



# The Phyllis Schlafly Report

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## Do Women Get Equal Pay for Equal Work?

The National Organization for Women (NOW) is currently doing a fund-raising campaign which offers donors of \$30 or more a button with "59c" on it. NOW states in its advertising material that the 59c button "signifies the fact that without the Equal Rights Amendment women earn 59c for every \$1.00 paid to men for the same job."

This, of course, is untrue. It is against the law to pay only 59c to a woman when a man is getting \$1.00 for the same job. Nobody has produced a single woman who is being paid only 59% of what a man is getting for the same job. This topic received much attention at the Hearings on Sex Discrimination conducted by Senator Orrin Hatch, Chairman of the Senate Committee on Labor and Human Resources. Printed below are two of the statements presented on this subject.

### Testimony by Phyllis Schlafly to the U.S. Senate Committee on Labor and Human Resources April 21, 1981

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Over the past year, a deceitful propaganda campaign has been orchestrated by the feminist movement which is designed to convince the American people that, when women take a paying job, they receive only 59c for every dollar paid to a man doing the same work. As it is used by the feminists, the 59c figure is a lie -- and worse. It is part of the feminists' harassment of the role of motherhood. The 59c propaganda slogan is designed explicitly to eliminate the role of motherhood by changing us into a society in which women are harnessed into the labor force both fulltime and lifetime.

"Equal pay for equal work" is the law of our land today. It is positively required by the Equal Employment Opportunity Act of 1972 and by many other federal statutes and executive orders. The Equal Employment Opportunity Commission is its aggressive enforcement agency, and has wrung multi-million dollar settlements against the largest companies in our land, such as the \$38 million settlement imposed on AT&T.

We support equal pay for equal work. In all my travels, I have never met anyone who opposes equal pay for equal work. It is the single most noncontroversial concept in the country today. So why, then, do the feminists keep talking about it? Because they want you to believe that it should mean something which it doesn't mean at all.

Equal pay for equal work does not mean that the nurse should be paid the same as the doctor; or that the

secretary should be paid the same as her boss -- even if she works just as hard and thinks she is just as smart. Equal pay for equal work does not mean that the woman who has been on the job two years must be paid the same as a man who has been in his job for 20 years. Nor does it mean that a secretary must be paid the same as a plumber even if she has spent more years in school, or that the woman who works in an office or at a store counter must be paid equally with the man who works in a mine or in construction work.

Equal pay for equal work means that the man and woman must be paid equally if they are doing the same job for the same number of hours with the same experience in the same type of industry in the same part of the country. That is the law today, and it has been very aggressively enforced by the Equal Employment Opportunity Commission.

The people who are carrying on the campaign to perpetrate the "59c fraud" obviously are not talking about violations of the Equal Employment Opportunity Act. They offer no suggestions for changing it. So where did they get the 59c figure?

The 59c figure is the average wage paid to all women as compared to the average wage paid to all men. That comparison doesn't prove anything at all about sex discrimination or the fairness with which anyone is paid on any job.

We certainly don't want a society in which the average wage paid to all women equals the average wage paid to all men because that would be a society which would have eliminated the role of motherhood.

The career of motherhood is not recorded or compensated in cash wages in government statistics, but that doesn't make it any less valuable. It is the most socially useful role of all.

We don't even want a society in which the average wage paid to all *working* women equals the average wage paid to all working men, because that would be a society in which working wives and mothers would be working in paid employment all their lives for as many hours a week as men. Most wives do not do this now, and they don't want to do it. By working fewer hours in the paid labor force, wives and mothers can give more time to their families and to the role of motherhood.

We want a society in which the average man earns more than the average woman so that his earnings can fulfill his provider role in providing a home and support for his wife who is nurturing and mothering their children. We certainly don't want feminist pressure groups to change public policy in order to force us into a society in which all women are locked into the work force on a lifetime basis, because that would mean forfeiting their precious years and hours as a mother.

## Reasons for Pay Differences

Equal pay for equal work between a man and a woman in any particular job is the law, and we support it. But when we *average* the wages of *all* women and compare them to the *average* wages of *all* men, the pay cannot and should not be equal because the work is not equal. The reasons why the average man earns more pay than the average woman are that he works longer hours, works more years on the same job, has more experience and education, and does harder or more dangerous work than the average woman. Therefore, it is only right and just that he earn more. Here are a few examples of why that differential exists:

1. The average man has far more work experience and far more seniority on his present job. The average woman has been in her present job only half as long as the average man. The average woman has more career interruptions; she is eleven times more likely to leave her job than the average man.

