

100% Talent

HOW BOSTON IS LEADING THE WAY TO ENDING THE GENDER WAGE GAP

by Christina M. Knowles



To say the wage gap is having its fifteen minutes of fame is an understatement.

It has trended on Twitter, been the subject of viral videos featuring Sarah Silverman and John Oliver, and is a daily headline in mainstream news sources. President Obama gave the wage gap air time in his State of the Union speech and has made closing the gap one of his top priorities. Dozens of global CEO's have pledged to eliminate gender disparities in pay and leadership in their companies. Legislation to bolster existing but incomplete federal and state pay equity laws has been filed for decades, with the latest iterations garnering broad support from women, advocates, and local politicians alike.

And yet, the wage gap stubbornly remains.

That nationally women make, depending on their race, between 53 and 78 cents to a white man's dollar despite the global attention and attempts at fixing the disparity is a testament to how intractable and complex the issue is. Some point to the choices women make in their education and the careers that they seek, as well as their relative lack of seniority in the job, in part due to family responsibilities, as underlying causes of the wage gap.

However, when one controls for these variables, there is a residual gap that is unexplained by anything other than subtle factors in the workplace environment. Moreover, until the true nature of the problem is addressed, women will continue to be paid less for the work they perform, and businesses will underutilize the talent that they need in an ever more competitive world.

Measuring the wage gap describes the problem—what can be done about it?

The City of Boston has the answer in the Boston Women's Workforce Council and its groundbreaking initiative, *100% Talent: The Boston Women's Compact*.

The quest to make greater Boston the best place in the country for working women

Cathy E. Minehan, Dean of the School of Management at Simmons College, was a key player at the inception of the Boston Women's Workforce Council in April 2013. The inaugural 16-member Council, appointed by the Mayor and chaired by Dean Minehan, was tasked with making Boston the best place in the country for working women. In order to do this, the Council needed to close the gender-based wage gap, remove the visible and invisible barriers to women's advancement, and ensure that 100% of the talent pool was being used.

The Council decided to accomplish its lofty goal by creating and implementing an initiative called 100% Talent: The Boston Women's Compact. The 100% Talent Compact is an innovative, first-in-the-nation partnership in which businesses pledge to take concrete, measurable steps to eliminate the organization's wage gap and to anonymously report data tracking their progress every two years.

Upon taking office in January, Mayor Martin J. Walsh pledged his deep commitment to the Council's work and his desire to increase the Council's scope, scale, and effectiveness to ensure its success.

"Women's economic equity is one of my top priorities as Mayor of Boston," Mayor Walsh says. "Women make up more than half of the Boston-area residents and employees, and it is unacceptable that they are making less than their male peers. The loss of income that women experience has broad impacts, extending across our City's economy. Closing the wage gap is good for families, it's good for the City, and it's good for business."

To further that goal, Mayor Walsh established a partnership with the School of Management at Simmons College in order to provide the Council with the wealth of opportunities that the School of Management offers.

"I am proud to partner with the School of Management at Simmons College to close the wage gap in Boston. Simmons has a national reputation for training women business leaders, and has expertise and contacts that will benefit the Council tremendously," says Mayor Walsh.

Mayor Walsh isn't alone in his desire to see the wage gap closed; 54 companies have joined the 100% Talent Compact, and many more are expected to sign on in the next two years. This should create a critical mass of employers in the Greater Boston area. Signatories

span the range from large financial, health care, and academic institutions to tech startups and small locally owned businesses.

The 100% Talent Compact is groundbreaking because it's changing the culture of business and upping the ante in the marketplace. As Jackie Glenn, EMC Corporation's Vice President & Global Diversity Officer says, "The most important aspect of the 100% Talent Compact is that it is more than ceremonial; it is fundamental. It is a group of employers who are saying,

'we do business on these terms and nothing less.'" Gender equity is quickly becoming a non-negotiable for investors, customers, and employees, and companies who haven't paid much attention to it thus far will find themselves unable to compete in the new market.

State Street Corporation has long been a global leader in the field of gender equity, and played a key role in the creation of 100% Talent. Alison Quirk, Executive Vice President, Global Human Resources and Corporate Citizenship for State Street and member of the Council calls the compact an "innovative and practical initiative that's addressing the disparities in women's leadership and pay in corporate America."

"At State Street, we believe that creating a diverse and inclusive corporate culture is essential to our long-term success," says Quirk. "Women make up

The Women's Workforce Council core beliefs:

- Equity is a competitive advantage.
- Women are one of the Region's greatest assets.
- When women thrive, communities thrive.
- The gender wage gap is about more than a difference in pay.
- Employer commitment is essential to closing the gap.

more than half of the managerial and professional workforce in the United States but represent a much smaller portion of senior leadership positions, while often earning less than their male counterparts with similar skills and experience. That's not a good formula for success—and it's just not fair.”

“There is no other city in America in which major employers have committed to work with the Mayor to eliminate their gender wage gap, share with other employers the tools and techniques they used to do so, and share their gender wage data publicly to back up their claims.”

