

How Organizations are Closing the Gender Pay Gap

Today's Presenters



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Today's Agenda

- Data and findings on the state of the gender pay gap
- What can organizations do to help close the gap?
- How Payscale can help with pay equity and pay transparency



Data and findings on the state of the gender pay gap

Methodology

Between January 2021 and January 2023, over 758K people in the U.S. took Payscale’s online salary survey, providing information about their industry, occupation, location and other compensable factors. They also reported demographic information, including age, gender, and race. We leveraged this sample to provide insights into the controlled and uncontrolled gender pay gap. To ensure a fair comparison, we convert hourly compensation to annual compensation where necessary and re-scale annual compensation to a 40-hour work week where necessary.

It should be noted that Payscale’s employee-sourced online salary survey data weights toward salaried professionals with college degrees. When analyzing by race, we restrict our sample to those with at least a bachelor’s degree. Our data isn’t as impacted by low-income hourly workers, so the data reported by Payscale might be dissimilar to what is reported by other institutions for the gender pay gap of the overall workforce.

Lifetime Earnings



Lifetime earnings is the sum of median pay over 40 years, where each year the median pay increases by 3 percent. This is because 3 percent has been found in previous research to be a standard annual increase in base pay by the majority of employers, although larger annual increases have been observed on average in recent years.

ONET job descriptions for top 20 jobs



Unemployment and parent status



Analysis of the racial pay gap



Definitions



Understanding controlled vs. uncontrolled pay gaps

Uncontrolled gender pay gap

This "opportunity pay gap" measures median salary for all men and all women.

Women earn

83¢

for every \$1 earned by men

Controlled gender pay gap

This measures median salary for men and women with the same job and qualifications.

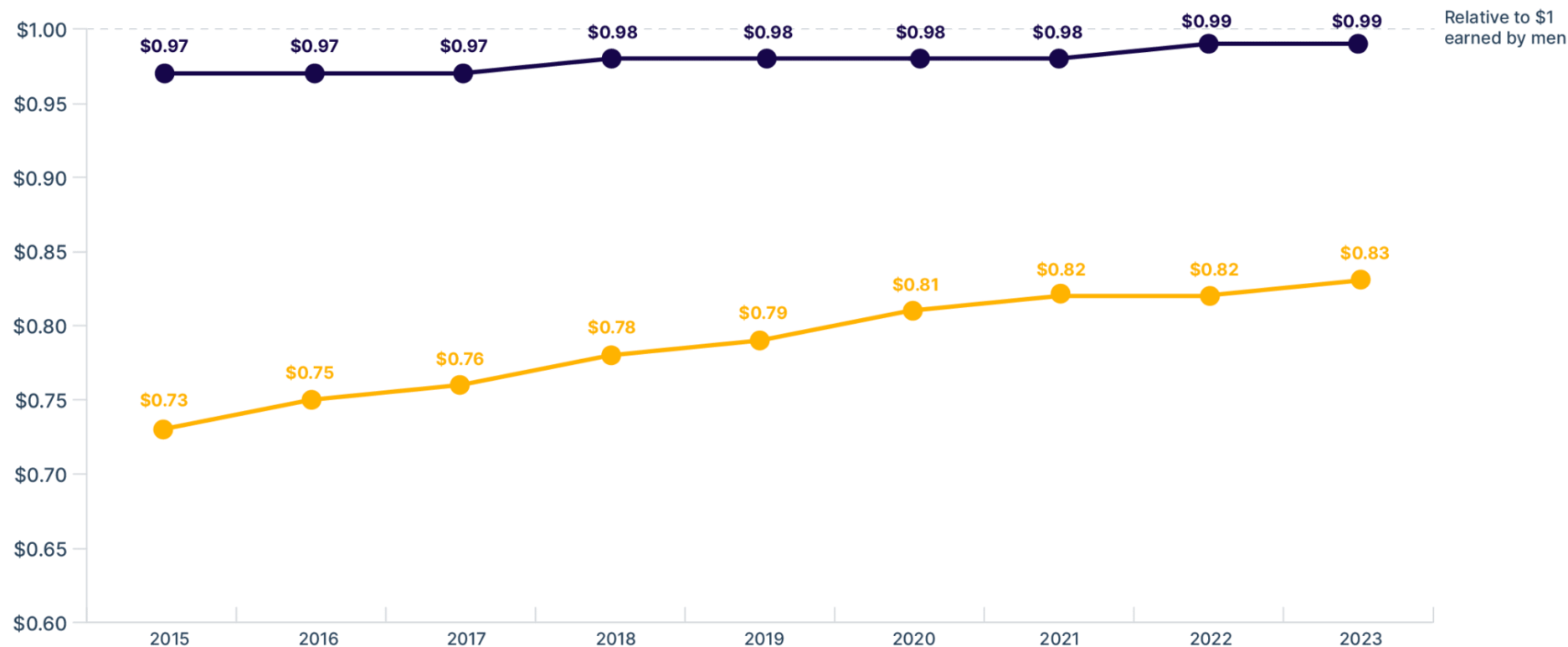
Women earn

99¢

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Closing the gender pay gap has been glacially slow

The gender pay gap over time



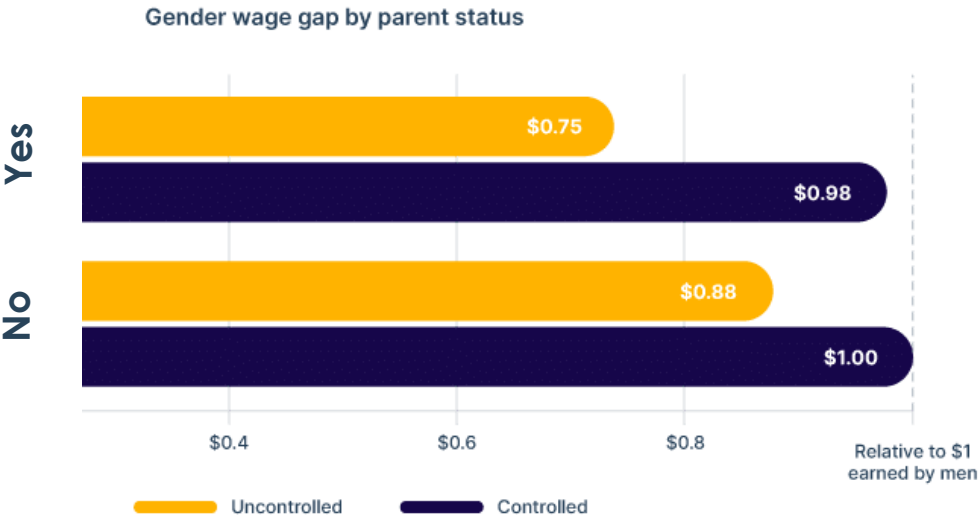
Uncontrolled Gender Pay Gap (Opportunity Pay Gap):

Measures median salary for all men and all women regardless of job type, seniority, location, industry, years of experience, etc.