2. The average woman does not work as many hours per week as the average man. Most wives do not work fulltime in paid employment; even if the statistics call it "fulltime," that does not mean 40 hours a week 12 months a year. Many women prefer and take part-time jobs. The new concept called "job-sharing" is proving very attractive to wives compelled to enter the labor force. Many more men than women work overtime hours for premium pay; most women refuse overtime work if they can and resent it very much when they are "forced over" (the factory term for involuntary overtime).

3. Included in the figures for the average man are millions of men who do dangerous, heavy, he-man jobs which women cannot do, and for which women are unsuited and wouldn't take if they were offered three times the pay. These include such jobs as miners, steel and iron workers, high line electricians, lumberjacks, salvage divers, concrete finishers, millwrights, high explosive handlers, roofers, jack hammer operators, steeple jacks, tree trimmers, longshoremen, movers, and railroad and truck crews. The men in such jobs can and do receive good pay, and they deserve it. The *Wall Street Journal* of April 14, 1981, described the job of an Arctic driller -- and that certainly is a he-man job. It is absolutely unjust to think that the average woman

should receive equal pay for the cleaner, safer, less demanding, less dangerous jobs that women prefer.

4. The *average* woman (not all women, of course) voluntarily declines the added responsibility, the long hours, and the lifetime commitment required for the high paying positions in the professional and business world. Here are some examples:

(a) The *Wall Street Journal* reported on March 18, 1981 that the differential in the earnings of male and female physicians is explained by the facts that [a] the average woman doctor sees 40 fewer patients per week than the average male doctor, and [b] the women choose the lower-earning specialties such as pediatrics and psychiatry over the more lucrative fields such as surgery which are chosen by men.

(b) Crain's *Chicago Business* of October 13, 1980, reported an interview with a woman who heads an executive search firm. She has found that "more women are starting to turn down job offers . . . because they refuse to make the same kind of commitment to their careers that a typical male executive would make." She gave many specific examples from her firm's experience of women who passed up good promotions because they were not willing to make the personal and family sacrifices needed to move up the corporate ladder.

(c) Women come out of law schools with high grades, but many are unwilling to work the long hours, the nights and weekends, which are the typical life of a young male lawyer trying to build his career and become a partner.

(d) Wives will customarily decline a position that requires a move to another city, and wives will customarily resign a position in order to accompany a husband's career move to another city. This is because keeping the family together is more important to most wives than career advancement.

5. The average man today has more years of education and more education in more highly-paid specialties. This is why comparisons are irrelevant between young men and women today even if they have the same number of years of higher education. My daughter graduated from Princeton with honors in economics; my son graduated from Princeton with honors in electrical engineering. In the statistics, they will be reported as having the same number of years in college, but the differential between the starting salaries of those two specialties is about \$8,000 per year. That is not sex discrimination, but the marketplace's recognition of the fact that electrical engineers have taken a more difficult academic course and are more in demand in our society today. Nobody discriminated against my daughter; she chose not to take engineering.

## Career Choice

The reason women are in jobs that are less demanding, with shorter hours and less pay, is not sex discrimination. It is career choice. The overwhelming majority of American women make the career choice to give priority to homemaking and motherhood, and to the maintenance of an intact family. Even for those for whom "priority" might be too strong a word, at least they divide their time and efforts so that they do not and cannot give a fulltime, lifetime commitment to a paid-employment career. Most women have always made homemaking and motherhood their premini-

ment career choice. Even those women who do not make homemaking and motherhood a fulltime, lifetime occupation, nevertheless devote enough of their life to it that they cannot and do not give fulltime, lifetime attention to an employment career, as men do.

