EQUAL PAY

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QUESTION: Is it true that the pay gap has widened since 1993?

ANSWER: No. Data from the Department of Labor show that from 1993 to 1997 (the last year for which we have quickly available data), the pay gap has narrowed from 71.5 to 74.2 percent (raw data not adjusted for work experience, education, etc.).

Work Week

A Special News Report About Life On the Job — and Trends Taking Shape There

GENDER WAGE GAPS begin in high school, and girls earn less.

Girls 16 to 19 years old earn 88.5 cents for every dollar paid to their male counterparts, according to the Bureau of Labor Statistics. The most common summer-job wage for female students is less than $5.25 hourly, while boys mostly make $9 or more, according to Junior Achievement, a nonprofit organization in Colorado Springs, Colo., that teaches business skills.

Girls tend to work in jobs with lower pay, like child care, analysts say. Even in similar settings like restaurants or offices, boys tend to get the better-paying positions. Kate Henvey, 16, says she left her $6 job as hostess at Purple Cow, a hamburger joint in Dallas, because boys usually got the jobs with tips, like waiting tables. Manager Brian Williams says the better-paying jobs are equally divided.

High-school girls are 13% more likely to have a summer job than male students, Junior Achievement says.

DON'T KILL THE UMP: Referees get special protection in some states.

Making sports officials a protected class of employees, like police officers and firefighters, can deter assaults, says the National Association of Sports Officials, Racine, Wis. State Rep. Dean Kaufert introduces legislation making such assaults a felony. In Waukesha, Wis., two years ago, a softball player assaulted referee Stuart Anderson, a 30-year veteran, over a call.

Mr. Anderson says that as a result, he needs a hip replacement. He adds that the player's one-year probation wasn't enough. Already 13 states have passed laws giving sports officials special protections, and a dozen more are considering it. The Illinois legislature just passed a bill establishing a minimum $1,000 fine for assaulting officials. But Bill Nolan, president of the Fraternal Order of Police Lodge #7 in Chicago, says prosecutors should first address assaults against police.

DON'T FIB about the job when recruiting, some courts say.

That's the lesson in a growing body of court decisions involving jobs that allegedly turned out to be less than promised. In 1995, MicroTouch Systems Inc., Methuen, Mass., hired Alisa Behne from competitor Elo Touchsystems Inc., Fremont, Calif. Ms. Behne says she was forced to share the sales-director job with her predecessor. Later she was reassigned to a smaller division and soon fired for not doing her job. Earlier this year, a California jury awarded Ms. Behne $2.6 million. MicroTouch, which is appealing, says the job wasn't shared.

Four years ago, the El-Jay unit of Cedarapids Inc., Raytheon Co.'s rock-crushing division, recruited workers to its Eugene, Ore., plant. A year later the plant closed. Four of the new hires sued, alleging the company had decided before it hired them to close the plant. In January, a federal appellate court reversed a lower court's ruling that the company had no disclosure obligation and ordered a trial on alleged misrepresentations.

"The courts are saying [employees] can't be treated like this," says Joseph Garrison, an employment lawyer in New Haven, Conn.

LET'S STAY HOME: While 21% of 264 surveyed companies reported that expatriates get promoted faster, half said the impact of overseas work is unclear, says Windham International, a global relocation firm in New York. About 12% of expatriates leave their company within a year of returning, up from 10% in 1994.

MESSAGE MADNESS: Workers send and receive 201 messages of all types a day, compared to 190 last year and 172 in 1997, according to a study by Pitney Bowes Inc., Stamford, Conn.

DAILY GRIND: Ellie Orbison, 39, camp director at YMCA Camp Gorham in Eagle Bay, N.Y., sees about 20 homesick kids each summer. Accustomed to phones and e-mail, children can find camp's isolation tough, Ms. Orbison says. One year she had to dispense hugs and heart-to-heart talks to a girl whose mother had died that year. The median annual salary for camp directors is $48,150, the YMCA says.

CASTING CALLS go unanswered, leaving some big shoes unfilled.

