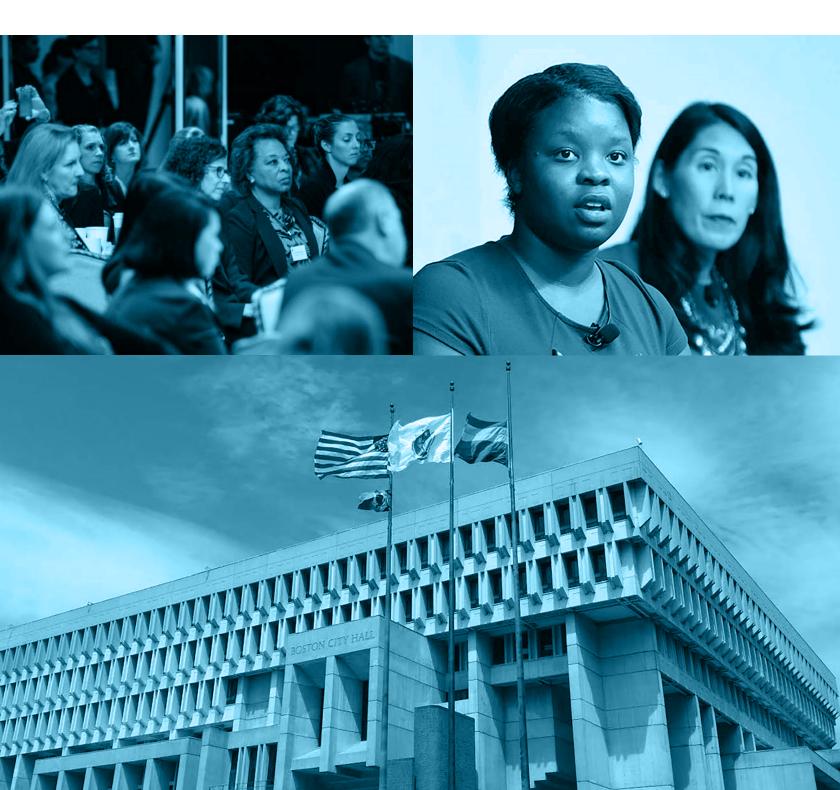
# BOSTON WOMEN'S WORKFORCE COUNCIL REPORT 2017





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January 2018

Dear Signers of the Boston 100% Talent Compact:

When I took office in 2014, we created the Mayor's Office of Women's Advancement to enhance the quality of life for women and girls in the City of Boston. Together, we implemented innovative approaches to addressing some of the issues that adversely impact women. One of those chief issues is the gender wage gap. Pay equity is an imperative component of economic security for women and families. It has a far-reaching effect on our neighborhoods, communities, and the economy.

Closing the gender gaps in wages and representation cannot happen without data analysis as well as changes in workplace policy and culture. I am thankful to each and every one of you for your steadfast commitment to both of those fundamental pieces of this work. It is your leadership that sets the tone for this movement in Boston and beyond.

Upon reviewing the data from the inaugural Boston Women's Workforce Council report last year, we were disappointed that we weren't able to measure the wage gap by race. The City of Boston is majority women of color. I am committed to understanding and promoting economic equity for women of color. That said, we, along with the Boston Women's Workforce Council Co-Chairs, Cathy Minehan and Evelyn Murphy, are proud to share that this year's report includes wage gap data by race. We must challenge ourselves as employers to absorb these data and recognize that it is imperative to be more intentional about hiring and promoting people of color in our workplaces. We will not see our goal of closing the wage gap realized until we prioritize equity at every level of employment.

The number of Boston 100% Talent Compact signers has grown exponentially since we began this work. We now have over 225 companies engaged in this effort. I am grateful to the Workforce Council members

who have worked tirelessly to recruit new signers and broaden our reach. The participation of companies from a variety of industries across the public and private sectors is proof of how seriously our city is taking this initiative. This shows the power of collaboration to tackle long-standing, deeply entrenched issues and drive change.

We want to thank the committed Lead Sponsors of the Boston 100% Talent Compact: Massachusetts Mutual Life Insurance Company, Partners HealthCare, Putnam Investments, State Street Corporation, and Vertex Pharmaceuticals. Their time, financial resources, and dedication make this report possible. These companies light the way for other employers by setting a standard of responsible and equitable leadership. For that, I am thankful.

Thank you to our data partner, Boston University and the Rafik B. Hariri Institute for Computing & Computational Science and Engineering. In particular, I am grateful to Azer Bestavros, the Director of the Boston University's Rafik B. Hariri Institute of Computing and Computational Science & Engineering, and Andrei Lapets, who leads the Software & Application Innovation Lab team. Without their dedication to this cause, the analysis and measurement component of our work would not be possible.

Finally, I want to extend my sincerest gratitude to the City's partner in this work, the Boston Women's Workforce Council. Thank you to the Co-Chairs, Cathy Minehan and Evelyn Murphy, and the staff led by Executive Director, MaryRose Mazzola. I am deeply grateful to the Mayor's Office of Women's Advancement, led by Executive Director, Megan Costello as well. Each has consistently exhibited the strong leadership, expertise, and tireless dedication to this work that is essential to its success.

