

NLWJC - Kagan

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Women's Issues-Equal Pay Act [2]

Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Thomas Freedman to Elena Kagan, re: comparable worth [partial] (1 page)	02/09/1999	P6/b(6)

COLLECTION:

Clinton Presidential Records
Domestic Policy Council
Elena Kagan
OA/Box Number: 14373

FOLDER TITLE:

Women's Issues - Equal Pay Act [2]

2009-1006-F

ke682

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
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- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

equal pay

106th CONGRESS

1st Session

S. 74

IN THE SENATE OF THE UNITED STATES

Mr. Daschle (for himself, Mr. Kerry, Mr. Leahy, Ms. Mikulski, Mrs. Murray, Mr. Reid, Mr. Wyden, Mrs. Boxer, Mr. Lautenberg, Mr. Kennedy, Mr. Kerrey, Mr. Durbin, Ms. Landrieu, Mr. Reed, Mr. Robb, Mr. Torricelli, Mr. Breaux, Mr. Wellstone, Mrs. Feinstein, Mr. Hollings, Mr. Dodd, Mr. Akaka, Mr. Feingold, and Mr. Johnson) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

✱To amend the Fair Labor Standards Act of 1938 to provide more effective remedies to victims of discrimination in the payment of wages on the basis of sex, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ``Paycheck Fairness Act''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Women have entered the workforce in record numbers.

(2) Even in the 1990's, women earn significantly lower pay than men for work on jobs that require equal skill, effort, and responsibility and that are performed under similar working conditions. These pay disparities exist in both the private and governmental sectors. In many instances, the pay disparities can

only be due to continued intentional discrimination or the lingering effects of past discrimination.

(3) The existence of such pay disparities_

(A) depresses the wages of working families who rely on the wages of all members of the family to make ends meet;

(B) prevents the optimum utilization of available labor resources;

(C) has been spread and perpetuated, through commerce and the channels and instrumentalities of commerce, among the workers of the several States;

(D) burdens commerce and the free flow of goods in commerce;

(E) constitutes an unfair method of competition in commerce;

(F) leads to labor disputes burdening and obstructing commerce and the free flow of goods in commerce;

(G) interferes with the orderly and fair marketing of goods in commerce; and

(H) in many instances, may deprive workers of equal protection on the basis of sex in violation of the 5th and 14th amendments.

(4) (A) Artificial barriers to the elimination of discrimination in the payment of wages on the basis of sex continue to exist more than 3 decades after the enactment of the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) and the Civil Rights Act of 1964 (42 U.S.C. 2000a et seq.).

(B) Elimination of such barriers would have positive effects, including_

(i) providing a solution to problems in the economy created by unfair pay disparities;

(ii) substantially reducing the number of working women earning unfairly low wages, thereby reducing the dependence on public assistance; and

(iii) promoting stable families by enabling all family members to earn a fair rate of pay;

(iv) remedying the effects of past discrimination on the basis of sex and ensuring that in the future workers are afforded equal protection on the basis of sex; and

(v) ensuring equal protection pursuant to Congress' power to enforce the 5th and 14th amendments.

(5) With increased information about the provisions added by the Equal Pay Act of 1963 and wage data, along with more effective remedies, women will be better able to recognize and enforce their rights to equal pay for work on jobs that require equal skill, effort, and responsibility and that are performed under similar working conditions.

(6) Certain employers have already made great strides in eradicating unfair pay disparities in the workplace and their achievements should be recognized.

SEC. 3. ENHANCED ENFORCEMENT OF EQUAL PAY REQUIREMENTS.

(a) Required Demonstration for Affirmative Defense. Section 6(d)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(d)(1)) is amended by striking ``(iv) a differential'' and all that follows through the period and inserting the following:
``(iv) a differential based on a bona fide factor other than sex, such as education, training or experience, except that this clause shall apply only if_

``(I) the employer demonstrates that_

``(aa) such factor_

``(AA) is job-related with respect to the position in question;
or

``(BB) furthers a legitimate business purpose, except that this item shall not apply where the employee demonstrates that an alternative employment practice exists that would serve the same business purpose without producing such differential and that the employer has refused to adopt such alternative practice; and

``(bb) such factor was actually applied and used reasonably in light of the asserted justification; and

``(II) upon the employer succeeding under subclause (I), the employee fails to demonstrate that the differential produced by the reliance of the employer on such factor is itself the result of discrimination on the basis of sex by the employer.

``An employer that is not otherwise in compliance with this paragraph may not reduce the wages of any employee in order to achieve such compliance.''.

(b) Application of Provisions. Section 6(d)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(d)(1)) is amended by adding at the end the following: ``The provisions of this subsection shall apply to applicants for employment if such applicants, upon employment by the employer, would be subject to any provisions of this section.'`.

(c) Elimination of Establishment Requirement. Section 6(d) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(d)) is amended_

(1) by striking `` , within any establishment in which such employees are employed, ' ' ; and

(2) by striking `` in such establishment ' ' each place it appears.

(d) Nonretaliation Provision. Section 15(a)(3) of the Fair Labor Standards Act of 1938 (29 U.S.C. 215(a)(3)) is amended_

(1) by striking `` employee ' ' the first place it appears and inserting `` employee (or applicant for employment in the case of an applicant described in section 6(d)) ' ' ;

(2) by inserting `` (or applicant) ' ' after `` employee ' ' the second place it appears;

(3) by striking `` or has ' ' each place it appears and inserting `` has ' ' ; and

(4) by inserting before the semicolon the following: `` , has inquired about, discussed, or otherwise disclosed the wages of the employee or another employee, or because the employee (or applicant) has made a charge, testified, assisted, or participated in any manner in an investigation, proceeding, hearing, or action under section 6(d) ' ' .

(e) Enhanced Penalties. Section 16(b) of the Fair Labor Standards Act of 1938 (29 U.S.C. 216(b)) is amended_

(1) by inserting after the first sentence the following: `` Any employer who violates section 6(d) shall additionally be liable for such compensatory or punitive damages as may be appropriate, except that the United States shall not be liable for punitive damages. ' ' ;

(2) in the sentence beginning `` An action to ' ' , by striking `` either of the preceding sentences ' ' and inserting `` any of the preceding sentences of this subsection ' ' ;

(3) in the sentence beginning ``No employees shall'', by striking ``No employees'' and inserting ``Except with respect to class actions brought to enforce section 6(d), no employee'';

(4) by inserting after the sentence referred to in paragraph (3), the following: ``Notwithstanding any other provision of Federal law, any action brought to enforce section 6(d) may be maintained as a class action as provided by the Federal Rules of Civil Procedure.''; and

(5) in the sentence beginning ``The court in''_

(A) by striking ``in such action'' and inserting ``in any action brought to recover the liability prescribed in any of the preceding sentences of this subsection''; and

(B) by inserting before the period the following: ``, including expert fees''.

(f) Action by Secretary. Section 16(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 216(c)) is amended_

(1) in the first sentence_

(A) by inserting ``or, in the case of a violation of section 6(d), additional compensatory or punitive damages,' before ``and the agreement''; and

(B) by inserting before the period the following: ``, or such compensatory or punitive damages, as appropriate'';

(2) in the second sentence, by inserting before the period the following: ``and, in the case of a violation of section 6(d), additional compensatory or punitive damages'';

(3) in the third sentence, by striking ``the first sentence'' and inserting ``the first or second sentence''; and

(4) in the last sentence_

(A) by striking ``commenced in the case'' and inserting ``commenced_

``(1) in the case'';

(B) by striking the period and inserting ``; or''; and

(C) by adding at the end the following:

``(2) in the case of a class action brought to enforce section

6(d), on the date on which the individual becomes a party plaintiff to the class action''.

SEC. 4. TRAINING.

The Equal Employment Opportunity Commission and the Office of Federal Contract Compliance Programs, subject to the availability of funds appropriated under section 9(b), shall provide training to Commission employees and affected individuals and entities on matters involving discrimination in the payment of wages.

SEC. 5. RESEARCH, EDUCATION, AND OUTREACH.

The Secretary of Labor shall conduct studies and provide information to employers, labor organizations, and the general public concerning the means available to eliminate pay disparities between men and women, including_

(1) conducting and promoting research to develop the means to correct expeditiously the conditions leading to the pay disparities;

(2) publishing and otherwise making available to employers, labor organizations, professional associations, educational institutions, the media, and the

general public the findings resulting from studies and other materials, relating to eliminating the pay disparities;

(3) sponsoring and assisting State and community informational and educational programs;

(4) providing information to employers, labor organizations, professional associations, and other interested persons on the means of eliminating the pay disparities;

(5) recognizing and promoting the achievements of employers, labor organizations, and professional associations that have worked to eliminate the pay disparities; and

(6) convening a national summit to discuss, and consider approaches for rectifying, the pay disparities.

SEC. 6. TECHNICAL ASSISTANCE AND EMPLOYER RECOGNITION PROGRAM.

(a) Guidelines._

(1) In general._The Secretary of Labor shall develop guidelines to enable employers to evaluate job categories based on objective criteria such as educational requirements, skill requirements,

independence, working conditions, and responsibility, including decisionmaking responsibility and de facto supervisory responsibility.

(2) Use. The guidelines developed under paragraph (1) shall be designed to enable employers voluntarily to compare wages paid for different jobs to determine if the pay scales involved adequately and fairly reflect the educational requirements, skill requirements, independence, working conditions, and responsibility for each such job with the goal of eliminating unfair pay disparities between occupations traditionally dominated by men or women.

(3) Publication. The guidelines shall be developed under paragraph (1) and published in the Federal Register not later than 180 days after the date of enactment of this Act.

(b) Employer Recognition.

(1) Purpose. It is the purpose of this subsection to emphasize the importance of, encourage the improvement of, and recognize the excellence of employer efforts to pay wages to women that reflect the real value of the contributions of such women to the workplace.

(2) In general. To carry out the purpose of this subsection, the Secretary of Labor shall establish a program under which the Secretary shall provide for the recognition of employers who, pursuant to a voluntary job evaluation conducted by the employer, adjust their wage scales (such adjustments shall not include the lowering of wages paid to men) using the guidelines developed under subsection (a) to ensure that women are paid fairly in comparison to men.

(3) Technical assistance. The Secretary of Labor may provide technical assistance to assist an employer in carrying out an evaluation under paragraph (2).

(c) Regulations. The Secretary of Labor shall promulgate such rules and regulations as may be necessary to carry out this section.

SEC. 7. ESTABLISHMENT OF THE NATIONAL AWARD FOR PAY EQUITY IN THE WORKPLACE.

(a) In General. There is established the Robert Reich National Award for Pay Equity in the Workplace, which shall be evidenced by a medal bearing the inscription ``Robert Reich National Award for Pay Equity in the Workplace''. The medal shall be of such design and materials, and bear such additional inscriptions, as

the Secretary of Labor may prescribe.

(b) Criteria for Qualification. To qualify to receive an award under this section a business shall_

(1) submit a written application to the Secretary of Labor, at such time, in such manner, and containing such information as the Secretary may require, including at a minimum information that demonstrates that the business has made substantial effort to eliminate pay disparities between men and women, and deserves special recognition as a consequence; and

(2) meet such additional requirements and specifications as the Secretary of Labor determines to be appropriate.

(c) Making and Presentation of Award. _

(1) Award. After receiving recommendations from the Secretary of Labor, the President or the designated representative of the President shall annually present the award described in subsection (a) to businesses that meet the qualifications described in subsection (b).

(2) Presentation. The President or the designated representative of the President shall present the award under this section with such ceremonies as the President or the designated representative of the President may determine to be appropriate.

(d) Business. In this section, the term ``business'' includes_

(1) (A) a corporation, including a nonprofit corporation;

(B) a partnership;

(C) a professional association;

(D) a labor organization; and

(E) a business entity similar to an entity described in any of subparagraphs (A) through (D);

(2) an entity carrying out an education referral program, a training program, such as an apprenticeship or management training program, or a similar program; and

(3) an entity carrying out a joint program, formed by a combination of any entities described in paragraph (1) or (2).

SEC. 8. COLLECTION OF PAY INFORMATION BY THE EQUAL EMPLOYMENT

OPPORTUNITY COMMISSION.

Section 709 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-8) is amended by adding at the end the following:

``(f)(1) Not later than 18 months after the date of enactment of this subsection, the Commission shall_

``(A) complete a survey of the data that is currently available to the Federal Government relating to employee pay information for use in the enforcement of Federal laws prohibiting pay discrimination and, in consultation with other relevant Federal agencies, identify additional data collections that will enhance the enforcement of such laws; and

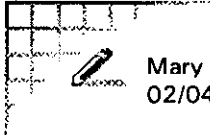
``(B) based on the results of the survey and consultations under subparagraph (A), issue regulations to provide for the collection of pay information data from employers as described by the sex, race, and national origin of employees.

``(2) In implementing paragraph (1), the Commission shall have as its primary consideration the most effective and efficient means for enhancing the enforcement of Federal laws prohibiting pay discrimination. Other factors that the Commission shall consider include the imposition of burdens on employers, the frequency of required reports (including which employers should be required to prepare reports), appropriate protections for maintaining data confidentiality, and the most effective format for the data collection reports.''.

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this Act.

Women's issues - Equal Pay



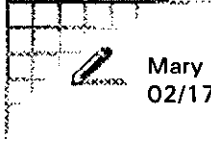
Mary L. Smith
02/04/99 01:22:02 PM

Record Type: Record

To: Elena Kagan/OPD/EOP, Bruce N. Reed/OPD/EOP
cc: Laura Emmett/WHO/EOP
Subject: Equal Pay Wage Collection

FYI -- OMB has decided to extend the deadline for responding to OFCCP's request to collect wage data for three months, and, in the meantime, work with us in exploring options of how wage data could be collected. I told OMB that seems fine. If you have a problem with that, let me know.

In addition, Josh Gotbaum is supposed to sit down with the women's groups next week and listen to their complaints about the lack of wage data and listen to what they have to say about OFCCP's pending request.



Mary L. Smith
02/17/99 12:21:38 PM

Record Type: Record

To: Elena Kagan/OPD/EOP, Bruce N. Reed/OPD/EOP

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

Subject: Meeting with Josh Gottbaum

Josh has asked to meet internally with Legis Affairs, the Women's Office, and Tom and me today at 4:30pm in Room 248. He wants a prebrief for a meeting with the women's groups on Monday. The women's groups want to talk about OFCCP's request, which is currently pending at OMB, to collect wage data from federal contractors at the desk audit phase. The Department of Labor has requested a 90-day extension for OMB to decide, but this has not been announced yet. Labor is considering rescinding their request to collect this information. We suggest that Josh use this as a listening session. In case you don't want to attend, is there anything else you want us to emphasize? Thanks, Mary

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Withdrawal/Redaction Marker

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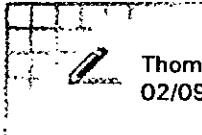
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Women's issues -
equal pay



Thomas L. Freedman
02/09/99 06:23:07 PM

Record Type: Record

To: Elena Kagan/OPD/EOP

cc:

Subject: Re: sexist pig (b)

The woman's office wanted us to be more encouraging on the possibility of doing comparable worth. While I don't see the need to needlessly alienate the pay equity groups, I also don't think we do any ourselves any favors by setting up expectations that we are about to do comparable worth. As I've mentioned, I'm concerned that we will get into a debate on whether to do comparable worth with that endorsement being the benchmark of the Administration's commitment. I'm also concerned that some in the Administration will send signals that instead of taking credit for what we've done, now is the time to push DPC (NEC) to do Comp. Worth. Politically, I think now is the time to hold the high ground, push the popular Daschle bill until the other side concedes, and then move to the next thing we want to do on fair pay.

P6/(b)(6)

[COI]

P6/(b)(6)

DOL has now asked OMB to hold off reviewing for three months.

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INITIATIVES TO ENHANCE EEOC ENFORCEMENT EFFORTS IN SUPPORT OF PAY EQUITY

With an additional 54 staff and \$18.7 million for technical and legal staff, technical assistance, enhanced enforcement, and outreach initiatives, EEOC will carry out its proposed Wage Discrimination Initiative. This Initiative will:

- Reach over 10 million workers through public service announcements and other efforts in major media markets to inform workers of their rights and facts on wage discrimination, an issue in thousands of charges related to entry-level pay and promotion.
- Reach over 3,000 small, medium and large employers to provide technical assistance and education affecting over a million employees.
- Provide 20,000 advocates and union members and tens of thousands they can reach nationwide, with information on wage discrimination and employee rights to foster voluntary solutions in the workplace with informed workers and employers working together.
- Develop assessment tools to enable employers to evaluate and improve their compensation systems voluntarily, benefitting millions of employees and increasing retention rates of talented employees needed to boost business expansion.
- Train EEOC staff to identify at intake and properly analyze and investigate complex pay discrimination issues, thus improving enforcement of the law and substantive relief to aggrieved parties.

DISCUSSION OF INITIATIVES

- **Enhanced support for EEOC enforcement activities**
 - Training for EEOC professional staff is an essential element of a program to support enforcement of the equal pay laws. It will facilitate the effective analysis of charges and the targeting of resources, thereby contributing to EEOC's ability to effectively manage its workload. We propose to provide training for all EEOC professional staff on the investigation and analysis of compensation discrimination. The professional staff consists of 850 investigators, 250 litigation attorneys and 150 supervisors and managers. Because of resource limitations EEOC is only rarely able to conduct a Commission wide training of this sort, even though it is of enormous value. The last such training was a Commission wide training on the Americans

With Disabilities Act which was conducted in 1992.

