

Pay Equity and Advancement Report 2007

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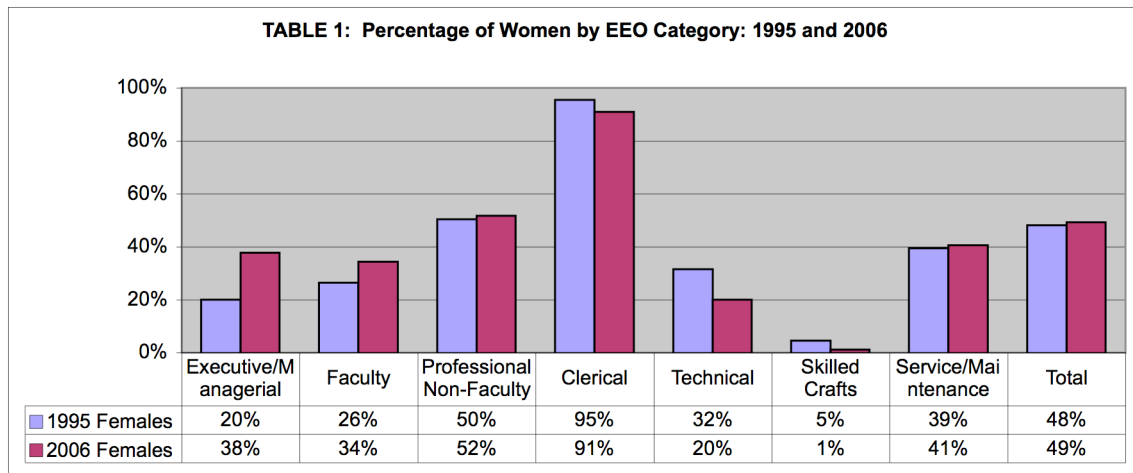
*University of Mississippi
Commission on the Status of Women*

*The charge of the Commission on the Status of Women
is to serve the Chancellor in an advisory capacity, apprising him of
the needs and concerns of female faculty, staff, and students, and
recommending ways that their needs and concerns might be
addressed.*

INTRODUCTION

In the Spring of 2005, Chancellor Khayat supported the Commission on the Status of Women's (CSW) request to invite Dr. Christine Cress to campus to discuss strategies for assessing the campus climate for women at the University of Mississippi. Based on Dr. Cress's Site Visit Report, the CSW submitted four recommendations to the Chancellor and the Provost. The Provost approved these recommendations on August 15, 2005. The 2007 Pay Equity Report is a partial response to one of the four recommendations and is intended to provide a quantitative analysis of the status of women employed by the University of Mississippi.

Women have made remarkable strides at the University of Mississippi since 1995. Women make up nearly half of the workforce [49.3%], and their numbers continue to grow in the highest levels of the administration.¹ Chancellor Khayat has appointed women to positions of great responsibility; women serve as Provost, Vice Chancellor for University Relations, and Vice Chancellor for Research and Sponsored Programs. (See Table 1.)



These gains, however, have not benefited women across all employment categories, and have not always guaranteed women equal pay. The recent salary increases designed to bring faculty and staff in line with Southern University Group averages were a successful step towards achieving excellence at the University of Mississippi in the area of financial compensation. However, in anticipation of possible future raises in the spring 2007, it is important to alert the Chancellor and administration that a persistent gender wage gap exists on campus. Given the administration's dedication to issues of diversity and fairness, we propose that now is an opportune time to address gender pay equity at the University of Mississippi. In this spirit, the following report will assess the position of women on campus relative to pay and hiring in each of

¹ The numbers of employees classified in each category are as follows: EEO1 (Executive/Managerial)—85; EEO2 (Faculty)—561; EEO3 (Professional Non-faculty)—728; EEO4 (Clerical)—400; EEO5 (Technical)—100; EEO6 (Skilled Crafts)—83; EEO7 (Service/Maintenance)—232.

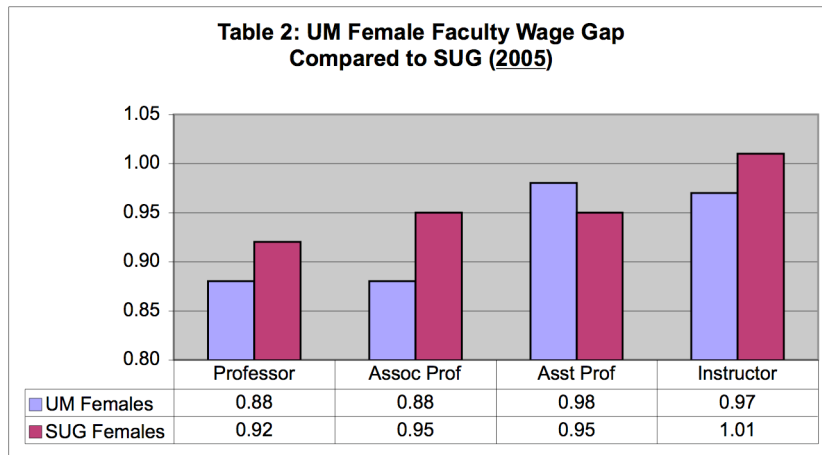
the seven EEO categories: Executive managerial [EEO1], Faculty [EEO2], Professional Non-Faculty [EEO3], Clerical [EEO4], Technical [EEO5], Skilled Crafts [EEO6], and Service/Maintenance [EEO7].