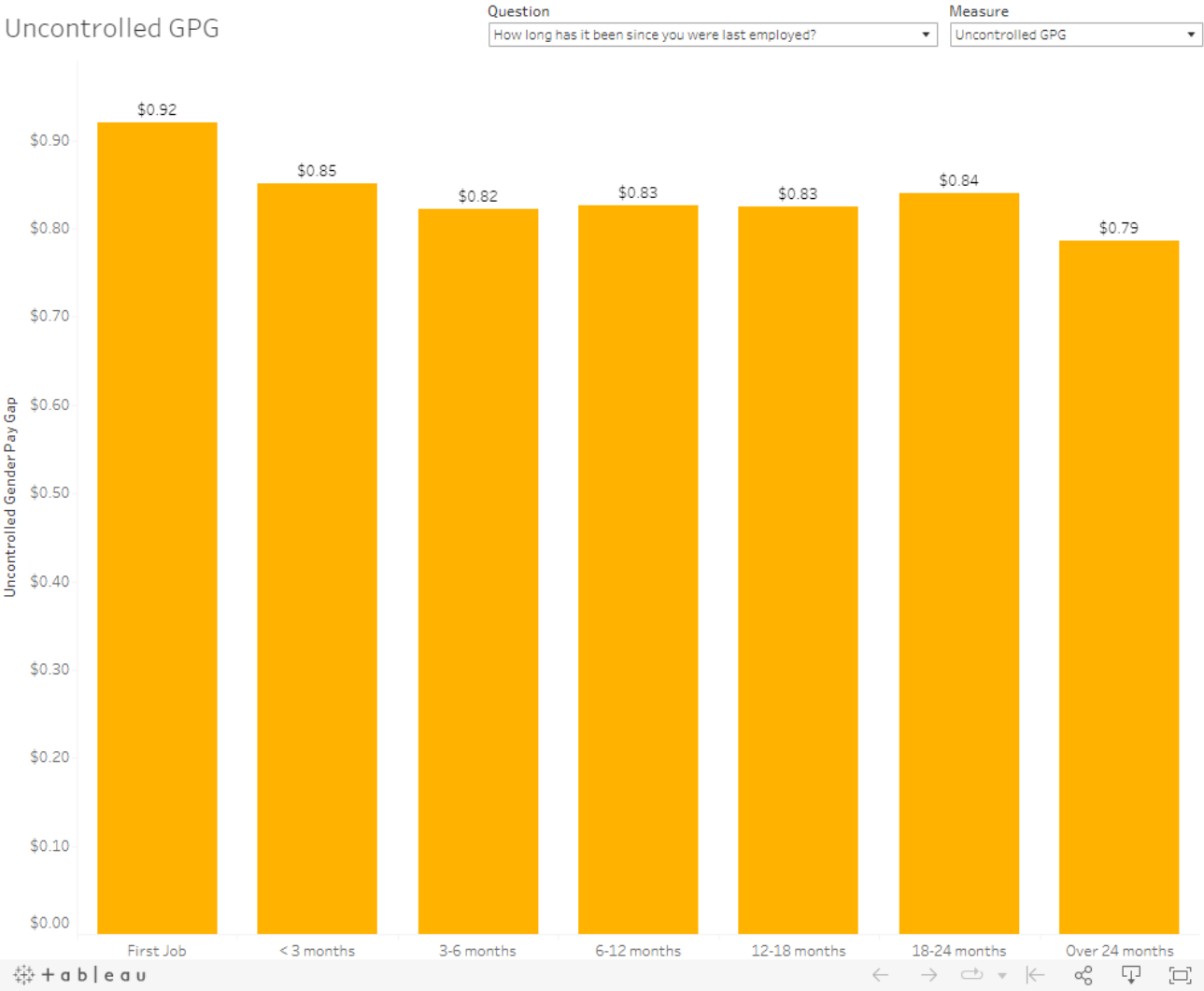
Controlled Gender Pay Gap (Equal Pay for Equal Work):

Measures pay for men and women with the same job and qualifications

What causes the gender pay gap?