- In order to analyze potential cases of compensation discrimination in a timely and effective manner, EEOC also needs additional staff that is skilled in economic and social science analysis as well as appropriate technology to support that staff. This will include:
 - A FTE Social Science Analyst or Pay Equity Specialist in each District Office and the Washington Field Office.
 - Six attorneys to work in teams to support and assist field offices in the analysis and development of litigation.
 - Appropriate software to conduct pay analyses, available in all field offices and headquarters. A PC-based system for accessing EEO-1, EEO-3, EEO-4 and EEO-5 data should be developed to enable investigators and attorneys to retrieve forms, relevant comparable aggregate data, and to run statistical tests comparisons.

- **As a result of this enhanced support for enforcement, EEOC will:**
 - Identify compensation discrimination issues in substantially more charges and bring more cases than it does at present. It will accomplish this by:
 - Better analyzing charges in the administrative process, with an emphasis on both intake and investigation; and
 - Particularly focusing on charges alleging discriminatory assignment and promotion to determine if compensation discrimination issues are also present.
 - EEOC will also conduct better quality investigations on claims of compensation discrimination.

- **Outreach and Technical Assistance**
 - The best way to address discrimination is to prevent it from happening in the first place and the best way to achieve this result is to reach out to the affected communities so that they understand their rights and responsibilities. We propose the following outreach and education initiatives on compensation discrimination matters:
 - EEOC will develop training programs on compensation issues for

constituent communities; *i.e.*, employers, employees, unions, advocacy groups. This element will include programs specifically targeted at small businesses.

- To assure that this outreach and technical assistance program is effective will require adding one FTE Program Analyst in each district office and the Washington field office.
- EEOC will develop assessment tools to enable employers to evaluate and improve their compensation systems voluntarily, benefitting millions of employees and increasing retention rates of talented employees needed to boost business expansion
- We also propose implementing a program of Public Service Announcements in order to educate the public on the importance of this issue as well as their rights and responsibilities. As part of this initiative, we will:
 - Hire a public relations firm to research, develop core messages and concepts, identify target audiences, produce the spot (in several languages), conduct focus groups to test its effectiveness, and distribute it.
 - To reach all of the targeted audiences would require four to five PSAs.
 - Such announcements should also contain an action step (asking the audience to respond in some way or take action *i.e.*, an 800 telephone number), which requires developing supporting materials, such as pamphlets and brochures, to assure that the message is effective. Development, production and distribution of the supporting materials require an FTE.
- **As a result of increased outreach and technical assistance on compensation discrimination issues, EEOC will:**
 - Conduct 288 new events a year addressing compensation discrimination (each program analyst in each of the 24 district offices will be responsible for conducting at least one event a month). These events will provide information and assistance on compensation discrimination to employees, unions, businesses and advocacy groups. We project that we will reach approximately 20,000 persons a year in this fashion.
 - Each District Office will include programs on compensation discrimination in their Technical Assistance Program Seminars (TAPS) which provide

information and assistance to the business community. Based on experience with TAPS programs, we project that these programs will reach approximately 3000 businesses.

- EEOC's Public Service Announcement campaign will be targeted at major markets (including New York, Los Angeles, Chicago, Washington, Miami, Atlanta, and Dallas), as well as secondary markets (including, for example, Denver, St. Louis, Seattle, Detroit, Houston, and Philadelphia). A concerted effort to place PSA's in these markets has the potential of reaching tens of millions of television viewers.
- With additional information and technical assistance:
 - Charging parties will be better able to understand their own employment situation and better present their cases to EEOC, thus adding to EEOC's ability to achieve the goal of identifying substantially more compensation discrimination issues in charges and better investigating such claims.
 - Businesses will better understand their legal obligations with the result that voluntary compliance with the law will be enhanced.

- **Pay Disparity Research and the Development of Standards**

The final element of this initiative will involve conducting research into the nature and extent of pay inequities as well as the development of standards with which to analyze these compensation questions. Currently there is insufficient data to fully identify and understand the extent of or underlying reasons for pay disparities based on gender, race, national origin, disability, or age. Moreover, the absence of accepted standards for analyzing pay discrimination impedes our ability to effectively enforce the laws as well as the ability of businesses to analyze whether their pay structures may run afoul of the laws.

- We propose to pursue two research approaches to enhance current knowledge and understanding of patterns of pay disparities.
 - Research by the National Academy of Sciences, National Research Council or a comparable organization examining existing literature on how pay disparities arise and where they are most prevalent.
 - The panel would primarily rely on previous research but would also explore the possibility of working cooperatively with a small number of establishments to conduct "live" compensation analyses, which might serve as examples in the compensation standards manual.

- Research by such organization examining employer data to test procedures for identifying and remedying pay inequities. Data collection would include at least two industry-based surveys to collect compensation on a form similar to the EEO-1 but adding salary intervals.
- We also propose to convene a panel of social science experts who would define statistical techniques for analyzing pay disparities and develop manuals for conducting compensation analyses, based on both EEOC-related laws and standard research methodology.
- The Panel would develop statistical criteria which could be used by employers for self analysis as well as by investigators and litigators.

U.S. Department of Labor
Employment Standards Administration
Federal Contractor Equal Employment Opportunity Standards Enforcement

Decision Paper: Compliance Assistance Initiative¹

Proposal: To provide \$13,795,000 and 44 FTE to continue the Office of Federal Contract Compliance Programs' (OFCCP) compliance strategy that addresses pay equity and workplace discrimination, expanding efforts to end systemic occupational segregation, and challenge discrimination in nontraditional jobs. OFCCP will evaluate program effectiveness and efficiency and strengthen inter and intra agency coordination as a way of furthering the effort. This strategy is designed to encourage compliance among federal contractors through self-certification, compliance evaluations, education and technical assistance as well as interactive use of technology. The strategic goal is to achieve equal employment opportunity and to prevent discrimination on the basis of race, religion, national origin, gender, disability or veterans' status. When successful, this proposal will contribute to a better quality workplace based on merit - one of the three strategic goals for the Department of Labor.

Rationale: The OFCCP provides protection from discrimination for 22 million workers at 200,000 federal contractor establishments. This proposal is designed to increase compliance by improving efficiency and customer service in the National Office and in each of the Regional Offices. The resources will give added impetus to the technical assistance effort to assist Federal contractors in understanding the regulatory requirements. Specific emphasis will continue the support and assistance to smaller companies that may not have the expertise to develop Affirmative Action Programs, enhance compliance in glass ceiling and pay equity issues as well as eliminating systemic discrimination in nontraditional jobs. Moreover, OFCCP will maintain reduced reporting requirements for small companies. The staff will provide grassroots seminars and technical assistance training sessions for contractors, contracting agencies, government agencies, and constituency groups through continued development and use of existing information technology.

¹ This approach includes \$6.8 mil and 22 FTE for women in nontraditional areas; and 447K and 3 FTE for Alternative Dispute Resolution (Innovative Enforcement).

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This compliance strategy will allow:

- continued monitoring of pay equity to reduce occupational segregation and to assure that appropriate criteria are used for setting salaries for women, minorities, or employees with disabilities. OFCCP, in conjunction with the Women's Bureau and the Employment Training Administration, and other governmental contracting agencies, will develop and provide guidelines via the Internet and will conduct internal and external awareness seminars. This will reduce the wage gap by the year 2002.² OFCCP will continue to educate employers to make employment decisions without regard to differences and to enforce merit-based employment practices.
- increased monitoring of contractor compliance in equal employment opportunities for women in non-traditional occupations. The resources will give added impetus in assisting Federal contractors in understanding their regulatory requirements relating to women working in non-traditional occupations. Specific emphasis will continue the support and assistance to smaller companies that may not have the expertise to develop Affirmative Action Programs, enhance compliance in glass ceiling issues as well as eliminating systemic discrimination in non-traditional jobs. Moreover, OFCCP will maintain reduced reporting requirements for small companies. OFCCP will become more actively involved in the strategic planning and recruitment for female nontraditional employment areas by identifying and pursuing a wide range of recruitment sources and publishing a recruitment directory. The staff will provide grassroots seminars and technical assistance training sessions for contractors, contracting agencies, government agencies, and constituency groups through continued development and use of existing information technology.
- interactive technical assistance through technology on regulatory requirements (E-laws) relating to Vietnam era veterans, disability, gender, race, national origin and religious discrimination. Contractors may use this interactive model to train employees in affirmative action. We will conduct disability and Vietnam era veteran availability research by geographic area to strengthen enforcement efforts.

²President Clinton supports pay equity legislation which will heighten awareness and the need to intensify efforts to identify and rectify compensation related discrimination.

Women on Women

U.S. Department of Labor
Employment Standards Administration
Federal Contractor Equal Employment Opportunity Standards Enforcement

Decision Paper: Women in Non-Traditional Occupations Initiative

Proposal:

To provide \$6.8 million and 22 FTE to continue the Office of Federal Contract Compliance Programs' (OFCCP) compliance strategy that addresses workplace discrimination, expanding efforts to end systemic occupational discrimination, interactive technical assistance and recognizing best practices initiatives for women in non-traditional careers. OFCCP, working in concert with the Employment and Training Administration (ETA) and the Women's Bureau (WB) will build on partnerships with employers, industry associations, labor unions, educational institutions, and with other organizations to create employment linkages to remove workplace barriers. This will identify and develop model projects which will improve women's access to and experiences in non-traditional occupations. This initiative will stimulate the provision of employment career breakthroughs to raise women's interest in and reinforce expectations that they can succeed in nontraditional employment.

copy

OFCCP plans to initiate an estimated twelve projects to identify best practices and models, emphasize anti-discrimination and anti-harassment activities, and explore incentives to improve access to and acceptance of women into glass ceiling and nontraditional opportunities - high growth, high pay, high skill careers.

Rationale:

The OFCCP provides protection from discrimination for all workers, including women in non-traditional careers at federal contractor establishments. This proposal is designed to achieve contractor compliance in the arena of equal employment opportunities. The resources will give added impetus in assisting Federal contractors in understanding their regulatory requirements relating to women working in non-traditional occupations. Specific emphasis will continue the support and assistance to smaller companies that may not have the expertise to develop Affirmative Action Programs, enhance glass ceiling and compliance as well as eliminating systemic discrimination in nontraditional jobs.

Moreover, OFCCP will maintain reduced reporting requirements for small companies. The staff will provide grassroots seminars and technical assistance training sessions for contractors, contracting agencies, government agencies, and constituency groups through continued development and use of existing information technology.

This approach will allow for:

- expanded use of the mega-project strategy in construction, "high tech" and scientific, manufacturing, and service industries, to increase the presence of women in non-traditional jobs through the formation of contractor linkages. An example of this DOL cross cutting initiative is the Transportation Equity Act for the 21st Century legislation (TEA-21). This legislation not only includes the ½ of 1 percent funding for training support services, but also includes mega-construction projects. By developing model projects in collaboration with several DOL agencies such as ETA and WB, and other governmental contracting agencies such as the Department of Transportation, federal contractors, community based organizations and unions, early identification and coordination of these mega-projects through pre-bid seminars will greatly assist contractors in identifying resources for recruiting (welfare to work participants) and developing qualified women for non-traditional jobs. Enhance the mega construction MIS system to track the female participation and retention rates in nontraditional jobs;
- providing existing Compliance Officers (Cos) enhanced skills training in identifying high impact systemic and occupational discrimination and developing enforcement packages. Due to the complexity of enforcement actions, more expert witnesses will be required to solidify enforcement cases involved in litigation. Evaluation of the role of expert witnesses and the efficiency of Alternative Dispute Resolution (ADR) will be necessary to determine future program mediation direction;
- implementing an electronic Affirmative Action Program Summary. This summary will facilitate the electronic submission of compliance related data by federal contractors and allow OFCCP to electronically verify the data, thereby increasing OFCCP's efficiency and effectiveness to monitor Federal contractors efforts to increase opportunities for women in non-traditional occupations. This will improve OFCCP's targeting of contractors for evaluation, as it allows database analysis of information. The results of that analysis will be the basis for OFCCP's new tiered review compliance

process including compliance checks, off-site record reviews, focused reviews, and compliance reviews;

- interactive technical assistance through technology on regulatory requirements (E-laws) relating to non-traditional occupational discrimination. Contractors may use this interactive model to train employees in affirmative action. OFCCP will analyze participation rates, review results, and expand the concept of welfare to work which has resulted in placing women in nontraditional areas. OFCCP will invest resources to develop and track the referral, selection, and retention rates in nontraditional employment areas, including corporate management reviews (glass ceiling), and share results with ETA, BLS, Women's Bureau, and other appropriate agencies and constituent groups;
- enhanced "Best Practices" which cross all mission and functional areas will be used to document the existence of non-traditional occupational discrimination in the workplace and help determine the industries and geographic locations where OFCCP's technical assistance is most needed. Early case intervention, focused accountability reviews, and developing MIS systems will assist OFCCP to investigate multiple discrimination issues and measure program effectiveness to eradicate discrimination. This information will be made available to employers and employer associations through a variety of means, including the use of WEB technology, OFCCP publication, and sharing with other DOL agencies for utilization in their awareness and community outreach projects; and
- enhance outreach efforts, such as research and public education grants on gender on mega construction projects, corporate management reviews (glass ceiling), and welfare to work participation; as well as technical and educational brochures that will keep the public informed about the various OFCCP requirements. These efforts will also be used to inform the contracting community of the programs' accomplishments and provide candidates for employment. Also, the effort will be used to develop models in partnership with community based organizations (CBO) and Regional Industry Liaison Groups (ILG) to deliver technical assistance to CBO and ILG members and employees.

Budget Discussion/Implications: The "Women in Non-Traditional Occupations Initiative" increases OFCCP's allocation by 22 FTE and \$6,800,000. Incorporated within the requested level is; \$3.817M and 15 FTE for construction contractor compliance to advance representation of women in non-traditional jobs; \$200K for strategic litigation;

\$200K for Alternative Dispute Resolution; \$200K for the AAP Summary report; \$600K for interactive technical assistance; \$1.4M and 7 FTE for best practices; and \$383K for outreach and education grants.

Impact on Agency Strategic Goals:

This initiative will strengthen the agency's, and DOL related agencies, activities in providing technical assistance to contractors in the formulation of Affirmative Action Plans, reducing the pay gap, eliminating occupational segregation, improving work benefits, and enhancing employees skills. This is especially true for small and emerging contractors unfamiliar with their responsibilities; identifying and resolving systemic discrimination; assisting contractors in identifying resources for recruiting and developing qualified individuals into non-traditional and glass ceiling jobs; through the wide spread and varied "best practices" guidelines and determining the industries and geographic locations needing technical assistance; through our working with ETA and WB, educating employers and constituency groups on non-discriminatory employment practices through outreach; and continuing the development of partnerships with community based organizations.

THE WHITE HOUSE
WASHINGTON

February 24, 1999

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: BRUCE REED
LARRY STEIN

SUBJECT: Meeting with Senator Harkin and Pay Equity Advocates

The President and Vice-President have spoken out in favor of equal pay and supported Senator Daschle's Paycheck Fairness Act which strengthens the remedies available to women under the Equal Pay Act. The Administration has not supported Senator Harkin's bill which provides for comparable worth, a more controversial approach that requires companies to equalize wages between "equivalent" jobs. You will be meeting with Senator Harkin and representatives of groups that favor comparable worth and will likely encourage the Administration to endorse that concept. As a fallback, the groups will push for strengthening the Daschle bill and may seek reinsertion of a provision on pay disclosure that was dropped last year at the Administration's request. This memorandum provides background on the Administration's strategy on the equal pay issue, compares Daschle's and Harkin's bills, discusses the legislative outlook for each bill, and offers some recommendations.

I. Background

In the last few years, the Administration has gained strong public support by taking steps to promote equal pay, while not endorsing comparable worth. In the last two years, the Administration has: endorsed of the Daschle bill to strengthen the Equal Pay Act (see below); included a \$14 million equal pay initiative in the FY 2000 budget for the EEOC and the DOL's Office of Federal Contract Compliance Programs (OFCCP); published a CEA report that shows a significant wage gap between male and female workers; and created an annual report on pay differences to be published by DOL. The President and Vice-President have held a variety of events to announce these steps and raise public awareness of the issue, including mentioning equal pay in the State of the Union, conducting a radio address on the topic this year, and hosting two events last year.

One issue aside from Senator Harkin's bill ^{that} may arise at your meeting concerns the disclosure of pay data by employers. OFCCP wishes to request pay information by letter from some 5000 contractors selected for compliance reviews. OFCCP currently collects this data onsite at a later stage of the compliance process. OMB has balked at this request, primarily on the ground that it

will impose an undue burden on employers. At a meeting this week with pay equity groups, Josh Gotbaum promised to re-examine this matter. In addition, he noted that the Administration had a variety of potential mechanisms for obtaining wage data from employers, including the EEOC and the Bureau of Labor Statistics, and we wanted to fashion the best overall plan for obtaining useful data. The DPC, NEC, OMB, OPL (women's office), EEOC, and DOL held a meeting on Friday to begin this process of determining what are the most effective and politically viable means for improving data collection from employers.

II. The Daschle Bill

The Administration has endorsed "The Paycheck Fairness Act," introduced by Senator Daschle and Congresswoman DeLauro, to strengthen laws prohibiting wage discrimination. The measure is included this year as one of the Democratic Leadership Initiatives. Key aspects of the bill include:

- Increased Penalties. The legislation would provide full compensatory and punitive damages as remedies for equal pay violations, in addition to the liquidated damages and backpay awards currently available under the Equal Pay Act.
- Non-retaliation provision. The bill 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. The bill would provide for increased training for EEOC staff; more research on wage discrimination; and a new award for employers who have worked to eliminate pay disparities.