What is the Wage Gap?

Over the past 40 years, women have made important advances in the paid labor market. Due in large part to key legislation such as the Equal Pay Act of 1963, Title VII of Civil Rights Act of 1964, and the Family Medical Leave Act of 1993, there are more women working than ever before. While women’s labor force participation rates are converging with men’s, the salaries for men and women are still unequal. According to the U.S. Bureau of Labor statistics, in 2005, full-time, year-round working women in the United States earned 77% of full-time, year-round working men. In other words, women earned 77 cents to every dollar men earned. This is referred to as the gender *wage gap* or pay gap.

The good news is that the national wage gap has narrowed over time, from 68.5% in 1989 to 77% in 2005. The concern is that at the current pace, the gap is not expected to close until 2057. Although we find that the state of Mississippi is ranked in the middle third of all 50 states on the severity of the gender wage gap, both men and women in Mississippi have seen declines in pay since 2004, with women losing more (IWPR, 2006, The Best and Worst State Economies for Women).

A recent, unprecedented report by the American Association of University Professors (AAUP) examined the gender equity among faculty on hundreds of United States’ university and college campuses. They used four indicators to assess gender equity: employment status, tenure status, rank, and wage gap between men and women faculty. The national wage gap for faculty women at Ph.D. granting universities is 78%. In 2005, UM ranked third highest in regards to assistant professor salaries among the Southern University Group institutions. The UM wage gap for associate professors, however, places the institution last in the SUG. Furthermore, UM ranks in the bottom quarter in regards to the wage gap for female full professors. (See Table 2.)



Why Does the Wage Gap Matter?

The wage gap has real consequences for women's and men's lives that often get lost in a haze of numbers. For example, at the University the wage gap between women and men working in EEO3 (Professional Non Faculty) is 79%. A woman earning an average wage in EEO3 (\$43,480) earns \$11,659 less than the average man (\$55,139) in the same EEO category. This adds up. To make the same wage as a man, the woman in EEO3 must work an extra 2.5 months a year. To reach the same retirement income after 30 years, the same woman would have to work an extra 8 years. The American Association for University Women position statement on pay equity states: "With a record 68 million women in the workforce wage discrimination hurts the majority of American families. Families lose \$200 billion in income annually to the wage gap—an average loss of more than \$4,000 a year for each working family. In addition, wage discrimination lowers total lifetime earnings, thereby reducing women's benefits from Social Security and pension plans" (AAUW Position on Pay Equity).²

Rewarding employees for their performance is beneficial to the institution. It creates a positive work environment that can increase productivity and reduce absenteeism and sick leave. Pay equity, therefore, creates excellence.³ Many universities have recently investigated the state of gender pay equity on their campuses, most notably the University of Arizona, University of Colorado, and the SUNY system, among others (see AAUP PayChecks report).⁴ These studies have resulted in the identification and improvement of gender pay inequities. We believe the University of Mississippi has a unique opportunity to join the ranks of these institutions and even to surpass them by addressing the gender wage gap not only among faculty, but among staff as well.

²http://www.aauw.org/issue_advocacy/actionpages/documents/payequityResourceKit.pdf.

³ National Committee on Pay Equity. (2000). Questions and Answers on Pay Equity. Washington, DC. Retrieved on Jan. 1, 2007 from <http://www.pay-equity.org/info-Q&A.html>.

⁴ <http://www.aaup.org/NR/rdonlyres/63396944-44BE-4ABA-9815-5792D93856F1/0/AAUPGenderEquityIndicators2006.pdf>

FINDINGS

Based on an analysis of workforce changes and salaries from 2001 and 2006, the Commission on the Status of Women identified three areas of concern to women faculty and staff. While women have made progress at the University of Mississippi, female employees in each Equal Employment Opportunity [EEO] category face the following challenges:

1. Gender pay equity is unrealized despite recent salary increases
2. The wage gap disproportionately affects African American women
3. Women hold fewer leadership and high-paying positions than men

I. Gender Pay Equity Unrealized Despite Recent Salary Increases

Chancellor Robert Khayat has declared faculty and staff wage increases as a top priority. In a show of support, the Chancellor (in conjunction with the Board of Institutions of Higher Learning) was instrumental in raising wages across campus and helping to bring faculty salaries closer to Southern University Group averages. This resulted in significant increases in pay in 2006. He has also been instrumental in raising the wages of our lowest paying positions well above minimum wage.

