April 1994


Judith L. Lichtman  
*Women's Legal Defense Fund*

Sheila B. Coates  
*Black Women United for Action*

Heidi Hartmann  
*Institute for Women's Policy Research*

Francine Moccio  
*YWCA of the USA*

Follow this and additional works at: [https://digitalcommons.ilr.cornell.edu/key_workplace](https://digitalcommons.ilr.cornell.edu/key_workplace)

Thank you for downloading an article from DigitalCommons@ILR.

Support this valuable resource today!

---

This Testimony is brought to you for free and open access by the Key Workplace Documents at DigitalCommons@ILR. It has been accepted for inclusion in Federal Publications by an authorized administrator of DigitalCommons@ILR. For more information, please contact catherwood-dig@cornell.edu.

Comments

Suggested Citation
TESTIMONY OF

9 TO 5, THE NATIONAL ASSOCIATION OF WORKING WOMEN
AMERICAN NURSES ASSOCIATION
BLACK WOMEN UNITED FOR ACTION
BUSINESS AND PROFESSIONAL WOMEN/USA
CENTER FOR ADVANCEMENT OF PUBLIC POLICY
CENTER FOR WOMEN'S POLICY STUDIES
CHURCH WOMEN UNITED
CLEARINGHOUSE ON WOMEN'S ISSUES
COALITION OF LABOR UNION WOMEN
FEDERALLY EMPLOYED WOMEN
FEMINIST MAJORITY AND FEMINIST MAJORITY FOUNDATION
INSTITUTE FOR WOMEN'S POLICY RESEARCH
NATIONAL COMMITTEE ON PAY EQUITY
NATIONAL WOMEN'S HALL OF FAME
NATIONAL WOMEN'S POLITICAL CAUCUS
OLDER WOMEN'S LEAGUE
WIDER OPPORTUNITIES FOR WOMEN
WOMAN ACTIVIST FUND
WOMEN'S ECONOMIC JUSTICE PROGRAM,
CENTER FOR POLICY ALTERNATIVES
WOMEN EMPLOYED
WOMEN'S LEGAL DEFENSE FUND
WOMEN WORK!
YWCA OF THE U.S.A.

submitted to

COMMISSION ON THE FUTURE OF
WORKER-MANAGEMENT RELATIONS

APRIL 6, 1994

Presented By:

Judith L. Lichtman, President
Women's Legal Defense Fund

With:

Sheila B. Coates, President
Black Women United for Action

Heidi Hartmann, Executive Director
Institute for Women's Policy Research

Francine Moccio, Assistant Executive Director
YWCA of the U.S.A.
INTRODUCTION

We testify today on behalf of 23 independent women's organizations. While each of these organizations has a unique mission and area of expertise, each works in some way to promote the equality and dignity of women, particularly working women, through public policy advocacy, direct services or research. Our organizations reflect diverse constituencies: we include older and younger women, teens and girls, women of color and white women, professional and blue collar women, women in unions and unorganized women, displaced homemakers, married and single mothers — women working in all dimensions of the labor force, including health care, service, clerical, government, business and skilled trades. We have over 300 years of collective experience working on issues affecting the 59 million women in the labor force.\(^1\) Statements of interest of each of our organizations are appended to this testimony.

The women's movement, including many of the very groups represented here today, has a long history of educating, advocating, and testifying on behalf of working women in the area of labor and employment policy. Since the 1800s, women's organizations in the United States have engaged in efforts to improve wages and working conditions and to promote equal employment opportunity for all workers, particularly women workers, through education, advocacy before government agencies, and law reform. The future of worker-management relations, the subject of this Commission, is central to our goals and agendas. Thus, our testimony today fits within a long tradition of women's advocacy organizations playing an essential role in ensuring that United States labor and

---

workplace policy is responsive to the real-world experience, needs, and concerns of wage-earning women.

The main subject of today's hearing is Alternative Dispute Resolution ("ADR"). Certainly, many forms of ADR, if mutually agreed upon by the parties and otherwise appropriate, should be encouraged as efficient and relatively inexpensive methods of resolving workplace controversies short of full-scale litigation. However, to the extent that it has been suggested that ADR is a solution to women's workplace problems, we believe that ADR alone does not provide the protections that strong civil rights enforcement and improved access to collective bargaining can provide. As you will see from our discussions of the needs of working women and the significant ways in which unionization can address these needs, working women can best benefit from strengthening the existing labor-management framework.
II. AS IT ASSESSES THE NEED FOR REFORM IN CURRENT WORKER-
MANAGEMENT RELATIONS POLICIES, THE COMMISSION MUST
CONSIDER THE STATUS OF WORKING WOMEN AND THE
CHANGING FACE OF THE LABOR FORCE.

The face of the nation's labor force has changed dramatically since 1935 when the
National Labor Relations Act (NLRA) was enacted. Perhaps one of the most significant
changes has been the growth in women's participation in the labor force, which has
reached record numbers: currently, 58% of women in the United States.\(^2\) See Figure
1.\(^3\) Women's share of the labor force has grown to 45%.\(^4\) The numbers of women
workers will continue to increase; indeed, the Bureau of Labor Statistics estimates that
women's share of the labor force will nearly equal men's by 2005.\(^5\)

Moreover, women are increasingly responsible for the economic well-being of
families. In 1993, 18% of all families with children depended solely on women's
earnings, and 47% depended on earnings of both women and men. These numbers have
increased significantly since 1975. See Figure 2.

In addition, the workplace has changed in that discrimination among workers is
no longer permissible. Since the early 1960s, federal law has prohibited discrimination in
employment because of sex, race, national origin, and religion.\(^6\)

\(^2\) BLS, Employment and Earnings: January 1994, Table A-2.
\(^3\) Figures and Tables are appended.
\(^4\) BLS, Employment and Earnings: January 1994, Table A-2.
\(^6\) Later laws also prohibited discrimination on the bases of age and disability.
Nevertheless, despite these gains in formal legal protections and women's great increase in labor force participation, working women, and particularly women of color, still lag significantly behind men in wages, benefits, status, and job security. Although there has been some improvement, the striking disparity between men's and women's wages, particularly for women of color, continues.