Senator Daschle's bill originally included a provision requiring the EEOC to collect reports from employers with 100 or more employees about the wages they pay, analyzed by the race, sex, and national origin of employees. The Administration informed Daschle that this provision would raise very strong -- and perhaps justified -- objections from the business community. Daschle removed the measure from the bill.

III. The Harkin Bill

Last year, Senator Harkin introduced a comparable worth bill called the "Fair Pay Act of 1997." (It doesn't appear that he has reintroduced the bill this year.) The highlights of this legislation include:

- Comparable Worth. Harkin's bill amends the Fair Labor Standards Act to prohibit the paying of unequal wages for work on "equivalent jobs" dominated by employees of different sex, race, or national origins. The legislation defines

“equivalent jobs” as “jobs that may be dissimilar, but whose requirements are equivalent, when viewed as a composite of skills, effort, responsibility, and working conditions.” It exempts from this provision wage differences based on seniority, a merit system, or a quality/quantity system.

- Data Collection. The bill requires employers to submit wage data to the EEOC, broken down by job category and then by sex, race, and national origin. The EEOC is authorized to disseminate this data to the public.
- Non-Retaliation Provision. Harkin’s bill contains a non-retaliation provision similar to that in Senator Daschle’s bill.
- Education, Training, and Technical Assistance. The bill also provides for research, education, and technical assistance.

IV. Legislative Outlook

Senator Daschle’s bill currently has 20 cosponsors (Sen. Harkin has yet to cosponsor, although he has in the past). On the House side, Congresswoman DeLauro’s bill, H. R. 541, has 34 cosponsors. Both of these bills are part of the “Democratic Leadership” package of bills. Senator Harkin’s bill had 8 cosponsors in the last Congress, while the House version, which Congresswoman Norton sponsored, garnered 64 cosponsors. (By contrast, last Congress, Senator Daschle brought 23 Democrats on board, while Congresswoman DeLauro’s bill had 95.) The Harkin-Norton bill is unlikely to attract additional cosponsors because of its controversial nature and its lack of support from the leadership. The Daschle-DeLauro bill has a much better chance of drawing some bipartisan support ultimately of passing.

As a political matter, the Daschle bill offers Democrats the ability to raise the issue on the floor, highlight our commitment to the issue, and spotlight differences between supporters and opponents. If the bill fails to pass, the vote would give members a record of fighting the wage gap in a reasonable, moderate way. Whether the bill passes or not, the attention such a fight would receive would focus attention on the problem and broaden the constituency for further measures, including, possibly, for Senator Harkin’s bill. In contrast, endorsement of the Harkin bill at this time would likely drive members away from the issue altogether in fear that they will be tarred as supporting government wage-setting and radical interference in the labor market.

It is also clear that interest groups, members, and the Administration must work together on legislation to raise the profile of this issue in any fashion. It is worth remembering that no one tried to raise this issue on the floor last year. Without consensus support for a single legislative strategy, the issue may fall off the political radar screen altogether.

V. Recommendation

By backing Senator Daschle's bill as a first step, the Administration has gained an excellent position from which to lead a national debate on the wage gap and support policies that will lead to greater fairness in the workplace. In contrast, endorsing comparable worth at this point would decrease our chance of building momentum on the issue, by sparking a debate about government interference with the market. We believe that the Administration should keep opponents of equal pay on the griddle by keeping the nation's attention focused on the existence of the wage gap and the common-sense steps we all should be able to agree upon to attack it.

This message will undoubtedly be awkward to deliver. (We are looking at ways to strengthen the Daschle bill -- including through a new wage disclosure provision -- but while the groups may appreciate these efforts, we do not expect them to pacify Senator Harkin.) We nonetheless believe that we should not give false hope to participants at the meeting that we will endorse or otherwise work for passage of the Harkin bill. Indeed, we believe we should emphasize the importance of a unified push for the legislative proposal with the greatest chance of passing.

Women's issues - equal pay

Sandra Yamin
01/04/99 07:09:37 PM

Record Type: Record

To: Elena Kagan/OPD/EOP, Joshua Gotbaum/OMB/EOP, Michael Deich/OMB/EOP
cc: See the distribution list at the bottom of this message
Subject: Pay Equity Initiative

Attached below is the joint EIML/GG&F suggested description of the DoL Pay Equity Initiative. If you have any comments, please forward them to me. Thank you.

----- Forwarded by Sandra Yamin/OMB/EOP on 01/04/99 06:56 PM -----



Debra J. Bond

01/04/99 06:16:41 PM

Record Type: Record

To: Barbara Chow/OMB/EOP@EOP
cc: Barry White/OMB/EOP@EOP, Larry R. Matlack/OMB/EOP@EOP, Sandra Yamin/OMB/EOP@EOP, Susan M. Carr/OMB/EOP@EOP
Subject: Pay Equity Initiative

Attached is a one-pager which reflects our understanding of the Pay Equity Initiative. Please let me know if you need further information on this issue.



payequit.wpd

Message Copied To:

Laura Emmett/WHO/EOP
Adrienne C. Erbach/OMB/EOP
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Pay Equity Initiative

On April 2, 1998, the President issued a proclamation designating National Equal Pay Day in which he urged all employers to review their wage practices and to ensure that all their employees, including women, are paid equitably for their work. The typical woman who works full-time earns just 74 cents for each dollar that the typical man earns. This gap is in part attributable to differing levels of experience, education, and skill. However, even after accounting for these factors a significant pay gap still remains between men and women in similar jobs.

To address this problem, the President's FY 2000 budget proposes a \$14 million pay equity initiative to focus additional resources on providing employers with the necessary tools to assess and improve their pay policies, and educating the public (including employers, employees, unions, and advocacy groups) on the importance of this issue as well as their rights and responsibilities. Specifically the budget requests:

- ◆ \$10 million (4 FTE) for the Equal Employment Opportunity Commission's (EEOC) wage discrimination initiative which will:
 - provide necessary training of enforcement staff in identifying wage discrimination cases;
 - increase outreach, education, and technical assistance including funding public service announcements to educate the public on the importance of this issue as well as their rights and responsibilities, and developing training programs for employers, employees, unions and advocacy groups on pay issues; and,
 - fund research on how pay disparities arise and where they are most prevalent in order to better target resources in the future.
- ◆ \$4 million (20 FTE) for the Labor Department's Office of Federal Contract Compliance Programs' (OFCCP) pay equity initiative, which is part of its overall initiative to increase compliance through enhanced compliance assistance. The pay equity initiative will:
 - continue monitoring of pay equity to reduce occupational segregation and to assure that appropriate criteria are used for setting salaries for women, minorities, and persons with disabilities;
 - provide enhanced technical assistance through technology, specifically by developing and providing guidelines via the Internet that address pay issues, including industry best practices;
 - increase outreach and education efforts, such as research and public education grants on corporate management reviews (glass ceiling reviews), as well as technical and educational brochures that will keep the public informed about the various OFCCP requirements; and,
 - provide a focused effort on women in non-traditional jobs which will challenge discrimination by identifying best practices and assisting contractors in identifying resources for recruiting and developing qualified individuals in non-traditional occupations thereby improving women's access to and experiences in non-traditional occupations.

EQUAL PAY

**WORKING
FAMILIES**

**NATIONAL AND STATE DATA
ON THE PAY GAP AND ITS COSTS**

**A Joint Research Project of the
AFL-CIO and the
Institute for Women's Policy Research**

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Executive Summary

Equal pay is a bread-and-butter issue for working families. More than two-thirds of all mothers in the United States work for pay. Two-earner families are today's norm among married couples, and a growing number of single women provide most or all of their families' support. Altogether, almost two-thirds of all working women and slightly more than half of married women responding to the AFL-CIO's 1997 *Ask A Working Woman* survey said they provide half or more of their families' incomes.

Little wonder, then, that 94 percent of working women in the *Ask A Working Woman* survey—almost every one—described equal pay as “very important;” that two of every five cited pay as the “biggest” problem women face at work; and that one-third of all women and half of African American women said that, despite its importance, they do not have equal pay in their jobs.

To better understand the wage gap for women and people of color in the United States and to better measure the price that wage inequality exacts from families and individual workers, the AFL-CIO and the Institute for Women's Policy Research (IWPR) jointly undertook a national study, including state-by-state breakouts, to analyze recent data from the Census Bureau and the Bureau of Labor Statistics.

The study confirms many recent analyses, finding that women who work full-time are paid only 74 cents for every dollar men earn—or \$148 less each week. Women of color who work full-time are paid only 64 cents for every dollar men overall earn—or \$210 less each week. Going further, the study uses more refined

techniques to explore the dimensions, and the full cost, of unequal pay.

Working Families Pay a Steep Price for Unequal Pay

America's working families lose a staggering \$200 billion of income annually to the wage gap—an average loss of more than \$4,000 each for working women's families every year because of unequal pay, even after accounting for differences in education, age, location and the number of hours worked.

- If married women were paid the same as comparable men, their family incomes would rise by nearly 6 percent, and their families' poverty rates would fall from 2.1 percent to 0.8 percent.
- If single working mothers earned as much as comparable men, their family incomes would increase by nearly 17 percent, and their poverty rates would be cut in half, from 25.3 percent to 12.6 percent.
- If single women earned as much as comparable men, their incomes would rise by 13.4 percent, and their poverty rates would be reduced from 6.3 percent to 1 percent.
- Working families in Ohio, Michigan, Vermont, Indiana, Illinois, Montana, Wisconsin and Alabama pay the heaviest price for unequal pay to working women, losing an average of roughly \$5,000 in family income each year.
- Family income losses due to unequal pay for women range from \$326 million in Alaska to \$21.8 billion in California.

The Size of the Pay Gap Varies by State

While the wage gap is much smaller than the national average in some states, the numbers do not automatically signal improved economic status for women. The primary reason for women's relatively improved status in many states is that the wages of minority men are so low. This is particularly true for the District of Columbia, Arizona, California, New York, North Carolina, Texas and Virginia.

- Women who work full-time are paid the least, compared with men, in Indiana, Louisiana, Michigan, Montana, North Dakota, Wisconsin and Wyoming, where women earn less than 70 percent of men's weekly earnings.
- Women of color fare especially poorly in Louisiana, Montana, Nebraska, Oregon, Rhode Island, Utah, Wisconsin and Wyoming, earning less than 60 percent of what men earn.
- Even where women fare best compared with men—in Arizona, California, Florida, Hawaii, Massachusetts, New York and Rhode Island—women earn little more than 80 percent as much as men.
- Women earn the most in comparison to men—97 percent—in Washington, D.C., but the primary reason women appear to fare so well is the very low wages of minority men.

- For women of color, the gender pay gap is smallest in the District of Columbia, Hawaii, Florida, New York and Tennessee, where they earn more than 70 percent of what men overall in those states earn.

Unequal Pay Hurts Men, Too

As the percentage of women in an occupation rises, wages tend to fall. Workers who do what traditionally has been viewed as “women's work”—clerical workers, cashiers, librarians, child care workers and others in jobs in which 70 percent or more of the workers are women—typically earn less than workers in jobs that are predominately male or are integrated by gender.

- Both women and men pay a steep price for unequal pay when they do “women's work”: The 25.6 million women who work in these jobs lose an average of \$3,446 each per year; the 4 million men who work in predominately female occupations lose an average of \$6,259 each per year—for a whopping \$114 billion loss for men and women in predominately female jobs.
- At the state level, women who work in female-dominated jobs could increase their salaries from \$2,112 per year in Missouri to a high of \$4,707 in Delaware if they had equal pay. Annual wage gains for women in these jobs would exceed \$3,000 on average in 36 states. In 34 states, wages would increase by at least \$2,500 for women of color in female-dominated jobs.

- For men in female-dominated jobs, state average increases would range from \$3,533 annually in the District of Columbia to \$8,958 in Delaware if pay inequality was eliminated. Minority men would see increases ranging from \$1,918 in Colorado to \$7,996 in Alaska.
- Minority men who belong to unions bring home 44 percent more—\$177—each week than nonunion men of color.
- Unions also help close the wage gaps based on gender and minority status for their members. Women represented by unions earn almost 84 percent as much as union men, while unionized workers of color make about 81 percent as much as unionized white workers.

Unions Mean Big Pay Gains, Smaller Pay Gaps

Union representation is a proven and powerful tool for raising workers' wages, particularly for those most subject to labor market discrimination: women and minorities.

- The typical female union member earns 38 percent more per week—\$157—than a woman who does not belong to a union.
- Unionized women of color earn almost 39 percent more—\$135—than nonunion women of color. In fact, minority union women earn \$45 a week more than nonunion white women.

In the 35 years since the equal employment laws passed, women and people of color have made significant strides into the mainstream of the American workplace. But lingering unequal pay robs women and their families of economic security, doubling poverty rates for today's workers and threatening reduced retirement income and greater poverty tomorrow.

There are three clear routes to ensuring that women receive equal pay: vigorous enforcement of current equal pay laws, passage of stronger and better equal pay laws and greater protections for workers' right to organize together into unions.

Introduction

In the 1960s, Congress passed two landmark laws designed to remove discrimination from employment relations. The first, the Equal Pay Act of 1963, outlawed the long-established and standard business practice of paying women less than men even when they were doing exactly the same work. Its mandate was straightforward: equal pay for equal work. The next year, Congress enacted the Civil Rights Act of 1964, which included, among other things, a comprehensive fair employment section (Title VII) that banned discrimination against women and minorities in all terms and conditions of employment (hiring, promotions, terminations and the like), including pay. Read together, the Equal Pay Act and Title VII establish the principle that employers may not pay women and people of color less for the work they do because of their race, gender or ethnicity. Simply put, employers may not deny women and minorities equal pay because of sex or race discrimination.

In the 35 years since the equal employment laws passed, women and people of color have made significant strides into the mainstream of the American workplace. Nevertheless, despite undeniable gains, pay bias and other discriminatory practices continue to impede progress, all too often placing glass ceilings in the way of workers moving up and relegating too many others to second-class workplace status on the sticky floor. Consider, for example:

- In January 1999, the Department of Labor announced that Texaco had agreed to give 186 women more than \$3 million in back wages and pay adjustments to settle findings that the company consistently had paid women in professional and executive positions less than their male counterparts.
- In 1998, major corporations, including US Airways, the pharmaceutical division of Bayer Corp., publishing giant R.R. Donnelly, Pepsi-Cola, desktop computer manufacturer Gateway 2000, insurer Highmark, Inc. (formerly Blue Cross/Blue Shield of Western Pennsylvania), Allison Engine Company of Indianapolis and CoreStates Financial Institution, agreed to payments totaling about \$3.5 million altogether to resolve Labor Department findings of pay bias and other discrimination against women and minorities.
- In 1997, two major national chains—Home Depot and Publix Supermarkets—agreed to pay out more than \$80 million each to settle lawsuits charging them with sex discrimination, including discrimination in pay, against thousands of women workers.
- In recent months, Boeing, Pennzoil Company and United Parcel Service have agreed to employment discrimination settlements totaling more than \$30 million altogether and potentially benefiting thousands of African American workers and former employees.
- According to the *1998 Catalyst Census of Women Corporate Officers and Top Earners*, less than 3 percent (or only 63 of 2,320 individuals) of the top-earning corporate officers in Fortune 500 companies are women, and their earnings (salaries and bonuses) are only two-thirds those of top-earning men.

¹Quan, Samantha. "A Profile of the Working Poor, 1996." U.S. Department of Labor: Bureau of Labor Statistics. Report No. 918. December 1997.

²Wage ratio and corresponding wage gap calculations compare average (mean) wages of one group with those of another or wages of the typical worker (the worker at the median) in each group. The median worker is the worker in the middle of the earnings range; there are just as many workers earning more than the median worker as are earning less. Median earnings (or earnings of the median worker) are often considered more accurate than mean earnings because the mean (or average) is often skewed upward by a few very high earners at the top of the earnings range. Wage gaps or ratios are usually calculated for full-time workers, all of whom by definition work 35 hours or more each week. The gender wage gap is even greater when total earnings for women and men are compared, because women average fewer hours than men.

³Of course, even differences in human capital may be affected by discrimination in the labor market or elsewhere, as well as by conditions, such as poverty, that disproportionately affect women and people of color. Discriminatory exclusion of women and people of color from training

- African American and Hispanic workers are more than twice as likely as white workers to be "working poor"—that is, to be employed but, nevertheless, to live in poverty. Minority women workers, who confront the dual problems of gender and race bias, have especially high poverty rates: One in seven African American and Hispanic women workers lives below the poverty line compared with one in 20 white working women and men.¹

Not surprisingly—considering these examples—wage gaps persist between women and men and between minority and nonminority workers as enduring reminders of gender and racial inequality in the workplace.

What Do Wage Gaps Tell Us?

