s Co p r e or or e Po en l Effec s of P y Eq y Po c es n Ne Yor

by Heather Boushey

Inequality in the earnings of men and women is a pervasive and continuing problem in the United States economy and New York is no exception. There is good news, however, as women have seen their wages move closer to men's over the past few decades: the ratio of female to male weekly wages for people who work full-time was 58.3 in 1979 and up to 71.7 by 1994. It seems that women are catching up with men.[1] In New York, the trend is similar. In a recent issue of ***Regional Labor Review***, Niev Duffy asked what has happened o 7 se w( )-75.3012(p)65171.6(a)-1.78252(g)6.0241(e)-1.78252(s)3.45768((p)65171.5e)-1.78252(g)6.0241(ep)-63.253(7)-65171.6(

How Do We Explain the Gender Wage Gap?

There are three main economic factors that explain the wage gap. First, women and men tend to have different levels of educational attainment and on-the-job tenure. Working women today are more likely than working men to have attended and completed college, but men tend to have longer job tenure.[4] Second, there are differences in the occupations held by men and women and different racial/ethnic groups. Occupations in New York City and New York State are still highly segregated and this affects the pay gap. In New York City, nearly 50% of women work in occupations where over 70% of the jobholders are women. Wom

paid the same as comparably skilled/tenured men, their family incomes would rise by nearly six percent, and their families' poverty rates would fall from 2.1 percent to 0.8 percent. If single working mothers earned much as comparably skilled/tenured men, their family incomes would increase by nearly 17 percent, and their poverty rates would be cut in half, from 25.3 percent of 12.6 percent. If single women earned as much as comparably skilled/tenured men, their incomes would increase by 13.4 percent, and their poverty rates would be cut from 6.3 percent to 1 percent.[11]

Forecasting the Potential Effects of Comparable worth

Economic forecasting has been used by researchers to evaluate the overall economic effects of comparable worth. Since these policies have only been implemented on a large scale in civil service jobs in the United States, forecasting is a preferable method to studying the potential effects of the policy. Deborah Figart and June Lapidus estimate that if a comparable worth plan were implemented nationwide, it would significantly reduce the number of women who are working but poor. They find that if all employers were covered, comparable worth would virtually eliminate the gap between male and female poverty. Further, if all firms who have 25 or more employees implemented comparable worth, this would do more to lift full-time working women out of poverty than a $0.50 increase in the minimum wage.[12]

To forecast the effect of implementing comparable worth in New York, we begin from the hypothesis that the "percentage women" in an occupation lowers wages, all else equal. Given that women who work in female-dominated jobs earn less, all else equal,

- Bar employers from retaliating against an employee because the employee has opposed an unlawful pay practice or has inquired about her own wages and/or discussed wages with others;
- Require employers to maintain wage records and file periodic reports with appropriate state agencies; and
- Provide for administrative and judicial enforcement of the Act and authorize injunctive relief as well as back pay, compensatory and punitive damages, attorneys' fees for violations.
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Since implementation of the Nolan bill would be based on individual court actions, it is likely that remedies would target the comparable worth issue, rather than systemic overhauls of an employer's entire pay structure. Thus, it is likely to be in the "less costly" range of remedies.

The scope of the solution in the Nolan Bill is small relative to the wage inequality problem. However, this is a first step that will provide women and minorities with access to the information they need to bring suits against employers. It may push employers to raise the wages of historically undervalued jobs to prevent lawsuits and the law's wage disclosure provisions may help employers to understand how and where they underpay women and minorities. Further, it will help to cut down on frivolous lawsuits, as workers will have a clearer understanding of how their wages have been calculated. It may be a small measure, but it is a necessary step to reducing gender disparity in pay and helping women earn the money they need—and deserve—to support their families.

Appendix A: The Skill Groups

The College-required occupations are those where at least 75% of the employees have a college degree. They are: (1) Administrators and Officials, Public Administration; (2) Other Executive, Administrators, and Management; (3) Management Related Occupations; (4) Engineers; (5) Mathematical and Computer Scientists; (6) Natural Scientists; (7) Health Diagnosing Occupations; (8) Health Assessment and Treating Occupations; (9) Teachers, College and University; (10) Teachers, Except College and University; (11) Lawyers and Judges; (12) Other Professional Specialty Occupations; (13) Health Technologists and Technicians; (14) Technicians, Except Health, Engineering; (15) Sales Representatives, Finance, and Business.

Low-wage occupations are the 10 lowest paid occupations. They are: (1) Private Household Service Occupations; (2) Food Service Occupations (3) Health Service Occupations; (4) Cleaning and Building Service Occupations; (5) Personal Service Occupations; (6) Construction Laborers; (7) Freight, Stock and Material Handlers; (8) Other Handlers, Equipment Cleaners, and; (9) Farm Workers and Related Occupations; (10) Forestry and Fishing..