With the addition of wage gap data by race, this report builds upon the City of Boston's efforts and ability to address gender inequity in wages and representation. We're moving our city forward, and closer to becoming the best place in the country for working women. I am so grateful to all of you for making this possible.



With gratitude,

Mayor Martin J. Walsh



January 2018

Dear Signers of the Boston 100% Talent Compact:

The past year has been one of achievement and deepening insight as we on the Boston Women's Workforce Council work with you, our engaged and committed partners, in the quest for pay equity in Boston. At the start of the year, we set ambitious goals for both adding signers to the Compact and understanding more about the practices all signers are using as they address this issue within their businesses.

We are proud to say that we have added fifty more Compact signers since last year's report. Working with this ever-expanding group, we held quarterly membership briefings on hot topics in the area of gender equity, and sponsored a Best Practices Conference that featured Mayor Walsh, roundtable discussions facilitated by CEO leaders, and a remarkable panel of industry group heads who reflected on pay equity as a vital strategy in attracting and retaining the talented workforce increasingly needed by Boston organizations, as well as to the area's economic viability and growth as a whole.

Adding to our insight was work done by McKinsey and LeanIn.org, which was presented at the 2017 Best Practices Conference. Working with data from a national survey, they presented information that we think greatly supports our sense that pay equity and the related advancement of women in the workplace are issues that are intertwined, intractable, and timely.

Finally, we made significant progress in setting a baseline of gender and racial pay equity data for the city of Boston that will enable us to measure progress going forward. Using an anonymous reporting process developed and perfected by the Rafik B. Hariri Institute for Computing and Computational Science & Engineering at Boston University, we captured average gender and racial pay equity data covering

almost 167,000 employees, or about 16% of the relevant workforce. These data reflect a far from perfect current state, but they also give us much room for discussion and progress.

None of this would have been possible without the firm commitment of Mayor Walsh and the Executive Director of the Mayor's Office of Women's Advancement Megan Costello. Our key major business sponsors -Massachusetts Mutual Life Insurance Company, Partners HealthCare, Putnam Investments, State Street Corporation, and Vertex Pharmaceuticals continue to support and guide us, and the many other Compact signers, new and old, bring much energy to our discussions and firm commitment to working on this critical issue. We also thank our fellow Council Members for their leadership and recruitment of new companies. We are deeply indebted to the hard work and enthusiasm of our Executive Director, MaryRose Mazzola, and Analiese Barnes-Classen, who joined the BWWC team in June. Finally, we thank Layla O'Kane at the Harvard Kennedy School for her work improving the data submission process and analyzing the findings

We hope that the report following this letter increases your understanding of what we have accomplished together this year, and deepens your commitment to making Boston the best city in the United States for working women by closing the wage gap.

Sincerely

Carly E. Minhon To J. Muyly

Cathy Minehan & Evelyn Murphy, BWWC Co-Chairs

# THE BOSTON WOMEN'S WORKFORCE COUNCIL MEMBERS

#### **COUNCIL CO-CHAIRS**







**Evelyn Murphy** 

### **COUNCIL MEMBERS**



Dana Born



Lisa Brothers



Victoria Budson



Susan Cicco



Megan Costello



Jane Edmonds



Rita German



Elizabeth Hoenscheid



Kathy Horgan



Trish Karter



Katharine Lusk



Kara Miller



Mim Minichiello



Maureen Mulkerrin



Katy O'Neil



Tracy Palandjian



Zorica Pantic



Kelly Garvey Pellagrini



Pam Randhawa



**Robert Rivers** 



Micho Spring



Jennifer Springer



Janaki Kibe Stern



Jeff Swartz



Kimberly Steimle Vaughan



Raquel Webster



Beth Williams

## I. 2017 MAJOR HIGHLIGHTS

The Boston Women's Workforce Council (BWWC) is a first-in-the-nation public-private partnership that uses real employer wage information to assess the pay gap via an innovative, confidential data reporting system. The release of our 2016 report marked the first time that employer-provided wage data by gender and job category had been used to evaluate the wage gap.

As such, 2017 began with much excitement. Most notably, we received positive feedback from cities hoping to replicate our model and Mayor Walsh recognized our work in his 2017 State of the City address, even sharing our report at the U.S. Conference of Mayors' winter meeting. We also formed a new partnership with Boston University and moved into the University's Hariri Institute, and increased our staff to meet the needs of our growing network of Compact signers.

The themes identified at our 2016 Best Practices Conference framed our 2017 quarterly membership briefings, which are meant to enable signers to share their experiences, seek advice from one another, and candidly reflect on successes and shortcomings in their efforts. The first briefing on "Creating Internal Goals" featured three panelists from Putnam Investments, Harvard Pilgrim HealthCare, and InkHouse. The second briefing on "Building the Pipeline and Creating Role Models" included speakers from MassMutual, Eastern Bank, and Nitsch Engineering. At the third meeting on "Prioritizing Compensation Transparency," Compact signers heard from Dana-Farber Cancer Institute, Care.com, and Staples.

