# Compensation

KEY TOPICS

- audit
- compensation philosophy
- compensation policy
- compensation structure
- discrimination
- external equity
- flexible work
- internal equity
- merit
- office housework
- parity
- productivity
- salary bands/pay bands
- transparency
- wage gap

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How well employees are compensated for work depends on access to opportunities, the value that is placed on different kinds of work, firm pay practices, and fee structures. Removing compensation gaps supports the influx, development, and retention of talent and the economic stability and growth of individuals, firms, and the profession.

This guide discusses current wage gaps in architecture, how they occur, and what their impacts are, and suggests steps for evaluating, establishing, and maintaining equity and parity in compensation.

The University of Washington for the American Institute of Architects Equity and the Future of Architecture Committee

# What is compensation?

Compensation is the sum of all tangible and intangible value that employers provide to employees in exchange for work. Employers use compensation to attract, recognize, and retain employees. Employees use it to achieve a standard of living, gauge the relative value of their work contribution to an employer and to society, and make employment choices.

Compensation in the contemporary workplace consists of three categories: direct financial compensation, indirect financial compensation, and nonfinancial compensation.

- *Direct financial compensation* is money paid directly to employees, including hourly pay, salary, overtime, and bonuses.

- *Indirect financial compensation* has financial value but is not paid monetarily: paid time off (vacation, sick leave, personal time), paid family and medical leave, health insurance, disability insurance, life insurance, retirement contributions, pension, stock options, profit sharing, relocation expenses, travel expenses, registration costs, educational benefits, employee services (like childcare, low-cost or free meals, counseling, legal referral, career planning, wellness plans, gym memberships), and employee perks (such as the use of laptops, phones, event tickets, vehicles, apartments).

- *Nonfinancial compensation* is nonmonetary but has value for career building and increasing job satisfaction: *opportunities* such as plum assignments, promotions, increased decision-making and leadership responsibilities, mentorship and sponsorship, training; *recognition* through praise and awards, time with leaders, networking introductions, recommendations; *quality of experience* through workspace upgrades, more desirable tasks, flexibility, positive relationships.

**GAPS**

That compensation in the United States is neither equal nor equitable is clearly reflected in the wage gaps in almost every demographic—gender, gender identity, sexual orientation, race, ethnicity, physical ability, age—for both salaried and hourly workers, regardless of education level, occupation, or industry.[1] These are some gaps as of 2017: Compared to a dollar earned by white men, Asian women earn 87 cents, white women earn 79 cents, Black women earn 63 cents, Latinas earn 54 cents; and mothers earn 71 cents compared to fathers.[2] Compared to a dollar earned by Asian men, white men earn 84 cents, Black men earn 64 cents, and Hispanic men earn 56 cents. Compared to people without disabilities, people with disabilities earn 68 cents, and compared to men with disabilities, women with disabilities earn 72 cents.[3] It is estimated that gay and bisexual men are paid 10–32% less than heterosexual men, and lesbians are paid less than men but possibly more than heterosexual women. Transgender households are four times more likely to have a household income of less than $10,000 than the population as a whole, and transgender people of color fare even worse.[4]

Wage gaps will not go away on their own. Looking at the gender wage gap for women as compared to men, for example, in the United States it was near 60% in the 1960s; today it is nearly 80%, with most progress in closing the gap occurring between 1980–98 but slowing considerably since then.[5] Narrowing education and experience gaps played a large role in that convergence but no longer accounts substantially for the gender wage gap. Currently, the gap is smallest at the start of careers and grows largest later in careers at top pay scales.

What causes wage gaps? Approximately 50% of the gender wage gap is attributable to people's location in the labor market (i.e., which occupations men and women hold in which industries, at which firms they are employed, and the level they occupy in the hierarchy), 15% to experience (due to work interruptions and shorter hours for women in high-skill occupations, with wage penalties for flexible work arrangements and motherhood), and 38% to factors more difficult to attribute, relating to conventional gender roles and identity and likely stemming from bias and discrimination.[6] For example, research shows that traits associated with each gender are rewarded unequally in the workplace, due to double standards regarding personality, risk-taking, competitiveness, and negotiation. Men are typically rewarded for exhibiting traits traditionally considered masculine, but when women exhibit these same traits, they are not rewarded but are often penalized for them—a “double bind.”

Studies on wage and opportunity gaps show there are intersections between gender and race.[7] For example, in the legal profession, men and women of color and white women all experience “prove-it-again” bias, requiring that they do more and perform better to receive respect and recognition; and their evaluations and access to opportunities are hindered by systemic and unconscious bias.[8]

Employee compensation in architecture follows a similar pattern. Salary data reveal that on average, white men earn more than men of color, who earn more than white women, with women of color earning the least. Average salaries for men are higher than women’s at every year of experience, with average starting pay difference within a few thousand dollars, then increasingly diverging to approximately a 15% pay gap in late career. For both men and women, earnings are most commonly cited as integral to career success, and lack of compensation (in the form of pay, promotions, opportunities, professional development, and meaningful work) is the predominant reason why both men and women leave architecture jobs or leave the profession altogether.[9]

**PARITY AND EQUITY**

Ideally, the value of compensation would equal the value of work, with employee and employer agreeing on these two values. Compensation is equitable when employees with similar skills, education, experience, qualifications, seniority, location, and performance receive the same compensation.[10]

Two comparable employees who do the same work for different compensation lack parity. *Pay parity* or equality in the legal sense is *equal pay for equal work*, requiring that there be no pay gap based on gender (and in some states, race or ethnicity) for any reason when comparing two people who do the same work. Currently, women are paid on average 4% less than men, and as much as 45% less, for the same role, and men are offered higher salaries than women for the same work 63% of the time.[11] This type of pay inequality between demographic groups is relatively easy to determine and can be immediately addressed in every workplace, as mandated by law. (See the Compliance section of this guide.)

Two comparable employees who do different work of equal value for different compensation lack equity. *Pay equity* in the legal sense is *equal pay for work of equal value*, requiring that there be no pay gap between people of any protected group who perform work of the same value and that pay be administered fairly. Though both pay disparity and pay inequity contribute to wage gaps, the gaps overwhelmingly result from pay inequity.

Calculating equal value and determining what is fair can be difficult, with much room for error. Yet pay equity is critical for reducing discrimination and increasing overall equity, since people with nondominant/target identities often perform different work than people with dominant/agent identities (some by choice, some not), and their work is not always fairly compensated according to its value. For example, women’s employment is often concentrated in jobs and fields that tend to be undervalued compared with men’s jobs. The median pay for information technology managers (mostly men) is 27% higher than for human resource managers (mostly women); when more women became designers, the overall wages for designers fell 34%.[12]

Within a single organization, compensation gaps occur due to inconsistent practices influenced by bias and discrimination and exacerbated by lack of transparency—only 13% of businesses with under a thousand employees are transparent with their employees about pay policies and rates, and those small- and medium-sized businesses have gender gaps that exceed the national average.[13]

When looking at how to make compensation fair internally, firms also have to consider external factors to remain competitive in the market and be able to recruit and retain employees. Perceived inequity or unfairness, either internal (compared to other employees in the firm)

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“There are a lot of other careers that have a better work-life balance and higher pay. These things are just essential, and until they’re addressed, until real systemic change is realized, I’m worried about the profession and about our ability to be more diverse.”

