

Equal Pay for Equal Worth

The New Frontier for Women (and Men)

Job evaluation systems, together with market-rate factors, determine what employers pay various jobs. Historically, such evaluations have compared similar jobs. Some states have recently adopted quantitative, point-based systems to determine pay ranges for state employees in similar and dissimilar jobs. This system incorporates the concept of pay equity—or comparable worth—and may address possible discrimination in pay between men and women in dissimilar jobs.

A new pay equity study, mandated by the legislature, will examine whether the N.C. state personnel system should incorporate the principle of comparable worth.

by Jane Smith Patterson

In June 1984, near the end of its "short session," the N.C. General Assembly voted \$650,000 for a two-year pay equity study. This study will take the state of North Carolina much deeper into perhaps the most important personnel and women's issue of the 1980s—pay equity, or comparable worth.

Nearly three of every four state employees in North Carolina work in jobs dominated by males or females, according to a 1982 study by the N.C. Office of State Personnel.¹ A 17-page, single-spaced appendix to the study listed these jobs, including "elevator inspector" (all men) and "lead nurse" (nearly all women).

An elevator inspector, a Grade 70 job in the state classification system, must have a high school degree and five years of experience. A lead nurse, a Grade 68, must graduate from a state-accredited school of professional nursing,

be licensed to practice as a registered nurse in North Carolina, and have one year of experience. Elevator inspectors determine if a complex system of machinery merits a state certificate of approval and can safely transport citizens to the upper floors of a public building. They also investigate accidents involving elevators, chair lifts, and amusement rides. Lead nurses watch over medication dosages, interpret hospital policies, ensure quality care for patients, supervise staff nurses, and on occasion deal with life and death situations.

An elevator inspector and a lead nurse are

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dissimilar jobs, not easily compared in terms of value to their employer, the state of North Carolina. In the current state job classification system, each is evaluated and compared with *similar* or related jobs; then market considerations are assessed and pay-grade levels assigned. Under this method, elevator inspectors, all men, fall within the Grade 70 pay range, \$19,716 to \$29,940. Under the same system, lead nurses, almost all female, earn Grade 68 pay, \$18,036 to \$27,204.

A lead nurse must have more education than an elevator inspector. More importantly, a lead nurse supervises other nurses and thus must possess management and interpersonal skills as well as the prerequisite skills of her trade. An elevator inspector does not have supervisory responsibilities of other staff. But lead nurses—almost all women—receive less pay than the all-male staff of elevator inspectors—\$1,680 to \$2,736 less a year.

Is this fair? Do the pay differences between these jobs represent a form of discrimination against women? If so, how can this discrimination in compensation be eliminated?

In 1963, Congress passed the Equal Pay Act, which outlawed pay discrimination between men and women doing substantially the same work.² With Title VII of the Civil Rights Act of 1964, Congress prohibited any discrimination on the basis of race, color, religion, sex, or national origin in hiring, promotion, pay, terms, conditions, or privileges of employment. Finally, the Equal Employment Opportunity Act of 1972 amended Title VII to cover public employers and to strengthen enforcement.

Despite these landmark legal protections, the pay gap between working men and women today remains roughly the same as 30 years ago, about 40 percent. In North Carolina, for every dollar earned by a white man, a white woman makes 60 cents and a black woman 53 cents. The gap is smaller for state government employees—women make 82 percent of men's salaries.³ Much of this pay difference stems from education levels, supervisory responsibilities, seniority, and other predictable factors. But what about the remaining gap?

Before Title VII made sex discrimination in employment illegal, employers routinely hired men for certain jobs and women for others. And the women's jobs generally paid less. Since such overt discrimination has been outlawed, some changes have slowly emerged. But the tradition of certain jobs being dominated by men or women (for example, virtually all administrative secretaries are still women) remains firmly fixed, as does the tradition of paying "women's" jobs less.

Comparable Worth—The Personnel Issue of the Eighties

The Equal Pay Act and Title VII have not served to narrow the pay gap in 20 years. What will? The wage-gap remedy put forward most often is compensation on the basis of comparable worth, or equal pay for work of comparable value. Under a compensation system that incorporates comparable worth, if dissimilar jobs—like an elevator inspector and a lead nurse—are found to require similar levels of skills, effort, responsibility, and knowledge, and to have similar working conditions, the jobs would receive similar (or comparable) pay. Put another way, compensation is based on *job content and value to the employer*, as determined by accepted methods of job evaluation. Ultimately, therefore, the term "comparable worth" really means pay equity—for persons performing both similar *and* dissimilar jobs.

