representing illegal wage differentials) amounting to over \$26 million were found by Wage and Hour compliance officers to be due to nearly 71,000 employees, almost all of them women. Over 200 court cases had been filed under the Equal Pay Act by the Department of Labor's legal staff. About 75 percent of these were decided or settled, most of them favorably.
- 1972 The protection of the Equal Pay Act was extended to executive, administrative, professional and outside sales employees by section 906(b)(1) of the Education Amendments of 1972, effective July 1, 1972.

June 3, 1974 The U.S. Supreme Court handed down its decision in Corning Glass Works v. Brennan, rejecting the traditional "market rate" business defense.

1975 Since the Equal Pay Act became effective June 11, 1964, \$125,947,290 was found due to 220,333 workers.

July 1, 1979 All functions related to enforcing or administering the Equal Pay Act were transferred from the U.S. Department of Labor and the Civil Service Commission to the U.S. Equal Employment Opportunity Commission (EEOC) pursuant to Reorganization Plan No. 1 of 1978. Between July and September 1979, the Commission resolved 350 Equal Pay complaints.

1981 In County of Washington v. Gunther, the U.S. Supreme Court ruled that Title VII is not limited by the equal work standard found in the Equal Pay Act.

1985 A \$5 million consent decree resolved an EEOC Suit against Allstate Insurance Company for an alleged equal pay violation that affected 3,200 persons.

1991 Monetary benefits secured through litigation involving the Equal Pay Act totaled \$99,000. The EEOC and State Fair Employment Practice Agencies received 1,968 charges of wage discrimination based on gender.

February 5, 1993 President Clinton signed into law the Family and Medical Leave Act, which protects the jobs and wages of working women and men by guaranteeing the right of up to 12 weeks of unpaid leave per year when it is urgently needed at home to care for a newborn child, or an ill family member.

September, 1993 The Department of Labor's Office of Federal Contract Compliance Programs reaches a \$603,943 settlement with Fairfax Hospital, VA in the first of its corporate management reviews. Fairfax agreed to pay \$425,586 in back pay to 52 women employed in the top six grades of the hospital's personnel structure. In addition, 44 of the women received \$178,357 in salary increases.

April 1998 OFCCP reaches the largest wage settlement in its corporate management review program, with CoreStates Financial Institution, in Philadelphia, PA. The federal contractor agreed to pay \$1.5 million dollars to women and minorities to address past practices of pay discrimination. The agreement with OFCCP called for the contractor to pay \$1,150,434 in back pay, and \$334,115 in salary adjustments to 76 women and 66 minorities. OFCCP concluded that CoreStates did not apply its compensation policies and procedures uniformly, thus, leading to a pattern of discriminatory treatment.

TABLE 1. LABOR FORCE PARTICIPATION RATE OF WOMEN, 1960-1997

	1960	1965	1970	1975	1980	1985	1990	1995	1997
Labor force participation rate of women, 16 years and over	37.7	39.3	43.3	46.3	51.5	54.5	57.5	58.9	59.8
Percentage of married women in the labor force	30.5*	34.7	40.8	44.4	50.1	54.2	58.2	61.1	62.1
Percentage of married women with children in the labor force	27.6*	32.2	39.7	44.9	54.1	60.8	66.3	70.2	71.1

*For 1960, civilian non-institutional persons 14 years and over. Thereafter, 16 years and over.

Source: U.S. Department of Labor, Bureau of Labor Statistics, Handbook of Labor Statistics, 1989, Employment and Earnings, January 1998 and unpublished tables.

TABLE 2. WOMEN AND EDUCATIONAL ATTAINMENT, 1960-1997

	1960	1965	1970	1975	1980	1985	1990	1995	1997
Percentage of Bachelor Degrees Awarded to Women (includes first professional degrees)	35.3	42.8	43.1	45.3	49.0	50.5	53.2	52.6	55.4*
Percentage of Masters Degrees Awarded to Women	31.6	32.9	39.7	44.8	49.2	50.1	52.6	55.1	52.7*
Percentage of 1st Professional Degrees Awarded to Women	n.a.	3.6	5.3	12.4	24.8	32.8	38.1	40.8	39.3*

SOURCE: U.S. Department of Education, National Center for Education Statistics, *Earned Degrees Conferred; Projections of Education Statistics to 2007; Higher Education General Information Survey (HEGIS), "Degrees and Other Formal Awards Conferred" surveys; and Integrated Postsecondary Education Data System (IPEDS), "Completions" surveys, April 1997.*

**TABLE 3. UNDERPAYMENTS FOUND BY THE U.S. DEPARTMENT OF LABOR
UNDER THE EQUAL PAY ACT, NUMBER OF EMPLOYEES UNDERPAID AND
INCOME RESTORED, FISCAL YEARS 1965-1978**

Fiscal Year	Underpayments	Number of Employees Underpaid	Income Restored	
			Employees	Amount
1965	\$ 156,202	960		
1966	2,097,600	6,633		
1967	3,252,319	5,931		
1968	2,488,405	6,622		
1969	4,585,344	16,100		
1970	6,119,265	17,719		
1971	14,842,994	29,992		
1972	14,030,889	29,022		
1973	18,005,582	29,619	17,331*	\$4,626,251*
1974	20,600,000	32,792	16,768	6,841,443
1975	26,484,860	31,843	17,889	7,474,163
1976	17,900,000	24,610	16,728	7,881,502
1977	15,500,000	19,382		6,700,000
1978	16,000,000 (nearly)	18,376	14,929	8,700,000

*Does not include \$6,300,000 paid under the Equal Pay Act by American Telephone & Telegraph to 6,100 of its employees.

TABLE 4. EMPLOYED WOMEN: 1960-1997

	1960	1965	1970	1975	1980	1985	1990	1995	1997
Women as a percentage of total employed	33.3	34.8	37.7	39.6	42.4	44.1	45.4	46.1	46.2
Women as a percentage of all full-time workers (16 years and over)	n.a.	n.a.	32.8	34.4	37.4	39.2	40.1	41.1	41.6
Women as a percentage of all part-time workers (16 years and over)	n.a.	n.a.	65.1	76.7	67.3	67.6	66.2	68.0	68.0

TABLE 5. FULL-TIME/PART-TIME JOB STATUS OF WORKING WOMEN, 1960-1997

	1960	1965	1970	1975	1980	1985	1990	1995	1997
Percentage of employed women with full-time jobs (20 years and older)	n.a.	n.a.	76.6	75.6	76.4	76.1	77.4	75.3	76.3
Percentage of employed women with part-time jobs (20 years and older)	n.a.	n.a.	23.4	24.4	23.6	23.9	22.6	24.7	23.7

Source: U.S. Department of Labor, Bureau of Labor Statistics, Handbook of Labor Statistics, 1989, Employment and Earnings, January 1998 and unpublished tables.

