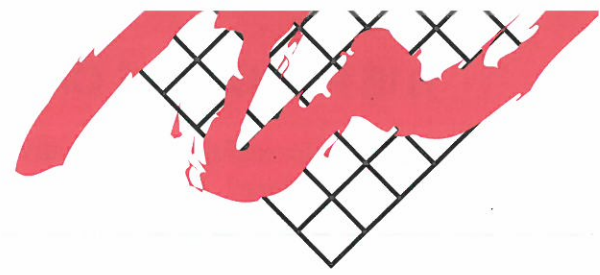


Briefing Paper



Affirmative Action in Employment: An Overview

Affirmative action in the employment arena refers to two types of government-ordered programs. The first is the federal contract compliance program (enforced by the Office of Federal Contract Compliance Programs, or OFCCP, in the US Department of Labor) in which a presidential executive order (E.O. 11246) requires firms with federal contracts to develop goals and timetables for hiring women and minority men for occupations in which they are underrepresented and to make annual reports on the progress they have made. The OFCCP requires that approximately 200,000 federal contractors (who employ one quarter of the civilian workforce) file affirmative action plans, which generally compare the proportion of women and minorities in a firm with the proportion of women and minorities in the labor force (OFCCP data, FY 1994).

The second type of government program includes a variety of steps employers (private firms, state and local governments, and federal governmental agencies) are required to take as the result of court involvement in the resolution of discrimination suits (brought under Title VII of the Civil Rights Act). Compliance with Title VII falls under the jurisdiction of the Equal Employment Opportunity Commission (EEOC) for private employers and the Department of Justice for state and local governments. Federal employees must first bring a complaint to their department's equal employment opportunity office, but they may also file a complaint through the EEOC if they are unhappy with the outcome of their own offices' processes.

The EEOC received 91,189 complaints in 1994 from employees who felt they had been victims of

discrimination. Twenty-six percent of these complaints were instances of alleged race discrimination, and 21 percent involved alleged sex discrimination. After dismissing the complaints that they believed did not have sufficient proof of discrimination, the EEOC was left with 3 to 4 percent of the original 91,189. They litigated 418 of these "sufficient cause" cases.¹

In addition to implementing required affirmative action steps, employers may engage in voluntary programs for a variety of reasons: because they want to attract the best qualified workforce they can find; because they value diversity; because they are responding to concerns raised by employees, unions, and community members; because they wish to avoid charges of discrimination. The extent to which voluntary affirmative action exists is difficult to measure because there is neither an enforcement agency collecting data on these programs nor a court system in which these voluntary affirmative action steps are recorded.

In order to determine the overall prevalence of affirmative action programs in the workplace, both voluntary and involuntary, Professors Konrad and Linnehan of Temple University recently asked 138 public and private employers in the Philadelphia area if they had implemented any of several affirmative steps in hiring, promoting or firing, and found that 37 percent had implemented one or more steps that take into account the race or gender of an employee, while 58 percent had adopted race- or gender-neutral policies also designed to improve the fairness and openness of personnel procedures.²

¹ EEOC data, cited in Arndt, 1995.

² Konrad and Linnehan, 1995.

THE PROGRESS OF WOMEN AND MINORITIES IN THE WORKPLACE

How successful has affirmative action been in helping women and minorities achieve greater equality in the workplace? In order to measure its success, we must first look at the gains made by these groups in the workforce during the time period in which affirmative action programs (both voluntary and required) were implemented.

Growth in the Labor Force

As Table 1 shows, women increased their share of the total labor force dramatically between 1965 and 1994, from 35 percent to almost 46 percent. In the past decade, between 1985 and 1994, neither black nor white women's share grew rapidly, although the female workforce of other racial and ethnic groups did. One group in particular, Asian women, has experienced higher rates of immigration in the recent past, which may at least partially account for the increase in the number and proportion of Asian women in the labor force. However, black and white women have recently increased their share in some specific occupations--for example, accountants and lawyers, as illustrated in Table 2.