Skilled, non-College occupations are those that require skills, but where the occupants do not necessarily have college degrees. They are: (1) Engineering and Science Technicians; (2) Supervisors and Proprietors, Sales Occupations; (3) Sales Representatives, Commodities, Etc.; (4) Sales Workers, Retail and Personal Services; (5) Sales Related Occupations; (6) Supervisors - Administrative Support; (7) Computer Equipment Operators; (8) Secretaries, Stenographers, and Typists; (9) Financial Records, Processing Occupation; (10) Mail and Message Distributing; (11) Other Administrative Support Occupations; (12) Protective Service Occupations; (13) Mechanics and Repairers Construction Trades; (14) Other Precision Production Occupations; (15) Machine Operators and Tenders, Except Pr; (16) Fabricators, Assemblers, Inspectors, and; (17) Motor Vehicle Operators; (18) Other Transportation Occupations and Mat; (19) Farm Operators and Managers.

Table 1 shows the distribution of workers by gender among the three skill groups in 1997. Women are more likely to be in the college-required group and less likely to be in the low-wage group, relative to men, even though median female earnings are less than men's.

Table 1: Percent of Workers, by Gender, New York City MSA, 1997

	College-required	Skilled, non-College	Low-wage
Percent of Male Workers	33%	47%	21%
Percent of Female Workers	41%	41%	18%

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characteristics that are commonly thought to affect wages (educational attainment, age and its square, dummies for union membership, marital status, citizenship, sector, and industry and occupational dummies); and $\boldsymbol{Z}$ is the percentage of the occupation that is female. Data come from the U.S. Census Bureau's Current Pop

Figure 2

Earnings per Week and Gender Earnings Ratios in New York State, 1997

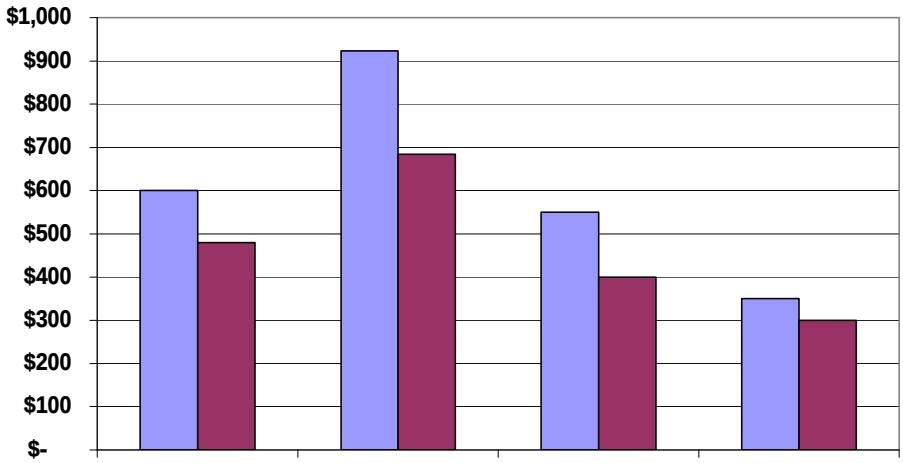
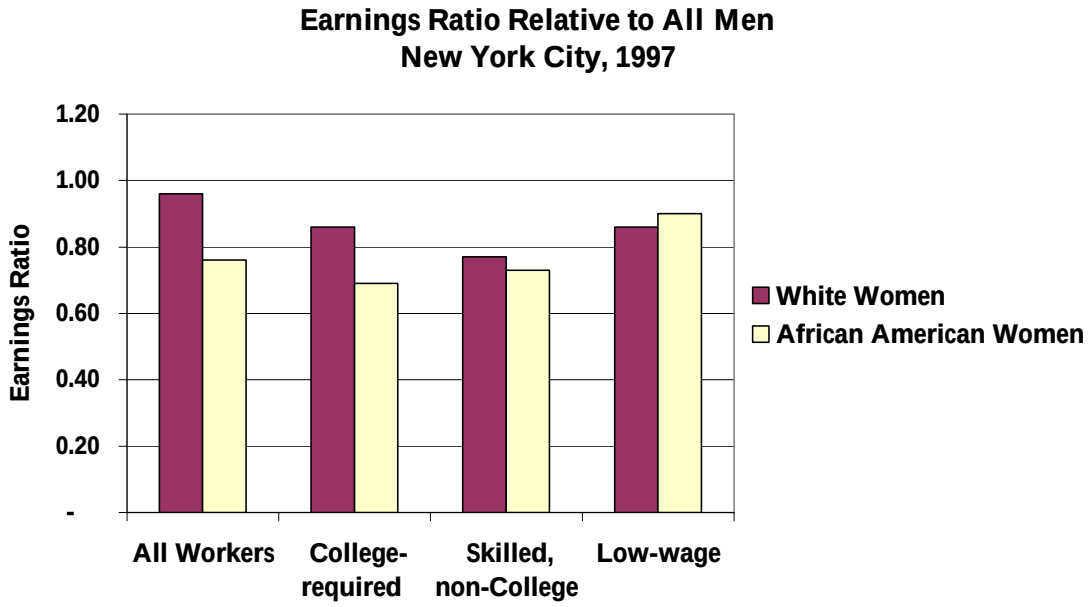


Figure 3



Ratio calculated from weekly earnings for full-time wage and salary earners (not self-employed) ages 16 to 64.