PayScale

Pay Equity by the Numbers

It's high time to close the equity gap.

The dramatic changes due to the pandemic and the spotlight on social justice have created new and needed focus on pay equity throughout the US. It's time to sit up and take note.

Why? Because pay equity:

- Improves your company brand
- Promotes transparency
- Attracts prospective employees
- Helps you meet legal and regulatory compliance
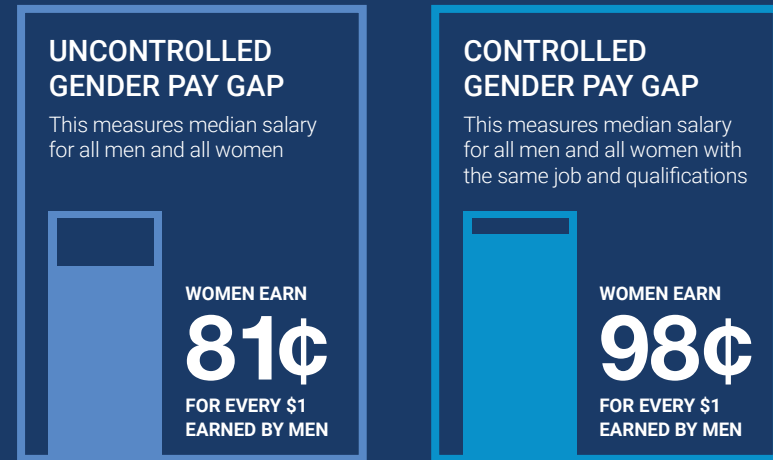- Is the right thing to do

It's a win-win for business

Committing to improving pay equity says you're walking the walk when it comes to your company values and culture. A focus on fairness is good for your brand, too. Not only does it attract top talent to your company, but equity engages and inspires current employees—leading to better performance and greater job retention.

Pay equity gives your company a competitive edge by helping your organization become a company of choice. What's more, it bolsters your reputation as a visionary who's committed to leading your industry toward social responsibility. And that can drive further success. Closing the wage gap reduces stress on HR managers by alleviating complaints and additional recruiting. And it boosts employee morale by making people feel valued and well compensated for what they bring to the job. What's not to love?

38% of organizations plan to conduct a pay equity analysis in 2020[1]

In 2020, women earn 81 cents for every dollar earned by men[2]

UNCONTROLLED GENDER PAY GAP

This measures median salary for all men and all women

WOMEN EARN
81¢
FOR EVERY $1 EARNED BY MEN

CONTROLLED GENDER PAY GAP

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

WOMEN EARN
98¢
FOR EVERY $1 EARNED BY MEN

- 25% of men agreed or strongly agreed that they are paid fairly[3]
- Just 19-22% of women agreed or strongly agreed that they were paid fairly[4]

1-4: PayScale Gender Pay Gap Report for 2020

PAYSCALE HELPS YOU GET PAY RIGHT. FOR EVERYONE.

As you know, pay equity isn't only about pay. It's also about the opportunity to advance. It's just smart business to ensure that all employees are valued equally for their contributions. The best way to do it by making every form of pay equity part of your company's compensation strategy.

PayScale is here to help you achieve that goal with

• Strategic partnerships to ensure equality in the workplace

• A robust platform that includes software, reporting, and powerful analytical tools to help detect and correct bias

