

INFORMATION DIGEST FROM

BUSINESS AND PROFESSIONAL WOMEN'S FOUNDATION

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THE EARNINGS GAP

THE FACTS

Figures from the Bureau of Labor Statistics show that in March 1978 the average earnings of full-time male workers were \$14,850, compared to \$8,570 for women similarly employed. Women's wages have rarely amounted to more than 60% of men's wages. In fact, despite the tremendous influx of women into the labor force and the greater length of their work experiences, women's earnings have remained between 58 and 63 percent of men's earnings for more than twenty years. Even more depressing is the news that women's earnings have dropped from 63.9% of men's in 1955 to 57.7% in 1978. While the gap between men's and women's average incomes used to be \$1,533, today it is \$6,280.

Discrepancies in earnings between women and men are more severe for minority women. In 1974, minority women earned 94% of white women's income, while receiving only 73% of minority men's and 54% of white men's earnings. That same year, the U.S. Commission on Civil Rights reported that women in no case earned more than 60% of the amount earned by men in the same racial or ethnic group.

DISCRIMINATION

Many factors contribute to women's lower wages. Perhaps the primary factor, and one with which many women workers are familiar, is discrimination. The gap which separates women's and men's earnings is apparent when median incomes are considered. It persists when statistics are matched for age, marital status, level of education, and experience. Even when women enter non-traditional fields they earn less than men. Experienced women managers and engineers, for example, earn less than their male counterparts.

OCCUPATIONAL SEGREGATION

Of equal importance is the fact that most women are employed in low-skill, low-paying jobs. The Bureau of Labor Statistics tells us that 6 out of 10 women are employed in clerical, service, and retail sales work. Such traditionally "female" occupations pay less and carry lower status than "male" occupations requiring less education and skill. Women entering the job market for the first time or re-entering after an extended absence often are not perceived to have the education, training, or skills necessary to land high-level, high-paying jobs. As a consequence, a large proportion of women in the labor force are in or near the entry level, often in occupations which offer little opportunity for advancement.

A woman's occupation has a lot to do with her potential income. A majority of women are either routinely assigned to or tend to choose jobs which have traditionally been low-paying and which do not offer opportunities for training and advancement. Women are frequently found as sales clerks rather than sales representatives, as public school teachers rather than college professors, as nurses rather than doctors, and as secretaries rather than managers. As a result, within the same occupational categories, women and men have unequal salaries at the entry level, with the gap widening as men advance and women are left behind. In 1974, this gap was widest among sales workers, with women earning only 41% of men's earnings. In contrast, nonfarm laborers experienced the smallest gap in income levels, with women earning 72% of men's earnings.

COMPARABLE WORTH

Work performed by women is often evaluated less highly than work performed by men, even if the skills and responsibilities are com-

parable. Recently, an edition of the Dictionary of Occupational Titles rated day-care workers (traditionally female) less skilled than parking lot attendants (traditionally male). The fact that women frequently do not receive equal pay for work of equal value contributes to the gap in earnings between women and men.

EDUCATION

Many of us would expect that increased educational attainment would improve a woman's chances of obtaining a high-paying job. In individual cases this may be true, but the unfortunate fact is that the higher-paying jobs are distinctly linked to specific fields. Although the number of women attending college has increased dramatically, most college women continue to seek degrees in traditionally lower-paying professions such as education, liberal arts, and humanities. The Department of Labor provides the depressing news that women with four years of college had lower incomes than men who had only completed the 8th grade.

LIFESTYLE

To complicate matters, women's work force participation is subject to more interruptions than men's. Women often stop working at the time of marriage, after childbirth, and during childraising years. Because women's employment patterns are staggered, they often miss opportunities for training and promotion, or fail to achieve the seniority which leads to career advancement and higher earnings. When women are forced to re-enter the job market because of economic pressures, their skills have sometimes become obsolete or rusty, which limits their chances of getting employment above the entry-level, low-paying positions. As a consequence, when comparing women's and men's incomes by age group, researchers for the Bureau of Labor Statistics found the greatest difference in earnings between women and men aged 35 to 54 years old.

OVERTIME

Another factor which is relevant to women's lesser earning capacity is their employment in jobs which do not offer overtime work. An article in Monthly Labor Review pointed out that "...among full-time

workers, women worked an average of 40.2 hours a week in 1977, 4 hours fewer than men." In fact, the Department of Labor explains that men are nearly three times as likely as women to work overtime. Understandably, this provides men with greater opportunities to add premium pay to their weekly wages--thus increasing the gap between men's and women's earnings.

SOLUTIONS

In addition to the stumbling block of discrimination, women's prevalence in low-paying occupations, their limited opportunities for overtime work, their continued pursuit of educational training in traditional fields, and their interrupted work experiences are clearly identifiable factors contributing to the disparity between women's and men's average earnings. Because so many factors contribute to women's wage inequity, proposals for its eradication must be broad.

Effective career counseling should be developed to teach girls to make better career choices and to help steer them away from the traditional educational programs which lead to the low-paying jobs which most women fill. On-the-job training should be used to prepare women for higher-level work offering overtime pay or greater pay for increased responsibilities. Similarly, women's volunteer and home-making experiences should be considered when women are evaluated as job applicants.

If obstacles to women's work force participation are removed through the development of adequate child care facilities or more equitable sharing of household responsibilities, women's work experiences may become less interrupted. Alternatively, employers could accept women's responsibilities for child care and house care as valuable contributions and make adjustments in the work place and work schedules which would encourage women's freedom to perform both roles.

Ultimately, laws which are designed to guarantee women equal opportunity in employment should be enforced. While some individuals may be capable of achieving wage equity with similarly employed male workers, most women are subject to systematic pressures which channel them into traditional educational programs and occupational fields. Legislation designed to implement affirmative action programs must be enforced if efforts to shrink the earnings gap expect to be successful.