Comparable worth is not a new idea. Australia, Canada, France, England, and other countries have incorporated its principles into their personnel systems for much of the last decade. In this country, Minnesota, Washington, and other states have also begun to consider comparable worth in their state employee personnel systems. In the late 1970s, the Equal Employment Opportunity Commission (EEOC), under the leadership of Eleanor Holmes Norton, brought the issue of comparable worth widespread national attention.

"Market wages incorporate the effects of many institutional factors, including discrimination," the EEOC concluded in a major 1981 report.⁴ "Policies designed to promote equal access to all employment opportunities will affect the underpayment of women workers only slowly." The report then spoke directly to the issue: "The strategy of 'comparable worth' . . . merits consideration as an alternative policy of intervention in the pay-setting process wherever women are systematically underpaid."

In addition to such federal administrative initiatives, a long line of complex litigation was moving through the courts. Over the years, debate arose concerning the interpretation of Title VII with regard to pay discrimination, particularly its so-called "Bennett amendment" (see article on page 38 for more on this amendment and the legal discussion that follows). Language in Title VII includes substantially the same exemptions as does the Equal Pay Act of 1963—i.e., pay differentials are not "authorized" unless they are based on seniority, merit, quantity/quality of production, or any other factor *other than sex*. But in 1981, the U.S.

Supreme Court ruled in the *County of Washington, Oregon v. Gunther* that Title VII had broader application than did the Equal Pay Act.⁵ The Court thus opened the door for comparable worth or pay equity cases to be brought under Title VII.

In this case, Alberta Gunther and three other jail matrons in Washington County, Oregon, sued the county, charging discrimination on the basis of pay. The county's *job evaluation system* had determined their jobs to be worth 95 percent of what the male jailers' jobs paid, yet the matrons earned only 70 percent of what the male guards received. The matrons never claimed their jobs were equal, only that they should receive pay commensurate with the "worth" of their job as measured by the county itself. The U.S. Supreme Court ruled in favor of the matrons and declared that discrimination claims may be brought under Title VII even if equal jobs held by males do not exist within the organization. The Court made it clear that such comparisons are not required in order to show discrimination.

Although the *Gunther* decision pushed the Title VII litigation door open much wider, the Supreme Court specifically declined to address the issue of comparable worth. Jail matrons and guards do similar jobs, but the broad comparable worth issue involves both similar *and* dissimilar jobs, like an elevator inspector and a lead nurse.

But two years later, a federal district court did address comparable worth directly. In December 1983, U.S. District Judge Jack Tanner (Western District of Washington State) found Washington State guilty of sex-based wage discrimination.⁶ This decision hinged on the fact that the state had officially adopted a quantitative job evaluation system but after 10 years had not implemented it. In other words, Washington had found that certain jobs dominated by women were worth more to the state, as an

employer, than the state was paying for those jobs. The final outcome of this case, now under appeal, will have a major impact on future litigation regarding sex discrimination in compensation, especially for state government employees.

A New Job Evaluation System for North Carolina?

All job evaluation systems rank jobs in relation to other jobs in the organization. Indeed, assigning an elevator inspector a Grade 70 and a lead nurse a Grade 68—two grades on the same pay continuum—requires a weighing or evaluation process. Under the state's system of job grades, in place since 1949, the state Personnel Commission determines the salary range for persons covered by the State Personnel Act. This commission upgrades jobs from time to time, upon the recommendation of the Office of State Personnel or personnel officers within a department. Departmental personnel officers adjust job requirements as needed.

Under the current system, positions are analyzed in terms of difficulty, profession or occupation, management and supervisory responsibilities, and other factors. They then become part of a class of like or similar jobs. (For more on how the current system works, see article on page 32.) Assigning job classes to pay grades depends more on historical and market patterns than on job content. Historical and market pay patterns have often discriminated against women; thus the N.C. job classification system and pay scale tend to perpetuate the discriminatory effect of some traditionally "male jobs" being paid more than some traditionally "female jobs."

