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Merit Pay at The Post: Part 2 Sex, Salary & Seniority

In this second in a series of bulletins on pay at The Post, we look beyond the standard, contractual pay scales — with their modest but assured periodic increases — and focus on merit pay.

Merit pay is supposed to be just that — extra pay, added permanently to your base salary, in recognition of merit on the job. Post management has long refused to reveal the basis upon which merit pay decisions are made, other than to say that merit pay is doled out fairly to employees who have made exceptional contributions, or whose talents and responsibilities have grown faster than their contractual pay.

But if it were all that fair, wouldn't merit pay be distributed relatively uniformly across our ranks? Wouldn't women get about the same amounts in merit pay as men, on average over time? Wouldn't those who earn relatively little be honored with merit pay at least as often as merit pay goes to those who are already paid a lot? Wouldn't minority employees — who, as we've already seen, are paid, on average, lower salaries — get a fair share of merit pay as part of the process of rewarding those who are doing above-average work for below-average pay?

A look at the data reveals that merit pay is not spread evenly among the talent at The Post. For one thing, although merit raises are almost as likely to go to women as to men, women's merit raises, on average, are significantly smaller than men's. For another, merit pay goes preferentially to those who already earn the most. Indeed, a preliminary look at the merit pay system, averaged out over the entire workforce, could lead one to believe that lots of people are getting fairly juicy awards. But a closer look reveals that most of the money is going to a relatively few people at the top of the pay scale, reflecting the larger national phenomenon of the rich getting richer while the poor fall ever further behind.

Specifically, for the most recent three-year reporting period for which management has made figures available (that's Dec. 1998 to Dec. 2001; management is legally obligated to provide updated information this fall), about 31 percent of men got at least one merit increase over those three years, while about 25 percent of women got at least one such raise. Looked at differently, women made up 51 percent of the unit and won 46 percent of the merit pay awards — almost, though not quite, their fair proportion.

But men's merit raises were larger than women's on average. For each of the three years analyzed, the average salary increase attributable to merit raises was \$56 per week for men, or \$2,900 per year. The equivalent average increase from merit raises for women was \$37 per week, or \$1,920 per year. (Keep in mind that individual merit raises were somewhat smaller than this on average, as some people achieved these overall annual increases by getting more than one merit increase in a year.)

That means a typical man's merit increases were about one-and-a-half times as large as a woman's or, put differently, the typical woman's merit pay increase was about 36 percent less than the average man's.

Your age also affects your odds of getting a merit raise and the likely size of your merit raise. When it comes to overall odds of getting a merit pay award, young women ages 20 to 29 are the worst off. Only 9 percent of young women enjoyed a merit raise during the three-year period. By contrast, 42 percent of men in their 40s got at least one merit pay award during the period.

Older women are more likely than their younger counterparts to get merit raises, but the amounts are consistently lower than for men in the same age groups. For employees in their thirties, for example, the average annual salary increase attributable to merit raises was \$2,500 for women (again, in some cases from multiple merit raises in a single year), while for men it was \$3,359.

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Percentage of men and women of various ages who got any merit pay over three years:

Age:	20 to 29	30 to 39	40 to 49	50 to 59	60 to 69
Male	14%	33%	42%	30%	22%
Female	9%	29%	32%	23%	30%

Average weekly merit pay amounts for men and women of various ages:

Age:	20 to 29	30 to 39	40 to 49	50 to 59	60 to 69
Male	\$27	\$64	\$63	\$46	\$33
Female	\$43	\$46	\$36	\$22	\$17

Perhaps you are surprised that you have never or only rarely received a merit increase given the overall odds for your age and sex. That may be because you are not factoring in another important element: The amount you're already earning. **It may sound backwards, but at The Post the best way to assure yourself of getting a merit raise is to be already earning more money than your peers.**

During the three-year look-back period, none of the men who earned less than \$30,000 a year got a merit raise. But 20 percent of those earning \$50,000 to \$59,999 got at least one merit raise, and fully 69 percent of those earning more than \$100,000 got at least one such raise.

For women, as for men, zero percent of those earning less than \$30,000 got a merit raise during the three years, while 10 percent of those earning \$50,000 to \$59,999 got at least one such raise and 64 percent of those earning more than \$100,000 got at least one.

Here are the percentages of employees who got merit raises during the three-year period by sex and annual salary range:

Salary (in \$1,000s)	<\$30	\$30 to \$39.9	\$40 to \$49.9	\$50 to \$59.9	\$60 to \$79.9	\$80 to \$99.9	\$100 +
Male	0%	5%	18%	20%	39%	48%	69%
Female	0%	7%	20%	10%	39%	66%	64%

What is more, those employees already making the most money got much bigger merit raises than those making less. For both men and women making \$60,000 to \$80,000 a year, for example, the average salary increase from merit raises over the course of a year was about \$33 a week, or about \$1,700 a year. But for women already earning more than \$100,000, the average increase from merit pay was \$69 a week, or about \$3,600 a year. And for men making more than \$100,000, the average increase was \$100 a week, or \$5,200 a year.

Here are the average weekly merit pay amounts for employees who got merit raises during the three-year period, by sex and annual salary range:

Salary (in \$1000s)	<\$30	\$30 to \$39.9	\$40 to \$49.9	\$50 to \$59.9	\$60 to \$79.9	\$80 to \$99.9	\$100
Male	n/a	\$17	\$15	\$23	\$32	\$50	\$100
Female	n/a	\$14	\$14	\$30	\$33	\$40	\$69

A close look at the above two tables tells a lot about why the average merit pay amounts mentioned at the top of this bulletin are higher than what most employees actually get when they do manage to get a merit pay award. **It's the few people who are already earning the most who are not only getting most of the awards, but who are getting the very largest awards. That leaves the majority of employees to share the leftovers.**

That's just one of many reasons why it makes sense for most employees to hitch their salary wagons to The Guild. **The Guild negotiates salary increases fairly for ALL employees, without counting on the lottery system that favors a few and ignores the rest.** Together we make The Post. Together we should share its profits. If you are not a Guild member, you weaken The Guild in its efforts. We are just a year away from negotiating a new labor contract with new wage scales, preparations for which are already underway. Please join today. —Rick Weiss

Coming Next:

Merit Pay by department and job title — or, why you ought to be a columnist.

To read the previous bulletin about Wages at The Post, go to: <http://www.wbng.org/post/bulletins/2004/032904.pdf>