

HEALTH WEALTH CAREER

PAY EQUITY

C-TEN MEETING

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MAKE TOMORROW, TODAY



What do we mean by pay equity?

PAY EQUITY GETS CONSIDERABLE MEDIA COVERAGE...

"Women earned 80.5 cents to each dollar men earned in 2016"

Source:
<http://fortune.com/2017/09/13/gender-pay-gap-2016/>

"Google said female employees make 99.7 cents for every dollar a man makes"

Source:
<https://www.nytimes.com/2017/09/08/technology/google-salaries-gender-disparity.html>

"Black women have to work 7 months into 2017 to be paid the same as white men in 2016"

Source:
<https://www.epi.org/blog/black-women-have-to-work-7-months-into-2017-to-be-paid-the-same-as-white-men-in-2016/>

"Citigroup reports virtually no gap in gender or racial pay"

Source:
<http://money.cnn.com/2018/01/15/news/companies/citigroup-pay-gap/index.html>

...BUT WHAT DO WE MEAN BY PAY EQUITY?

**“RAW”
PAY GAP**

=

**“EXPLAINED”
PAY GAP**

+

**“UNEXPLAINED”
PAY GAP**

How average or median pay differs between women and men (or between whites and people of color)

How pay differs because men and women (and whites and people of color) are in different occupations and roles and have different education and labor market experience

Residual pay gap between men and women (or whites and people of color) that cannot be explained and may be due to pay inequities; often referred to as the “adjusted” pay gap

RAW VS. ADJUSTED PAY GAPS

RAW PAY GAP

Important for understanding the ***actual pay situation*** of women and people of color

VS.

ADJUSTED PAY GAP

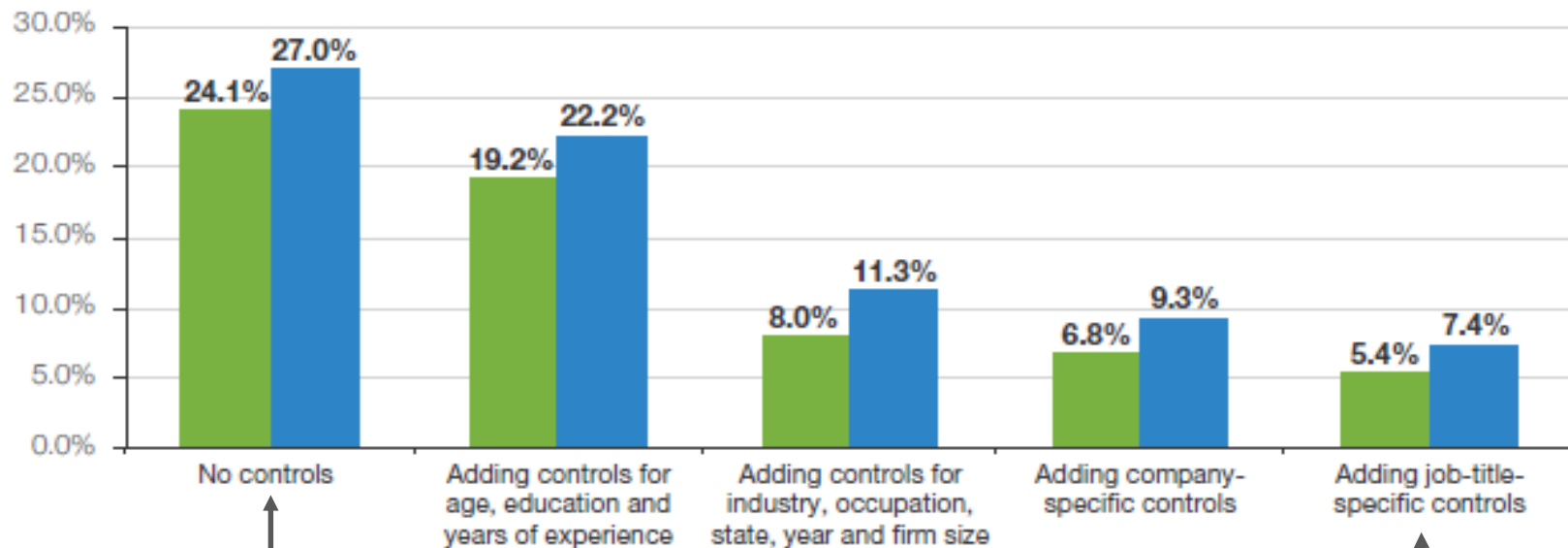
Important for understanding pay situation for women and people of color who are otherwise “similarly situated” to men and whites (i.e., helps to create an ***apples-to-apples comparison*** of pay to identify unexplained pay inequities)