"Wage gaps" are commonly cited measures of earnings inequality between different groups of workers. A "wage gap" is derived from a "wage ratio," the figure expressing the percentage of one group's earnings (for example, women or minorities) compared with another group's (men or nonminorities). As used in this study, "gender wage gaps" are percentage or actual dollar differences between the earnings of men and women, and "minority wage gaps" are differences between earnings of people of color and white workers.²

Since earnings are the main source of income for most American families, wage gaps are important indicators of differences in economic status among groups of working families. Economists disagree, however, about the extent to which wage gaps reflect

labor market discrimination or other considerations such as "human capital" differences among workers (that is, differences in education, training and experience). Higher earnings for white men, for example, do not necessarily reflect discrimination against women and minorities if white men, on average, have more human capital.³ Analyses attempting to tease out the reasons for wage differences between women and men typically separate the gender wage gap into a portion explained by human capital differences and a portion that remains unexplained even after taking such differences into account. Recent studies indicate that between one-quarter and one-half of the gender wage gap remains unexplained, and some economists attribute some or all of this unexplained portion to discrimination.⁴

Economists also differ as to whether and how to consider additional factors in explaining wage gaps. For example, pay differences associated with work in specific occupations and industries may simply reflect legitimate consumer and worker preferences or supply and demand for goods and services; or they may suggest something far more sinister—discriminatory barriers locking workers in some jobs and out of others, or bias in setting wages for jobs with heavy concentrations of women and minority workers. Marriage and the presence of children typically affect women's and men's wages differently: Is that because employers tend to discriminate against child-bearing women (and in favor of fathers)? Because women prefer to spend more time caring for children, hence accumulating less human capital? Or because the nation lacks infrastructure,

such as universally accessible and affordable child care, to make meeting both work and family needs easier?

Recognizing these differences among economists, this study employs three separate and increasingly refined approaches to measure and report on wage gaps: Section I describes results of the simplest and most straightforward analysis, a comparison of median weekly earnings of men and women and of minorities and nonminorities; Section II reports on an assessment that considers several factors, including workers' ages and education levels, to determine the effect that paying women as much as comparable men would have on women's earnings and their families' incomes and poverty rates; and Section III presents findings from an even more finely

honed test that controls for multiple individual and job characteristics to measure the wage penalty workers—men as well as women—suffer when they work in “female-dominated” jobs (those in which at least 70 percent of the workers are women). Section IV reviews the considerable advantage unionized workers enjoy, both in the form of higher wages and smaller wage gaps.

This research project was undertaken jointly by the AFL-CIO and the Institute for Women's Policy Research to better understand the wage gap in the United States, as well as each of the 50 states and the District of Columbia, and to better measure the costs of wage inequality for families and individuals.

programs, for example, will limit their acquisition of human capital and affect their ability to earn higher wages. In general, the opportunities and obstacles that individuals face (or believe they face) and forces such as culture, tradition, discrimination and poverty condition most choices—how much schooling to get, what fields to study, whether and when to have children. As a consequence, even though human capital is often thought to result from individuals' “choices” or “preferences,” it is important to remember that not every “choice” is freely made, nor every “preference” truly preferred.

⁴Altonji, Joseph G., and Rebecca M. Blank. “Race and Gender in the Labor Market.” Prepublication manuscript. Institute for Policy Research and Department of Economics, Northwestern University. June 1998; Blau, Francine D., and Lawrence M. Kahn. “Swimming Upstream: Trends in the Gender Wage Differential in the 1980s.” *Journal of Labor Economics*. Vol. 15:1, part 1, pp. 1-42. 1997; MacPherson, David A., and Barry T. Hirsch. “Wages and Gender Composition: Why Do Women's Jobs Pay Less?” *Journal of Labor Economics*. Vol. 13:3, pp. 426-71. Economists also attribute at least some of the unexplained portion to unobserved differences in productivity or other factors that are, nonetheless, legitimate considerations.

SECTION I.

Large Wage Gaps Persist for Women and Minority Workers

This section evaluates the overall wage gap and the wage ratio between women and men of all races and between minorities and whites, as reflected by differences in median weekly earnings of full-time workers in each group.⁵ The analysis groups Hispanics, who may be

of any race, with racial minorities, which include African Americans, Asian Americans, Pacific Islanders, Native Americans, Aleut Eskimos and others. Tables 1 and 2 detail the relevant earnings for each group.⁶ As shown in these tables, gender-based earnings differences and corresponding gender

TABLE 1. THE GENDER WAGE GAP

Median Weekly Earnings by Gender and Minority Status for Full-Time Workers, 1997

	WOMEN	MEN	GENDER WAGE GAP	FEMALE/MALE WAGE RATIO
All Races	\$291	\$379	\$88	74.4%
Whites (Minority Excluded)	\$262	\$351	\$89	73.2%
Minorities ¹	\$269	\$415	\$146	63.9%

Minority workers include those who are African American, Asian American, Pacific Islander, Native American, Aleut Eskimo or other race and Hispanics who may be of any race.

Source: U.S. Department of Labor, Bureau of Economic Analysis, Employment and Earnings, Monthly Labor Review, 120 (1997), Bureau of Economic Analysis, calculations based on the Current Population Survey, August 1997, Table 716, 1997.

TABLE 2. THE MINORITY WAGE GAP

Median Weekly Earnings by Minority Status for Full-Time Workers, 1997

	MINORITIES	WHITES (MINORITY EXCLUDED)	MINORITY WAGE GAP	MINORITY/WHITE WAGE RATIO
All Races	\$291	\$354	\$63	79.2%
Women	\$269	\$359	\$90	73.9%
Men	\$415	\$351	-\$66	83.9%

Minority workers include those who are African American, Asian American, Pacific Islander, Native American, Aleut Eskimo or other race and Hispanics who may be of any race.

Source: U.S. Department of Labor, Bureau of Economic Analysis, calculations based on the Current Population Survey, August 1997, Table 716, 1997.

⁵Wage gaps also can be expressed as differences in hourly earnings, in which case part-time workers would also be included in computing gender and minority differences. Federal data sources generally do not provide hourly earnings data, though hourly figures can be calculated either from data on hours worked per week and weekly earnings or from hours worked per year and annual earnings. This report uses both weekly and annual earnings data.

⁶These calculations use two sources. Where possible, they rely on 1997 year-end Current Population Survey data reported in the Department of Labor's January 1998 edition of *Employment and Earnings*. For figures not officially reported in *Employment and Earnings*, IWPR calculations from the raw Outgoing Rotation Group files of the 1997 Current Population Survey (CPS) are used.

wage gaps are large for all women compared with all men and especially large for minority women compared with all men.

- Overall, women earn just \$431 per week compared with men's \$579 weekly earnings, for a wage gap of \$148. White women do better than women overall, earning \$462 per week—but since white men's weekly earnings of \$631 are also greater than those for men overall, the \$169 wage gap between white women and white men is larger than for all women and all men.
- Minority women have lower earnings—just \$369 a week—but because minority men's \$415 weekly earnings are also lower than men's overall, the \$46 distance between minority women and men is the smallest gender gap. The low wages of both minority women and men and their smaller gender gap reflect systematic disadvantages that minorities face in and out of the workplace. When compared with all men rather than only with minority men, the wage gap for minority women—\$210—is almost five times greater.
- For all race groups, full-time women workers earn just 74.4 percent of what men earn on a weekly basis. White women earn 73.2 percent of what white men earn, while minority women earn 88.9 percent of what minority men earn. However, minority women earn just 63.7 percent of what all men earn.
- The ratio of women's wages to men's is lower, and hence the wage gap is greater than corresponding national rates, in half of the states. Overall gender gaps are worst in Indiana, Louisiana, Michigan, Montana, North Dakota, Wisconsin and Wyoming, where women's median weekly wages are less than 70 percent

those of men. At the other end of the spectrum, women fare best in Arizona, California, Florida, Hawaii, Massachusetts, New York, Rhode Island and the District of Columbia, where they earn at least 80 percent as much as men.

- More favorable gender wage gaps at the state level, however, do not automatically signal improved economic status for women. To the contrary, in the District of Columbia and six states where the gender wage gap is less than the national rate—Arizona, California, New York, North Carolina, Texas and Virginia—a primary reason for women's relatively improved status is that the wages of minority men are so low. (See the National Summary Table for state-by-state breakdowns.)

Wage gaps between men and women have declined steadily in recent decades, though progress has slowed in the 1990s, and gender-based wage differentials in the United States remain large relative to those in many other industrialized countries. Today's 26 percent gender wage gap is 11 percentage points lower than it was in 1979, when women earned only 63 cents for every dollar men earned, and the gender wage gap was 37 percent.⁷ Several factors contribute to the rise in women's wages, including increased educational attainment (today, women's college graduation rates are actually higher than men's, although they lagged behind for several decades), greater labor force attachment and work experience (more women are working, and women are working more), fairer treatment in the labor market (in large part because of laws such as Title VII) and movement into traditional men's jobs (for example, telecommunications specialists, mail carriers and professions such as lawyers and doctors).

⁷The wage gap is actually the difference between 100 percent (what the wage ratio would be if there were equality between women and men) and the wage ratio. The current wage gap is about 26 percent.

Nevertheless, the narrowing of the gender wage gap since 1979 connotes less progress than might appear. Over the past two decades, most of the reduction in the gender wage gap was because *men's real wages were falling*—not because women's were rising.⁸ An earlier IWPR study estimated that the growth in women's wages explained only about two-fifths of the decrease in the wage gap between 1979 and 1997; three-fifths of the narrowing of the gap resulted from the decline in men's real wages.⁹ Falling men's wages accounted for roughly half of the decline in the gender wage gap between 1979 and 1989 and for a stunning four-fifths of the decline between 1989 and 1997. Had men's real wages not fallen—in other words, had they remained at their 1979 inflation-adjusted level—women's earnings today would be only about 66 percent of men's, representing a remarkably small overall decline in the gender wage gap.

Like gender-based wage differentials, minority-based wage gaps are substantial. Minority men fare less well than minority women relative to their white counterparts, though this result, in part, reflects white women's low wages compared with those of white men.

- The minority wage gap for both sexes considered together is quite large (\$154) and especially large for minority men compared with white men (\$216). Indeed, the overall minority wage gap of \$154 is larger than the overall gender-based wage gap of \$148.
- Taking women and men together, minorities earn only 72.2 percent of what whites earn for full-time weekly work. Minority women earn 79.9 percent of what white women earn, while minority men earn only 65.8 percent of what

white men earn. At earnings of \$415 per week, minority men also earn \$47 less than white women.

- Minority women's median weekly earnings are greatest in relation to white women's in Alaska (95 percent), Tennessee (94 percent), Indiana (93 percent), Pennsylvania (89 percent) and South Dakota (89 percent). Women of color fare least well in relation to white women in Rhode Island (62 percent), the District of Columbia (65 percent), Texas (67 percent), California (69 percent) and New Mexico (70 percent). Minority men's earnings are highest in relation to white men's in Kentucky (90 percent), Montana (86 percent), Hawaii (84 percent) and Missouri and Ohio (83 percent for each); and lowest in relation to white men's in the District of Columbia (51 percent), California (52 percent), Rhode Island (57 percent) and Arizona, Idaho, Mississippi and Oregon (58 percent for each).

Unlike the gender wage gap, which has shown slight but steady improvement, the pattern of change in minority wage gaps has been uneven and generally negative. The wage gap between African American and white men narrowed until 1978 but then widened during the 1980s and has not moved in a clear direction in the 1990s. African American and white women achieved near-parity in wages by the mid-1970s, but since then the race-based wage gap between them has widened. Differences based on race in the earnings of college-educated workers have grown since 1978 for both women and men.¹⁰ Earnings data for Hispanic men and women also show growing earnings inequality between non-Hispanic whites and Hispanics for both genders.

⁸The concept of "real wages" reflects the actual value of wages once inflation is taken into account. Between 1979 and 1997, men's "real" hourly wages fell from \$14.39 to \$12.19, while women's rose slightly, from \$9.03 to \$9.63. Mishel, Lawrence, Jared Bernstein and John Schmitt. *The State of Working America, 1998-99*. Economic Policy Institute and Cornell University Press, January 1999.

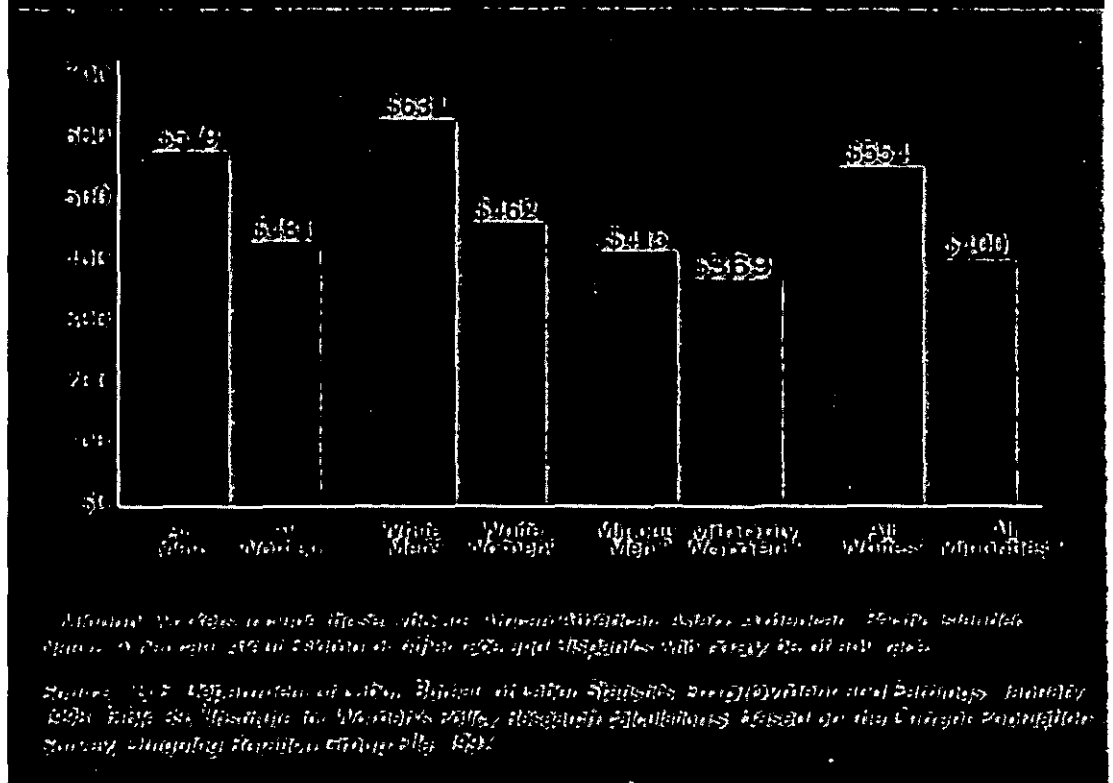
⁹Hartmann, Heidi, and Julie Whittaker. "Stall in Women's Real Wage Growth Slows Progress in Closing the Wage Gap." Briefing paper. Institute for Women's Policy Research, February 1998. See also Mishel, Bernstein and Schmitt at 134.

¹⁰Council of Economic Advisors for the President's Initiative on Race. *Changing America: Indicators of Social and Economic Well-Being by Race and Hispanic Origin*. September 1998.

Figure 1 depicts in graphic form the weekly wages of full-time workers for various demographic groups. Earnings disparities are large, with white men earning the most per week at \$631, while minority women earn the least at \$369. These gross wage differences, of course, in part reflect differences among demographic groups in average qualifications and tendencies to work in certain occupations and industries. But they also are meaningful indicators of inequality attributable, at least in part, to discrimination in the labor market or elsewhere, since wage gaps likely would

dwindle or disappear if everyone had true equal opportunity from birth. Average differences among groups in health, education and time spent on family care would not exist, since it is unlikely that preferences regarding these activities would differ substantially among groups if economic, discriminatory and other barriers fell and the forces of tradition dissolved. Workers from all demographic groups would have access to the same types of job and, having few differences among them (on average), would tend to earn equal wages.

FIGURE 1. MEDIAN WEEKLY EARNINGS FOR FULL-TIME WORKERS, 1997



Unequal Pay for Women Lowers Family Incomes and Increases Poverty

Because existing differences among groups of workers due to legitimate factors such as education and family status contribute to wage gaps, this study also makes use of two additional, more refined measures better able to isolate the effects of labor market discrimination on gender wage gaps. The first, described in this section, controls for certain human capital differences between male and female workers and for selected differences in labor markets. The objective is to estimate how much women and their families lose because women earn less than similarly qualified men or, correspondingly, how much women's earnings and family incomes would rise with equal pay.

Lower earnings for women are of no small consequence to working families. More than two-thirds of all mothers in the United States work for pay. Of these, about three-fourths are married and have access to men's incomes, but their earnings are nevertheless crucial to family support. One-fourth are single and often the sole support of their families. And many women without children, both single and married, work to support themselves and other family members.

Table 3 shows women's annual earnings, hours worked and annual family incomes in three different types of families with women workers: married working women, working single mothers and self-supporting single women. The table reflects gains to family incomes and reductions in poverty levels that would result from boosting women's pay.¹¹ Estimated added income for the average family of each type is calculated from the earnings gains working women would enjoy if they earned as much as men who work the same number of hours, are the same age, have the same educational attainment and urban/rural status and live

¹¹IWPR researchers used annual earnings and employment information reported in the CPS for the years 1995-1997 to estimate women's and men's earnings. Refer to the Data Description section of the Technical Appendix for more detailed information about the data set.

