

With salary a taboo subject, you probably don't know you're being paid less than the guy working next to you.
Nikki Mandow reveals the ugly truth about pay disparity in New Zealand



THE GREAT SALARY DIVIDE

“If not now, when,” yelled a million Italian women last month as they protested against the sleazy politics of their Prime Minister, Silvio Berlusconi, and the huge inequality between women and men.

New Zealanders watched complacently. After all, we were the first country to give women the vote. That sort of thing couldn't happen over here.

But the fact that Prime Minister John Key doesn't hold bunga-bunga parties in the Beehive or swap sexual favours for civil service positions hides some raw economic facts about women's position in the two societies. The gender pay gap, which is 20% in Italy, isn't much better here in New Zealand.

A raft of statistics shows that New Zealand women earn less than their male counterparts. And not just a bit less – the difference is significant. The average pay gap between

men and women here is 12%. For a woman working full time on an annual salary of \$50,000, that's \$6000 a year she loses by not being a man.

Over a 40-year career, she's down \$240,000 – far more if you consider all the pay rises she'd get over that time.

It starts as soon as women enter the workforce. One year after graduating, women already earn, on average, 6% less than their male counterparts, according to 2010 research from the Ministry of Women's Affairs. Five years after graduating, the picture is worse – the male/female wage gap has risen to 17%.

And woe betide any woman graduating in management and commerce – you might as well hang up your mortar board now. At the end of

your first year at work you will be earning, on average, 20% less than the blokes on your course.

The taboo subject

The statistics are baffling, says Rowena Phair, chief executive of the Ministry of Women's Affairs. She says with women making up 47% of the workforce and more than 60% of graduates, they should, if anything, be earning more than men, not less.

“There are more women under the age of 50 with tertiary qualifications than men. This means there is a whole generation of women who are better qualified than their brothers – but this is not translating into wages.”

The pay gap exists right through the workforce – from the least skilled to the most skilled jobs, Rowena says.

Why is this happening? There's no one reason, but attitudes – of both men and women – play a part, says Angela McLeod, president of the New Zealand Federation of Business and Professional Women.

Angela was among a few dozen women and men who gathered on the steps of Parliament last month to mark Equal Pay Day and to get visibility for the cause.

Because the subject of pay is a sensitive one, no one talks about it around the water cooler, so most women aren't even aware that a gender gap exists, she says.

“We aren't open about how much we earn, so women don't know they don't get the same as men. Also, in the psyche of younger women is the thought ‘My grandmother, or my auntie, or my older sister fought [for equal pay] so I must already have it.’”

She says women are often stunned when they realise they are being discriminated against.

“I knew a designer in an interior design company who found out she was paid less than a computer-aided drafter in the same company.

“She was much more qualified, but he was male. Another woman went on a course outside the office and the discussion turned to salaries. She was shocked to find she was paid \$10,000 less than a male counterpart in the room.”

There are two issues here. First, the easy one: Pay equality – making sure two people doing the same job get the same wage. There's legislation to help with this one: The 1972 Equal Pay Act.

The trouble, say experts such as Judy McGregor, equal employment opportunities commissioner at the Human Rights Commission, is that provisions in this act, including restrictions on taking a class (or group) action, make it virtually unworkable. It's a brave woman – and one who doesn't

PAY NUMBERS

- The gender pay gap in New Zealand has been stuck around 12% for more than a decade, according to Human Rights Commission statistics.
- In the 2006 Census, the median annual income from all sources for people aged over 15 was \$31,500 for men and \$19,100 for women, a gap of 39%. This is partly because women are more likely to be in part-time work, or not working at all, but pay equity plays a significant part.
- Australian statistics show the gender pay gap is worst in the financial sector. Female bank staff earned 32.1% less than male counterparts in 2010. New Zealand figures could be even higher, says financial services trade union Finsec.
- The pay gap in Treasury is 29%, suggesting it is far worse in the private sector.
- In the public relations and media sectors, men with three to four years' experience earn on average \$70,192, according to the 2010 Census of Women's Participation. Women earn \$64,487. After five to nine years in the industry, the difference grows to \$21,618.

mind losing her job – who is prepared to take her employer to court on her own. Only one case has gone to trial, and the employee lost.

Traditional discrimination

More complex is the issue of “pay equity”. The official definition is: “Equal pay for different but equivalent work” and the concept was developed because it's rare that two jobs are exactly the same. Pay inequity can happen to two people within the same company – advertising exec Geoff earning more than advertising exec Jessie for no particularly good reason, for example.

