



Inequity at Work: Making Your Talent Practices Match Your Values

Presentation of Research Findings + Solutions

September 2022

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\ **Our Why:** With the right leaders and the right talent systems, equity can be achieved.

if we...

- \ place **equity minded leaders** into **equity centered systems**
- \ measure our **impact over time**
- \ make **consistent improvements**



we will...

- \ close **wage gaps**
- \ close **opportunity gaps**
- \ build a **leadership bench** in our sector that is truly **reflective of the communities we serve**

Why We Exist

**Put your values to work.
Act on equity.**

Equity needs to be a daily action.

We exist to empower organizations to recognize and overcome unconscious bias, racism and sexism to build workforces that reflect and strengthen the communities they serve.

Overview

The Challenge

Our recent research finds that real opportunity and income gaps exist, and **we believe the two work together to reinforce inequity.**

White men are paid more AND receive more support and opportunity in their roles – making them even more valuable, further ensuring they are paid even MORE.

We must do more to solve for opportunity gaps that only serve to negatively drive income gaps within even the most well-intentioned organizations.

Key Findings: Income Gap Report

Research of Bay Area organizations finds that every other demographic group is underpaid compared to white men.

**Statistically
significant, large
wage gaps by
race and
gender-identity
exist**

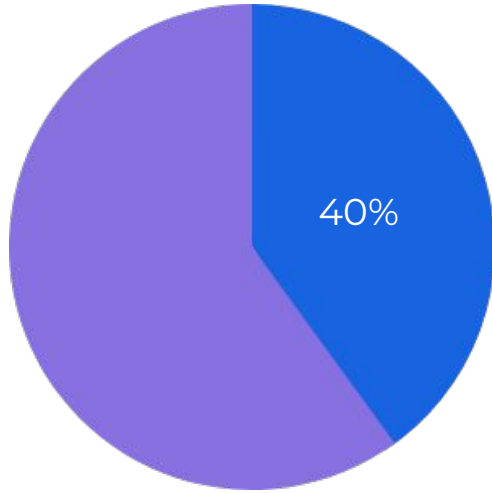
Significant wage gaps exist even when controlling for other factors related to compensation (e.g. employee role, time in job, etc.)

The **most dramatic gap is between Latina women and white men**, but also every demographic group.

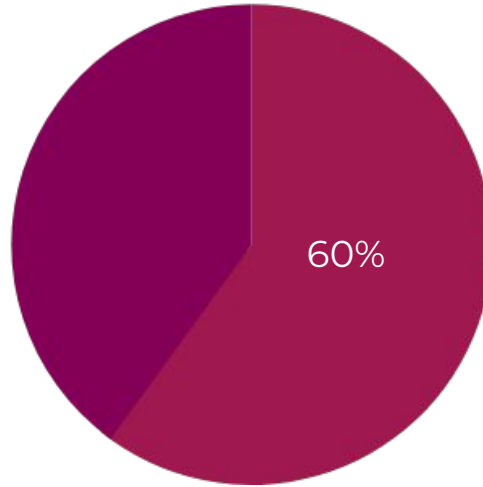
Latinx females earn \$6,000 less in base salary than white males.

These wage gaps are consistent across organization size, issue area, and scope.

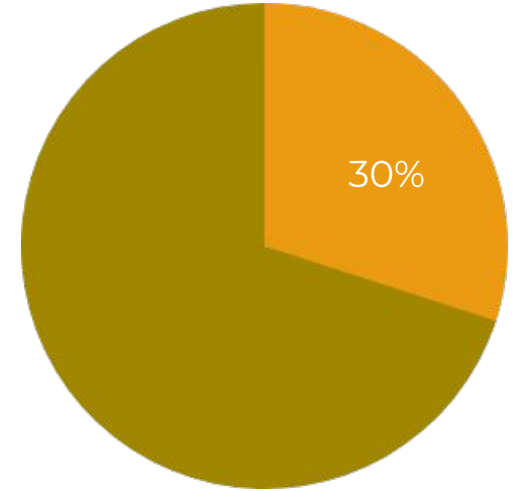
\ Pay practices across organizations vary widely and DEI practices are inconsistent



40% of organizations surveyed have a codified compensation philosophy



60% of organizations surveyed have a formal salary structure



30% of organizations surveyed share salary structure with staff

\ Too many decisions are made based off of an already flawed system

90%

...consider market benchmarks when setting employee salaries.

