

**BRIEFING PAPER:
RECENT WAGE DEVELOPMENTS IN TELECOMMUNICATIONS:
AN EXAMPLE FROM THE NORTHEAST**

This Briefing Paper is one of a series of occasional papers by the Institute for Women's Policy Research (IWPR) on the status of women workers in the communications and other service industries.

About 21 percent of non-supervisory telephone workers reside in the northeast.¹

Telecommunications workers in the northeast are more highly unionized than in other regions, 69 percent compared to the national average of 55 percent. The annual pay differential between union and non-union workers in the northeast is about \$2,000.

Recent developments in union/management contract negotiations in the northeast could lead to increases in the gender-based wage gap -- a development that would threaten the gains made by union women. One such development is a proposal by NYNEX that provides a five percent wage increase in the first year of the proposed contract. However, the first \$1,000 of this increase would be in the form of a cash bonus that would not be added to the worker's base wages. Percentage increases in subsequent years would be applied only to the new base wages not to the bonus. What would be the impact of this proposal on earnings?

Chart 1 illustrates the impact of this proposal on unionized non-supervisory workers in the northeastern region. The result would be to increase the size of the wage gap between women and men by reducing the earnings ratio between women and men from the current 74.4 cents earned by

1 The northeast states in this analysis are: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, and Pennsylvania.

CHART 1.

Estimated Impact of Proposed NYNEX Settlement on
Wage-Gap in Base Pay between Male and Female Union Workers

1988 Annual Earnings for Full-Time, Non-Supervisory Female Worker in the Northeastern Region =

\$ 23,218

x .05 percent wage increase
\$ 1,161

less 1,000 bonus
\$ 161 added to base pay

\$ 23,379 new base wages

1988 Annual Earnings for Full-time, Non-Supervisory Male Worker in the Northeastern Region =

\$ 31,200

x .05 percent wage increase
\$ 1,560

less 1,000 bonus
\$ 560 added to base pay

\$ 31,760 new base wages

Female/Male Wage Ratio Before Proposal

= 74.4 cents for every \$1.00 (\$23,218/31,200)

Size of Gap = \$7,982

Female/Male Wage Ratio If Proposal is Implemented

= 73.6 cents for every \$1.00 (\$23,379/31,760)

Size of Gap = \$8,381

Source: Institute For Women's Policy Research Calculation
Based on the 1988 Current Population Survey