Our fourth quarter membership briefing on "Providing Workplace Flexibility" highlighted panelists from RSM, Shorelight Education, Shawmut Design and Construction, and Tufts Health Plan. Almost 100 Compact-signing employers participated in these sessions, including executives, human resources, and compensation staff.

Our 2017 Best Practices Conference was a success with over 200 attendees and roundtable discussions led by twenty CEOs of Compact-signing companies. The roundtable discussions reinforced last year's best practices associated with creating internal wage equity goals, building the pipeline, pay transparency, and the value of workplace flexibility. Jane Edmonds of Babson College, and a member of the Council, moderated a panel of area organization leaders regarding the importance of the business community's participation in these efforts. These business leaders included Jim Rooney of the Greater Boston Chamber of Commerce, Jesse Mermell from The Alliance for Business Leadership, and JD Chesloff from the Massachusetts Business Roundtable. Mayor Walsh spoke on the need for the entire city and country to know about the lead Boston has taken on this issue, given the impact Compact signers have had in Boston. The Mayor noted that we are seeing a culture shift that can become ever more powerful in bringing a new and diverse workforce to Boston.

We proudly surpassed 200 employers signed onto the Boston 100% Talent Compact, leading us to conduct another wage data submission this year to gain a more reliable wage gap baseline, against which to measure progress for the city. The immense growth in Compact signers presented us with an opportunity to capitalize on a larger sample size that included thousands of new employees. Analyzing wage data this year also allowed us to calculate the gender disparity in earnings by race, something we were unable to achieve in 2016, but a top priority for the BWWC and Mayor Walsh, as we recognize that most studies find that the wage gap is significantly worse for women of color.

Enclosed in this report are our findings from this year's wage data submission, firsthand accounts of several Compact signers as they address the issue within their organizations, and lessons from the 2017 Best Practices Conference. Our approach to this work is unique and made possible by our many partners who recognize that confronting the gender wage gap is not only the right thing to do, but a smart thing to do for Boston's economy as a whole.





"Having actual employer-reported wage data is key to really understanding the gender wage gap in greater Boston. I implore every employer (public, private, non-profit) to read this report, become educated about the 100% Talent Compact and the security of the data, and then sign the Compact! Data is powerful and can help lead to change ... be a part of the solution by helping the BWWC have the most robust wage data possible! Research clearly shows that diversity in management results in companies that perform better. With this business case for having women in leadership positions, closing the wage gap becomes critical for keeping women in the workforce and available for leadership."



LISA BROTHERS

President and Chief Executive Officer

Nitsch Engineering



## II. DATA ANALYSIS

#### **EXECUTIVE SUMMARY:**

In September 2017, 114 employers participated in the Boston Women's Workforce Council's (BWWC) second Boston 100% Talent Compact data submission. These businesses and nonprofits reported data on almost 167,000 employees, or roughly 16% of the Greater Boston workforce. These data indicate that women, on average, earned 76 cents to a man's dollar. This gender wage gap varied by job category and race, with women of color earning on average significantly less than White women.

#### **DATA SUBMISSION PROCESS:**

Part of the commitment employers make when signing the Boston 100% Talent Compact is to anonymously report employee data to the BWWC biennially. The Software & Application Innovation Lab at Boston University's Rafik B. Hariri Institute of Computing and Computational Science & Engineering, the BWWC's data partner, developed a completely confidential reporting system from which anonymous data from multiple independent sources can be analyzed in the aggregate.

During the submission process, Compact signers submit their wage data in the aggregate form over a unique, web-based software program that employs encryption using a technique known as secure multi-party computation. During this process, individual compensation data never leaves each organization's server. The BWWC then receives aggregate data unconnected to any firm.

During the 2017 process, employers received a template in advance to complete and submit during the submission window, which lasted for one week in early September. This template was intentionally designed to mirror the EEO-1 form, which is required of most companies by the U.S. Equal Opportunity Commission (EEOC). The template asks employers to provide the following information about their Boston-based employees:

- Gender Race/ethnicity categories
- EEO-1 job categories Length of service
- Annual compensation (base salary, overtime, and commission)
- Performance pay (cash only)

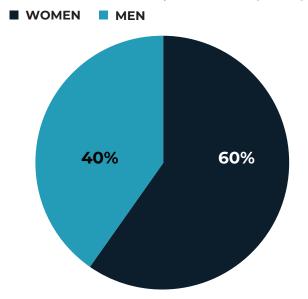
Thanks to a partnership with the EEOC, the BWWC is able to compare the demographics of our reported sample to the Greater Boston workforce as a whole. This year, we added an "unreported" race category to ensure that we obtain data for all relevant employees and that we can reliably calculate wage gaps by race/ethnicity beginning with this year's analysis, the findings of which are shared below.

#### **PARTICIPATION:**

This year's data submission included 166,705 employees from 114 Compact-signing companies. This is a significant increase from last year's sample, which included 112,629 employees from 69 Compact-signing companies. This year's sample represents 16 percent of the Greater Boston workforce, according to 2015 workforce data provided by the EEOC, which is the most recent year for which this data is available.