Table 1.
Civilian Labor Force by Sex and Race/Ethnicity, 1965-1994
(Persons 16 Years and Older, Numbers in Thousands)

	1965		1975		1985		1994		%Change 1965-1994	%Change 1985-1994
	Number	Percent	Number	Percent	Number	Percent	Number	Percent		
Total Labor Force	74,455	100.0	93,800	100.0	115,500	100.0	131,000	100.0	75.9	13.4
Women	26,200	35.2	37,500	40.0	51,000	44.3	60,200	45.9	129.8	18.0
White	22,736	30.5	32,500	34.6	43,500	37.7	50,300	38.4	121.2	15.6
Black	3,464	4.7	4,200	4.5	6,100	5.3	7,400	5.6	113.6	21.3
Other	N/A	N/A	800	0.9	1,500	1.3	2,500	1.9	N/A	66.7
Hispanic	N/A	N/A	N/A	N/A	3,000	2.6	4,800	3.7	N/A	60.0
Men	48,255	64.8	56,300	60.0	64,400	55.8	70,800	54.0	46.7	9.9
White	43,400	58.3	50,300	53.6	56,500	48.9	60,700	46.3	39.9	7.4
Black	4,855	6.5	5,000	5.3	6,200	5.4	7,100	5.4	46.2	14.5
Other	N/A	N/A	1,000	1.1	1,700	1.5	3,000	2.3	N/A	76.5
Hispanic	N/A	N/A	N/A	N/A	4,700	4.1	7,200	5.5	N/A	53.2

Note: Hispanics may be of any race. Data for Hispanics are not available before 1980. For 1965, Black also includes Other Races
Source: U.S. Department of Commerce, Bureau of the Census, *Statistical Abstract(s)* 1976:571, 1989:627, 1995:627.

By nearly all measures, women's earnings have improved relative to men's (although it should be kept in mind that part of the improvement in the ratio is due to the fall in men's real wages, which have still not recovered to their peak in 1973). Yet relative to the progress women have made in other countries, women in the United States could be expected to have done better, given our strong national commitment to equal opportunity and affirmative action.

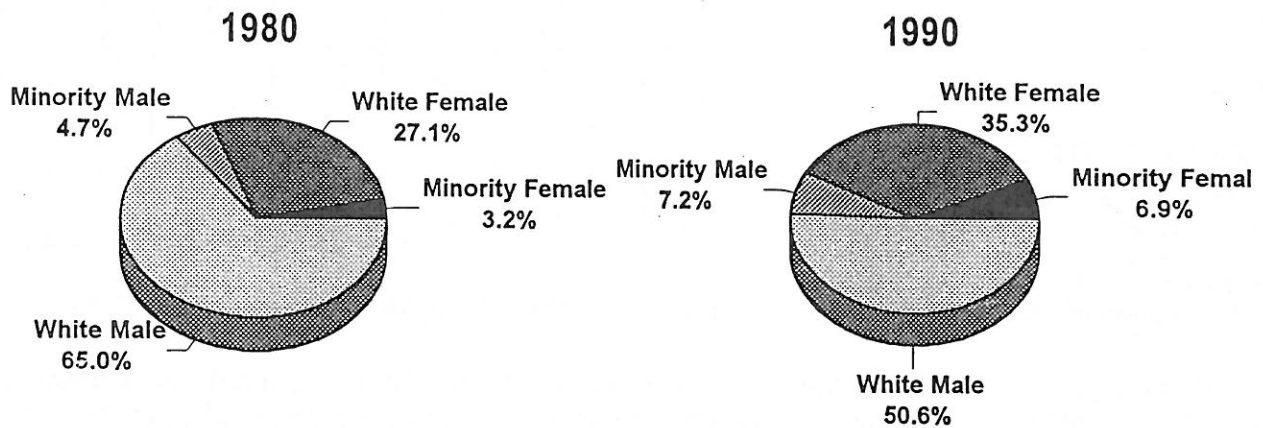
Different groups of women have fared differently in the United States. Although the pay gaps between white men and women of color and between white men and white women have narrowed, especially in the 1980's, differences persist between white women and women of color. An IWPR

study based on data from the Survey of Income and Program Participation (SIPP) found that minority women are four times as likely as white men to work in low wage jobs, while white women are three times as likely to work in these types of jobs.³

Growth in Specific Occupations

The number of women in management-level jobs has increased enormously, particularly in the 1980s. Contrary to popular belief, this progress has not come at the expense of minorities, who enjoyed even greater increases than did white women during this time period. As Figure 1 shows, women and men of color, on average, doubled their representation in management jobs (from 3.2 percent to 6.9 percent for women of color and from 4.7 percent to 7.2 percent for men of color), while white women's share of all management jobs increased more slowly, by about one-third (an 8.2 percentage point increase, from 27.1 to 35.3 percent). However, although minorities have significantly increased their share of management jobs, they are still underrepresented in that occupational area (unlike white women, who are now proportionately represented).