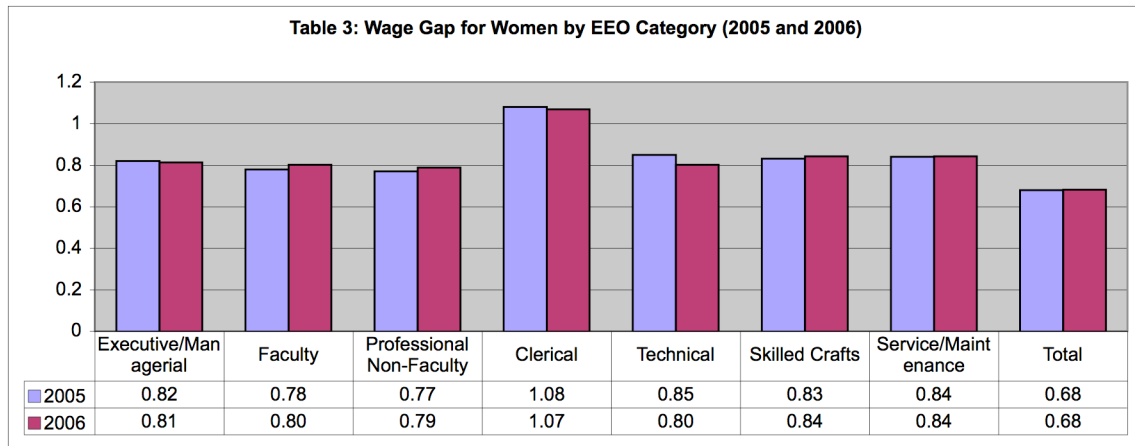
However, a persistent wage gap remains in place. The underlying disparities in men's and women's pay may not have been taken into account when adjusting salaries. Often, salary differences reflect unconscious or unintentional discrimination. The intent of this report is to highlight what wage disparities exist and to recommend steps to assess whether these gaps are explained by merit, years of service, and expertise or due to subtle (and occasionally overt) discrimination.

The Commission on the Status of Women calculated the University wage gap using methods similar to those employed by the U.S. Census Bureau.⁵ The Census Bureau assesses the national wage gap by comparing the median income of all full time working women to the median income of all full time working men in the United States. To determine the University wage gap, the Commission compared the mean income of all working women compared to the mean income of all working men at the University of Mississippi. Based on these calculations, we find that women earn, on average, 68% of what men earn. However, a large part of the overall wage gap is explained by the fact

⁵ Data submitted by the University to Integrated Postsecondary Education Data System of the U.S. Department of Education [IPEDS] served as the source for both the number of employees and the average salary by EEO category and by rank. Mean, rather than median, figures were used to calculate average salaries. The wage gap was calculated by dividing the average salary for females by the average salary for males for the designated category.

that men and women are concentrated in different occupations and specialties and that female-dominated fields pay the least. This overall calculation does not take into account the types of occupations or jobs men and women occupy.

To control for occupation (and to assess more accurately gender pay equity in this report), we have chosen to examine the wage gap by EEO category. As expected, the wage gap is not as wide in each of these EEO categories as the overall figure would indicate, due to the fact that women are highly concentrated in some of the lowest paying EEO categories (i.e. Clerical, Service/Maintenance). Nonetheless, even within EEO categories, wage disparity continues to exist at every level except clerical. (See Table 3.)



Among **Executive/Managerial** employees [**EEO1**] women earn on average 81% of what their male colleagues earn. Female employees lost some ground in this category after the 2006 wage increase falling from 82%.

Among the **Faculty** [**EEO2**], women earn 80% of what men earn. The good news is that the 2006 salary increase slightly improved women’s position, closing the wage gap from 78% to 80%. Eight departments have closed the wage gap entirely.

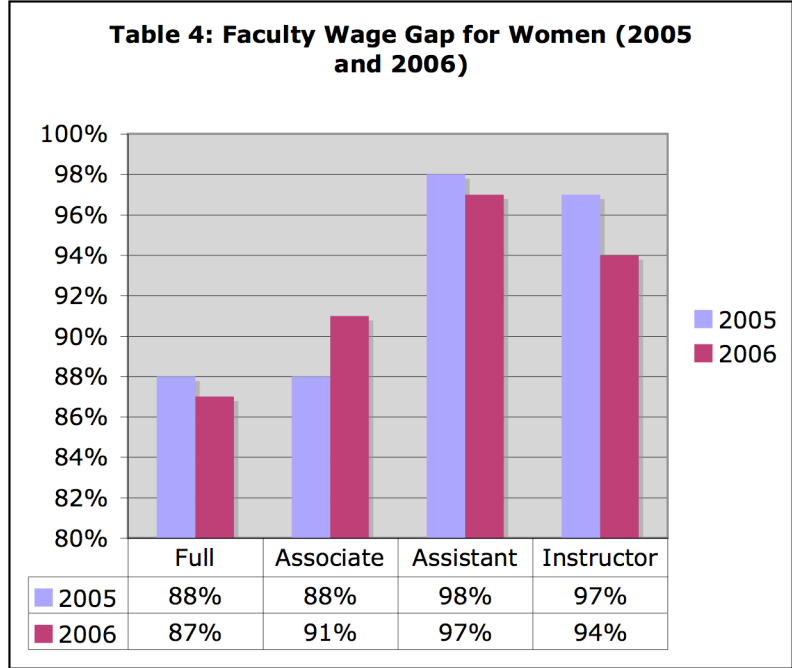
The **Professional Non-Faculty** [**EEO3**] women earn on average 79% of what men do. Women have made a slight gain since 2005 [77%], but men dominate the professional non-faculty positions which pay \$75,000 or higher a year. Sharp gender distinctions are also present between classified and non-classified employees. This topic will be further addressed below when discussing women in leadership positions.