 **WHAT WE MEAN BY PAY EQUITY**

CALCULATING THE ADJUSTED PAY GAP

■ Base Pay ■ Total Compensation

U.S. Gender Pay Gap, Before and After Adding Statistical Controls

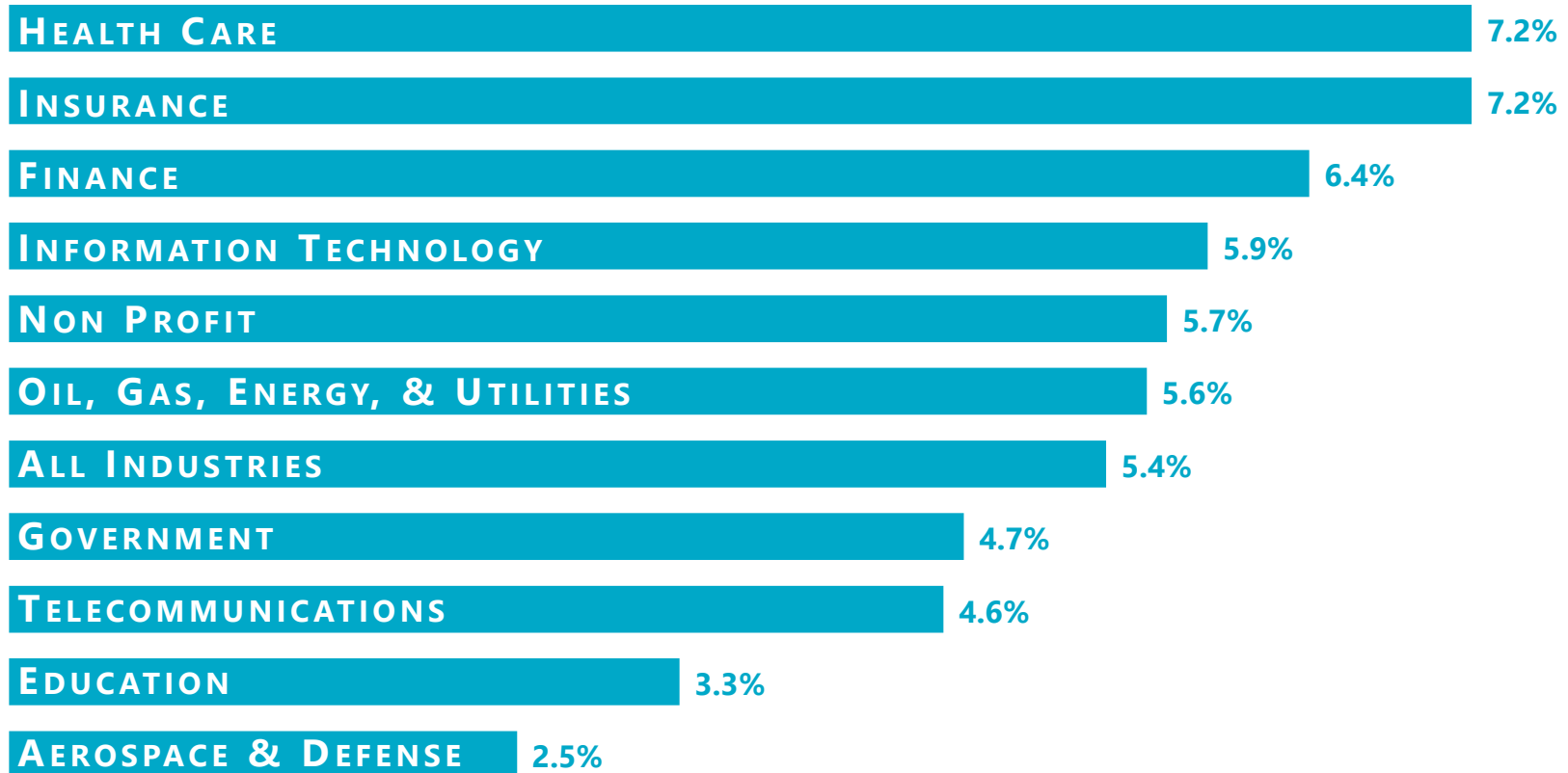


Raw pay gap

Adjusted pay gap

Source: Glassdoor, *Demystifying the Gender Pay Gap, Evidence From Glassdoor Salary Data*, 2016.

