



INDEPENDENT WOMEN'S FORUM

MEMO TO COLLEGE WOMEN

WORKING GIRL:

Why women are not paid less than men for the same work and how they can earn even more

By Arrah Nielsen, Junior Fellow, Independent Women's Forum

Executive Summary

Feminist groups have parroted the statistic that women earn only 76 cents to the male dollar so many times that it is seldom challenged by the mainstream media or anywhere else in the popular culture. Feminist groups imply that the wage gap is due to discrimination and that all women are victims.

But college women getting ready to graduate and find a job should take heart. The wage gap is a misleading statistic that fails to account for several crucial factors impacting women's wages such as:

- **Time worked.** Women take much more time out of the work force and assume a greater share of the domestic load. Long, uninterrupted employment correlates with higher wages.
- **College majors and career choices.** Women disproportionately major in the social sciences and enter lower paying, but more personally fulfilling, careers such as elementary education and social work. Bachelor's degrees in the hard sciences and technology command higher incomes than those in the liberal arts.
- **Playing it safe.** Women are generally less willing than men to take dangerous or unpleasant jobs that offer higher wages to offset the extra risk.

In short, it is women's life and career choices—not a patriarchal conspiracy—that result in women earning less than men. The best way to boost women's earnings is to inform them of why men earn more and leave the choices and the consequences up to them.

Independent
Women's Forum

1726 M Street NW
Suite 1001
Washington, DC 20036

(202) 419-1820

info@iwf.org



Equal pay for equal work has been enforced by the Equal Employment Opportunity Act since it was made law in 1972.

Introduction

No doubt, you've heard feminists parrot the statistic that women earn only 76 cents to the male dollar. Senator John Kerry repeated this statistic in the fall on the campaign trail, as did Kim Gandy of the National Organization for Women. The 76 cents statistic has been repeated so often that most people simply take it at face value.

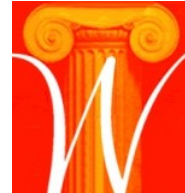
It probably has made the fun job of looking for post-graduation employment that much better, since you are preparing to get gypped as well as get a job. But take heart: as the real facts about the wage gap reveal, women can make just as much money as men. It all depends on the choices that you make.

What Is the Wage Gap?

Equal pay for equal work has been enforced by the Equal Employment Opportunity Act since it was made law in 1972. The Equal Pay Act of 1963 and Title VII of the Civil Rights Act of 1964 also banned sex-based wage discrimination.¹ So it seems pretty remarkable that the wage gap is so wide and pervasive today. Attorneys should be having a field day with class action law suites over this grave injustice. But they are not. Could it be that even the legal establishment is itself involved in this glaringly obvious patriarchal conspiracy?

Fortunately, no. The wage gap is a misleading statistic. It compares all women to all men. Thus, the male orthopedic surgeon working in excess of 70 hours per week is tossed in alongside the female receptionist working 40 hour weeks. The statistic does not take into account the level of education, the years of work, and the choice of education. And these factors can have a big impact on how much money you make.

For example, the Bureau of Labor Statistics reports "that the average person working 45 hours per week earns 44 percent more pay—that is, 44 percent more pay for 13 percent more work."² In other words, a small difference in number of hours worked can add up to a big difference in dollars earned. Women are 50 times more likely than men to take time out of the workforce, for care-giving and other reasons.³ This difference should not be overlooked when trying to get at the roots of the wage gap.



When males and females in the same occupation, with similar qualifications and experience, are compared there is virtually no difference in their pay. A definitive study of the gender wage gap conducted by economist June O' Neill, former director of the Congressional Budget Office, found that women earn 98 percent of what men do when controlled for experience, education, and number of years on the job.⁴

The Real Reason for the Wage Gap: The Choices Women Make

Warren Farrell, three time board of directors member of the National Organization for Women (NOW) New York City, points out in *Why Men Earn More* that one reason men earn more than women is because they are far more likely to take unpleasant and dangerous jobs, what Farrell calls the "death and exposure professions." For example, firefighting, truck driving, mining, and logging are just a few high risk jobs that are over 95 percent male. Conversely, low risk jobs, like secretarial work or childcare, are over 95 percent female.⁵