The wage gap closed slightly among **Clerical Workers** [**EEO4**]. In this category, however, women earn on average 7% more than men compared to 8% before the raises.

The most dramatic widening of the wage gap occurred among women on the **Technical Staff** [**EEO5**]. These women earned 85% of what their male colleagues did before the raises and now earn only 80%.

Few women are represented among the **Skilled Crafts [EEO6]**. Those that are earn 84% of what men make on average.

Among the **Service/Maintenance Workers [EEO7]** the wage gap remained steady with women earning 84% of what men do.



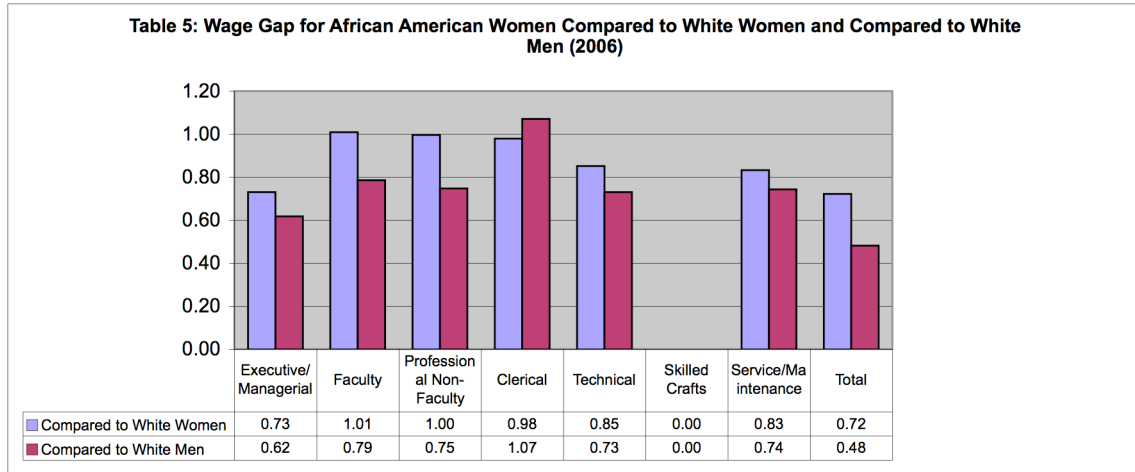
A closer examination of the faculty wage gap by rank reveals that the gap is most narrow for *assistant* professors. Women earn 97% of what men do or \$1710 less per annum (a slight increase of the wage gap from 98% before the 2006 raise). At the *associate* level, women gained some ground after the 2006 raises. On average, female associate professors earn 91% or \$8,788 less than their male counterparts compared to 88% before the raises. At the *full* professor level, the wage gap increased slightly. Women earn 87% of what male professors do or \$12,456 less. (See Table 4.)

The wage gap is the greatest among chairs. Female *chairs* earn 76% of male chairs' salaries. The gap widened for *instructors* from women earning 97% of what male instructors make to 94% after the 2006 raises.

In summary, while women in certain EEO categories made slight gains after the recent raises, many women experienced a widening of the gap.

II. The Wage Gap Disproportionately Affects African American Women

The wage gap for African American women on campus is a subject of concern. On average, African Americans (men and women) earn 60% of the average salary paid to white men (an average of \$21,080 less per year). African American women are the hardest hit, earning on average 52% less than white men. This represents a wage gap of 48% or a loss of \$32,979 a year. (See Table 5.)



When controlling for occupational category, we found that the wage gap for African American women is greater than that of white women at each level. At the **Executive** level, the wage gap for African American women is 62% compared to 81% for white women. Among the **Faculty**, the wage gap for African American women is 79%, which is slightly larger than the 80% for white women. Among the **Professional Non-Faculty**, the wage gap for African American women is 75% compared to 79% for white women. However, both African American and white women who work in **Clerical** positions earn 7% above the average male working in that position. Among the **Technical** workers, the wage gap for African American women is 73% compared to 80% for white women. Among the **Service/Maintenance** workers, the wage gap for African American women is 74% compared to 84% for white women.