Director, Business Owner, Sole Practitioner, and Educator, White, Female, 38

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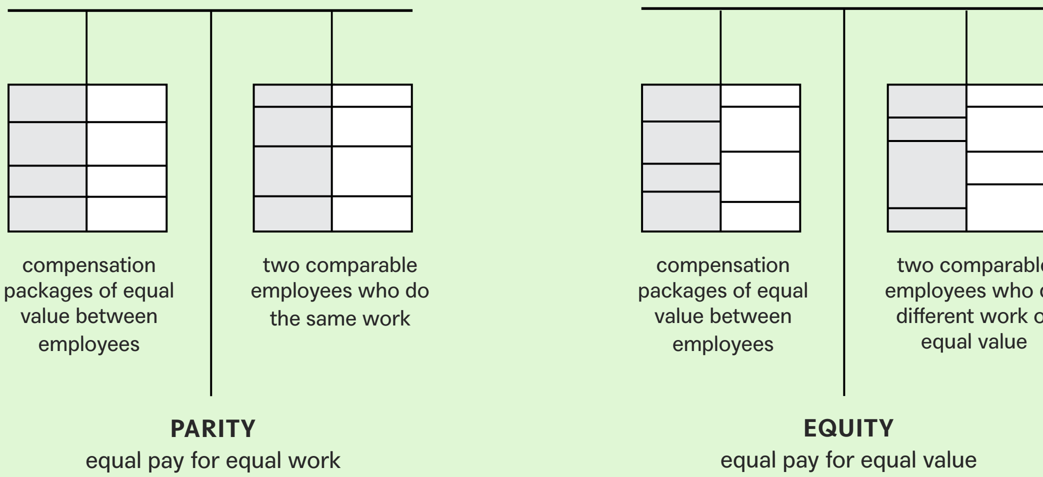
or external (compared to employees in other firms), can result in low morale and loss of organizational effectiveness. For example, if employees feel they are being unfairly compensated, they may decrease their efforts or leave the organization, damaging the firm's overall performance.

To address the broader institutional issue that employee roles are a predominant contributor to wage gaps—and roles are not necessarily properly valued or equitably attainable across demographic groups—there should also be a focus on fairness among all employees and leaders at a firm, between the lowest- and highest-paid workers, and not just between employees at the same level. One significant measure of equity is the ratio of compensation of firm leaders to lowest-paid employees. Similarly, employee productivity at all levels that contributes to firm profits should be recognized and equitably rewarded.

To truly achieve compensation equity, and no longer have wage gaps between any demographic groups, involves addressing larger societal structures to ensure that work is compensated according to its actual value to society and that there are no barriers for anyone to enter and advance in their chosen line of work. Because that is not the reality today, we can establish compensation equity as a shared goal within our profession and act to make other structures in society more just.

"In our industry it is taboo to talk at all about salary: who's making what. It's very taboo. We're taught that you don't discuss it, and it's against the rules to discuss what you make with any of your colleagues, from management and ownership down."

Managing Partner, Firm Owner,
Black, Male, 46




**NONFINANCIAL COMPENSATION**
opportunities, recognition, quality of experience

**INDIRECT FINANCIAL COMPENSATION**
paid time off, paid leave, health insurance, disability insurance, life insurance, retirement contributions, profit sharing, travel expenses, registration costs, educational benefits, employee services, employee perks...

**DIRECT FINANCIAL COMPENSATION**
hourly pay, salary, overtime, bonuses

## COMPENSATION VALUE

compensation given to employee for work contribution

**PERFORMANCE**

**LOCATION**

**SENIORITY**

**QUALIFICATIONS**

**EXPERIENCE**

**SKILLS**

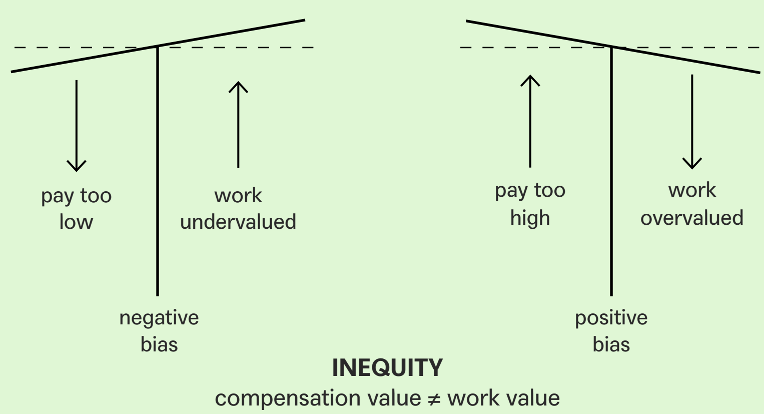
**EDUCATION**

## WORK VALUE

business factors in valuing employee's work contribution[14]

**COMPENSATION-EQUITY SCALE**
To compensate means to equalize or balance what is given with what is given back; the two sides counterbalance.

For compensation value to equal work value and balance the scale for an individual employee and between employees, all factors need to be included in the weighing with the correct valuation and be free of bias and discrimination.



# Why are compensation parity and equity important?

Compensation signals the value an individual brings to the workplace, the values of a business, and the value of work within society. It is a mechanism by which the workforce makes choices and businesses operate. The soundness of this mechanism is compromised when compensation decisions are based on characteristics other than bona fide business factors: the relationship between value given by an employee and value returned by an employer becomes inequitable, and both parties are impacted negatively.

In architecture, this mechanism is constrained by the profession's typical commodity- and service-based business model.[15] At most firms the revenue available for employee pay and other benefits is relatively low in comparison to other industries. While new and better-communicated value propositions and possibly large structural changes could change the magnitude of fees for architectural work, more money in the system will not by itself solve compensation-equity issues, and in some respects could even exacerbate them—higher paying professions, such as law, finance, and technology, still have equity issues. On the other hand, investing in equity, diversity, and inclusion can increase the value of our work, allowing gains generated to be invested back into businesses and people.

INDIVIDUALS

**Self-determination** · Transparency about salaries and clear links between career stage, experience, and pay help individuals make informed choices based on distinct pathways and expectations.[16]

**Merit** · Employment decisions based on merit can help level the playing field, yet bias can taint seemingly objective determinations of "what is good." When merit is espoused as an organizational value, merit-based decisions and rewards without strong equitable practices throughout the firm result in more biased outcomes that favor dominant groups, a "paradox of meritocracy."[17]

**Job satisfaction** · Equal pay contributes to engagement, motivation, productivity, and retention.[18]

**Financial security** · Suppressed earnings reduce one's means of securing life necessities and opportunities and for balancing work, personal, and family life. An early-career pay discrepancy magnifies over time, leading to a large lifetime pay loss.[19] Cumulative gaps have significant consequences, including fewer resources to draw on in later years.[20] (See the *Negotiation* guide.)

**Debt** · As socioeconomic, racial, and gender diversity in schools increase and the nation's student loan crisis balloons, the number of students with loan debt and the amount of their debts—especially for women—increases.[21] Lower pay scales in architecture compared to other professions make justifying staying in or even choosing to enter the profession more difficult.[22]

**Caregiving** · Inflexible workplaces, stereotyping, and discrimination reinforce traditional roles, often leading fathers to work more hours and mothers to work fewer hours than they would like or the lesser-paid (in a heterosexual couple, more often a woman) to leave the workforce to provide childcare. The departure is framed as a choice, but it is most often a result of low or unequal pay and gender discrimination.[23]

**Quality of life** · Pay gaps diminish the quality of life for underpaid employees and contribute to their stress and to physical and mental health issues.[24]

FIRMS

**Workplace culture** · How a firm structures its compensation system and manages internal equity (within the firm) and external equity (between the firm and other organizations) may support or impair the firm's desired culture. (See the *Workplace Culture* guide.)