Unemployment Penalty

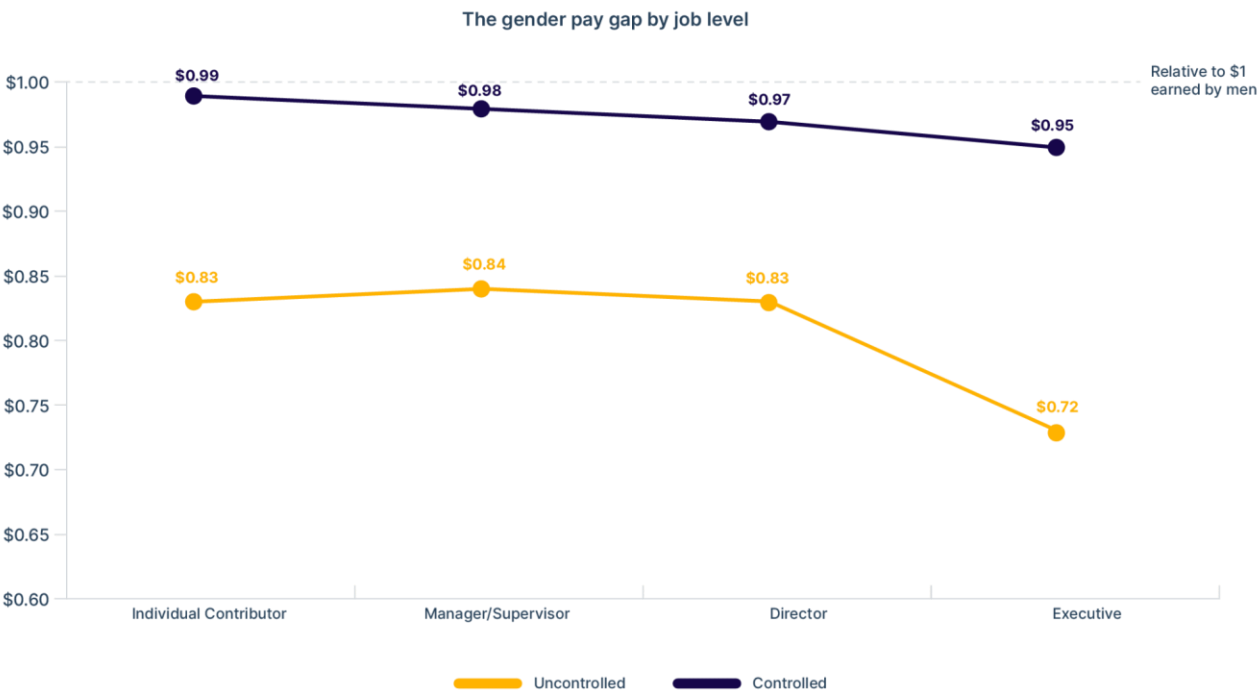


The gender pay is wider for women of color

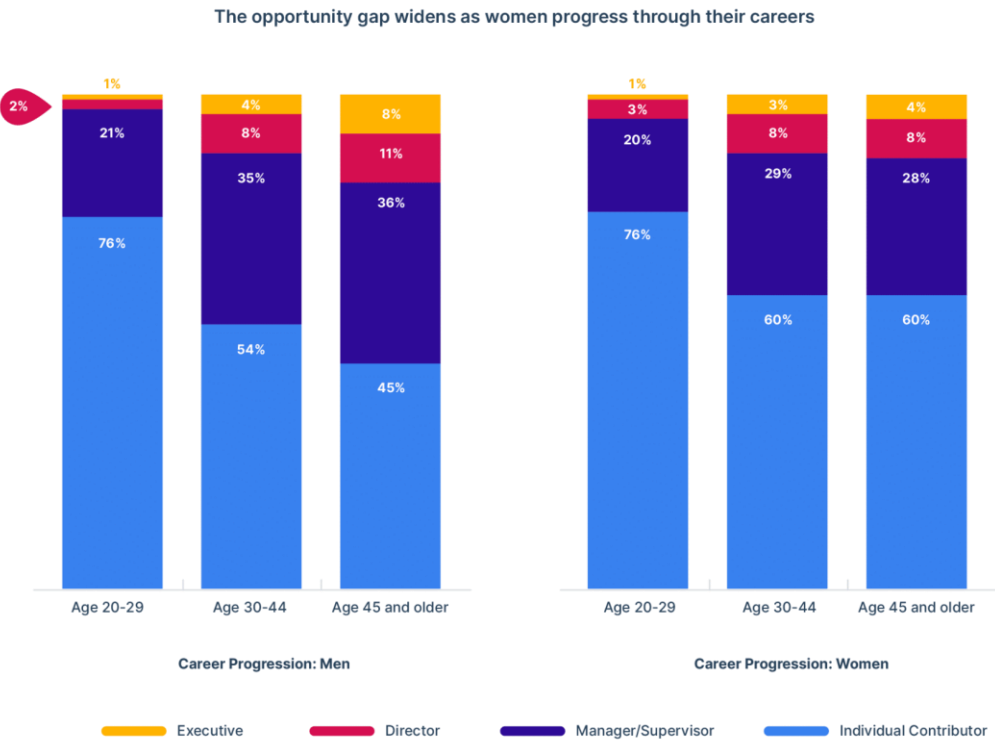


The gender pay gap widens by job level

Gender Pay Gap by Job Level

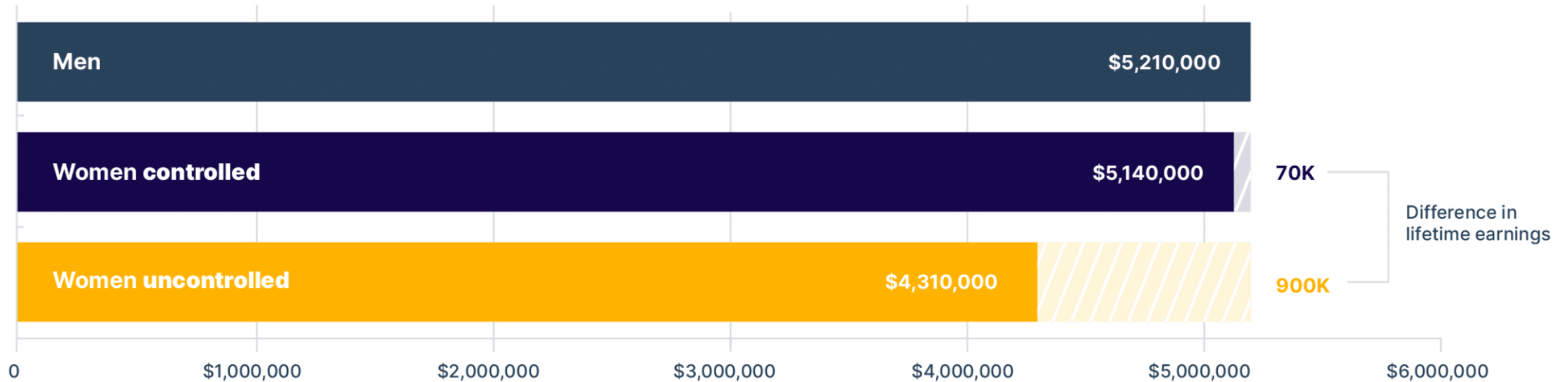


Percent of women vs. Men in Job Level by Age



Impact of the gender pay gap on lifetime earnings

Lifetime earnings (what women stand to lose over a career)