Farrell points out that in California, prison guards can earn \$70,000 per year in addition to full medical benefits, and retire after 30 years with a hefty retirement package. But it takes little imagination to figure out why California still has a difficult time staffing its prisons, and it goes without saying that most prison guards are male. Says Farrell, "As with most jobs, there's an inverse relationship between fulfillment and pay."⁶

Because men are more likely to take jobs that are unpleasant, dangerous, or dull in exchange for higher pay, they reap the financial benefit. Farrell summarizes this phenomenon this way: "jobs ... that expose you to the sleet and the heat pay more than those that are indoors and neat."⁷ Individual women could choose to enter more risky but higher paying professions, but most choose not to.

There is little evidence to suggest that women earn less than men merely because they are women. In fact, according to the 1960 U.S. Census of Population, a decade before the Equal Pay Act was passed, never married childless college-educated white women who worked full time were earning 106 percent of what their male counterparts were making. Furthermore, Warren Farrell documents occupations requiring bachelor's degrees in which women's starting

A study of the gender wage gap found that women earn 98 percent of what men do when controlled for experience, education, and number of years on the job.



Why then do women earn less than men? The primary reason is that on average maximizing earnings is less of a priority for women than it is for men.

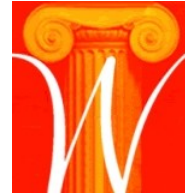
salaries actually exceed men's. Female investment bankers and dieticians, for example, can expect to earn 116 percent to 130 percent of their male counterparts' salaries.⁸

Why then do women earn less than men? The primary reason is that on average maximizing earnings is less of a priority for women than it is for men. Men are 50 times more likely than women to be the primary or sole breadwinners for their families,⁹ and even well-educated women, who are presumably more ambitious than the average Jane, are less committed to their careers and less willing to make sacrifices for them. Surveys of female MBAs reveal that ten years after graduation, 20 percent do not work at all, having opted out of the work force in favor of being stay-at-home moms. A Korn/Ferry study revealed that only 14 percent of women, compared to 46 percent of men, say they actually want to be a CEO.¹⁰

Comparable Worth? Comparable to What?

But feminist organizations like the National Organization for Women and the Ms. Foundation don't accept these differences in decisions as the real reason for differences in pay. They argue that female-dominated occupations are undervalued. Thus they insist that women who enter occupations such as elementary education and secretarial work, which have low starting pay and little opportunity for advancement, are victims of an economic system that undervalues and under-compensates their work. They argue for "comparable worth" legislation that would have the government decide how much professions ought to be paid in order that secretaries make the same wage as truck drivers.

To proponents of comparable worth, the mere fact that female-dominated occupations such as secretarial work and childcare pay less than male-dominated jobs like construction work, which require less education, is concrete proof that women are being unfairly discriminated against. What feminists and other comparable worth proponents overlook is that it is the market, not anonymous committees of wage makers, that determines what employees are paid. Comparable worth? Comparable to what?



Comparable worth was implemented in Australia in the 1970s, and while it failed to close the gender wage gap, it succeeded in creating labor shortages. "A 10 per cent gap for full time workers and a 20 per cent gap for all workers remains, mainly because women have different labour force characteristics than men."¹¹

Minnesota experienced similar problems with comparable worth. University of Virginia economist Stephen Rhoads showed in his book *Incomparable Worth* that "pay equity" in Minnesota resulted in depressed wages and labor shortages in crucial occupations such as nursing and computer engineering.¹² Furthermore, while the city of St. Paul spent an additional \$32 million on salary expense between 1985 and 1992, debate raged on about which occupations were being compensated fairly and whether Minnesota was in compliance with the law at all.

In a free market, wages are a compromise between what employees are willing to work for and what their employers are willing to pay them. Instituting comparable worth will ultimately only hurt women and the economy by making women more expensive to employ, under-compensating certain professions causing labor surpluses and shortages, and stifling economic growth. There is simply no way that unelected bureaucrats can synthesize the full volume of information reflected in wage rates. The most accurate labor statistics available run a year behind...Wages are most accurately and fairly determined by the free association of labor participants.

