



# Pay Data Reporting to the US Equal Employment Opportunity Commission

## Employer Experiences and Recommendations

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Equal pay for equal work is a worthy goal and one that the United States has yet to achieve.<sup>1</sup> The policies, systems, and processes to collect and understand workers' pay data are currently under debate on Capitol Hill, in the courts, and around corporate board rooms. Today, equal pay advocates have expressed interest in reinstating pay data collection that was developed and conducted from 2016 to 2020. Yet important lessons can still be learned from the previous data collection efforts by the US Equal Opportunity Employment Commission (EEOC) and employers.

Urban Institute researchers conducted exploratory research to better understand employers' experiences in reporting pay data to the EEOC. We interviewed employers that reported pay data to the EEOC in 2019–20 to understand their processes and efforts to compile and report those data, and we provide related recommendations for future pay data collection.

## About This Brief

The EEOC's 2019–20 collection of EEO-1 Component 2 pay data, which began its implementation in 2016, completed its collection by February 2020. It was fraught by confusion because of federal policies and administration priorities that changed significantly over the course of two presidencies. The federal

government was compelled to complete the collection by court order. And, nevertheless, nearly all the eligible employers required to file would do so in less than a year.

This brief examines the processes employers undertook to assemble pay data and identifies ways the EEOC and other partner organizations could make the process more transparent and streamlined, should the EEOC decide to move forward with new pay data collection.

Equal pay advocates and other stakeholders have expressed interest in reinstating the pay data collection under the Biden administration. Meanwhile, opponents of pay data collection assert that it is too costly and without clear benefits for employers or workers. However, important lessons can still be learned from the EEOC's previous pay data collection efforts. The brief's findings suggest that if process improvements are undertaken and recommendations incorporated, employers could have a more consistent experience with improved collection outcomes, should a future pay data collection be reinstated.

## Background on EEOC Pay Data Collection

Since 1966, employers with 100 or more employees and employers with at least 50 employees and holding a contract with the federal government worth \$50,000 or more have been required to report workforce demographic data to the EEOC. The annual Employer Information Report EEO-1 (EEO-1) requires employers to identify the number of employees by job category, sex, race, and ethnicity.

For decades, the EEOC and the Office of Federal Contract Compliance Programs (OFCCP) of the US Department of Labor (DOL) have used EEO-1 demographic data to promote compliance with federal nondiscrimination laws among private employers and federal contractors and strengthen enforcement efforts. The EEO-1 reporting requirement also promotes proactive compliance by encouraging employers to review their workforce demographics to identify potential barriers to equal employment opportunity. The EEOC publishes reports of aggregated EEO-1 data to identify patterns in industries and geographic areas that employers can use as benchmarks to assess their progress in ensuring equal employment opportunity.

During the Obama administration, the EEOC proposed adding a new pay data collection component. As with existing EEO-1 demographic data reporting, this new component was intended to serve several purposes: (1) help the EEOC and DOL better understand differences in compensation by sex, race, and ethnicity at the organization level, identify trends, and aid in the enforcement of equal pay laws; (2) assist with assessing complaints of discrimination, focusing investigations, and identifying employers with existing disparities that might warrant further investigation; and (3) promote compliance by encouraging employers to review compensation policies and practices and proactively remedy unexplained disparities in pay in the process of gathering and reporting data.

To craft the final pay data regulation and reporting requirements, the EEOC engaged in an extensive, multiyear, public process that involved hearings, studies, and two rounds of Federal Register notice and comment from stakeholders and the public. The notices announced which employers would

be required to file pay data, what data would be collected, reporting deadlines, how the data would be analyzed, and how the proposed collection and analysis would protect confidentiality and privacy.<sup>2</sup> In response to these notices, the EEOC received and considered hundreds of public comments. The comments were submitted by members of Congress and members of the public, employers, employer associations, civil rights groups, women's organizations, labor unions, industry groups, law firms, and human resources (HR) organizations. The EEOC also held public hearings and heard from numerous witnesses representing a range of stakeholders, including employers, employees, and academics.

Proponents of pay data collection, including the National Women's Law Center and the Labor Council for Latin American Advancement, asserted that the data would provide a valuable tool to promote voluntary compliance, self-analysis, and effective enforcement of equal pay laws, and identify trends within industries and geographic areas. Opponents of the pay data collection, including groups like the US Chamber of Commerce, raised several concerns, including the reporting burden, confidentiality protections, and that the data collected would not help to identify pay discrimination.