APPENDIX B

Table 1. Stubborn Pay Gap Persists

Median annual earnings for year-round, full-time workers by sex, 1951-1996
(data reported in current dollars for 1951-1996 and adjusted for inflation using the CPI-U with 1982-84=100 to calculate real earnings in 1982-84 dollars for 1951-1996; data relate to persons 15 and over beginning with 1980; data reported for persons 14 and older in previous years)

Year	Earnings (current dollars)			Earnings (real dollars)		Women/men (percent)
	Women	Men	CPI-U	Women	Men	
1951	2,305	3,605	26.0	8,865	13,865	63.9
1952	2,448	3,829	26.5	9,238	14,449	63.9
1953	2,585	4,043	26.7	9,682	15,142	63.9
1954	2,598	4,064	26.9	9,658	15,108	63.9
1955	2,719	4,252	26.8	10,146	15,866	63.9
1956	2,827	4,466	27.2	10,393	16,419	63.3
1957	3,008	4,713	28.1	10,705	16,772	63.8
1958	3,102	4,927	28.9	10,734	17,048	63.0
1959	3,193	5,209	29.1	10,973	17,900	61.3
1960	3,257	5,368	29.6	11,003	18,135	60.7
1961	3,315	5,595	29.9	11,087	18,712	59.2
1962	3,412	5,754	30.2	11,298	19,053	59.3
1963	3,525	5,980	30.6	11,520	19,542	58.9
1964	3,669	6,203	31.0	11,835	20,010	59.1
1965	3,828	6,388	31.5	12,152	20,279	59.9
1966	3,946	6,856	32.4	12,179	21,160	57.6
1967	4,150	7,182	33.4	12,425	21,503	57.8
1968	4,457	7,664	34.8	12,807	22,023	58.2
1969	4,977	8,455	36.7	13,561	23,038	58.9
1970	5,323	8,966	38.8	13,719	23,108	59.4
1971	5,593	9,399	40.5	13,810	23,207	59.5
1972	5,903	10,202	41.8	14,122	24,407	57.9
1973	6,335	11,186	44.4	14,268	25,194	56.6
1974	6,970	11,863	49.3	14,138	24,063	58.8
1975	7,504	12,758	53.8	13,948	23,714	58.8
1976	8,099	13,455	56.9	14,234	23,647	60.2
1977	8,618	14,626	60.6	14,221	24,135	58.9
1978	9,350	15,730	65.2	14,340	24,126	59.4
1979	10,151	17,014	72.6	13,982	23,435	59.7
1980	11,197	18,612	82.4	13,589	22,587	60.2
1981	12,001	20,260	90.9	13,202	22,288	59.2
1982	13,014	21,077	96.5	13,486	21,841	61.7
1983	13,915	21,881	99.6	13,971	21,969	63.6

1984	14,780	23,218	103.9	14,225	22,346	63.7
1985	15,624	24,195	107.6	14,520	22,486	64.6
1986	16,232	25,256	109.6	14,810	23,044	64.3
1987	16,911	25,946	113.6	14,886	22,840	65.2
1988	17,606	26,656	118.3	14,883	22,533	66.0
1989	18,769	27,331	124.0	15,136	22,041	68.7
1990	19,822	27,678	130.7	15,166	21,177	71.6
1991	20,553	29,421	136.2	15,090	21,601	69.9
1992	21,375	30,197	140.3	15,235	21,523	70.8
1993	21,747	30,407	144.5	15,050	21,043	71.5
1994	22,205	30,854	148.2	14,983	20,819	72.0
1995	22,497	31,496	152.4	14,762	20,667	71.4
1996	23,710	32,144	156.9	15,112	20,487	73.8

Source: U.S. Bureau of the Census, Current Population Reports, Series p-60, selected issues; U.S. Bureau of Labor Statistics, Consumer Price Index for all urban consumers (1982-84=100); <http://www.census.gov/income/histinc/p13.html>

Table 2. Women in the Labor Force, 1960-1997
(Numbers in thousands)

Year	Civilian Labor Force
1960	23,268
1965	26,200
1970	31,543
1975	37,475
1980	45,487
1985	51,050
1990	56,289
1995	60,944
1997	63,036

Source: U.S. Department of Labor, Bureau of Labor Statistics, Employment and Earnings, January 1998.

Table 3a. Labor Force Participation Rate of Women by Age, 1950-1990

Age	1950	1960	1970	1980	1990
16-19	41.0	39.3	44.0	52.9	51.8
20-24	46.0	46.1	57.7	68.9	71.6
25-34	34.0	36.0	45.0	65.5	73.6
35-44	39.0	43.4	51.1	65.5	76.5
45-54	37.9	49.9	54.4	59.9	71.2
55-64	27.0	37.2	43.0	41.3	45.3
65 plus	9.7	10.8	9.7	8.1	8.7

Source: Handbook of Labor Statistics, Bulletin 2340, Table 5 (1950-1980);
Employment and Earnings, January 1991, Table 3 (1990).

Table 3b. Labor Force Participation Rate of Men by Age, 1950-1990

Age	1950	1960	1970	1980	1990
16-19	63.2	56.1	56.1	60.5	55.7
20-24	87.9	88.1	83.3	85.9	84.3
25-34	96.0	97.5	96.4	95.2	94.2
35-44	97.6	97.7	96.9	95.5	94.4
45-54	95.8	95.7	94.3	91.2	90.7
55-64	86.9	86.8	83.0	72.1	67.7
65 plus	45.8	33.1	26.8	19.0	16.4

Source: Handbook of Labor Statistics, Bulletin 2340, Table 5 (1950-1980);
Employment and Earnings, January 1991, Table 3 (1990).

Table 4. Earnings of Persons Age 25-54

Median usual weekly earnings of full-time wage and salary workers, by sex, age, race and Hispanic origin, 1979-96 annual averages in real dollars

Age 25 to 54 Years	1979	1980	1981	1982	1983	1984	1985
Hispanic Women							
Black Women	247	239	239	238	248	247	249
White Women	273	263	262	269	274	279	282
Hispanic Men							
Black Men	343	324	316	310	316	318	303
White Men	444	424	419	417	416	417	425
	1986	1987	1988	1989	1990	1991	1992
Hispanic Women	234	232	233	228	227	227	228
Black Women	255	258	257	254	246	250	253
White Women	287	290	291	291	292	292	294
Hispanic Men	296	296	285	279	279	269	268
Black Men	315	320	321	305	296	291	286
White Men	433	428	418	411	402	399	399
	1993	1994	1995	1996	1997		
Hispanic Women	233	219	212	211	212		
Black Women	253	246	245	244	249		
White Women	297	296	293	294	299		
Hispanic Men	266	255	253	248	250		
Black Men	285	285	291	281	292		
White Men	401	400	397	391	393		

Source: Unpublished data from the Current Population Survey.

Table 5. Earnings by Sex/Race/Ethnic Type for High School Grads and College Grads, 1997

	HS grad, no college	Bachelor's Degree
Hispanic Women	316	583
Black Women	317	546
White Women	370	611
Hispanic Men	403	711
Black Men	398	618
White Men	517	826

Source: Unpublished data from the Current Population Survey.

Table 6. Percent of Family Earnings Contributed by Wives, 1997

	Wives contribution in percent
All wives	36.5
White wives	35.8
Black wives	43.7
Hispanic wives	37.5

Source: Unpublished data from the Annual Demographic File of the Current Population Survey.

Table 7. Number of Women-Owned Businesses, 1972-1992

	1972	1977	1982	1987	1992
All firms	486,009	701,957	2,612,621	4,114,787	5,888,883
Firms with emp.		167,733	311,662	618,198	817,773

Source: Economic Census Women-Owned Businesses, selected issues.

Table 8. Sales/Receipts and Payrolls for Women-Owned Businesses, 1972-1992

	1972	1977	1982	1987	1992
All receipts	\$56,186,483	\$68,491,294	\$101,856,490	\$244,839,892	\$457,936,103
Firms with emp.		\$58,069,888	\$67,717,564	\$197,188,572	\$392,320,111
Payroll		\$10,138,472	\$11,561,025	\$35,989,994	\$74,687,447

Source: Economic Census Women-Owned Businesses, selected issues.

Table 9. Number of Employees in Women-Owned Businesses, 1977-1992

	1972	1977	1982	1987	1992
Employees		894,591	1,354,588	3,102,685	6,252,029

Source: Economic Census Women-Owned Businesses, selected issues.

THE WHITE HOUSE
WASHINGTON

April 6, 1999

EQUAL PAY EVENT AND ROUND TABLE

DATE: April 7, 1999
LOCATION: Presidential Hall
BRIEFING TIME: 1:10 pm - 1:25 pm
EVENT TIME: 1:30 pm - 2:30 pm
FROM: Bruce Reed, Mary Beth Cahill

I. PURPOSE

To announce a new wage data collection provision in the pending legislation which would strengthen enforcement of the Equal Pay Act and to meet with working women to highlight the issue of equal pay and to emphasize the need for Congress to pass this legislation.