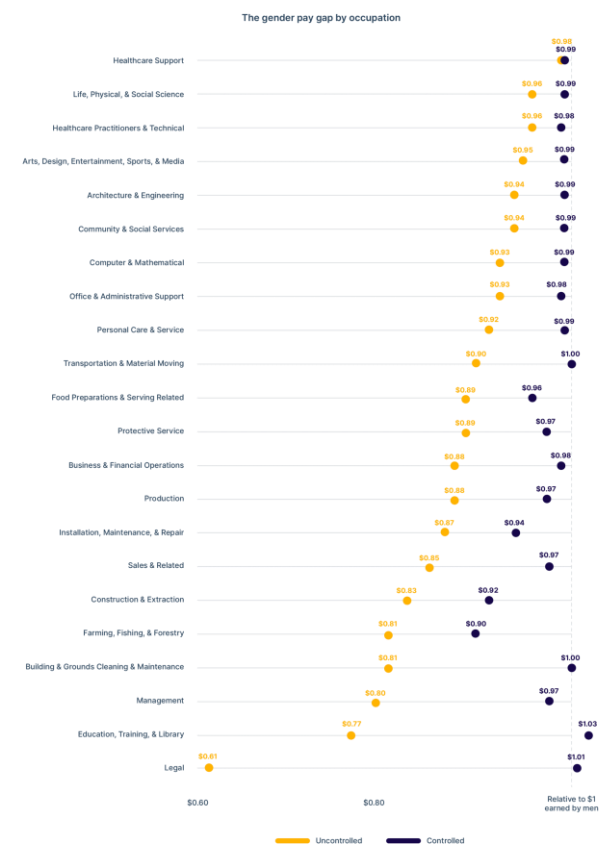
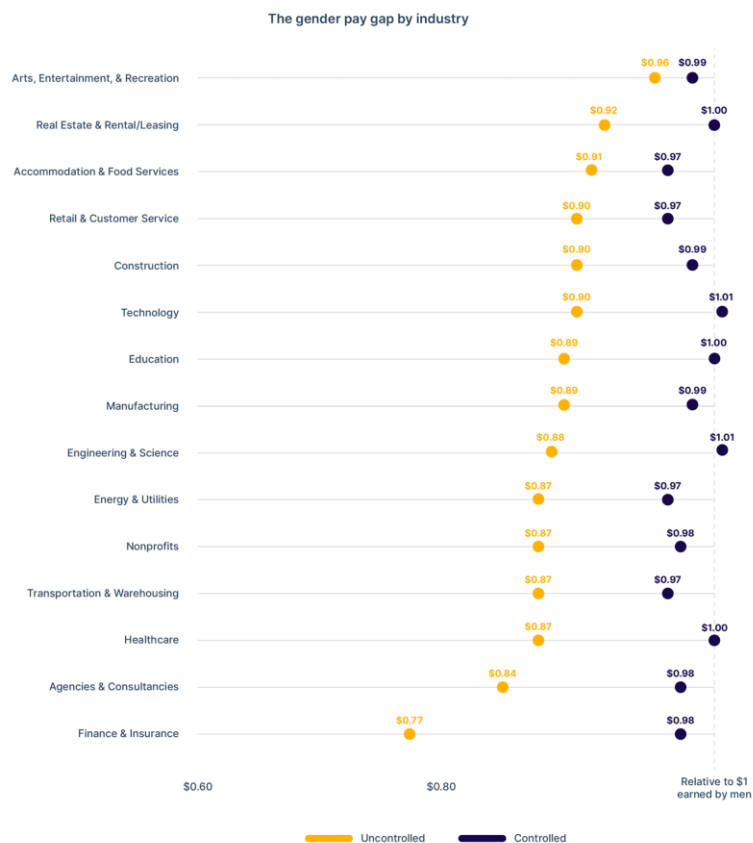
Jobs with
the widest
pay gaps
are greater
than \$0.99

Rank	Top 20 Jobs with a gender pay gap	Controlled gender pay gap	Median pay - Men	Controlled Median pay - Women
1	Bartenders	\$0.80	\$30,200	\$24,200
2	Waiters and Waitresses	\$0.82	\$25,600	\$21,000
3	Physicians and Surgeons, All Other	\$0.88	\$282,000	\$247,000
4	Directors, Religious Activities and Education	\$0.88	\$55,200	\$48,400
5	Driver/Sales Workers	\$0.89	\$38,800	\$34,500
6	Credit Analysts	\$0.90	\$62,200	\$55,800
7	Database Administrators	\$0.91	\$84,300	\$76,300
8	Chemical Technicians	\$0.91	\$46,500	\$42,200
9	Chemical Equipment Operators and Tenders	\$0.91	\$43,900	\$39,900
10	Inspectors, Testers, Sorters, Samplers, and Weighers	\$0.91	\$52,700	\$48,100
11	Claims Adjusters, Examiners, and Investigators	\$0.91	\$64,900	\$59,300
12	Clergy	\$0.92	\$55,900	\$51,300
13	Merchandise Displayers and Window Trimmers	\$0.92	\$33,200	\$30,500
14	First-Line Supervisors of Production and Operating Workers	\$0.92	\$49,500	\$45,500
15	Art Directors	\$0.93	\$92,400	\$85,600
16	Interior Designers	\$0.93	\$59,200	\$55,100
17	Bioengineers and Biomedical Engineers	\$0.93	\$84,100	\$78,400
18	Landscaping and Groundskeeping Workers	\$0.93	\$36,400	\$33,900
19	Team Assemblers	\$0.93	\$36,600	\$34,100
20	Maintenance and Repair Workers, General	\$0.93	\$45,200	\$42,200