During the Obama Administration, the Office of Management and Budget (OMB) approved the pay data collection initiative for "Component 2" in 2016,<sup>3</sup> and employers were supposed to start reporting pay data for the year 2017 as of March 2018. The new reporting requirement led to calls for employers to conduct a proactive pay audit to assess risk to identify and address areas of unexplained pay disparities.<sup>4</sup>

In 2017, during the first year of the Trump administration, the OMB sought to rescind the new pay data reporting requirement, asserting that the requirement "lacked practical utility, [is] unnecessarily burdensome, and [does] not adequately address privacy and confidentiality issues."<sup>5</sup> In response, the National Women's Law Center and the Labor Council for Latin American Advancement Labor sued the Trump Administration, arguing that the OMB unlawfully eliminated the requirement without a credible explanation or change in circumstances.<sup>6</sup> In March 2019, a federal court ordered the EEOC<sup>7</sup> to proceed with the pay data process by collecting data from either the past two years or the current and following year. The government chose the former, and as a result, employers were required to retroactively submit two years of pay data to the EEOC for 2017 and 2018 by September 2019. By its initial terms, the pay data collection expired after two years. In September 2019, during the Trump administration, the EEOC indicated that it was "not seeking to renew Component 2 of the EEO-1."<sup>8</sup>

## Initial Collection

Initially, employers were provided approximately 5 months (May 5–September 30, 2019) to prepare and submit pay data for two years. From May 3, 2019 (when the EEOC announced the collection) through the end of September 2019 (the original deadline for pay data submission), less than 50 percent of eligible filers had submitted the requisite data.<sup>9</sup> As a result, the United States District Court for the District of Columbia required the EEOC to extend the deadline. The US District Court deemed the collection complete once 89 percent of required filers had submitted their data in February 2020.<sup>10</sup>

Capacity challenges and the change of the presidential administration's policy focus hindered the EEOC's rollout of the pay data collection. Though a robust 18-month rollout plan for the pay data

collection was created by the EEOC, it was never fully implemented.<sup>11</sup> Additionally, the agency faced staffing shortages, losing approximately 22 percent of its workforce from 2010 to 2020.<sup>12</sup>

To implement the pay data collection rollout, the EEOC contracted with the National Opinion Research Center (NORC) at the University of Chicago. NORC operated a help desk, hosted the data portal, and launched a centralized website that would support resources such as FAQs and host an instruction booklet. The EEOC understood employers would have many questions about this first-time collection, so they sent staff members to train NORC's help desks. The agency also sent announcements and reminders about the collection to filers via email and the US Postal Service, as is standard with the EEO-1 Component 1 collection.

Moreover, because of the uncertainty and delays around the future of pay data collection, employers faced challenges in proactively putting systems in place to prepare and process the data for future years. In addition, the retroactive two-year reporting was not consistent with their other annual single-year EEO-1 reporting.

At the time of this brief's publication, the EEOC's Republican commissioner majority has not acted to reinstitute pay data collection. In a 2021 speech to the National Industry Liaison Group, EEOC Chair Charlotte Burrows addressed the issue of pay discrimination, recognizing that lack of access to pay data has been a long-standing issue at the agency and reminded the audience of the EEOC's collection of pay data for the first time in 2019.<sup>13</sup>

## Methodology

### Initial Scope

To establish a basic understanding of pay data collection and the employer processes involved in assembling the data, we reviewed numerous different background documents, including EEOC press releases, Federal Register notices, court documents, press articles, pay data collection documents,<sup>14</sup> and a data-sharing memorandum of understanding between the Department of Labor, the EEOC, and Department of Justice. In addition, we had conversations with several people who were intimately familiar with the EEOC pay data collection, including EEOC employees, HR professionals, and experts familiar with HR data and payroll systems and related EEOC tech solutions.

### Interviews with Employers

To learn about employers' experiences with the pay data collection, we interviewed employers who assembled and filed the data. To find employers, we compiled a list of HR professionals using our contacts from research and technical assistance projects as well as other professional connections. We then reached out via email to gauge interest in interview participation. We conducted interviews with 11 unique employers of different sizes and structures, situated in a variety of industry sectors with diverse missions (table 1). We spoke with the HR professionals who had the best firsthand knowledge of

the pay data collection, as well as general EEO-1 Component 1 reporting. The interviews lasted up to 60 minutes and took place by phone or video conference, depending on the interviewee’s preference.