Some state governments have begun to use a quantitative approach to job evaluation. North Carolina has not. (See chart on page 30 for what



other states are doing.) Using point values, quantitative evaluation systems rate such factors as knowledge, skill, and responsibility and arrive at a point total for each job position. Hence, a point-weighted, quantitative system, together with prevailing market wages, becomes the basis for establishing pay grades for job groups.

Quantitative job evaluations are not new. The Hay Group, for example, one of the frequently consulted job evaluation firms, has been using its system for more than 30 years. In North Carolina, Duke Power Company, among many others, uses the Hay system in classifying its jobs for salary purposes. In recent years, the Hay system and other job evaluation methods have become household words among groups concerned with pay equity.

From 1980 to 1982, the Office of State Personnel studied pay patterns in state government. Designed to analyze rather than to recommend, the study identified and examined differences in compensation by race and sex among state government employees. The study report, called *Patterns of Pay in N.C. State Government*, contained the sex-segregated list of jobs (including elevator inspector and lead nurse) in its appendix.

This study first examined race/sex differences in pay while holding constant one other factor at a time (age, education, length of service, or job placement). It then went further, looking at race/sex differences in pay while "controlling" for *all* identified variables. Finally, the study took a preliminary look at the comparable worth or pay equity issue. It used the point factor ratings produced for the state governments of Idaho (the Hay system mentioned above) and Washington (which used a system developed by the Willis and Associates management consulting firm) and matched them to selected North Carolina job classes. From that comparison, the study made a preliminary analysis of differences

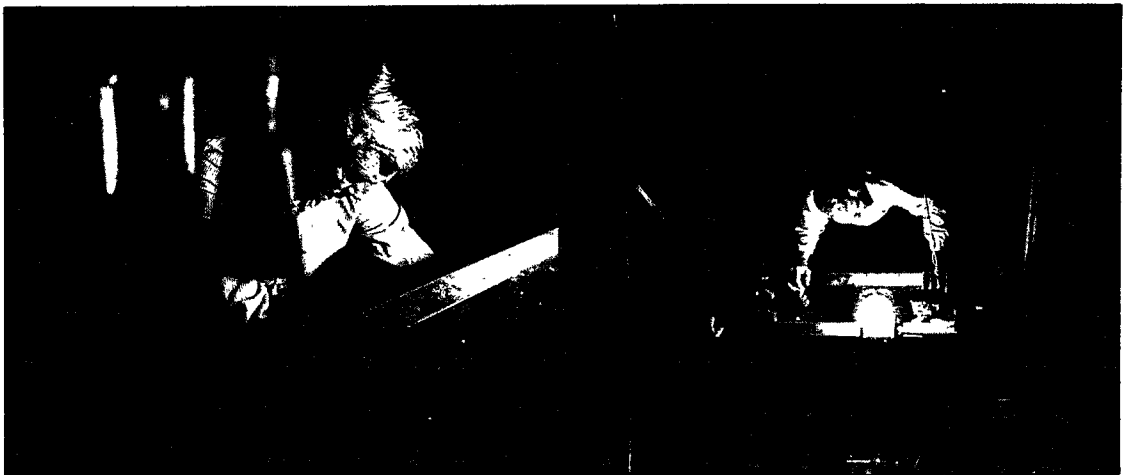
in pay by race and/or sex. (For a summary of the study's findings, see page 28.)

The 1982 report showed significant clusters of jobs dominated by women and minorities at the low end of the pay scale. And it suggested that such patterns may be discriminatory: "The considerable *direct effects* of race and sex (that is, those not transmitted through differences in educational levels, years of aggregate service, occupational placement, or supervisory placement) indicate that other, *perhaps illegitimate sources of salary disparities are present*" (emphasis added).⁷

While the report did not make specific recommendations, it did call for more research. "These results are a base of departure rather than a set conclusion; the *exact causes of these differences* [in pay by race and sex] are beyond the scope of this study and would require additional data and further analysis" (emphasis added).⁸

The N.C. Council on the Status of Women generated a second major effort regarding comparable worth under its statutory mandate to advise the governor, the major state departments, and the legislature on matters "concerning the . . . employment of women."⁹ Concerned that the Office of State Personnel study was being largely ignored, the council decided to pursue the issue. In May 1983, the council authorized a task force to examine the issue of pay equity in North Carolina state government and to make recommendations to Gov. James B. Hunt Jr. and the General Assembly. That fall, the 1,000 North Carolinians at the Governor's Conference on Women and the Economy established comparable worth as a top priority, adding urgency to the push for further examination of the issue.

