In the United States, women are paid only 80 cents for every dollar paid to men, comparing all women working full-time, year-round with their male counterparts. When we compare women of color with white, non-Hispanic men, this gap is much larger. But employers are recognizing that equal pay is a key part of fair employment practices and diverse workforces, which are not only essential for avoiding costly litigation, but also to gain a market advantage. Competitive – and fair– pay is critical for recruiting and retaining a diverse workforce and high performers, particularly for younger women. Consequently, employers of different sizes and in different sectors have begun to implement innovative policies and practices to identify and close gender wage gaps, and advance equal pay for their employees. By modeling proactive approaches, including conducting equal pay audits, embracing salary transparency, and banning the use of negotiation, these employers demonstrate that corporate leadership can make a difference in changing workplace culture to put equal pay at the forefront.

Conducting Equal Pay Audits

The companies and public employers below have announced that they have conducted equal pay audits to uncover and remedy wage gaps. In some cases, the analysis examined both gender and race. Some audits looked at wage gaps within job titles, and others organization-wide wage gaps; some analyses also reviewed the distribution of men and women in jobs across the organization. A few employers have acknowledged the existence of a wage gap or disclosed steps they have taken to correct any pay disparities. Unfortunately, although several companies have announced that they have undertaken equal pay audits, very few have shared details regarding their methodology, making it difficult to assess the rigor and quality of their analyses. Unless otherwise noted, the below companies did not provide information about their methodology.

Companies

Amazon: In 2016, Amazon completed an equal pay audit, and announced that women earn 99.9 cents for every dollar earned by men at the company, and people of color earn 100.1 cents for every dollar earned by white employees at the company.

Apple: Apple conducted an equal pay audit in 2016, and announced that it has achieved equal pay for women and people of color on its staff.

Buffer: Buffer, a tech start-up, conducted a pay data analysis in 2016 which revealed a gender wage gap – men’s average salaries were $98,705, compared to women’s average salaries of $89,205. Buffer announced steps to address its wage gap, including examining its process for determining how employees are placed at an “experience” level, which determines compensation, and hiring more women to address the gender imbalance in its workforce.

Cisco: Cisco, a technology conglomerate, has a unit that regularly reviews employee salaries for gender pay disparities. It announced that its initial gender gap was “a very small percentage” and that it has adjusted pay accordingly.

DDB: DDB, an advertising agency, hired an outside gender-equity certification firm to conduct an equal pay audit that examined pay, promotions, and hiring practices.

Delta Airlines: Delta Airlines conducted an equal pay audit which it says indicated that for administrative employees, women earned 98 cents for every dollar earned by men. For frontline staff, Delta announced that there was pay parity.

Eastern Bank: Massachusetts-based Eastern Bank announced that it regularly reviews its compensation data to ensure that differences in pay among employees in comparable positions...
can be accounted for based on experience and performance.  

**Expedia:** Expedia, which owns several online travel brands, announced that it conducted an equal pay audit and that it had no gender pay gap. The audit took into account base salary, bonus and stock-based compensation, and compared employees to those with similar position grades, tenure, and geographic locations.  

**Facebook:** In 2016, Facebook announced that it completed a statistical analysis of its pay data, which revealed that men and women are paid the same.  

**Gap:** Gap conducted an internal pay analysis led by its compensation team, which it states was subsequently validated by an outside consultant. The data analyzed by the consultants included annualized salary (in US dollars), gender, full time or part time status (FTE), employee tenure, span of control, level, job code, and geography for all Gap employees worldwide. Gap announced that it was paying its employees equal pay for equal work. Gap also has dedicated money to use to make pay adjustments in the event of a wage gap.  

**Glassdoor:** Glassdoor, a job search engine and review site, conducted an equal pay audit and published its methodology and data. Although the analysis revealed a pay gap when comparing all men to all women on staff, Glassdoor stated that when the analysis adjusted for age, performance, department, seniority level, and job title, women had a statistically insignificant advantage. Glassdoor also released the percentage of women on staff overall, in senior leadership and technical positions, and disclosed that the lack of women in senior leadership and technical positions contributed to its overall gender pay gap.  