Signs of the gender pay gap closing

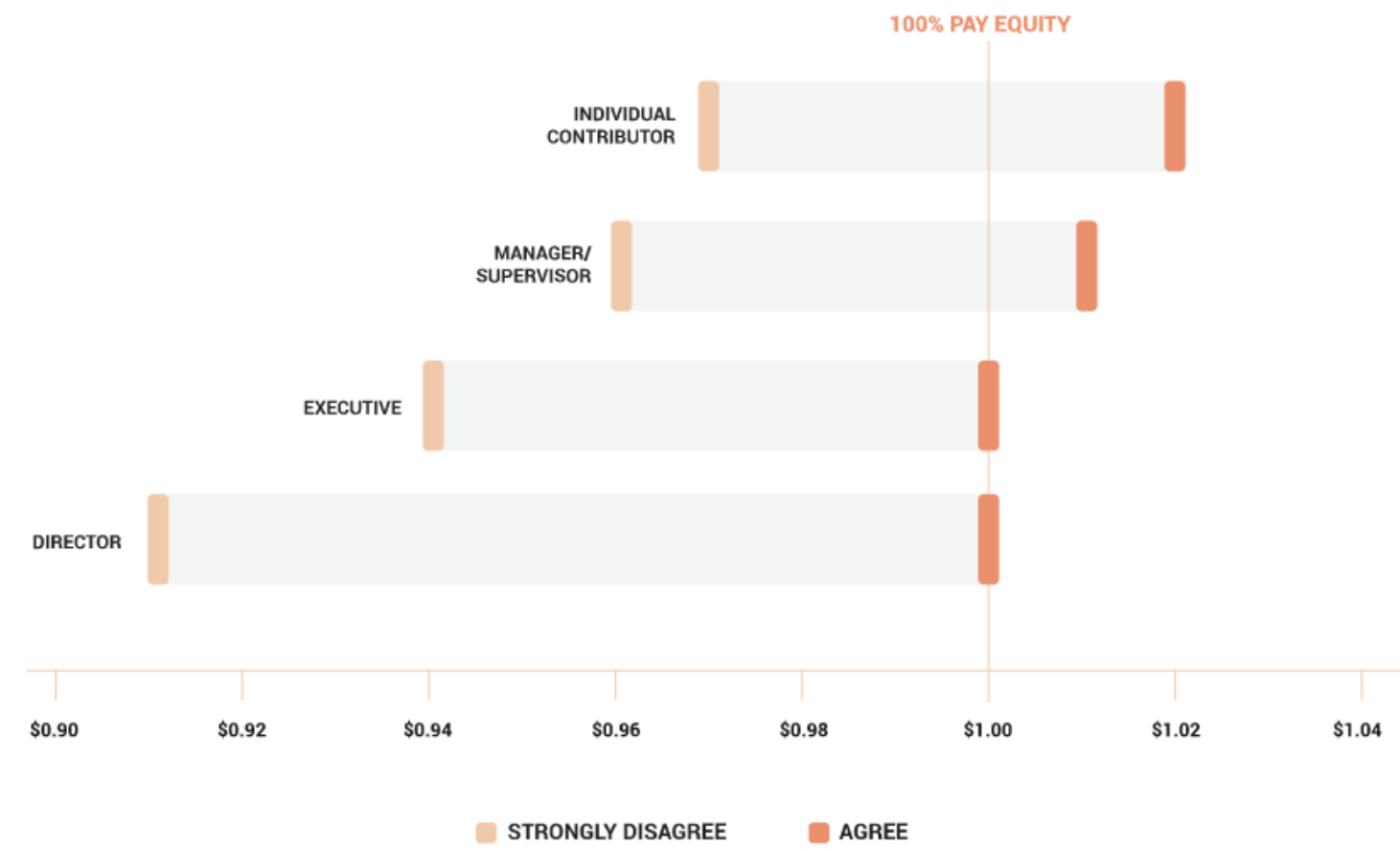
The gender pay gap has closed in the Los Angeles, Portland, San Diego, San Jose, and Washington, D.C. metro areas

Metropolitan Statistical Area	Uncontrolled Gender Pay Gap	Controlled Gender Pay Gap
Atlanta-Sandy Springs-Marietta, GA	\$0.85	\$0.98
Austin-Round Rock, TX	\$0.84	\$0.97
Baltimore-Towson, MD	\$0.92	\$0.99
Boston-Cambridge-Quincy, MA-NH	\$0.90	\$0.99
Charlotte-Gastonia-Concord, NC-SC	\$0.93	\$0.99
Chicago-Naperville-Joliet, IL-IN-WI	\$0.82	\$0.98
Cincinnati-Middletown, OH-KY-IN	\$0.83	\$0.98
Cleveland-Elyria-Mentor, OH	\$0.97	\$1.00
Dallas-Fort Worth-Arlington, TX	\$0.85	\$0.99
Denver-Aurora-Broomfield, CO	\$0.86	\$0.98
Detroit-Warren-Livonia, MI	\$0.76	\$0.98
Houston-Sugar Land-Baytown, TX	\$0.85	\$0.99
Kansas City, MO-KS	\$0.77	\$0.98
Los Angeles-Long Beach-Santa Ana, CA	\$1.01	\$1.00
Miami-Fort Lauderdale-Pompano Beach, FL	\$0.95	\$1.00
Milwaukee-Waukesha-West Allis, WI	\$0.95	\$0.99
Minneapolis-St. Paul-Bloomington, MN-WI	\$0.90	\$0.99
Nashville-Davidson-Murfreesboro-Franklin, TN	\$0.80	\$0.98
New York-Northern New Jersey-Long Island, NY-NJ-PA	\$0.99	\$1.00
Orlando-Kissimmee, FL	\$0.83	\$0.98
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	\$0.91	\$0.99
Phoenix-Mesa-Scottsdale, AZ	\$0.87	\$0.99
Pittsburgh, PA	\$0.74	\$0.97
Portland-Vancouver-Beaverton, OR-WA	\$1.09	\$1.01
Raleigh-Durham-Chapel Hill, NC	\$0.85	\$0.99
San Diego-Carlsbad-San Marcos, CA	\$1.00	\$1.00
San Francisco-Oakland-Fremont, CA	\$0.97	\$0.99
San Jose-Sunnyvale-Santa Clara, CA	\$1.01	\$1.00
Seattle-Tacoma-Bellevue, WA	\$0.94	\$0.99
St. Louis, MO-IL	\$0.74	\$0.97
Tampa-St. Petersburg-Clearwater, FL	\$0.94	\$1.00
Washington-Arlington-Alexandria, DC-VA-MD-WV	\$1.00	\$1.00



How to close the gender pay gap

THE IMPACT OF PAY TRANSPARENCY ON THE GENDER WAGE GAP ACROSS JOB LEVELS



Poll 1: Do you know what your gender pay gap is?