The interview questions covered a number of topics, starting with understanding the structure of the interviewee’s employer, its data capacity, and the processes and/or partners it used to compile the pay data. We also asked questions about employer experiences with the EEOC during the process, including training and technical assistance resources, communication, and the data-uploading process. Lastly, we solicited recommendations on how to make the process of preparing and submitting pay data more efficient, transparent, and secure, should it be reinstated. We did not ask interviewees for personal information nor for their political opinions about EEOC pay data collection.

The interviews revealed a wide range of time estimates and supports needed to complete the data collection. Importantly, interviewees consistently acknowledged that their experience of doing this collection for the first time may not reflect potential future data collection. Recommendations broadly centered around improved communication and technical assistance.

**TABLE 1**  
**Employer Interviews Conducted on EEOC Pay Data**  
*Basic descriptions of 11 participating employers*

Size (number of employees)	Has subsidiaries or multiple establishments	Industry	Federal contractor	Nonprofit (yes/no)
<ul style="list-style-type: none"><li>27% small</li><li>27% medium</li><li>46% large</li></ul>	<ul style="list-style-type: none"><li>73% yes</li><li>27% no</li></ul>	<ul style="list-style-type: none"><li>9% construction</li><li>9% retail trade</li><li>9% information</li><li>18% health care and social assistance</li><li>18% manufacturing</li><li>37% professional, scientific, and technical services</li></ul>	<ul style="list-style-type: none"><li>46% yes</li><li>54% no</li></ul>	<ul style="list-style-type: none"><li>46% yes</li><li>54% no</li></ul>

**Source:** Interviews with 12 HR professionals across 11 different companies.  
**Notes:** We define small as < 500 employees, medium as 500–9,999 employees, and large as > 10,000 employees. Industries are defined using North American Industry Classification System codes.

## Pay Data Reporting

Under the ongoing EEO-1 Component 1 reporting requirements, employers with 100 or more employees submit reports for their whole enterprise, as well as any individual establishments or subsidiaries. The reports include employee counts by the following:

- race/ethnicity (Asian, Black or African American, Hispanic or Latino, Native American or Alaska Native, Native Hawaiian or Pacific Islander, White, and two or more races)

- sex (male and female)
- job category (executive or senior-level officials and managers, first- or mid-level officials and managers, professionals, technicians, sales workers, administrative support workers, craft workers, operations workers, laborers and helpers, and service workers)

For pay data collection (EEO-1 component 2), employers were required to report the number of employees in each job category, race/ethnicity category, and sex within 12 pay bands, using W-2 pay data. To help account for the implications of part-time and partial year work on pay, employers also reported data on hours worked. Employers could choose to (1) report 40 hours a week for full-time exempt employees and 20 hours a week for part-time exempt employees, multiplied by the number of weeks these people were employed during the EEO-1 reporting year; or (2) provide actual hours worked by exempt employees during the EEO-1 reporting year, if the employer already maintains accurate records of these hours.

For example, under existing EEO-1 (component 1) reporting requirements, an employer might report 15 employees in the service worker job category who were Hispanic or Latino men.<sup>15</sup> Component 2 pay data collection asked employers to provide additional summary data on the total number of employees within each pay range and the total hours worked for those employees (table 2). The employer needed to provide this detailed breakdown for all racial and gender groups by job category.

In short, to comply with the preexisting EEO-1 demographic reports, employers have long reported employee counts by sex, race/ethnicity, and job category. To comply with the new Component 2 pay data reporting, employers prepared summary information drawing from two additional data points—W-2 pay and hours (actual or estimated).

**TABLE 2**  
**Sample EEO-1 Component 1 Report**

Pay range	Total employees (service workers who are Hispanic or Latino men)	Total number of hours worked
\$19,239 and less	2	4,160
\$19,240–\$24,439	5	10,400
\$24,440–\$30,679		
\$30,680–\$38,999	4	8,320
\$39,000–\$49,919		
\$49,920–\$62,919	1	2,080
\$62,920–\$80,079		
\$80,080–\$101,919	1	2,080
\$101,920–\$128,959	2	4,160
\$128,960–\$163,799		
\$163,800–\$207,999		
\$208,000 and more		

**Source:** This is a hypothetical example for illustrative purposes only and is not data drawn from any companies interviewed.