TABLE 3. MEAN ANNUAL EARNINGS, MEAN FAMILY INCOME AND POVERTY RATES IF WORKING WOMEN EARNED THE SAME AS MEN, 1994-1996 AVERAGE, IN 1997 DOLLARS

	SINGLE MOTHERS AGED 18	CHILD SINGLE MOTHERS AGED 18	MARRIED WOMEN AGED 18
Population (in 1000)	5,400,000	5,200,000	32,300,000
Woman's Annual Earnings	\$19,575	\$27,703	\$25,194
Annual Hours Worked	1,775	1,575	1,761
Annual Family Income			
Current	\$26,371	\$30,249	\$69,579
After Pay Adjustment	\$30,351	\$35,090	\$73,331
Increase per Family	\$3,980	\$4,841	\$3,752
Percent Increase	15.1%	16.0%	5.4%
Total Family Income Gains	\$24.1 billion	\$33.2 billion	\$137.9 billion
Poverty Rate			
Current	23.3%	3.3%	2.4%
After Pay Adjustment	12.5%	1.0%	0.3%

Note: Rates in families with employed women

Source: Institute for Women's Policy Research, all figures based on the Current Population Survey, March, representative supplements 1995-1997, in calendar years 1994-1996 all in 1997 dollars

in the same region of the country.¹² As shown in the table, raising women's pay would have a dramatic impact on their families:

- Paying the 32.8 million married women the same as comparable men would boost their earnings by about one-fifth and raise family incomes for married couples by 6 percent. This translates into an average of \$4,205 more income per year for each married-couple family, or a total of \$137.9 billion nationwide. Poverty rates for married working women's families would fall by more than half, from 2.1 percent to 0.8 percent.

- If the 5.4 million working single mothers earned as much as comparable men, their annual family incomes would increase \$4,459 on average, or nearly 17 percent. Total income gains for this group of families would be \$24.1 billion, and the very high poverty rates for working single mothers would fall by half, from 25.3 percent to 12.6 percent.

- The 9.2 million working single women who live alone,¹³ including divorced, widowed, separated and never-married women, would earn a total of \$38.2 billion more if they were paid the same as comparable men. These single working women each would earn an average of \$4,151 more per year. Single working women also would experience a significant drop in poverty—in fact, the steepest drop—from 6.3 percent to 1.0 percent.

- Working women in every state would receive wage hikes if they earned as much as comparable men in their states. The potential wage hikes range from a low of \$2,815, on average, in Alaska to a high of \$5,160 in Ohio. Family income would grow, on average, by about \$326 million in Alaska up to roughly \$21.8 billion in California. Family income in half of the states would grow by more than \$2.5 billion. Poverty rates would fall dramatically in all states, and poverty rates for families headed by single mothers would drop to less than 10 percent in 14 states.

¹²For a more detailed discussion of the methodology used for this analysis, please see the Technical Appendix.

¹³The analysis of earnings gains is limited to single women older than 25 who live alone in order to include only those who are likely to be supporting themselves on their own and whose family income is relatively easy to identify. Many younger single women and single women living in other family configurations also are earning less because of discrimination, but the impact on their family earnings would be more difficult to identify. See the Technical Appendix for additional details.

Men and Women in Female-Dominated Jobs Suffer Wage Penalties

One phenomenon contributing to the gender wage gap is the tendency of wages to fall as the percentage of women in an occupation rises. In particular, workers in “female-dominated” or “predominately female” jobs—jobs such as clerical workers, cashiers, librarians and child care workers, for example, in which 70 percent or more of the workers are women¹⁴—typically earn less than workers in jobs that are predominately male or that are integrated by gender.¹⁵ This section

reports on findings of an analysis designed to capture the “pay inequity” effect of working in female-dominated jobs—that is, the wage penalty women and men incur for working in predominately female jobs.

To develop an estimate of the earnings costs for workers in female-dominated jobs, the analysis compares earnings of workers in these occupations with those of comparable workers who are not in predominately female jobs.¹⁶ In other words, workers (women and men) in female-

¹⁴Defining a female-dominated occupation as one in which women make up 70 percent or more of the workers is standard practice in this field. The 70 percent figure represents women’s share of the labor force plus 25 percent. A male-dominated occupation is generally held to be one in which 80 percent or more of the workers are men, since 80 percent represents men’s share of the labor force (55 percent) plus 25 percent.

¹⁵Treiman, Donald J., and Heidi I. Hartmann (eds.). *Women, Work and Wages: Equal Pay for Jobs of Equal Value*. National Research Council: Committee on Occupational Classification and Analysis, Assembly of Behavioral and Social Sciences. Washington, D.C.: National Academy Press, 1981.

¹⁶Occupations that are not female-dominated are those in which fewer than 70 percent of the workers are women. These include integrated occupations in which female and male workers are present in relatively equal proportions, as well as occupations that are disproportionately male.

TABLE 4. MEAN ANNUAL EARNINGS OF WOMEN AND MEN AGED 18 AND OLDER IN FEMALE-DOMINATED OCCUPATIONS*

If Pay Equity Prevalled, 1994-1996 Average, 1997 Dollars

	WOMEN			MEN		
	Actual Earnings	Equivalent Earnings	Pay Penalty	Actual Earnings	Equivalent Earnings	Pay Penalty
Male-Dominated Jobs	\$12,656 (0.6)	\$12,656 (0.6)	\$0 (0.0)	\$12,656 (0.6)	\$12,656 (0.6)	\$0 (0.0)
Female-Dominated Occupations						
Child Care Workers	\$8,450 (0.6)	\$10,180 (0.6)	\$1,730 (0.6)	\$8,450 (0.6)	\$10,180 (0.6)	\$1,730 (0.6)
Clerical Workers	\$7,250 (0.6)	\$8,150 (0.6)	\$900 (0.6)	\$7,250 (0.6)	\$8,150 (0.6)	\$900 (0.6)
Food Service Workers	\$5,450 (0.6)	\$6,150 (0.6)	\$700 (0.6)	\$5,450 (0.6)	\$6,150 (0.6)	\$700 (0.6)
Integrated Occupations						
Accountants	\$12,656 (0.6)	\$12,656 (0.6)	\$0 (0.0)	\$12,656 (0.6)	\$12,656 (0.6)	\$0 (0.0)
College Professors	\$12,656 (0.6)	\$12,656 (0.6)	\$0 (0.0)	\$12,656 (0.6)	\$12,656 (0.6)	\$0 (0.0)

*The data are based on the 1994-1996 Survey of Income and Program Participation (SIPP) conducted by the U.S. Census Bureau. The data are based on the 1994-1996 SIPP conducted by the U.S. Census Bureau. The data are based on the 1994-1996 SIPP conducted by the U.S. Census Bureau. The data are based on the 1994-1996 SIPP conducted by the U.S. Census Bureau.

¹⁷Please see the Technical Appendix for more detailed information about the methodology used for the statistical model. Since no data on the content of jobs (the skill, effort and responsibility required by workers who hold them nor the working conditions in which they work) are available in the CPS, "jobs of equal value" to the female-dominated jobs being studied are approximated by investigating what these same workers would earn in jobs that are not female-dominated.

¹⁸This strategy also has the effect of reducing some of the weaknesses in the data available. For example, the gender differences in the value of age as a proxy for work experience matter less if women are being compared to women and men are being compared to men. Other models were tested, but all resulted in the same magnitude and relative findings among women and men.

¹⁹Minority men would especially benefit from pay equity adjustments, since they are more likely to work in female-dominated occupations than white men are; minority men are 34 percent of the male workers in female-dominated jobs compared with 26 percent of male workers overall.

dominated jobs are compared with workers in nonfemale-dominated jobs who are otherwise of the same gender, age, race, educational level, marital and parental status, urban/rural status, who live in the same region of the country and who work the same number of hours per year in a firm of the same size in the same industry.¹⁷ This strategy, comparing women in female-dominated jobs with women in all other occupations and men in female-dominated occupations with men in all other occupations, has the effect of isolating pay differentials due to job class from all other gender-based discrimination. As a result, this approach may actually understate the extent to which pay equity would boost wages for women workers in female-dominated jobs.¹⁸ Yet even so, as reported in Table 4, the analysis finds very large earnings losses due to the lower pay associated with working in female-dominated jobs:

- Nearly 26 million women of all races who work in female-dominated occupations would earn about 18 percent more per year if they earned as much as comparable women in nonfemale-dominated jobs. For the number of hours these women worked, each would have earned an average of \$3,446 more per year, translating into \$89 billion in income gains for women in predominately female jobs throughout the United States.
- Among the nearly 7 million minority women working in female-dominated jobs, earnings would rise 18.6 percent, for average individual increases of \$3,412 per year. Altogether, pay equity adjustments based on job class would yield a total of \$24 billion in annual earnings for minority women.
- Likewise, the 18.7 million white women working in female-dominated occupations

would receive 17.7 percent more in earnings per year, or an average of \$3,456 each, for total earnings gains of \$65 billion per year.

- At the state level, increases for women of all races would range from a low of \$2,112 per year in Missouri to a high of \$4,707 in Delaware. Annual wage gains for women in predominately female jobs would exceed \$3,000, on average, in 36 of the states. In 34 states, wages would increase by at least \$2,500 for women of color in female-dominated jobs.

Men working in female-dominated occupations also would earn more if they did not suffer inequities based on job class. However, only 8.5 percent of men work in female-dominated occupations compared with more than 55 percent of women. Men in female-dominated jobs earn about 20 percent more per hour than women in these same jobs. Because they work more hours and have higher rates of pay than women in both the female-dominated occupations and nonfemale-dominated jobs, pay equity adjustments for men in female-dominated jobs would actually produce even larger individual gains than for women. Each of the 4 million men of all races working in predominately female occupations would receive an average of \$6,259 more per year. This represents \$25 billion in additional income for male workers throughout the United States. The 1.3 million minority men who work in female-dominated occupations would receive an average of \$4,778 more per year, bringing their annual earnings up from \$20,632 to \$25,410.¹⁹ For all men in female-dominated jobs, state-level increases would range from \$3,533 annually in the District of Columbia to \$8,958 in Delaware; and for minority men, from \$1,918 in Colorado to \$7,996 in Alaska.

SECTION IV.

Union Membership Means Big Pay Gains, Smaller Pay Gaps

As the preceding sections reflect, equal pay would boost workers' pay and working families' incomes. Union representation is another proven and powerful tool for raising workers' wages, particularly for those most subject to labor market discrimination: women and minorities. Unions spell higher pay and more equitable wages for women and workers of color for several reasons:

- Unions routinely bargain for wage increases and related benefits for workers they represent.
- Unions have played a central role in fighting for equal opportunity and combating discrimination. A number of public- and private-sector unions have led the campaign to bring pay equity to the workplace, combining organizing, bargaining, lobbying and lawsuits to win pay equity adjustments totaling hundreds of millions of dollars.
- Unions bring wage setting into the open, making it more difficult for employers to discriminate and helping ensure a stronger voice for all workers.

- Unionization also tends to compress wage differentials between jobs at the top and the bottom of pay scales, further mitigating the effects of race- or sex-based bias.

Table 5 reports median weekly earnings for workers represented by unions²⁰ and nonunion workers by gender and minority status. For every group represented, median weekly earnings are substantially higher for union workers than for their nonunion counterparts:

- Union women earn \$157 more per week than nonunion women (\$568, compared with \$411).

²⁰Union workers are defined as those who are members of a union or whose job is covered by a union or employee association collective bargaining agreement.

TABLE 5. THE UNION WAGE ADVANTAGE

Median Weekly Earnings for Union and Nonunion Workers by Gender and Minority Status for Full-Time Workers, 1997

	UNION	NONUNION	UNION WAGE ADVANTAGE	UNION/ NONUNION WAGE RATIO	UNION WAGE PREMIUM
Women	\$568	\$411	\$157	138.2%	37.2%
White (Non-Hispanic)	\$596	\$440	\$156	135.5%	35.5%
Minority ¹	\$485	\$350	\$135	138.6%	38.6%
Men	\$679	\$520	\$159	129.0%	29.0%
White (Non-Hispanic)	\$715	\$560	\$155	127.7%	27.7%
Minority ¹	\$577	\$410	\$167	140.8%	40.8%

¹ Minority workers include those who are African American, Asian American, Pacific Islander, American Indian, Alaska Native or other race and Hispanics who may be of any race

Source: U.S. Department of Labor, Bureau of Labor Statistics, Employment and Benefits Survey, Table 51, "Earnings for Workers by Race, Sex, and Minority Status, by Industry Group, 1997"

- Likewise, minority women represented by unions earn \$135 more than minority women who are not in unions (\$485 compared with \$350). Indeed, minority union women out-earn nonunion white women (\$485 compared with \$440).
- The union wage advantage is largest for minority men, at \$177, and smallest for white men, at \$115.

Table 5 also shows the percentage increase in the weekly wages for each group, comparing union workers with nonunion workers. These percentage increases are largest for minority workers, larger for women than for men overall and smallest but still substantial for white men.

Minority women who are represented by unions earn 38.6 percent more than minority women who are not represented by unions. Likewise, minority union men earn 44.3 percent more than those who are not in unions. White women also benefit substantially from union representation, earning 35.5 percent more than those who are not represented by a union. The gain for white men, 19.2 percent, is less, but still a substantial increase.

Union workers enjoy a wage advantage over nonunion workers in every state. Union women receive a wage premium of 30 percent or more relative to nonunion women in 34 states, and the union wage advantage for women is at least 20 percent in all but four states. Because of sample

TABLE 6. THE GENDER GAP FOR UNION AND NONUNION WORKERS

Median Weekly Earnings for Women and Men by Union Status for Full-Time Workers, 1997

	WOMEN	MEN	GENDER WAGE GAP	PERCENTAGE WAGE GAP
Union workers	\$485	\$662	\$177	36.5%
Nonunion workers	\$350	\$465	\$115	32.9%

Source: U.S. Department of Labor, Bureau of Economic Analysis, "Earnings, Hours, and Benefits of Full-Time Workers, 1997." Table 6.1.

constraints, union wage advantages can be computed for women of color in only 27 states (including the District of Columbia); the union wage advantage for minority women is 25 percent or more in 19 of these. Minority men represented by unions enjoy a union wage advantage of 35 percent or more in 25 of the 31 states for which computations are possible. Among men of all races, men represented by unions have a union wage advantage of 35 percent or more in eight states.

Wage gaps are also smaller among workers represented by unions than among their nonunion counterparts. As Table 6 shows, among workers represented by unions, women's wages relative to men's are more than 7 percentage points higher than among nonunion women and men (a

female/male wage ratio of 83.7 percent among union members compared with 76.3 percent among nonunion workers). In other words, the gender-based wage gap is *one-third smaller* among union workers than among nonunion workers. Table 7 shows that the minority wage gap is also smaller among union workers than their nonunion counterparts and especially so among men. The minority/white wage ratio for women is about 2 percentage points larger among union workers than among nonunion workers. Among men, the minority/white wage ratio is 14 percentage points larger. In other words, the minority/white wage gap for men is about two-fifths smaller among union workers relative to nonunion employees.

**TABLE 7. THE MINORITY WAGE GAP FOR UNION/
NONUNION WORKERS**

Median Weekly Earnings for Minorities and Whites by Gender and Union Status for Full-Time Workers, 1997

	White Union	White Nonunion	Minority Union	Minority Nonunion
Women				
Nonunion	\$320	\$290	\$210	\$190
Union	\$325	\$295	\$215	\$195
Men				
Nonunion	\$400	\$300	\$210	\$170
Union	\$410	\$310	\$220	\$180

Minority includes Black, Hispanic, and American Indian/Alaskan Native. Nonunion workers are those who are not represented by a union. The data are based on the Survey of Income and Program Participation (SIPP) conducted by the U.S. Census Bureau in 1997. The data are based on the 1997 SIPP, which is available at <http://www.census.gov/sipp/>.

Conclusion

Persistent wage gaps for working women and people of color and the earnings inequality these gaps connote translate into lower pay, less family income and more poverty for working families. The solution, long overdue, is equal pay for women and minority workers.

As the analyses reported above show, paying working women the wages of comparable men would increase family incomes substantially and cut family poverty rates markedly—at least by half for all family types in the study. Moreover, paying women *and* men in female-dominated jobs wages equal to those of comparable workers in other jobs would significantly boost these workers' incomes.

Unions are crucial weapons in the equal pay fight. Unions play an especially important role for workers most affected by

race- and gender-based wage discrimination—women and minorities—as well as for men who work in female-dominated jobs. Wages are higher for union-represented workers, and the gender- and minority-based wage gaps are smaller. Hence, strengthening labor laws and boosting support for workers' rights to organize and bargain would raise wages for women and people of color, helping to reduce inequality.

Equally important, steps to ensure greater compliance with existing equal pay and employment discrimination requirements, coupled with passage and enforcement of new and tougher laws, also would boost wages for women and minorities significantly. In short, tough enforcement of strong equal pay laws would go a long way toward erasing inequality and closing wage gaps that imperil economic security for millions of working families.