Indeed, women are the majority of low-wage workers. In 1992, approximately 70% of all women workers earn less than $20,000 a year; 40% of all women workers earned less than $10,000 a year.7 Many job sectors are still divided by sexual, racial, and ethnic segregation. Sexual harassment and other forms of discrimination continue to operate as barriers to equal opportunity in the workplace. Each of these problems poses a serious threat to the economic security of women and their families.

Another area of great concern for women workers is non-standard employment relationships — the so-called "contingent" workforce, which includes part-time, temporary, leased, and contract employees and independent contractors. As will be discussed in detail in this testimony, members of this "contingent" workforce are generally stuck in low-wage, no-security jobs, often without the protection of any federal labor laws. And women are a large majority of these "contingent" workers.

Further, as will be discussed, over the past fifty years, our national economy has shifted from a predominantly manufacturing to a predominantly service economy. As a result, there has been enormous growth in the number of white-collar professional, managerial, and especially clerical jobs in the service sector. The industrial manufactur-

---

ing worksite and the stable, skilled, predominantly white male workforce on which the NLRA was modelled are no longer the standard. This transformation, too, has a direct impact on women workers, who are most likely to work in the service sector -- and are most likely to hold the lowest-wage jobs in that sector, including many low-wage jobs in clerical and sales occupations.

These dramatic demographic and economic changes and the particular problems faced by women workers -- pay inequity, sex segregation, low-wage and "contingent" work -- were not addressed by the basic policies shaping worker-management relations in the United States which were formulated in the 1930s. Nor were these issues addressed during the 1940s or 1950s when the NLRA was significantly amended. Yet these economic and post-industrial changes have had a great impact on the workforce of today; and this economic restructuring has disproportionately affected women's jobs. The Commission's mission -- to assess the extent to which labor laws should be amended to reflect changes in the economy and labor force and to improve productivity and competitiveness -- gives it the opportunity -- indeed, the obligation -- to address these changes and their particular effect on women workers.

Moreover, improving the skills, experience, status, and participation of women workers -- virtually half our nation's labor resources -- is directly related to national productivity. As the United States vies to compete globally, we must strive to improve worker-management relations in ways that enhance the productivity of all workers -- including women workers. Increased productivity is not incompatible with economic

8 Dorothy S. Cobble, "Making Postindustrial Unionism Possible" (1993).
justice and equal opportunity for workers; to the contrary, one of the best ways for United States businesses to increase their workers' performance is to invest in them by providing decent wages, benefits, skills training, promotion opportunities, and family-friendly policies on a nondiscriminatory basis and in concert with employees' elected representatives.

III. UNIONIZATION PROVIDES SIGNIFICANT BENEFITS FOR WOMEN WORKERS.

The collective bargaining process -- the centerpiece of the labor-management relations framework codified by the NLRA -- provides a structure that can address many of the problems faced by women workers. Indeed, collective organization is one of the most important means of improving the wages and status of women workers, particularly low-wage women workers.

Studies unequivocally demonstrate that union membership or coverage under a collective bargaining agreement -- more than any other factor -- increases women's wages and reduces the wage gap, especially for low-income women and women of color. When other factors that affect wages are taken into account, unionized women earn $.90 per hour more than non-unionized women. **Unionized** white women gain 12% in hourly earnings while unionized women of color gain 13%. Low-wage workers benefit

---

9 Herein referred to as "unionized" women.

10 Roberta Spalter-Roth, Heidi Hartmann, and Nancy Collins, "What Do Unions Do For Women?: Final Report to the Women's Bureau, U.S. Department of Labor" (Institute for Women's Policy Research 1993) (hereafter "What Do Unions Do For Women?"); see also Figure 4 and Table 1.
the most from unionization; wage increases due to unionization are greatest at the low end of the pay scale. See Figure 4.

Unionization also improves pay equity between men and women workers. There is a smaller pay gap between male and female workers in unionized workforces ($2.77 per hour) than in non-unionized workforces ($3.45 per hour).\textsuperscript{11} It is true, however, that although the wage gap is smaller in unionized settings compared to non-unionized settings, there is still a gap.

Further, unionization is associated with increased job tenure. Among low-wage workers, unionized women have three more years of job tenure than non-union women. Increased job tenure is in turn associated with greater pay and benefits, more experience and training, and greater job security.

Moreover, unions play a significant role in the enforcement of equal employment opportunity for women and minorities. For example, in the 1950s and 1960s, the Air Line Stewards and Stewardesses Association (ALSSA) led the fight to end discrimination against stewardesses because of age and marital status. It tried to change the employment conditions through collective bargaining, it lobbied for legislation, and it filed complaints of discrimination with state agencies and the EEOC once the laws were passed.\textsuperscript{12} In the 1970s, the International Union of Electrical, Electric, Salaried, Machine and Furniture Workers (IUE) brought a number of pregnancy discrimination

\textsuperscript{11} "What Do Unions Do For Women?"

and pay equity cases on behalf of women members. Similarly, the Association of Federal, State, County and Municipal Employees (AFSCME) initiated court cases on equal pay for jobs of comparable value in the public sector and led the first strike on comparable-worth issues in San Jose, California, in 1981. The United Food and Commercial Workers Union (UFCW) has supported and continues to support litigation to challenge sex discrimination in the grocery industry.

Family-related benefits, such as child care, family leave, and flexible schedules, have increasingly become the subject of collective bargaining. For example, the Amalgamated Clothing and Textile Workers Union (ACTWU), which has a majority of women members, began negotiating for child care centers in the 1960s, while in 1983, the United Mine Workers (UMW), which has few women members, adopted a collective bargaining demand for parental leave at the international convention. Unions, including the Service Employees International Union (SEIU), National Education Association (NEA), and AFSCME, were critical to the eventual enactment of the Family and Medical Leave Act of 1993.