The process itself has several different parts, from assembling the data to reviewing it and doing quality control to submitting the data to the EEOC. We describe each part of the process below, as well as different parties' roles in reporting.

## Employer Processes

### Assembling the Data

Assembling the data for the EEO-1 Component 2 requirement in 2019–20 typically required employers to gather employee data from at least two different kinds of business systems. The first is Human Resources Information Systems (HRIS), which is generally a software system that stores employee demographic data, among other information about an employee. The second data system used is a payroll system that contains data on pay and hours worked. Because payroll data on actual hours worked are often collected only for nonexempt employees, the EEOC permitted employers to report actual hours or an estimate of 40 hours a week for full-time exempt employees and 20 hours a week for part-time exempt employees.

Combining data from these two often separate data systems was new for the employers assembling the EEO-1 Component 2 data. And, unlike the ongoing EEO-1 Component 1 collection, few existing off-the-shelf software solutions were available at the time.

We found that the 11 employers fell into three categories in how they addressed these challenges: (1) those with integrated HRIS and payroll systems; (2) those that used consultants with software solutions to assemble and data; and (3) employers that had to prepare the data collection using ad hoc approaches. The majority of those we interviewed fell into the first and last categories, although the latter had the widest range of experiences with the process.

#### FULLY INTEGRATED HRIS AND PAYROLL SYSTEMS

Some HRIS systems are fully integrated with payroll systems and can run reports that summarize data from both sources seamlessly. We spoke with four companies that were able to use these systems to pull, match, and process wage and demographic data seamlessly.

A mid-sized government contractor with fewer than 400 employees used an integrated data system with a built-in EEO-compliance feature to support their compliance as a government contractor with the EEOC and OFCCP, along with affirmative action plans. The experience of reporting EEO-1 pay data required only a few days to prepare the reports and few additional days to ensure the pay equity reporting for part-time employees. The company's subsidiary, for whom they also reported, had their data in the integrated data system as well. All in all, the government contractor noted that the reporting was straightforward.

A hospital with an integrated and centralized data system described the process of assembling pay data as taking no more than a few hours after enabling a checkbox on the payroll side of their system.

A social assistance organization completed the pay data assembly without making any changes to their data infrastructure. Instead, one HR manager pulled reports from their data system and organized them into the EEOC's classifications using Excel. This process took some trial and error to get right over a couple of days, but the organization noted that given this past experience it could be replicated faster in the future.

Lastly, a large professional services firm with an integrated data system had their technology team build a report to pull data from the W-2 box 1 into the EEOC's desired format. The firm ran the reports through their data system and hand-entered information for employees who had not been at the company long enough to have a W-2. Four staff members were engaged throughout the entire process, with three specifically working on assembling the data, including identifying blanks across many establishments and filling them in.

### CONSULTANTS AND SOFTWARE SOLUTIONS

Some employers outsource EEO-1 reporting to consultants or law firms or HR software consultant firms. An HR software consultant firm can collect, integrate, and analyze a company's HRIS and payroll data, including for the EEOC Component 2 data.

One HR software consultant company we spoke with during the exploratory phase of this research provides reporting services for employers covered by California's pay data reporting law, which closely emulates the EEO-1 Component 2 report. In addition to offering reporting services, this specialized EEOC consulting firm provides quality control, risk assessment, and other services.

The HR software consulting firm suggested that any employer using their services would spend three-to-four hours to output the raw data, review the software firm's collection and assessment, and file with the EEOC. None of the employers interviewed in this report used this type of model. And though we were not able to confirm this shortened experience reporting pay data, this service could (in theory) minimize employer staff time dedicated to the process.

### AD HOC APPROACHES

Seven employers we interviewed used an ad hoc approach to prepare the data by matching payroll information to HRIS data. In general, we found that employers had a prolonged and more challenging time in reporting when their process included exporting separate employee-level data from both business systems of HRIS and payroll data, joining the data by employee, and then aggregating it by race/ethnicity and pay band. Having to do this joining and summarizing by hand adds time to the process and potentially introduces errors, requiring more cross-checking for accuracy.

Joining data and preparing payroll data for submission are further complicated if employers are preparing reports for multiple establishments and their data systems are not centralized. This means that each establishment has to go through their own process to assemble the data and then send it to the employer's main HR office. This process issue is present for regular EEO-1 reporting as well but is complicated by the issues around merging together data from different HRIS and payroll systems.



