



Commissioner Brad Avakian
Bureau of Labor and Industries

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**BOLI BRIEF: Equal Pay for Equal Work
Overview and Summary**

Eliminating the wage disparity for women and minorities is a national issue. It is also an especially critical issue for Oregon as our state ranks 25th in the size of the disparity between women and men. The results are similar between minorities and their white counterparts. Nationally, women earn roughly 74% of men's earnings, whereas minority men earn roughly 65% of white men. Minority women have the highest disparity.

The disparity affects not only current earnings but also the worker's retirement through lower social security benefits and pensions, limits educational opportunities and increases the number of women and minorities in poverty.

One 2008 study showed Oregon women earning 80% of their male counterpart's wages. In a more extensive 1997 study comparing states, Oregon had shown strengths in women holding managerial positions and women-owned business. Oregon ranked in the middle third in women's annual median earnings, educated women, and women above the poverty line. However, Oregon showed significant room for improvement in women covered by health insurance. This study ranked Oregon 44th in the nation in its disparity between minority women and men, with the minority women earning only 58% of their male counterparts.

Based on a 2007 study addressing the racial aspects of women's pay in Oregon, it is apparent that Hispanic women are at a significant disadvantage. The disadvantage was reflected in pay but clearly stems from inability to obtain full-time, year-round employment.

Possible causes include: gender and racial discrimination, inadequate pre-labor preparations, failure to comply with or enforce existing laws, the preconceived notion of "female occupations", and unequal societal norms at home.

Suggested solutions to the wage gap have included: enforcement of existing equal pay laws and passage of stronger ones, promoting education and skills training, eliminating the notion of certain occupations being associated with either women or minorities, and providing a more accommodating environment to the specific needs of women and family. Additional solutions include a strong focus on the benefits of unions as the wage disparities are largely eliminated under union contracts.



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Analysis**

1. The need for change –

- a. As a repercussion of lower total lifetime earnings, Social Security and pensions upon retirement will be lower.ⁱ
- b. Pay disparity increases poverty rates and threatens reduction in retirement income.ⁱ
 - i. In particular, single working mothers comprise much of those below poverty level and those affected by the wage disparity. Therefore minimizing the wage disparity can significantly cut poverty levels.¹
- c. There are a growing number of female-headed households which prioritizes the need to act.ⁱⁱ

2. General US Stats –

- a. Full time women make 74% of men's income and full time minorities make 64 % of men overall.¹
- b. The District of Columbia [DC] has the least pay disparity between men and women. However, this is due to a higher percentage of lower paid minority men. Where DC boasts the nations lowest gender pay gap with women earning roughly 95% of men, DC is also has the largest pay gap based on race with minority men being paid 51% of white males.¹
- c. The notion of gender dominant occupations is noteworthy. "Women's work" is an occupation or employment field where over 70% of the jobs are occupied by women. The value placed on women's work is indicated in the lower pay. Only 8.5% of men work in female-dominated occupations and they still make 20% more than women in those fields.¹
- d. Only 3% of corporate positions in Fortune 500 companies are filled by women and they receive only 2/3 of the pay of their male counterparts.¹
- e. **Notes about the statistics:**ⁱⁱⁱ
 - i. Most of the studies only account for those full-time employees that work for 50 weeks a year which is only about 50% of working women.
 - ii. Although male-dominated and gender neutral jobs work more hours of the week, this does not account for the gap because men get paid more per hour than women in any field.

3. Oregon Statistics –

- a. In Oregon, in 2007, women out earned men in the mining and logging industry, this is one of Oregon's major industries. Women fared best in the information technology where they earned approximately 95% of men's earnings. The pay disparity was in the educational, health, and financial fields at with women



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earning approximately 69.5% of men.^{iv} Although women in each of these fields earned more than Oregon's median income for women. "Women account for 56% of the workforce in financial activities and 69% of the workforce in education and health services."^v

b. Not accounting for race, based on 1997 statistics:^{vi}

- i. Middle 3rd of nation for women's employment, earning, and median annual earning.
- ii. High in percentage of women in managerial positions (jumped by 10 spots from 2001 to 2004.)
- iii. Middle third of educated women
- iv. Top 3rd of women-owned businesses
- v. Middle 3rd for women above poverty line (Oregon saw a notable increase in poverty levels from 1995 to 2005).
- vi. Bottom 3rd of women with health insurance

c. Accounting for race:

- i. The most recent comparison of every US state in 1997, ranked Oregon 6th to last in pay disparity between minority women and all men. At the time, minority women made less than 58% of their male counterparts.¹
- ii. In OR in 2007, the average income for full time, year-round was \$34,152 for white women, \$32,739 for Asian women, and \$20,333 for Hispanic and Latina women. There was no information other races because they did not even constitute 1 percent of the female population. The overall median wage for full-time, year-round female workers was \$32,538.^{vii}
- iii. "Hispanic/Latina women and women of other minority groups had higher propensities to work but either chose not to participate in, or were disadvantaged in obtaining, full-time, year-round positions. Asian women, on the other hand, had the highest propensity not to work but had a greater proportion of the population working full-time, year-round jobs[.]"⁸
- iv. Further investigation is needed to determine whether the cause is discrimination or other fundamental economical, societal, or educational differences between the racial/ethnic groups.⁸

d. In 1970, approximately 43% of women above the age of 16 participated in the national labor force. This number steady increased to 60% in 1999 and has since remained steady there. Oregon's statistics are on par with the national statistics. Similarly, the national percentage of women working full-time was 42% in 2007 and 40% in Oregon according a survey by the US Census Bureau.⁵

e. Shows the pay disparity in 2008, to be 80% but this varies significantly by industry.⁵



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4. **Possible causes –**

- a. **Discrimination in labor market**³ - It is agreed by economists across the board, that discrimination plays a role in the wage gap, although the extent of the role varies.¹
 - i. These are alarming figures, minority women make 53% of white males and compared to their white counterparts, men fair worse then women.¹
 - ii. **Race** – Race is a barrier in employment, promotions, and wages.^{viii}
 1. The hierarchy of highest paid within women is:⁹
 - a. Asian (generally)
 - b. White
 - c. Other (collectively)
 - d. African American
 - e. Native American
 - f. Hispanic
 2. The relative issues differ by race, for example:⁹
 - a. Asian Americans are disproportionately represented in garment work, high tech contract assembly work, and domestic work.
 - b. Native Americans face geographic isolation, reduction in state and federal public assistance, and inadequate investment in education and health service.
 - c. Hispanics face lower levels of education and English language skills.
- b. **Pre-Labor Preparations (education/training programs)**³ -
 - i. Human capital, which is a representation of level of education and accumulated experience, accounts for some of the gap.^{ix}
 - ii. Of those college-educated most women are primary and secondary school teachers or nurses.²
 - iii. Wage gaps effect women right out of college. A 5% disparity in the first year has been shown.²
- c. **Existing laws -**
 - i. Problems with the Equal Pay Act:²
 1. fails to require equal pay for similar jobs, only identical ones
 2. does not include part-time or contingent workers
 3. does not allow class action suits
- d. **“Female Occupations”**
 - i. In one national study of 500 occupations, women earned as much as or more than men in only five. Pay was equal in counseling, which is 66%



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female. Women out earned men by 108% in the construction and extraction occupations but only made up 2.6% of the construction workforce. The other occupations in which women out earn men are in teaching, primarily special ed and physical and social sciences.⁴

e. **Unequal Societal Norms at Home**³

- i. Constrained decisions about work and home issues.³
- ii. Women are reluctant to spend less time with their children.²

5. **Suggested Solutions** – It took 30 years after Title VII passed (1963) for the gender gap closed 11% points. This was largely due to in part to: more educated women, more work experience, women doing “men’s work,” and in large part due to a decrease in men’s wages (accounted for 3/5 of the decreasing gap). This indicates that we cannot expect to look back to past success for means to eliminate the gap.¹

a. **Equal pay laws**

i. **Strict enforcement of equal pay laws**¹ –

1. Government shall enforce minimum wage and hour laws and living wage laws⁷

ii. **Passage of stronger laws**¹ –

1. For example, the Lilly Ledbetter Fair Pay Act of 2009 which renews the 180 days SOL with each discriminatory paycheck.²
2. Poverty can be reduced through greater use of state tax credit policies or subsidized child care and job training.⁷

b. **Education** –

- i. Women have reached almost parity with men in proportion with 4-year college degrees [26.5% of women and 29.1% of men].⁷
- ii. Investing more in education at all levels, particularly in training in the use of new technologies.⁷
- iii. Ensuring equal access to educational and employment opportunities in disadvantaged populations.⁷
- iv. Education and training policies to increase women’s presence in higher paying job:³
 1. Increasing resources for non-traditional skills training
 2. Improving access to vocational training, especially for single mothers
 3. Improving career counseling and information available to girls and young women in school.