II. BACKGROUND

This event is an opportunity for you to announce the new data collection provision for wages in the Paycheck Fairness Act, which is sponsored by Senator Daschle. In addition, it is an opportunity for you and the First Lady to hear first-hand from working women the problem of wage discrimination and issues of equal pay.

One of the panelists highlights the issue of "comparable worth," where a job in a female-dominated profession is "equivalent" to a job in a male-dominated profession but is paid less. This panelist is included because the Administration recently has been urged by Senator Harkin, Congresswoman Norton, the women's groups, and the unions to support Senator Harkin's comparable worth legislation that requires companies to equalize wages between "equivalent jobs," which is defined in the legislation as jobs that may be dissimilar, but whose requirements are equivalent when viewed as a composite of skills, effort, responsibility, and working conditions. While we cannot support this legislation, in a compromise to the above persons and groups, we agreed to include a panelist that highlights the comparable worth problem, but not the solution proposed in the legislation. However, you should not use the words "comparable worth," and should merely emphasize that this woman's story highlights the need for women to be paid equally with men.

Before beginning the roundtable, you will announce the following:

Paycheck Fairness Act with New Data Collection Provision

You again will urge Congress to pass legislation called "The Paycheck Fairness Act," introduced by Senator Daschle and Congresswoman DeLauro, to strengthen laws prohibiting wage discrimination. The legislation will be reintroduced with a new data collection provision added. The highlights of this legislation include:

- **New Pay Data Collection Provision.** This provision would require the EEOC to complete a survey of data currently available for use in enforcing federal wage discrimination laws and to identify additional data collections that would enhance enforcement of these laws. In addition, the provision would call upon the EEOC to issue a regulation, within eighteen months, to provide for the collection of pay information data from employers described by the race, sex, and national origin of employees.
- **Increased Penalties for the Equal Pay Act (EPA).** The legislation would provide full compensatory and punitive damages as remedies for equal pay violations, in addition to the liquidated damages and back pay awards currently available under the Equal Pay Act. This proposal would put gender-based wage discrimination on equal footing with wage discrimination based on race or ethnicity, for which uncapped compensatory and punitive damages are already available.
- **Non-retaliation provision.** The bill would prohibit employers from punishing employees for sharing salary information with their co-workers. Many employers are currently free to take action against employees who share wage information. Without the ability to learn about wage disparities, it is difficult for employees to evaluate whether there is wage discrimination.
- **Training, Research, and Pay Equity Award.** The bill would provide for increased training for EEOC employees to identify and respond to wage discrimination claims; research on discrimination in the payment of wages; and the establishment of an award to recognize and promote the achievements of employers in eliminating pay disparities.

Equal Pay Initiative

Previously, you have announced a new \$14 million Equal Pay Initiative as part of your Fiscal Year 2000 budget. The Initiative includes \$10 million for the EEOC to increase compliance with equal pay laws by providing training to EEOC employees to identify and respond to wage discrimination, increasing technical assistance to businesses on how to meet legal requirements, and launching an equal pay public service announcement campaign to inform employers and employees alike of their rights and responsibilities. The Initiative also includes \$4 million for the Department of Labor, primarily for a program to assist contractors in recruiting and retaining qualified women in non-traditional occupations.

III. PARTICIPANTS

Briefing Participants:

Secretary Alexis Herman
Bruce Reed
Elena Kagan
Karen Tramontano
Jenny Luray
Nicole Rabner
June Shih

Event Participants:

The First Lady
Secretary Herman
Dr. Nancy Hopkins, Molecular Biologist, Massachusetts Institute of Technology
Sanya Tyler, Head Coach, Women's Basketball, Howard University
Carolyn Gantt, Retiree from District of Columbia Government
Patricia Higgins, Nurse, MetroHealth Medical Center, Cleveland, OH

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- **YOU** will enter the room where each of the roundtable participants will be seated.
 - The First Lady will make remarks and introduce **YOU**.
 - **YOU** will make brief remarks and take your seat at the roundtable.
 - Secretary Herman will facilitate a brief introduction from each roundtable participant.
 - **YOU** will invite the participants to speak by posing a question to each person.
 - **YOU** will first call on Dr. Nancy Hopkins, a professor at the Massachusetts Institute of Technology, who spearheaded a study on the status of women professors there.
 - **YOU** and the First Lady will pose questions to each of the participants, and Secretary Herman will conclude the panel discussion.
- [*SEE ATTACHED SCRIPT]
- **YOU** will make brief informal closing remarks and depart.

VI. REMARKS

Provided by Speechwriting.

VII. ATTACHMENTS

- Sequence of panel speakers and suggested questions.
- Bios of panelists.
- NY Times article about the M.I.T. study.
- Newsweek article by George Will disputing that there is a wage gap.

Sequence and Suggested Questions for Panel Discussion

- The Secretary of Labor will begin by calling on panelists to briefly introduce themselves.
- You will lead the discussion by asking any of the below questions, starting with Professor Nancy Hopkins.
- You will close the panel discussion.

Questions for POTUS/FLOTUS

Nancy Hopkins, Professor of Molecular Biology, Massachusetts Institute of Technology.

- How did you become involved with the status of women professors at M.I.T.?
- What did the recent study at M.I.T. find regarding the status of women professors, and what did it recommend? How are you working with M.I.T. to followup?

Carolyn Gantt, Clerk, Retired Senior Volunteer Program, Washington, D.C.

- When you were working, did you ever experience a situation where men with less education and experience received better jobs and were paid differently?
- While you were working full-time, was it difficult to support your family and save for your retirement?
- When you left full-time employment, were you able to quit working and live on your retirement benefits?

Patricia Higgins, Nurse, MetroHealth Medical Center, Cleveland, Ohio.

- As a nurse, would it be difficult, on your salary alone, to support your family and provide for college education for your children?
- How do think the services that nurses provide relate to the pay and the respect that they receive?

Sanya Tyler, Head Women's Basketball Coach, Howard University.

- What were your experiences at Howard University that led you to file suit under the Equal Pay Act and Title IX?
- How has your work experience been since your case was resolved?
- Do you think the problem of wage discrimination has been solved?

Panel Participants for Equal Pay Event

Professor Nancy Hopkins, molecular biologist, Massachusetts Institute of Technology

Professor Hopkins was the initiator of the effort at M.I.T. to study gender discrimination in the School of Science. At the beginning of her career at M.I.T, Professor Hopkins felt that she was treated equally with the male faculty members. However, even after learning somewhat fortuitously that she was 20 percent underpaid, she did not really believe that she was being discriminated against, albeit unintentionally. However, in 1994 after seeing how other women were treated, Professor Hopkins joined forces with the only 14 other tenured women faculty vs. 194 tenured male faculty in the School of Science to see whether their situations were unique. These woman found that they shared common experiences, and the university agreed to set up a committee to study how female faculty were treated in the School of Science. The committee found that senior female faculty members were marginalized; were not given sufficient space or resources for their research; and were not paid equally. Recently, M.I.T. published the report of the committee and has made concerted efforts to correct these disparities. Professor Hopkins believes that the success of this initiative stemmed, in large part, from the collaboration between the school and the professors in trying to identify and solve the problem. Professor Hopkins continues to try to expand this effort to the entire university.

Sanya Tyler, Head Women's Basketball Coach, Howard University

Ms. Tyler is the head women's basketball coach at Howard University. Ms. Tyler sued Howard University under Title IX and the Equal Pay Act and won. Ms. Tyler claimed that her program received fewer resources such as locker room facilities and equipment and that she made less money than the men's basketball and football coaches. Ms. Tyler has worked at Howard for 24 years, and has coached there 18 years, winning many championships and being voted coach of the year several times.