Similar to last year, our sample is skewed by gender, as it includes more women than men. There are 99,699 women and 67,006 men in our sample. This means that 60 percent of employees in our sample are women and 40 percent are men. The Greater Boston workforce, as represented by EEOC data, is approximately evenly split between men and women.

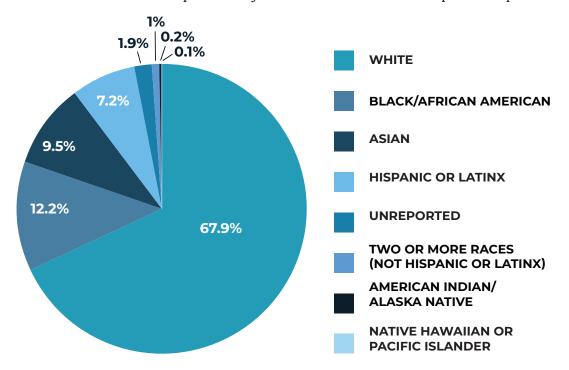
**FIGURE 1:** Gender breakdown of 100% Talent Compact sample



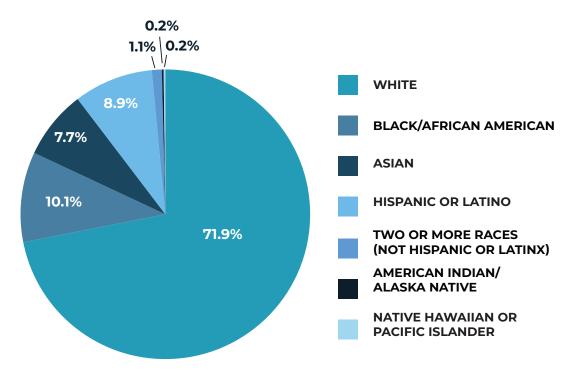
<sup>1</sup> Gender is assumed to be self-identified, but is based on the EEOC's gender binary options, so does not capture the gender spectrum.

"This year's data submission included 166,705 employees from 114 Compact-signing companies. This is a significant increase from last year's sample, which included 112,629 employees from 69 Compact-signing companies. This sample represents 16 percent of the Greater Boston workforce. [In our sample] we found that women, on average, earned 76 cents to a man's dollar. This gender wage gap varied by job category and race."

**FIGURE 2:** Racial Composition of Boston 100% Talent Compact sample



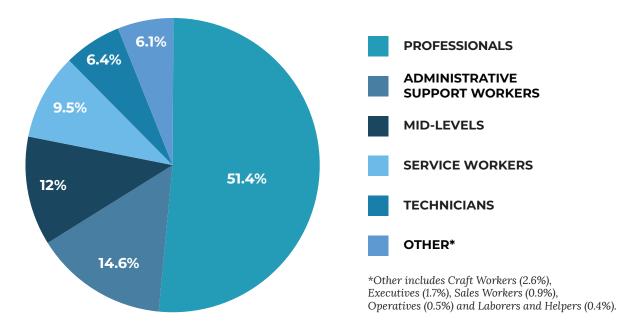
**FIGURE 3:** Racial Composition of Greater Boston workforce



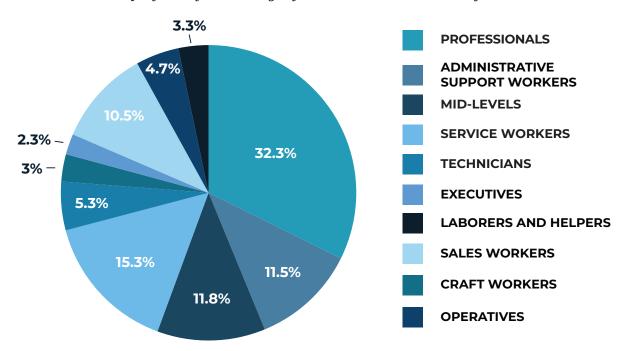
The Boston 100% Talent Compact sample primarily consists of White employees, followed by Black/African American employees, and then by Asian employees. Our sample largely mirrors the racial composition of the Greater Boston workforce.

It should be noted that our sample includes too few people who identify as "American Indian/Alaskan Native" or "Native Hawaiian or Pacific Islander" to enable us to make statistically valid statements about these race/ethnicity groups.

**FIGURE 4:** Employees by Job Category in 100% Talent Compact sample



**FIGURE 5:** Employees by Job Category in Greater Boston workforce



The Boston 100% Talent Compact sample consists largely of employees in the "Professional" EEO-1 job category. This job category includes a wide range of occupations, reflecting all of the different industries of our Compact signers. For example, included in this category are engineers, teachers, lawyers, writers, physicians, computer scientists, and many others. Within the wide array of positions that are included in the Professional category, there are many whose salary markets are completely different.

Our sample likely includes an overrepresentation of women professionals in lower-paying professions. This means that, even if there were full wage equity in lower paying professions (like nursing and teaching) and even if there were full wage equity in male-dominated higher paying professions (like physicians), our sample may still reflect a slightly larger wage gap than exists in the entire Boston workforce.