The task force reviewed the literature on comparable worth, examined the *Patterns of Pay* study, looked at job evaluation and clas-



sification plans, and reviewed actions in other states. The group also discussed with representatives of local governments the likely impact on them (as employers) of a state decision to identify and eliminate wage discrimination in its workforce. Then, in June 1984, the task force published its recommendations in the form of a report to the Governor and the General Assembly.¹⁰ It called for a \$675,000 comparable worth study and for the General Assembly to make pay equity the policy of the state.

In 1984, the N.C. General Assembly, at the urging of Gov. Hunt, approved a \$650,000 appropriation for a pay equity study. The study would cover all job positions covered by the State Personnel Act, including those in the state university system. The lawmakers also created a new Pay Equity Advisory Committee to oversee the study, to be done under the N.C. Office of Budget and Management. The State Budget Officer must engage a consulting firm by December 15, 1984, "to study the State Personnel System so it can identify wage policies that inhibit pay equity and develop a job evaluation and pay system . . ."¹¹ The Committee, which consists of seven senators and seven representatives, must make a final report to the President of the Senate (the lieutenant governor) and the Speaker of the House by June 1, 1986.¹²

In voting \$650,000 for a pay equity study, the General Assembly adopted the heart of the task force's recommendation. Several of the suggestions remain to be addressed, however, either by the new Pay Equity Advisory Committee or by a future legislative session, including:

- * studying job positions exempt from most provisions of the State Personnel Act, such as legislative staff and some policymaking jobs in the executive branch (the 1984 legislation requiring the study mentions only "classified" employees);

- * prohibiting lowering the salary of any incumbent employee; and

- * amending the State Personnel Act to establish specific pay equity policies for the state of North Carolina.

Major Concerns for the Pay Equity Advisory Committee

As the new Pay Equity Advisory Committee gears up for action, what questions should its 14 members ask? In the states that have undertaken comparable worth or pay equity studies and in the rapidly growing literature on the subject, three major concerns often surface: 1) relationship with marketplace wages, 2) validity of job evaluation methods, and 3) potential cost of implementing pay equity. Some discussion of these three concerns might assist the Pay Equity Advisory Committee and the public in monitoring the two-year, \$650,000 study of the state job classification system.

1. RELATIONSHIP WITH MARKETPLACE WAGES

Opponents of comparable worth argue that the law of supply and demand alone should determine wage levels, not some subjective measurement of worth. These market-theory proponents claim that an oversupply of workers is willing to fill traditionally female jobs and hence keep wages down in those jobs. In an editorial in its monthly magazine, the North Carolina Citizens for Business and Industry summarized the free-market argument: "It may not be fair in the cosmic scheme of things that a dedicated teacher or nurse can earn only a tiny fraction of what is paid super-star professional athletes, or as much as a good plumber or



bricklayer. But that is the price of letting the marketplace establish levels of financial reward."¹³

Government interference in the marketplace, however, is a fact of life in the American economic system—from Lockheed and Chrysler subsidies to minimum-wage and child-labor laws, from utility and milk regulations to the Equal Pay Act and Title VII of the Civil Rights Act. Discrimination itself is an interference in the marketplace that may call for a countervailing interference.

The job evaluation process *does include* market surveys. Many recent job classification revisions by state governments first established internal equity and then surveyed the market for prevailing wage rates. A key question here, and one likely to arise increasingly in the future, is: What markets should be surveyed for which jobs or job groupings?

In specific situations, the marketplace theory must also be viewed in combination with other factors, like traditional, male- or female-dominated job patterns. A few years ago, for example, an acute shortage of nurses existed. According to the free-market theory, employers (including state governments) would have raised salaries. In theory, a substantial boost in salaries would attract more potential nurses to meet the shortage. But employers increased nurses' salaries only slightly; meanwhile they cut nursing services, adjusted nurses' hours, and spent large sums recruiting nurses overseas. The nursing profession remained virtually all women (97 percent), who made, on the national average, \$17,300.¹⁴

The market argument "falls flat on its face when there is a huge disparity between unskilled, entry-level male and female jobs," testified Winn Newman, the plaintiffs' attorney in the state of Washington case, before the U.S. Commission on Civil Rights in 1984.¹⁵ Many entry-level

unskilled jobs dominated by males pay considerably more than entry-level unskilled jobs that are traditionally female, explained Newman, even though a huge pool of unemployed, unskilled workers exists to fill these jobs. In such a market, historical pay patterns—not supply and demand—determine the level of wages, argued Newman.