Open-air museums and historic sites seek "interpreters" to re-enact the lives of historical figures. But, due to low pay and the nationwide worker shortage, fewer respond. Colonial Williamsburg in Virginia spent 18 months searching for the perfect George Washington. At Old World Wisconsin, a tourist spot depicting rural life, nearly 30 of 140 interpreter jobs remain open.

The living-history site found someone to play turn-of-the-century Wisconsin Gov. Robert La Follette, but only part time. Old World's African-American section, one of several culture-specific sites, doesn't have any African-American interpreters. Herska Omdoll, 33, wanted to play a farmer until she heard the pay—$5.18 an hour.

Now Ms. Omdoll is making sandwiches at Subway for more than $6 an hour. Old World recently raised hourly wages to $6.

THE CHECKOFF: About 36% of 500 working men surveyed by polling firm Roper Starch Worldwide said they would consider coloring their hair to look sharper at work. . . . Only 14% of men ask someone to help them recover lost computer data, compared with 26% of women, according to data-recovery firm Ontrack Data International Inc., Minneapolis.

—REKHA BALU

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suaded Presbyterian and its chief heart rival, St. Joseph Healthcare, to consider joining them in a venture for a stand-alone heart hospital. For a short time, all were at the same table.

Just Adding Capacity

Presbyterian soon bowed out. Its Mr. Hinton says that in effect, the city's largest heart program was being asked to share its most profitable cases with a joint venture, keep the high-cost cases at its own hospital—and somehow manage to maintain its margins with the payout from its investment.

The hospital also said that the venture would add unnecessary capacity that could hurt quality by reducing the volume of cases done at each facility; that patients with multiple health problems might be ill-served by a specialty hospital; and that it would siphon off resources needed to finance money-losing services such treating trauma cases and uninsured people.

St. Joseph, however, enthusiastically allied with the doctors to take on its chief competitor. Folding its heart program into the new venture will reduce St. Joseph's revenue at first, says CEO Steven J. Smith, but meanwhile it benefits as doctors affiliated with the new heart hospital shift business to St. Joseph. (St. Joe will own 35% of the heart hospital, MedCath 24% and the two cardiology groups 41%.)

Cardiologist Neal Shadoff decided not to join the new venture, out of concern over how money might affect decisions about patient care. "If I have two patients who need to be admitted to the hospital and one has insurance that will pay handsomely while the other has no insurance, where are they going to be admitted?" he asks.

He was also disturbed by the emphasis he says MedCath was giving to bypass surgery over "interventional" care—angioplasty and stents. "MedCath made it very clear that bypass is where you make money and interventional procedures are where you spend money," he says. "The implication was the more your mix was toward bypass, the greater your revenue would be." If he became an investor, he says, "I was worried that might alter how I think about treating a patient."

MedCath says that money can be made on both procedures and that physicians will make the decision that is right for the patient.

Dr. Gerety, one of the doctors joining in the heart-hospital venture, makes no apology for the possibility that he might profit. "What is it that makes the hospital or the insurance company more entitled to the money than me?" he asks. But he and the others say money isn't their chief motive. Says Dr. Blake: "I just want a good place to work and take care of my patients."

Fighting Back

Once it was clear the new hospital was going forward, Presbyterian went on the offensive. Benefiting from the schism in the cardiology community, it recruited Dr. Shadoff and nine other doctors away from the two practices.

They didn't come cheap. Presbyterian had to pay their former groups $250,000 for each doctor—a total of $2.5 million—to buy out noncompete clauses. Then it signed them to five-year contracts that essentially doubled their annual incomes, according to some of their former partners. Presbyterian won't confirm the terms but says they reflect the physicians' market value.

In early 1998, Presbyterian told the doctors investing in the heart hospitals they would be dropped from the managed-care plan Presbyterian runs. One cardiology group, the New Mexico Heart Institute, fought back. Even though only 3,000 of its patients were affected, it notified 32,000 patients of Presbyterian's plans. Some of them, irate, went to the press.

Presbyterian backed off. It revised the initiative to minimize any patient impact, then abandoned it. As of next month, the doctors investing in the heart hospital are back on Presbyterian's health-plan roster, though they won't be covered for operations done at the new facility.