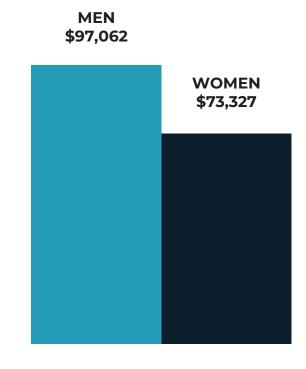
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#### **COMPENSATION:**

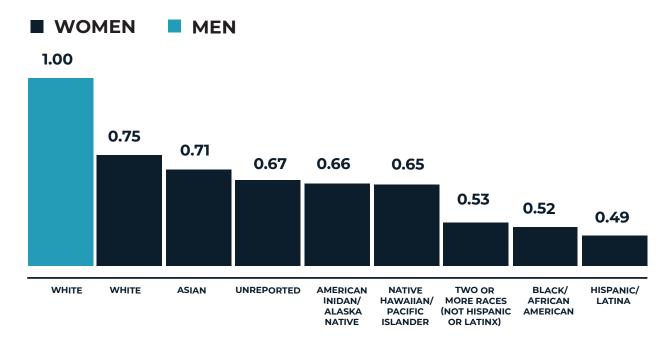
The 2017 sample accounts for almost \$14 billion in total compensation in 2016, excluding performance pay. Approximately 100,000 women earned \$7.3 billion in 2016. This is an average of \$73,000 in compensation in 2016. The 67,000 men in our sample earned \$6.5 billion in 2016. This is an average of \$97,000 in compensation in 2016. The resulting gender wage gap is 24 cents. That is, women earned 76 cents for every dollar of men's earnings in 2016.

This gender wage gap is larger than that reported by the U.S. Bureau of Labor Statistics (BLS). Data reported by BLS comes from survey data of employees within its definition of Greater Boston area, which includes communities stretching into New Hampshire. Our data is employer-provided data, which we believe is a more accurate reflection of actual earnings during the specified period of time. In addition, the EEOC research department provided the BWWC with characteristics of the workforce in metropolitan Boston defined as all zip codes within Route 495, exactly matching the data on employers provided on earnings of employees within Route 495.

**FIGURE 6:** Average Annual Compensation by Gender



**FIGURE 7:** Earnings ratios of Women by Race, Compared to White Men



Consistent with other surveys, the gender wage gap varied by race. White and Asian women were the closest to parity, earning 75 cents and 71 cents respectively, as compared to a White man's dollar.

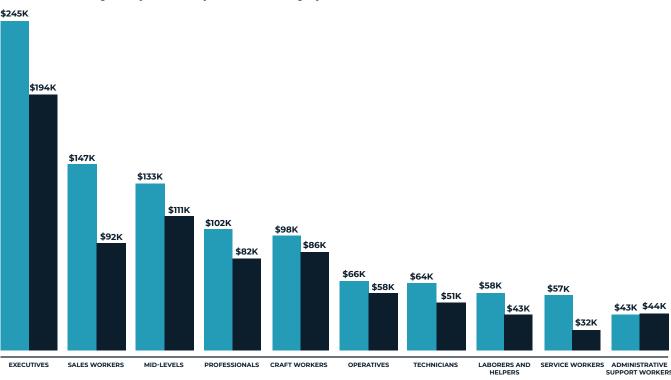
The largest inequities were among Black/African American women and Hispanic/Latina women, earning 52 cents and 49 cents as compared to a White man's dollar, respectively.

The gender wage gap also varied by job category. Female Administrative Support Workers earned more than their male colleagues, with women earning \$1.02 for every \$1.00 a man earned on average. Other job categories closest to parity were Craft Workers and

Operatives, for which women earned an average 88 cents to a man's dollar. The largest inequities are among Sales Workers (\$0.63 on the dollar) and Service Workers (\$0.57 on the dollar).

MEN

**FIGURE 8:** Average compensation by EEO-1 Job Category



WOMEN

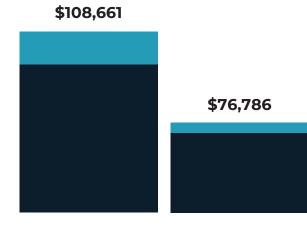
## TOTAL COMPENSATION (INCLUDING CASH BONUS OR PERFORMANCE PAY)

The sample included data on performance pay or bonuses paid to employees in 2016, regardless of whether those bonuses were earned in 2016. These data showed that \$1.1 billion in cash bonus pay was granted to those employees who received bonuses in 2016. The sample includes almost \$15 billion in total compensation, including bonus pay, in 2016. The 100,000 women in our sample made \$7.6 billion in 2016 in total compensation for an average of almost \$77,000 in in 2016. The 67,000 men in our sample made \$7.3 billion in 2016 in total compensation, for an average of almost \$109,000. Thus, the wage gap in terms of total compensation was 29 cents for each dollar men made.