Moreover, in two separate cases, the U.S. Supreme Court appears to have rejected the marketplace theory as a defense to discrimination. In *Arizona Governing Committee v. Norris*, the Court ruled that Arizona could not offer its employees the option of receiving unequal retirement benefits calculated on the basis of sex. Arizona contended that it had not violated Title VII because the companies participating in its pension plan offered life annuities that reflected what was available in the open market. These annuities paid different monthly benefits because women as a class live longer than men. The Court rejected such a rationale: "If petitioners' interpretation of the statute were correct, such demographic studies could be used as a justification for paying employees of one race lower monthly benefits than employees of another race."¹⁶ The Supreme Court made a similar ruling in another pension case, *Los Angeles Department of Water and Power v. Manhart*.¹⁷

2. VALIDITY OF JOB EVALUATION METHODS

Opponents of comparable worth contend that point-based job evaluation studies are inherently subjective and hence cannot compare the "apples and oranges" of dissimilar jobs. Certainly, individual and organizational values influence all job classification systems, whether point-based or not. But being "value free" in evaluating jobs differs significantly from being



"bias free."

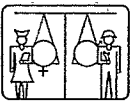
Good job evaluation systems minimize individuals' *biases*. Such systems usually assess job content on the basis of skill, effort, accountability, and working conditions, often through a point-rating method. Points can be assigned for such factors as freedom to take action, accountability, technical or managerial skills required to perform the job, dangers of the workplace, and other factors. Ideally, in an equitable pay system, jobs scoring equally receive comparable compensation.

Equitable compensation, however, does not necessarily mean that all jobs with the same point score must pay exactly the same salary, as some opponents of comparable worth fear. Market factors aside (and these might have some bearing, as explained above), a job evaluation system leads only to the *pay grade* assigned to a

certain job or group of jobs, not the exact salary within the pay grade. In North Carolina, all pay grades have nine salary steps based primarily on merit; each full step up is a five-percent pay increase.

A point-factor system, such as the Hay or Willis system, can enhance a merit, or pay-for-performance, system, depending upon its construction. Job content may well become clearer when based on a quantitative evaluation of individual positions—as opposed to the current N.C. job evaluation procedures, which are less systematic than quantitative methods. Under a point-factor system, an employee may understand more readily why his or her job has a given grade. For many reasons, employees often suspect that classification decisions, including the merit steps within a salary range, are arbitrary and capricious. Under a point-factor

State Personnel Office Finds Wide Pay Gap Between Men and Women, Blacks and Whites



State Government

From 1980 to 1982, the Office of State Personnel examined pay patterns for state employees covered by the State Personnel Act. The data base included the persons holding jobs, job grades, and salaries as of December 31, 1980. The study, *Patterns of Pay in N.C. State Government*, consisted of two basic parts.

First, it examined differences in pay due to race and sex, using various economic tools of analysis such as "multiple regression analysis." Chapters 1 and 2 of the report contain the results of this analysis.

Second, it took a preliminary look at issues of comparable worth. It used the point factor ratings produced for the state governments of Idaho (the Hay system) and Washington (the Willis system) and matched them to selected North Carolina job classes. Chapter 3 contains the results of this work.

Findings Reported in Chapters 1 and 2

1. At every education level, white males enjoyed a salary advantage over black males and

over females of either race.

2. White males were more likely than any other subgroup (i.e., white females, black females, and black males) to hold jobs that require higher educational requirements than they actually had.

3. Increasing years of aggregate service paid off more handsomely for white males than for any other subgroup.

4. Twenty-three percent of all state employees worked in race segregated jobs.

5. Seventy-two percent of all state employees worked in sex segregated jobs.

6. Among the clerical and office service classes, with overwhelming numbers of female employees, a disproportionately high share of white males earned over \$13,000.

7. The categories of officials and administrators showed a distinct separation by sex but not by race.

8. Under a multiple regression analysis, which "controlled" for education, years of aggregate service, age, and supervisory responsibility, salary "penalties" due to race or sex were: \$2,213 for black males, \$2,529 for white females, and \$3,271 for black females.

