

Congress of the United States

Washington, DC 20515

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Support Gender Equity, Help Shrink the Pay Gap

Dear Colleague,

We write to bring to your attention an article from this week's *Business Week*. Once again, the fact that women are not receiving equal pay for equal work is an important topic for discussion. While Ms. Gutner provides insightful ideas into resolving this problem, we believe that one overarching principle will work to end the disparities women face: the Equality Amendment.

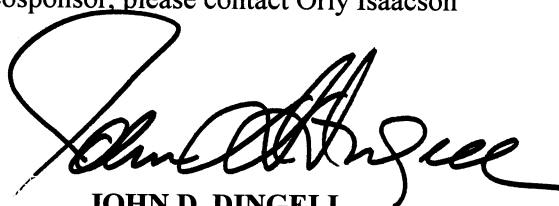
Passing the Equality Amendment, also known as the ERA (H.J. Res. 40), would help set the tone for equality in the workplace by writing into the Constitution what most Americans strongly believe:

"Equal Rights Under the Law Shall Not Be Denied or Abridged on Account of Sex."

For more information about H.J. Res. 40, or to become a cosponsor, please contact Orly Isaacson with Rep. Maloney at x5-7944.


CAROLYN B. MALONEY
Member of Congress

Sincerely,


JOHN D. DINGELL
Member of Congress

BusinessWeek Investor *Hers*

HOW TO SHRINK THE PAY GAP



BY TODDI GUTNER
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Say you suspected you were being paid less than someone else in your company with the same title and experience. Wouldn't it help to be able to look up the company's wage-setting practices, the salaries for each job, and the sex and race of the employees in each position? Requiring corporations to disclose such information is the only way to close the pay gap between men and women.

On their own, companies often fail to practice pay parity. Why would they? No one is holding them to it. Indeed, from 1995 to 2000, women managers in several fields not only made less money than men but the wage gap widened in 7 of the 10 sectors that employ 71% of all female workers, according to a General Accounting Office report released earlier this year (table).

Entertainment and recreational services had the largest widening, with female managers earning just 62¢ for every dollar made by males in 2000, down from 83¢ in 1995. Only in public administration, hospital and medical services, and education did the gap narrow. One explanation: These industries are dominated by women. It may also be easier for women to succeed in fields strongly influenced by unions, where there are clear rules for salary levels and promotions. But for most other industries, "it's a wake-up call," says Representative Carolyn Maloney (D-N.Y.), who commissioned the GAO report with Representative John Dingell (D-Mich).

Why is the clock turning back? We don't have enough information to know the reasons for the specific results of the GAO study. What we do know is that in general, the salary difference between college-educated men and women closed during the 1980s and early 1990s. And many, including federal government officials, expected that trend to continue.

In fact, because people took for granted that the pay would



continue to shrink, the issue fell off the radar screen. Indeed, both the Equal Employment Opportunity Commission and the Office of Federal Contract Compliance had funding cutbacks, says Heidi Hartmann, an economist and president of the Institute for Women's Policy Research in Washington.

Before anything can be done about inequity, "we have to point out there is a gap, because there is still an unwillingness to acknowledge it's a problem," says Heather Boushey, an economist at the non-profit Economic Policy Institute in Washington. The GAO study and other reports high-

light the problem, even accounting for other reasons for pay differential, such as merit and the desire to keep employees from jumping to competitors.

The question now is whether Congress will act on this information. The right to gain access to salary and demographic information I mentioned above is actually a section from a little-known bill, the Fair Pay Act, introduced by Senator Tom Harkin (D-Iowa), in 1996. The House sponsor is Representative Eleanor Holmes Norton (D-D.C.), who doesn't even have a vote because the District isn't a state, and the bill lacks enough co-sponsors to create any traction.

Regardless of whether the Fair Pay Act moves forward, I believe the reporting provision should be considered on its own merit. (There is talk of a separate bill on Capitol Hill.) The section requires employers to preserve records and file summaries of wage-setting practices, and submit annual reports of pay by position, gender, race, and nationality to the EEOC. No names would be listed. The data would be available to all employees. Although it might be possible to identify what some individuals earn in positions with few women and minorities, I think the potential gains outweigh that risk.

"Companies claim these requirements would invite frivolous lawsuits, but if they have nothing to hide, it would derail the lawsuits," says Martha Burk, chair of the National Council of Women's Organizations in Washington. Clearly, companies need some government prodding for them to make pay parity a priority. ■

Where Women Lost Ground

The following data, from a recent study by the General Accounting Office, show how much full-time female managers earn for each dollar earned by males.

SECTOR	1995	2000	CHANGE
Entertainment and recreation	83	62	-21
Communications	86	73	-13
Finance, insurance, and real estate	76	68	-8
Business services and repairs	82	76	-6
Other professional services	88	83	-5
Retail trade	69	65	-4
Professional medical services	90	88	-2
Public administration	80	83	+3
Hospital and medical services	80	85	+5
Education	86	91	+5

Data: General Accounting Office

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