**Recruitment and retention** · Transparency about pay scales and salary bands plus demonstrated commitment to pay equity help attract and keep talent. Low pay is the third most cited reason for both men and women leaving their most recent architecture job.[25] (See the *Recruitment and Retention* guide.)

**Cost of turnover** · Considering the costs in time and money of turnover—offboarding, hiring, onboarding, training, and lost productivity as a new employee learns the ropes—the actual cost of losing and replacing an employee can be as much as five times an annual salary.[6]

**Morale** · Fair and transparent pay structures and systems send employees a positive message that the firm values them and is dedicated to improving pay equity in society at large. This contributes to productivity and commitment, and reduces absenteeism.[27]

**Employee development** · Transparency helps employees at all levels understand the business of architecture, map their role in it, self-advocate, and navigate toward leadership. (See the *Advancing Careers* guide.)

**The law** · Pay discrimination subjects a firm to expensive, time-consuming, and reputation-damaging legal claims.[28]

PROFESSION

**Perception** · For the profession to be trusted and to thrive, architects must be perceived as upholding high standards and contributing to a better society in which people are valued and fairly rewarded.

**Diverse talent** · Only a narrow band of society is able or willing to enter a profession with low, unstable, or inequitable pay, and talent will leave the profession for better opportunities.

**Long-term economic stability** · The cumulative impact of underpaying employees is the creation of a future burden for not only individuals but also society as a whole.

**Investment** · Pay equity is one of the ways the profession can invest in valuing its employees and making holistic EDI change. Just declaring that the profession supports pay equity, without action, is not enough. Over time, the shift in internal value will be reflected in greater creativity and productivity and in increased value placed on our work by clients, users, and communities.

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"By still saying 'it's bums in seats,' or 'you have to be here between 10 and 4,' or 'you have to do 80 hours in two weeks,' it takes the responsibility away from having the conversation about what you're actually doing, in terms of what the task is and what it will take to complete. At the end of the day, we're delivering a building, not 2,000 hours over this timeframe."

Associate at Large, International Practice, Indo-American, Female, 31

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# Compensation becomes more equitable when...

## TRANSPARENCY

the compensation program is intentional and easy to explain

all employees understand the compensation components, structure, and policies

criteria for pay ranges, performance pay, and advancement are clear, communicated, and equitably applied

employees understand their current pay-range placement

leaders openly share how the compensation program relates to the business

talking openly about pay is permitted without retaliation

## ALIGNMENT

the compensation system aligns with the values and goals of the business

job descriptions are accurate and inclusive

onboarding and mentoring convey how to advance in the workplace

variations within salary bands and benefits are tied to criteria and reviewed for bias

audits keep compensation fair and in line with the structure

discrepancies are corrected and recovered through back wages or other agreed-upon compensation

## COMPLIANCE

employers comply with pay equity laws

firms comply with legal requirements in compensating interns

firms respect personal privacy when discussing pay

discrimination is prevented and remediated without retaliation

## FAIRNESS

employees perceive that they are treated fairly

cases and patterns of bias are monitored and mitigated

all employees have equitable opportunity for high-profile assignments, networks, and clients

employees are assessed on the value of their work, not hours in seats

pay and performance evaluations use objective criteria

benefits, including leaves and flextime, are distributed equitably

# Compliance

This section is intended to introduce you to important legal information regarding discrimination and describes the mere minimum requirements. It is not a substitute for legal advice. For such advice, we strongly urge you to consult an attorney.

## COMPENSATION DISCRIMINATION

Employees must be compensated fairly, without discrimination. Compensation that is inequitable (not meeting standards for “equal pay for equal work” and “equal pay for work of equal value”) stunts individual, firm, and profession-wide productivity and growth, undermines diversity goals and a positive work environment, puts firms at legal risk, and limits our profession’s stature.

### UNDERSTAND THE LAW AND PROFESSIONAL ETHICS

Federal, state, and professional regulations regarding compensation equity are becoming increasingly rigorous.

The U.S. Equal Employment Opportunity Commission (EEOC) enforces several federal laws that prohibit discrimination in employment compensation: the Equal Pay Act of 1963 (EPA), Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967 (ADEA), and Title I of the Americans with Disabilities Act of 1990 (ADA).[29] State and local laws may contain additional requirements.

- All forms of compensation are covered by discrimination law (salary, overtime, bonuses, stock options, profit sharing, life insurance, vacation/holiday pay, allowances, travel expenses, benefits, etc.).
- The EPA addresses pay discrimination according to sex, requiring that men and women receive equal pay for equal work (jobs that require substantially equal skill, effort, and responsibility in similar working conditions) in the same workplace.[30]
- Title VII, the ADEA, and the ADA are broader and prohibit discrimination on the basis of race, color, religion, sex (including pregnancy, gender identity, sexual orientation), national origin, age, disability, or genetic information, and whether or not a job is substantially equal or within the same workplace.
- The Lilly Ledbetter Fair Pay Act amended the Civil Rights Act of 1964 by providing that the 180-day statute of limitations (or 300 days in some states) for filing an equal-pay lawsuit regarding pay discrimination resets with each new paycheck affected by the discriminatory action.[31]
- The EEOC requires some businesses to file an annual compliance survey.[32]
- It is against the law to retaliate against an individual for opposing compensation discrimination.
- In some states, it is illegal to ask for or make hiring or compensation decisions based on an applicant’s salary history; employers may be required to provide job-specific pay-scale information to applicants and employees. Employers can be prohibited from providing less favorable opportunities or failing to provide information about promotions or advancement; employers can be required to justify differences in compensation, even differences with other organizations.[33]

The AIA Code of Ethics and Professional Conduct is explicit about discrimination and compensation.

- Canon I, Rule 1.401 states: “Members shall not engage in harassment or discrimination in their professional activities on the basis of race, religion, national origin, age, disability, caregiver status, gender, gender identity, or sexual orientation.”
- Canon V, Ethical Standard 5.1 states: “Professional Environment: Members should provide their colleagues and employees with a fair and equitable working environment, compensate them fairly, and facilitate their professional development.”[34]

### HAVE PREVENTION MEASURES SUPPORTED BY POLICY

It is easier and less costly to prevent than rectify compensation discrimination. Thorough review of practices and clear written policies reduce vulnerabilities.

**Prevention**

- → Clearly communicate the requirement of nondiscrimination in compensation. Share written policy with all employees.
- → Outline multiple ways for employees to flag compensation problems.
- → Review pay structures and starting, merit, and promotional pay policies.
- → Audit pay practices and correct pay disparities.
- → Limit manager discretion in setting pay, monitor compliance with policies, and keep a full record of decisions.
- → Fully investigate complaints, and document clear remediation of each situation.

**Policy**

- → Define compensation parity and equity for employees.
- → Deter biased decisions by including examples of how they occur and suggestions for how they can be prevented.
- → Outline remediation measures.
- → Communicate commitment to nonretaliation and confidentiality.

### RESPOND TO VIOLATIONS

Handling potential compensation violations can be difficult for both the employer and employee. The preferred approach is for the employee and employer to have an open conversation based on clear information, with the employer having the opportunity to address discrepancies. Speaking up should be regarded as an opportunity for all parties to improve equity.

**Individuals**

- → Keep a written record of your work, performance reviews, and compensation.
- → Identify any documents that reflect pay differences for equal work or work of equal value.
- → Talk to your manager or HR about the disparity.