9. Among the officials and administrators and the professional job categories, the "controlled" variables accounted for only one-third of the identified salary disparity.

system, the basis for decisions becomes clearer and can be explained more easily to employees.

In 1979, the firm of Hay Associates studied the Minnesota job classification system and assigned point values to 762 state job classes. The Hay study assigned a highway maintenance worker, for example, 154 points and a clerk stenographer IV, 162 points. At that time, the highway maintenance job (100 percent male) earned an average of \$19,752 a year compared to \$15,624 for the average stenographer IV (99.5 percent female). Similarly, the Hay study gave 183 points to a licensed practical nurse (94.7 percent female, \$16,584 a year) and 178 points to a highway technician (93.7 male, \$19,752 a year).¹⁸

In these cases and others, male-dominated jobs were often paying more than female-dominated jobs even though the female jobs had a greater worth, according to the Hay point

system. The Minnesota Task Force on Pay Equity analyzed the Hay study and found disparities between the pay scales of male- and female-dominated jobs. The task force then recommended to the legislature that it establish a policy of pay equity for jobs of comparable worth and that it raise the underpaid classes to the recommended pay levels.

A good job evaluation system, like that done in Minnesota, examines the content of *all state jobs, not just jobs dominated by males or females*. Such an analysis, many believe, would find that some jobs held predominantly by both women and men and by minorities, are underpaid. N.C. state Sen. Wilma Woodard (D-Wake) believes, for example, that prison guards, mostly men, would receive more pay under a job evaluation system based on the point-factor approach.

Chapter 3: A Preliminary Comparable Worth Analysis

In the study, the Office of State Personnel was careful to qualify the findings in Chapter 3: "All of the findings contained in this section of the report must be viewed in the light of the non-random samples on which they are based."² The study identified the following four limitations to its comparable worth chapter:

- relying on job evaluations done for Idaho (Hay) and Washington (Willis);
- matching North Carolina job classes with job descriptions provided by Idaho and Washington;
- analyzing less than 10 percent of all permanent North Carolina job classes; and
- analyzing job classes where descriptions could be matched with Idaho and Washington jobs rather than selecting jobs representative of the total workforce.

The report emphasized that further work needs to be done. Such work will now be performed under the pay equity study funded by the General Assembly in 1984 (see page 26 for discussion of this study). But the limitations in the personnel office study may not be as major as many contend.

First, professional analysts in the Office of State Personnel matched the Idaho and Washington jobs to North Carolina jobs. These analysts would know best which "matches" would be most valid.

Second, while the personnel office examined less than 10 percent of all job *classes* (when combining the Hay and Willis studies), the office chose job classes with significant numbers of *positions*. Certainly the caution of the report itself must be kept in mind: this was not a

"scientific" random sampling. Even so, the Office of State Personnel chose job classes which in the case of the Hay system represented 32 percent of the state's employees, and in the case of the Willis system, 54 percent of the state's employees.³

The comparisons of North Carolina job classes to the Hay system showed:

1. Female-dominated jobs received \$25.71 per Hay point, while male-dominated jobs returned \$33.75 per Hay point. Similar results were obtained using the Willis system. Similar results were also obtained when substituting hiring rates for average salaries.

2. Almost two-thirds of job classes that paid more than one standard deviation *above* their Hay rating had *no* female or black incumbents.⁴

3. Jobs paying one standard deviation *below* their Hay rating were heavily dominated by females and blacks.

4. Among job classes of equal Hay point value, the mean salary⁵ of female-dominated positions was 78.8 percent of the mean salary of male-dominated positions. □

FOOTNOTES

¹ The term "penalties" is a statistical comparison mechanism where one group is held constant as a standard for comparison. In this case, the group used as the standard for comparison was white males.

² *Patterns of Pay in N.C. State Government*, Office of State Personnel, 1982, p. 71.

³ *Patterns of Pay*, Table 74, p. 86.

⁴ "Standard deviation" is a statistical term that measures the distribution of a given value relative to a mean (see footnote 5 for definition of a "mean").

⁵ A "mean" salary refers to a statistical calculation of the average salary. Specifically, in this case, all salaries in dollars were added and divided by the number of employees who received that salary.