Patricia Higgins, Nurse, MetroHealth Medical Center, Cleveland, Ohio

Ms. Higgins, 50, has been a nurse for 25 years and has worked at MetroHealth Medical Center, a public hospital, in Cleveland for 16 years. She is currently involved in an AFSCME union drive and feels very strongly that nurses are underpaid and undervalued. She has three children -- a son who is 30 years old, a daughter in college who wants to be a nurse, and a son who is 20 and disabled. It was only when her daughter indicated that she wanted to be a nurse that Ms. Higgins became more vocal about trying to get more pay for nurses. Ms. Higgins admitted that if she did not have her husband's salary it would have been very difficult to raise her children and that she certainly could not have paid for her daughter's college tuition.

Carolyn Gantt, Clerk, Retired Seniors Volunteer Program (a senior program), Washington, D.C.

Ms. Gantt is 74 years old, African American, and has seven children. She worked for the D.C. Housing Department between 1976 and 1980, and again between 1985 and 1992. Ms. Gantt, who has a G.E.D., admitted that when she worked for the D.C. government she was paid low wages and that men who had less education than she (high school drop outs) received better positions and more training. Ms. Gantt retired in 1992 and hoped that she would be able to relax, travel, and take some classes. However, she realized that she could not make ends meet on her

social security check, and she, therefore, took a position where she works as a clerk for a senior program, RSVP. (She is actually paid by the National Black Caucus).

M.I.T. Acknowledges Bias Against Female Professors

By CAREY GOLDBERG

CAMBRIDGE, Mass., March 22 — In an extraordinary admission, top officials at the Massachusetts Institute of Technology, the most prestigious science and engineering university in the country, have issued a report acknowledging that female professors here suffer from pervasive, if unintentional, discrimination. "I have always believed that contemporary gender discrimination within universities is part reality and part perception," the university's president, Charles M. Vest, said in comments to be published in the faculty newsletter within days and already posted on the World Wide Web. "True, but I now understand that reality is by far the greater part of the balance."

Dr. Vest's comments introduced a report about discrimination against women in the School of Science, one of M.I.T.'s five schools. Five years in the making and initiated by some female faculty members, the report documents a pattern of sometimes subtle — but substantive and demoralizing — discrimination in areas from hiring, awards, promotions and inclusion on important committees to allocation of valuable resources like laboratory space and research money.

Such discrimination, national experts say, continues and in some ways has worsened at institutions across the country, despite the growing number of professors who are women. In a report issued last month, the American Association of University Professors found that though women grew to 34 percent of faculty nationwide now from 23 percent in 1975, the gap between salaries for male and female professors actually widened in that period.

Female faculty members involved with the M.I.T. report, the findings of which were posted on the World Wide Web on Friday and reported in *The Boston Globe* on Sunday, say they do not believe that the institute discriminates more than other top-flight universities; it is simply more willing to admit it and address the problem. A hard push to increase the number of tenured professors who are women is well under way, the report says, along with other efforts to redress inequities in the allocation of resources. Efforts to perform similar discrimination research university-wide are also under discussion.

The administration's comments on the report "are the most forward-looking statements on gender discrimination that I've read by a high-ranking administrator in one of these elite institutions in the 25 years I've been a faculty member," said Nancy Hopkins, a prominent molecular biologist and an initiator of the committee that issued the report.

Robert J. Birgeneau, dean of the School of Science, said today that he believed the university was unique in its willingness to make such a document public. He also noted in his written comments: "I believe that in no case was this discrimination conscious or deliberate. Indeed, it was usually totally unconscious and unknowing. Nevertheless, the effects were real."

Real, but hard to pin down until three tenured female professors in the School of Science started to compare notes in the summer of 1994. As the report describes, they quickly decided to poll their other female colleagues, which was not difficult because in the entire School of Science, there were only 15 tenured women, compared with 194 men.

In fact, the report notes, the percentage of the School of Science faculty who are women, 8 percent, has remained virtually unchanged for perhaps 20 years. And that, too, seemed a problem.

By August 1994, the School of Science women proposed creating an initiative to improve the status of women in the school — to which Dean Birgeneau readily agreed, and they began to collect data, on everything from the allocation of laboratory space to the amount of research money professors had to apply for themselves instead of being handed by the university.

"It was data-driven," Dean Birgeneau said of the report, "and that's a very M.I.T. thing."

The report found, for example, that in 1994 in biology, undergraduate women numbered 147, compared with 142 men, but the sex balance shifted as students advanced through graduate school so that by the time the report looked at the highest level, faculty, there were only 7 women to 42 men. In math, the numbers went from 53 women undergraduates and 123 men undergraduates and 123 men to only 1 female professor compared with 47 male professors.

Other studies at other schools have looked at questions of salary and promotion and found women consistently paid and promoted less, said

Martha S. West, a professor of law at the University of California at Davis and a member of the American Association of University Professors' committee on the status of women. But, she said of the report, "what's amazing about this is the president's acknowledging that there is a 'scientific' basis for our continual perception that things are not good for us. And my perception is that things have been getting worse, not better, for women over the last 10 years."

Mary Gibson, chairwoman of that committee on the status of women, called the M.I.T. administration's support for the report "absolutely remarkable."

Dean Birgeneau said that participants in the report had not examined its legal implications.

Laying the statistical basis for the report involved fact-finding that uncovered some phenomena participants found striking. For one, junior, female faculty tended to feel well taken care of and untouched by dis-

crimination; it was only as they became senior faculty that they felt themselves increasingly marginalized and overlooked by male-dominated networks; and that did not seem to improve with time, the report found.

Report committee members, both men and women, also described their dawning comprehension as they gathered data that they really were seeing a pattern of discrimination, not a set of individual cases involving special circumstances.

Committee members say each little slight to a woman might involve an assumption that did not seem overtly discriminatory, say, that a single woman might seem to need a raise less than a family man, or that a woman might be less likely to seek an outside job offer to propel her promotion, or that it might seem implausible that a woman with children could work hard enough for a given job. But they all added up.

Some aspects of discrimination, like the tendency of men to overlook women's comments in a meeting, can also be somewhat intangible, said Jacqueline Hewitt, a professor of physics and a committee member. "These things, like how much of a voice you have in the decision-making process, are not so easily quantified," she said.

The tenured women faculty and the dean, the report says, "found that discrimination consists of a pattern of powerful but unrecognized assumptions and attitudes that work systematically against women faculty even in the light of obvious good will. Like many discoveries, at first it is startling and unexpected. Once

you 'get it,' it seems almost obvious." "Do other elite universities 'get it' better than M.I.T.?" the report, which is posted on the Web at <http://web.mit.edu/fnl/women/women.html>

continues. "No, and indeed a common defense for M.I.T.'s small number of women faculty is that 'Cal Tech and Harvard are doing just as badly.' But to be as bad as these unenlightened institutions is not a defense we should take!"

M.I.T. officials and faculty members involved in the report met today to consider their next steps. Lotte Bailyn, the chairwoman of the faculty and an expert on workplace equality, said the group had discussed trying to spread similar initiatives to the rest of the university.

The report recommended continued vigilance, noting that in the School of Science there had never been a female department head or associate head. It made many other recommendations, including a yearly collection of "equity data" and the dismissal of administrators who knowingly discriminated.

It also pointed out that there was still a long way to go.

"I think what was accomplished here was extraordinary," Dr. Hopkins said. "However, the number of people involved in this initiative was tiny, and the number of years it took us to understand it as well as we do is five years, and most of the people at M.I.T. have still barely heard of it."

"The challenge now," she said, "is what can you do so that this wonderful thing that has happened can become automatic and institutionalized?"

The New York Times

TUESDAY, MARCH 23, 1999

LIES, DAMNED LIES AND ...

Statistics, such as the '74 cents' factoid used to prove pervasive sex discrimination

BY GEORGE F. WILL

WITH THE DOW AVERAGE NEARING A FIFTH DIGIT, Americans are cheerful. However, soon the women's division of the Great American Grievance Industry will weigh in, saying women remain trapped beneath the "glass ceiling" and in the "pink ghetto." Brace yourself for a blizzard of statistics purporting to prove that women are suffering a "wage gap" primarily caused by discrimination that requires government actions like affirmative action, quotas and set-asides.