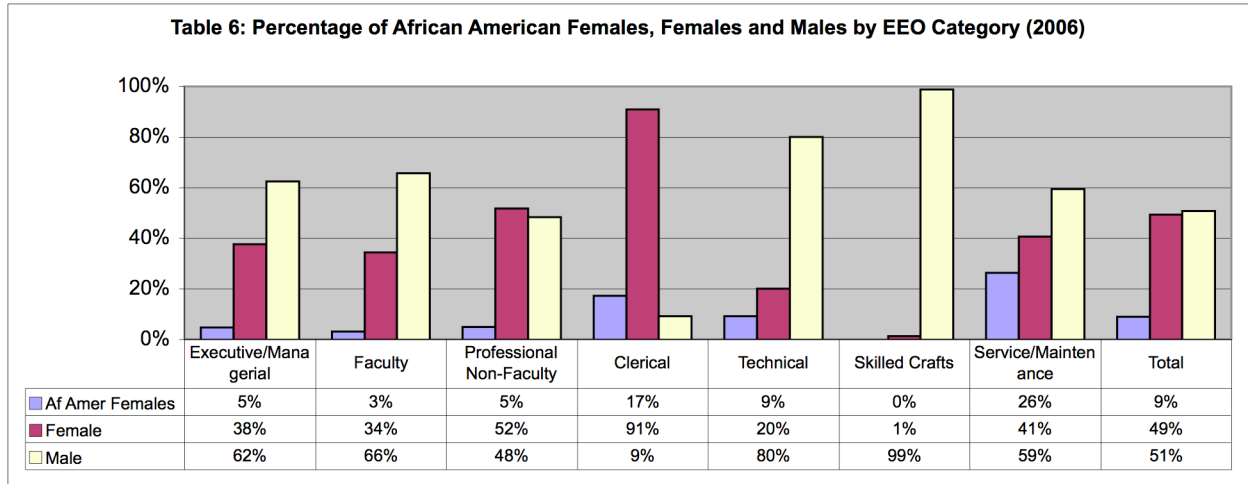
At all levels, except for clerical workers, African American women earn less than white women with the largest disparities occurring among EEO1 **Executive/Managerial** and EEO7 **Service/Maintenance** employees. Particularly troubling are the disparities within EEO7 since close to one-third or 31% of the African American women working at the University of Mississippi are in this category.

III. Women Hold Fewer Leadership and High-Paying Positions than Men

Chancellor Khayat has promoted women to three of the University’s top leadership positions. Despite this clear commitment to women’s leadership, however, these gains have not always been reflected in the University at large.

Between 2001 and 2006, the percentage of women employed in **Executive/Managerial** positions grew significantly. In just four years, the percentage of women in this category increased from 29% to 38% (or from 22 to 32 women employed). This rate of growth is promising and suggests that, with continued vigilance, parity can be achieved in the near future.

African American women, however, represent only 5% of the employees falling into this category. In fact, only 4% of the workforce in any professional positions [EEO1, EEO2, EEO3] are African American women. (See Table 6.)



Among the **Faculty** [EEO2], the number of women employed by the University has remained stable at 34%. The good news is that seven departments have equal numbers of female and male faculty. However, six departments [15%] have no female faculty, and 25 departments [61%] have less than 1/3 of the faculty who are female.

Between 1995 and 2006, the percentage of female *assistant* professors declined from 42% to 36%. The percentage of female *associate* professors, on the other hand, increased from 20% to 40%. The number of female *full* professors grew from 9% to 14%. (See Table 7.)

The number of female full professors remains low [14%] in comparison to the national average of 19% at public doctoral granting institutions (see AAUP Faculty

Gender Faculty Indicators 2006).⁶ Only five of 40 Department *Chairs* are women [13%]. (See Table 8.) Of the eight *Deans* of Colleges, two or 25% are women. Faculty women, therefore, are much less likely to be selected for leadership positions than men.