> "Part of why I left my first job was that my husband, who worked for the same firm in a similar position, was getting raises three times what I was getting, and I had to fight for my increase."
>
> Architect,
> White, Female, 30–40

- → If the discrimination continues, consider writing a formal letter or filing a complaint.

**Managers, Firm Leaders, or Human Resources**

- → Take all concerns seriously.
- → Remain neutral in judgment, and keep each matter confidential.
- → Prevent retaliation.
- → Conduct an investigation or audit.
- → Notify employee of resulting information and action to be taken.
- → Update policies as needed.

### USE THE LAW AND PROFESSIONAL ORGANIZATIONS

Employees experiencing compensation discrimination are not always able to find recourse through their employers. Some firms may not have adequate compensation structures and policies in place to be able to verify if their pay practices are equitable, or they may disagree with the employee regarding how their work is valued. When internal recourse is unavailing, the following are options to consider:

- → File a timely complaint with the EEOC.[35]
- → Contact your state, county, and city agencies that enforce discrimination laws, called Fair Employment Practices Agencies (FEPA).[36]
- → Check with your state's department of labor.
- → Seek legal assistance.[37]
- → File a complaint with the AIA National Ethics Council.[38]
- → Report an issue to the Internal Revenue Service (IRS).[39]

# Assess

## TRANSPARENCY

**Do all employees understand the firm's compensation system?** · How does your firm communicate its compensation structure, policies, and procedures? · Do you have clear job descriptions? · Do employees know your salary bands and evaluation processes and metrics? · Are there consistent messages relating to what work is valued and how rewards are given?

**How are issues addressed?** · Is pay adjusted based on regular pay audits? · Are legal requirements for equal pay and nondiscrimination followed? · Do you have a process for addressing complaints?

## POWER

**Who determines compensation in your workplace?** · Do leaders agree on how compensation practices relate to the organization's business goals? · Are managers and supervisors equipped to make aligned and equitable compensation decisions? · How are employees involved in establishing or understanding the wage structure? · Are employees free to discuss compensation issues among themselves?

**Who benefits from the compensation system?** · Is the ratio of pay between the highest- and lowest-paid employees reasonable? · Do the firm's and employees' values around compensation align? · How do compensation practices support everyone to do their best work? · Is there equal access to desired opportunities and benefits? How are interest gauged and availability determined?

## FAIRNESS

**What is rewarded?** · Do you value performance over hours and define fee structures accordingly? · Have you established guidelines for pay and opportunities for employees who use flexible options? · Does your negotiation policy ensure the final outcome is fair to all?

**How is compensation determined?** · Do you have a process for determining wages that is free from bias? · Do you measure required skills and effort, level of responsibility, experience, and working conditions consistently? · Is your firm's performance-review process objective and fairly administered? · Are bonuses comparable for similar levels of performance? · If there are gaps and variances, are they justifiable using legitimate rationales? · Have you examined historical patterns of pay inequality both in your firm and more broadly and committed to changing them?

## CONNECTIONS

**How do your business practices affect compensation?** · How do your practices influence client and public opinion about the value of architectural services? · Do economic pressures (such as lowering fees to secure work or cost of employee benefits) have a disparate impact on certain employees? · How do you monitor the ways competitive practices affect equity across pay levels?

**What other factors impact compensation?** · Are your pay and other benefits perceived as fair when employees compare them to those of other similar organizations, and is this helping or hurting your equity goals? · How does your compensation philosophy relate to your community and culture? · Do client preferences for subjective things, like certain employee personalities or identities, divert compensation decisions from the firm's objective criteria?

# Act

INDIVIDUALS

Persistent gaps and their cumulative impact on careers and life make it important for employees to be aware of issues and diligent in taking steps to help increase equity.

**KNOW THE P(L)AYING FIELD**
Stay on top of current compensation information as you enter and operate within the workforce.

→ **Learn about the broad and complex issues in compensation** and how they relate to individuals, couples, families, firms, the profession, and society. Have a grasp on the factors that will be present as you make different choices that affect your career—education, firm, role, caregiving, outward expression of certain personality or identity traits, etc.

→ **Identify employers with transparent and fair compensation practices** who will value your skills and strengths. During the negotiation process, ask about their pay structures—including pay bands for employees with your experience level—how they handle flexible time, and how they monitor pay equity; cross-check information with current or past employees of the firm. See whether there is diversity in all roles and at all levels and if there is high turnover. If you see a possible issue, ask and find out whether the firm has a plan to address it.

→ **Know the range of pay** expected for an employee at your level, size of firm, and location. See resources like the AIA Compensation Survey Salary Calculator, the AIA Compensation Report, and the Architecture Salary Poll.[40]

→ **Be aware of industry and federal rules** and requirements for compensation, such as minimum wage, intern, salary, and overtime pay.[41] Sharing past pay information with a new employer can hurt you, and in some states it is illegal for employers to ask for it or consider it. (See the Compliance section of this guide.)

→ **Stay abreast of the compensation philosophy and policies** at your firm, especially during review periods and changes in your work situation.

→ **Have open conversations with colleagues** of similar and different demographics in your firm, in other firms, and in other roles in the profession (such as specialists and consultants) about compensation details and trends for the purposes of increasing equity.[42]

**KNOW YOUR VALUE AND BE PROACTIVE**
Understanding and advocating for equitable compensation is important for you and for motivating organizations to recognize and address inequity in their compensation practices.

→ **Track your own performance and development** to be prepared for performance reviews or for any concerns that may arise. Keep a record of your employment history—dates of career milestones, reviews, requests, work contributions and their value to the firm, skill development, achievements, compensation history.

→ **Practice negotiation,** and do it effectively. (See the *Negotiation* guide.)

→ **Learn to pinpoint and articulate your value** relative to your organization's goals. What work are you doing that matters the most; for what work are you most likely to be rewarded? Is there equity in role and task assignment, or are there certain roles and tasks that might be undervalued because of the identity of the people who typically do them? If you are helping your firm reach its EDI goals, are you being compensated accordingly?

→ **Let your supervisors and colleagues know** about your expertise and skills and your goals for development. Have conversations about the importance of compensation reflecting the value of work, which does not always correlate with the number of hours worked.

→ **Learn how to write an effective self-evaluation,** and ask for a promotion when you feel it is deserved —or sooner.[43]

→ **Enlist allies and sponsors** to support your visibility and help you advance. For Black employees especially, being referred and having advocates helps attain promotions.[44]

→ **Affirm your own potential.** For Black employees, self-affirmation is essential to staying the course.[45]

→ **Continue your professional development,** training, and networking to build knowledge and connections. (See the *Advancing Careers* guide.)

→ **Consider saying yes to opportunities** or challenges that will build and exhibit the value of your work. Distinguish between opportunities that help you advance and those that do not, such as office housework (scheduling, notes, social planning, managing documents, emotional labor) and low-profile work.

**BE AN ACTIVE MANAGER**

Managers are key in ensuring that employees are equitably compensated and the organization benefits from their full potential. Employers should support managers by providing the information, tools, and training they need to effectively and equitably manage compensation. (For additional considerations, see the *Negotiation* and *Recruitment and Retention* guides.)

→ **Know the skills of your employees** through direct and structured conversation with each individual, using their resume, current job description, and past work as guides (though not as limitations).

→ **Discuss with each employee what their compensation expectations are** and how they align with the firm's compensation structure and policies. Remember to consider and accommodate the different ways that different employees might communicate their expectations; recognize your possible biases around these styles.

→ **Clearly define what work is valued and how it is evaluated,** and set goals with your employees that tie together work and compensation targets.

