



Money Talks, and So Should You  
Together, We Can  
Close the Pay Gap  
and Build Equitable  
Workplaces for All

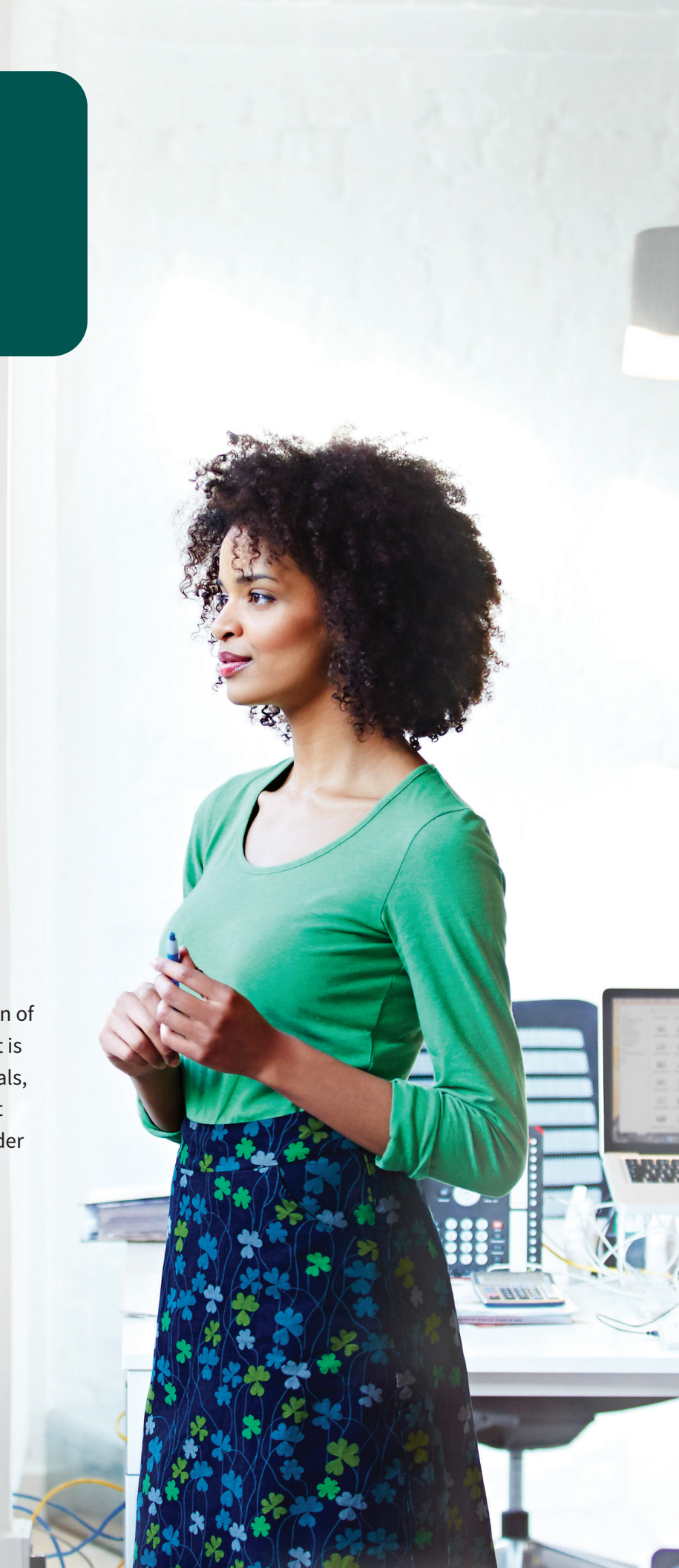


The Equal Pay Act was established nearly 60 years ago, in 1963, to abolish gender wage disparities.

## Yet today, the 18¢ pay gap creates a chasm in the American dream for women<sup>1</sup>

Women in the U.S. are paid just 82¢ for every dollar paid to men. And that gap is even greater for women of color. That 18¢ gap might not sound like a lot, but it is a pervasive issue that affects the health of individuals, families, and our workforce today — and if we don't act, for future generations. In fact, the average gender pay discrepancy amounts to \$10,157 in lost income for women annually.