Some unions have been actively involved in negotiating and implementing affirmative action programs to open up skilled jobs to women and to men of color and in

13 See e.g., IUE v. Westinghouse, 631 F. 2d. 1094 (3rd Cir. 1980), cert. den., 452 U.S. 967 (1981).
14 See e.g., AFSCME v. State of Washington, 770 F. 2d 1401 (9th Cir. 1985).
15 Richard B. Freeman and Jonathan S. Leonard, "Union Maids": Unions and the Female Workforce in Gender in the Workplace (Clair Brown and Joseph A. Pechman, eds. 1987).
setting up programs to combat sexual harassment. The struggle of IUE Local 201's Women's Committee is one example.\(^{18}\) Beginning in 1976, the Local 201 Women's Committee fought for and won training and entry of women into skilled jobs, comparable worth wage adjustments in traditionally female jobs, pregnancy disability benefits and parental leave. The Operating Engineers have produced a video and workshop as part of a program to help recruit women into high-paying skilled jobs traditionally held by men. AFSCME, the United Auto Workers, and the SEIU, among others, have established training programs to ensure that members, shop stewards, and officers know the laws and union policies regarding sexual harassment.\(^{19}\)

It is true that not all unions have helped advance the needs of their women and minority members. Some have themselves engaged in discrimination on the basis of sex, race, national origin, or age. Certainly, unions can and should do better in this regard. Indeed, unions have obligations not to discriminate on impermissible bases. Under Title VII, unions, like employers, are prohibited from discriminatory practices. Unions may be liable for discrimination caused by provisions in collective bargaining agreements; the duty of fair representation is well-established. These mechanisms are available to ameliorate the effects of any discrimination practiced by unions.

On balance, even with the history of discrimination that has troubled some unions, unionization has proven to be an effective vehicle for women's advancement. With more

---


\(^{19}\) Technical Assistance Package for Working with Unions (Wider Opportunities for Women 1993).
supportive policies governing worker-management relations in place, unions would be able to do even better.

IV. SIGNIFICANT BARRIERS TO WOMEN'S ORGANIZING EFFORTS PREVENT MANY WOMEN FROM REALIZING THE BENEFITS OF UNIONIZATION.

Women workers face a particular set of barriers to organization; up to one half of all women workers are effectively unable to organize collectively to take advantage of the benefits of union membership.\textsuperscript{20} One reason for this is that many women are explicitly exempted from that law by virtue of the kind of jobs they hold — jobs that fall into exempt categories such as certain domestic and agricultural workers, independent contractors, supervisors, and confidential employees. Another is that they are public-sector employees, whose collective bargaining rights are not governed by the NLRA. Another is that they are temporary, sub-contracted, or leased workers who are difficult to organize and in some cases are not permitted to organize — members of the growing "contingent workforce" discussed in detail below. Still another reason is that women are homeworkers or work in smaller, scattered-site firms that are, as a practical matter, difficult to organize.

Sexual harassment operates as a pernicious barrier to women's exercise of the right to organize and bargain collectively. In the context of union election campaigns, such harassment is an all-too-frequent tool used to intimidate female employees into

\textsuperscript{20} Cobble, "Postindustrial Unionism."
abandoning union support.\textsuperscript{21} Women workers trying to organize have experienced retaliation in the form of physical and verbal assaults and sexual and gender-based harassment, and have been forced to suffer intimidating work environments. Thus, not only do women workers face the possibility of retaliation, harassment and hostile work environment due to their union support, but they face additional repercussions based on their sex. And women of color face double harassment – harassment based on their sex as well as their and race or ethnicity. Harassment of these kinds may go unreported and not even be reflected in statistical analyses of employer malfeasance or discriminatory discharges during elections.

Women workers are also profoundly affected by the procedural and structural barriers imposed by current labor law, which generally impede worker organizing and effective collective bargaining. For example:

- Procedures for certifying a union encourage delay and protracted litigation at every stage and facilitate opportunities for employer intimidation and illegal anti-union retaliation. These delays fall particularly heavily on women workers who are likely to work in traditionally unorganized settings where employer opposition is strongest.

- For many women workers, trying to organize means risking losing their jobs because employer abuses during election campaigns are not adequately punished or resolved quickly enough to stop the chilling effect on union support. Again, such a chilling effect is particularly strong for women who, for a variety of reasons including their low-wages and family responsibilities, may be more vulnerable to employer retaliatory tactics.

- Even when women do win the right of representation, many still lose the benefits of meaningful access to collective bargaining because a first contract is never signed; one-third to one-half of all newly certified unions never succeed in bargaining first contracts with employers.

\textsuperscript{21} See case studies compiled by Richard Hurd of Cornell University, previously submitted to the Commission by the AFL-CIO's Industrial Union Department.
Current labor law allows employers to replace permanently workers who strike for economic reasons so that workers who legally strike for better wages and working conditions risk losing their jobs, effectively giving employers the upper hand in every contract dispute. Again, this tactic may particularly harm women workers whose families increasingly depend on their income for economic security.

The failure of current law to allow employees to bargain with the entities that in fact control their employment relationships keeps many women workers, particularly "contingent," low-wage and service sector workers, from enjoying the benefits of collective organization.

Some witnesses before this Commission have suggested that other forms of worker participation should be encouraged in lieu of collective bargaining. Whatever the benefits of these alternative forms of participation, access to representation and the right to participate in collective bargaining can significantly improve women's participation in the workforce, and thereby their contribution to our nation's economy. Collective bargaining remains the best way for women to achieve workplace equity. As will be discussed below in Section V, removing the barriers to women's unionization will help women to address the specific workplace problems, such as pay equity, discrimination and the effects of the "second-class" workforce. If the NLRA's representational structure were reinforced and expanded, women workers would be better able to use the collective bargaining process as a way to reap the fair value of their contributions to the workplace and the economy.
V. LABOR LAW REFORM CAN ADDRESS A NUMBER OF WORKPLACE ISSUES PARTICULARLY AFFECTING WOMEN WORKERS.

A. Labor law reform can improve workplace equity for women by helping women achieve pay equity and remedy equal-pay violations.

Working women tell us, and repeated studies indicate, that the number one issue for them is "fair pay." This rubric includes two interrelated phenomena: the fact that women are often paid less than men for doing the same work (generally referred to as "unequal pay for equal work"), and the fact that because of extensive occupational segregation by gender, women are paid inequitably for the kind of work that they, predominantly, do (often referred to as "unequal pay for comparable work"). This is the double helix of pay inequity -- not only are women paid less for equal work, but also the traditional jobs in which most women are employed pay less than jobs in which most men are employed. The result is the "wage gap" between women and men: in 1992, women earned 71% of men's median annual earnings. The wage gap for women of color is even greater: African-American women are paid 63.9% and Hispanic women are paid 55.3% of what white men are paid. Indeed, the wage gap has narrowed by less than half a penny per year since 1963. See Figure 5.