→ **Have open conversations about what types of compensation different employees value;** communicate this information to management to keep the firm's approach to compensation relevant.

→ **Listen to flexibility requests** from employees, and allow these to be tailored to the individual; discuss and decide up front how to keep compensation equitable according to value of work.

→ **Assign work according to experience, talent, skills, and interest,** and give everyone access to work that lets them take risks and develop new skills.

→ **Ensure that the most desirable work is assigned equitably.** Discuss with other managers to identify what is lower-profile and higher-profile (career-advancing) work in your organization, regularly assess who is doing what and for how long, and analyze for demographic and supervisor patterns. Use Bias Interrupters worksheets to guide the process.[46] (See Resources section of this guide.)

→ **Distribute office housework equally.** Assign tasks to those in administrative support roles if possible, or rotate tasks rather than asking for volunteers. Regularly assess who is doing what, and redistribute the housework of anyone unfairly burdened.[47]

→ **Monitor performance reviews for implicit bias.** Distinguish between actual and potential performance, and appraise them separately. Evaluate skills independent of personality. (Read "Identifying & Interrupting Bias in Performance Evaluations."[48])

→ **Encourage employees to promote themselves,** and set the expectation that everyone do so. Have alternatives to self-promotion for employees to share their successes, such as regular emails that list everyone's accomplishments.

→ **Give clear and frequent feedback** so employees can recognize and address any issues in the content or perception of their work. Provide guidelines and support for employees to respond, and remember to monitor whether culture-based expectations or biases are inaccurately reinforcing your or the employee's assumptions.

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"I interview people; I recommend them. My boss says, 'Offer them anywhere in this range.' We offered the same salary to one male and one female. The female accepts the job and the male asks for more money. Because of that the guy ends up making more money."

Architect, White, Female,
Lesbian, Early 30s

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FIRMS

Compensation in architecture is a perennial issue. The undervaluation of architectural services in our current economy prompts firms, at times, to make tough choices in order to survive, and firm owners are in a position to make choices that could directly or indirectly impact their employees' quality of life and their own.[49] This dilemma can make it possible for unclear and inconsistent compensation practices to arise, causing inequity. Clear and communicated policies and processes can ensure that instance-to-instance decisions are fair, aligned with the firm's equity goals, and compliant with laws and professional ethics. (See the Compliance section of this guide.) Firms that commit to equity in compensation are investing in the long-term health of the business because they will attract and retain a diverse set of engaged, productive, and loyal employees.

### UNDERSTAND YOUR COMPENSATION PRACTICES

Know your current practices and how they are working; identify issues and opportunities with a focus on equity.

→ **Discuss among senior leaders** how they view compensation within the firm, why it has developed as it has, and their ideas for what it could be.

→ **Gather your current job descriptions** and see if they reflect your needs and how they compare with similar descriptions in the market.

→ **Locate and review current, reputable salary survey data** that is appropriate for your firm.

→ **Assess your firm's current compensation system,** and evaluate what has worked well and what has not for employee engagement and performance. Consider compensation structures (array of levels) and policies (procedures for decision-making) as connected to the array of things that constitute compensation in your organization (direct and indirect, monetary and nonmonetary).

→ **See if there are certain compensation trends linked** to specific groups or managers within the firm. Repeated instances of certain identity groups receiving high-profile work assignments may be a sign of systemic bias.

→ **Evaluate whether and how wage gaps are occurring** at key points (starting pay, merit pay, promotion pay increases), especially at recognized pinch points in architecture (finding the right job fit, gaining licensure, caregiving, reduced paths forward at certain personal and career crossroads, transitions to leadership, retirement), and how they relate to your compensation structure or policies.[50]

→ **Examine specific decision-making protocols and practices,** such as automated changes, managerial discretion, and committee review.

→ **Notice how your firm's context affects your compensation** (e.g., office locations, recruiting pool, local regulations, client relationships and expectations). Observe how your workplace culture supports or hinders compensation goals. (See the *Workplace Culture* guide.)

→ **Administer a survey that allows employees to share compensation information and concerns** that may not show up through the firm's data collection (such as indirect financial compensation and nonfinancial compensation that are not recorded or tracked).

→ **Ask your current and exiting employees how they perceive compensation fairness** within the firm. Welcome anonymous feedback and suggestions. Whether perceptions turn out to be correct or incorrect, you will be able to communicate back to employees how individual situations relate to policies, and how they are equitable, or will be.

→ **Consider hiring a consultant** to evaluate and structure your firm's compensation program.

### ESTABLISH A COMPENSATION PHILOSOPHY, STRUCTURE, AND POLICY

Managing compensation requires that leaders agree on how compensation is defined, what compensation should do, and where it should lead. Consider using a diverse committee that manages compensation to align it with business needs and to ensure that it is equitable, legally and ethically defensible, easy to communicate, and perceived as fair.

→ **Write your firm's compensation philosophy** with the purpose of attracting, retaining, and motivating employees equitably. Determine how you will use compensation (direct, indirect, and nonfinancial) to get the results you want. Your approach will vary according to your firm budget, regional economic conditions, and broader market forces and in what aspects you will lead (i.e., pay more than competitors), match, or lag the market.

→ **Develop a transparent compensation structure** that supports your compensation philosophy. Update job descriptions and establish pay grades and ranges for the different work within the organization. Consider how work is assigned, how compensation is determined, and what elements of nonwage compensation you will offer.[51] Know how you will determine both equal work and work of equal value.

→ **Do a market value analysis** to compare your policies to those of peer firms, and check for external equity.

→ **Develop compensation policies.** Include all forms of compensation, and consider how they are weighted (valued) by individuals and by the organization and if there is alignment of values. Include policies for all pay actions (starting pay, merit and promotional pay, bonuses), compensation-related decisions (part-time, flextime, opportunities), and procedures (negotiation, evaluation, audits). Establish how to determine pay differences by factors such as job responsibilities, title, time in job, part-time status, location, time with firm, education, licensure, and prior experience. Recognize specific contributions made by people with target identities to projects in which their involvement is required or otherwise valued. At the same time, avoid patterns of assigning lower-visibility projects or giving fewer choices to employees with target identities.

→ **Ensure that your financial operating metrics relate to your equity goals.** Compare compensation-equity measures to firm-wide financial-performance measures—such as utilization and overhead rates, net revenue per employee, and firm profits and investment—to develop an understanding of how compensation value might be more equitably measured or allocated.

→ **Update your compensation program** at least every two to five years to stay aligned with market and firm changes. It is easier and less costly to make incremental rather than significant changes.

### BE TRANSPARENT ABOUT COMPENSATION

Transparency is a substantial way of achieving and maintaining compensation equity by ensuring equitable power and accurate perception. While transparency can be uncomfortable at first, opacity allows inequity to continue unchallenged and denies employees information they need to make prudent career and life decisions. Additionally, if employees perceive that compensation is inequitable, whether or not it is true, they will mistrust not only compensation practices but also other management decisions.

→ **Develop a value statement** to communicate the firm's compensation philosophy, and have a written policy governing all pay decisions.[52] Discuss them with new employees during onboarding, and keep them readily available for all employees.

→ **Create a structure of salary bands** that connect progressively greater job responsibilities with corresponding salary ranges, and ensure that every employee has access to this structure and can see where they fit within it. Be clear with current and prospective employees about how the firm establishes pay and the timing, criteria, and conditions for pay increases and promotions. Though it is not a recommended practice, if pay history is considered in setting compensation (in states where it is legal), develop and communicate firm policy on how it is used.