<sup>1</sup> Income and Poverty in the United States: 2019, (September 15, 2020), Report Number P60-270, United States Census Bureau, found at <https://www.census.gov/library/publications/2020/demo/p60-270.html>



# The Wage Gap is Real

## The wage gap is real — but what exactly does it mean?

The uncontrolled gender pay gap refers to average pay for men and women who are not performing similar jobs. For example, it examines systemic workforce disparities, such as women trending toward lower-paying roles and industries than men (e.g., men are far more likely than women to be neurologists, and women more likely than men to be pediatricians), or the financial setback that motherhood can have on careers.

On the other hand, the controlled pay gap refers specifically to the pay of men and women performing similar jobs — so, if you have a male and a female neurologist, are they paid equally?

While the uncontrolled pay gap is multifaceted and not solely a compensation issue, **the controlled gap is a compensation issue that can and should be addressed by HR leaders.**

According to the [National Center for Education Statistics](#), more women than men have earned bachelor's degrees since 1982, more master's degrees since 1987, and more doctorate degrees since 2006. There's no question about it: The workforce is full of highly trained, qualified women.



“Our culture often equates money with value and power. If people are doing the same work but are not making the same pay, it is a strong statement, even if implicit, that some people are more or less valuable.”

Heather Bussing, HR Examiner

# Facing the Facts: Understanding the Gender Pay Gap

According to MarketWatch, **45% of workers say salary is the top reason for switching jobs**, ahead of career advancement opportunities, benefits, and location. Underpaying female employees sends a powerful message about their ability to grow and prosper in an organization. And they're listening.



## Pay equity means paying employees fairly based on their work and contributions

Pay equity means paying people for what they do, not who they are. Perhaps you've heard the phrase "equal pay for equal work." It's a powerful mandate; it means eliminating sex, race, and all types of unlawful bias from the wage-setting system, because no one should be paid any more or less based on their identity. Employee pay differences should be based on lawful and valid factors, including job requirements, experience, and performance.



## The lifelong ripple effect of the 18¢ shortfall includes other types of compensation

Consider this: Women's bonuses are statistically smaller on average than men's, and since companies often match a percentage of pay to retirement accounts, these investment vehicles are yet another area where women get shortchanged. In the same vein, Social Security benefits are based on lifetime earnings, so as women earn less over the course of their lives, they pay less into Social Security. In retirement, that means they will receive smaller payouts compared to those of male peers. Talk about a wide-reaching ripple.



## Women earn 82¢ for every \$1.00 that men earn — but it doesn't hurt only women

When a woman is paid less for doing the same work as a man, it can diminish morale and drive. "Gender pay inequity leaves nearly 50% of our workforce coming to and leaving from work every day feeling taken advantage of and undervalued," says Sarah Morgan, CEO of BuzzARooney LLC. "The long-term impact of this on morale within our workforce as well as the individual health and wellness of the individual cannot be ignored." Indeed, the pay gap hurts women, families, organizations, and entire economies.



## Fair pay is good for business because it's the law

Pay disparities don't bring down only women; they bring down organizations, too. Think lost productivity, innovation, and the cost of attrition. And when morale is low, absenteeism soars. But there's an even higher cost to businesses when you consider the crystal-clear letter of the law — gender-based pay discrimination is, in fact, illegal.

"Pay equity is not optional; it's a legal compliance issue," says employment attorney Heather Bussing. "Not paying people equally for the same work is a form of illegal discrimination. Pretending you don't have a problem is not a defense."

# UKG Solutions Give You a Clearer Perspective on the Gender Pay Gap

The good news is you're not alone: The UKG product suite helps mitigate potential bias and imbalances when analyzing pay disparities, reviewing pay shortage results, and addressing other mission-critical details.

## UKG solutions and services are uniquely built with an inherent focus on people.

UKG delivers HR, payroll, talent, compensation, and workforce management cloud solutions that help organizations across borders and of all sizes operate at peak efficiency, remain compliant, put their people first, and pay everyone fairly.



Leverage the **Pay Equity Dashboard** to gain a quick summary of pay gaps based on gender, ethnicity, age, or disability that may persist in your organization. The centralized dashboard helps increase visibility of potential disparities, allowing HR and leaders to understand whether employees are falling outside recommended salary ranges.