**FIGURE 9:** Average annual total compensation for men and women, broken down by salary and cash performance pay



#### CASH PERFORMANCE PAY



Men Women

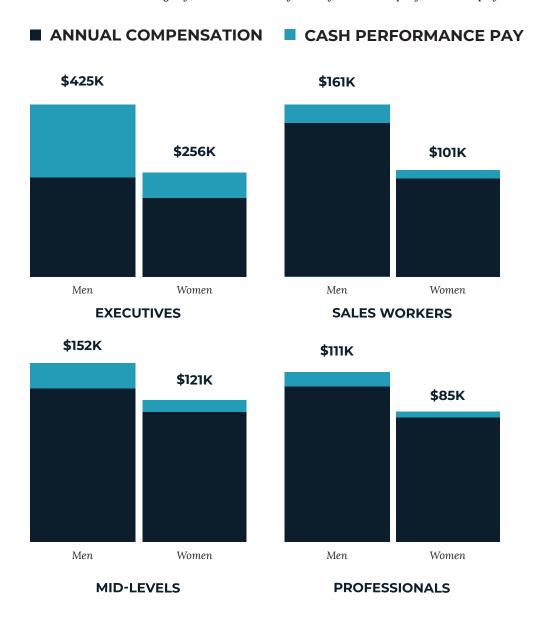
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Bonuses were a larger factor in the pay of men than for women. Women, on average, received about \$3500 in bonus pay, while men's average bonuses were more than three times as much. Bonuses were also unequal among races, with African American women earning a mere seven cents to the White man's bonus dollar.

Total compensation, once performance pay is included, also varied by job category. It should be noted that not all job categories receive a significant amount of (if any) cash performance pay. We have highlighted the four job categories where at least 5% of total compensation is cash performance pay.

One caveat about these data is that the nature of the aggregates that we analyzed in the sample makes it difficult to assess how many employees in any job category actually received bonuses. Thus, it is possible that the actual bonus pay received by those women and men who received bonuses could vary significantly from the averages.

**FIGURE 10:** Average annual total compensation for men and women by EEO-1 Job Category, broken down by salary and cash performance pay



"Harvard Pilgrim is proud to be part of the Boston 100% Talent Compact and supporter of the Boston Women's Workforce Council. An essential part of our corporate identity and inclusion business strategy is to ensure our workforce is both equitable and diverse to best reflect and meet the needs of the communities we serve."



ERIC SCHULTZ
Chief Executive Officer
Harvard Pilgrim Healthcare

"While great strides have been made when it comes to gender equality, we recognize that there is still much work to be done. Signing on to the Boston 100% Talent Compact is a demonstration of MassMutual's commitment to closing the gender wage gap, advancing diversity and inclusion and ensuring we do what's right for our customers, our workforce, and our communities. We firmly believe fostering an inclusive work environment and investing in female talent makes us a stronger, more innovative company."



SUE CICCO
Chief Human Resources & Communications Officer
MassMutual

"Closing the gender pay gap maximizes and rewards the talent base, both here in Massachusetts and around the world. Babson students and alumni entrepreneurs are committed to creating economic and social value everywhere, and we know that leveling the playing field for women in the workplace makes good business sense."



**JANE EDMONDS**Vice President for Programming and Community Outreach
Babson College

## III. LESSONS FROM 2017

The foregoing discussion of data focuses appropriately on the unique submission process and results that are the hallmark of the BWWC's innovation in measuring gender wage equity. But such data are solely a baseline against which to measure community progress. They do not comprise a tool that can be used by individual businesses in measuring their own progress. What is needed goes well beyond the data that the Council analyze to include both an understanding of evolving practices and real-world assessments as to where individual companies are as they travel the road to gender equity.

During 2017, we began to explore how to assess progress and learn from each other in addressing the four key themes that were identified by the CEO-led discussions at our 2016 Best Practices Conference. At each of our quarterly membership briefings, signers of the Boston 100% Talent Compact discussed their own work in addressing one of the themes, and invited questions and comments from the group. This approach was repeated at the 2017 Best Practices Conference, with CEO-led table discussions and a panel of industry group leaders. Mayor Walsh encouraged all of us to be even more committed to the goal of making Boston the best place in the U.S. for working women, and McKinsey consultants outlined data from a country-wide study illuminating just how hard achieving this goal might be.1

In many ways, all of us on the Council believe that the quarterly briefings and the Best Practices Conference are at the heart of what the BWWC offers to Compact signers in Boston: a real opportunity to both recognize issues and work on solutions together with similarly motivated companies. We learned and made progress in the four areas we identified, and these learnings go beyond the themes with which we began the year. This section discusses what we learned in 2017, and sets the stage for our agenda in 2018.

## LEARNING I-GENDER EQUITY IS CHALLENGING AND NOT IMPROVING:

As we learned from the McKinsey report that was presented at the 2017 Best Practices Conference, progress towards true gender pay equity is very slow in the aggregate, if in fact it exists at all. We believe that individual companies are making progress through setting goals, bringing a talented pipeline of women onto the staff, being transparent about pay, and taking steps towards a more flexible workplace. But results from these first steps are hard to see, and progress is difficult to appreciate. Men and women see the problem differently.

