

THE NEWS HERALD

HOMEFRONT

Women rally for equal pay

There is a mind-blowing article in this month's Fortune magazine by Betsy Morris entitled, "How Corporate America is Betraying Women," that I thought I'd share with you for this week's column.

For years, I, along with all the other working women in the U.S., knew that we were still earning less than what a man with the same credentials would be paid for doing exactly the same job, but I never realized that women have actually taken matters into their own hands and decided to band together to fix this discriminatory practice using class-action lawsuits.



As I
see it

Peg DeMarco

It all seemed to snowball in mid-2004 when a May 2004 court decision was handed down that forced Boeing to pay \$72.5 million to settle a class-action lawsuit brought by female employees because they asserted that the company paid them less than men and did not promote them as quickly. The next month, a court ruled that a lawsuit charging Wal-Mart with discriminatory pay and promotion practices could proceed as another class action. And then, out of the blue in July, Morgan Stanley, involved in a similar class-action lawsuit, decided to

settle out of court for \$54 million.

It didn't get any better in August for big business when an assistant store manager for Costco sued the retailer for denying her a promotion. Her lawyers have asked the court to allow that case to proceed as a class-action. We'll just have to wait and see.

Now, granted, the old adage "innocent until proven guilty" goes the same for companies as it does for private citizens, but the publicity these lawsuits generate has a staggering effect on the good name public relations people and ad agencies have spent years to build. Think of it this way: suppose you're a woman who shops continuously at Wal-Mart because its prices are low, the merchandise is good and the people are friendly. Then suppose, for illustrative purposes only, that Wal-Mart is found guilty of paying women less than men doing precisely the same job. Sure, you may still shop at Wal-Mart because you have a tight budget to meet, but a seed may have become planted in the corner recesses of your mind that shakes the boots of Wal-Mart's upper management: "I wonder if I ought to check out K-Mart or Target." To management, that tiny seed is worth squashing a lawsuit and paying millions of dollars because, after all, this is big business and we, as women, do most of the shopping.

Why are women rallying at this particular point in time? According to the article, a critical mass of career women have reached their 40s, 50s and even their 60s and are now shouldering more of the financial burden than ever before. These days, approximately 62 percent of all working women contribute half or more of the household income. Twenty or thirty years ago when a woman first entered the job market, she looked the other way when she found out that the man sitting next to her got a higher entry salary than she did, but now, at the prime of her life, she's making more money than she ever dreamed she could — money that is needed to pay for the kids' college funds or a bigger house, newer car — and she's still behind the guys in the office. It's an open wound that hasn't been healed with time.

Forty years ago, according to the article, a woman's biggest battle was simply to get access into the workplace. That changed with the Civil Rights Act of 1964, which made it illegal for employers to discriminate on the basis of race, creed and sex, and created the Equal Employment Opportunity Commission. In the 1970s, the EEOC flexed its muscles and took on major industries such as the automakers and oil companies, but in the 1980s, it became less feisty and rather complacent. However, under mounting pressure from civil rights and women's groups, in 1991, Congress passed a law that made it easier for women to file sex discrimination charges and, bingo, settlements began to crop up: Mitsubishi settled for \$34 million in 1996, Home Depot for \$104.5 million in 1997, Merrill Lynch for an undisclosed sum in 1998 and American Express for \$42 million in 2002 — ladies, that's almost one victory per year — and then the business world really got a comeuppance in 2004.

The Census Bureau's current statistic that rounds out the wage disparity is that a woman working full time earns just 75.5 cents for every \$1 a man earns. However, the further up the pay scale and the higher the education, the wider the earnings gap for women. And what's even worse, salt on that open wound so to say, is that even in "women's industries," those careers traditionally held by women, women consistently earn less than men!

I read off some of the comparisons to my husband and he was just as stunned as I was because we both didn't think the gap was so large or in so many categories. For instance, women financial managers earn 63 cents compared to the dollar that a man earns in the same job. For an administrative assistant, traditionally a woman's career, it's 93 cents to a man's \$1. Even more surprising, women physicians/surgeons earn 59 cents to the dollar that a man earns and registered nurses, again traditionally a woman's career, earn 88 cents to their male counterparts who earn \$1.

One explanation for women's lower pay and status, according to the article, is that women don't negotiate as well as men. Men are more likely than women to negotiate an initial salary resulting in a higher starting pay, which gives them an extra rung on the career ladder. But consider a large portion of today's family unit where there is a single parent household and the woman is predominantly the caregiver for the children, often relying, and sadly at times doing without, child support. Negotiation then becomes critical when she takes a job because she has a family to consider.

It's for that reason that I suggest that mothers everywhere, and even single women without children, contact our school boards and demand that they change the curriculum. Instead of encouraging our young women to take a course in home economics to learn how to bake a pie or sew a shirt, let's all rally for another course — one in negotiation skills. For generations to come that may be the key for women that opens the door to equal pay in the business world.

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