Figure 1.
Distribution of Managers by Race/Ethnicity and Sex



Source: Lois Shaw, Dell Champlin, Heidi I. Hartmann, and Roberta Spalter-Roth, The Impact of the Glass Ceiling on Minorities and Women. Washington, DC.: Institute for Women's Policy Research, 1993.

Table 2 shows a selected number of male-dominated and mixed occupations (all with less than a 70 percent female workforce) in which women have generally increased their representation during the past decade, as well as two female-dominated occupations in which, overall, women have decreased their representation. The mixed or male-dominated professional occupations listed (e.g., administrators, accountants, lawyers) show increased shares for both white women and women of color, except for physicians, where black women's share decreased and Hispanic women's share remained static between 1983 and 1994. Several other occupations (e.g., computer equipment operators, general office supervisors, private guards, and bus drivers) show decreases in the occupational share for white women, increases for black women, and little or no change for Hispanic women. Several other occupations such as police, scheduling clerks, and mail carriers show healthy growth for all groups of women. In the two female-dominated occupations shown, white women have decreased their share, while the representation of black and Hispanic women has generally grown.

³ Institute for Women's Policy Research, 1989.

Table 2.
Percentage of Employed Women in Selected Occupations by Race and Ethnicity, 1983 and 1994

	ALL		WHITE		BLACK		HISPANIC	
	1983	1994	1983	1994	1983	1994	1983	1994
TOTAL LABOR FORCE	44	46	38	38	5	5	2	3
MALE-DOMINATED & MIXED OCCUPATIONS								
Administrators, Education & Related	41	62	35	53	6	8	1	3
Accountants	39	51	33	42	3	5	1	2
Lawyers	15	24	14	21	1	2	0	1
Physicians	16	20	13	17	3	2	1	1
Social Workers	64	69	50	51	13	15	4	5
Teachers, Secondary	52	55	47	50	4	4	1	2
Teachers, Colleges and Universities	36	42	32	37	2	3	0	1
Computer Equipment Operators	64	64	54	49	8	9	4	4
Supervisors, General Office	66	66	57	55	7	10	3	3
Clerks, Scheduling and Distribution	38	44	33	37	4	5	2	3
Mail Carriers, Postal Service	17	34	15	31	2	3	0	1
Police	9	16	7	11	2	5	0	1
Guards, Private	21	23	18	17	3	5	1	1
Bus Drivers	45	47	38	36	7	10	2	3
FEMALE-DOMINATED OCCUPATIONS								
Administrative Support	79	78	71	67	7	9	5	6
Registered Nurses	96	93	85	80	6	9	2	2

Note: Hispanics may be of any race.

Source: U.S. Bureau of Labor Statistics, Unpublished data from the Current Population Survey, 1983 and 1994.

These figures show that women of diverse racial and ethnic backgrounds have entered different occupations at varying rates. Women of color remain underrepresented in most of the professions shown in Table 2, except social work, where both black and Hispanic women are overrepresented (relative to their share of the labor force as a whole). Black women are also overrepresented as educational administrators, computer equipment operators, general office supervisors, and bus drivers.

Occupational Segregation

Occupational segregation is still a problem facing working women, with women being overrepresented in some occupations and underrepresented in others. The amount of occupational segregation observed in the labor market can be measured by an index that quantifies the lack of equality in the occupational distributions between two groups; its value ranges from 0 (perfect equality) to 100 (perfect inequality). In 1990, the index of sex segregation was 53, meaning that 53 percent of women or men would have to change occupations in order for women and men to have equal representation across all occupations in the economy. Race-based segregation is less pervasive in employment than sex-based segregation when measured on a national level (30 for black and white men in 1990 and 26 for black women and white women)⁴.