**GoDaddy:** GoDaddy, a web hosting company, conducted an equal pay audit in September 2015, and announced that on average women were paid 0.28 percent more than men. However, the analysis also revealed that women in management were paid 3.58 percent less than their male counterparts.  

**Intel:** Intel, a multinational technology corporation, conducted an equal pay audit in 2015, comparing employees by job type and level education level, experience, performance, and responsibility. Intel reported that it had found no gender wage gap.  

**Microsoft:** Microsoft completed an equal pay audit in April 2016 and stated that its female employees make 99.8 cents for every dollar made by male employees, and that racial and ethnic minorities earn $1.004 for every dollar earned by white employees.  

**Nitsch Engineering:** Nitsch Engineering, a Massachusetts-based woman-owned engineering company, states that it reviews pay equity during annual salary review periods. The company compares an employee’s salary to those with similar education, years of experience, job titles, and professional registrations. Managers are required to justify any salary differences, and if needed the executive team will make salary adjustments.  

**Raytheon:** Raytheon, a defense contractor, has conducted equal pay analyses over the past 14 years, and states that it has achieved equal pay for men and women. Raytheon also provides managers with on-screen pay comparison tools to assist them in making salary decisions for new hires.  

**Redfin:** Redfin, a real estate company, conducted an equal pay analysis that examined every job level with at least five employees in a single location. Redfin published the results of these finding on its website, and reported it did not have a gender pay gap.  

**Salesforce:** Salesforce, a cloud computing company, conducted an equal pay audit in 2015. Upon discovering that some women were being paid less than men, Salesforce spent roughly $3 million to ensure that compensation was equal between men and women on staff. Approximately six percent of employees received salary adjustments, and roughly half of those who received salary adjustments were women.  

**SAP:** SAP, a software corporation, announced that it had conducted a pay audit of its U.S.-based employees in August 2016 with the assistance of a third-party firm, and found that over 99 percent of its employees in the U.S. are paid equally based on gender. SAP stated that for the less than one percent where the pay was unequal, it increased the compensation of these employees – two-thirds of which were women and one-third of which were men.  

**Public Employers**  

**United States:** In 2014, the United States Office of Personnel Management (OPM) conducted an equal pay audit of all white collar federal employees. OPM’s analysis found that from 1992 through 2012, the gender wage gap in the federal workforce shrank from 30 percent to 13 percent. OPM reviewed the occupational distribution of male and female employees, and determined that the differences in distribution accounted for much of its gender wage gap.  

**California:** In 2016, the state conducted a pay audit of the state workforce which found that women make 79.5 cents on the dollar compared to their male counterparts. The analysis did not compare the earnings of men and women in specific occupations.  

**Alexandria, VA:** In September 2016, the city of Alexandria, VA, released the results of its equal pay audit of its workforce, which found that on average, female employees earn 94 cents for every dollar earned by male employees. In
leadership positions, women earn two percent more than men. The city released the full data tables from the report.24

**Austin, TX:** In 2014, Austin released a pay analysis of city employees by gender, ethnicity, and age including analysis broken down by city profession. On average, female employees earned 87 cents for every dollar earned by male employees. The report did not control for performance or seniority within roles.25

**Boston, MA:** At the behest of its mayor, Boston conducted an analysis of the city workforce, including extensive analysis by department, race, and gender, as well as other factors. The analysis revealed gender and racial wage gaps in several departments, which the city made public.26

**New York City, NY:** In 2016, New York City’s Public Advocate released a report which revealed a gender wage gap in each of the top 20 municipal agencies; these data were publicly released.27

**Seattle, WA:** In 2013, Seattle’s mayor convened a Gender Equity in Pay Task Force to work towards equal pay in the city government, and conducted a gender pay audit finding gender and racial wage gaps, which were publicly disclosed. The Task Force issued a report, which included recommendations outlining how to close gender and racial wage gaps, reduce occupational segregation, reduce implicit bias, hire and retain more female employees, and increase city contracting with women-owned businesses.28

**Spokane, WA:** Spokane conducted an equal pay audit of city employees and published the data. The analysis revealed a gender pay gap in some areas of city government.29

### Promoting Pay Transparency

A culture of secrecy around pay is bad for business not only because it gives cover to discrimination, but also because it leads to poorer performance, employee dissatisfaction and lower motivation, and mistrust of management. Conversely, increasing transparency by allowing employees to discuss compensation, and providing employees with information about pay scales and pay-setting practices, increases the likelihood that employees will believe they are paid fairly, which in turn promotes employee engagement and productivity.30 The following companies have promoted pay transparency through various approaches, including allowing employees to discuss compensation, publishing employee salaries, and creating and disclosing salary ranges or levels for jobs.