Despite the clear prohibition of the 1963 Equal Pay Act, women who do the same job as men are too often paid less than their male counterparts. For example, until she

---

sued, a woman basketball coach at Howard University earned $20,000 less per year than male basketball coaches.23

Moreover, because of the dramatic segregation in occupations, equal pay for equal work -- even if fully implemented and enforced -- would not benefit the majority of working women. Work in the United States remains highly segregated by gender, race and ethnicity -- a condition that contributes to and perpetuates the wage gap. Women are concentrated in traditionally female jobs: 80% of all women in the United States work in ten broad occupational categories, including clerical workers, cashiers, nurses and nurses aides, waitresses, elementary school teachers, sales workers, and child care workers.24 Very few women work in traditionally-male jobs (i.e., those that are 80% or more male): in 1988, only 9% of all working women worked in such jobs.25 For example, in 1993, only 1.9% of construction workers (including carpenters and electricians) and 3.3% of mechanics were women.26 And even women working in traditionally male jobs (who earn more than women working in traditionally female jobs) earn less than men in those same jobs. The major integration has occurred in professional and managerial jobs; yet the percentage of women even in the professions does not reflect their proportion in the labor force. Barely a quarter of women in the workforce work in these high-level jobs.

23 National Committee on Pay Equity, 14 Newsnotes 11 (1993-94). At least part of the reason for the persistence of unequal pay for equal work is that the federal Equal Employment Opportunity Commission (EEOC) has done such a poor job of enforcement of that Act in recent years. In fiscal year 1993, the EEOC only brought three cases challenging unequal pay for equal work. Women Employed, Equal Employment Opportunity Commission Enforcement Statistics (1993).


The effects of pay inequities are dramatic and far-reaching. Women workers and their families are at greater economic risk. Women who have low wages now will receive low pensions (if any) in the future. See Figure 6. Women's skills and experience remain undeveloped and under-utilized, lowering overall workforce productivity.

As detailed above, the collective bargaining process has proven in many cases to be a workable means by which many women have achieved a greater measure of pay equity. Union membership or coverage under a collective bargaining agreement decreases the wage gap for women, particularly for women of color and low-wage earning women. Although wage gaps and sex segregation persist even in unionized settings, unionization is by far the best way to improve pay equity for women workers. The Commission should thus explore ways to remove the barriers to unionization described in the above section, both to facilitate women's ability to organize into unions and to improve the likelihood that unions and employers will engage in meaningful and effective collective bargaining. Such modifications in the labor laws would go a long way toward solving the pay equity problem for many women at the bottom of the pay scales.

In addition, clarification that the NLRA's protection of concerted activity includes efforts to obtain information about wages could improve women's ability to achieve pay equity even in unorganized settings. In many instances, unequal pay for equal work is not challenged because the affected women do not know that they are not paid the same as men doing the same job. In fact, in many workplaces workers can be fired for discussing their salary with co-workers, yet there are no aggregate salary data (such as
how much women are paid as a group compared to men, or the number of women and
average compensation in each job classification) available for comparison.

Lack of information is among the most frequently cited barriers to gaining true
equity in the workplace. The National Committee on Pay Equity, for example, receives
hundreds of calls from women each year about this. Without access to aggregate
comparative wage and salary information, women who suspect they are victims of
discrimination have no way to verify or to put to rest those suspicions.27

Therefore, the Commission should examine the extent to which women fighting
pay inequity—particularly those in unorganized settings—can be assisted by clarifying or
expanding the interpretation of protected activities under the NLRA so that the right to
salary information for comparative purposes is treated as protected concerted activity.28

B. Labor law reform can improve women's ability to address employment
discrimination, including sexual harassment.

In addition to pay inequities and occupational segregation, women are often
subjected to other forms of discrimination on the job. Women of color must face
compound discrimination, based not only on their gender but also on their race or ethnic
origin.29

27 In contrast, employers have the means to learn a great deal of information about workers and applicants— their personal habits, work history, and medical and legal histories.

28 See Jeannette Corp. v. NLRB, 532 F.2d 916, 918 (3rd Cir. 1976)(holding that a categorical rule prohibiting wage discussions among employees inhibits protected concerted activity since "higher wages are a frequent objective of organizational activity, and discussions about wages are necessary to further that goal").

Strengthened union representation would be of great assistance to women to combat such discrimination. If unions are not fighting for their very survival, they have more resources available to devote to the kinds of anti-discrimination activities described in Section III above — activities like sexual harassment trainings and affirmative action programs. Thus, labor law reforms that address the barriers to organization that workers face would improve women's ability to address employment discrimination.

In particular, the Commission should address sexual harassment as a form of illegal employer conduct during organizing drives and should explore ways to deter such employer retaliation, including prompt resolution of retaliation cases and increased penalties.

Further, unions' role in enforcing the equal employment laws should be strengthened. For the most part, unions have been excluded from the design of affirmative action settlements unless they are joined as defendants in discrimination suits. Critical to success in equal employment opportunity enforcement is the need to include unions and women workers directly affected in the development of affirmative action programs. Involving women at the management level is inadequate. Procedures should ensure that unions and women workers are involved in the process of identifying problems and developing solutions needed to address those problems.

Indeed, in the 1970s the EEOC developed a policy recognizing and encouraging the efforts of unions in the area of equal employment opportunity. At the same time, the United States Department of Labor proposed changes in the OFCCP regulations that

similarly would have broadened union participation in development of affirmative action plans. Neither policy change was then implemented; they should be considered now.

C. Labor law reform can improve the status of working women who are relegated to the "second-class" workforce of "contingent" and low-wage service workers.

1. The many women who work in the "contingent" workforce often do not reap the benefits of unionization.

Women are disproportionately represented among the millions of part-time, temporary, contract and leased employees and workers classified as independent contractors who make up the fastest-growing segment of our labor force. Over two-thirds of part-timers are women; three-fifths of temporary employees are women. Most displaced homemakers re-enter the workforce into part-time jobs; 40% of employed single mothers work less than full-time/full-year jobs. Women are also disproportionately represented in industries such as cleaning and food service, that frequently turn to subcontracting and "independent contractor" relationships. Such "contingent" workers have lower wages, fewer job benefits, and less job security than permanent or full-time employees.