National Summary Table

STATE	MEDIAN WEEKLY EARNINGS		SHARE OF WEEKLY EARNINGS OF ALL MEN		EARNING AS MUCH AS COMPARABLE MEN WOULD			
	ALL MEN	ALL WOMEN	PERCENT ALL WOMEN	PERCENT MINORITY WOMEN	RAISE WOMEN'S ANNUAL WAGES ON AVERAGE	REDUCE POVERTY IN SINGLE-MOTHER HOUSEHOLDS		RAISE TOTAL FAMILY EARNINGS IN EACH STATE (IN MILLIONS)
						FROM	TO	
U.S.	\$579	\$431	74.4%	63.7%	\$4,229	25.3%	12.6%	\$200,592
Alabama	493	362	73.4%	60.9%	\$4,829	33.0	16.3	\$3,718
Alaska	762	557	73.1%	69.8%	\$2,815	9.7	3.5	\$326
Arizona	487	399	81.9%	65.7%	\$4,437	37.9	24.7	\$3,256
Arkansas	439	329	74.9%	63.3%	\$3,602	35.8	17.5	\$1,585
California	589	497	84.4%	67.9%	\$4,129	19.2	9.2	\$21,829
Colorado	617	460	74.6%	64.8%	\$4,650	24.7	11.1	\$3,480
Connecticut	692	513	74.1%	61.1%	\$3,316	22.2	11.8	\$2,090
Delaware	598	443	74.1%	65.9%	\$4,415	19.7	8.4	\$616
Dist. of Col.	584	567	97.1%	82.4%	\$3,933	25.8	14.2	\$349
Florida	492	407	82.7%	70.3%	\$4,490	23.6	11.5	\$11,201
Georgia	567	427	75.3%	65.3%	\$3,665	24.4	12.5	\$5,121
Hawaii	562	463	82.4%	79.9%	\$4,692	21.1	4.1	\$969
Idaho	509	382	75.0%	66.8%	\$4,313	34.4	15.7	\$949
Illinois	639	460	72.0%	62.6%	\$4,913	25.4	9.9	\$10,306
Indiana	590	389	65.9%	62.7%	\$5,011	21.0	12.7	\$5,563
Iowa	538	398	74.0%	64.3%	\$3,647	16.7	11.5	\$2,127
Kansas	553	410	74.1%	60.8%	\$3,973	31.5	17.8	\$1,982
Kentucky	539	386	71.6%	61.2%	\$3,565	31.8	16.8	\$2,489
Louisiana	509	339	66.6%	55.0%	\$3,814	34.2	19.1	\$2,626
Maine	521	397	76.2%	N/A	\$4,616	23.3	16.0	\$1,128
Maryland	676	503	74.4%	63.9%	\$4,398	22.4	6.1	\$4,410
Mass.	640	512	80.0%	62.8%	\$4,097	20.3	8.6	\$4,851
Michigan	654	457	69.9%	61.2%	\$5,130	31.1	12.9	\$9,016

PAY EQUITY FOR FEMALE-DOMINATED JOBS WOULD RAISE ANNUAL WAGES, ON AVERAGE:				UNION WAGE ADVANTAGE			
ALL WOMEN	MINORITY WOMEN	ALL MEN	MINORITY MEN	ALL WOMEN	MINORITY WOMEN	ALL MEN	MINORITY MEN
\$3,446	\$3,412	\$6,259	\$4,778	138.2%	138.6%	126.0%	144.3%
\$3,177	\$2,459	\$5,323	\$5,139	148.9%	149.0%	137.5%	137.0%
\$3,320	\$1,872	\$8,318	\$7,996	136.8%	135.1%	135.9%	163.5%
\$3,169	\$3,309	\$5,655	\$4,033	123.0%	N/A	132.6%	153.8%
\$2,830	\$2,358	\$7,426	N/A	143.4%	N/A	115.4%	N/A
\$4,280	\$4,125	\$6,519	\$5,462	139.4%	160.3%	136.9%	159.7%
\$3,260	\$2,915	\$6,188	\$1,918	128.2%	153.1%	125.7%	136.4%
\$2,839	\$2,751	\$5,349	\$6,456	139.8%	150.0%	112.6%	145.9%
\$4,707	\$6,796	\$8,958	N/A	130.6%	120.0%	128.7%	166.7%
\$3,637	\$3,299	\$3,533	\$3,329	112.2%	122.5%	112.3%	140.8%
\$4,135	\$2,899	\$5,815	\$3,936	144.3%	141.5%	135.4%	150.0%
\$3,850	\$3,891	\$4,616	\$4,171	145.4%	138.9%	116.4%	133.5%
\$3,888	\$4,059	\$5,748	\$6,477	122.8%	128.0%	135.9%	144.2%
\$2,734	\$1,771	\$7,229	N/A	153.9%	N/A	129.6%	N/A
\$3,459	\$3,472	\$6,454	\$4,841	117.6%	120.0%	114.6%	151.8%
\$3,116	\$2,771	\$6,705	N/A	147.3%	N/A	120.2%	153.0%
\$2,318	N/A	\$5,940	N/A	129.5%	N/A	118.3%	N/A
\$3,242	\$2,417	\$5,731	\$4,057	146.7%	N/A	130.3%	N/A
\$2,716	\$2,673	\$4,116	N/A	128.0%	N/A	126.4%	N/A
\$2,707	\$2,820	\$6,459	\$4,103	125.1%	127.4%	121.2%	160.0%
\$2,957	N/A	\$7,695	N/A	140.8%	N/A	141.3%	N/A
\$3,743	\$2,993	\$7,790	\$6,450	146.3%	160.5%	*	120.0%
\$3,536	\$4,132	\$6,950	\$3,521	121.6%	104.0%	106.0%	125.0%
\$3,113	\$3,382	\$6,420	\$3,644	137.4%	146.6%	125.2%	146.7%

*No significant difference.

STATE	MEDIAN WEEKLY EARNINGS		SHARE OF WEEKLY EARNINGS OF ALL MEN		EARNING AS MUCH AS COMPARABLE MEN WOULD			
	ALL MEN	ALL WOMEN	PERCENT ALL WOMEN	PERCENT MINORITY WOMEN	RAISE WOMEN'S ANNUAL WAGES ON AVERAGE	REDUCE POVERTY IN SINGLE-MOTHER HOUSEHOLDS		RAISE TOTAL FAMILY EARNINGS IN EACH STATE (IN MILLIONS)
						FROM	TO	
Minnesota	634	477	75.2%	65.9%	\$3,332	23.0	7.9	\$3,203
Mississippi	464	343	73.9%	64.7%	\$4,690	37.9	15.6	\$2,092
Missouri	568	419	73.8%	64.3%	\$2,977	21.8	10.9	\$3,148
Montana	497	344	69.2%	57.9%	\$4,955	31.5	16.5	\$834
Nebraska	533	386	72.4%	58.5%	\$4,436	30.1	19.1	\$1,465
Nevada	555	410	73.9%	62.0%	\$3,726	9.9	5.4	\$1,157
New Hamp.	603	459	76.1%	60.5%	\$4,803	12.5	6.4	\$1,167
New Jersey	667	503	75.4%	60.0%	\$3,770	18.6	6.5	\$5,277
New Mexico	508	391	77.0%	63.6%	\$4,760	28.0	16.1	\$1,353
New York	603	485	80.4%	70.1%	\$4,080	21.2	10.5	\$11,792
N. Carolina	507	394	77.7%	68.2%	\$3,618	35.3	22.3	\$5,063
N. Dakota	509	347	68.2%	N/A	\$4,217	27.5	16.1	\$546
Ohio	595	427	71.8%	64.7%	\$5,160	23.1	11.0	\$10,279
Oklahoma	493	362	73.4%	64.9%	\$4,481	28.9	17.3	\$2,599
Oregon	553	416	75.2%	57.9%	\$3,886	30.0	16.3	\$2,259
Penn.	609	437	71.8%	65.7%	\$4,623	19.4	9.1	\$9,559
Rhode Island	575	465	80.9%	51.5%	\$3,917	19.7	10.4	\$707
S. Carolina	499	379	76.0%	64.1%	\$3,998	35.2	16.4	\$2,713
S. Dakota	479	358	74.7%	66.8%	\$3,849	30.3	14.6	\$571
Tennessee	512	374	73.0%	70.3%	\$4,234	26.1	14.5	\$4,169
Texas	512	402	78.5%	62.5%	\$3,789	31.3	18.4	\$12,528
Utah	552	408	73.9%	58.0%	\$4,051	21.5	9.3	\$1,456
Vermont	531	419	78.9%	N/A	\$5,051	30.2	16.2	\$642
Virginia	586	461	78.7%	64.8%	\$4,212	22.6	12.5	\$5,218
Washington	643	491	76.4%	67.2%	\$3,821	25.7	6.7	\$3,950
W. Virginia	516	370	71.7%	N/A	\$4,033	34.1	16.3	\$1,122
Wisconsin	613	420	68.5%	55.8%	\$4,938	24.2	11.2	\$5,324
Wyoming	579	364	62.9%	51.8%	\$4,497	29.6	19.2	\$408

PAY EQUITY FOR FEMALE-DOMINATED JOBS WOULD RAISE ANNUAL WAGES, ON AVERAGE:				UNION WAGE ADVANTAGE			
ALL WOMEN	MINORITY WOMEN	ALL MEN	MINORITY MEN	ALL WOMEN	MINORITY WOMEN	ALL MEN	MINORITY MEN
\$2,161	\$1,685	\$4,050	N/A	126.1%	N/A	115.3%	N/A
\$3,625	\$4,179	\$6,671	\$4,643	137.2%	142.9%	127.8%	150.0%
\$2,112	\$3,351	\$5,190	N/A	139.0%	0.0%	125.1%	150.0%
\$2,595	\$3,380	\$5,794	N/A	162.5%	N/A	130.9%	N/A
\$3,564	\$3,528	\$5,376	N/A	139.0%	N/A	128.0%	N/A
\$2,522	\$2,565	\$4,920	\$4,133	120.3%	N/A	124.5%	133.3%
\$4,252	N/A	\$5,397	N/A	130.7%	N/A	121.3%	N/A
\$2,754	\$3,387	\$5,539	\$4,403	119.8%	105.0%	101.0%	N/A
\$3,557	\$3,368	\$7,414	\$6,281	135.7%	146.2%	122.0%	144.3%
\$3,506	\$3,930	\$6,457	\$5,590	113.9%	118.5%	115.1%	137.5%
\$3,366	\$3,384	\$5,788	\$3,205	122.8%	135.9%	123.4%	166.7%
\$3,157	\$2,205	\$4,360	N/A	151.5%	N/A	134.3%	N/A
\$3,169	\$3,421	\$7,408	\$3,671	128.5%	137.1%	115.8%	139.1%
\$3,094	\$3,210	\$5,757	\$5,401	152.3%	142.4%	127.5%	172.2%
\$3,844	\$2,421	\$6,764	N/A	136.2%	N/A	134.6%	183.0%
\$4,284	\$3,488	\$6,988	\$4,603	139.7%	118.7%	107.7%	101.9%
\$3,195	\$1,535	\$6,954	\$4,683	132.6%	N/A	115.4%	N/A
\$3,827	\$4,169	\$6,178	N/A	126.4%	N/A	136.0%	N/A
\$2,892	\$745	\$3,608	N/A	166.8%	N/A	115.3%	N/A
\$2,415	\$2,492	\$6,063	\$2,806	147.0%	115.6%	119.0%	107.1%
\$3,109	\$2,741	\$5,921	\$4,016	146.1%	138.1%	123.0%	138.4%
\$3,376	\$2,334	\$5,921	N/A	137.5%	N/A	133.3%	N/A
\$4,468	N/A	\$7,518	N/A	153.8%	N/A	124.5%	N/A
\$3,530	\$3,826	\$8,207	\$5,292	136.7%	137.0%	116.8%	136.4%
\$4,247	\$2,669	\$6,553	N/A	127.4%	N/A	128.2%	N/A
\$3,884	N/A	\$4,767	N/A	145.7%	N/A	136.0%	N/A
\$3,615	\$2,814	\$7,967	N/A	138.8%	130.7%	116.6%	176.5%
\$2,326	\$3,459	\$5,305	N/A	158.0%	N/A	132.9%	N/A

Technical Appendix

Data Description

The data used in the analysis are taken from the Current Population Survey (CPS), a nationally representative data set that provides current estimates of the economic status and employment activities of the population of the United States. The CPS is a monthly survey of about 60,000 households conducted by the Bureau of the Census for the Bureau of Labor Statistics. Respondents are interviewed for four consecutive months in one year and reinterviewed for another four months at the same time the following year. The CPS is an ongoing survey that provides the most extensive and reliable information about the U.S. labor market.

The Outgoing Rotation Group file consists of respondents who are in their last interview month in both interview years. The Outgoing Rotation Group respondents are asked more detailed earnings and employment questions than are asked in the monthly core survey. Since one-quarter of the sample of approximately 60,000 households is rotated out each month, a full 12 months of data are needed to produce reliable state-level estimates. In 1997, this sample consisted of approximately 230,000 households. The Outgoing Rotation Group file is chosen for the calculation of the gender wage gap, minority wage gap and union wage advantage since detailed questions about the union status of workers are asked only in these months.

The March Supplement of the Current Population Survey, also known as the Annual Demographic File, provides additional information about annual earnings and income data that are not available from the monthly core survey. Three years of the March CPS Supplements for the years

1995-1997 are combined to construct a sample size of approximately 175,000 households, a sample large enough to provide state-level estimates. This is the primary data set used in this study for the analysis of earnings losses due to lack of equal pay and earnings gains if equal pay existed. All employment and earnings data gathered in March refer to the previous calendar year. The means reported are, therefore, estimates over the combined three-year period and refer to the experience of respondents in years 1994-1996. All dollar values of income and earnings variables are converted to 1997 real dollars using the Consumer Price Index. The sample is weighted by the March supplement weight standardized for each year. To obtain population weights to make the data set representative of one annual national sample, we take the inverse of the normalized weights and divide by the average of the sample sizes of the three survey years.

The Wage Gap Analysis

The Outgoing Rotation Group file of the 1997 CPS is used to calculate the gender wage gap, the minority wage gap and the union wage advantage. The wage gaps are calculated using the median weekly wages of full-time workers. Full-time workers are defined as those who usually work 35 hours or more per week. Union status is defined as those who are members of a union or whose job is covered by a union or employee association collective bargaining agreement. The wage gap, as reported, is a gross wage gap that is not corrected for differences between women's and men's educational attainment, work experience or hours of work (while all work more than 35 hours per week, some work more than others).

Family Earnings Gains

The analysis of family earnings gains is based on a model that predicts women's earnings as if they were not subject to wage inequality. In this model, we control for many of the factors that contribute to wage differences and account for a portion of the wage gap and then correct women's earnings as if the unexplained portion of the wage gap in this analysis did not exist.

An ordinary least squares (OLS) model is employed that controls for the differences between men and women in age, education, annual hours of work, metropolitan residence and region of the country. The dependent variable is the natural log of annual earnings. The variables for age and age squared are included as proxies for work experience, since specific information about work experience is not available in the CPS. This is a more realistic assumption for men than for women because at any given age men typically have spent more years in the workforce and fewer years out of the workforce. Use of this experience variable (for lack of a better one in this data set) tends to overstate women's experience and overstate their earnings losses relative to comparable men (they may be less comparable than the data indicate). On the other hand, including variables such as education and hours of work, which may themselves be affected by labor market discrimination against women (causing them to invest less in human capital and work less than they otherwise would), tends to understate their true earnings losses relative to men.

In this model, men's earnings are predicted based on a sample of men aged 18 or older with positive earnings and positive hours of work during the year. Since a key component of the analysis is the contribution of women's earnings to family income and the resulting changes in family poverty rates if women's earnings were not subject

to discrimination, the sample of men is restricted to those who earn at or below the 90th percentile of men's annual earnings, or \$65,412 in 1997 dollars. This selection assures that the predicted earnings for those at middle and lower income levels are not upwardly biased by the few high earners in the sample. Poverty rates are calculated using the preliminary poverty thresholds for 1997 adjusted for family size provided by the U.S. Bureau of the Census.

Women's earnings are predicted using the coefficients from the men's earnings equation (this method assumes that women retain their own human capital but are rewarded at the same rates men would be) and calculated only for the actual hours that women worked during the year. The average earnings estimates include only those predicted to have positive earnings adjustments. Those with reduced predicted earnings are assigned their actual earnings during the year.

The model is used to estimate women's earnings in the absence of gender-based wage inequality. The control variables for marital status and the presence of children younger than 18 are explicitly excluded since these characteristics are often linked to gender-based discrimination. For instance, higher earnings are predicted for men who are married, but the opposite is true for women. Likewise, the presence of children often predicts lower earnings for women but does not have a significant effect for men.

Married women and single mothers include all those aged 18 and older. Single women (never married, divorced, separated and widowed) are limited to those 25 and older who live alone; these women are clearly dependent on their own earnings and for them it is easy to calculate household income. Many other single women, who live in a variety of household formations, also suffer from wage discrimination, but it is more difficult to determine the

relevant household income for complex households, whose members may or may not pool income with each other.

Discrimination Based on Job Class

To isolate the effect of gender composition of occupations on earnings, we estimate ordinary least squares (OLS) earnings equations following the methodology of Figart and Lapidus (1995).²¹ In an effort to isolate the effects of pay inequity only (pay differences due to the gender typing of jobs), this model includes additional variables that capture other sources of wage differences between women and men. The samples for both women and men include all those 18 and older with positive earnings and hours of work during the year. An occupation is defined as female-dominated if 70 percent or more of the workers in the occupation are women. A total of 500 different occupations are included in the analysis. Separate equations are estimated for women and men to measure reliably the effect on earnings from working in a female-dominated occupation. Using estimates from the regression model, the earnings of women in female-dominated occupations are predicted as if they were to receive the same earnings as women who are not in female-dominated occupations. Likewise, the earnings of men in female-dominated occupations are predicted as if

they were to earn the same as men who are not in female-dominated occupations.

The dependent variable in the model is the natural log of annual earnings. The independent variables include educational attainment, race, marital status, the presence of a child younger than 18, residence in a metropolitan area, region of the country, firm size, industry, yearly hours of work and percentage of workers in the occupation who are female. The variables for age and age squared are included as proxies for work experience because a specific experience variable is not available in the CPS.

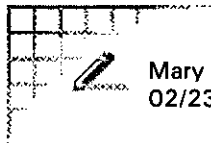
In calculating the pay adjustments due to workers in female-dominated occupations, it is assumed that no worker would incur a loss as a result of the implementation of equal pay for work of equal value. If the model predicts reduced earnings, the actual earnings of the person are assigned. This method provides a reliable estimate for the average movement in earnings for the entire group of workers in female-dominated occupations.