<sup>1 &</sup>quot;Women in the Workplace 2017," McKinsey & Company and LeanIn.Org



"A one-sized-fits-all, linear career path no longer exists in today's workforce. The war for talent is on, and companies need to take a hard look at their pipeline strategies across all levels to ensure that they have the critical business talent to fuel innovation and growth. Implicit bias, wage gaps and unfair balances of power continue to slow the rate of progress and prevent us from leveraging our best talent... One-way career highways are not enough. We need better off-ramps and on-ramps, side roads and bridges which connect people and fuel innovation. We need a new paradigm designed for real women and the real world. And today's companies need new career lanes that aren't hindered by gender, race or age."



ADDIE SWARTZ
Chief Executive Officer
reacHIRE

As the McKinsey study highlights:

"Men think that women are doing better than they are; when it comes to how women and men see the state of women and gender diversity efforts, there are striking differences. Men are more likely to think that the workplace is equitable; women see a workplace that is less fair and offers less support. Men think their companies are doing a pretty good job supporting diversity; women see more room for improvement. Given the persistent lag in women's advancement, women have the more accurate view."

One related area of challenge is the status of women of color, especially African Americans and Latinas. BWWC data shown earlier illustrate the large gaps in average wages of African American women and Latina women relative to those of White men. Again, the averages can hide large differences depending on job type within the EEOC categories, but the size of the variance speaks volumes about the nature of the problem. However difficult it will be to get wage equity for women in general, it will be that much harder to succeed with women of color.

In Their Own Words,

The following are thoughts from participants in BWWC quarterly member briefings and the 2017 Best Practices Conference:

"We need top-down intervention to speed up; we need other more nuanced things to help build the movement, but these changes alone will be incremental, not transformational."

"Diversity means that we can see that people here don't all look the same. Inclusion is harder to pin down, because that lies in in-person interactions: who is getting handshakes, who is invited to after work gatherings."

"Diversity is being asked to the party; inclusion is being asked to dance once you are there."

"Surprise – the needle isn't moving faster on the gender wage gap. Maybe it is an age thing, one that will change as male leaders age out. Men may sign the Compact because of pressure from women but that does not mean things are really changing"



## LEARNING II-BUT THE BUSINESS IMPERATIVE GROWS:

Our 2017 Best Practices Conference panel of business group leaders in the Greater Boston area made one thing very clear: while gender pay equity is the right thing to do, it is also an increasingly necessary aspect of doing business in a highly competitive environment.

Employers are finding it ever more difficult to hire the right people for the positions that they need to fill. There is a need to use every ounce of brainpower available, no matter what package that brain comes in, and treating everyone equitably is the first step in meeting that need.

Our panelists included business group leaders Jesse Mermell from the Alliance for Business Leadership, JD Chesloff from the Massachusetts Business Roundtable, and Jim Rooney from the Greater Boston Chamber of Commerce. Some thoughts from their presentations:

"Gender wage equity will lift women and families. That's good not just for them but also for business and the economy as a whole: the ultimate "two-fer."

"Boston's efforts to create wage equity are a hot topic throughout the country; business organization leaders are asked to speak about this in many locations; it is a conversation that is resonating all over the country."

"Why now? Gender wage equity has been an issue for over 50 years. Why will we solve it now? One possible reason is the millennial generation of workers whose priorities are different; they want to work in an equitable workplace."

"We need to take the talent that is not on the field and put it on the field to create and sustain economic growth."



"Knowing Massachusetts is first to the table with its Massachusetts Pay Equity Law, organizations can use the opportunity to educate leaders about your own 'gender gap' and ensure that self-evaluation becomes routine. Pay transparency IS the business case we all need to begin closing the gap."



**ROBIN ANTONELLIS**Vice President of Human Resources
Dana-Farber Cancer Institute

"At Shawmut, we are committed to building a diverse, talent-driven workplace of incredibly engaged employees. We provide industry-leading client service by making sure our employees feel their best while at work, and Diversity & Inclusion, respect, empowerment and pay equity are fundamental to create this culture."



**LES HISCOE**President and Chief Operating Officer
Shawmut Design and Construction

## LEARNING III-ADVANCEMENT OF WOMEN TO POSITIONS OF POWER IS KEY:

One factor that nearly all who have interacted with us in our BWWC events this year acknowledged is the importance of women making it to the top as a signal to others that success is possible. This is yet another area that has stalled in the aggregate, according to both Catalyst² and McKinsey.³ In fact, the progression of women into top positions may have moved backwards. Many studies point out the correlation between the number of women in senior management and on boards and high levels of corporate performance. Correlation is not causation, of course, but the fact that some very successful companies have women in their senior leadership does suggest that the ability of women to rise to the top creates a more equitable, and more competitive, place for everyone.

Compact signers attending the Best Practices Conference this year noted:

"The pipeline issue is used as an excuse; companies claim that there is nobody coming up and it's not the fault of the folks at the top."

"You have to dig more into what the sources of talent are and how we are thinking about those sources. When companies employ narrow and rigid ways of quantifying talent, they can profile the ideal candidate as a man."

