



# PAY EQUITY INITIATIVE

## City of Albuquerque

### What is the city of Albuquerque pay equity initiative?

The Initiative is a set of rules for contracting with the City requiring reporting of pay scales by gender and job category for entities seeking city contracts. The Initiative also provides for a 5% preference for those companies with gender pay gaps of 10% or less overall, and further provides for recognition of leadership in pay equity.

### Why do we need it?

The pay gap between working women and men in the U.S. continues to be one of the highest ranking concerns for women. It is also a priority for men, because when one earner in a family brings in less than she should, the family suffers overall. Though “equal pay for equal work” has been the law since 1963, disparities in pay between men and women for full time, year round workers are not lessening substantially, and cannot be expected to go away naturally (after all, it’s already been 52 years).

New Mexico now ranks 15th in the U.S. for women’s pay equity. However, there is still a lot of work left to guarantee that women receive the same pay for doing the same work as men. Women in New Mexico are paid 79 cents for every dollar paid to men, amounting to a yearly gap of \$8,789 between full time working men and women in the state. Women of color experience even greater disparities, with African American women earning just 69 cents for every dollar paid to men, and Hispanic women being paid just 66 cents for every dollar paid to men in New Mexico. Nationwide, for Native American women the percentage is a lowly 60 cents.

Federal law prohibits pay discrimination as do several New Mexico laws, including the New Mexico Equal Rights Amendment, New Mexico Human Rights Act, and the New Mexico Fair Pay for Women Act. This initiative will help employers comply with the law, and help them to close any pay gaps before they become a problem.

### What does a 5% preference mean?

When competitive bids are evaluated for awarding a contract, companies meeting the standard for pay equity will be given an additional 5% bonus in their score. (Note: all combined preferences such as small business, veterans, and pay equity cannot exceed 10% overall.)

### If the goal is to eliminate pay gaps, why allow a 10% discrepancy? Isn’t that just saying of 10% is an acceptable level of discrimination?

No. Other things being equal, such as education, experience, time on the job, etc., there is no “acceptable level of discrimination.” The average pay gap between women and men working full time, year round is 21% in New Mexico, and some of the data already submitted by Albuquerque contractors show pay gaps of up to 40%. Given these statistics, allowing a variance of only ten percent is a very high bar for initial implementation.

The goal of the Initiative is to incentivize companies that are lagging to improve. A zero tolerance policy in the early stages would only discourage companies from making any effort at all, since many are far away from that goal. As companies improve and pay gaps narrow, the cutoff for the preference will be revisited and likely revised, but it is far too early for that at this stage.

### Are all entities seeking city contracts subject to the requirements of the initiative?

All potential contractors are required to submit city-provided forms showing gender pay gaps when seeking contracts. The electronic report is generated automatically once basic information is entered, so potential contractors are not burdened with complicated calculations.

### Will potential contractors with large gender pay gaps be excluded from consideration?

No, but those with pay gaps of 10% or less will be rewarded with a 5% preference.

### What is gender wage gaps are due to factors such as experience, piece work, education, or other factors not related to gender?

We realize there are multiple factors that affect wages. The ideal goal is a 0.00% wage deviation. Because of a variety of factors, the current deviation that is eligible for a preference is 10%.

### What if women are making more than men is that okay?

Gender pay equity is the policy of the US Government, State of New Mexico and City of Albuquerque. This includes both women and men, so that neither group benefits or is penalized simply because of their gender.

### If contractors discover a gender wage gap, is the city going to tell them how to fix it?

No. There are many ways to remedy gender wage gaps, and they are well documented. There are consultants who specialize in this as well. The City of Albuquerque will not dictate how such gaps should be fixed.

### Will the city be setting wage rates for private business?

No. Only pay gaps, not pay amounts, are reported. The city won't even know what the contractors are paying, and will in no way advise them on pay scales.

### Does fixing a wage gap mean some people's wages will need to be lowered?

Methods by which pay gaps are remedied are the decision and responsibility of the contractor, not the city. Lowering anyone's pay to achieve parity is not the policy or recommendation of the City of Albuquerque. Experts in the pay equity field do not recommend cutting anyone's pay to overcome pay.

### Isn't this going to violate worker privacy?

No. Wage or salary data will be part of a contractor's internal calculations, but will not be reported to the city, nor will dollar amounts by group. Only percentage pay gaps between groups will be reported.

### Won't this give away valuable pay scale information to the competitors of businesses that report?

No. Actual pay amounts won't be reported. Just the percentage differences between pay for women and men in the same job categories.

### Isn't it going to cost contractors a lot of money to report pay gaps?

The cost should be minimal. Contractors already know who works for them, what their gender is, and how much they're paid, so no new data will need to be gathered. Many are already producing federal/state reports that are in the same format or reports for other purposes. Contractors will not need to come up with reporting schemes or new forms. Required forms are provided at no charge by the State of New Mexico and the City of Albuquerque, and are downloadable online.

We have consulted with experts on payroll systems large and small, and they assure us that the capability to gather the data that will be needed to produce the report is already a part of most payroll systems. The city is also providing a spreadsheet template to assist employers in producing the report.

### Are the reports public information, and if so how can I obtain them?

The City of Albuquerque maintains public records following federal, state and local laws. Citizens may inspect public records by contacting the Office of the City Clerk by mail, e-mail or in person.