# Remedying "Unfair Acts": U.S. Pay Equity by Race and Gender

*Jane Lapidus*

*Deborah M. Figart*

## ABSTRACT

Case studies in Canada, Australia, and the U.S. have found that pay equity (or comparable worth) has reduced the gender-based wage gap substantially, and results of research on the gender composition of jobs have been used in guiding pay equity implementation. But, in general, the racial composition of jobs remains overlooked in the literature and in public policy. We extend previous work on eliminating the wage penalty of employment in female-dominated occupations to estimating the potential effect of adopting comparable worth to alleviate race- as well as gender-based wage discrimination.

First we report the negative impact of racial-ethnic and female composition of jobs on pay in the U.S. Correcting for this form of wage discrimination, we find that implementing comparable worth would appreciably narrow the race- and gender-based wage gaps and significantly reduce the percent of workers earning poverty-level wages, especially among women of color. Close to 50 percent of women of color and 40 percent of white women currently earning less than the federal poverty threshold for a family of three would be lifted out of poverty. Second, we show that, in addition to the effects of occupational concentration, being a woman, an African-American, or a worker of Hispanic origin negatively and significantly affects pay. Not every type of wage discrimination is alleviated by a pay equity policy, which is why activists have also supported anti-discrimination and affirmative action policies for women and people of color.

## KEYWORDS

Wage discrimination, race and gender, comparable worth, poverty, occupational segregation, pay equity

The pay equity campaign has aroused in millions of women workers a consciousness that their low pay rates derive from discrimination and ought to be remedied. They are coming to believe that unfair acts, not the impartial laws of economics, are responsible.

(Barbara R. Bergmann 1986: 173)