But a counterblizzard has blown in from Diana Furchtgott-Roth and Christine Stolba, authors of "Women's Figures: An Illustrated Guide to the Economic Progress of Women in America." Furchtgott-Roth is a fellow at The American Enterprise Institute and Stolba is a historian living in Washington, and both had better mind their manners. Feminists are not famous for their sense of humor and may frown at the authors' dedication of their book to their husbands "who have always appreciated our figures."

The National Committee On Pay Equity and other participants in the theatrics of Equal Pay Day will not appreciate the figures Furchtgott-Roth and Stolba marshal. The premise of Equal Pay Day is that women work from Jan. 1 until early April essentially for no pay because women earn only 74 cents for every dollar men earn. That uninformative number is the basis for the allegation that the average woman loses approximately \$420,000 in wages and benefits during her working life. The 74 cents factoid is *prima facie* proof of "the demeaning practice of wage discrimination," according to President Clinton, who opposes everything demeaning to women.

Furchtgott-Roth and Stolba argue that the 74 cents statistic is the product of faulty methodology that serves the political agenda of portraying women as victims needing yet more government intervention in the workplace. The authors demonstrate that income disparities between men and women have been closing rapidly and that sex discrimination, which has been illegal for 30 years, is a negligible cause of those that remain, which are largely the result of rational personal choices by women.

Between 1960 and 1994 women's wages grew 10 times faster than men's, and today, among people 27 to 33, women who have never had a child earn about 98 cents for every dollar men earn. Children change the earnings equations. They are the main reason that meaningful earnings contrasts must compare men and women who have similar experience and life situations. Earnings differentials often reflect different professional paths that are cheerfully chosen because of different preferences, motivations and expectations.

The "adjusted wage gap," adjusted for age, occupation, experience, education and time in the work force, is primarily the product

of personal choices women make outside the work environment. Eighty percent of women bear children and 25 percent of working women work part-time, often to accommodate child rearing. Many women who expect to have children choose occupations where job flexibility compensates for somewhat lower pay, and occupations (e.g., teaching) in which job skills deteriorate slower than in others (e.g., engineering). And it is not sex discrimination that accounts for largely male employment in some relatively high-paying occupations (e.g., construction, oil drilling and many others) which place a premium on physical strength. (Workers in some such occupations pay a price: the 54 percent of all workers who are male account for 92 percent of all job-related deaths.)

Still, between 1974 and 1993 women's wages have been rising relative to men's in all age groups, and most dramatically among the youngest workers. The rise would be more dramatic if many women did not make understandable decisions to favor family over higher pay and more rapid job advancement purchased by 60-hour weeks on the fast track.

Some victimization theorists say the fast track is pointless for women because they are held down by the "glass ceiling" that limits



their rise in business hierarchies. In 1995 the government's Glass Ceiling Commission (the propagandistic title prejudged the subject) saw proof of sex discrimination in the fact that women were only 5 percent of senior managers at Fortune 1000 industrial and Fortune 500 service companies. But Furchtgott-Roth and Stolba note that typical qualifications for such positions include an M.B.A. and 25 years' work experience. The pool of women with those qualifications is small, not because of current discrimination but because of women's expectations in the 1950s and 1960s. In 1970 women received only 4 percent of all M.B.A. degrees, 5 percent of law degrees.

Which lends support to the optimistic "pipeline" theory: women are rising in economic life as fast as they pour from the educational pipeline—which is faster than men's. Since 1984 women have outnumbered men in undergraduate and graduate schools. Women are receiving a majority of two-year postsecondary degrees, bachelor's and master's degrees, almost 40 percent of M.B.A. degrees, 40 percent of doctorates, more than 40 percent of law and medical degrees. Education improves economic opportunities—and opportunities encourage education, which has higher rewards for women than for men because men without college degrees or even high-school diplomas can get those high-paying, physically demanding—and dangerous—jobs.

The supposed "pink ghetto" is where women are, in the Glass Ceiling Commission's words, "locked into" low-wage, low-prestige, dead-end jobs. Such overheated rhetoric ignores many women's rational sacrifices of pay and prestige for job flexibility in occupations in which skills survive years taken off for raising children. Women already predominate in the two economic sectors expected to grow fastest in the near future, service/trade/retail and finance/insurance/real estate.

The 74 cents statistic and related propaganda masquerading as social science are arrows in the quivers of those waging the American left's unending struggle to change the American premise, which stresses equality of opportunity, not equality of outcomes. Furchtgott-Roth and Stolba have better figures.

**PRESIDENT AND FIRST LADY HOLD ROUNDTABLE ON EQUAL PAY
AND URGE PASSAGE OF PAYCHECK FAIRNESS ACT
WITH NEW WAGE COLLECTION PROVISION**

At a roundtable discussion with working women and business leaders, the President and First Lady will discuss the need to ensure that every working American receives equal pay and equal opportunities. A recent Council of Economic Advisors report found that, although the gap between women's and men's wages has narrowed substantially since the signing of the Equal Pay Act in 1963, there still exists a significant wage gap that cannot be explained by differences between male and female workers in labor market experience and in the occupation, industry, and union status of jobs they hold. The President will urge prompt passage of the Paycheck Fairness Act, which would strengthen wage discrimination laws and provide for additional training and public education efforts on this important subject. Senator Daschle, the chief sponsor of the Paycheck Fairness Act, has indicated he will include a new data collection provision in the bill. That provision will direct the Equal Employment Opportunity Commission (EEOC) to determine what additional data is needed to effectively and efficiently enforce the federal wage discrimination laws, and to issue a regulation to provide for collecting this data. Finally, the President will urge Congress to provide \$14 million in funds for the Equal Pay Initiative in his Fiscal Year 2000 budget.

Paycheck Fairness Act with New Data Collection Provision

The President again will urge Congress to pass legislation called the "The Paycheck Fairness Act," introduced by Senator Daschle and Congresswoman DeLauro, to strengthen laws prohibiting wage discrimination. The legislation will be reintroduced with a new data collection provision added. The highlights of this legislation include:

- **New Pay Data Collection Provision.** This provision would require the EEOC to complete a survey of data currently available for use in enforcing federal wage discrimination laws and to identify additional data collections that would enhance enforcement of these laws. In addition, the provision would call upon the EEOC to determine the most effective and efficient means possible to collect pay information from employers and issue a regulation, within eighteen months, to collect pay data identified by the race, sex, and national origin of employees.
- **Increased Penalties for the Equal Pay Act (EPA).** The legislation would provide full compensatory and punitive damages as remedies for equal pay violations, in addition to the liquidated damages and back pay awards currently available under the EPA. This proposal would put gender-based wage discrimination on an equal footing with wage discrimination based on race or ethnicity, for which uncapped compensatory and punitive damages are already available.
- **Non-Retaliation Provision.** The bill would prohibit employers from punishing employees for sharing salary information with their co-workers. Many employers are currently free to take action against employees who share wage information. Without the ability to

learn about wage disparities, it is difficult for employees to evaluate whether there is wage discrimination.

- Training, Research, and Pay Equity Award. The bill would provide for increased training for EEOC employees to identify and respond to wage discrimination claims; research on discrimination in the payment of wages; and the establishment of an award to recognize and promote the achievements of employers in eliminating pay disparities.

Roundtable with Working Women and Business Leaders

The President and First Lady will hold a roundtable discussion with working women, including a university professor, a senior citizen, a nurse, and a college basketball coach. This roundtable will provide an opportunity for the President and the First Lady to listen to the concerns of working women regarding the important issue of equal pay and to urge Congress to pass the soon-to-be reintroduced "Paycheck Fairness Act."

Equal Pay Initiative

Previously, the President has announced a new \$14 million Equal Pay Initiative as part of his Fiscal Year 2000 budget. The Initiative includes \$10 million for the EEOC to increase compliance with equal pay laws by providing training to EEOC employees to identify and respond to wage discrimination, increasing technical assistance to businesses on how to meet legal requirements, and launching an equal pay public service announcement campaign to inform employers and employees alike of their rights and responsibilities. The Initiative also includes \$4 million for the Department of Labor, primarily for a program to assist contractors in recruiting and retaining qualified women in non-traditional occupations.