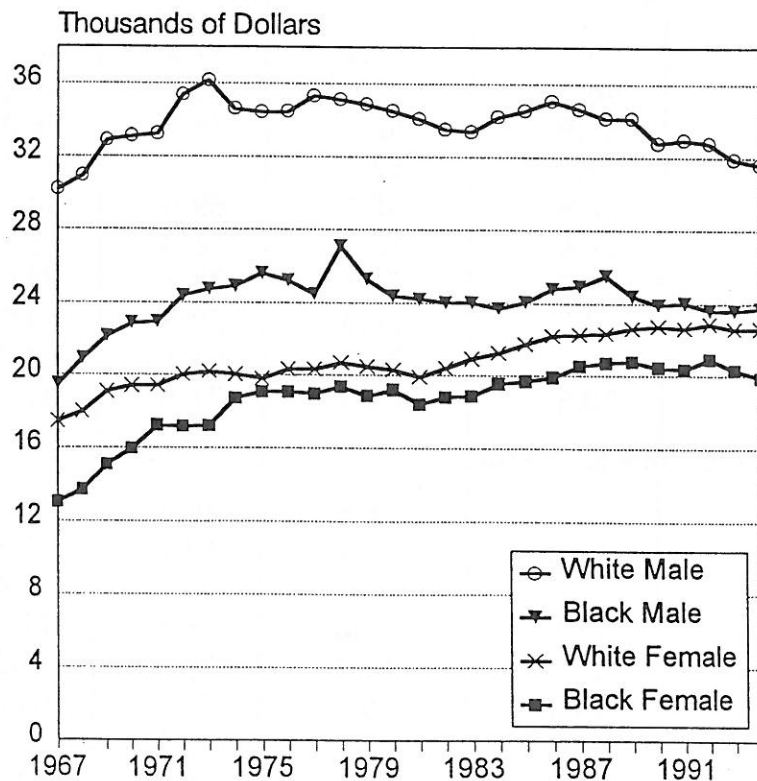
⁴ Reskin, 1994.

Although both race- and sex-based occupational segregation have declined significantly, and substantial occupational growth is predicted in the coming years, allowing opportunity for further change, there are still many job markets in which there is virtually no competition between blacks and whites or men and women.⁵ This is precisely why we have affirmative action and equal opportunity legislation; it promotes fair employment opportunities so that people can compete for all jobs on a more level playing field.

Earnings Growth

Figure 2 shows median annual earnings in constant dollars for full-time, year-round workers over the past three decades. The graph shows that, consistently from 1967 through 1994, women have earned less than men. However, the graph also shows a fairly continuous increase in black and white women's earnings, with no such increase for men. Real wages have been generally falling for both black and white men since the early- to mid-seventies, while real earnings gains for black and white women have been relatively steady. Black men have also partially closed the gap with white men, although most of the gains occurred prior to 1978. The graph shows that, in 1994, black women still earn, on average, \$4,000 less than black men annually, while white women's earnings fall somewhere between those of black men and women. Averaged together, all three groups still earn about \$10,000 less per year than white men, despite the progress that has been made in closing the gap.

Figure 2.
Annual Median Earnings by Race and Gender,
in 1994 Dollars, of Full-Time, Year-Round Workers



Source: U.S. Bureau of the Census, Unpublished data from the Current Population Survey of various years.

⁵ Bielby and Baron, 1984.

ACCOUNTING FOR PROGRESS – SOURCES OF CHANGE

It is clear that women and minority men have experienced some substantial gains in the labor market, in terms of their earnings and their representation in certain occupations. But can all these gains be attributed to affirmative action efforts? Changes in other social and economic factors, in addition to laws and regulations, also affect employment and earnings.

The Impact of Other Factors

Both white women and minorities, particularly blacks of both sexes, enjoyed an increase in educational attainment during the time period in which affirmative action programs developed. Table 3 shows that the proportion of black adults with at least a high school education has more than tripled since 1960; for whites, the proportion approximately doubled. Although black men and women have near-equal levels of education, a larger proportion of adult white men has completed four or more years of college, as compared to white women. Currently, however, more women are graduating from college than men; eventually all women, white as well as black, are likely to “catch up” to men in college completion.