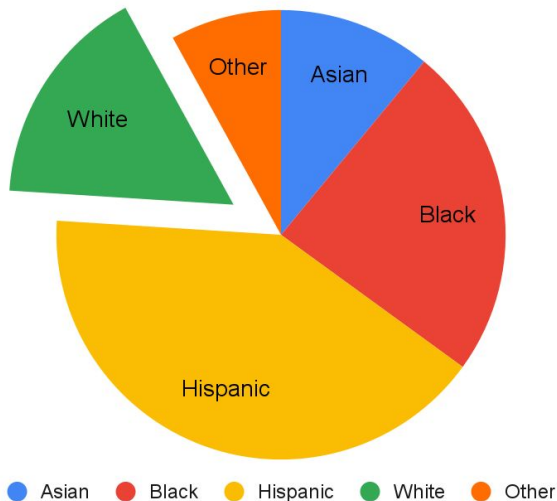
70%

...report targeting the 50th percentile or higher.

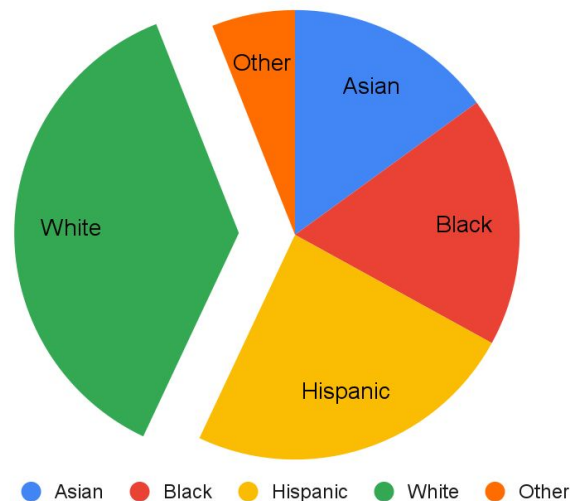
\ White staff have more access to top tier salaries

White employees are about 1.5x more likely to earn a top quartile salary than their proportion of the overall study.

1st Quartile of Salaries



4th Quartile of Salaries



\ Well-intentioned organizations struggle with equity because essential tools are missing

90%

...of organizations reported having **at least one staff member formally tasked with supporting Diversity, Equity, and Inclusion (DEI)** at their organization. The median amount of time allocated for DEI was **10% of an FTE**.

45%

...of organizations reported conducting an **annual protocol to monitor compensation inequities**.

21%

...of organizations reported convening a **DEI Task Force or Working Group**.

34%

...of organizations reported **offering compensation to staff members participating in a DEI Task Force** or related DEI initiative.

Compared to other nonprofits, **education organizations** are more likely to have formal compensation philosophies, compensation structures and to have senior staff members tasked with leading DEI initiatives.

Of the nonprofits surveyed, education organizations reported they do more to put equitable systems in place

58%

... of education organizations reported **they have a codified compensation philosophy**, whereas only 40% of nonprofits overall could say the same.

71%

... of education organizations who do have a compensation philosophy **share it with their staff**, up from only 30% in nonprofits overall.

67%

... of education organizations have a **formal salary structure**, and most of them share this information with staff.

But despite these efforts, education organizations still struggle with significant income gaps

Compared to white employees:

- **\$11,000**

Latino employees suffer a pay penalty of more than \$11,000.

- **\$5,000**

Black employees made an average of \$5,000 less.

- **\$7,637**

Women made \$7,637 less than their male counterparts.

The most striking disparity in these organizations was between white men and Latina women: **White men were almost twice as likely as Latina women to enjoy a top-quartile salary.**

The wage gap is clear.