For example, one large technology firm prepared the required pay data using a series of spreadsheets and pivot tables exported from their different data systems into Excel. The employer explained that they chose this solution because other more sophisticated software solutions were unavailable. According to the company, no solutions were available to solve the unique distribution of their employees geographically, including the number of remote workers. However, this issue is not unique to pay data collection, as it was also an issue for the existing annual EEO-1 reporting process.

Another mid-sized IT services company with several subsidiaries explained that their two systems, ADP and Oracle Fusion, were not fully integrated at the time the pay data were compiled. Instead, the company had to build HRIS and payroll systems templates that were then merged to produce the required pay data report. The entire process for assembling the data for the EEO-1 Component 2 took approximately four months to complete, from start to finish (but not indicative of actual hours spent on completing the task).

Similarly, one large pharmaceutical company with several dozen US locations assembled a four-person project team to prepare for the submission. The company produced data from its systems to another in-house database and manually joined the HRIS and payroll data together for the 2019 pay data collection.

One mid-sized nonprofit with fewer than 500 employees prepared their own data using their integrated HRIS and payroll system. However, the company's two affiliates had a harder time preparing their Component 2 data given different systems and many hourly employees. Nevertheless, the HR professional noted that the manual work was manageable with the small number of employees. Once the affiliates had their information together, one professional integrated the data using Excel. The nonprofit HR professional, having worked at her company for many decades, indicated that the EEOC process was "not that complicated."

For some companies, assembling the data submission was challenging because of the types of employees (e.g., remote workers, level of tenure), fitting the employees within the 12 pay bands established by the EEOC's template, and having multiple subsidiaries that may apply to the data collection. For example, a large staffing firm and federal contractor prepared the EEO-1 Component 2 data using a software program's integrated HRIS and payroll functions. The company had multiple subsidiaries outside of their industry with varying compensation packages for performance, making it difficult for the firm to fit neatly into the reporting structure. Lastly, to ensure the report included all applicable employees, the company hand-entered hundreds of new employees into the forms as a part of its quality control. As the company explained, some of these variances, subsidiaries, pay structures, and new employees made assembling the data more complicated.

## Quality Control and Review

Quality control is an important part of EEOC reporting. For their regular EEO-1 submissions, employers download a file from the EEOC of their submission from the prior year with a list of establishments and

data. Employers crosswalk their establishment ID numbers with the ones in the EEOC data and compare prior- with current-year data to spot potential errors.

Because the 2019–20 EEOC pay data collection was new, companies could not do this quality check using retrospective data. Moreover, the companies were unfamiliar with the reporting specifications themselves and had to contend with the data quality issues that could result from more ad hoc approaches to assembling and processing the data.

All of the employers we interviewed included a quality check as a part of their review. The quality check was generally performed by the HR specialist who prepares the EEO-1 reporting. No companies indicated that they had outsourced this function.

## Submission to EEOC

The next step in the process was to submit the data to the EEOC. If employers opt to use the automatic upload process, they must format the data in a specific way so it can be read properly into the system. These standardized files can contain data at both the enterprise and establishment levels. This is particularly important with the pay data submission because of the much larger number of fields required. The alternative to the automatic upload is to enter the data by hand for all of the individual reports required, which may be burdensome for employers with a large number of establishments and subsidiaries. Two employees we spoke with uploaded their data by hand, and although they both work for small health care and social assistance employers, they had very different experiences. One found that this final part of the process was straightforward, whereas the other pointed it out as the most difficult. This latter assessment stems from issues with entering and saving the data, as well as difficulty getting timely assistance from the EEOC help desk.

One company struggled with the automatic upload, noting that the error messages were too vague. The HR professional we spoke with was also frustrated by lack of support from the EEOC in resolving the issues, which led to spending more time on the collection in total.

## Recommendations for Supporting Employers in Future Pay Data Collection

At the end of the collection in February 2020, approximately 89 percent of the required reporting companies nationally complied with the Component 2 pay data collection.<sup>16</sup> Employer experiences with this process varied significantly. In part because of the variation in experiences, we asked the 11 employers to provide us with recommendations for collecting pay data in the future.

The time required to complete the process ranged from a few days to several months. For four organizations, the difference between Components 1 and 2 could be measured in hours or days. For others, mainly larger companies, the process took additional weeks or more, if they were using ad hoc

approaches.<sup>17</sup> These are not indicative of actual hours spent but rather time elapsed from start to finish during the process.