**Buffer:** Buffer has posted each employee’s salary in a publicly available spreadsheet, as well as the formula it uses to determine each salary.31

**Elevations:** Elevations, a Boulder, Colorado credit union, posts its salaries online and sets salaries based on title.32

**GoDaddy:** Employees at GoDaddy can compare their salary to that of coworkers in the same position. Each employee’s pay statement indicates the salary level and range for their position.33

**Jet.com:** In June 2015, Jet.com, an e-commerce company, made its salary data available to its employees and investors on an app.34

**Namaste Solar:** Namaste Solar, a Colorado-based solar panel installation company, has made salaries transparent and pays every employee the same bonuses.35

**SumAll:** SumAll, a marketing analytics company based in New York, has posted all employee salaries on an internal network accessible to its employees.36

**Whole Foods:** Since 1986, Whole Foods has permitted employees to look up the salaries and bonuses of anyone in the company, including the CEO.37

### Standardizing Compensation-Setting and Eliminating Salary Negotiation

Setting compensation based on negotiation, rather than predetermined, objective standards and metrics can exacerbate gender and racial wage gaps, and create disparities between new and current employees. The companies below are examples of those that have established compensation structures and practices to increase transparency and reduce discretion in pay-setting, including the use of salary ranges and objective criteria to set compensation, creating fixed salaries based on position or title, and prohibiting negotiation.

**Accenture:** Accenture, a professional services company, has announced that it has shifted its compensation structure so that certain salaries are now assigned based on job title in a standardized way.38

**Elevations:** Elevations sets salaries based on title, which has improved retention and recruitment efforts for the company and reduced complaints from employees.39

**Fog Creek Software:** Fog Creek Software, a project management software company, created eight salary levels for employees. An employee’s level is calculated based on experience, scope of responsibility, and skill set. Everyone at the same level makes the same salary. Each employee’s level is reviewed annually and recalibrated if necessary.40

**GoDaddy:** GoDaddy developed a new compensation structure which strives to pay the 70th percentile of the market rate for each position, and contains salary brackets for each position. After switching to the new system, GoDaddy adjusted salaries where necessary.41
Google: Google created a compensation system with salary levels for each position in the company, and pays employees according to those scales. Google reports that although recruiters may ask about a candidate’s prior salary as a data point, it does not drive calculation of the salary offer. In 2015, the women who were hired received, on average, a 30 percent larger salary increase than the men hired.42

Jet.com: In June 2015, Jet.com developed a compensation structure with ten levels that sets all employee salaries based on position, and eliminates the use of negotiation for new hires. If job candidates believe their offers are low, Jet.com directs them to the LinkedIn profiles of other employees hired at the same salary level so that job candidates can compare their qualifications.43

Magoosh Inc.: Magoosh, an online test prep company, has a no-negotiation policy for salaries. The company reviews salaries on a quarterly basis and compares its compensation to the market rate at similar firms. Magoosh also raises pay for employees when the company hits revenue milestones.44

Mission Produce: Mission, an avocado production and distribution company, has implemented a pay scale using a computer algorithm that flags salaries that are outliers. When implementing the pay scale, it brought all employees up to a set minimum salary.45

Reddit: Reddit, a social news aggregation and discussion website, created a pay scale for employees that maps market compensation data against Reddit’s existing compensation, jobs and experience levels. Reddit increased its salary cap to ensure that job offers would include salaries on the high end of market rates. Candidates who receive job offers can choose to receive a mix of cash and equity, to provide flexibility without changing the amount of compensation offered. Reddit adjusted the salaries of existing employees with raises or bonuses as needed during the annual review process.46

SumAll: SumAll assigns new hires to one of nine salary brackets, which are fixed based on position. SumAll prohibits negotiation during the hiring process; offers are fixed based on the salary formula and are “take it or leave it.”47

Threshold: At Threshold, a Seattle-based wealth management firm, when new employees are hired, existing employees’ salaries are adjusted to ensure that pay remains fair within the company.48

Eliminating Unconscious Bias

The companies below are among those that have implemented processes to mitigate the role unconscious bias can play in important employment practices that affect compensation, such as hiring, negotiation, setting starting salaries, and determining promotions.