Our **Pay Equity Report** tracks trends and seamlessly analyzes mission-critical data for more fair and equitable compensation planning that manual salary planning processes simply cannot deliver.



Gain full control of resources and thought leadership on pay equity through our **Pay Equity Resource Center**, offering a one-stop shop for best practices, tools, and resources from the Equity at Work Council by UKG — teams of interdisciplinary specialists, thought leaders, and practitioners working together to understand and guide you through the science underpinning diversity, equity, inclusion, and belonging (DEI&B).

## UKG helps you balance the pay scales with the following:

- DEI&B pulse surveys
- Compensation planning
- Supports compliance with pay equity and fairness laws
- Preferred name and gender options
- Pay equity thought leadership
- Specialized scheduling solutions
- Comprehensive people analytics

“Pay equity is affecting retention rates. If you want to compete for the best talent, your salaries have to be competitive as well.”

**Minda Harts**, CEO of The Memo LLC and bestselling author of *The Memo*

# UKG is on a Mission to Deliver Equal Change

UKG is proudly taking a stand to move the needle on this pervasive issue.<sup>2</sup> Our purpose is people — and this means a world where people are valued fairly, regardless of their gender identity, race, ability, or other demographic category. As a top employer for women and a leading payroll provider to employers with millions of employees across organizations of all sizes and industries, we have the unique ability to speak out and act while innovating our work systems to help highlight the need for pay equity.



## We're taking these actions:

- **Close the Gap Commitment:** To help close the wage gap, UKG is contributing 18¢ to the fight for pay equity for every single one of the 15 million employees paid each year via a UKG™ payroll solution. That's a \$3 million investment in critical programs and initiatives that support the fight for pay equity.
- **Pay Equity in America Research Study:** UKG is launching its first pay equity in America research study in collaboration with [Harvard Business Review](#) to further highlight the existing pay gaps between men and women in the workforce as well as progress employers are making nationwide to create more equitable conditions among all genders. Results of this study will be released in 2022.
- **Philanthropic Support:** UKG is announcing partnerships with four nonprofits — [Grantmakers for Girls of Color](#), [LeanIn.org](#), [Reboot Representation](#), and [9to5](#) — that are focused on bringing greater access to education, career opportunities, and equal pay to women, women of color, and other traditionally underrepresented groups. These organizations help women, girls, and people of color — including Black, Latina, and Native American women as well as those who identify as transgender — access opportunity through education, enter the workforce, grow their careers, and advocate for critical policy changes to create equitable workforces.<sup>3</sup>
- **Educational Resources and Awareness:** UKG is partnering with experts to develop educational resources for best practices in HR, compensation planning, recruiting, and hiring that are known to establish pay equity and to make these resources publicly available for all. UKG also launched a pay equity awareness campaign in December 2021 through broadcast and digital media platforms.

<sup>2</sup> U.S. Bureau of Labor Statistics. (2021). 2020 Annual Report: Highlights of Women's Earnings. Retrieved from <https://www.bls.gov/cps/earnings.htm>

<sup>3</sup> The Women's Philanthropy Institute. (2020). The Women & Girls Index 2020: Measuring Giving to Women's and Girls' Causes. Retrieved from <https://scholarworks.iupui.edu/bitstream/handle/1805/24544/wgi20-infographic.pdf>

## About UKG

At UKG (Ultimate Kronos Group), our purpose is people™. Built from a merger that created one of the largest cloud companies in the world, UKG believes organizations succeed when they focus on their people. As a leading global provider of HCM, payroll, HR service delivery, and workforce management solutions, UKG delivers award-winning Pro, Dimensions, and Ready solutions to help tens of thousands of organizations across geographies and in every industry drive better business outcomes, improve HR effectiveness, streamline the payroll process, and help make work a better, more connected experience for everyone. UKG has more than 13,000 employees around the globe and is known for an inclusive workplace culture. The company has earned numerous awards for culture, products, and services, including consecutive years on *Fortune's 100 Best Companies to Work For* list. To learn more, visit [ukg.com](https://ukg.com).

Learn what UKG is doing to help close the wage gap. Visit [ukg.com/CloseTheGap](https://ukg.com/CloseTheGap)



Our purpose is people

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