— Massachusetts Lieutenant Governor, Evelyn Murphy

State Street's business success and its leadership on advancing women are linked: it has been proven over and over that gender equity contributes to a company's success. Businesses that strive for gender equity in their workforce experience increased engagement and productivity among employees, see better quality final work products, and enjoy higher levels of employee morale and retention. Companies committed to advancing women have access to 100 percent of the talent pool, so they hire the best person for the position. And then there's the cold, hard cash: companies in the top 20 percent of financial performance had women making up 37 percent of their leadership; for organizations in the bottom 20 percent, women made up only 19 percent of their leadership teams.

And the benefits extend far beyond a businesses' bottom line, as Mayor Walsh noted earlier. EMC's Glenn says, “One of my favorite components of the compact is one of the core beliefs on which it is based: that when women thrive, our communities thrive.”

Like EMC, all 54 companies understand that when women are paid fairly, communities will see benefits such as increases in their local economic revenues. Considering that the average woman in Boston loses about \$10,000 annually due to the wage gap, and also considering that women control about 73 percent of the household spending, it's not hard to see how closing the wage gap would significantly boost a local economy.

Closing the wage gap would also help to reduce the number of Bostonians living in poverty. Single mothers make up a disproportionate number of families

living in poverty; 55 percent of families with income less than \$25,000 are headed by single mothers. For women living in poverty, eliminating the wage gap is not an issue of fairness—it's a matter of being able to put food on the table.

A model for the nation

Just as the signatories of the 100% Talent Compact serve as a model for other companies, the Compact itself serves as a model for the nation.

The trailblazing nature of the Council's work has drummed up interest from around the country. The Council will soon begin traveling across the United States to work with municipalities and their local business communities on creating a 100% Talent model that will work in their community.

The national interest doesn't surprise former Massachusetts Lieutenant Governor Evelyn Murphy. Lt. Governor Murphy, President of The WAGE Project and a key member of the Council, has spent the past ten years working to eliminate the wage gap in 49 states. She says, “The work of the Council is precedent setting for the nation. Boston is serving as a model for other municipalities who want to eliminate the gender wage gap knowing that parity benefits businesses and working women. Boston is also serving as a model for the federal government and possible future legislation that enables employers to share gender wage information.”

The gender wage data that Murphy speaks of is one of the most revolutionary and important aspects of the 100% Talent model, and a key reason why the model appeals to other cities. A critical part of 100% Talent is that signatories agree to provide employee demographic and compensation data every two years.

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Goals of the Boston Women's Workforce Council

GOAL 1: Understand the Root Causes of the Wage Gap

Members will commit to understanding the gender wage gap and the underlying causes that contribute to the gap.

Examples of Potential Measures by Employer:

- ✓ Management review of the Council's "Closing the Wage Gap" report
- ✓ Employee access to the Council's report and the Compact
- ✓ Analysis of internal employment practices and data
- ✓ Visible Management/Leadership engagement, including attending conferences/meetings
- ✓ Dedicated time/staff resources

GOAL 2: Close the Gap

Employers will commit to reviewing the evidence-based interventions in the Council's report, conduct a self-assessment of any interventions they have already implemented internally, and implement or undertake to improve three interventions tailored to their workplace.

Examples of Potential Measures by Employer:

- ✓ Assessment of current state
- ✓ Enhancements to existing interventions
- ✓ Introduction of new implemented interventions

GOAL 3: Evaluate Success

Employers commit to participating in a biennial review to discuss successes and challenges, as well as contribute data to a report compiled by a third-party on the Compact's success to date.

Employer-level data would not be identified in the report. The specific data to be reported will build on data already required by federal and state authorities and should not create an additional reporting burden.

Source: cityofboston.gov/women/workforce/compact.asp

and share their gender wage data publicly to back up their claims," says Lt. Governor Murphy.

The data will be used to create reports on the status of the wage gap and women's advancement within the group of signatories and will inform the Council's annual best-practices conferences.

Dean Minehan underscores the significance of the data, calling it "truly groundbreaking." The Council's report will be the first time that a wage gap analysis is

narrowing of the wage gap amongst our signatories, particularly when compared to the general business demographic."

Dean Minehan, reflecting on the nascent stages of the Council, says, "Because this type of initiative had never been done before, we were in many ways jumping feet first into the unknown. The fact that we have been so successful and the business community has been eager to join 100% Talent Compact speaks

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done of a group of companies whom have self-identified as actively working to close the wage gap and whom have self-selected to be part of a wage-gap initiative.

"The results of the data will provide important insight as to how companies that have committed to ending the wage gap compare to their peers, and will let us track the effectiveness of the 100% Talent public-private partnership," adds Dean Minehan. "We expect that our biannual reports will show a continuing

to both the need for and effectiveness of the model. I have no doubt that we will succeed in our goal of making Greater Boston the best place in the country for working women." ■

More information about the Boston Women's Workforce Council can be found at Bostonwomensworkforcecouncil.com, on Twitter at [@BostonWomenWork](https://twitter.com/BostonWomenWork), or by contacting christina.knowles2@simmons.edu.