It is not the job of this Congress to try to change women's voluntary career choice by legislative, financial, or tax inducements. The future of our nation depends on children who grow up to be good citizens, and the best way of achieving that goal is to have emotionally stable, intact families. Society certainly has an obligation to care as well as we can for the disadvantaged and neglected and abandoned children who do not have the benefits of mothering and fathering, but it is morally, socially, economically, financially, and politically wrong for this Congress to legislate inducements to mothers to abandon their role of motherhood. It is also wrong for the Congress to continue to give public forums only to the narrow little

minority of feminists who have themselves rejected motherhood as women's role and are trying to label motherhood as an obsolete stereotype. . . .

These problems do not involve a battle between homemakers and working women. There is no such division. Homemakers work very hard, indeed, and millions of them are in the labor force today. Working women have homes also, and they work very hard at homemaking. Nearly all women will be in the labor force for some years of their lives. . . .

Respect for the role of motherhood means having respect for the different roles that women voluntarily choose for different periods of their lives. Respect for the role of motherhood has nothing to do with whether a woman "works" or "takes" a job." The overwhelming majority of women do not want to forfeit their years of mothering their own babies and be forced into a fulltime, lifetime commitment to a paid job.

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## Testimony by Judith Finn to the U.S. Senate Committee on Labor and Human Resources April 21, 1981

I am Judith Finn. I am a homemaker from Oak Ridge, Tennessee. I was trained as an economist and political scientist, and I worked for several years doing public policy research and teaching political science.

Women in the labor force earn about 63 percent as much as men.<sup>1</sup> This has been cited by witnesses before this committee as evidence of widespread sex discrimination in employment. However, studies by economists on the nature of this earnings gap have found no hard evidence at all that any significant portion of this gap is due to sex discrimination.

The earnings gap is due to the fact that women do not do the same work as men, and they get different pay for different work. When women are doing the same jobs as men, the fact is they do receive equal pay for equal work. The authors of a survey of the economic literature on this subject sponsored by the Committee on the Status of Women in the Economics Profession and published by the American Economics Association concluded that ". . . perhaps the sole consistent result of the empirical studies surveyed is that sex discrimination in the form of unequal pay for equal work is of little, if any, quantitative significance."<sup>2</sup>

Of course, to conclude that unequal pay for equal work is not "of any quantitative significance" is not to deny that violations of the Equal Pay Act occur, merely that such violations can explain only a negligible portion of the earnings gap. There are two reasons for this.

First, if we define "equal work" methodologically by controlling for differences in education, experience, detailed differences in occupation, and job level, etc., then we can explain virtually all of the earnings gap.<sup>3</sup> Just as important is that men and women tend to hold different kinds of jobs, and the kinds held by women tend to be lower-paying jobs. Since men and women are not doing the same work very much of the time, unequal pay for doing the same work could not explain

much of the earnings gap even if the studies did find significant pay inequalities for the same work.

Since pay differences are almost completely caused by differences in jobs rather than the failure to obtain equal pay for equal work, understanding the earnings gap requires an explanation of the reasons why women, on the average, hold lower-paying jobs than men. Women have different job-related attributes and different amounts of these attributes than men.

These differences, which are due to the dual role that the majority of women in this country still choose to play, explain most, if not all, of the earnings gap. I will briefly summarize these differences.

1. *Women have different educational attributes.* Women receive as much education as men today, but women compare unfavorably with men in the kind of education they receive. Women tend to predominate in fields of study where salaries are depressed by excess supply, like humanities, social science, and education, while men study in fields where salaries are high, like engineering, computer science, and accounting. Dramatic changes are occurring in this regard. For example, the proportion of women enrolling in the high-paying fields of engineering, business, and medicine has increased several fold in the past decade. But we cannot expect these changes to signal equality of educational attainment in the near future because women still record mathematical aptitude well below that of men, and this limits their likelihood of success in many of the predominantly male fields.<sup>4</sup>

2. *Women invest less in on-the-job training.* Women's investment in on-the-job training comes to only a fraction of the amount invested by men.<sup>5</sup> From a narrow economic point of view this is rational behavior on the part of women who expect to restrict their work effort in order to raise a family.<sup>6</sup> However, on-the-job training is an important factor influencing earnings.

Women's lower level of training has been shown to be an important factor in the earnings gap between men and women.<sup>7</sup>

3. *Women have less work experience.* On average, women have fewer years of work experience than men. This is partly due to higher unemployment, but more importantly to the fact that women drop out of the labor force to pursue family responsibilities associated with child bearing and child rearing.