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c. Unions –

- i. Unions have proven effective, has shown to increase minority pay above white women.¹
- ii. Union women earned almost 80% of their fellow male union members and unionized minorities make 81% of unionized whites and minority men make 80% of white men.¹
- iii. Greater protection for worker's right to organize in unions.¹
- iv. Government shall educate the public broadly about their rights to organize collectively and work in a harassment-free environment.⁷
- v. Unions are effective partially because of collective bargaining on behalf of the workers; they are possibly more progressive because they bring wage issues out in to the open; they tend to compress wage differential between top and bottom of pay scale.¹
- vi. Additionally, unions help decrease pay gaps through:¹⁰
 1. Bureaucratic systems to eliminate pay variations
 2. Standard wage rates by occupation
 3. Layoffs based on seniority
 4. Collective bargaining agreements to eliminate arbitrary pay raises.

d. Types of employment -

- i. Some suggest that one way to attack the pay gap is to chip-away at the notion of “female-occupations.”¹⁰
- ii. States with more manufacturing and natural resources-based industries tend to favor men. Whereas, States with strong public sector, health and education centers, and financial services are more favorable for women. States with policies that favor public education, increasing health coverage, subsidizing childcare, or reducing poverty; advance women's economic progress.⁷
- iii. Actively recruit women into male-dominated field that pay more but require similar skills and education.⁷ Increase women-owned businesses through contract set-asides. Increase public funds for providing technical assistance and loans to small businesses. Large corporations can alter business development strategies to improve the success of women owned businesses in their contracting and supplier policies.⁷

e. Work Environment –

- i. Employers should be proactive against harassment, which is higher in occupations that are not traditionally female dominated.⁷
- ii. Reduce sexual discrimination in the labor market:³
- iii. Employers should regularly evaluate their pay policies.⁷
- iv. Employers can improve family friendliness of workplaces.⁷



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1. Paid sick days
2. Paid family care leave of longer duration can be provided through social insurance programs.
- v. Employers can ease the combination of paid work with family work:³
 1. Shorter standard work week
 2. More flexible hours
- f. **Other -**
 - i. Policies to increase support for women headed household:³
 1. Improved access to the income of non-custodial fathers
 2. Improved child care support
 - ii. Policies to reduce the “marriage penalty”³
 1. Reducing the bias in income taxes and Social Security benefits on the secondary earner in a marriage.
 - iii. Policies to tackle the low-wage labor market:³
 1. Raise minimum wage
 2. Increase unionization

ⁱ American Association of University Women Educational Foundation, *Pay Equity and Workplace Opportunity: A Simple Matter of Fairness*, http://www.aauw.org/advocacy/issue_advocacy/actionpages/upload/AAUW-s-Position-on-Pay-Equity.pdf (2009).

ⁱⁱ Institute for Women’s Policy, *Still a Man’s Labor Market: The Long-Term Earnings Gap*, http://www.iwpr.org/pdf/C3366_RIB.pdf (2008).

ⁱⁱⁱ Institute for Women’s Policy Research, *The Gender Wage Gap by Occupation*, <http://www.iwpr.org/pdf/C350a.pdf> (2009).

^{iv} Oregon Employment Department, *Working Women: Participation and the Earnings Gap*, <http://www.qualityinfor.org/olmisi/ArticleReader?itemid=00005311> (2009).

^v Oregon Employment Department, *Women Earnings Vary Widely by State, Industry, and Occupation*, <http://www.qualityinfo.org/olismj/ArticleReader?itemid=00006255> (2008).

^{vi} Institute for Women’s Policy Research, in H. Hartmann, O. Sorkina, E. Williams (Eds), *Briefing Paper: The Best and Worst State Economies for Women*, http://www.iwpr.org/pdf/R334_BWStateEconomies2006.pdf (2006).

^{vii} Oregon Employment Department, *Do Hispanic and Latina Women Experience Disparities in Oregon Job Markets?*, <http://www.qualityinfor.org/olmisi/ArticlReader?itemid=00006308> (2009).

^{viii} Institute for Women’s Policy, *Women’s Economic Status in the States: Wide Disparities by Rache, Ethnicity, and Region*, <http://www.iwpr.org/pdf/R260.pdf> (2002).

^{ix} M. Elvira, I. Saporta, *How Does Collective Bargaining Affect the Gender pay Gap?* *Work and Occupations*, Vol. 28 No. 4, pp.469-90, <http://www.wox.sagepub.com.proxy.library.cornell.edu/cgi/reprint/28/4/469> (2001).