

Subcommittee: Measuring the Pay Gap

Daniel C.Y. Kuang, Ph.D., Biddle Consulting Group, Inc.

Kimberlee Shauman, Ph.D., University of California, Davis

Staff contact: Tonya D. Lindsey, Ph.D., Senior Research Consultant, CCSWG, tonya.lindsey@library.ca.gov

Bethany Renfree, Policy Director, CCSWG, bethany.renfree@women.ca.gov

**This document is drafted solely for discussion during the October 24, 2016 Task Force meeting and should not be construed as legal advice or a final recommendation of the Task Force. The information contained herein does not necessarily represent the opinions or conclusions of the Task Force. The posting of this information does not create requirements or mandates.*

Summary: The Measuring the Pay Gap subcommittee will facilitate the full application of SB 358, the California Fair Pay Act, by providing materials that describe the data requirements, appropriate metrics and analytical methods that may be used to assess pay equity among employers. The subcommittee aims to develop materials to assist with the measurement of pay equity by both employers and employees. This report outlines the subcommittee plan for deliverables as it is currently envisaged (as of September 30, 2016), but we emphasize that the specific plan may change as we move forward.

Planned Deliverables:

We plan to deliver:

1. A document that summarizes the analytical approaches and data required for reliable assessments of gender equity in pay that will meet or exceed the standards specified in SB 358, the California Fair Pay Act. The summary will be presented in table format and we will endeavor to make it comprehensive but accessible to a lay audience. [See attached document, “Measuring the Pay Gap – Summary of data requirements and analytical approaches.pdf,” which is an early version of the type of document we are considering.]
2. A series of one-page documents that provide additional information for each component of the summary document. These one-page documents may include detailed descriptions, links to external resources, illustrative examples, etc.; the format will vary and will be tailored to the material presented.
3. We understand that the constituencies for the information this subcommittee will produce vary in their characteristics and interests (e.g., employers and employees, small and large employers, new and established business, etc.). We will consider whether these distinct constituencies would be best served by producing separate documents that present tailored information, or if the distinct perspective/interests/needs can or should be addressed in one set of materials that acknowledges those differences.

Subcommittee Interdependencies:

Our subcommittee anticipates that our work may inter-depend on or overlap with work of other task force subcommittees, such as the “Evaluating Systems and Functional Infrastructure” and the “Evaluating Job Classifications” subcommittees. The collection of appropriate job-level and employee-level data *is* critical to the reliable measurement of the wage gap in the context of SB 358, which requires evaluation of both within-job and between-job disparities. The “Challenges and Barriers” subcommittee’s work may also overlap with ours. There are challenges surrounding market-driven pay rates and how performance reviews are conducted, as well as how pay differentials should be redressed. Additionally, employers may face challenges in how to correctly attribute a change in pay to relevel a disparity under the Fair Pay Act as opposed to a change in pay due to performance, and many employers may not have clear performance criteria that can be linked to pay records. These are all issues that other subcommittees may be considering which may intersect with our work.