**Most companies we interviewed expected the time needed to prepare and submit payroll reporting to significantly decrease.** A large staffing firm confirmed that they now have HRIS systems in place that would require much less effort to produce the data in a matter of three-to-four weeks versus six months previously. A mid-sized IT firm explained that the data collection took them from November 2018 to April 2019 to determine how to aggregate and submit the data. However, if future collection were to theoretically resume, the firm indicated that the collection would take two-to-four weeks. A mid-sized nonprofit that had struggled with submitting the data indicated that it would be able to prepare the submission in less time in the future.

**Despite the challenges, a few companies interviewed felt that they had developed internal capacity that would help them in the future.** The participating employers learned the steps needed to aggregate data from two discrete employee information systems—HRIS and payroll—and had gained understanding of how to clean, verify, and report the data to the EEOC. HRIS and payroll systems have also evolved. Many systems already included modules or automated reports for the EEOC Component 1 reporting on demographic data, and if pay data reporting were required again in the future, these systems would likely adapt to improve the compiling and reporting process for pay data as well. That said, companies noted the turnover of HR staff members as well as the lack of standard reports and systems.

In our employer interviews, we asked the companies about their interactions with the EEOC and other HR publications and resources. Many indicated reaching out to the EEOC directly and seeking information on the EEOC website. This underlines the need for consistent and clear guidance and additional staff support from the EEOC and other key partners, should the agency decide to implement new pay data collection in the future.

We asked the employers what resources and assistance the EEOC could provide in the future to employers on EEO-1 Component 2 data collection. The employers interviewed for this report offered concrete suggestions about how to do this well.

- **Provide greater lead time and collect data annually.** Some employer respondents were unprepared to submit their data, which extended the time it took to compose an accurate data submission. Frequently, we heard about the uncertainty of whether the data collection would happen because of court filings and mixed messages from the federal government. The EEOC could build a collection timetable that allows employers the maximum time to prepare and deliver one year of data similar to the Component 1 collection (rather than two years), thus reducing the burden on HR specialists to produce multiple years of data in a short period.
- **Partner with software providers to create efficient data collection and reporting systems.** Employers that used unintegrated, widely available HRIS and payroll systems described a level of difficulty using their off-the-shelf system to prepare the pay data. The EEOC may consider partnering with HRIS and payroll software system providers to promote modifications to aid in

compliance efforts, create standard templates, and ease the reporting burden. Some of these data systems also have community platforms, in which users can post questions and answers, which could be leveraged to provide support for employers filing pay data.

- **Centralize EEOC guidance documents and resources on the website.** HR professionals often looked to the EEOC website for resources, job aids, templates, and other resources to comply with the new reporting requirements. However, some employers had difficulty finding the specific information needed—in particular, the document specifying the format for the automatic upload of data. One person suggested putting all relevant information for employers on a single page. (We note EEOC hosted a website dedicated to Component 2 resources hosted by NORC. Since then, the EEOC has continued to simplify the process of finding resources by removing conflicting information and redirecting links to this centralized location.) By simplifying access to information and resources, more employers will be able to find the information needed comply with any future component 2 collection.
- **Work to improve EEOC Help Desk services.** Two companies noted that the EEOC does have a help desk available, but response time was slow and the assistance received was not always helpful. One HR analyst recalled an instance during which the support personnel at the EEOC admitted that they knew less than she did, so she figured it out on her own. If the EEOC has the resources, it could consider investing in cross-training help desk staff members not only on the technical aspects of reporting, but also on the substantive pieces important to employers. (We note that for this year's Component 1 collection, the EEOC is implementing a new message center that allows filers to track the status of their request and refers them to resources that may answer their question.)
- **Work with industry groups and employer umbrella organizations to translate guidance and roll out training and technical assistance.** Two companies relied on their memberships of groups such as SHRM, the Direct Employers Association, the Institute of Workplace Equality, and others to receive EEOC updates and assistance through webinars and white papers. The employers suggested that EEOC partner with industry associations and other employer organizations to expand their capacity. Employers see these entities as trusted partners in understanding issues around government compliance and often rely on them as their primary source of information on these matters. The industry groups can also help translate EEOC language to more approachable terms used by HR professionals. The EEOC has previously delivered joint webinars with industry groups for Component 1 and could replicate this approach for future Component 2 collections.
- **Provide greater transparency about the data collection.** Employer respondents were unclear about how the EEOC would use the data. They regularly cited fears that submitting the pay data could result in adverse effects (including being investigated by the EEOC) on their company's pay activities. Further communication (i.e., webinars, town halls, meetings, and job aids) on the data would improve trust among the employer community. Specifically, the EEOC could prepare communication tools that explain why and how the agency will use pay data information.