Hearth and Home

Another reason women's average earnings are less than men's is that they tend to shoulder a greater share of the domestic load at home, and take more time out of the workforce for care-giving. Women more than men adjust their work schedules to accommodate their families. And in poll after poll, they express a preference to do so.¹³

"Well, why can't men and women share domestic responsibilities 50-50 so women will be just as free and unencumbered as men are?" the conventional feminist argument goes. Some couples manage to create such an arrangement, but in general couples typically find it easier for each partner to specialize and make the sacrifices

Instituting comparable worth will ultimately only hurt women and the economy by making women more expensive to employ, distorting the workings of a free market, and stifling economic growth.



required to sustain the family. Most couples find that one career has to give when children come along and it is usually the mother's.

Scholars can debate whether it is societal pressure or innate desire that makes women elect to spend more time with their children. But so long as these decisions are a reflection of women's expressed preferences, this isn't a problem that needs to be solved.

Case Study: You

What factors are you taking into account as you start looking for a job? Probably potential earnings are just one of many factors you are considering before entering a career field. Personal fulfillment, safety, job flexibility, and working conditions weigh in along with salary.

It is wrong to assume that maximizing earnings is the primary goal of every worker. The important thing is that everyone is free to make their own decisions and is constrained only by the talent and ambition they possess. If women earn less than men as a result of their own choices and preferences, than that is an outcome we should be willing to accept.

Conclusion

Feminists have ignored how women's lives and goals differ from men's. In doing so they have overlooked the fact that it women's life choices—not sex discrimination—are responsible for the infamous wage gap. In order for women to reach absolute parity with men, they will have to work full time all the time, and choose career paths that pay more, but are less flexible and fulfilling. This recipe for equality is at odds with what most women want, but that does not seem to matter to feminists pushing the notion that women are shortchanged economically. They have mistaken equal opportunity for equal outcomes.

Understanding the reasons why men earn more than women, not promoting the paranoid, tiresome notion that women are victims, is the key to boosting earnings. It is the knowledge of how individual choices impact workplace earnings--not divisive ideology—that will empower women. College women should take note: the truth will set you free.

It is the knowledge of how individual choices impact workplace earnings—not divisive ideology—that will empower women.

INDEPENDENT WOMEN'S FORUM



Endnotes

¹ US Equal Employment Commission website. Available at: <http://clinton4.nara.gov/WH/EOP/CEA/html/gendergap.html>.

² Bureau of Labor Statistics, March 2003, Current Population Survey. The average worker working 45 hours per week earns \$913; 42 hours \$803, a difference of 14 percent.

³ Jason Fields, "Children's Living Arrangements and Characteristics: March 2002," Current Population Reports, U.S. Census Bureau, p. 20-547, 10. There are 105,000 stay-at-home dads, 5.2 million stay-at-home moms.

⁴ "Explaining Trends in the Gender Wage Gap," a report by the White House Council of Economic Advisers, June O'Neill. Available at: www.gao.gov/htext/d0345.html.

⁵ Bureau of Labor Statistics, March 2003, Current Population Survey.

⁶ Warren Farrell, *Why Men Earn More* (Amacom, New York, 2005) p. 47.

⁷ Warren Farrell, p. 44.

⁸ National Association of Colleges and Employers (NACE), "Average Yearly Salary, Offers-Bachelor's Degree Candidates," Salary Survey: A Study of 2002-03 Beginning Offers. September 2003, Fall 2003, Vol. 42 No. 4, pp. 8-11.

⁹ Jason Fields, "Children's Living Arrangements and Characteristics: March 2002," Current Population Reports (US Census Bureau, P20-547, 2003) p. 10.

¹⁰ Korn/Ferry International and UCLA Anderson Graduate School of Management, "Decade of Executive Woman: Survey of Women in Senior Management Positions in the Fortune 1000 Industrial and 500 Service Companies" (Los Angeles: Korn/Ferry International, 1993), p. 48, Table 86, "Age."

¹¹ Helen Hughes, *Issue Analysis* "Equal Pay for Work of Equal Value" No. 2 June 26, 1998.

¹² Stephen Rhoads, *Incomparable Worth*, p. 14.

¹³ *Ibid.*, p. 48.