US ADJUSTED GENDER BASE PAY GAPS



Source: Glassdoor, *Demystifying the Gender Pay Gap, Evidence From Glassdoor Salary Data*, 2016.

ESTIMATES OF GLOBAL GENDER BASE PAY GAPS

Australia



France



Germany



United Kingdom



United States



Source: Glassdoor, *Demystifying the Gender Pay Gap, Evidence From Glassdoor Salary Data*, 2016.

How should pay equity be addressed?

HOW SHOULD PAY EQUITY BE ADDRESSED?

35%

HAVE A **ROBUST STATISTICAL APPROACH** TO PAY EQUITY

34%

HAVE A **FORMALIZED REMEDIATION PROCESS** TO ADDRESS IDENTIFIED PAY EQUITY RISKS

WOMEN THRIVE WHEN
there are
processes in place
to actively
address pay
equity

42%

HAVE AN **EXPLICITLY STATED** PAY EQUITY POLICY

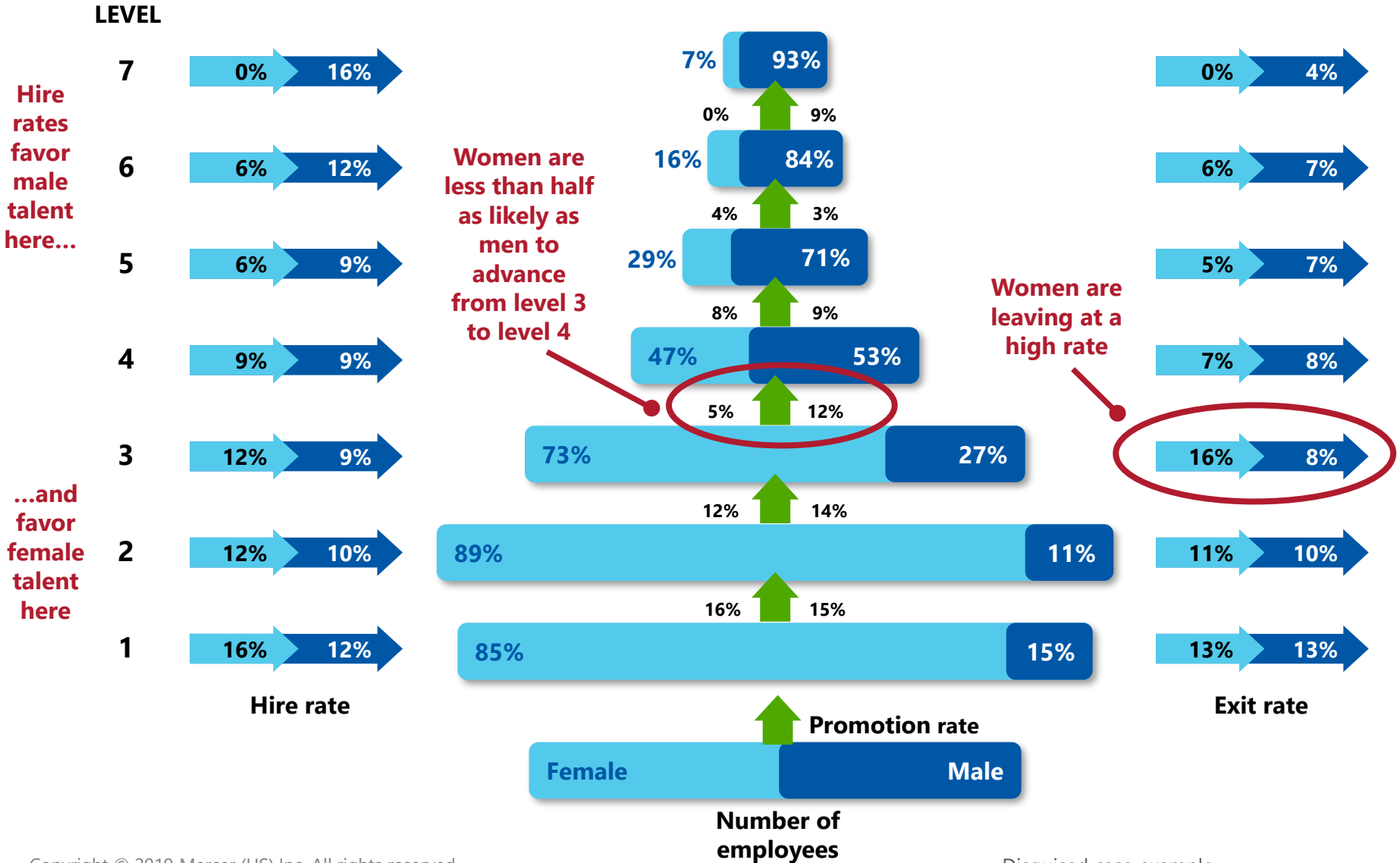
45%

HAVE AN **ASSIGNED TEAM** RESPONSIBLE FOR CONDUCTING PAY EQUITY ANALYSIS

SOURCE: MERCER'S 2016 WHEN WOMEN THRIVE REPORT

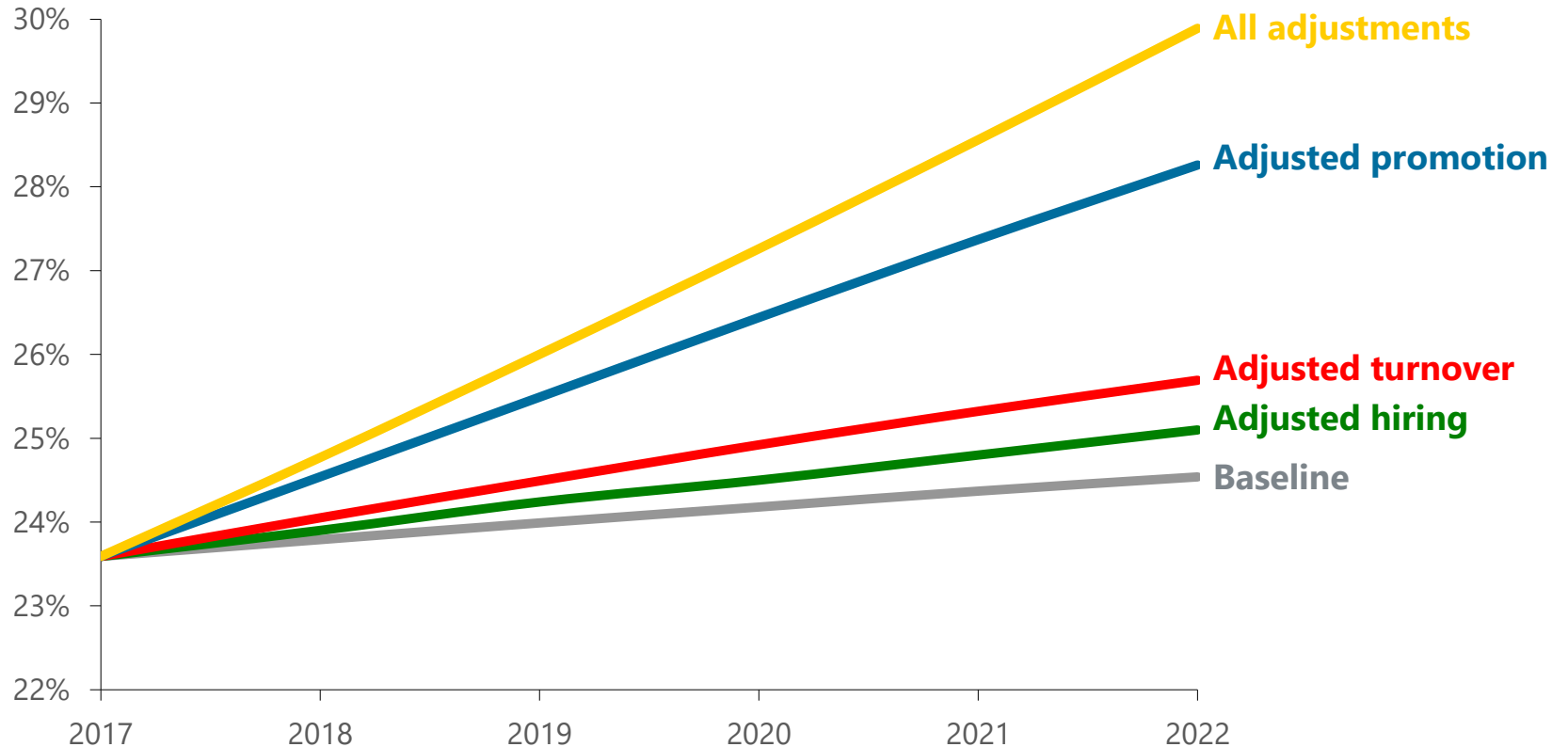
What about representation gaps?

ADDRESSING REPRESENTATION GAPS



IDENTIFY AREAS OF OPPORTUNITY

Percent of Senior Managers that are female





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