What Businesses Can Do on Pay Equity Data Collection to Help Close the Wage Gap

JUNE 2023

The wage gap impacts people’s livelihoods, the future of work and the economy – and pay data collection is a critical tool for solving it. Data collection is at the forefront of many timely conversations involving women at work, and is being tracked by global news networks, job sites, and economic and academic researchers and advocates.

In the United Kingdom, companies with more than 250 employees are required to report pay data, and our analysis reveals that many prominent U.S.-based companies or their subsidiaries are already reporting pay data in compliance with the U.K. law.

National Partnership for Women & Families analysis reveals that of companies on the Fortune 100 list in 2022, roughly two-thirds are already reporting wage gap data to the U.K. These companies employ more than 10 million people, and have nearly $1 trillion in profit, with roughly $7 trillion in revenues. These are among the most successful and powerful companies in the world, including Amazon, FedEx, Apple and more. Their ability to collect data to comply with legislation abroad is strong evidence of their ability to do so here in the U.S.

What businesses can do:
• Collect pay data by race, gender, ability, and job type to construct a “pay equity audit” to assess and eliminate wage disparities. This helps businesses ensure they are in compliance with the law and avoid legal and reputational risks. It also demonstrates their commitment to pay parity and enables them to appeal to social justice-motivated consumers.
• Be persistent. Salesforce engaged in multiple rounds of data collection and internal policy changes to address pay inequities.
• Be innovative. L’Oréal worked with EDGE to develop an international pay measurement tool founded in existing best practices and methodologies.
• Complement data collection with additional efforts to reduce gender inequities including an examination of hiring practices, not asking applicants about salary history, offering caregiving benefits and more.

The deep, persistent roots of unfair pay mean eliminating the wage gap requires a multi-prong approach, including supporting caregiving responsibilities, addressing job segregation and confronting discrimination. Ensuring we are able to fully assess the scope and scale of unfair pay through consistent, detailed data collection is essential for all of these efforts.

Read the full brief: How Data Collection Can Help Close the Wage Gap