Chubb: Chubb, an insurance company, has paired its sessions on unconscious bias with performance management training, and uses this training to teach managers how to objectively link performance with business goals.49

DDB: DDB has hired a firm to provide unconscious bias trainings to 2,000 of its North American employees.50

Facebook: Facebook has developed training materials for its employees to mitigate the effects of unconscious bias, and has made these materials publicly available online. The material covers stereotypes and performance bias, performance attribution bias, competence/likability tradeoff bias, and maternal bias.51

Google: Google has created the voluntary training Unconscious Bias @ Work, which relies on internal examples and external research to discuss bias in the workplace. Google’s training is available online to the public.52

Pfizer: Pfizer, a pharmaceutical company, has given a three-hour workshop on hidden bias to company leaders. Managers are given a “tip sheet” prior to interviewing job candidates to help limit the role unconscious bias plays in the hiring process.53

State Street: State Street, a financial services holding company, began conducting unconscious bias training, for its managers in 2011. Members of the selection committee, which determines executive promotions, are required to participate in the training.54

Other Promising Corporate Practices to Advance Equal Pay

Accenture: Accenture has ensured that female employees are part of the board compensation committee, which determines and reviews salaries.55

Baker Tilly: Baker Tilly, an accounting and advisory firm, regularly evaluates the compensation of female part-time employees, to ensure they are still being paid at the market rate.56

Kimberly-Clark: Kimberly-Clark, a personal care corporation, has an analytics team that conducts regular pay equity analyses. When an analysis revealed that female employees’ promotions and pay increases often stalled at the level before director, Kimberly-Clark increased the percentage of women in director-level jobs to 30 percent, from 17 percent in 2010.57

Work & CO: Work & CO, a Brooklyn-based digital project design company, requires recruiters to find two strong female job candidates for every male candidate. Recruiting tests for software programmers do not collect gender or race information until applicants complete the technical test online and move onto the next stage of the hiring process.58
Public-Private Partnerships

In the last few years, employers, non-profit organizations, governments, and academic institutions have created initiatives to work together to address equal pay, including by conducting equal pay audits, sharing promising practices, and providing expert assistance.

Alaska: In May 2014, the YWCA of Alaska began EconEquity Initiative: Eliminating the Gender Pay Gap in the State of Alaska by 2025. The initiative has engaged businesses, non-profits, organizations, and individuals around the issue of equal pay in Alaska, and released a report about the work completed in the first year of the project.59

Boston: The Mayor’s office established an initiative known as 100% Talent: the Boston Women’s Compact, whereby over 50 companies in Boston pledged to work to close the gender pay gap, and evaluate successes and challenges together.60

Seattle: 100% Talent is a five-year initiative of the Seattle Metropolitan Chamber of Commerce and Women’s Funding Alliance to increase gender equity in King County. The initiative is designed to engage employers in Seattle to address the wage gap, and has a goal of 500 employer pledges by the end of the initiative.61

National: In 2016, the Obama Administration announced an initiative to encourage private sector companies to express their commitment to equal pay. Businesses that signed the Equal Pay Pledge committed to conducting an annual gender pay analysis, reviewing hiring and promotion practices, addressing implicit bias in their companies, and working towards closing the national gender wage gap. Nearly 100 companies across sectors have signed the pledge, including Accenture, GoDaddy, and Salesforce.62 Several of the pledge signers have formed a consortium known as Employers for Pay Equity.

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48 Weber, supra note 33.
50 Bruell, supra note 6.
55 Shook, supra note 38.
57 Bernard, supra note 18.
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61 Women’s Funding Alliance, “100% Talent: A Gender Equity Initiative for King County” (2016), http://www.wfalliance.org/getinvolved/page.php?id=47.