- **Continue to strengthen and diversify communication with employers.** Six employers we spoke with were signed up to receive email updates from the EEOC. These emails include information on new releases, data, reports, and more. One employer noted that they look to these emails to understand when the reporting period opens and receive links to helpful resources on the EEOC website. Another points out that subscribing to the EEOC directly is the fastest way to get news, but they then supplement it with newsletters from law firms and HR associations that provide more context and support. The EEOC also offers these updates via text and social media websites such as Twitter and Facebook, although no employer spoke to us about the usefulness of these specific resources.

## Conclusions

Both employers and policymakers hold a vested interest in ensuring that people are paid fairly, and as such, collecting and analyzing pay data serves an important role in understanding where improvements in pay equity can be made. The EEOC collected information on pay from the large majority of reporting establishments between 2016 and 2020, but the interrupted process of the data collection presented unique challenges in compiling and reporting pay data.

This project sought to gain insights from employers about how they undertook the process of reporting. The employers we talked with were all able to complete and report the pay data. Most employers we spoke with also described shared issues around limited time to prepare for the data collection and a lack of integration between HRIS and payroll providers that hampered efficient reporting. However, all of the companies we spoke with acknowledged these unique challenges, and most expressed confidence in their ability to improve their reporting process, should these data be requested again. The employers also pointed to additional steps the EEOC and HRIS and payroll software providers could take to improve and better support any future implementation of pay data collection. Although this brief cannot quantify potential improvements in reporting, our findings do suggest that if these steps are taken and recommendations are addressed, then employers will experience important process improvements that could likely lead to a smoother collection and reporting process.

## Notes

- <sup>1</sup> “Employer Information Report EEO-1,” Equal Employment Opportunity, accessed March 15, 2022, [https://www.eeoc.gov/sites/default/files/migrated\\_files/employers/eeo1survey/eeo1-2-2.pdf](https://www.eeoc.gov/sites/default/files/migrated_files/employers/eeo1survey/eeo1-2-2.pdf); Agency Information Collection Activities; Notice of Submission for OMB Review, Final Comment Request: Revision of the Employer Information Report (EEO-1), EEOC, 81 Fed. Reg. 45497 (Aug. 15, 2016), <https://www.federalregister.gov/documents/2016/07/14/2016-16692/agency-information-collection-activities-notice-of-submission-for-omb-review-final-comment-request>.
- <sup>2</sup> “Agency Information Collection Activities: Revision of the Employer Information Report (EEO-1) and Comment Request,” EEOC, 81 Fed. Reg. 5113 (Apr. 1, 2016), <https://www.federalregister.gov/documents/2016/02/01/2016-01544/agency-information-collection-activities-revision-of-the-employer-information-report-eeo-1-and>; Agency Information Collection Activities;

Information Collection Activities; Notice of Submission for OMB Review, Final Comment Request: Revision of the Employer Information Report (EEO-1) .

- <sup>3</sup> Rescission of Notice of Intention Not to Request, Accept or Use Employer Information Report (EEO-1) Component 2 Data, Office of Federal Compliance Contracts Programs (OFCCP), 86 Fed. Reg. 49354 (Nov. 25, 2019), <https://www.federalregister.gov/documents/2021/09/02/2021-18924/rescission-of-notice-of-intention-not-to-request-accept-or-use-employer-information-report-eeo-1>.
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- <sup>14</sup> The EEOC shared an internal Component 2 EEO-1 Online Filing System Sample Form with the Urban research team.
- <sup>15</sup> For illustrative purposes only. Example not data drawn from any companies interviewed.
- <sup>16</sup> Rescission of Notice of Intention Not to Request, Accept or Use Employer Information Report (EEO-1) Component 2 Data, Office of Federal Compliance Contracts Programs (OFCCP).
- <sup>17</sup> When discussing the time it took for employers to complete the data collection, we draw from the language used by the firms themselves. The times most often refer to time from starting the compilation to finishing and reporting and are useful in a comparative sense to show relative differences within and across firms. In most cases, these times are not meant to indicate that firms worked on pay data compilation exclusively, nor to be a precise measure of person-hours spent on the task.

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