→ **Consistently and regularly communicate compensation information** and changes with all managers.

→ **Inform employees that they are free to openly discuss compensation** without fear of retaliation.

→ **Regularly audit messaging** to check that the firm's communication about advancement is bias-free.

### LEAD EQUITABLE COMPENSATION PRACTICES

There are many approaches and resources for improving equity in compensation practices.

→ **Base salary offers on job content and the applicant's qualifications,** not on a previous salary. (In some locations, asking for salary history is illegal.) This practice will help to decrease pay gaps profession-wide. Asking "What salary range do you expect?" is a possible alternative to asking about previous salary.

→ **Consider the pros and cons of a no-negotiation policy.**[53] This strategy has been proposed as an alternative way of closing pay gaps. (See the *Negotiation* guide.)

→ **Reward employees based on performance rather than on visibility.** Some employees may be overlooked due to hours in the office, workspace, alternative work times or locations, or personality.

→ **Provide flexible work time and location arrangements** (e.g., flexible hours, compressed workweeks, part-time work, job sharing, working from home, a satellite office, or on the move), which can benefit both employees and employers.[54] Employees who work fewer hours per week often make a lower hourly rate for doing the same work as full-time employees—keep close attention that compensation reflects the value of work. Provide messaging to counteract the stigma sometimes associated with using a flexible arrangement.[55] (See the *Advancing Careers* guide.)

→ **Conduct regular pay audits** (annually, at minimum) to check for inequity. Include all forms of compensation, both cash and noncash (hourly pay rates, salary, overtime, bonuses, stock options, profit sharing, life insurance, vacation/holiday pay, allowances, travel expenses, benefits, etc.), examine all types of decisions (starting pay, promotional pay, bonuses and profit sharing, benefits, flexibility, etc.), and use multiple analysis methods.[56] Time audits to precede performance reviews so that your raise and promotion decisions can be fair.

→ **Schedule and announce pay reviews for all employees at the same time** of year to address salaries holistically. Also review individual employee pay at key milestones: hiring, licensure, and promotion. Be clear on the timeline for follow up with employees on outcomes and decisions, and state if there will be a window of time to negotiate.

→ **Monitor performance evaluations,** and track metrics according to supervisor, department, and organization. Examine patterns tied to different demographic groups (men, women, people of color) for rating-level, raise, and promotion trends, especially after a leave or during flexible work arrangements.

→ **Address unjustified disparities.** Provide pay increases, along with back pay for the full period of the gap, to bring an affected employee's compensation in line.

→ **Do not allow exceptions** to your pay policies. Your employees' trust is invaluable and depends on your transparency and fairness. If someone is adversely affected, consider revising the policy for everyone.

### FOCUS ON DEVELOPMENT

Nonfinancial compensation is as important as financial compensation. Offering opportunities equitably helps prevent wage gaps and invests in a firm's most valuable assets. (See the *Recruitment and Retention* guide.)

→ **Make development a part of your organization's culture,** and remove structural barriers in your firm that impede equitable employee opportunity and growth. (See the *Workplace Culture* guide.)

→ **Provide development opportunities to employees at all levels,** outside of their primary job function—education and training to develop new skills, time with leaders, networking, mentorship, and sponsorship—transparently and equitably.[57]

→ **Offer all employees stretch assignments** and a mix of experiences aligned with their career aspirations and developmental needs. (See the *Advancing Careers* guide.)

→ **Announce opportunities widely,** and allow employees to gauge and express their own interest, availability, and suitability. Watch for and flag assumptions made by managers who may be operating based on partial or incorrect information, stereotypes, or personal interests or preferences.

→ **Make sure all employees have equal access to the resources**—time, funds, staff, information—they need to pursue their assignments and development.

→ **Ensure that workers with flexible and part-time work arrangements have access** to the same opportunities and benefits, training, and promotion opportunities as other employees.[58]

## PROFESSION

The complexities of compensation in the context of the economy and society make it important for those in the profession to share information and address issues.

### KNOW WHAT IS HAPPENING

Use a mix of resources to stay connected to the conversation. Learn what issues and problem-solving approaches are occurring within our profession and outside of it.

→ **Stay up to date on issues and research in the profession** through groups such as the AIA, American Institute of Architecture Students (AIAS), American Indian Council of Architects and Engineers, the Architecture Lobby, Arquitectos, Association of Collegiate Schools of Architecture (ACSA), Equity by Design (EQxD), National Architectural Accrediting Board (NAAB), National Council of Architectural Registration Boards (NCARB), National Organization of Minority Architects (NOMA), National Organization of Minority Architecture Students (NOMAS), and World Deaf Architects.

→ **Pay attention to the quickly changing legal and social landscape** around compensation. Bring in outside experts to share their knowledge.

→ **Follow business-oriented sources,** such as Catalyst, Deloitte, *Forbes,* Gallup, *Harvard Business Review,* Lean In, McKinsey, Pew Research Center, Society for Human Resource Management (SHRM), and Women's Leadership Edge.

## SUPPORT COMPENSATION EQUITY PROFESSION-WIDE

Be a resource and an advocate for compensation equity throughout the profession.

→ **Encourage wide contribution to national-level compensation surveys** conducted by groups like the AIA and EQxD. Consider adding a data set: track, assess, and publish pay rates and other forms of compensation for different firms across geography, size, etc., paired with demographic data.

→ **Establish guidelines for *equal value*—**roles within architecture that have substantially similar requirements for experience or education—and suggestions on how to determine ranges of pay.

→ **Recognize employers** for having high transparency with their employees and for holding regular audits that demonstrate compensation equity.

→ **Encourage a diverse range of people to write about and present** on compensation topics.

→ **Provide forums for discussion** on compensation equity between employees and firms, and with other industries.

→ **Offer professional development and events** addressing current topics like pay transparency and audits, motherhood penalty/fatherhood bonus, office housework, and flexible work arrangements.

→ **Provide business resources for sole practitioners and small firms** to help them instill equitable compensation practices as they grow.

→ **Participate in efforts to improve professional contract and fee structures** to allow firms to invest more in their employees.

→ **Connect with schools to share information and resources** that support learning, discussion, and advocacy around compensation topics relevant to student interns and graduates entering the workforce, such as pay expectations and regulations.

# Consider

## DISCRIMINATION HURTS

For a long time, I wanted to work on local projects, since before I was mostly involved in large international projects. So I joined a small firm, was a bit underpaid but told myself, “It’s a small firm, that’s what they can afford, but it feels like a family and I get more exposure to projects.” However, I changed my job after three and a half years because there was really no room there to grow and advance my career.

Two months after I started at a new firm, one of my female colleagues from the firm I had left informed me that some documents had been miraculously disclosed, or leaked: the salary reports of the firm’s employees from 2000 to 2018. They found out that the women in the firm were being paid on average 5% to 15% less than men; I was one of them, of course. More disturbingly, I learned that at the time that I was the lead designer of a project, one of my male project team members who I had trained and was ten years younger in skills and experience, actually had made twenty thousand dollars a year more than I had. For that project, we had strong evidence of discrimination. A number of my female colleagues and I decided to file a complaint through the EEOC. But you know how slow it can be when you start a legal process. It’s still ongoing but moving at glacial speed.

For me, what mattered most was not necessarily the end result, such as a payback, but to teach them a lesson so they no longer do it to others. But then it’s very stressful. It’s disappointing. These were people who called me “family.” I put my heart and soul into my projects, yet I wasn’t being compensated enough. They were just discriminating behind closed doors and none of us were aware of that. So how do I know it's not happening in other firms? In my current firm, I'm getting a higher salary, but how do I know my other colleagues with similar or less experience aren't getting paid more than I am? I always heard women are on average being paid 10% to 20% less than men, but then I didn't fully apprehend it until it happened to myself. The gender pay gap is not a myth. It's really happening and it hurts.