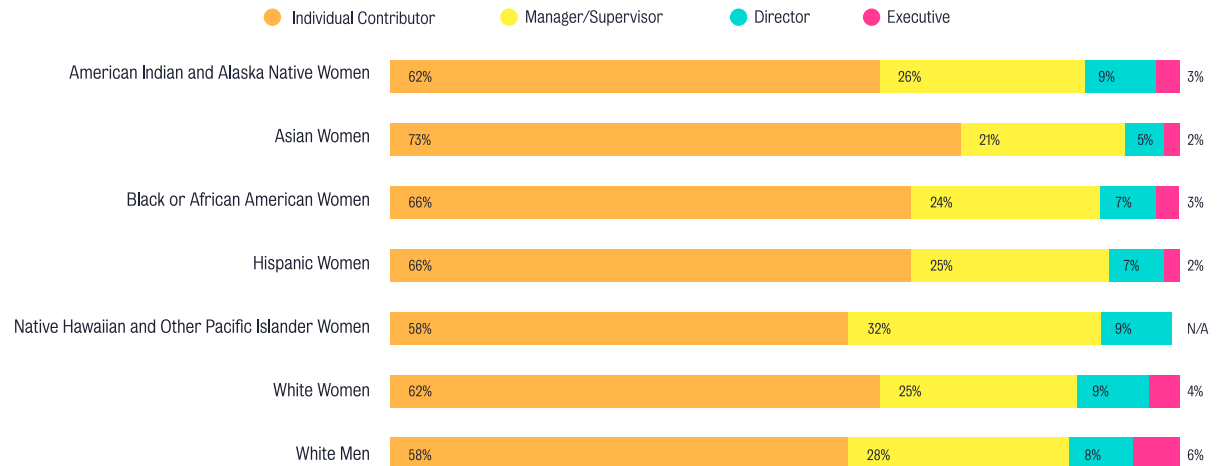• Fresh Survey Data and built-in Job Descriptions

Meet our new partner: USC Race and Equity Center

It takes teamwork to level the playing field. Which is why we've joined forces with the USC Race and Equity Center. The USC Race and Equity Center helps businesses strategically develop and achieve equity goals, better understand and correct problems, avoid and recover from racial issues, and cultivate sustainable cultures of inclusion and respect.

A complement to our Pay Equity Analytics solution, the Center works with PayScale to help drive a deeper understanding of what PayScale's MarketPay analyses and reports mean for your organization, identify areas of risk, encourage and implement organizational change, and help remove bias in your workplace.

> "Our partnership with PayScale aligns closely with our **overarching goal to illuminate, disrupt and dismantle racism in all its forms**…We provide executives and managers with effective strategies to improve and advance equity, diversity, and inclusion initiatives in their companies…"
>
> – **Dr. Shaun Harper, Founder and Executive Director,** USC Race and Equity Center

RACE AND GENDER STILL LIMIT OPPORTUNITIES TO ADVANCE
Includes Only Those With At Least A Bachelors Degree

Legend: 🟠 Individual Contributor 🟡 Manager/Supervisor 🔵 Director 🔴 Executive

	Individual Contributor	Manager/Supervisor	Director	Executive
American Indian and Alaska Native Women	62%	26%	9%	3%
Asian Women	73%	21%	5%	2%
Black or African American Women	66%	24%	7%	3%
Hispanic Women	66%	25%	7%	2%
Native Hawaiian and Other Pacific Islander Women	58%	32%	9%	N/A
White Women	62%	25%	9%	4%
White Men	58%	28%	8%	6%

Source: PayScale Gender Pay Gap Report for 2020

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GET THE RIGHT TOOLS FOR THE PAY EQUITY JOB.

Equity is a job that calls for PayScale MarketPay, our best-in-class compensation management software to ensure fairness and accuracy in your compensation practices. Besides keeping you on top of the latest business and pay trends, MarketPay has the analytic power and other tools you need to assure pay and racial equity in your workplace.

> MarketPay gives you the ability to conduct a **pay equity audit and the tools to help you remove bias** from your compensation system.

Detect it with metrics

Before you can address unfair pay, it helps to know if you've got an issue. Regression analysis helps you discover pay gaps in your company you may not be aware of. It can also show you how those gaps may narrow or disappear when variables that account for compensable pay are factored in. Think of it as a data-based foundation for addressing broader initiatives related to diversity, equity, and inclusion.