Table 3.
Educational Attainment by Race and Gender, 1960 to 1993

YEAR	ALL RACES		WHITE		BLACK	
	Male (percent)	Female (percent)	Male (percent)	Female (percent)	Male (percent)	Female (percent)
Completed Four Years of High School or More						
1960	39.5	42.5	41.6	44.7	18.2	21.8
1965	48.0	49.9	50.2	52.2	25.8	28.4
1970	51.9	52.8	54.0	55.0	30.1	32.5
1975	63.1	62.1	65.0	64.1	41.6	43.3
1980	67.3	65.8	69.6	68.1	50.8	51.5
1985	74.4	73.5	76.0	75.1	58.4	60.8
1990	77.7	77.5	79.1	79.0	65.8	66.5
1991	78.5	78.3	79.8	79.9	66.7	66.7
1992	79.7	79.2	81.1	80.7	67.0	68.2
1993	80.5	80.0	81.8	81.3	69.6	71.1
Completed Four Years of College or More						
1960	9.7	5.8	10.3	6.0	2.8	3.3
1965	12.0	7.1	12.7	7.3	4.9	4.5
1970	13.5	8.1	14.4	8.4	4.2	4.6
1975	17.6	10.6	18.4	11.0	6.7	6.2
1980	20.1	12.8	21.3	13.3	8.4	8.3
1985	23.1	16.0	24.0	16.3	11.2	11.0
1990	24.4	18.4	25.3	19.0	11.9	10.8
1991	24.3	18.8	25.4	19.3	11.4	11.6
1992	24.3	18.6	25.2	19.1	11.9	12.0
1993	24.8	19.2	25.7	19.7	11.9	12.4

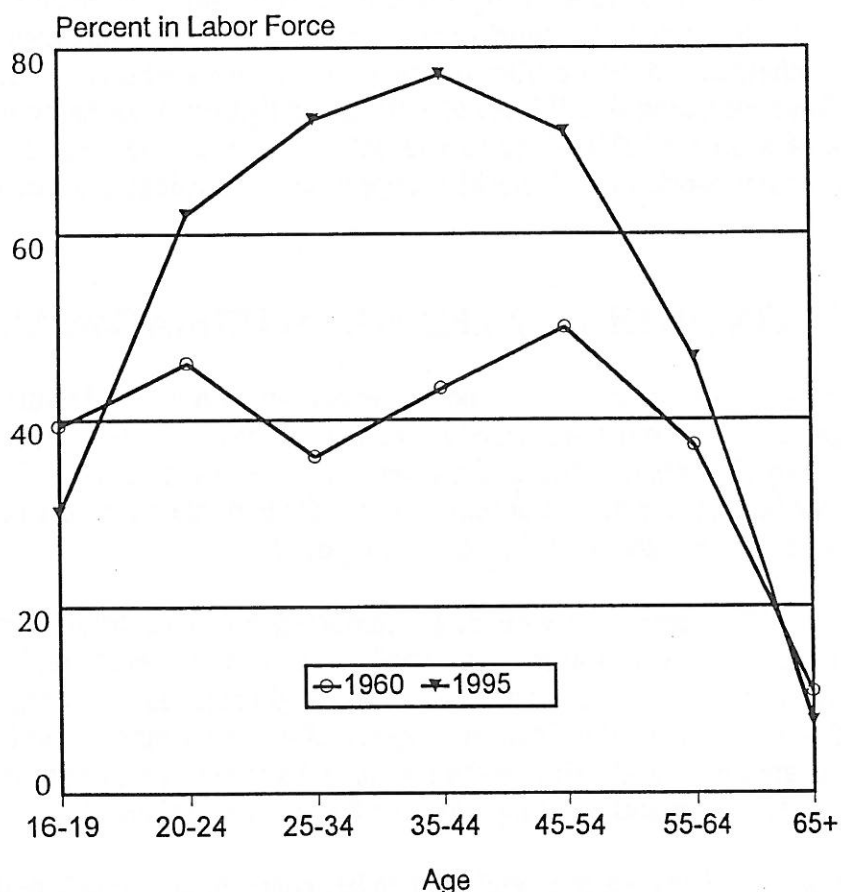
Note: Population 25 years and older.