"Contingent" workers have lower hourly wages than "standard" employees. According to Bureau of Labor Statistics data, part-time workers make 60% of the hourly

---

31 New Policies for the Part-Time and Contingent Workforce (Virginia du Rivage, ed. 1992) (hereafter "New Policies"); see also Figure 3.


wages of full-time workers. Even controlling for industry, occupation, sex, age and other characteristics, the part-time employee earns between 10 and 12% less per hour than the full-time employee.\textsuperscript{34} Similarly, on average, temporary employees earn 20% less than their permanent counterparts.\textsuperscript{35}

"Contingent" workers have fewer benefits than "standard" employees. Nearly three-fourths of part-time, full-year employees do not receive health insurance benefits through their employers; 90% of part-time, part-year employees do not receive employer-based health insurance coverage. Only 25% of workers employed in the temporary help industry work for businesses that provide health insurance benefits to any workers and even those businesses often do not provide insurance coverage to all workers.\textsuperscript{36} In addition, "contingent" employees are unlikely to have access to any of the other benefits offered to permanent or full-time employees, such as pensions, seniority, sick and vacation leave, and access to on-the-job training.

Since "contingent" jobs are typically low-wage and offer little security and benefits, many women are forced to "package" jobs or hold multiple jobs simultaneously just to make ends meet. Women are more likely than men to package jobs.\textsuperscript{37} The Bureau of Labor Statistics reports more than half of female multiple job holders package part-time jobs on top of full-time jobs or hold two or more full-time jobs.\textsuperscript{38}

\textsuperscript{34} New Policies.


\textsuperscript{36} New Policies.

\textsuperscript{37} "Exploring the Characteristics of Self-Employment and Part-Time Work."

Another effect of the trend toward "contingent" work is that women are also working with fewer protections. Because of the classification of their employment, part-time and other "contingent" workers may work without the protection of federal and state labor laws and insurance programs -- including the NLRA, Fair Labor Standards Act, Title VII, and unemployment and social security insurance. For example, the NLRA explicitly excludes independent contractors from its protections, although, in many cases, the circumstances of their employment is indistinguishable from those of covered employees. Furthermore, the narrow definitions of who is an "employer" and who is an "employee" in these laws prevents many women from organizing in order to bargain with the entities which control their workplaces but are not their nominal employers. Thus, for example, leased employees may do the same job and work side-by-side with other employees, but are unable to join them in bargaining with the employer for better wages, benefits and working conditions.

Contrary to commonly held assumptions, the empirical evidence does not support the contention that women voluntarily choose certain forms of "contingent" employment, such as temporary work, to accommodate family-caretaking responsibilities. In fact, in 1989, women were 44% more likely than men to work part-time involuntarily.39 As advocates of family-friendly workplace policies that accommodate employees' work and family responsibilities, we encourage employers and employees to fashion voluntary part-time and other flexible scheduling arrangements. Even employees who voluntarily choose flexible scheduling arrangements do not "choose" to forego minimum labor

standards and protections. Whether "contingent" employment relationships are involuntary or voluntary, they should not be used to keep women at the bottom of the pay scale without benefits, status or security.

2. The many women who work in low-wage and service-sector jobs often do not reap the benefits of unionization.

As in the "contingent" workforce, women are also disproportionately represented in low-wage jobs and in the service sector. Women hold more than 62% of service industry jobs. Over the next twenty years, women entering the workforce will most likely work in service-sector jobs, since 94% of all newly-created jobs will be in the service industries. Displaced homemakers and single mothers are disproportionately represented in the service occupations: 30.4% of displaced homemakers (compared to 24.6% of single mothers) work in service industry jobs (compared to 17.3% of women in the labor force). Women are 97% of child care workers and 96% of cleaners and servants in private households, notoriously low-paying and unstable jobs. Most child care workers earn poverty-level wages, averaging $5.35 per hour. As noted above, in 1992, approximately 70% of all women workers earned less than $20,000 per year; 40% of all women workers earned less than $10,000 per year.

---

41 Poverty Persists.
42 BLS, Employment and Earnings: January 1994, Table 24.
43 Wage data provided by the National Center for Early Childhood Workforce.
Compared to other economic sectors, the sectors in which women work disproportionately have some of the lowest rates of union representation. The rate of representation is only 7.0% in private service industry, 6.8% in retail trade, and 2.6% in finance, insurance and real estate, compared to 30% in transportation, 21% in construction, and 20% in manufacturing, industries in which women are underrepresented.

The low rates of unionization in service industries are not due to a commonly asserted (and stereotypical) assumption that women are "unorganizable," that they are somehow reluctant to join unions or do not want representation. In fact, when union elections were held in workplaces where women earned less than $6 per hour, women overwhelmingly voted for representation. Rather, in these traditionally unorganized sectors, the practical and structural barriers to unionization detailed in Section IV above preclude women's full participation in the workplace.

Specifically, most service-sector jobs are located in scattered, smaller firms, making them particularly resistant to organization. Some service sector employees, such as certain domestic workers and independent contractors working in the service sector, are explicitly excluded from the NLRA's coverage. Current labor law also makes it difficult for unions to organize in service sector industries that typically have contracting relationships with other employers, such as in the cleaning or janitorial service industry.

---

45 BLS, Employment and Earnings: January 1994, Table 58.

46 "Women Workers, Unions and Industrial Sectors."
3. Labor law reform can help remove the barriers women face in organizing in "contingent" and service-sector jobs.

Removing the barriers to organization would thus greatly improve the quality of women's participation in the workforce. The Commission should therefore specifically address each of the barriers to organization identified in Section IV above. In particular, it should consider possible modifications of the definitions of "employer" and "employee" so that they more accurately reflect the economic realities and day-to-day operations in employment relationships, and possible modifications to laws governing bargaining relationships so that employees will be allowed to bargain with the entities that in fact control their employment relationships.

VI. ALTERNATIVE DISPUTE RESOLUTION MECHANISMS SHOULD BE CAREFULLY DRAWN TO SAFEGUARD EMPLOYEES' CIVIL AND ORGANIZATIONAL RIGHTS.

Many proponents of "alternative dispute resolution" ("ADR") champion its use in the resolution of employment-related disputes. "ADR" refers to a wide range of different practices, including arbitration, mediation, and conciliation; it may be voluntary or mandatory; it may be binding or nonbinding; it may be conducted with parties represented by counsel or not. In many instances, some forms of ADR, mutually agreed upon by the parties, can be an efficient and less costly method of resolving workplace controversies short of full-scale litigation.47 However, as mentioned above, ADR should not be used inappropriately to foreclose full adjudication of employees' substan-

47 We look forward to evaluating the results of the Equal Employment Opportunity Commission's Pilot Mediation Project, which uses voluntary mediation to resolve charges.
tive statutory rights (especially in the area of equal employment opportunity) or to substitute for the benefits of union representation.

