Close gender and racial pay gaps in the Federal Government

Goal Leader(s):
Brenda Roberts, Deputy Associate Director, Pay and Leave

Deputy Goal Leader:
Mahri Monson, Diversity Program Manager, Office of Diversity, Equity, Inclusion, and Accessibility
Goal Overview

Goal statement
- Close gender and racial pay gaps in the Federal Government. By 2023, issue regulations that will address the use of salary history in the hiring and pay-setting processes for federal employees.

Problem to Be Solved
- As of September 2021, the gender pay gap for the Federal Government’s civilian workforce in the Executive branch was 5.9 percent for all employees.
- In 2021, female pay gaps by racial/ethnic groups ranged from -7.0 percent to +27.2 percent.

What Success Looks Like
- OPM regulations advance pay equity in support of:
  - OPM’s strategic objective 1.1 - Achieve a Federal workforce that is drawn from the diversity of America, exhibited at all levels of Government, by supporting agencies in fostering diverse, equitable, inclusive, and accessible workplaces. By 2026, increase a Government-wide Diversity, Equity, Inclusion, and Accessibility index score by 6 percentage points.
  - OPM’s strategic objective 1.2 - Develop a Government-wide vision and strategy and implement policies and initiatives that embrace the future of work and position the Federal Government as a model employer with respect to hiring, talent development, competitive pay, benefits, and workplace flexibilities.
### Goal target(s)

In the table below, please repeat the key metrics included in the goal statement (previous slide) that will be used to track progress.

Please update this column each quarter.

<table>
<thead>
<tr>
<th>By...</th>
<th>Achievement statement</th>
<th>Key indicator(s)</th>
<th>Quantify progress</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>09/30/2023</td>
<td>Issue regulations that will address the use of salary history in the hiring and pay-setting processes for Federal employees.</td>
<td>Issue regulations that will address the use of salary history in the hiring and pay-setting processes for Federal employees.</td>
<td>Target value</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Starting value**</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Current value</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Update cycle</td>
<td>Annually</td>
</tr>
</tbody>
</table>

* Even qualitative targets! If the target is to achieve a qualitative outcome, quantify progress this way: 1="Yes, we achieved it", 0="No, not yet"

** As of 10/1/2021
## Goal Team

### Pay and Leave

**OPM Senior Leads:**
- Brenda Roberts, Deputy Associate Director, Employee Services
- Bryce Baker, Senior Advisor, Employee Services
- Jeanne Jacobson, Manager, Pay Administration, Employee Services

**OPM Team Leads:**
- Carey Jones, Lead HR Specialist, Employee Services
- Kristen Foy, Senior HR Specialist, Employee Services

**Agency Partners:**
- Compensation specialists at CHCO agencies

### Diversity, Equity, Inclusion and Accessibility

**OPM Senior Leads:**
- Mahri Monson, Diversity Program Manager, Office of Diversity, Equity, Inclusion, and Accessibility

**Agency Partners:**
- DEIA teams at CHCO agencies
Goal Strategies

- Revise regulations to address the use of salary history in hiring and pay-setting processes for Federal employees to advance pay equity
- Develop guidance for agencies on conducting pay equity reviews
- Request reports from agencies with major pay systems outside of Title 5 of the United States Code on any changes they implemented to advance pay equity for inclusion in a report to the President, as required by EO 14035
- Measure pay gaps and identify any additional actions to take to close pay gaps
Progress toward this APG is primarily measured by milestones, including the publication of proposed and final regulations in the Federal Register that address the use of salary history in hiring and pay-setting processes for Federal employees.