Questions And Answers on Equal Pay
April 7, 1999

Q: What did the President announce today?

A: The President announced a new provision to collect pay data that will be added to the Paycheck Fairness Act, sponsored by Senator Daschle and Congresswoman DeLauro, that will direct the Equal Employment Opportunity Commission (EEOC) to determine what additional data is needed to enforce effectively and efficiently the federal wage discrimination laws, and to issue a regulation to provide for collecting this data. The President and First Lady also held a roundtable discussion with working women to highlight the need to ensure that every working American receives equal pay and equal opportunities. The President urged prompt passage of the Paycheck Fairness Act, which would strengthen wage discrimination laws; provide for additional training and public education efforts on this important subject; and ensure that pay data is collected. Finally, the President urged Congress to provide \$14 million in funds for the Equal Pay Initiative in his Fiscal Year 2000 budget.

Q: What will the new provision on data collection do?

A: This provision would require the EEOC to complete a survey of data currently available for use in enforcing federal wage discrimination laws and to identify additional data collections that would enhance enforcement of these laws. In addition, the provision would call upon the EEOC to issue a regulation, within eighteen months, to provide for the collection of pay information data from employers described by the race, sex, and national origin of employees.

Q: Why is collection of data related to wages needed?

A: Currently, the federal government does not collect wage data that can be used to monitor and enforce employer compliance with laws that prohibit wage discrimination, with the exception of higher education. This data collection provision will provide an important source of data that will help to end the gender pay gap.

Q: How large is the wage gap?

A: According to the Department of the Labor, in 1998, the average woman who worked full-time earned about 75 cents for each dollar earned by the average man. For women of color, the gap was even wider. Based on weekly wages in 1998, the median earnings of a black woman who worked full-time were only 65 cents, and the median earnings of an Hispanic woman were only 55 cents for each dollar earned by the median white man. Some wage differences exist due to differing levels of experience, education, and skill. However, a recent Council of Economic Advisors (CEA) study shows that even

accounting for differences in education, experience, and occupation, there is still a significant wage differential between women and men.

Q: What about recent reports that there is no longer a wage gap?

A: While these studies are correct that women's wages and educational attainment have been rising in recent years, there is still a sizeable gender wage gap that cannot be explained by observable characteristics. According to the Council of Economic Advisors, in 1997, the gender pay ratio was about 75 percent, leaving a gap between men's and women's wages of approximately 25 percent. The most recent detailed longitudinal study found that in the late 1980s about one-third of the gender pay gap was explained by differences in the full-time experience that women bring to the labor market and about 28 percent was due to differences in industry, occupation, and union status among men and women. Accounting for these differences raised the female/male pay ratio in the late 1980s from about 72 percent to about 88 percent, leaving around 12 percent as an "unexplained" difference. Applied to 1998 data, that leaves a gap of about 10 percent still unexplained. The 98 percent figure cited by these other studies is based on data narrowly limited to women and men aged 27 to 33 who have never had children.

A recently released report by the Massachusetts Institute of Technology (M.I.T.), "A Study on the Status of Women Faculty in Science at MIT" also refutes the notion that there is no longer gender discrimination or a wage gap. The report documents a pattern in the M.I.T. School of Science of sometimes subtle -- but substantive and demoralizing -- gender discrimination. Examination of data revealed that many tenured women faculty feel marginalized and that this marginalization is often accompanied by differences in salary, space, awards, resources, and response to outside offers between men and women faculty with women receiving less despite professional accomplishments equal to those of their male colleagues. The M.I.T. report also found that the percentage of the School of Science faculty who are women, 8 percent, remained virtually unchanged for at least 10 and probably 20 years. In another recent report, the American Association of University Professors found that although women grew from 23 percent in 1975 to 34 percent of faculty nationwide currently, the gap between salaries of male and female professors actually widened in that period. The federal government currently collects some wage data at post-secondary institutions, and the EEOC will look at this data in the course of its survey of data for use in the enforcement of federal laws prohibiting pay discrimination.

Q: What does the Paycheck Fairness Act do?

A: The legislation, sponsored by Senator Daschle, seeks to improve the enforcement of wage discrimination laws and to strengthen the remedy provisions in the Equal Pay Act by permitting victims of wage discrimination to seek compensatory and punitive damages. Currently, women who are the victims of wage discrimination receive only backpay and liquidated damages, which may not fully compensate them for their loss. This change

will mean that the penalties for sex-based wage discrimination will be the same as those for race-based wage discrimination. In addition, the legislation contains a non-retaliation provision that prohibits employers from penalizing employees for sharing information about their salaries with co-workers. The bill also provides for training for EEOC employees on matters involving the discrimination of wages, research on discrimination in the payment of wages, and the establishment of an award to recognize and promote the achievements of employers that have made strides to eliminate pay disparities. Finally, the new data collection provision will call upon EEOC to issue a regulation to provide for collecting pay information to enhance efficiently and effectively the enforcement of the federal laws prohibiting pay discrimination.

Q: What's wrong with the current scheme for collecting damages under the Equal Pay Act?

A: Currently, the Equal Pay Act allows only for liquidated damages and backpay awards. Liquidated damages usually are awarded in an amount equal to backpay. Such awards may not fully compensate a woman for real losses, such as damages for pain and suffering. In addition, employees bringing a claim under the Equal Pay Act cannot receive punitive damages for wage discrimination, no matter how intentional and egregious the employer's conduct. The legislation the Administration is endorsing will ensure that women are fully compensated and will be able to receive punitive damages if an employer's conduct is particularly egregious.

Q: Why isn't the Administration supporting comparable worth?

A: The Daschle-DeLauro bill is a significant step forward in solving the problem of unequal pay. The Administration believes there is no excuse for not taking these obvious steps towards providing better training and fuller remedies to help ensure women receive equal pay, while building a consensus on other ways to make sure all people receive the pay they deserve. The Administration is focusing on legislation that can be passed during this congressional session.

Questions on the Federal Work Force

Q: What are some of the specific accomplishments of the Clinton Administration with respect to women appointees?

A: Here are some specific accomplishments:

- **Appointed More Women than Any Other President** --40 percent of Administration appointees are women.

- **Women Hold 29 Percent of the Top Positions** --29 percent of the positions requiring

Senate confirmation (PAS) are held by women. Additionally,

- ▶ 35 percent of Presidential appointments, including boards and commissions, are held by women.

40 percent of non-career Senior Executive Service positions are held by women.

56 percent of Schedule C positions are held by women.

• **Appointed the First Women Ever to Serve as Attorney General, Janet Reno, and Secretary of State, Madeleine Albright.** Including the Attorney General and Secretary of State, women make up 32 percent of the Clinton Cabinet: Alexis Herman, Secretary of Labor; Donna Shalala, Secretary of Health and Human Services; Carol Browner, Administrator of the Environmental Protection Agency; Janet Yellen, Chair of the Council of Economic Advisors; and Charlene Barshefsky, United States Trade Representative all serve in the President's Cabinet.

• **30 Percent of All of the President's Judicial Nominees Are Women.**

• **Nominated the Second Woman to Serve on the Supreme Court.** During his first year in office, President Clinton nominated Ruth Bader Ginsburg to the United States Supreme Court. Justice Ginsburg is only the second woman to serve on the nation's highest court.

1/99

Q: What is the representation of women in the federal work force?

A: Women represented 42.9 percent of the Federal permanent workforce in 1998 compared to 46.3 percent of the Civilian Labor Force, a difference of a -3.4 percentage points.

Q: What is the average salary of female political employees versus that of male appointees? How does that average compare to comparable figures in the previous Administration?