Dr. Shadoff says his former practice, the New Mexico Heart Institute, played hardball as well. After he joined Presbyterian, he says, he got a long letter raising the possibility of legal action if he even tried to contact his patients. Months after he resigned, he says, "I ran into one of my patients at the hospital. He thought I'd left town."

The heart hospital is going up rapidly, aiming for a late-September opening. Giving a tour of the 70%-finished facility, Dr. Gerety is effusive about its features. "There is no intensive-care unit," he observes. "If a patient needs to be in an ICU, we bring the equipment to the patient."

Another feature: a set-up room just outside the operating rooms where a nurse can assemble instruments needed for one procedure while another surgery is under way, cutting operating-room turnaround time to 25 minutes from 90.

And the elevators. On television's "E.R.," elevators are barely big enough for a gurney. The five in this hospital are massive, and they have to serve only two floors.

Over at Presbyterian, Dr. Shadoff calls these things marketing gimmicks. He concedes the patient experience may be better, but adds, "Will lives be saved? No."

Dr. Shadoff also has something to show off at Presbyterian: a brand-new $500,000 nuclear-imaging machine that takes moving 3-D pictures of the heart. His former colleagues investing in the heart hospital are indirectly responsible: The machine is one of the ways Presbyterian is fighting back by beefing up its cardiology program.

The things heart doctors need, says Larry D. Stroup, chairman of Presbyterian's parent organization, are now "all higher on the list than they used to be." He also has moved to address the professional-autonomy issue: Presbyterian's heart program, he says, "is now absolutely hands-on driven by our heart physicians."

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Subject: Executive Summary of CEA Report on Gender Wage Gap

EXPLAINING TRENDS IN THE GENDER WAGE GAP

A Report by The Council of Economic Advisers

EXECUTIVE SUMMARY

Although the gap between women and men's wages has narrowed substantially since the signing of the Equal Pay Act in 1963, there still exists a significant wage gap that cannot be explained by differences between male and female workers in labor market experience and in the characteristics of jobs they hold.

After hovering at about 60 percent since the mid-1950s, the ratio of women's to men's median pay began to rise in the late 1970s and reached about 70 percent by 1990. The gender pay ratio is currently on the rise again, surpassing 75 percent in 1997.

The gender gap has narrowed faster among younger women and among married women with children. The data that permit disaggregation by demographic groups show the overall gender pay ratio rising from 57 percent in 1969 to 68 percent in 1996 (the last year for which these data are available). In contrast, among women under 40, the gender pay ratio rose from 58 percent in 1969 to 74 percent in 1996. Among married women with children, the gender pay ratio (relative to all male workers) rose from 53 percent in 1969 to 68 percent in 1996. Relative to all male workers, wage gains have been faster for non-Hispanic black and non-Hispanic white women than for Hispanic women.

The most recent detailed longitudinal study found that in the late 1980s about one-third of the gender pay gap was explained by differences in the skills and experience that women bring to the labor market and about 28 percent was due to differences in industry, occupation, and union status among men and women. Accounting for these differences raised the female/male pay ratio in the late 1980s from about 72 percent to about 88 percent, leaving around 12 percent as an "unexplained" difference.

Over the last twenty years, increases in women's accumulated labor market experience and their movement into higher-paying occupations have played a major role in increasing women's wages relative to men's. Changes in family status, in industry structure and in unionization also worked to narrow the gender pay gap, while increasing economic benefits from skills and increasing wage inequality would have, by themselves, widened the pay gap. In addition, the decrease in the pay gap that remains "unexplained" after controlling for measured differences between men and women has been a large contributor to the narrowing of the pay gap.

The evidence is that labor market discrimination against women persists, although it is difficult to determine precisely how much of the difference in female/male pay is due to discrimination and how much is due to differences in choices or preferences between women and men. One indirect and rough measure of the extent of discrimination remaining in the labor market is the " unexplained" difference in pay. Some studies have tried to measure discrimination directly by looking at pay differences among men and women in very similar jobs or by comparing pay to specific measures of productivity. These studies consistently find evidence of ongoing discrimination in the labor market and support the conclusion that women still face differential treatment on the job.

Message Sent To:____