But pay equity is also about the traditional discrimination where professions dominated by women (nursing and teaching, for example) are badly paid, despite the fact they require a similar level of skill, risk and training to male-dominated professions (police, corrections officers).

Helen* is a special needs teacher aide in a Southland school. She works with difficult – sometimes violent – children. Her jobs include feeding, toileting, keeping the children and their peers safe – and, oh yes, teaching them. She holds a tertiary certificate, has more than eight years' experience and is paid \$17.72 an hour. She has no job security from one year to the next and doesn't get paid in school holidays.

Helen's husband Paul* is a machine operator. He, too, has eight years' experience and, although he hasn't done external courses, there has been on-the-job training. Paul earns \$29 an hour.

“I'm highly skilled,” says Helen. “I have to have a lot of patience to work with these children. I also need to know about ethics, about schooling policies, about teaching and dealing with children with various special needs. I could learn Paul's job, but I can't see him

“The Government is turning its back on New Zealand women

learning mine. So why am I paid only just over half what he is?” The answer: Teacher aiding is a women’s – and therefore undervalued – profession.

Later this month, the New Zealand Educational Institute, our largest education trade union, is expected to release a report that brings hard numbers to the pay equity debate. The report uses an international standard to compare skill levels between teacher aides and corrections officers (prison guards), then looks at wage levels in the two professions.

The results are telling. Using a range of skill indicators (including responsibilities, physical and emotional demands, knowledge levels and working conditions), researchers came up with total skill levels for the two jobs.

Grade C (experienced) teacher aides come out with a “job points” score of 529; corrections officers get 461 job points. Yet while a top grade teacher aide earns \$18.26 an hour, the pimpest junior corrections officer’s starting salary is \$21.29.

The comparison is even more marked if you compare jobs with the same skill level. A mid-grade teacher aide does a job worth 468 job points, according to the NZEI survey, comparable with the corrections officer’s. But she (and 90% of teacher aides are women) earns a pitiful \$14.62 an hour versus his \$21.29. Assuming the teacher aide works a 25-hour week for 40 years, she’ll be more than \$340,000 worse off at retirement than if she’d worked in a prison. That’s the price of a reasonable-sized house in most parts of the country.

Hone your skills

The pay inequity problem was recognised by Helen Clark’s government, which set up the Pay and Employment Equity Unit in 2004 to look at gender pay gaps in the public sector. Reviews carried out by the unit found discriminatory pay levels in all but one of the 36 public service departments. But in 2009, before it had a chance to implement much change, the unit was abolished by John Key’s government as a cost-cutting measure.

“This action nails the coffin shut on efforts to gain pay equity for women,” Public Service Association national secretary Richard Wagstaff said at the time. “By scrapping the unit, the Government is turning its back on women in New Zealand and saying, ‘We don’t care that you’re not being fairly rewarded for the work you do.’”

What can women do to avoid being part of the statistics?



**EQUAL WORK
DESERVES
EQUAL PAY!**

Honing your negotiating skills is crucial, says Professor Marjorie Corman Aaron, who teaches negotiating and mediation at Cincinnati University College of Law, and recently visited New Zealand. But here’s the rub. The sort of assertive women who are prepared to fight for fair pay may find themselves shunned by employers as stroppy or worse.

“Here’s where the unconscious bias creeps in,” she says. “Hiring executives and managers, both male and female, are more likely to prefer an assertive man, and therefore hire him, than an assertive woman.”

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* Names changed to protect their jobs

WHAT YOU CAN DO

How to make sure you are earning as much as the guys:

- Negotiate your starting salary before you accept the job. Never accept the first offer.
- Find out about going rates, pay scales and what men in equivalent jobs earn. Tap into official and unofficial sources of information.
- Set your sights high. Know what you want and don’t be afraid to go for it. Marshall your arguments into a defensible case. Most women hate negotiating, but you are much less likely to make concessions if you have quality, definitive data and good evidence to back up it up.
- Practise negotiation skills such as listening, not getting emotional and being quietly assertive.
- Have a plan B which includes realistic alternatives so you are not forced into a “take it or leave it” position. Plan B might mean changing jobs, accepting what’s offered in the meantime or arguing for other conditions.
- Help other women in your organisation and everywhere because the gender pay gap is systemic discrimination. Collective action by women makes a difference.
- If all else fails, you could try action through the courts, via the Equal Pay Act, the Employment Relations Act or the Human Rights Act. But don’t hold your breath. While it’s against the law for employers to discriminate, the onus is on an individual employee to identify the problem, instigate the complaint and prove that inequality – or inequity – exists.

Source: Human Rights Commission.

For more tips see www.neon.org.nz.