**State Actions on Comparable Worth for
Dissimilar Jobs, August 1984¹**

States	Conducting/Completed Study of State Job Classification System for Comparable Worth	Passed Comparable Worth Statute	Implemented with Funds
SOUTH (15 states)			
Alabama			
Arkansas			
Florida			
Georgia	X		
Kentucky	X		
Louisiana	X		
Maryland	X		
Mississippi			
North Carolina	X		
Oklahoma	X		
South Carolina			
Tennessee			
Texas			
Virginia	X		
West Virginia	X		
NORTHEAST (10 states)			
Connecticut	X		
Delaware			
Maine	X		
Massachusetts	X		
New Hampshire			
New Jersey	X		
New York	X		
Pennsylvania			
Rhode Island	X		
Vermont			
NORTH CENTRAL (12 states)			
Illinois			
Indiana			
Iowa	X	X	X
Kansas			
Michigan	X		
Minnesota	X	X	X
Missouri			
Nebraska			
North Dakota			
Ohio	X		
South Dakota			
Wisconsin	X		
WEST (13 states)			
Alaska	X		
Arizona			
California		X	
Colorado			
Hawaii			
Idaho	X		X
Montana	X		
Nevada			
New Mexico	X		X
Oregon	X		
Utah			
Washington	X	X	X
Wyoming			

**3. POTENTIAL COST OF
IMPLEMENTING PAY EQUITY**

Opponents of pay equity or comparable worth have pointed to the large potential costs to the state of Washington as a result of Judge Tanner's decision. Based on the experience of various jurisdictions, however, incorporating a policy of pay equity for all employees into the state budget may not be an unbearable cost, as some have claimed. If Washington State had fully implemented *on a voluntary basis* the salary adjustments called for by its own comparable worth study, adjustments would have totaled only about five percent of the state's payroll. The litigation drove the projected cost up dramatically, primarily because Judge Tanner's order included back pay awards (which are still under appeal).

In 1983, the Minnesota legislature responded to its Hay study and the recommendations of the Minnesota Task Force on Pay Equity with a \$21.8 million appropriation to begin adjusting the underpaid job grades. "The total cost [of pay equity implementation] was estimated to be four percent of the state payroll," says Nina Rothchild, former director of the Minnesota Council on the Economic Status of Women and now commissioner of the Minnesota Department of Employee Relations. "With a four-year period to achieve full equity, it would be one percent of the state payroll over each of four years."¹⁹

In 1984, the N.C. General Assembly adopted a 10 percent across-the-board pay increase for all state employees, costing \$302.3 million. All state employees are not covered by the new pay equity study. If the General Assembly can award a 10 percent increase in a single year, certainly an increase of approximately 4 percent for certain employees, phased over several years, will not cause economic disruption. Four percent was the level of adjustment in Minnesota.

¹The sources listed below sometimes disagree on actions by particular states. In this area of study, semantics adds to the confusion. In addition, many actions are currently underway. Consequently, this chart should serve as a guideline for national trends. To be confident of exactly what actions a particular state is taking, please contact that state directly. Also, actions on university employees vary from state to state and are not included in this chart.

Sources: *Who's Working for Working Women?*, National Committee on Pay Equity and National Women's Political Caucus, 1984; *Pay Equity and Comparable Worth*, Bureau of National Affairs Special Report, 1984; data compiled from the U.S. General Accounting Office and The American Federation of State, County, and Municipal Employees, as published in *Public Administration Times*, May 11, 1984; and telephone survey of selected states.

Until the new North Carolina study is completed, no responsible estimate can be made of the cost to the state of implementing a revised job evaluation system incorporating pay equity for all employees. North Carolina can, however, draw on the experience of other jurisdictions, such as Minnesota. If the state must appropriate some 4 percent of its total payroll to adjust for comparable worth, the legislature would have to vote some \$36.8 million for this purpose.²⁰ Some jurisdictions are handling such increases by establishing a pay equity fund of 1 percent of payroll per year.

Conclusion

No one outside the Office of State Personnel has examined the present state job classification system for discrimination in its 35 years of existence, says G.C. Davis, assistant director of that office. In light of the laws passed in the last three decades, subsequent litigation, and the changes in personnel methods and technology, it is certainly time for such an examination to be done. The 1984 General Assembly took the important step of funding such a study. But the most difficult steps lie ahead.