National Summary Table

The state data reporting the raise in annual wages that women would receive if they earned the same as comparable men is a weighted average of what women in the three family types we studied would gain. The family types are married working women, working single mothers and self-supporting single women.

²¹Figart, Deborah M., and June Lapidus. "A Gender Analysis of U.S. Labor Market Policies for the Working Poor." *Feminist Economics*. Vol. 1:3, pp.60-81. Fall 1995.

Women's issues - equal pay



Mary L. Smith
02/23/99 01:40:04 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP

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

Subject: AFL Equal Pay Report

Tomorrow the AFL-CIO is releasing a report that says that America's working families lose \$200 billion of income annually because of the wage gap and that on average each family loses \$4000 each year, even after accounting for differences in education, age, location, and the number of hours worked. I will send you a copy of the report.

The First Lady had been interested in numbers like these for a possible event, and we have CEA working on trying to come up with how much a family loses because of the wage gap, and how much a women entering the workforce today would lose over her lifetime.

Women's issues - equal pay

Harkin why re Dem? Worth

Harkin: Disconnect between women (want comp worth) + WIT (just = pay)
7 states have passed c.w. for st ee's
(MN does all public sector EE's)

Darkin: Daschle bill - "trepid"; doesn't push envelope

911 operator // emergency services, fire worker
social worker // probation officer

not easy to correct - change: have to tamper w/ mkt syst
but burden on II to show discrimination in her workplace -
internal equity → find ee of this ETR who has comparable job.

Sand: EPA (Daschle doesn't reach far enough)

Need to reach across occup: & value diff occup: equivalently
MN - costs 4% on average per year.

↳ of payroll budget

Reid - keeping imp't. (More than in dropped Daschle bill)

500 groups doing thing on Apr 8 - EP Day

AFL: Report yesterday

Introducing Fair Pay Act in 24 states - private & public sector

AFSCME: There have been priv. sector settlements of this kind.

Canada - some ^{Ontario} provinces - have done priv sector pay equity.

→ even stronger than this leg - not complacent band.

PORETTA: Can't give you endorsement - have to deal w/ ^{advers-} processes

Can provide supportive at workplace / lawyer

What's fed practice?

Nath: April 8 - Pres event - invite women: some straight out = pay pub.
person who wants 100%
"then comp worth pub's

② Turn out a wage pop. - raise consciousness, etc.

HARRIS: If we pass Daschle, p. will say we've solved the problem.

Rather than cos bill 4 yrs down the Daschle way.

WORTON: Daschle not worth passing - all about process.

This isn't the problem.

No value to av. women - only to lawyers.

SPAIN: House divided - no unified msg -

2) Dems aren't together.

Could be more enthused abt D. bill if it's clear what the next step is.

AFC: Tinkering w/ EPA doesn't actually matter to them - hard to get p. mobilized.

Another op - beta discussion around them state bills.

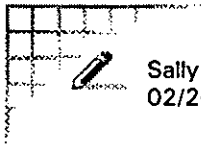
Potus may not have to jump into middle of issue however

But has to figure out way to use it.

⊗ D. bill isn't the solution - just not in the same ballpark.

ROBERTSON: office like idea of umbrella

NOTE: Make ^{all} April "women's equality month"



Sally Katzen
02/26/99 10:26:07 AM

Record Type: Record

To: Elena Kagan/OPD/EOP, Thomas L. Freedman/OPD/EOP, Mary L. Smith/OPD/EOP
cc: Karen Tramontano/WHO/EOP, Ann F. Lewis/WHO/EOP, Melissa G. Green/OPD/EOP, Jonathan A. Kaplan/OPD/EOP
Subject: equal pay

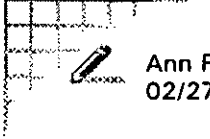
O.K. team -- we have an obligation to get back to the congressional staff (and groups?) in about three weeks and work in earnest toward "the event" circa April 8th, give or take a day or two.

equal pay has been more a dpc than an nec thing, though something i've cared about -- so i appreciate your letting me play

john seems to think i have something to contribute on the data collection piece -- i'm happy to help. for now, tom and mary have this process going which i gather is quite productive. should you want extra counsel or advice, you know where to find me. it strikes me that we ought to have a clear idea, fully vetted within the administration, of how far we want to/can go on data collection in the next 10 days, two weeks (p.s. by that time, i should be allowed phone privileges).

finally, on the substance -- i just wanted to let you know that i stopped heidi afterwards and confirmed that the 74 cents on the dollar disparity in pay -- revised by cea to 85 cents on the dollar taking into account experience, longevity, etc. -- was for the same job -- not a comparable worth study -- thereby establishing that even though some think that "no employer is stupid enough to pay the man sitting next to the woman more money for the same job," there is a lot of that still happening and that the daschle bill would in fact help (by 15 cents on the dollar).

Women's issues -
equal pay



Ann F. Lewis
02/27/99 10:22:22 AM

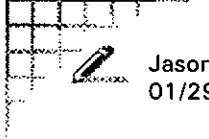
Record Type: Record

To: Stephanie S. Streett/WHO/EOP
cc: Karen Tramontano/WHO/EOP, Lawrence J. Stein/WHO/EOP, Jennifer M. Luray/WHO/EOP, Elena Kagan/OPD/EOP
Subject: Equal Pay Event

In meeting with Sen Harkin and Del Norton on Thursday we discussed a Presidential event for Equal Pay Day which is April 8. Eleanor specifically suggested a roundtable discussion on issue.

John observed President was busy that day so we would look at day before. AFL-CIO is probably going to do events around country on this, and House and Senate Dems will want to join in (this is during their recess) -- so if we can tentatively look at date it would be helpful.

Women's issues -
equal pay



Jason H. Schechter
01/29/99 04:41:14 PM

Record Type: Record

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

cc:

Subject: Embargoed Radio Address Paper

EMBARGOED UNTIL 10:06 AM EST SATURDAY, JANUARY 30, 1999

**THE PRESIDENT ANNOUNCES EQUAL PAY
INITIATIVE AND URGES PASSAGE OF PAYCHECK FAIRNESS ACT**

In his weekly radio address, the President will announce a new \$14 million Equal Pay Initiative in his Fiscal Year 2000 budget and urge prompt passage of the Paycheck Fairness Act. The initiative includes \$10 million for the Equal Employment Opportunity Commission (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. The President also will call on Congress again to pass the Paycheck Fairness Act, which would strengthen wage discrimination laws and provide for additional research, training, and public education efforts on this important subject.

Equal Pay Initiative

The President's FY2000 budget includes funding for a \$14 million equal pay initiative for the EEOC and the DOL's Office of Federal Contractor Compliance (OFCCP):

Equal Employment Opportunity Commission

The President's FY2000 budget includes \$10 million for the EEOC to:

triple the number of EEOC enforcement staff who receive training in identifying and responding to wage discrimination;

provide, for the first time ever, training and technical assistance to employers (about

3,000 in total) on how to comply with equal pay requirements; and

develop public service announcements to educate employees and employers on their rights and responsibilities under equal pay laws.

The Department of Labor

The President's FY 2000 budget includes \$4 million for the Labor Department's OFCCP to:

help women obtain and retain employment in non-traditional jobs by identifying and disseminating model employer practices and assisting contractors to finding qualified women employees, including through the new nationwide network of One-Stop Career Centers established by last year's Workforce Investment Act; and

increase outreach, education, and technical assistance to federal contractors on equal pay issues, by providing legal guidelines and industry best practices.

-more-

Paycheck Fairness Act

The President again will urge Congress to pass legislation called the "The Paycheck Fairness Act," introduced by Senator Tom Daschle (D-SD) and Congresswoman Rosa DeLauro (D-CT), to strengthen laws prohibiting wage discrimination. The highlights of this legislation include:

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 equal footing with wage discrimination based on race or ethnicity, for which uncapped compensatory and punitive damages are already available.

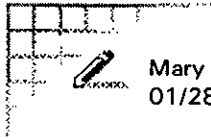
Non-retaliation provision. The bill would prohibit employers from punishing employees for sharing salary information with their co-workers. Many employers are currently free to take action against employees who share wage information. Without the ability to learn about wage disparities, it is difficult for employees to evaluate whether there is wage discrimination.

Training, Research, and Pay Equity Award. The bill would provide for increased training for Equal Employment Opportunity Commission 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.

###

Message Sent To: _____

Women's issues -
equal pay



Mary L. Smith
01/28/99 07:28:28 PM

Record Type: Record

To: Laura Emmett/WHO/EOP, Elena Kagan/OPD/EOP

cc:

Subject: Revised Final 7:00pm

----- Forwarded by Mary L. Smith/OPD/EOP on 01/28/99 07:29 PM -----

Jordan Tamagni



01/28/99 07:05:10 PM

Record Type: Record

To: Jonathan Orszag/OPD/EOP, Mary L. Smith/OPD/EOP, Ruby Shamir/WHO/EOP

cc:

Subject: Revised Final 7:00pm

Final

Tamagni/Shesol

**PRESIDENT WILLIAM J. CLINTON
RADIO ADDRESS ON EQUAL PAY
THE WHITE HOUSE
January 30, 1999**

Good morning. Americans have always believed that people who work hard should be able to provide for themselves and their families. That is a fundamental part of America's basic bargain. Today, I want to talk to you about what we are doing to make sure that bargain works for all of our people, by ensuring that women and men earn equal pay for equal work.

We are living in a time of remarkable promise. Our economy is the strongest in a generation -- with nearly 18 million new jobs, the lowest unemployment in 29 years, family incomes rising by \$3,500, and the greatest real wage growth in over two decades. I believe we have an opportunity -- and an obligation -- to make sure that every American can benefit from this moment of prosperity.

One of the most important ways we can meet this challenge is by putting an end to

wage discrimination. When President Kennedy signed the Equal Pay Act thirty-five years ago, women were entering the workforce in ever-increasing numbers -- but their work was undervalued. At the time, for every dollar a man brought home to his family in his paycheck, a woman doing the same job earned only 58 cents.

We have made a lot of progress since since those days. Last June, the President's Council of Economic Advisors' reported that the gender gap has narrowed considerably -- in fact, we have nearly cut it in half. Today, women earn 76 cents for every dollar a man earns.

We can and should be proud of this progress -- but 76 cents on the dollar is only three quarters of the way there. Americans cannot be satisfied until we are all the way there.

One big reason that the pay gap persists -- despite women's gains in education and experience -- is the demeaning practice of wage discrimination in our workplaces. There are still too many women whose work is not being fully valued by employers.

Make no mistake: When a woman is denied equal pay, it doesn't just hurt her -- it hurts her family. Between 1995 and 1996 alone, the number of families with two working parents increased by nearly two million. And in hundreds of thousands of families, the mother is the only breadwinner.

Just think what that 24 percent wage gap means in real terms. Over the course of a working year, it means hundreds, even thousands of bags of groceries ... visits to the doctor ... rent and mortgage payments. Over the course of a working life, it can mean hundreds of thousands of dollars ... smaller pensions ... and less to put aside for retirement.

To prepare our nation to meet the challenges of the 21st Century, we must do more to ensure equal pay, equal opportunity, and equal dignity for working women.

Today, I am pleased to announce a new \$14 million Equal Pay Initiative, included in my balanced budget, to help the Department of Labor and the Equal Employment Opportunity Commission expand opportunities in the workplace for women and make wage discrimination a thing of the past. With more resources to identify wage discrimination, to educate employers and workers about their rights and responsibilities, and to bring more women into better-paying jobs, we will be closer than ever to making equal pay a reality for every American.

In my State of the Union address, I called on Congress to ensure equal pay for equal work -- and it brought members of both parties to their feet in an unanimous show of support. We know that equal pay is not a political issue -- it is a matter of principle, a question of what kind of country we want American to be today, and in the 21st Century, when our daughters grow up and enter the workplace.


So once again, I ask the Congress to take the next step and pass the Paycheck Fairness Act, sponsored by Senator Daschle and Representative DeLauro -- legislation that strengthens

enforcement of our equal pay laws, expands opportunity for women, and helps working families to thrive.

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.

Thanks for listening.

Women's issues -
equal pay

 Mary L. Smith
01/28/99 07:28:28 PM


Record Type: Record

To: Laura Emmett/WHO/EOP, Elena Kagan/OPD/EOP

cc:

Subject: Revised Final 7:00pm

----- Forwarded by Mary L. Smith/OPD/EOP on 01/28/99 07:29 PM -----

 Jordan Tamagni
● 01/28/99 07:05:10 PM

Record Type: Record

To: Jonathan Orszag/OPD/EOP, Mary L. Smith/OPD/EOP, Ruby Shamir/WHO/EOP

cc:

Subject: Revised Final 7:00pm

Final
Tamagni/Shesol

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Questions And Answers on Equal Pay
January 29, 1999

Q: What did the President announce today?

A: In his weekly radio address, the President will announce a new \$14 million Equal Pay Initiative in his Fiscal Year 2000 budget and urge prompt passage of the Paycheck Fairness Act. The Initiative includes \$10 million for the Equal Employment Opportunity Commission (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. The President also will call on Congress again to pass the Paycheck Fairness Act, which would strengthen wage discrimination laws and provide for additional research, training, and public education efforts on this important subject.

Q: How large is the wage gap?

A: According to the Department of the Labor, in 1997 the average woman who worked full-time earned just 74 cents for each dollar that men earned based on annual earnings. For women of color, the gap was even wider. On average, black women earned only 60 cents, and Hispanic women earned only 52 cents for each dollar earned by non-Hispanic white men. Some wage differences exist due to differing levels of experience, education, and skill. However, studies show that even accounting for differences in education, experience, and occupation, there is still a significant wage differential for women.

Q: What will the EEOC and Department of Labor do with the new funding the President announced today?

A: The EEOC will (1) triple the number of EEOC enforcement staff who receive training in identifying and responding to wage discrimination; (2) provide, for the first time ever, training and technical assistance to employers (about 3,000 in total) on how to comply with equal pay requirements; and (3) develop public service announcements to educate employees and employers on their rights and responsibilities under equal pay laws. The Department of Labor will (1) help women obtain and retain employment in non-traditional jobs by identifying and disseminating model employer practices and assisting contractors to finding qualified women employees, including through the new nationwide network of One-Stop Career Centers established by last year's Workforce Investment

Act; and (2) increase outreach, education, and technical assistance to federal contractors on equal pay issues, by providing legal guidelines and industry best practices.

Q: What roles do OFCCP and EEOC play in the enforcement of wage discrimination laws?

A: OFCCP enforces the anti-discrimination and affirmative action executive order that requires employers doing business with the government to apply their compensation practices in a non-discriminatory manner. The EEOC investigates equal pay claims in the private sector and brings charges against those found to violate the Equal Pay Act.

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. Finally, the bill 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.

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 when an employer discriminates against them in setting wages.

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.

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	1,282	\$61,554	\$71,859*
Men	2,055	1,611	\$82,490	\$83,799*
TOTAL	3,416	2,893	NOTE: Total Political Appointments exclude Ambassadors but include Noncareer SES, Schedule C and Other.	
Pct. Women	39.8%	44.3%		

* Rendered in constant (FY 1992) dollars

Source: Office of Personnel Management

Revised Final 1/29/99 12:15pm

**PRESIDENT WILLIAM J. CLINTON
RADIO ADDRESS ON EQUAL PAY
THE WHITE HOUSE
January 30, 1999**

Good morning. Americans have always believed that people who work hard should be able to provide for themselves and their families. That is a fundamental part of America's basic bargain. Today, I want to talk to you about what we are doing to make sure that bargain works for all of our people, by ensuring that women and men earn equal pay for equal work.

~~We are living in a time of remarkable promise. Our economy is the strongest in a generation -- with nearly 18 million new jobs, the lowest unemployment in 29 years, family incomes rising by \$3,500, and the greatest real wage growth in over two decades. We have an opportunity and an obligation -- to make sure that every American can benefit from this moment of prosperity.~~

PROPOSED
CUTS.

~~One of the best ways to meet this challenge is by putting an end to wage discrimination.~~ When President Kennedy signed the Equal Pay Act 35 years ago, women were joining the workforce in ever-increasing numbers -- but their work was undervalued. At the time, for every dollar a man brought home in his paycheck, a woman doing the same work earned only 58 cents.

We have made a lot of progress since those days. Last June, my Council of Economic Advisors reported that the gender gap has narrowed considerably -- in fact, we have nearly cut it in half. Today, women earn about 75 cents for every dollar a man earns.

We should be proud of this progress -- 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.

One big reason why the pay gap persists -- despite women's gains in education and experience -- is the demeaning practice of wage discrimination in our workplaces. Too many employers still undervalue -- and underpay -- work done by women.

Make no mistake: When a woman is denied equal pay, it doesn't just hurt her -- it hurts her family, and that hurts America. ~~Between 1995 and 1996 alone, the number of families with two working parents increased by nearly two million. And in over ten million families, the mother is the only breadwinner.~~

PROPOSED
CUTS.

Just think what a 25 percent wage gap means in real terms. Over the course of a working year, it means hundreds, even thousands of bags of groceries ... visits to the doctor ... rent and mortgage payments. Over the course of a working life, it can mean hundreds of thousands of dollars ... smaller pensions ... and less to put aside for retirement.

To prepare our nation to meet the challenges of the 21st Century, we must do more to ensure equal pay, equal opportunity, and equal dignity for working women.