A: In 1992, under President Bush, women made up 40 percent of the political ranks, and the average female political appointee's salary was 75 percent of the average male appointee's salary. In 1998, in the Clinton Administration, the percentage of women appointees increased to 44 percent, and the average woman's salary increased to 86 percent of the average man's.

Number and Average Salary of Political Appointments (by Gender): 1992 (Pres. Bush) Compared to 1998 (Pres. Clinton)				
Gender	1992 (Bush) Appts	1998 (Clinton) Appts	1992 (Bush) Avg. Pay (\$)	1998 (Clinton) Avg. Pay (\$)
Women	1,361	1,292	\$61,554	\$72,329*
Men	2,055	1,629	\$82,490	\$84,023*

TOTAL	3,416	2,921	NOTE: Total Political Appointments exclude Ambassadors but include Noncareer SES, Schedule C and Other.
Pct. Women	39.8%	44.2%	

* Rendered in constant (FY 1992) dollars
Source: Office of Personnel Management

In 1998, women's **median** usual full-time weekly earnings were 76.3% of men's (annual average).

The 24% gap is due to gender differences in characteristics that would lead to differences in pay among men:

- Education (years of schooling, degrees, fields of study)
- Other training
- Work experience at other firms (type of job, part-time/full-time, and timing)
- Experience within the firm
- Occupation
- Industry
- Size of firm
- Unionization
- Working conditions
- Fringe benefits

as well as pay discrimination by employers.

Many of these variables are not available in CPS or Census data, so cannot be controlled for in pay gap analyses.

Some of the pay differences among occupations are because female-dominated jobs are paid less than others. Sorenson estimates that in the early 1980s about 20% of the overall male-female gap (that is, a gap of about 5% today) could be due to this factor.

The best analysis of the gender wage gap used 1988 data from the PSID, which has a measure of actual work experience.

In 1988, women's full-time **mean** hourly earnings were 72.4% of men's (PSID).

Controlling for years of schooling, BA, advanced degrees, and part-time and full-time work experience, women's wages were 80.5% of men's.

Controlling in addition for *broad* occupation, industry, and collective bargaining, women's wages were 88.2% of men's.

Differences in broad occupation explains a gap of about 2.2%, after controlling for education.

Differences in industry explains a gap of about 6.2%.

This leaves a 12% gap unexplained in 1988. It is due to gender differences in the variables that could not be controlled for:

- detailed occupation (which comparable worth is concerned with),
- detailed industry,
- firm size,
- type and timing of work experience,
- training,
- fringe benefits,
- working conditions.

Women's issues - equal pay



Mary L. Smith
03/09/99 09:26:43 PM

Record Type: Record

To: Elena Kagan/OPD/EOP

cc: Laura Emmett/WHO/EOP, Thomas L. Freedman/OPD/EOP

Subject: memorandum on collecting wage data



PAYEDAT.99A Attached is a memorandum that describes what we currently do with respect to data collection in the equal pay context and lists some options that would improve information about the wage gap, including collecting wage data.

March 9, 1999

MEMORANDUM FOR ELENA KAGAN

FROM: THOMAS FREEDMAN
MARY SMITH

SUBJECT: Equal Pay Data Collection

This memorandum describes several alternatives for improving collection of wage data by the federal government. Last year, the Administration endorsed Senator Daschle's bill which currently contains only a Sense of the Senate provision, recognizing that the Administration should look into ways to collect this data. A previous version of Daschle's bill contained a general provision that required employers to submit wage data to the EEOC, broken down by race, sex, and national origin, but this provision was removed at the Administration's request. Recently, however, Senator Daschle has made it clear that he intends to return some kind of data collection provision to his bill before Equal Pay Day on April 8 -- either what he previously included or some other recommendation from the Administration. This memorandum outlines how the federal government currently collects wage data, how it uses this data, and what efforts could be made to improve data collection.

I. Current Methods of Collecting Wage Data

There are three major uses of wage data: enforcement, technical assistance, and research. Both the Equal Employment Opportunity Commission (EEOC) and the Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) currently collect data that is used for enforcement. The Bureau of Labor Statistics and the Bureau of the Census both collect data that is used for informational and research purposes, but not for enforcement.

A. EEOC

The EEOC currently collects annual data regarding the demographic breakdown of the workforces of private employers with 100 or more employees and of federal contractors with 50 or more employees on the EEO-1 form. However, the EEOC does not currently collect salary data with respect to private employers. (The EEOC does collect pay data from state and local governments through the EEO-4 form.) The EEOC uses the data on the EEO-1 form, after an individual claimant's charge is filed, to examine a company's practices. In addition, the EEOC uses this data to determine whether it will file a Commissioner's charge, a charge filed by the

EEOC, not by a private citizen.

After a charge is filed, the EEOC can investigate and obtain wage data from an individual employer. This data could then be used in litigation. However, by statute, the data on the EEO-1 is subject to privacy protections, and the EEOC cannot give this data to the public.

B. OFCCP

OFCCP currently collects wage data from contractors when they are performing an compliance review on-site. While OFCCP is on-site, they obtain detailed wage data on individual employees. OFCCP has taken this data off-site in some instances. They use this data to settle cases with contractors and ensure that contractors correct their pay policies. OFCCP also uses the EEO-1 form in helping to determine which contractors they will audit. Recently, OFCCP has requested wage data before venturing on-site, at the earlier stage of the audit called the “desk audit” phase. However, they are formally requesting OMB to allow them to do this for all cases.

C. BLS and Census

In general, BLS gathers data from employers and from households. In virtually every case the respondents contribute information voluntarily. BLS, in turn, pledges to maintain the confidentiality of all survey responses and the identity of survey respondents.

The household-based surveys are the principal source of data on earnings by demographic variables such as sex and race. The employer-based surveys do not gather wage data on a demographic basis. BLS believes that voluntary employer-based surveys are not useful vehicles for obtaining demographic information.

The Census also collects some wage data by household but not by employer.

New Wage Gap Report. As announced by the Vice President last year, BLS will soon be issuing a report on women’s earnings. This report will provide greater detail than previous reports. The data will be culled from the Current Population Survey (the major household survey). BLS intends to publish figures on women’s earnings by various characteristics, such as full-time and part-time status; union status; occupation; educational attainment; and marital status. This compendium of tables will be accompanied by a brief analytical text.

II. Possible New Methods of Collecting Wage Data

Below are listed some options for collecting wage data for enforcement, technical assistance, and informational purposes.

A. Wage Data for Enforcement and Technical Assistance

If data were collected for enforcement or technical assistance, either the EEOC or OFCCP

should collect this data.

1. EEOC

The most likely way for the EEOC to collect this data would be to add back in a provision to Daschle's bill. The old version of Daschle's bill provided for the collection of pay information by the EEOC from employers with 100 or more employees, analyzed by the race, sex, and national origin of the employees. It was somewhat vague on exactly how the wage data would be collected. In particular, it did not specify that the data needs to be collected on the EEO-1 form, which is the form used by the EEOC to collect employment data.

Senator Harkin's bill also requires employers to submit wage data with respect to job category, sex, race, and national origin. Unlike Senator Daschle's bill which requires employers with 100 employees or more to submit this data, however, Senator Harkin's bill requires employers with 25 or more employees in the first two years and 15 or more employees in subsequent years to submit this data. Furthermore, under Harkin's bill, the EEOC is authorized to publish this data and may provide specific employer's reports to the public. This provision is very controversial. As noted above, Senator Daschle's bill had originally contained a requirement for greater collection of wage data, but the Administration felt this would draw a great deal of fire from Republicans and the business community and it was replaced with Sense of the Senate language that the President should increase the amount of information available on wage disparities.