- A. Yes, for the controlled gap (employees with the same job characteristics)
- B. Yes, for the uncontrolled gap (overall regardless of job)
- C. Yes, for both the controlled and uncontrolled gap
- D. No
- E. Unsure

**What can organizations do
to help close pay gaps?**

Closing controlled and uncontrolled pay gaps

Uncontrolled gender pay gap

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Your 3-step plan to close pay gaps

Diagnose	Take Action	Sustain
<p>Collect data</p> <p>Group employees</p> <p>Agree compensable factors</p> <p>Pay Equity Analysis</p> <p>Compensation process analysis</p> <p>Talent lifecycle Analysis</p>	<p>Consider Pay Equity analysis outcomes & remediate for controlled analysis</p> <p>Consider what safeguards to put in place to ensure the principles of fairness are maintained</p>	<p>Agree cadence of ongoing analysis</p> <p>Address root cause issues such as bias or other inhibitors across the talent lifecycle that may impact all employees having an equal opportunity to earn the same</p>

Poll 2: Which stage in this process would you say you are at?

- A. Planning to start
- B. Diagnose
- C. Take action
- D. Sustain
- E. Unsure

Diagnosing your pay gaps

Pay Related Metrics	Non-Pay Related Metrics
<ul style="list-style-type: none">✓ Comparison of new hire salaries✓ Comparison of new promote salaries✓ Comparison of salary allocation in merit review✓ Range penetration and comp-ratio comparison✓ Allocation of off-cycle awards✓ Compensation plan eligibility✓ Comparison of overtime or shift pay allocation✓ Performance against incentive plan KPI's✓ Part time vs full time pay✓ Take up of employee benefit plans	<ul style="list-style-type: none">✓ Representation of applicants✓ Applicants vs. successful applicants✓ New hires by job level✓ Representation by level/quartile✓ Representation by job family✓ Tenure in job grade/level✓ Turnover by job grade/level✓ Take up of part time work✓ Requests for flexible working✓ Allocation of performance ratings

Typical causes of the gender pay gap

There are more men in senior roles than women



Representation



Design senior roles to work for all
Remove barriers to progression

Women choose to work in low-paid roles and sectors



Occupational segregation



Implement gender neutral recruitment processes
Open all sectors to part-time and flexible working

Caring responsibilities and part-time roles are shared unequally



Career choices influence by caring responsibilities



Weak support for parental transition

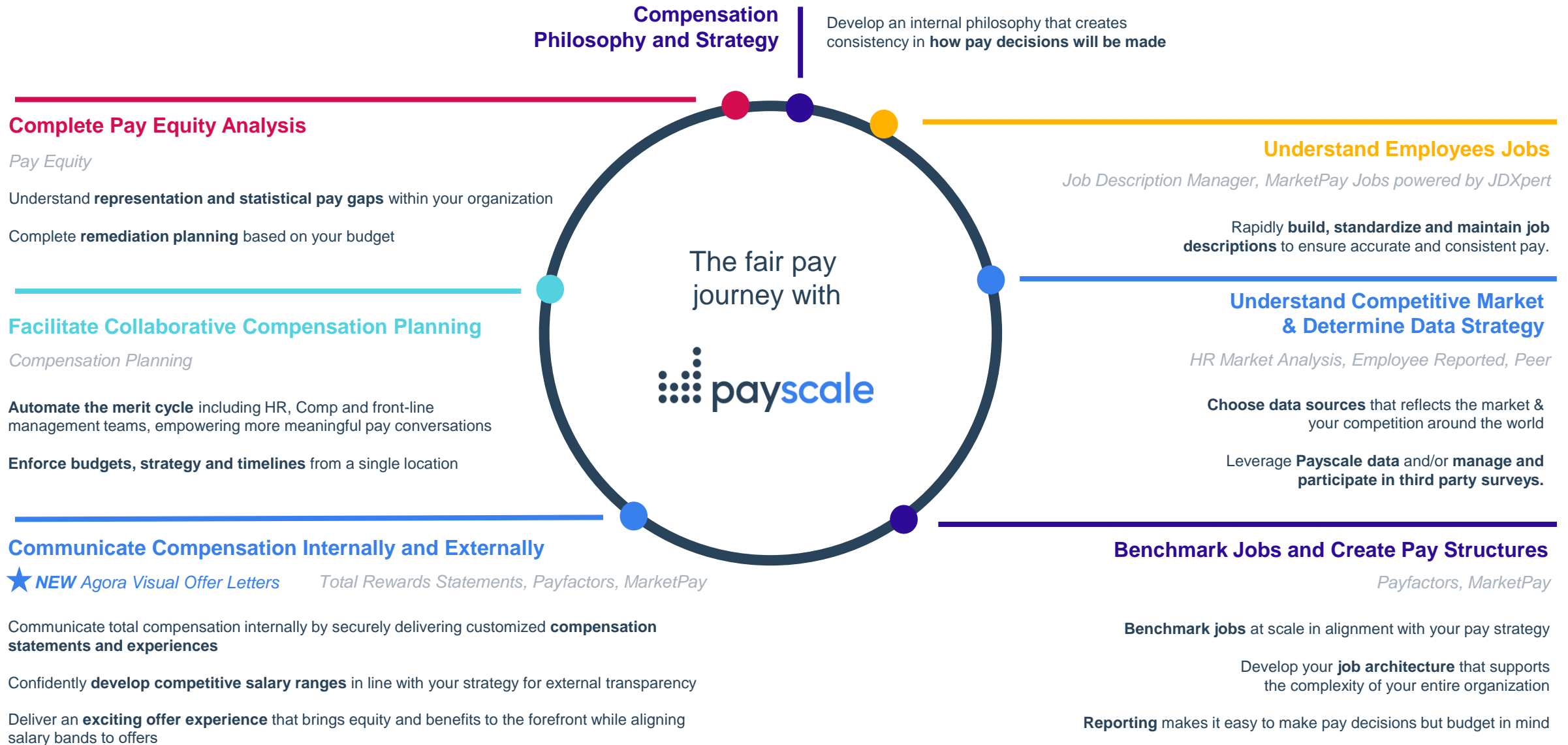
Create quality flexible jobs that allow women and men to balance career and caring responsibilities
Affordable childcare
Shared parental leave

Poll 3: Which of the following tactics have you deployed to address pay biases? (select all that apply)