The N.C. Office of Budget and Management has the responsibility of completing the study, with the help of an outside consultant. The Pay Equity Advisory Committee then has the statutory charge to report back to the General Assembly on possible *actions to take as a result of the study*. Concerned citizens need to follow this process closely over the next two years. Not until 1986 will the legislature face the most difficult decision—correcting any pay inequities uncovered by the study. North Carolina, the largest employer in the state (with 83,000 employees under the State Personnel Act), has a special duty and responsibility to serve as a role model in providing equal access to jobs and pay equity for all its jobs. □

4. *Women, Work, and Wages: Equal Pay for Jobs of Equal Value*, Equal Employment Opportunity Commission, September 1981.

5. *County of Washington, Oregon, et al. v. Gunther, et al.*, 452 U.S. 161 (1981).

6. *AFSCME, et al. v. The State of Washington, et al.*, 578 F. Supp. 846 (Western District, Wash., 1983).

7. *Summary—Patterns of Pay in N.C. State Government*, p. 2.

8. *Ibid.*

9. NCGS 143B-393(1).

10. *Pay Equity in North Carolina State Government, A Report to the Governor and the General Assembly*, N.C. Council on the Status of Women, Task Force on Comparable Worth, June 1984.

11. Chapter 1034 of 1984 Session Laws (HB 80), Section 146(c).

12. The members of the committee are: state Sens. James H. Edwards (D-Caldwell), A.D. Guy (D-Onslow), Charles W. Higgs (D-Haywood), William N. Martin (D-Guilford), William W. Redman Jr. (R-Iredell), Kenneth C. Royall Jr. (D-Durham), and Wilma Woodard (D-Wake), committee co-chair; and state Reps. Anne Barnes (D-Orange), Louise Brennan (D-Mecklenburg), David W. Bumgardner Jr. (D-Gaston), Annie Brown Kennedy (D-Forsyth), Martin Lancaster (D-Wayne), Paul Pulley (D-Durham), and Richard Wright (D-Columbus), committee co-chair.

13. *North Carolina*, published by the North Carolina Citizens for Business and Industry, July 1984, p.6.

14. Figures from U.S. Department of Labor, Bureau of Labor Statistics, released in March 1982, reprinted in *Pay Equity: Equal Pay for Work of Comparable Value*, Joint Hearings before the Subcommittee on Human Resources, Civil Service, Compensation, and Employment Benefits of the Committee on Post Office and Civil Service, U.S. House of Representatives, 97th Congress, 2nd Session, Part II, p. 1679.

15. U.S. Commission on Civil Rights Consultation Hearing, Washington, D.C., 1984.

16. *Arizona Governing Committee v. Norris*, ___ U.S. ___, 103 S. Ct. 3492 (1983).

17. *Los Angeles Department of Water and Power v. Manhart*, 435 U.S. 702 (1978). In this case, the Supreme Court explicitly rejected the contention that women should pay greater contributions into a pension fund because they live longer.

18. Marion Reber, "Comparable Worth: Closing the Wage Gap," *State Legislatures*, April 1984, p. 29.

19. *Ibid.*

20. The estimate of \$36.8 million is based on the following calculation:

4 percent times \$919.2 million equals \$36.8 million. The \$919.2 million comes from the figures shown below, supplied by the N.C. Office of State Budget.

<u>Employee Group</u>	Total Annual Payroll (July 1, 1984)
Employees under State Personnel Act:	\$662.3 million
Employees in Governor and Lieutenant Governor Offices	1.9 million
Employees paid under Highway Fund	255.0 million
Total Payroll for Employees Covered by the Pay Equity Study	\$919.2 million

FOOTNOTES

1. *Patterns of Pay in N.C. State Government*, N.C. Office of State Personnel, principal researchers Zaida Giraldo and John Ward, November 1, 1982, pp. 100-116.

2. PL 88-38, as codified in 29 U.S.C. 206(d). This was an amendment to the Fair Labor Standards Act, codified as 29 U.S.C. 201-219.

3. The 60 cent and 53 cent figures come from 1982 *Current Population Survey for North Carolina*, March Supplement, U.S. Census. The 82 cent figure comes from *Patterns of Pay in N.C. State Government*, N.C. Office of State Personnel, figures shown on p.1 of main report: \$12,620 (average female salary) divided by \$15,330 (average male salary) equals 82 percent. The smaller gap among state employees is due, in part, to the fact that white collar workers predominate.