The main concerns with collecting data on the EEO-1 form centered around opposition from the business community and Congress. The EEO-1 form has remained virtually unchanged for the past 30 years, despite its review every 3 years for OMB paperwork clearance (most recently in 1997). The nine occupational categories are so broad that each job category contains many individual jobs. As a result, many in the business community perceive the EEO-1 form as a waste of time and money. (OMB estimates that adding wage data would likely increase the compliance costs dramatically -- possibly by several hundred-fold -- although creating a supplement to the form or limiting it to a subset of the reporting universe could mitigate some of these costs.) Nonetheless, the EEOC believes that collecting wage data on the EEO-1 form would greatly improve its ability to target and prioritize discrimination cases. It also would assist the Department of Labor (DOL) in targeting its enforcement efforts and monitoring affirmative action programs.

There is consensus that any attempts to add wage data to the EEO-1 form will draw immediate fire from the Republicans and the business community. Indeed, any announcement of a process to determine the best way to gather this data would likely provoke a rider and risk the increase in funds requested for the EEOC in our FY2000 budget. (The budget requests \$312 million for the EEOC -- \$33 million or 12 percent more than enacted in the 1999 budget. Almost one-third of the increase, or \$10 million, will be used for our Equal Pay Initiative. EEOC will advance outreach to businesses and employees to educate them about the legal requirements for paying equal wages, provide technical assistance, improve training for EEOC employees to better

identify wage discrimination issues, and launch a public service announcement campaign to highlight the wage gap.)

We might consider adding in a more narrow provision to the Daschle bill such as a supplement to the EEO-1 form to send to a subset of businesses and/or federal contractors which would require employers to disclose data on experience, education, race, wages, and gender. This could be targeted on an industry basis. This data could be used for technical assistance and enforcement by both OFCCP and EEOC.

2. OFCCP

There are two basic methods by which OFCCP could collect wage data: (1) a Scheduling Request which is currently pending at OMB and (2) a new Affirmative Action Summary. The Scheduling Request at OMB proposes to collect detailed wage data (which identifies individual employees) by mail from the 5000 or so federal contractors that are scheduled for compliance reviews each year. (Incidentally, OFCCP has already requested and received this same data from some contractors without explicit OMB approval). While OFCCP currently is able to obtain this data on-site at a later stage of the review process, this pending request seeks to get detailed pay information on every single employee at a particular site by mail at the early "desk audit" stage of the process. This data would be permitted to be used for technical assistance and enforcement. The Department of Labor requested that the decision on this issue be extended by 90 days until May of this year.

The other option for OFCCP to collect wage data would be in a proposed Affirmative Action Summary (also known as 60-2). For several years, OFCCP has been authorized to issue a regulation that would allow them to collect summary information from all the approximately 200,000 federal contractors, including wage data, by mail. OFCCP informs us that this proposal currently is being reviewed by their Solicitor's Office. OFCCP believes the advantages of this proposal are two-fold: (1) OFCCP will be able to get some idea of how the entire universe of federal contractors, not only those scheduled for compliance reviews, are implementing the civil rights laws; and (2) every federal contractor, simply by being required to compile this data, will become more aware of how they can better implement the civil rights laws by paying equal wages and preventing discrimination.

Both of these options have received strong resistance from the business community and strong support from the women's groups. OMB, DPC, and the Women's Office have met with both contractors and the women's groups on the pending request at OMB. The business community believes that the request is overly burdensome because businesses do not keep in a readily available format the pay information that OFCCP is requesting. The business groups also do not believe that this is the most effective method for OFCCP to determine whether discrimination based on race, sex, and pay exists. They do not, however, have a better proposal, but OMB is setting up a meeting between the business groups and Labor to discuss further the issue. The women's groups, on the other hand, do not believe the pending request advances the data collection issue at all. The women's groups believe that this request is merely a reaffirmation

of existing OFCCP authority. In their minds, they believe that this request is separate and distinct from trying to come up with other ways to collect wage data.

As for the Affirmative Action Summary, even though the request has not even cleared Labor, the business community is already gearing up for a fight on this issue. While the women's groups believe this summary would be a powerful tool because it would reach every single contractor, it is clear that Labor will not have this proposal ready for April.

B. Wage Data for Informational Purposes

BLS and the Census Bureau would be the appropriate places to explore if we decide to collect more pay data for informational purposes. BLS does not allow matching of its data with the data gathered from enforcement or regulatory agencies, owing to the clear differences in the respective missions. The Census Bureau and BLS have research programs that allow approved researchers, under carefully structured conditions, to gain access to "microdata" (the basic responses provided by survey respondents) in order to produce new research on relevant economic or social issues.

However, BLS asserts, as a general matter, that it can be a very complex undertaking to add additional data to existing surveys or to expand the surveys' sample sizes. There are issues regarding cost and design that have to be taken into account while balancing the desire for new data with an attempt to maintain survey response rates and not add to respondent burden.

In addition, Treasury has suggested funding a grant for a third party academic study. They believe this would lead to useful information. We have asked them to draft a brief proposal for our meeting on March 10.

Women's issues -
equal pay

**PRESIDENT CLINTON AND VICE PRESIDENT GORE:
PROVIDING EQUAL OPPORTUNITY AND EQUAL PAY TO ALL AMERICANS**

April 7, 1999

"When we deny a woman equal pay for equal work, we are denying the idea at the heart of the American dream: Equal opportunity for all. From the halls of academia to the factory floor--everywhere in America--women and men who do equal work should get equal pay."

President Bill Clinton
April 7, 1999

Today, at the White House, President Clinton and First Lady Hillary Rodham Clinton will hold a roundtable discussion with working women to discuss the need to ensure that every working American receives equal pay and equal opportunities. The President will renew his call on Congress to pass the Paycheck Fairness Act and to provide \$14 million in funds for the Equal Pay Initiative in his Fiscal Year 2000 budget.

A CONTINUING NEED TO ADDRESS THE WAGE GAP. Although the gap between women's and men's wages has narrowed substantially since the signing of the Equal Pay Act in 1963, a recent Council of Economic Advisors (CEA) report found that a significant wage gap still exists. According to the CEA report, this gap cannot be explained by differences between male and female workers in labor market experience or in the occupation, industry and union status they hold.

A CALL TO STRENGTHEN WAGE DISCRIMINATION LAWS. The President will urge Congress to pass the Paycheck Fairness Act introduced by Senator Daschle (D-SD) and Congresswoman DeLauro (D-CT). This legislation will strengthen laws prohibiting wage discrimination and includes:

- **New Pay Data Collection Provision.** This provision would require the EEOC to complete a survey of data currently available for use in enforcing federal wage discrimination laws and to identify additional data collections that would enhance enforcement of these laws. Also, the provision would call upon the EEOC to determine the most effective and efficient means possible to collect pay information from employers and issue a regulation, within 18 months, to collect pay data identified by the race, sex and national origin of employees.
- **Increased Penalties for the Equal Pay Act (EPA).** This bill would provide full compensatory and punitive damages as remedies for equal pay violations, in addition to the liquidated damages and back-pay awards currently available under EPA. It would also put gender-based wage discrimination on an equal footing with wage discrimination based on race or ethnicity, for which uncapped compensatory and punitive damages are available.
- **Non-Retaliation Provision.** The Paycheck Fairness Act would prohibit employers from punishing employees for sharing salary information with their co-workers. Without the ability to learn about wage disparities, it is difficult for employees to evaluate whether there is wage discrimination.
- **Training, Research and Pay Equity Award.** This legislation would provide for increased training for EEOC employees to identify and respond to wage discrimination claims, research on discrimination in the payment of wages, and the establishment of an award to recognize and promote the achievements of employers in eliminating pay disparities.

PRESIDENTIAL LEADERSHIP TO ENSURE EQUAL PAY. Earlier this year, the President announced a new Equal Pay Initiative as part of his FY 2000 budget. This initiative includes \$10 million for the EEOC to increase compliance with equal pay laws by providing training to EEOC employees to identify and respond to wage discrimination, increasing technical assistance to businesses on how to meet legal requirements, and launching an equal pay public service announcement campaign to inform employers and employees of their rights and responsibilities. The Equal Pay Initiative also includes \$4 million for a Department of Labor program to assist contractors in recruiting and retaining qualified women in non-traditional occupations.