

September 7, 2006

MEMORANDUM

**TO:** Nelson B. Befitel, Director

**FROM:** Naomi Harada, Chief of Research and Statistics Office

**SUBJECT:** Pay Equity Studies in the past 20 years

The following lists pay equity studies locally and nationally over the last 20 years with a summary of their findings:

<b>Title: Author(s): Date:</b>	<b>Summary of Findings:</b>
<b>Local Reports</b>	
<b>Study of Wage Equity in Public Employee Bargaining Units 1 and 10; Vols. 1 – Background, Findings, and Recommendations &amp; Vol. 2 – Technical Appendices</b>  Conducted by Hubbard & Revo-Cohen, Inc. and submitted by The Auditor, State of Hawaii  April 1995	Two sets of analyses: 1) reviewed procedures and legislation governing the process of establishing wages for public employees in Hawaii, and 2) analyzed 50 jobs from bargaining units 1 and 10. Found that sex-based wage inequities exist in BU 1 & 10. Female-dominated jobs (those with 70 percent or more females) tend to be undervalued and underpaid when compared with comparable male-dominated jobs. Certain female-dominated job classes in both bargaining units are consistently underpaid relative to male-dominated classes with similar evaluations (based on skill, effort, responsibilities, and working conditions), establishing the “value of work”.
<b>A Job Evaluation Study of Selected Job Classes of the State and Counties of Hawaii</b>  Arthur Young  January 1987	Approximately 25 percent of the 82 job classes studied were found to have some form of pay inequity. No one cause or action could be found because of the complexity of the job evaluation system.
<b>National Reports</b>	
<b>The Status of Women in Your County: A Community Research Tool</b>  The Institute for Women’s Policy Research and Statistics Office & James A. & Faith Knight Foundation  Circa 2004	This tool allows you to build capacity among community groups to assess and track the status of women in their regions, i.e., using the American FactFinder, a program to access U.S. Census Bureau data online, one can find employment and earnings of women in Hawaii. Benjamin Nishimoto, a DLIR intern in 2005, found that the ratio of women’s to men’s median annual earnings in Hawaii’s counties ranged from 81-83 percent in 2000.

<p><b>The Status of Women in the States          Women's Economic Status in the States:          Wide Disparities by Race, Ethnicity, and          Region</b></p> <p>Amy Caiazza, Ph.D., April Shaw, and Misha          Werschkul for Institute for Women's Policy          Research</p> <p>April 2004</p>	<p>Hawaii had the second highest earnings ratio between women and men at 83.4% among the 50 states in 2002. Other rankings cited for Hawaii involved women's median annual earnings at 15; percent of employed women in professional or managerial occupations at 36; and percent of women living above poverty at 31; for either 2001 or 2002. There were also rankings of ethnic breakouts for the above categories.</p>
<p><b>Still a Man's Labor Market: The Long-Term          Earnings Gap</b></p> <p>Stephen J. Rose and Heidi I. Hartmann for          Institute for Women's Policy Research</p> <p>June 2004</p>	<p>Using a 15-year time frame (1983-1998) and taking into account women's lower work hours and their years with zero earnings due to family care, the study found that women workers, in their prime earning years, make only 38 percent of what men earn. Data was from the Panel Study of Income Dynamics. One major reason for the gender gap was due to the gender segregation of the labor market. Jobs where females dominated (with at least 75 %) were paid significantly less than those of their male counterparts even though both sets of occupations tend to require the same level of educational preparation. The study developed a three-tier schema of elite, good, and less-skilled jobs. In general, even restricting the comparison to women who work full-time, women in women's jobs earn less than men in men's jobs one tier below: women in female elite jobs earn less than men in male good jobs, and women in female good jobs earn less than men in male less-skilled jobs. Numerous policy recommendations were offered to support greater equity between women and men.</p>

In Attachment I, you will find short summaries of research reports on the pay equity issue from the National Committee on Pay Equity's website [www.pay-equity.org/info.html](http://www.pay-equity.org/info.html).

The American Community Survey (ACS) conducted by the Census Bureau provides some Hawaii wage data by gender. On average there is wage disparity between men and women for 2000-2003. In 2003, the ratio of female to male wages is approximately 79 percent.

<b>TABLE 3. SELECTED ECONOMIC CHARACTERISTICS for HAWAII</b>	<b>2003 Estimate</b>	<b>2002 Estimate</b>	<b>2001 Estimate</b>	<b>2000 Estimate</b>
<b>Median earnings (in 2003 inflation-adjusted dollars):</b>	<b>\$27,095</b>	<b>\$26,118</b>	<b>\$25,898</b>	<b>\$26,819</b>
Male full-time, year-round workers	\$39,205	\$36,739	\$37,356	\$38,642

Female full-time, year-round workers	\$31,123	\$30,451	\$29,546	\$32,046
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In a March 2006 summary in *Issues in Labor Statistics* from the U.S. Bureau of Labor Statistics, they found that nationally women's median usual weekly earnings were 81 percent of men's in 2005, among full-time wage and salary workers. While this proportion has risen over the last several decades, women still are underrepresented among the highest earners and overrepresented among the lowest. These findings are based on data from the Current Population Survey.

The Research and Statistics (R&S) Office' Local Employment Dynamics data provides quarterly workforce indicators by gender of average monthly earnings, average new hire earnings, employment, net job flows, job creation, new hires, separations, and turnover for the state and counties. As of June 2006, there were more males than females in every category statewide. Women's earnings comprised only 69 percent of men's earnings, and fared only slightly better with 70 percent when comparing women's and men's newly hired's wages.

The Current Employment Statistics survey that is conducted by the R&S Office no longer collects employment data on women as of January 2005. Another federal survey that R& S conducts called the Occupational Employment Statistics survey of employment and wages does not collect data by gender.

Some websites concerning the pay equity issue are:

<http://www.doer.state.mn.us/lr-pegty/lr-pegty.htm> - State of Minnesota, Department of Employee Relations' Compensation Division staff assist local government employers in implementing the Minnesota pay parity law with workbooks and software

<http://www.now.org/issues/economic/factsheet.html> - Facts on Pay Parity Sheet from National Organization for Women, 4/19/06, from various sources such as the U.S. Census Bureau, [2004 American Community Survey](#)

[http://www.aauw.org/issue\\_advocacy/actionpages/payequity.cfm](http://www.aauw.org/issue_advocacy/actionpages/payequity.cfm) - American Association of University Women provides a *Pay Equity Resource Kit* that includes information about state and federal legislation and step-by-step suggestions to help you pursue pay equity projects. Their AAUW Educational Foundation also commissioned a nationally representative poll conducted by Lake, Snell, Perry, Mermin and Associates to learn about common perceptions of the pay gap in March 2005 that can be found on the website. Using the AAUW Educational Foundation's [Gains in Learning, Gaps in Earning](#) research, one can find out the pay gap between college-education men and women in your state. For Hawaii, it was 77 percent in 1999 and we were ranked third among the 50 states with the smallest gap.

<http://www.census.gov/prod/2004pubs/censr-15.pdf> - Census 2000 Special Reports, issued May 2004, documents the pervasiveness of the gender wage gap based upon an examination of 505 occupations