In *Gilmer v. Interstate/Johnson Lane Corp.*, the Supreme Court held that an arbitration clause in an employee's application to be registered as a securities representative could be used to compel arbitration and preclude further litigation of his claims arising under the Age Discrimination in Employment Act. In other words, the employee was forced to arbitrate his age discrimination claim rather than exercise his statutory right to go to court. Mandatory arbitration of civil rights claims compels claimants to present their claims before arbitrators who often have little expertise in civil rights laws and in proceedings that often limit available discovery and remedies, forfeiting their right to have their claims heard by a judge with the full range of judicial protections. Employers' response to this ruling (and to recent cases extending its holding to the collective bargaining context) signals an alarming trend toward using mandatory arbitration to reduce employment-related litigation, contravening well-settled principles of the interaction between civil rights and collective bargaining law. Our concern is that employers should not be able to coerce individual workers, particularly women workers who are not protected by a union, at the onset of an employment relationship or at any time thereafter, to choose between their statutory rights to be free of discrimination and their jobs.

---


49 See *e.g.*, *Austin v. Owens-Brockway Glass Container, Inc.*, F. Supp. __ (No. 95-0051-D, 1/14/94) (W.D. Va. 1994).
In its earlier decision in Alexander v. Gardner-Denver, the Supreme Court held that arbitration of a race discrimination claim under a collective bargaining agreement would not bar a subsequent discrimination suit under Title VII. The Court based its decision on a number of differences between arbitration of grievances under a collective bargaining agreement and a lawsuit challenging discrimination: that arbitrators' expertise does not extend to unique federal statutory rights involving discrimination; that arbitration is informal and deficient in fact-finding capabilities; and that arbitration does not provide for record-keeping.

Empirical experience since 1974 suggests that these concerns are no less sound today. Thus, in determining when it is appropriate to use ADR in the employment discrimination context, we urge that the following principles be followed:

1) all forms of ADR must be fully voluntary for both parties;

2) the ADR practitioner must have substantive expertise in equal employment opportunity law;

3) employees challenging discrimination who are not represented by counsel must be given sufficient information about the law and their rights to make informed choices; and

4) certain situations, such as class actions or cases bearing on significant policy questions or that may have precedential value, are especially ill-suited for ADR.

These principles are particularly important in non-organized settings where individual employees have limited opportunity to bargain about the terms of their employment and do not have the support and assistance of a union representative should a dispute arise. It is not surprising that employers generally jump at the chance to use

---

mandatory arbitration because they know they will likely fare better with ADR than in court. 51

In summary, although some forms of ADR are appropriate for resolution of employment disputes in some situations, ADR should not be used inappropriately as a means of eroding the hard-fought legal protections women have against inequitable treatment in the workplace. This is especially true in the area of sexual harassment; nor should ADR be used to circumvent the newly-enacted compensatory and punitive damages provisions of the 1991 Civil Rights Act. While certain forms of ADR may be better than others, the right to be free from discrimination operates in tandem with the right to organize and bargain collectively and should not be sacrificed or bargained away in the name of efficiency or "industrial peace."

Similarly, to the extent that ADR is proposed as a solution to women's workplace problems, ADR alone is inappropriate to use to circumvent statutorily protected rights.

51 At least one case survey suggests that employers are more likely to win before an arbitrator than before a jury, and that prevailing plaintiffs tend to receive smaller awards in arbitration than in jury trials. See Bombey and Pappas, Compulsory Arbitration in Employment Discrimination Claims: The Impact of Gilmer v. Interstate/Johnson Lane Corp., American Bar Association Section of Employment and Labor Law EEO Committee Papers (1993).
VII. CONCLUSION

As it investigates the state of worker-management relations, it is essential that the Commission consider the particular experiences of women workers. Due to their disproportionate representation in service sector, "contingent" jobs and sex-segregated occupations, women workers are likely to be paid less than their male counterparts and are more likely than men to be in dead-end jobs with few fringe benefits and little security. Moreover, they are still less likely to be organized than men, although the number of women union members is growing. When women workers are organized they benefit significantly – in terms of pay equity, fringe benefits, and job security. The Commission should respond to the current character of the economy and labor market, workforce demographics, and global competition by exploring ways in which the current collective bargaining framework can be improved as a vehicle for enhancing the status, productivity, development, and equality of all workers.
FIGURES AND TABLES
Figure 1


Percent of women in the labor force

Figure 2

The Increasing Responsibility of Women Workers For Family Financial Needs

Percent of All Families with Children in Each Family Type

Dual Earner Couples

Traditional Couples

Solo Women Earners

Single Men Earners

No Earners

Figure 3

Demographics of Temporary Help Supply Services and All Industry Workers in 1985

Figure 4: The Impact of Unions on Women's and Men's Wages (Controlled Results)

A. What Unions Do For Women's Wages

- For Women
  - Non-Union Woman: $7.45
  - Union Woman: $8.38

B. What Unions Do For Men's Wages

- For Men
  - Non-Union Man: $10.90
  - Union Man: $11.12

C. What Unions Do For Sex Equity

- Non-Union Workers
  - Women: $7.45
  - Men: $10.90
  - Gap: $3.45

- Union Workers
  - Women: $8.35
  - Men: $11.12
  - Gap: $2.77

Little Recent Change

- In 1991, after ten years of steady movement upward, the wage gap dipped again from 72 percent to 70 percent. In 1992, it edged up slightly to 71 percent.
- Between 1963 and 1980, the wage gap fluctuated between 56 and 60 percent. Since 1981, the gap has narrowed from 59 to 71 percent, about a penny per year.
- About 40 percent of the improvement in the wage gap during the last decade can be attributed to the decline in men's real earnings. Approximately 60 percent of the gap is a result of women's better earning power.


Chart provided by the National Committee on Pay Equity.
Much attention has been focused on the gains made in decreasing poverty among older Americans. But while measures such as Social Security have been successful, income security during retirement continues to elude a substantial proportion of older women. Many of our retirement policies and structures unintentionally discriminate against women’s employment trends, making them far more likely to spend their retirement years in poverty. The National Committee on Pay Equity is concerned about this issue because, while pay equity is a problem for women throughout their working lives, it is especially significant for women in their senior years. Because our retirement system is largely employment based, a lifetime of wage inequity decreases Social Security benefits, private pension benefits, and personal savings, thus causing significantly lower retirement income for most women.