— Full-Time Architect at a Large Firm, White, Female, 43

DISCUSS:

- What forms of discrimination do you think were occurring? Assuming the firm leaders did not intentionally seek to discriminate, what factors, such as biases, processes, or policies, might have contributed to the salary discrimination? What might have prevented this discrimination?
- How did the culture of the firm end up hiding or sustaining pay inequities? How could the firm have been more transparent about their compensation practices? What types of compensation policies or practices would have been better aligned with the firm's culture?
- What could the firm do now to ensure that all employees are being paid equitably?
- Have you experienced or suspected salary discrimination in any firms where you worked? Have you worked at firms where you were confident that salaries were equitably distributed? How do you think these firms' cultures were a factor in perpetuating or preventing discrimination?
- Do you think the speaker's feelings would have been different if the expectation of "family" had been different?

# Consider

**BASE PAY MATRIX**

People don't know how to get a raise, how to get recognized—what you do to distinguish yourself and move up—other than by having the same last name as the person who runs the firm, who did not earn their keep but bypassed people who've been there many years. We developed a base pay matrix to address some of those fundamental questions. We set up a transparent base pay for staff—three categories: designer-level, management-level, senior licensed architects. We value years of experience in the profession and years of experience—loyalty—with the firm, so you're moving to the right as you go. When you get to be in a management-level position, making decisions, guiding and directing staff under you, you have higher value to the firm, so you can move up a tier. So a young person can look and see entry-level designer, x dollars an hour, all the way to the top right, senior licensed architect, with twenty years experience, y dollars an hour, and all these steps in between. You see you're not stuck making what you started with indefinitely, but you can see how to move up. We felt that was important for young people wanting to navigate through the profession but also very important for women to see that this is the base pay everybody gets at this experience level—the guy sitting next to me doesn't make more. At the end of the year, we have discretionary bonuses based on productivity, but the base pay is clear, and people are able to chart their career.

— Managing Partner, Firm Owner, Black, Male, 46

DISCUSS:

- How does this base pay matrix support equity between people in the firm?
- What are the strengths of this approach? What types of bias could creep in when determining and managing this pay structure and bonuses?
- What are the "fundamental questions" raised in this story? Are there other policies the firm should create to help address their questions? What other questions can compensation structure address?
- Are there additional ways this firm can help employees chart their careers in the organization?
- What reasons can you think of for such low transparency (estimated at only 13% for firms under one thousand people) around compensation for employees? Do you think transparency is hard to achieve in architecture? How might transparency be increased?

# Consider

**LOSS OF FUTURE BENEFIT**

Architects aren't taught to look at things from a business standpoint. When people make the decision to be with their kids, we're not taught about the loss of future benefits. They don't play out the scenario of staying in the workforce and advancing in their career and getting to a place, maybe, later in life when they can spend more time with their kids, when they're more comfortable, so they can give their kids different types of experiences. The decision is very much about the present day: "I can only make as much money as I need to pay for childcare, so I'm going to stay home."

For me, I'm not a stay-at-home mom, could never be one, but I don't think there are enough people talking about the full picture of what goes into making that decision because I think it's really hard to come back, especially if you want to stay in the profession. There are basic economics behind why some firms can't support new parents in general—they run at zero profitability once salaries are paid, so it's really hard to support parents who want to leave and come back and get supported as overhead while they're gone. It needs to be a complete mind shift, which is harder to achieve than throwing money at a problem.

— Workplace Strategist, Asian, Female, 39

DISCUSS:

- What assumptions, values, and goals might this person have that others might not share?
- What are economic factors that make it difficult to have children and progress in a career in architecture?
- What are the impacts of staying or leaving the profession?
- How might the factors and impacts vary for different demographic groups (gender, socioeconomic background/class, education, age, family culture)?
- In what ways could employees and employers work together to balance caregiving and career progression?
- How might architecture firms' business models evolve to better support caregiving?

# Consider

## CYCLE OF COMPRESSION

I started at a large firm out of grad school, I was glad to have a job, I had student loans and the economy was in a downturn, and my starting pay—which I was told was nonnegotiable—seemed higher than at other firms. I later found out a male classmate of mine with the same experience level was started at a higher salary and had negotiated.

I was placed in a role that I was happy with at the time because it seemed good for my development, but I later realized it was a trap for women in that firm. They are rarely allowed into design roles (even though I had won design awards throughout my education), and progression in the firm outside the design track is limited because you have little contact with partners, and opportunities for recognition are few. There were annual reviews, but it became clear that if you didn't have an advocate in that room, your performance was irrelevant (my bosses were being continually laid off or fired, and I had to take on their work, which was a lot of responsibility but also meant my advocate was gone). There was no feedback on what decisions for promotion or raises were based on and no guidance on how to advance.

I resigned from the firm on good terms after five years because despite becoming licensed, being dedicated and productive with high-quality work, directing project teams on multi-million-dollar projects, managing parts of billion-dollar projects, bringing positive recognition to the firm via cultivating good consultant, client, and industry relationships...I was still at entry pay level. The reasoning I was given by a manager was that the economy was still slow—but I knew the firm was making record profits, people on my projects were receiving bonuses, including a male coworker I worked with closely at the same level of responsibility.

I also contributed a lot to the firm in trying to improve the firm culture, but I saw that was not something that led to advancement. On my last day, the office head of HR pulled me aside and said if I came back, I should negotiate for a much higher salary. When I took my next job, in large part due to increased flexibility for work-life balance, I was told their policy set incoming pay based on the salary of my previous job, which locked me back into the low pay set by my prior firm.

— Sole-Proprietor Architect and Educator, White, Female, 36

DISCUSS:

- What information should this person have known to advocate for her rights and navigate these compensation issues?
- How did their lack of transparency give the employers unequal power?
- What forms of discrimination were possibly occurring? What policies could have been in place and practices shared with the employee for equitably handling negotiation and determining pay?
- How can compensation systems fail in addressing poor management practices, small-scale pay inequities occurring over time, and the organization's underlying philosophical issues?

# Consider

## OVERTIME

Leadership recently called a team meeting between me, a few juniors, and a few intermediate architects regarding unpaid overtime. The senior associate said, “You have to understand the profession that you entered. Architecture is not a nine-to-five profession. We cannot afford to pay you overtime, but we do need more from you. To make the next deadline, maybe you can take one day off during the weekend, but otherwise we need you here.” The only woman in leadership on the team said, “It’s like when you take care of a baby: if you take care of the baby from nine to six, at six, do you just leave and let the baby die? No! This is what makes architecture fun! Because everybody is in it to do great work, not to make money!”

Someone on my team reported what was said at the meeting to HR and because she was told that her identity could not be guaranteed to be kept confidential, she asked HR to not say anything from fear of backlash from the leadership, and nothing was done. HR acknowledged that it is company policy to “pay overtime but only when it has been previously approved.” And apparently, being asked by your project leaders to work overtime does not constitute prior approval. You need to ask the principal to sign off on it before you do the overtime. How convenient that the policy is, “Oh, you should have asked the principal before you did it. Now it’s too late.”