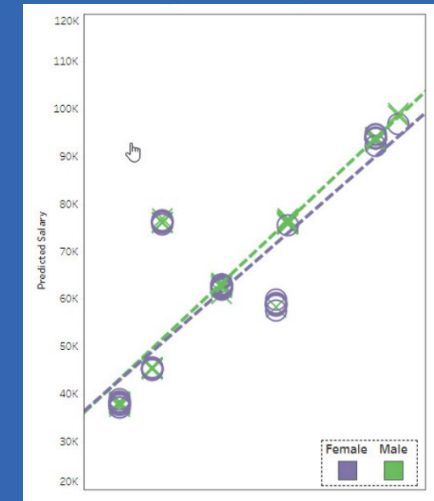**SAMPLE REGRESSION ANALYSIS CONTROLLING FOR INDEPENDENT VARIABLES**

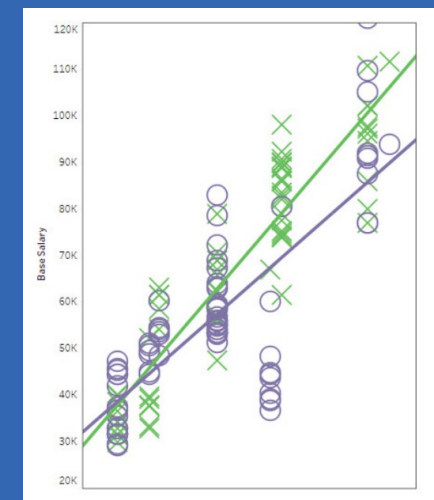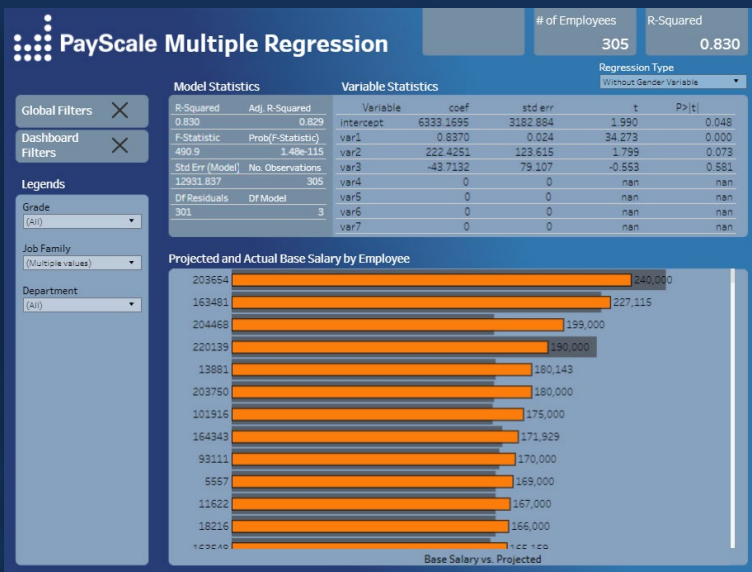**Figure 1.1** Gender pay trends by independent variable.

Figure 1.2 Predicted gender pay trends by independent variable controlling for several independent variables.

Source: PayScale's How to Advocate for Pay Equity PDF

QUICKLY IDENTIFY AND ANALYZE POTENTIAL RISKS.

Use the tools in MarketPay to deliver impactful insights by leveraging big data to create powerful visualizations and dashboards.

Pay Compression. Keep a close watch on market movement for hot jobs and adjust pay accordingly and regularly. Use this tool to review internal pay ranges, too.

Descriptive Statistics Report. Get gender pay gap analyses and monitor for ethnic pay gaps. See the underlying counts and comparisons that contribute to the holistic state of your pay equity situation.