**FIGURE 6**

**NATIONAL COMMITTEE ON PAY EQUITY**

**WORK & RETIREMENT:**

How Women’s Employment Conditions Affect Their Economic Status Later in Life

**POVERTY AND INCOME**

- Women are 70 percent more likely than men to spend their retirement years in poverty.\(^1\) Poverty among older women is also very strongly associated with being unmarried. In 1990, women 65 and over who lived alone were five times more likely to be poor than women 65 and over who lived with a spouse.\(^2\)

- Women comprised 58 percent of the 1990 population aged 65 and older but made up 74 percent of the 3.7 million elderly poor.\(^3\)

1990 Poverty Rates For Those 65 And Over

- The poverty rate for all women aged 65 and over is almost twice as high as for all men aged 65 and over. The poverty rate for older Hispanic women is three times higher than for all older men, while the poverty rate of older African-American women is over five times greater.

- Seven out of ten baby-boom women will outlive their husbands, and many can expect to be widows for 15-20 years. This longevity often increases the odds that financial resources will become depleted.
Although poverty rates for those aged 65 and over have declined significantly over the past three decades, women's poverty rates have been consistently higher than men's in each year.

WOMEN IN THE WORKFORCE

- Labor force participation has increased from 34 percent in 1950 to 57 percent today.
- Sixty percent of minimum wage workers are women.
- Full-time working women on average earned only 71 percent as much as full-time working men in 1992.
- Most people rely on three sources for retirement income: Social Security benefits, employer-provided pension benefits, and individual savings. Women's employment trends and lower lifetime wages hampers them in all three.
- Women are disproportionately represented in the "contingent workforce"—working as part timers, temporaries and leased workers, and independent contractors. These workers receive relatively low compensation and wages, and little in the way of job security, benefits, career advancement opportunities, and retirement income.6

The 1992 Wage Gap By Age Group7

- Women earn less than men in every age group. The gap in earnings between men and women tends to widen for each racial category as age increases. While all women are affected, the gap for African-American and Hispanic women is much worse. This lower lifetime income hampers women's ability to save for retirement as well as decreases the Social Security benefits they will receive when retired.

Fig. 6-2
SOCIAL SECURITY

- Designed to meet the needs of the "traditional" American family, it tends to better protect a family consisting of a lifelong paid worker (typically the husband), a lifelong unpaid homemaker (typically the wife), and dependent children.

- In 1940, almost 70 percent of families were traditional, but in 1992 only 32 percent of families fit this description.8

- Because of their higher lifetime earnings, average monthly Social Security benefits are about 70 percent higher for men; in 1991 they averaged $680 while women averaged $519.

- Older women are almost twice as likely as older men to have Social Security benefits as their only source of income.

- Social Security benefits are calculated based on three categories of eligibility. Worker benefits are paid to a retired or disabled worker based on his or her own earnings. Spousal benefits are paid to a spouse of a retired or disabled worker, and are equal to one-half the spouse's worker benefit. Survivor benefits are paid to certain family members of the deceased worker's family, based on the worker's earnings.

- Since 1960, the percentage of women drawing their own worker benefits has remained at around 38 percent, despite the increased participation of women in the paid labor force.

- Under the dual entitlement provision, a person who is entitled to both a worker's and spousal or survivor's benefit cannot receive both benefits in full. Rather, the individual may only collect the higher of the two benefits.

- A survivor from a one-earner couple receives a higher benefit than a survivor from a two-earner couple with the same total earnings. This is because the survivor from the two-earner couple can only receive benefits based on one of their former incomes (their own worker benefit or spouse's survivor benefit) but not both combined.

- Because the amount is tied to her husband's earnings, and men on average earn more than women and spend less time away from the workforce, a retired widow will likely choose to receive the larger survivor benefit rather than her own, often smaller worker benefit. She has therefore spent her entire career paying FICA taxes but gets no more benefits than if she had never worked.

- Divorced women fare especially poorly under the current system. Those who had been married for at least ten years are eligible for a spousal benefit, but this is equal to only half of their ex-husband's benefit while he is still alive. This is only one-third of what their total benefit would be if they were still married (his 100 percent plus her 50 percent). If their ex-husband dies, however, they are then entitled to receive the full 100 percent of his benefit.9

- Divorced widows who remarry are no longer entitled to any of their former husbands' benefits.

PRIVATE PENSIONS

- 27 percent of women aged 65 and over are covered by private pensions, while 49 percent of men aged 65 and over are covered.

- Women receive less than half the pension benefits that men do. In 1990, the median pension income for women aged 65 and over was $269 per month; for men, $591 per month.10

- Private pension coverage rises with salary:

- Of the new pension plans started by employers in 1990, 86 percent were "defined contribution plans" which do not guarantee a particular benefit and are based on the amount employees and employers contribute to the plan.

- These plans tend to provide few benefits to moderate and lower income workers who cannot afford to contribute; only nine percent of workers earning less than $25,000 make any contributions.

Fig. 6-3
Typical pension plans reward those with long continuous service and high wages in specific types of jobs. Flexible job arrangements such as part-time, shared, and seasonal jobs, consultancies and home-based self-employment, which are made to accommodate working women's family responsibilities, will thus hamper their potential for pension coverage and decrease their overall retirement income.

- Only 10 percent of part-time workers were enrolled in employer-provided pension plans in 1988, as compared to 46 percent of full-time workers.¹¹

- 45 percent of women who work outside the home are employed by businesses with less than 100 employees. Only 24 percent of these businesses have pension programs. Likewise, 89 percent of businesses with greater than 1000 employees sponsor pension programs.

- In addition to working for smaller firms, women are also more likely to work in retail and service jobs, where the rate of pension coverage has historically been low.¹²

- For employees with union representation, the pension coverage rate is 75 percent, compared with 43 percent among those without union representation. This factor particularly affects women since they are less likely than men to be union members.¹³

- Private pension coverage also rises with job tenure. But even among workers with equal tenure, women's pension coverage is slightly less.