"Most of the time it is more efficient to grab talent from other places than to develop and train people. So, you get similar faces and end up reinforcing the exclusion of certain groups of people."

"We need to be more explicit about the need to hire and train people of color and women."

"It is hard for women to see themselves in a field if there aren't a lot of women there already."

#### **LEARNING IV-LEADERSHIP MATTERS:**

From the start of the BWWC, it has been clear that leadership in meeting pay equity goals is vital: leadership in the public sector and the private sector, for non-profits, as well as profit-seeking entities. For the Council, the leadership of the Mayor in bringing so many Boston organizations to the table to understand what the Council is doing is vital.

The Lead Sponsors of the Compact, as well as all other business signers, emphasize the need for senior level buy-in to the goals of the Council. The change that is needed is a cultural change, a change in the tenor and tone of the workplace that can only come from the top down. When one considers the position of African American or Latina women in the area of pay equity, the need for cultural change rapidly becomes an imperative.

As that change happens, it has to be supported by both men and women throughout the organization. It is not enough to simply look at comparable jobs and assure that there is comparable pay. One needs also to see how women are making it from middle management layers to top management, how many board seats are filled by qualified women, and how welcoming the workplace is for both men and women as they seek to balance life and work. This is an agenda that both men and women can and should get behind.



<sup>2</sup> Catalyst "Women in Leadership," 2017

<sup>3</sup> McKinsey "Women in the Workplace Report," 2017



"It is not enough to simply look at comparable jobs and assure that there is comparable pay. One needs also to see how women are making it from middle management layers to top management, how many board seats are filled by qualified women, and how welcoming the workplace is for both men and women as they seek to balance life and work."

"Honoring, supporting and rewarding our women and minorities across the whole pipeline from entry-level to the C-Suite must be a conscious, intentional and actionable commitment from all of us."



**SANDRA FENWICK**President and Chief Operating Officer
Boston Children's Hospital

## IV. GOING FORWARD: 2018

Given the data baseline that we created in 2017, the time has come to use all of our resources to explore the issues around the gender wage gap, and identify interventions that work for both Boston companies and the health of the city.

Our 2018 agenda includes work in four major areas: recruiting new Compact signers from diverse industries; engaging with others to leverage our work in wage equity; developing an inventory of practices and a measure of the progress towards advancing women of all races into more senior positions; and bringing more CEO leaders, men and women, to active engagement with our work.

We need to recruit more Compact signers to add to the conversation. We are at 225 signers, with the goal of continuing to grow the number of companies we work with and the percentage of the Greater Boston workforce we represent. With the addition of more signers, and intense interaction on the issues and solutions, we can set a base for progress that should be measurable the next time signers submit data.

We want to take bold steps in 2018 to bring together the groups locally and nationally working on the many aspects of wage inequity. We want to build alliances to leverage our unique wage gap data gathering. Other organizations like the Greater Boston Chamber of Commerce, The Boston Club, The Commonwealth Institute, The Massachusetts Women's Forum, and The Partnership locally, and Catalyst and Paradigm for Parity nationally, among others, address the measurement of progress in different ways. We believe that we can work together to develop a more holistic assessment of movement toward the goal of wage equity.

Our data confirm that for Compact signers to achieve significant progress toward pay equity, women must advance at all levels of responsibility and leadership. We will place high priority on working with signers to achieve and measure women's progress in upward mobility. This effort should be even larger for women of color. Because racial equity looms so large, we will build an inventory of successful practices by employers explicitly designed to advance pay equity for women of color.

Finally, male leaders who understand and appreciate the problems caused by gender pay inequities must play a major role in achieving cultural change in the workplace. We will build alliances with men – and women – CEOs committed to demonstrating their actions and their effectiveness in pay equity under their roofs.

Our 2018 agenda reflects our commitment to both a social and a business imperative. Signers of the Boston 100% Talent Compact and members of the Boston Women's Workforce Council must always bear in mind how we fit into this nation's long history of reckoning with the gender wage gap. A little over fifty years ago, with the passage of the Equal Pay Act of 1963, our nation recognized that pay inequities based on gender should be abolished. After that, for decades, pay equity advocates successfully secured passage of more laws at the federal, state, and municipal levels to eliminate this gap – laws that essentially regulate business conduct. To this day, the main strategy to eliminate America's gender wage gap continues to be the passage of laws regulating business behavior and litigation of outlier employers.

Within this half-century history, the Boston 100% Talent Compact is unique. It is the first – and only – large-scale initiative founded on solving pay equity issues in ways fitting their sector, scale, and culture, and holding themselves accountable for progress. It is the first – and only – public-private partnership in which the Mayor of a major American city, Mayor Martin J. Walsh, works with CEOs of Compact-signing companies to achieve measured and measurable progress. This is a partnership built on public-private trust - trust by the Mayor that signers will make progress, and trust by employers that the data they report will be anonymously incorporated into a Greater Boston average and used for the betterment of the city. We must never lose sight of this unique opportunity to demonstrate what partnership and collaboration can achieve for Boston and beyond.

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