<table>
<thead>
<tr>
<th>Annual Measures</th>
<th>FY 22 Target</th>
<th>FY 23 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of CHCO agencies that have submitted reports on revisions to advance pay equity in compensation practices for major pay systems outside of title 5</td>
<td>-</td>
<td>50%</td>
</tr>
</tbody>
</table>
### Key milestones

<table>
<thead>
<tr>
<th>Key Milestone</th>
<th>Milestone Due Date</th>
<th>Milestone Status</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Send proposed regulations to OMB-Office of Information and Regulatory Affairs</td>
<td>Q3, FY 2022</td>
<td>On-Track</td>
<td></td>
</tr>
<tr>
<td>Issue proposed regulations</td>
<td>Q4, FY 2022</td>
<td>On-Track</td>
<td></td>
</tr>
<tr>
<td>Send final regulations to OMB-Office of Information and Regulatory Affairs</td>
<td>Q2, FY 2023</td>
<td>On-Track</td>
<td></td>
</tr>
<tr>
<td>Issue final regulations</td>
<td>Q3, FY 2023</td>
<td>On-Track</td>
<td></td>
</tr>
<tr>
<td>Issue memo on pay equity reviews and request agency reports on non-title 5 compensation practices revisions</td>
<td>Q1, FY 2023</td>
<td>On-Track</td>
<td></td>
</tr>
<tr>
<td>Collect reports from agencies on non-title 5 compensation practices revisions</td>
<td>Q3, FY 2023</td>
<td>On-Track</td>
<td></td>
</tr>
<tr>
<td>Report to the President on pay equity</td>
<td>Q4, FY 2023</td>
<td>On-Track</td>
<td></td>
</tr>
<tr>
<td>Generate data on gender and racial/ethnic pay gaps in the Federal Government Executive branch</td>
<td>Q2, FY 2022</td>
<td>Complete</td>
<td>OPM calculated gender and racial/ethnic pay gaps using September 2021 data.</td>
</tr>
<tr>
<td>Generate data on gender and racial/ethnic pay gaps in the Federal Government Executive branch</td>
<td>Q2, FY 2023</td>
<td>On-Track</td>
<td></td>
</tr>
</tbody>
</table>
Summary of progress

Narrative – FY 22 Q2

OPM calculated gender and racial/ethnic pay gaps for the Federal Government’s civilian workforce in the Executive Branch, as of September 2021, using data reported to OPM’s Enterprise Human Resources Integration-Statistical Data Mart. OPM Director Kiran Ahuja shared some of these gaps in remarks at a White House event on Equal Pay Day (March 15, 2022).

OPM is drafting proposed regulations that address the use of salary history in hiring and pay-setting processes for Federal employees. On March 15, 2022, President Biden signed E.O. 14069, which states that OPM anticipates issuing a proposed rule that will address the use of salary history in the hiring and pay-setting processes for Federal employees, consistent with Executive Order 14035 of June 25, 2021 (Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce).
## Data accuracy & reliability

**Measure**: Percent of CHCO agencies that have submitted reports on revisions to advance pay equity in compensation practices for major pay systems outside of title 5

<table>
<thead>
<tr>
<th>Definition of Measure</th>
<th>The number of CHCO agencies who submit responses divided by the total number of CHCO agencies.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Source</td>
<td>CHCO agency responses to OPM data call</td>
</tr>
<tr>
<td>Data Verification and Validation</td>
<td>OPM will seek any necessary clarification of any responses and follow-up with agencies who have not responded by the requested deadline(s) as needed.</td>
</tr>
<tr>
<td>Data Limitations</td>
<td>Not all agencies may submit responses that are clear or complete or submit responses in a timely manner or at all. OPM will provide clear instructions and be available to answer any questions that agencies have.</td>
</tr>
</tbody>
</table>
Additional information

**Contributing Programs**

Organizations:
- Compensation specialists at CHCO agencies – agency partners
- DEIA teams at CHCO agencies – agency partners

**President’s Management Agenda**

- Priority 1 – Strengthening and empowering the Federal workforce

**Stakeholder / Congressional Consultations**

- To help inform the identification and prioritization of strategic issues facing OPM in FY 2022-2026, the agency assessed its environment by conducting an environmental scan as well as internal and external stakeholder consultations.

- **OPM:**
  - reviewed and analyzed 132 publications, including reports, studies, and scholarly articles;
  - interviewed 30 internal stakeholders and 58 external stakeholders, representing 36 organizations, who provided their feedback on OPM’s strengths, weaknesses, opportunities, and challenges;
  - conducted three focus groups – two with members of the Chief Human Capital Officers (CHCO) Council and one with representatives of OPM employee resource groups; and
  - administered an agency-wide survey to solicit employee ideas for strategies that OPM could employ to achieve its draft goals and objectives.