I did make my views on unpaid overtime clear when the project architect and I went to lunch the other week, and he tried to convince me to help him “motivate the others to come in to work without paid overtime.” I suggested that the firm give us comp days if they aren't intending to pay us. That same week they made everybody put their mobile phone numbers on a spreadsheet for "emergencies only," and the very next week, I worked fifty-two hours and decided not to go in over the weekend. On Saturday I received a text from someone ten years my senior: "Just a no-obligation suggestion—if you would like to assist and actually learn what I have done today to complete the elevator-lobby enlarged plan, feel free to drop by tomorrow between one p.m. to five p.m. I'll be at the office."

Then on Monday, I received a text from the same project architect I'd had lunch with: "You should talk to the principal about these comp days. The thing to remember is that none of this should be seen as quid pro quo on an hour-for-hour basis. It's about an organic give and take, much of that being valuable experience and knowledge gained, a great set for your portfolio, and ultimately a built project. Bean counting the hours for 'fair' compensation is another attitude entirely, and not necessarily one that's fully compatible with this business. The variables and subjectivity are simply too great!"

— Architect, White, Female, 30–40

DISCUSS:

- What are the issues exhibited in this scenario, and why do you think they are occurring? Do you think any legal or ethical bounds have been overstepped?
- What would you recommend this employee do in the short term and the long term? What are the possible positive and negative outcomes of each approach?
- How might expectations and assumptions related to working overtime and receiving overtime pay vary according to people's identities or roles within a firm?
- What are the responsibilities of employees, managers, leaders, and HR toward defining, communicating, and managing work hours and overtime?
- What effects might these types of messages and practices have on compensation equity within the firm?

# Resources

## COMPENSATION IN ARCHITECTURE

**AIA Compensation Report 2019 – AIA**
[purchase required]
https://store.aia.org/products/aia-compensation-report-2017-pdf?variant=37198724609

Tool compares compensation data for thirty-nine architecture firm positions. Looks at trends in architectural compensation and what incentives are being offered to retain talent.

**AIA Small Firm Compensation Report 2020 – AIA**
[purchase required]
https://www.aia.org/resources/178221-aia-small-firm-compensation-report

Provides demographic and trend data for sole proprietorships and firms of fewer than three architectural staff employees.

**EQxD Metrics: Pay Equity Series (3 parts) – Annelise Pitts – Equity by Design (2017)**
**Part 1 - Overview**
http://eqxdesign.com/blog/2017/6/26/eq3sh1813brgmzndknr379oy05ajam
**Part 2 - From "Equal Pay for Equal Work" to Pay Equity**
http://eqxdesign.com/blog/2017/7/2/eqxd-metrics-from-equal-pay-for-equal-work-to-pay-equity
**Part 3 - Closing the Pay Gap**
http://eqxdesign.com/blog/2017/7/6/9whxr744rkmmej57ggz030qm68t30d

Three-part series reviews the salary data from the Equity by Design survey. Part 1 describes the state of the pay gap in architecture. Part 2 discusses the primary forces that affect the wage gap. Part 3 addresses ways to close the pay gap through policies and practices.

**Salary Calculator – AIA**
http://info.aia.org/salary/salary.aspx

Calculator uses salary data from the compensation tool to provide mean and median salaries for various architectural positions, considering geographic location and firm revenue.

## GUIDES AND TOOL KITS

**Bias Interrupters – Center for WorkLife Law**
https://Biasinterrupters.org

Offers many tool kits and worksheets for individuals and organizations to interrupt bias. See their tool kits for compensation and performance evaluations.

**Interrupting Bias in Performance Evaluations – Women's Leadership Edge**
[subscription provided for AIA members]
https://www.womensleadershipedge.org/category/webinars/

Webinar that gives examples of how bias affects performance evaluations, which can be used to determine promotions and merit increases. Gives guidelines for developing a review process that eliminates bias.

**Managing Pay Equity – SHRM (2018)**
[subscription required]
https://www.shrm.org/resourcesandtools/pages/pay-equity.aspx

Summarizes the pay gap and laws related to pay equity and offers in-depth guidelines for reviewing pay policies for fairness and for improving policies.

**re:Work Guide: Structure and Check for Pay Equity – Google**
https://rework.withgoogle.com/guides/pay-equity/steps/introduction/

Several-part guide for analyzing pay procedures—starts with an overview of the pay gap and the high-level goals organizations should have regarding pay policies, then provides specific guidelines for reviewing and adjusting policies that may be inequitable.

## WAGE GAPS

**The Fatherhood Bonus and the Motherhood Penalty: Parenthood and the Gender Gap in Pay – Thirdway – Michelle J Budig (2014)**
https://www.thirdway.org/report/the-fatherhood-bonus-and-the-motherhood-penalty-parenthood-and-the-gender-gap-in-pay

Analyzes the impact of having a family on the salaries of men and women: men's salaries tend to increase with each child while women's tend to decrease.

**Graduating to a Pay Gap – Christianne Corbett and Catherine Hill – AAUW (2012)**
https://aauw-ne.aauw.net/files/2013/07/AAUW_Graduating_to_a_Pay_Gap_Report_-_2012.pdf

Study of the wage gap between men and women college graduates working full time one year after graduating. Discusses the impact of this immediate pay gap and the disproportionate student-loan debt burden it places on women.

**How to Achieve Gender Equality in Pay – The Milken Institute Review – Claudia Goldin (2015)**
https://scholar.harvard.edu/files/goldin/files/gender_equality.pdf

Examines the wage gap between genders, factoring for education, age, experience, and industry. Looks at how different job structures affect the gap. Conclusion: the amount of time worked in a week affects hourly rate; those who work longer hours tend to make more money per hour as well.

**Racial Wage Gap for Men – Payscale (2019)**
https://www.payscale.com/data/racial-wage-gap-for-men

Study of wage gaps between white men and men of various racial and ethnic groups.

**The Simple Truth About the Gender Pay Gap – AAUW (2018)**
https://www.aauw.org/research/the-simple-truth-about-the-gender-pay-gap/

Defines the gender pay gap and what causes it and shows how it affects different demographic groups. Suggests ways to address the gap for different groups of people: individuals, employers, and the government. Offers guidelines to address gender-based discrimination at work.

# Notes

1. See *The Simple Truth About the Gender Pay Gap* (Washington, DC: AAUW, Spring 2018), https://www.aauw.org/resources/research/simple-truth/. See updated data on how wages vary based on many factors, including race, age, disability, education, and sexual identity and gender orientation. "Databases, Tables, and Calculators by Subject: Pay & Benefits," U.S. Bureau of Labor Statistics, accessed September, 24, 2018, https://www.bls.gov/data/#wages; "Equal Pay is an LGBT Issue, National LGBTQ Task Force, accessed May 17, 2020, https://www.thetaskforce.org/equal-pay-is-an-lgbt-issue/; and Jackson Gruver, "Racial Wage Gap for Men," Payscale, May 7, 2019, https://www.payscale.com/data/racial-wage-gap-for-men.

2. "America's Women and the Wage Gap," National Partnership for Women & Families, April 2018, http://www.nationalpartnership.org/research-library/workplace-fairness/fair-pay/americas-women-and-the-wage-gap.pdf. Men's salaries tend to increase with each child while women's salaries tend to decrease; this is true even when accounting for variables such as experience, hours worked, and education, which suggests much of the gap can be attributed to discrimination. For more information, see Claire Cain Miller, "The Motherhood Penalty vs. the Fatherhood Bonus," *New York Times,* September 6, 2014, https://www.nytimes.com/2014/09/07/upshot/a-child-helps-your-career-if-youre-a-man.html?r=0&abt=0002&abg=0.

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SECOND EDITION


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