Effects of Tenure on Pension Coverage¹⁴

- Because they change jobs more frequently, women have difficulty meeting the five year vesting requirement for pension eligibility. Half of all women have been on their current job only 3.6 years and half of all men, 5.1 years. Pension plans are only required to offer spousal benefits (for widows and widowers) of half the amount the worker received while he/she was still alive. But if the non-pension covered spouse dies, the surviving spouse's pension is not decreased.

- Married working women are substantially penalized by existing laws governing Individual Retirement Accounts (IRAs). Both husband and wife are disqualified from tax deductible IRA contributions above a certain income level if either one of them is covered by a pension. Since men are more likely than women to have this coverage, women are more likely to be disqualified from a deductible IRA, even though they may have no pension and would need an IRA in case they are divorced or widowed.¹⁵

POLICY OPTIONS

- Reform Social Security to Adapt to Changing Demographics
  - Allow survivors of two-income couples to receive benefits based on both former incomes.
  - Allow widows who have worked and paid FICA taxes to collect a percentage of their worker benefit in addition to their survivor benefit.
  - Make qualified divorced spouses eligible for survivor benefits while their ex-spouses are still alive.
  - Exclude time spent away from job for family care from calculation of average lifetime earnings used in benefit determination.

- Pension Reform
  - Reduce "vested" time requirements for pension eligibility.
  - Allow more part-time, temporary, and seasonal workers access to pension coverage.
  - Allow women on job leave for family care to not incur a break in service against their pensions.
Require spousal benefits to equal the same amount the worker received when still alive.

Allow those not covered by private pensions and above a certain income level to make tax deductible IRA contributions.

**Pay Equity**

Since Social Security and private pension benefits are largely wage-based, raising women's salaries will significantly increase their retirement income.

Higher wages for women will allow them to increase their personal savings throughout the course of their careers.

Instituting equal pay for jobs of equal value as well as for equal work eradicates the historical undervaluing of the work performed by women and thus allows for greater self-sufficiency during both the working and retirement years.

---

**THE NATIONAL COMMITTEE ON PAY EQUITY**

**IS A NATIONAL MEMBERSHIP COALITION OF LABOR, WOMEN’S, CIVIL RIGHTS, RELIGIOUS, LEGAL, AND PROFESSIONAL ASSOCIATIONS, STATE AND LOCAL PAY EQUITY COALITIONS, AND COMMISSIONS FOR WOMEN AND INDIVIDUALS WORKING TO ELIMINATE SEX AND RACE BASED WAGE DISCRIMINATION. FOR MORE INFORMATION WRITE TO NCPE, 1126 16TH STREET, NW, WASHINGTON DC 20036, OR CALL AT (202) 331-7343.**

---

**NOTES**


3. Ibid.


8. Ibid.


13. Ibid.


---

**THIS FACT SHEET WAS PREPARED BY PETER TOMAN. PERMISSION TO REPRODUCE THIS PUBLICATION IS FREELY GRANTED. PLEASE ACKNOWLEDGE THE SOURCE AND NOTIFY NCPE OF USE. NCPE THANKS THE PENSION RIGHTS CENTER, AARP WOMEN’S INITIATIVE, OLDER WOMEN’S LEAGUE, AND NATIONAL ACADEMY ON AGING FOR THEIR CONTRIBUTIONS TO THIS REPORT.**
## TABLE 1

**COMPARATIVE WEEKLY WAGES 1983-1993,**

**UNION AND NONUNION WORKERS**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>WAGES FOR UNION MEN</th>
<th>WAGES FOR NONUNION MEN</th>
<th>WAGES FOR UNION WOMEN</th>
<th>WAGES FOR NONUNION WOMEN</th>
<th>UNION PREMIUM FOR WOMEN</th>
<th>% MEN THAT ARE UNION MEMBERS</th>
<th>% WOMEN THAT ARE UNION MEMBERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1983</td>
<td>$411</td>
<td>$353</td>
<td>$307</td>
<td>$238</td>
<td>+ 29%</td>
<td>24.7%</td>
<td>14.6%</td>
</tr>
<tr>
<td>1984</td>
<td>$444</td>
<td>$362</td>
<td>$320</td>
<td>$251</td>
<td>+ 30%</td>
<td>23.0%</td>
<td>13.0%</td>
</tr>
<tr>
<td>1985</td>
<td>$485</td>
<td>$383</td>
<td>$350</td>
<td>$262</td>
<td>+ 34%</td>
<td>22.1%</td>
<td>13.2%</td>
</tr>
<tr>
<td>1986</td>
<td>$482</td>
<td>$394</td>
<td>$368</td>
<td>$274</td>
<td>+ 34%</td>
<td>21.5%</td>
<td>12.9%</td>
</tr>
<tr>
<td>1987</td>
<td>$494</td>
<td>$406</td>
<td>$388</td>
<td>$288</td>
<td>+ 35%</td>
<td>20.9%</td>
<td>12.6%</td>
</tr>
<tr>
<td>1988</td>
<td>$506</td>
<td>$416</td>
<td>$403</td>
<td>$300</td>
<td>+ 34%</td>
<td>20.4%</td>
<td>12.6%</td>
</tr>
<tr>
<td>1989</td>
<td>$527</td>
<td>$430</td>
<td>$417</td>
<td>$312</td>
<td>+ 34%</td>
<td>19.7%</td>
<td>12.6%</td>
</tr>
<tr>
<td>1990</td>
<td>$542</td>
<td>$457</td>
<td>$448</td>
<td>$326</td>
<td>+ 37%</td>
<td>19.3%</td>
<td>12.6%</td>
</tr>
<tr>
<td>1991</td>
<td>$568</td>
<td>$473</td>
<td>$467</td>
<td>$348</td>
<td>+ 34%</td>
<td>19.3%</td>
<td>12.6%</td>
</tr>
<tr>
<td>1992</td>
<td>$589</td>
<td>$480</td>
<td>$484</td>
<td>$361</td>
<td>+ 34%</td>
<td>18.7%</td>
<td>12.7%</td>
</tr>
<tr>
<td>1993</td>
<td>$608</td>
<td>$490</td>
<td>$504</td>
<td>$374</td>
<td>+ 35%</td>
<td>18.4%</td>
<td>13.0%</td>
</tr>
</tbody>
</table>

**11 YEAR INCREASE**

48% 39% 64% 57%

STATEMENTS OF INTEREST