- A. Review new hire salaries
- B. Monitor pay adjustments in review cycle
- C. Monitor range penetration and/or compa ratio
- D. Monitor off-cycle adjustments
- E. Review promotion salaries
- F. Review compensation plan eligibility and/or KPI
- G. Consider biases in performance assessment

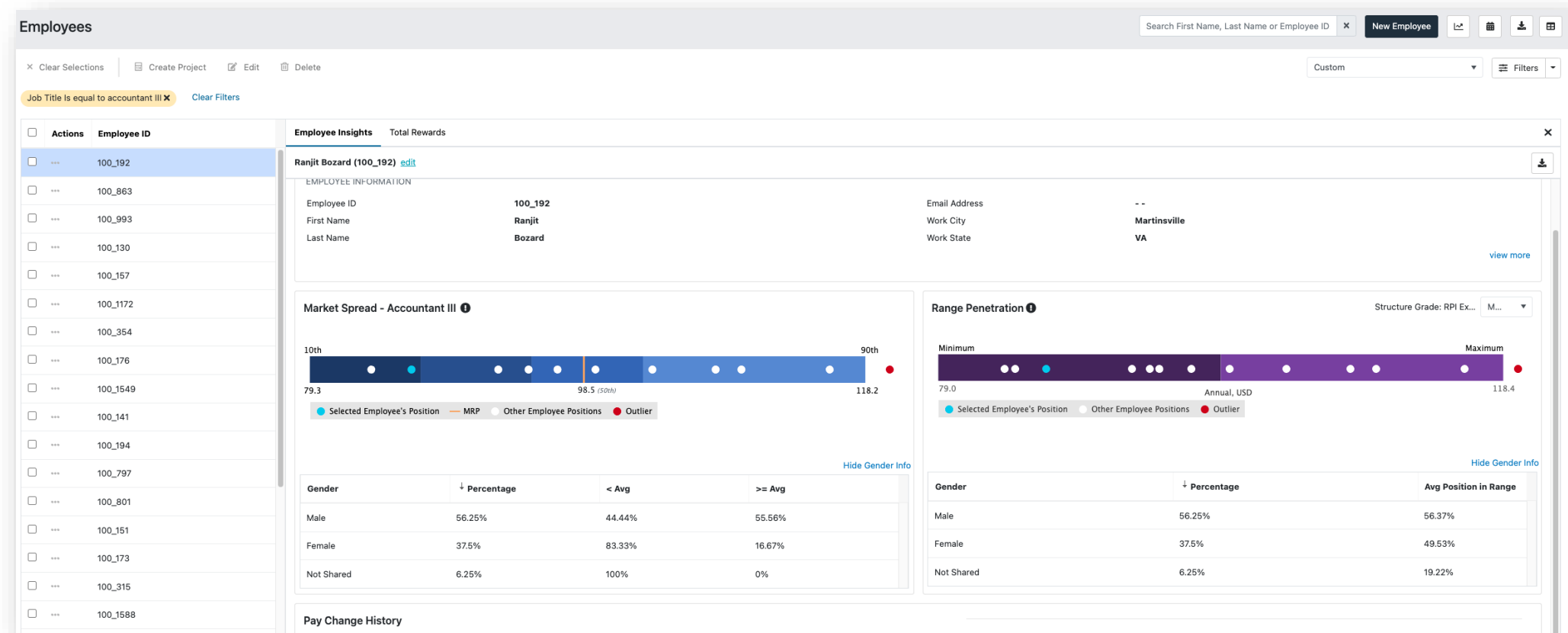
How PayScale can help with closing pay gaps