Source: U.S. Department of Commerce, Bureau of the Census, *Statistical Abstract 1994*:157.

Employment success for women and minorities can be partially attributed to the increased levels of education they have attained. Education is the single most important factor affecting earnings--those with more education receive higher salaries, on average, than those with less. Improved access to education is most likely due to other federal civil rights legislation, as well as to a generally rising standard of living that has enabled people to invest more in education.

Economic factors have also affected the labor market experiences of women and minorities. For women, the most important change has been a dramatic increase in their labor force participation, as shown in Figure 3.

Figure 3.
Trends in Labor Force Participation Rates of Women, 1960 and January 1995, by Age



Source: U.S. Bureau of Labor Statistics, *Employment and Earnings*, February 1995 and U.S. Bureau of Labor Statistics, *Handbook of Labor Statistics*, August 1989.

On the demand side, the economy has grown in the areas in which women are concentrated, occupations known as “pink collar jobs.” These include clerical work, retail sales jobs, teaching, health care, and social work. The growth in these fields enabled many black women to leave domestic service jobs, in which they were highly concentrated before 1960, and enter a wide range of occupations with better pay.

On the supply side, women’s increased education is also associated with increased labor force participation; as women achieve higher levels of education, they are more likely to participate in the labor force in order to use their hard-earned skills. Also, changing cultural mores regarding child rearing and family size, as well as changing consumption standards, affect women’s labor force decisions. In addition, improved methods of birth control have likely affected women’s decisions regarding their labor force participation. The Pregnancy Discrimination Act of 1978 has also led to further increases in work after childbirth, particularly for white women.

The Impact of Affirmative Action and Title VII Enforcement Efforts

The number of empirical studies attempting to measure the effects of affirmative action efforts by employers has been limited by the general lack of data. One recent review of the research literature, by Lee Badgett and Heidi Hartmann, published by the Joint Center for Political and Economic Studies, found that enforcement by the OFCCP (representing that portion of affirmative action that is required of federal contractors) has shown modest effects in the intended direction. Contract compliance increased the employment of women and minorities in contractor firms by more than would have occurred anyway without these policies, but the effects were generally small. The authors attributed the small effects to weak enforcement efforts. Hartmann and Badgett also reviewed the effects of Title VII enforcement on the earnings and employment of women and minorities relative to white men and found a strongly positive correlation between enforcement efforts and gains for women and minorities in the workforce (enforcement efforts were measured by the number of investigations of charges and the number of settlements).⁶ An IWPR study analyzing the effects of the Pregnancy Discrimination Act (PDA) of 1978 found that the PDA led to increases in labor force participation of women of child-bearing age and greater access to temporary disability insurance for pregnant women workers with positive impact on the earnings of women.⁷

THE CONTINUING NEED FOR AFFIRMATIVE ACTION

Because affirmative action remedies are controversial, and women and minority males have made substantial progress, we must ask whether these programs are still needed. Have the gains that these groups enjoyed in the eighties and nineties, because of the success of affirmative action and changes in other factors, reached their conclusion? Or is further progress required? Are affirmative action policies the best way to achieve further gains?

The evidence clearly suggests that women and minorities still face discrimination in the labor market. The index of sex segregation is substantially greater than it would be if all barriers to occupational choice for women and men were removed, and earnings of women and men are still far from equal. In addition, some of the "natural" opportunities that women experienced as the demand for their labor grew are likely to decline in the future. Jobs in services, health care, and education are not expected to grow as quickly as they have for the past several decades.

And while the pay gap between men and women has been closing, men's real wages are likely to rise again as productivity increases at a faster rate. The result is likely to be a widening wage gap between women and men, absent all other factors which narrow the gap. Women's wages will have to increase at an even faster rate than they have in order to continue to close the wage gap.

Without strong anti-discrimination and affirmative action policies, the progress of women in the labor market is likely to slow. In their survey of Philadelphia firms, Konrad and Linnehan found that most of the employers surveyed would not have implemented affirmative action programs had the government not required them to do so. The reluctance of employers to voluntarily implement these programs emphasizes the need for continued government action.

⁶ Badgett and Hartmann, 1995.

⁷ Spalter-Roth et al., 1990.

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January 1996

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