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# Meridian Client Update

## **The Equal Pay Pledge**

Discussions around equal pay and pay discrimination continue to gain traction both in the political arena and the board room. As noted on a White House blog, President Obama has focused on equal pay and pay discrimination issues since the start of his presidency, when he signed the Lilly Ledbetter Fair Pay Act during his first days in office. To further developments in this area, last month the White House unveiled an Equal Pay Pledge, which permits private sector companies to publicly express their support for equal pay for women.

Many leading companies have submitted the Pledge including Accenture, Amazon, American Airlines, Cisco, Gap, Johnson & Johnson and PwC.

The text of the pledge appears below.

## **White House Equal Pay Pledge**

The Lilly Ledbetter Fair Pay Act was the first piece of legislation President Obama signed into law. Policies that ensure fair pay for all Americans and that help businesses attract the strongest talent can not only narrow the gender pay gap, but also boost productivity and benefit our economy. Yet, the typical woman working full-time all year in the United States only earns 79 percent of what a typical man working full-time all year earns. While the gap has narrowed slightly over the past few years, there is much more work to be done to ensure fair pay for all.

Building on the Administration's numerous actions to close the national pay gap, the White House challenged businesses to take the Equal Pay Pledge. Several U.S. private sector companies have come together in support of advancing equal pay.

## **Take the Pledge**

**By submitting this form, your business agrees to the following statement:**

We applaud the growing number of countries that have already made significant progress in closing their gender wage gap. Despite passage of the Equal Pay Act of 1963, which requires equal pay for equal work, the gender pay gap in the United States persists. Women working full-time earn only 79 percent of men's wages, and we are committed to taking action individually and collectively to reduce that national pay gap.

We believe that businesses must play a critical role in reducing the national pay gap. Towards that end, we commit to conducting an annual company-wide gender pay analysis across occupations; reviewing hiring and promotion processes and procedures to reduce unconscious bias and structural barriers; and embedding equal pay efforts into broader enterprise-wide equity initiatives. We pledge to take these steps as well as identify and promote other best practices that will close the national wage gap to ensure fundamental fairness for all workers.

Company Name

Your Name

Your Title

Your Email Address

Zip Code

Many companies have included comments with their submitted Pledge. The following comments from Amazon are emblematic of the comments provided by many of the submitting companies:

“At Amazon we are committed to keeping compensation fair and equitable and audit our pay annually. We are also constantly looking for more ways to engage and advance the tens of thousands of talented women who work at Amazon - from our Affinity Groups, which play an important role in building internal networks for career development, to investigating mechanisms where we can interrupt any unconscious bias. We are at the early stages in some of this work and more advanced in other areas, but we're putting resources toward solution development.”

**Meridian Comment.** Equal pay and pay discrimination will be hot button issues for the foreseeable future, regardless of who is elected to the White House. The spotlight is particularly on large public companies to address and remedy these issues head-on. Ultimately, public companies may be required to disclose more information about their broad-based pay practices.

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The **Client Update** is prepared by Meridian Compensation Partners' Technical Team led by Donald Kalfen. Questions regarding this Client Update or executive compensation technical issues may be directed to Donald Kalfen at 847-235-3605 or [dkalfen@meridiancp.com](mailto:dkalfen@meridiancp.com).

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