The Payscale Portfolio supports you through achieve sustainable fair pay



Payfactors: Fair Pay Insights

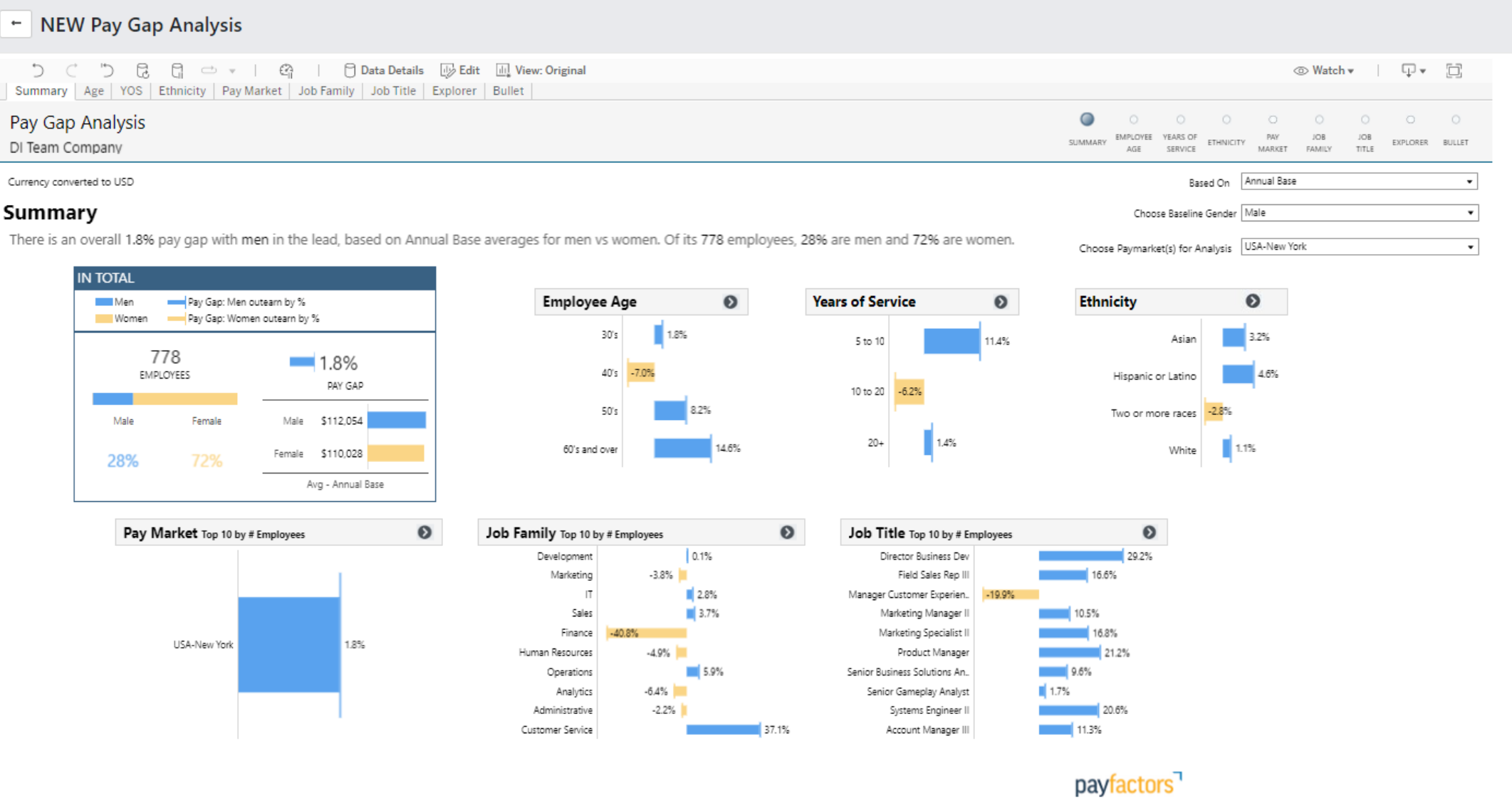
Launching in April



“The Fair Pay Insights feature in Payfactors is really easy to use, and it’s great that there are a couple of different ways I can access it in the tool. It’s useful to be able to sort by how many people are in a role, especially for the jobs that take up a bulk of our workforce. I’m able to see if we’re being fair and make sure we’re taking into account things like someone’s background and experience. All of the graphs were very clear and it was easy to poke around and play with the data to see how everything ties together – it was really straightforward and fun in a nerdy comp kind of way.”

- Susannah Gennuso, HR Generalist, Carson Tahoe

Pay Gap Analysis Report



Pay Equity

For organizations looking to understand pay gaps and work towards closing them

Uncover pay gaps in minutes

Understand potential systemic, structural, and representation challenges at all levels.

Identify where pay gaps exist and the drivers behind pay variance.

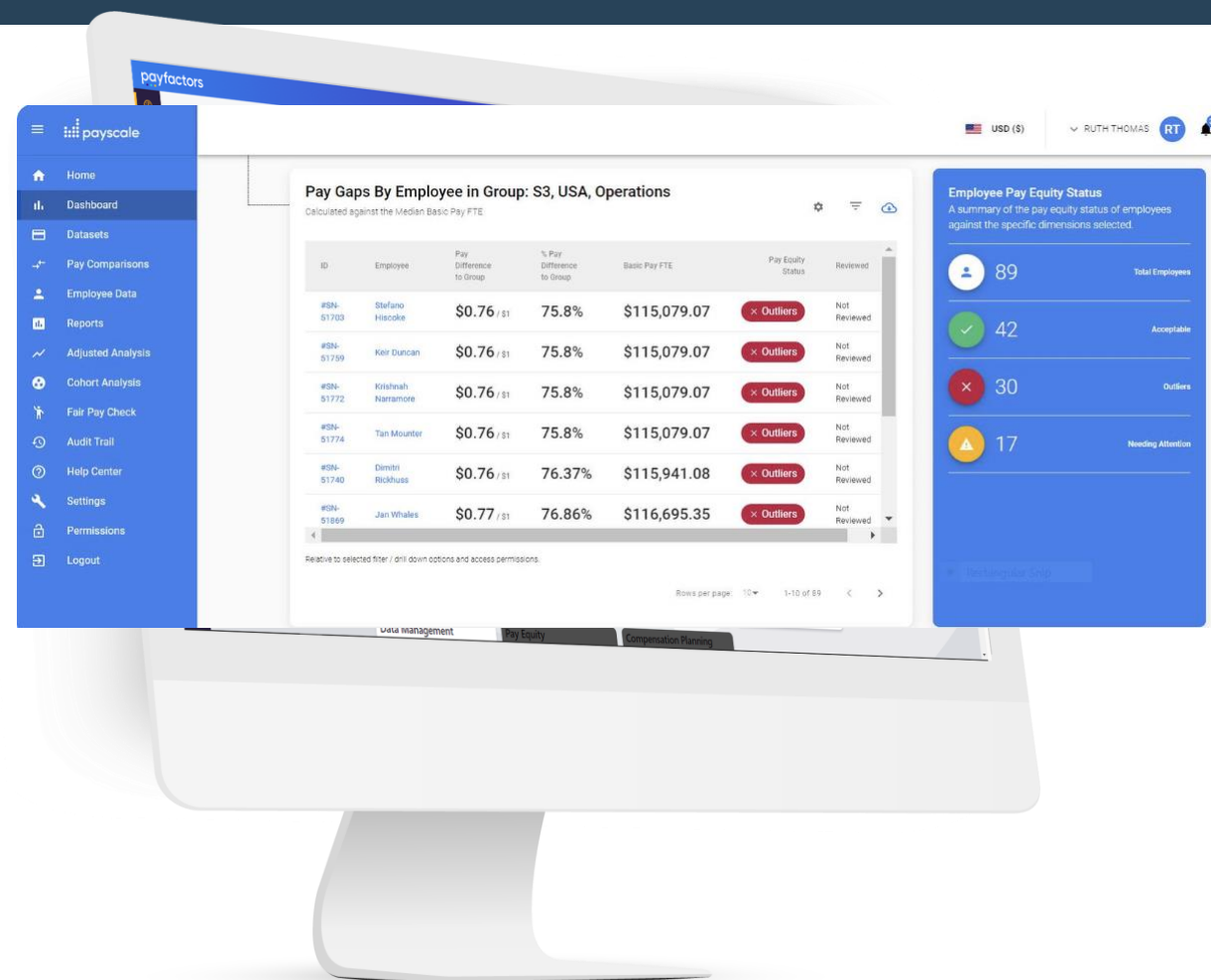
Understand costs and actions for remediation

Develop remediation recommendations and model scenarios based on your specific budget and strategy.

Create a sustainable approach to pay equity

Determine how new hires and promotions will directly impact the equity landscape of your organization.

Bring expertise in-house with a self-service design for complex analysis that has traditionally been outsourced to expensive third parties.



Q&A

Feel free to ask any questions in the chat!