**Are organizations acting to disrupt that pattern –
or perpetuate it?**

Key Findings: Opportunity Gap Report

\ Our recent TEA study shows...

**white men are given more
opportunities in the
workplace.**

White men
receive more
opportunities
than women or
people of color

Senior staff **spends more time coaching and mentoring white men** than women or people of color

These opportunities lead to growth and success

- \ White men are **11% more likely to report they have been given stretch opportunities.**
- \ White men receive higher performance ratings:
 - 90% of white men report receiving a high rating or performance review in the year, compared to only 75% of black men

- \ White men enjoy more opportunities in the workplace, shortchanging women and people of color.

This opportunity gap reinforces a deeply problematic wage gap, and organizations must do more to create radical, systemic change.

Recommendations

Compensation equity is not easy to achieve, but it is possible

Organizations serious about DEI need to do more to demonstrate their commitment.

There are four key steps organizations can take immediately to close the wage and opportunity gaps that exist.

1 Organizational leaders, c-suite must take the lead and put policies and practices in place to ensure inequity is resolved

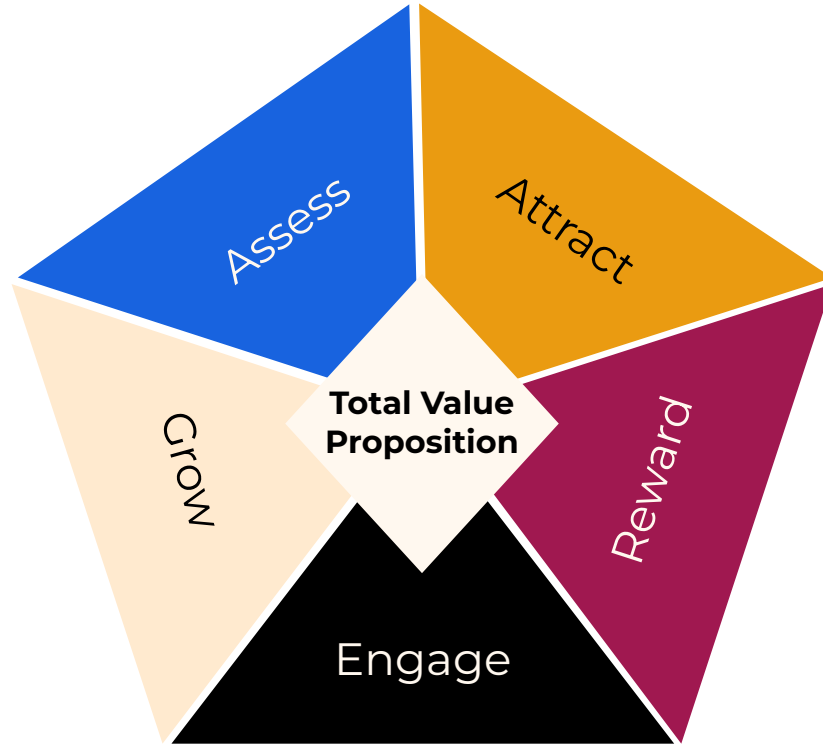
Organizations should incorporate these three pillars of equity into their career pathways, performance management and compensation...

1 Clarity & Transparency

2 Fairness & Consistency

3 Inclusion & Belonging

2 Conduct annual self-assessments to evaluate talent practices for equity



3 Look for wage gaps as part of annual salary planning

Organizations should look at these three incentives by demographic group (race, gender, management level, etc...)

1 Salary

2 Bonuses

3 Performance Ratings

4 Conduct annual self-assessments to evaluate talent practices and isolate opportunity gaps

Organizations should look at these three key indicators by demographic group (race, gender, management level, etc...)

1 Net Promoter Score

2 Total Value Proposition

3 Edgility Equity Index

Equity can't just be a belief.


It has to be a set of actions.



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Put your values to work. **Act on Equity.**

Edgility audits current compensation practices and builds out the policies, tools and practices needed to advance workplace equity.