Table 7: Percent of Female Faculty: 1995 and 2006

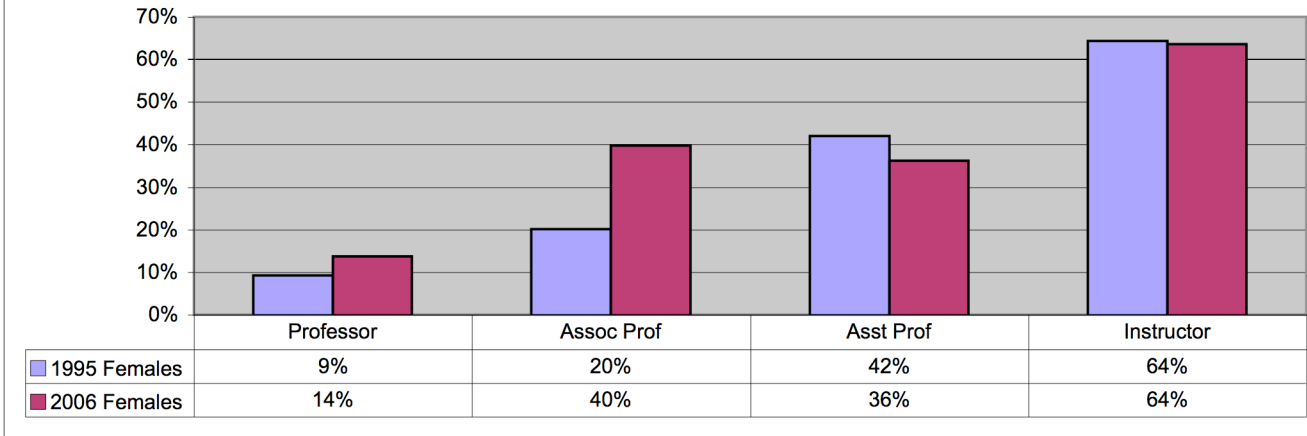
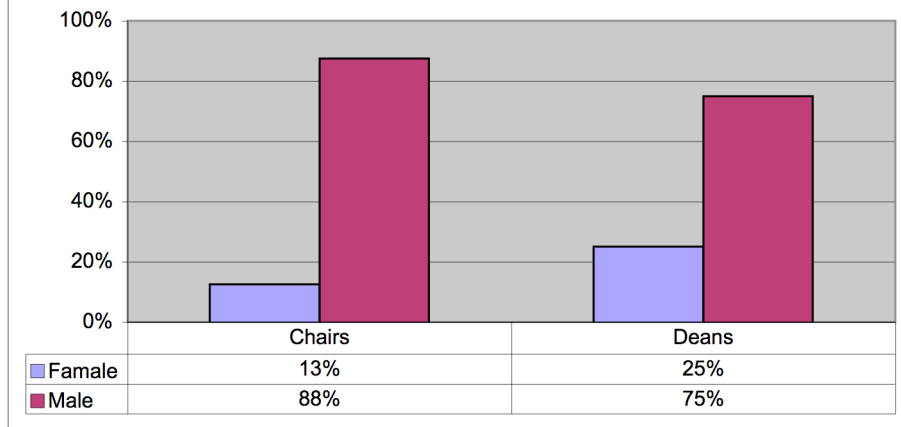


Table 8: Percent of Females in Leadership Positions

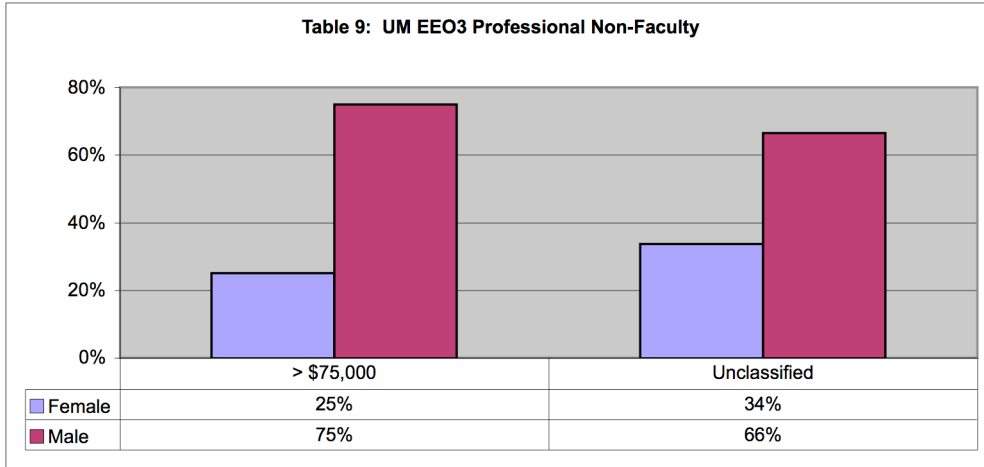


Women represent 52% of the employees working in **EEO3, Professional Non-Faculty**. Yet they are much more likely to be employed in classified positions than non-classified positions. Among the *classified* positions, women are less well represented in the higher steps.⁷ Only 34% of those classified Step 410 (\$55,731 per annum) and

⁶ <http://www.aaup.org/NR/rdonlyres/63396944-44BE-4ABA-9815-5792D93856F1/0/AAUPGenderEquityIndicators2006.pdf>

⁷ Steps are a part of the University pay structure. The system is explained on UM Human Resources webpage as follows: "A defining characteristic of the Variable Compensation Plan is the Pay-Rate Step

higher are women. *Non-classified* employees represent 25% of all the people employed in EEO3. Yet these positions remain heavily male with women representing 34% of the non-classified employees. (See Table 9.) The Commission is unclear as to why so many people are unclassified and why men disproportionately fill these positions.



Women represent 41% of the employees working in **EEO7, Service-Maintenance**. Of the 94 women working in EEO7, 70 [or 74%] fall into the lowest step. (See Tables 10 and 11.) Few women [8] are in management or supervisory positions, and none of the female supervisors fall into steps 330 or higher. The majority of the women in EEO7 are African American [65%].