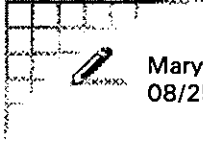
Today, I am pleased to announce a new \$14 million Equal Pay Initiative, included in my balanced budget, to help the Department of Labor and the Equal Employment Opportunity Commission expand opportunities in the workplace for women and end wage discrimination once and for all. With more resources to identify wage discrimination, to educate employers and workers about their rights and responsibilities, and to bring more women into better-paying jobs, we will be closer than ever to making equal pay a reality for every American.

In my State of the Union address, I called on Congress to ensure equal pay for equal work -- and it brought members of both parties to their feet in an unanimous show of support. We know that equal pay is not a political issue -- it is a matter of principle, a question of what kind of country we want American to be today, and in the 21st Century, when our daughters grow up and enter the workplace.

There has been strong leadership on fair pay from members in both houses of Congress, including Senator Harkin and Representative Norton. Today, I call on the Congress to pass the Paycheck Fairness Act, sponsored by Senator Daschle and Representative DeLauro -- legislation that strengthens enforcement of our equal pay laws, expands opportunity for women, and helps working families to thrive. This should be one of Congress' first orders of business.

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.

Thanks for listening.



Mary L. Smith
08/25/98 03:20:27 PM

Record Type: Record

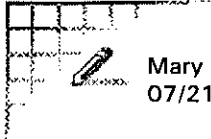
To: Elena Kagan/OPD/EOP

cc:

Subject: Equal Pay MOU

FYI- Just a quick update on the Equal Pay MOU -- It is now at OMB after clearing the Department of Labor's vetting process. It has not been voted on by the EEOC. OMB is holding it until we get over some of our appropriations and confirmation hurdles.

There has been one slight problem in that Shirley Wilcher from OFCCP talked to a reporter for the Daily Labor Report about the MOU being sent over to OMB. This could cause problems on the Hill because it looks like the White House is going ahead with the MOU regardless of what folks on the Hill think. We are going to have a conference call tomorrow with our legis affairs (Broderick Johnson) and DOL and EEOC. Broderick thinks we probably should give some folks on the Hill a heads up on the article before Congress is back in session in order to ameliorate any potential backlash. I will keep you updated.



Mary L. Smith
07/21/98 08:42:43 PM

Record Type: Record

To: Elena Kagan/OPD/EOP, Julie A. Fernandes/OPD/EOP, Thomas L. Freedman/OPD/EOP
cc: Laura Emmett/WHO/EOP
Subject: Status of Equal Pay MOUs

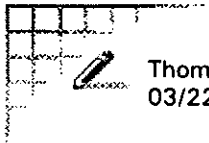
(other is training)

You asked about the status of the MOUs between the Department of Labor and the EEOC that were announced at the Equal Pay event on April 2 by the Vice President. The "damages" MOU (that permits the Office of Federal Contractor Compliance to serve as EEOC's agent for purposes of seeking damages within the context of their conciliation efforts) is almost completed. This is the MOU that the women's groups are mostly concerned with.

However, last May, Rep. Fawell sent letters to both the EEOC and OFCCP indicating that he thought the "damages" MOU would radically increase OFCCP's authority. Both EEOC and OFCCP have responded to Fawell, either orally or in writing, and explained that the change would be narrow in scope and would further the efficient resolution of these cases.

In order for the damages MOU to move forward, we need three things to happen: (1) the EEOC and OFCCP need to send the final version of the document to OMB for clearance (we understand that it is near completion); (2) for the agencies to make sure that Rep. Fawell has all of the information that he needs, to make sure that he understands the nature of the agreement; and (3) for us to be comfortable that the release of the MOU will not jeopardize either the EEOC or OFCCP appropriations process.

I talked to Ellen Varygas about the timing tonight, and she agrees with the three things that still need to be done. I am waiting to hear back from the Department of Labor regarding their sense of timing in order not to jeopardize the appropriations process. However, both EEOC (Ellen Varygas) and Labor agree that we could not do this before the middle of August at the earliest.



Thomas L. Freedman
03/22/99 06:35:21 PM

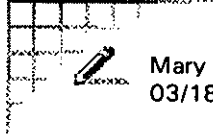
Record Type: Record

To: Elena Kagan/OPD/EOP

cc: Laura Emmett/WHO/EOP, Mary L. Smith/OPD/EOP

Subject: OMB status

I called, e-mailed and paged Barbra Chow who just called back to say she wanted to still talk about it with Deich and Gottbaum could she tell us tomorrow morning? I said if there is a problem they should tell us, at this point we have Treasury, Commerce, Labor, SBA, DOJ, CEA, Leg Affairs, OPL, Counsels Office, and VP agreeing to this. She said she understood. I raised the EEOC money issue -- EEOC would prefer a specific dollar authorization (they want \$8 million but will settle for \$2 million) and she thought OMB might prefer to put to a dollar on it too. She said her only reaction was that it was "vague" but she understood the utility of that.



Mary L. Smith
03/18/99 05:11:13 PM

Record Type: Record

To: Elena Kagan/OPD/EOP, Thomas L. Freedman/OPD/EOP

cc:

Subject: Roundtable Participants at Equal Pay Event on April 7

We're starting to have meetings with OPL to discuss the roundtable participants for the Equal Pay event on April 7. Here's what we were thinking of. What do you think?

- President
- Secretary Herman
- Ida Castro, Chairwoman of the EEOC
- 5 other panelists

For the other panelists, here are some of our thoughts:

- woman with children who has been paid unequally or man whose wife is paid unequally
- woman who has retired and who had been paid unequally -- can talk about effects on her retirement savings
- business person from company that has revamped its pay system
- economist - can talk about wage gap generally
- comparable worth woman

Women's issues - equal pay

March 15, 1999

MEMORANDUM FOR BRUCE REED
ELENA KAGAN

FROM: THOMAS FREEDMAN
MARY SMITH

SUBJECT: Equal Pay Data Collection

There has been much interest in trying to develop a proposal to collect wage data in order to improve women's wages. The women's groups would like this data for enforcement and technical assistance. The Administration has endorsed Senator Daschle's bill which currently contains only a Sense of the Senate, recognizing that the Administration should look into ways to collect this data. A previous version of Daschle's bill contained a general provision that employers 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. The EEOC does not currently collect salary data with respect to private employers. However, 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.

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 concerns, 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. Before venturing on-site, OFCCP also has received detailed wage data at an earlier stage of the audit, the "desk audit" phase; however, this situation is under review at OMB and will be discussed below.

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 be in 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

Data collection could improve pay equity in two ways. The first is by increasing public awareness of pay inequities and enabling women to evaluate whether they have been victims of wage discrimination; the second is by enhancing enforcement of anti-discrimination laws. The women's groups, of course, would like this data for enforcement or, at the least, technical assistance. The most likely way to increase data collection would be to have the EEOC to collect this data, either on the EEO-1 form or on a supplement to the EEO-1 form. We could narrow the collection to a subset of contractors or employers to make it less controversial. 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 some 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, on the other hand, requires employers to submit wage data to the EEOC. Employers must submit data not only with respect to job category but also with respect to sex, race, and national origin. Furthermore, 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 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). Since the 1960s, the occupation and racial categories have become outdated; what was once confusing is now potentially misleading. As a result, many in the business community perceive the EEO-1 form as a waste of time and money. (OMB estimates suggest that it takes each firm 10 hours to fill out the form; 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

1998 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,

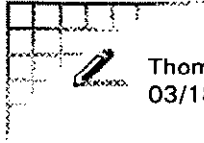
but OMB is setting up a meeting between the business groups and Labor to discuss the issue. The women's groups, on the other hand, do not believe the pending request advances the data collection issue at all. The women's groups believe that this request is merely a reaffirmation of existing OFCCP authority. 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 areas to explore if we decide to collect more pay data for informational purposes. BLS already has been exploring options for some time concerning sharing data with other federal statistical agencies in order to increase efficiency in data collection operations and to bolster research. 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 do 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.



Thomas L. Freedman
03/18/99 09:04:25 AM

Record Type: Record

To: Elena Kagan/OPD/EOP
cc: Mary L. Smith/OPD/EOP
Subject: Data Collection Proposal

Below is a brief description of the approach which we have had some success selling to the core relevant parties over the last 12 hours. We haven't shown it in writing to anyone and it could blow up when/if we circulate. Basically, it spells out the process by which Daschle's provision would have to be implemented, requiring EEOC to conduct a process considering what gaps in relevant data there is now, and considering factors like burden on business, what is an appropriate trigger for requesting data, and what is the best vehicle for collecting data (perhaps EEO-1, perhaps not). But it leaves discretion up to EEOC. I need to do the next round of vetting with actual words in hand but so far: Orszag (surprisingly) said he thought Commerce would go for it, Caroline F. said she thought Daschle and probably the groups would, Ida said "OK, check with Ellen Vargyas," Ellen V. sounded a bit pessimistic but said we should check with the groups, OMB I don't think will like it. The argument I've made to people who think it leans towards too much data collection is that we will have an internal OMB review to see if this is the best way a rule could be fashioned when the time comes to collect data-- an argument Orszag buys. The argument to supporters of the original Daschle provision is that this just spells out the argument EEOC would have to make to revise the EEO-1 form anyway -- prove they need the data and this is the best method.

My goal is to pin down support for this from Treasury/Commerce and read it to Caroline F. and have her say she thinks Daschle would support. Then have you or I talk to Greenburger/Nussbaum and say this is a good deal. Then move back to the other players. What do you think?

The legislation would:

1. Create the Division of Research, Evaluation, and Statistics within EEOC. Charged generally with using existing data and collecting new data as necessary to aid in reducing the gender pay gap and enforcing the EEO generally.

following:

- authorized with such funds as necessary to do the

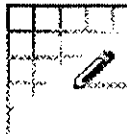
- within one year evaluate the current knowledge and sources of data available to federal government relating to the gender pay gap;
- identify gaps in the available data;

- consult with relevant agencies including Departments of Labor, Treasury, and Commerce;
- incorporate existing ORIP office (already in EEOC).

2. Implementation

- within one year of passage report results of above evaluation of what pay data is available;
- within 1 year and 6 months from passage of the legislation identify the best method for collecting necessary data for enforcing the Equal Pay Act and EEO considering factors including:
 - * Enforcing relevant laws;
 - * Imposition of burden on business to enforce law;
 - * Use of appropriate data collection vehicles and preliminary techniques to identify business from which the data is most likely to be useful to EEOC and/or OFCCP.

3. Utilize pilot studies, sampling, and/or other means as deemed necessary by EEOC in implementation period.

 Thomas L. Freedman
03/23/99 12:00:08 PM

Record Type: Record

To: Elena Kagan/OPD/EOP
cc: Mary L. Smith/OPD/EOP
Subject: Wage Data Collection

Eddie Correia is no longer talking about doing the wage gap as a race issue but now would like to resolve the 60-2 form issue at Labor.

----- Forwarded by Thomas L. Freedman/OPD/EOP on 03/23/99 11:58 AM -----

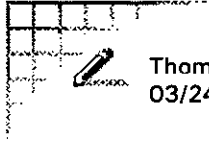
Edward W. Correia

03/22/99 05:26:11 PM

Record Type: Record

To: Thomas L. Freedman/OPD/EOP
cc:
Subject: Wage Data Collection

Thanks for the update on the efforts to develop a legislative position on wage data collection. At one point I suggested to Elena that we concentrate on collecting wage data regarding race while you concentrate on wage data regarding gender. Upon reflection, that makes no sense. Instead, I think we should pursue the issue of collecting wage data from federal contractors. As we discussed, there are some concerns in DOL about whether and how this should be done, and there is considerable interest by outside groups in whatever we do. I have sent a suggestion to Chuck and Maria that we meet with DOL to hear the arguments. We would work closely with you and welcome your participation in any discussions.



Thomas L. Freedman
03/24/99 12:04:53 PM

Record Type: Record

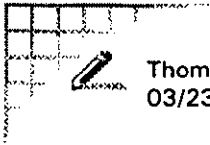
To: Elena Kagan/OPD/EOP
cc: Mary L. Smith/OPD/EOP
Subject: Talking Points for Data Collection

Here's what I'd say trying to convince advocates this is a worthy data collection provision.

1. **Update.** I wanted to get back to you on where we were on putting together a strong data collection piece for Daschle's bill. We've been talking a lot to EEOC, Labor, to get something that works and could get passed. Actually, we've had these meetings with something like 17 agencies and offices, and we've had a lot of back and forth, but I think we've come up with something good.
2. **Background.** Last year, you remember Daschle's bill originally had a very general provision that allowed EEOC to collect data from employers of more than 100 employees. But there was a strong sense that as written the provision would draw really heavy fire from business groups, it would go nowhere.
3. **Our goal.** Our goal was to find some way to give EEOC the same ability to collect the data that Daschle had and mitigate the attacks -- and I think we've done that.
4. **The proposal.** The idea I wanted to bounce off you does two things: First, it tells EEOC to survey what data is available to the federal government, what do we have now? And it says EEOC should identify the *gaps* in our data collection for the purpose of better enforcement. And it says EEOC should consult other agencies when it does this.
5. Second, it says EEOC should take that evaluation and run a process and come up with a proposed rule for collecting the data necessary to enforce the laws under its jurisdiction. To fill the gaps. The way we neutralized the business concerns is that we just explicitly identify factors that EEOC consider anyway in making its rule, and say EEOC will consider them. So we say that in figuring out the best way to enforce the law, EEOC will consider the burden on business, and will consider what is the best vehicle for collecting the data, and how it will target businesses information to be most useful to EEOC and OFCCP.
5. But at the end of the day, it is EEOC writing the rule to collect data for enforcement that is useful to EEOC.
6. **EEOC/ Labor Support.** We've talked to Ida Castro and Ellen Vargyas at EEOC who think this is a good step forward, and we've talked to Shirley Wilcher at OFCCP and she likes it as well.
7. **Real Money and Deadlines.** And we give an explicit up to \$2 million authorization to do it, and a deadline of under 18 months -- although Ida plans to try and do it in under a year.
8. **Puts Administration on Record.** Anyway, I think its a good package, it puts the Administration on the record for strong data collection by EEOC.

9. **Neutralizes Republican Attack.** And it gives us an answer when Republicans say it is a massive overhaul of the EEO-1 form, because we say no, we are going through a process to identify what we need -- maybe it will be EEO-1, maybe not, but let's put figuring out what we need and enforcing the law as the prime goal. This bill does that. And it is clear that EEOC will consider ways to minimize burdens on business.

10. **Next Steps.** If you are okay with it, we'll go back to Daschle and get the final language together, I'm sort of surprised that we've been able to get Treasury, Commerce, and OMB to go along with this, and I want to go ahead before we have minds changing. We're shooting to have something for the April 7th event.



Thomas L. Freedman
03/23/99 01:22:13 PM

Record Type: Record

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

OMB has now signed off on the proposal plus an authorization of up to \$2 million. (I had to talk to Diech, Chow and Gottbaum). Ida and her stats person said they can be happy with that figure. I added it to the description of our proposal below:

The legislation would charge the existing office of research at EEOC (ORIP) with two tasks, EEOC is authorized with up to \$2 million to complete:

1. Within one year and six months evaluate the current knowledge and sources of data available to federal government relating to the gender pay gap; identify gaps in the available data; and consult with relevant agencies including Departments of Labor, Treasury, and Commerce.
2. Implementation
The EEOC would report results of above evaluation of what pay data is available; and also within 1 year and 6 months from passage of the legislation identify the best method for collecting necessary data for enforcing the Equal Pay Act and EEO considering factors including:
 - * Enforcing relevant laws;
 - * Imposition of burden on business to enforce law;
 - * Use of appropriate data collection vehicles and preliminary techniques to identify businesses from which the data is most likely to be useful to EEOC and/or OFCCP.
3. Utilize pilot studies, sampling, and/or other means as deemed necessary by EEOC in implementation period.

Women's unequal pay

Pay Collection Provision from previous version of Daschle bill (S.71 in 105th)

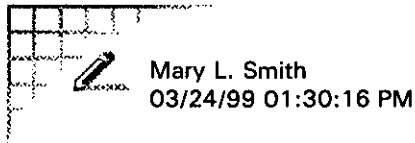
Sec. 4 COLLECTION OF PAY INFORMATION BY THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION.

Section 705 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)(1) The Commission shall, by regulation, require each employer who has 100 or more employees for each working day in each of 20 or more calendar weeks in the current or preceding calendar year to maintain payroll records and to prepare and submit to the Commission reports containing information from the records. The reports shall contain pay information, analyzed by the race, sex, and national origin of the employees. The reports shall not disclose the pay information of an employee in a manner that permits the identification of the employee.

“(2) The third through fifth sentences of section 709[©] shall apply to employers, regulations, and records described in paragraph (1) in the same manner and to the same extent as the sentences apply to employers, regulations, and records described in such section..”.

Women's issues -
equal pay



Record Type: Record

To: Elena Kagan/OPD/EOP
cc: Thomas L. Freedman/OPD/EOP
Subject: OFCCP wage collection issues

You asked for information on the data collection issues pending at Labor:

1. **Scheduling Request at OMB to collect detailed wage data by mail from the 5000 or so federal contractors that are scheduled for compliance reviews.** While OFCCP currently is able to obtain this data on-site at a later stage of the review process, OFCCP requested to get it by mail at the early "desk audit" stage of the process. This data would be used for technical assistance and enforcement. Labor's Solicitor's Office intervened and asked that OMB extend its decision until the later part of May. In the interim, Labor is gathering more data to support its request, has met with women's groups, and has offered to meet with contractor groups.
2. **OFCCP 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, etc. Labor is actively looking at the proposal in the context of broader data collection issues.