Our Multivariate Regression Report shows you an analysis of data based on compensable variables.
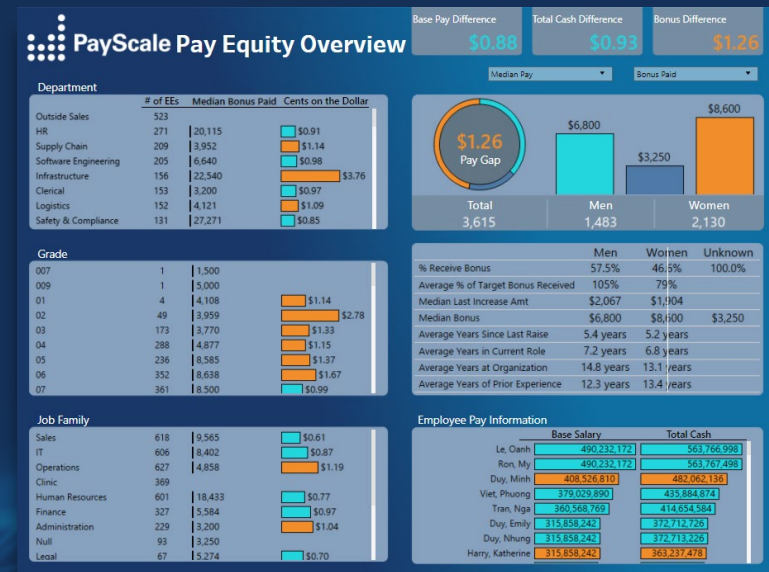
The Descriptive Statistics Reports lets you see the pay of women compared to men.

THE PAYSCALE DIFFERENCE.

MarketPay Differentials

Once you discover any inequities within your organization, you can get to work resolving the issues. Start by using our Differentials Engine in MarketPay, which surfaces actionable skills you can apply to your market-priced jobs.

Now you can price jobs with precision and recruit with intention by applying granular differentials such as geo, and other specifics that reflect the impact certain skills may have on a job.

10,000+
published surveys

4 MILLION
company-sourced profiles quarterly

2+ PARTNERSHIPS
with Mercer and Empsight

12+ AGREEMENTS
with leading survey publishers

The Data Marketplace is open

Data Marketplace is an AI-powered recommendation engine that augments the compensation survey data you manage in MarketPay. It uses machine learning to suggest third-party salary survey data you didn't know you needed. Simply purchase the data from select partners such as Empsight and Mercer directly within MarketPay. Best of all, you can start using that information right when you need to—when you're pricing jobs.

Self serve, real-time salary data from Data Marketplace not only streamlines your comp process. It can actually help you be more accurate in how you pay.

Job Descriptions built-in

Accurate job descriptions are a key part of your equity analysis. PayScale closely integrates with the most robust and configurable job description tool to power accurate market pricing, ensure compliance, and streamline communications with key stakeholders.

MarketPay Jobs powered by JdXpert help you understand the exact job you are pricing for including the roles, responsibilities and skills, all within MarketPay.

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ALL THINGS BEING EQUAL: EQUITY IS GOOD FOR BUSINESS.

As you move your business toward success in 2021, it pays to factor fair pay into your business strategy.

Pay equity

- Sharpens your competitive edge by improving your company's brand

- Increases employee engagement, leading to retention

- Boosts employee morale and performance

- Restores trust in management

- Provides peace of mind while reducing risk

We've got more than 12 years of salary data, going back to the Great Recession of 2007–2009. So we're in an excellent position to help you weather this current economic storm. In addition to offering you the freshest data on the market, you can cut it by size, revenue, location, skills, gender, geo, and more—in short, everything to drive business growth in 2021 and beyond.

> "Nestle made a global commitment in 2018 to make gender and pay separate. We are going to be a pay neutral company. **As part of that, we've done tons and tons of analysis on pay and how gender is affecting pay.** Knowing that that's an every-year commitment we've made, we have to make sure that we have a tool that is easily refreshable to look at the analytics behind how gender is impacting pay."
>
> **– Chris Lacey, Compensation Consultant,** Nestle USA

Check out PayScale's **Pay Equity Hub**

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