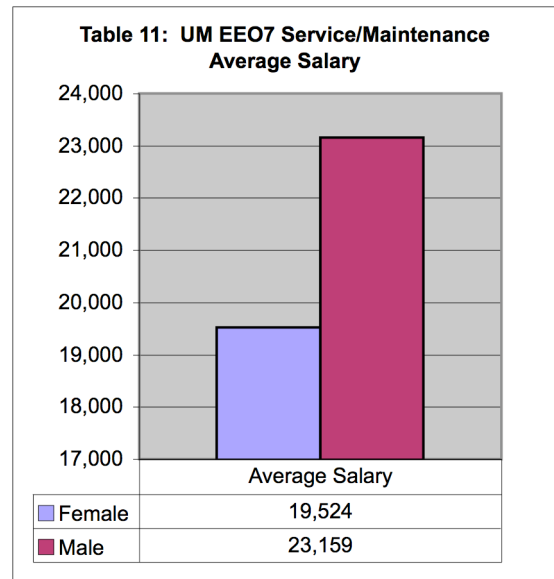
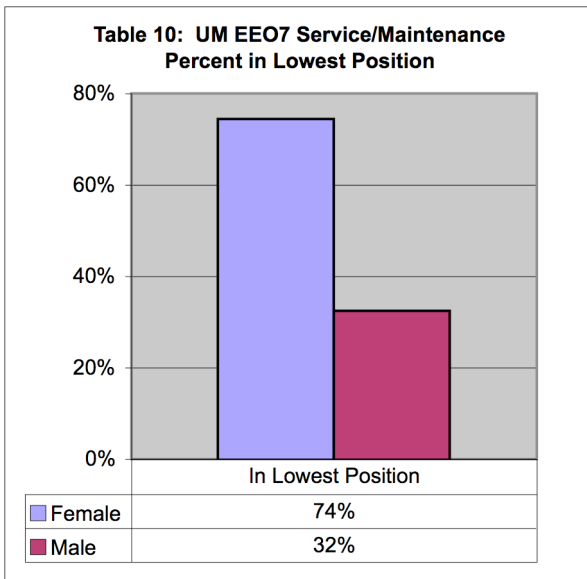


Chart. The VCP incorporates a step chart containing different rate amounts, any one of which can be assigned to an individual or a position-type as a starting rate. Unlike other pay structures, only .5% separates the pay steps within the VCP variable rate structure. The extensive number of steps and the nominal percentage differences between each step provides for a high degree of flexibility in setting and adjusting salaries." http://www.olemiss.edu/depts/HR/master_hrweb/hr2comp.htm

RECOMMENDATIONS

Based on the findings of the Commission, we propose a two-pronged strategy to highlight the University's standing commitment to gender equity:

First, we recommend a series of immediate short-term actions designed to kick start the process of closing the wage gap. We believe the University of Mississippi can seize the opportunity provided by this year's probable wage increases to make a bold statement about its dedication to pay equity. We have the opportunity to lead the state and even the nation on this issue.

Second, we recommend long-term action to address issues underlying the wage gap and promotion opportunities for women. A one-time response without follow-through could undermine any initial success. Below, we outline a strategy to address the gap and encourage promotion on a three-year rotating cycle.

Short-Term Action

We recommend that the following actions be taken immediately this fiscal year 2007:

1. Set aside a percentage of the 2007 raises to address the gender wage gap.
2. Divide these funds according to need among the seven EEO categories. Given the findings of our preliminary analysis, we suggest that priority be given to addressing the wage gap in EEO7, while also attending to wage disparities in the other EEO categories.
3. Notify chairs and department heads of the importance of gender equity and provide a specific method for identifying and monitoring wage gaps among their employees as they calculate salary increases during the upcoming raise cycle.⁸
4. Task oversight of pay equity initiatives to the Senior Vice Chancellor for Planning and Operations to assure continuity between the short-term and long-term approaches. Employee trust in the Office of the Chancellor and the vision it provides will assure long-term success. Because the wage gap cuts across all areas of the University, and because closing the gap will require long-term planning and oversight, we believe that the management of this process is best placed under Planning and Operations.

⁸ This issue has been addressed at various universities across the nation and procedures are widely available for assessing and correcting pay inequities (See University of California, Irvine as a recent example: <http://www.ap.uci.edu/Equity/studies/payequity02/method.html>).

5. For the upcoming raise cycle, we recommend the following short-term procedures for determining need:
 - a. For Faculty:
 - i. Circulate a memorandum from the Provost's office that notifies Deans that gender equity will be a specific focus during this round of raises.
 - ii. Provide Deans with a method for assessing gender pay equity. This year, we recommend that Deans compare faculty women's wages to the overall Southern University Group averages (not women's averages, but overall averages). Last year the faculty as a whole was compared to SUG averages. This year we recommend that particular attention be paid to the comparison of University of Mississippi faculty women's salaries to overall average wages at SUG institutions with the goal of bringing them closer to these averages.
 - iii. Provide SUG averages to Deans well in advance of deadlines for submitting recommendations for raises.
 - iv. Instruct Deans to report their findings and rationale for raises in relation to the goal of gender pay equity to the Senior Vice Chancellor for Planning and Operations.
 - b. For Staff:
 - i. Circulate a memorandum to notify the Vice Chancellors that gender pay equity will be a specific focus during this round of raises.
 - ii. Create a method for assessing wage gap disparities in each division or area and formulate a plan of action to address and close any wage gaps uncovered.
 - iii. Priority should be given to closing wage gaps for African American men and women.
 - iv. Instruct Vice Chancellors to report their findings and plans of action for addressing pay equity in their departments to the Senior Vice Chancellor for Planning and Operations.
6. Charge the Office of Planning and Operations with replicating this study in 2008. This follow-up report will help build momentum by documenting positive change and identifying areas in need of further improvement.