4. *Women work fewer hours.* Women work part-time far more often than men. But more importantly women who work full-time (more than 35 hours per week) also work shorter hours, 10 percent fewer hours than men who work full-time.<sup>8</sup> In addition, women have nearly 50 percent higher absences from work than men.<sup>9</sup>

5. *Women have shorter job tenure.* Job tenure, defined as the length of time an employee has worked steadily for the same employer, has been shown to be an important factor affecting salaries. On average, persons having more tenure with their current employer report higher salaries than others who are similar in other respects, even others who have the same total number of years of work experience.<sup>10</sup> Thus it is significant that men report nearly twice as much job tenure as women: the median is 4.5 years for men and 2.6 years for women.<sup>11</sup> The greater job tenure of men is attributed to two factors depressing the average for women. A relatively large proportion of women workers are under age 25 where job tenure is at a minimum. Also many women leave the work force at least once during their working lives because of family responsibilities.<sup>12</sup>

6. *Women have less geographic mobility.* Compared with men, women are less willing to move to another location to get a job when unemployed or to get a better job when employed.<sup>13</sup> Single women, like men, experience increased earnings when they move, but married women do not. On average, their family income goes up as a result of the move, but the wife is frequently following her husband in these cases, and on average, receives lower earnings as a result of temporary unemployment.<sup>14</sup>

7. *Women are less motivated to maximize earnings and have different work-related values.* There are few good measures of male/female differences in motivation which is unquestionably an important determinant of salary differences. We do know that among college students, males place a higher value on achieving financial success than their female counterparts.<sup>15</sup> Case studies of differences in motivation between male and female employees in the same firm have also indicated sex differences in motivation which are directly related to promotion up the job ladder.<sup>16</sup> There is evidence that women value non-salary characteristics in their jobs, like pleasant inter-personal relationships, pleasant working conditions, and a good location more than men. This implies that, on average, women trade-off salary for these other working conditions more frequently than men.

It is entirely plausible that these differences in job-related attributes explain the entire earnings gap. However, neither the data nor the methods that have been brought to bear on this issue are adequate to show conclusively that male/female differences in characteristics and behavior are (or are not) sufficient to explain

the differences in average salaries. We can be sure that these differences explain most, if not all, of the earnings gap. The problem is that we have no direct measurement of discrimination.

The method used by economists is to explain the difference in earnings using a mathematical model, as well as possible with the data available, and then to attribute the unexplained residual to sex discrimination. But in fact the existence of a residual does not prove that discrimination has occurred. The residual also includes the effects of unmeasured and improperly measured differences in male/female productivity.<sup>17</sup> Not all economists working in this area mistakenly assert that the residual is a measure of sex discrimination, but the important point here is that those who do claim to have found discrimination have only the existence of the residual upon which to base this claim.<sup>18</sup>

While it is true that the evidence is inconclusive, it is equally true that the differences in the choices that women make explain most, if not all, of the earnings gap. Therefore, what is the proper role for Congress here? Surely, it is not the role of Congress to narrow the wage gap by forcing or encouraging women to change their labor market behavior and increase their human capital and become more like men. We support the efforts of the Equal Employment Opportunity Commission to combat sex discrimination. However, this should not be construed to mean that we are asking for more government regulations, more quotas, and more special programs for women. A good case can be made that the interests of women as well as the economy would be better served by a reform of the adverse effects of existing regulations. In his review of antibias programs Professor Richard Lester of Princeton concluded that "the application of antibias programs . . . has involved disregard of individual differences, has challenged merit as the basis for promotion and pay, and has shown a lack of concern for the efficient use of resources."<sup>19</sup>

It is the responsibility of Congress to see that the cures for problems of discrimination in employment are not worse than the problems themselves. We cannot be sure that sex discrimination is an important determinant of women's earnings, and except for isolated case studies, it has never been documented to exist. We are, however, increasingly sure that government regulation of the economy is hurting productivity. Because women depend on a healthy growing economy even more than men, the negative impact of antidiscrimination regulations are just as important to women as sex discrimination itself. We urge this committee to seriously consider this issue as it evaluates demands for further regulation.

*The footnotes that accompanied Mrs. Finn's testimony are available on request for \$1 and a stamped self-addressed envelope.*

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