Long-Term Action

Closing the wage gap requires a long-term institutional commitment to the process. As mentioned previously, we believe this should be the ongoing responsibility of a permanent, high-level University office such as Planning and Operations. First, the process will involve a long-term financial commitment. The good news is that this financial commitment yields results. Studies show that turnover costs and even health insurance costs go down as employee satisfaction, productivity, and loyalty grows.

Second, the process will require substantial and ongoing statistical measurement. The wage gap can be more precisely assessed using regression analysis—a method that was not possible under the purview of the Commission on the Status of Women. Third, the process entails an active commitment to the promotion of women, especially women of color, into leadership, supervisory, or higher-paying positions at each level of the University.

To establish a long-term institutional commitment to the elimination of the wage gap and active promotion of women, we recommend that the following steps be taken over the next four years (and beyond):

To closely assess *the wage gap* across the University, we recommend the following:

1. Incorporate gender pay equity monitoring procedures into all future pay increase guidelines.
2. Reward Deans, Chairs, and Supervisors who achieve gender pay equity by distributing a one-time cash award to his/her department or division.
3. Run regression analyses⁹ in the Office of Planning and Operations over the next three years for each of the EEO categories in the following order:
 - Faculty in fiscal year 2008
 - Technical, Skilled Crafts, and Service/Maintenance in fiscal year 2009
 - Executive/Managerial, Professional Non-faculty, and Clerical in fiscal year 2010
4. Report on the hiring, promotion, and retention of women and people of color in for each of the EEO categories in the following order:
 - Faculty in fiscal year 2008
 - Technical, Skilled Crafts, and Service/Maintenance in fiscal year 2009
 - Executive/Managerial, Professional Non-faculty, and Clerical in fiscal year 2010
5. Provide Chairs, Deans, and Supervisors with the results of the regression analyses.
6. Ask Chairs, Deans, and Supervisors to design direct strategies for closing any gender wage gaps should they be detected by the regression analyses. Reports on actions taken should be submitted to the Office of Planning and Operations for review at the end of each fiscal year.

⁹ See, for example, the University of Colorado, University of California—Irvine, State Universities of New York

7. Institute a regular gender equity review of faculty and staff salaries every three years starting 2011. Issue public reports by the end of the fiscal year in which the review is conducted.

The University has recently served as a model for promoting women to top leadership positions. The Commission recommends that the University strive to reflect this progress throughout the ranks and promote women to leadership positions in all EEO categories. To assure *the promotion of women*, especially women of color, into leadership, supervisory, or higher-paying positions, we recommend the following:

Faculty:

1. Circulate a memorandum from the Provost's office notifying all Chairs and Deans that the hiring of women (especially African American women) at the assistant and instructor level is a priority.
2. Request that each department put procedures in place to insure that women are hired at rates comparable to their representation in the PhD pool in that field.
3. Circulate a memorandum from the Provost's office notifying all Chairs and Deans that the promotion of women is a priority.
4. Consider a system of rotating chairs.

Staff:

1. Conduct an assessment of the classification system every three years to study how the classification system is impacting women workers. The Office of Planning and Operations should oversee this assessment. Distribute findings of the assessment to supervisors, administrators, and the Commission on the Status of Women.
2. Perform a careful analysis of EEO7 to determine why a disproportionate number of women (particularly African American women) hold the lowest-ranked and lowest-paid positions at the University.
3. Construct or expand career ladders to provide women an opportunity to achieve salary equity and promotion.
4. Determine why so many unclassified positions exist, why men disproportionately fill unclassified positions, and why women are not well represented in the higher steps.
5. Circulate a memorandum each Fall reminding supervisors to inform their staff of training and educational opportunities. Remind supervisors of the policy that permits employees to attend training and educational opportunities during the work day. Request that supervisors report to the Provost the number of

employees taking advantage of such programs in their department each fiscal year.

Campus-Wide:

1. Hire African Americans at *each* level of the University. (To date African Americans reflect only 10% of the workforce *if* one excludes EEO7.)

Finally, we recommend that all reports generated from the above actions be made available to the Commission on the Status of Women.

The intent of this report is to highlight what wage disparities exist and to recommend steps to assess whether these gaps are explained by merit, years of service, and expertise or due to subtle (and occasionally overt) discrimination. Institutional guidelines and processes can usually remedy overt incidents of discrimination. To reconcile unintentional and unconscious discrimination, attention needs to be called to hiring packages, individual negotiation of salary raises, and opportunities for advancement. Changes in policies and practices are commensurate with the opportunities for training. By actively addressing these issues, the university is poised to fully realize institutional excellence through its employees.