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10 Steps Nonprofits Can Take to Close the Pay Gap for Women

By Lisa Schohl

Despite increased news coverage of the issue in recent years, the wage gap between women and men has barely budged at large nonprofits, according to a new study from GuideStar.

In 2016, female chief executives at charities with the highest annual budgets earned 20 percent less than their male counterparts, compared with 21 percent in 2015. And the gap doesn't just affect women in the top job. Last year, female fundraisers made \$74,519 on average compared with \$92,544 for men, according to the Association of Fundraising Professionals. Research on the work force as a whole shows that the situation is even worse for women of color.

Yet few nonprofits seem to be tackling this issue within their organizations, experts say. "It's not on the top of the agenda or the radar of the vast majority of groups that we work with," says Lisa Brown Alexander, CEO of Nonprofit HR, a human-resource consultancy that works solely with charities. "There are other, more pressing priorities, and this doesn't usually bubble to the top."

But experts say that's a mistake. On the one hand, a sector that strives to solve many of society's biggest challenges, including gender equity, should lead by example, says Jennifer Lockwood-Shabat, CEO of the Washington Area Women's Foundation, a grant-making organization that supports low-income women and girls. "It's hard to make the case if you're not doing it yourself."

In addition, underpaying women could affect charities' ability to thrive, experts say. In a nonprofit work force that is increasingly competitive — and majority female — groups should adopt pay practices that are not only fair but ahead of the pack if they want to attract and hold onto top

talent, Brown Alexander says. Taking a stand on the issue also shows current employees that they are valued, which can raise morale and boost productivity, Lockwood-Shabat says.

Building Trust

For Prosperity Now, a nonprofit that focuses on battling financial insecurity, fostering equality is also about building trust. The group shares with employees the salary ranges for different positions so that everyone knows who is at each level and how raises connect to performance. "The last thing we want is people's ability to collaborate and work with each other to be undone by the fact that they think there's not fairness in the organization," says Andrea Levere, president of the charity.

Other ways Prosperity Now fights the wage gap include looking out for inequities or the need for market-based corrections during performance reviews and helping staff — two-thirds of whom are women — get the training and support they need to reach higher-paying positions within the nonprofit. In addition, the group ended one practice that Levere said had caused problems: asking about new hires' previous compensation to set their salaries.

The *Chronicle* consulted a variety of nonprofit practitioners and experts who shared 10 steps that managers can take to help shrink the pay gap between men and women. These include determining whether disparities exist and creating a hiring process that prevents inequities. Here's their advice.

1. Acknowledge the problem. "Assume that someone in [your] organization at some point in time has been biased, because the world has biased people," says Katie Donovan, the founder of Equal Pay Negotiations, a firm that focuses on helping employers achieve equal pay for women and men. "There's no way your organization is so perfect that you did not hire one. And then start thinking about what can you have as kind of checks and balances to that?" Donovan suggests. The goal should be to focus on changing your processes, not people, she says.

2. Get your leaders on board. Pay-equity work involves many people in an organization, but the push needs to come from leaders, Lockwood-Shabat says. "The CEO, executive director, and board have to be fully committed," she says.

Although managers can and should make sure that the people on their teams are being paid fairly, Donovan says, it usually takes a someone at the C-suite level to decide to spend the money needed to correct pay discrepancies on a large scale.

To keep the issue at the forefront and hold leaders accountable for delivering results, set equal pay as one of your organization's strategic priorities, Brown Alexander says.

3. Don't leave men out of the conversation. They need to be involved in these efforts because they're often in a position to make or influence decisions that affect women's compensation and benefits, Lockwood-Shabat says.

Donovan puts it another way: Men have to be involved, she says. "They are on the upper management and boards of every employer and every nonprofit. You need to get leadership buy-in: by definition, that means men."

4. Strengthen your human-resource team, starting with hiring a strong director to oversee it, Levere says. Whether you build a department internally or work with a consulting firm, you'll need people with this expertise to help you figure out where you are in terms of pay equity and where you need to go, she says.

They also can help you develop a performance-review system that enables you to evaluate job candidates and assess employees' contributions in an objective way, she adds.

5. Conduct an internal audit of compensation. Compare the salaries for men and women in similar jobs at your organization to learn whether inequities exist. If you find a gap, develop a strategy to correct it. "You certainly can't take the money away from the men, and we don't advocate for that," Brown Alexander says. But you should take steps to balance the pay for women and men at all levels, even if you have to spread out increases over a year or two. If your group lacks the cash to erase disparities among current employees, resolve to do better with new hires.

And be transparent throughout this process, she says. Communicate your intentions to your staff, share what you learn about where you are, and explain how you're working to meet your goal.

6. Check your pay scale against market rates. In addition to looking within your nonprofit, compare your salaries with those at similar organizations. By working with a company that has access to this kind of data, Lockwood-Shabat says, you can also identify ways your benefits and policies could better support women.

7. Filter underpaid groups out of the data you use to set salaries. Many organizations look to median wages to determine fair levels of compensation, Donovan says. But if your data includes women, who typically make less than men, then your offers will be based on numbers that are too low. Instead, she says, look only at the medians for men —

and preferably just white men, since that figure reflects the goal you're trying to reach. "If you're using a database that includes all the underpaid people, you're never going to achieve pay equity," Donovan says.

8. Don't ask new hires about salary history. Despite a growing movement against asking job candidates to provide their most recent salary — including an increasing number of states that ban the practice — many organizations continue to make offers based on candidates' previous wages. That practice continues the cycle of unfair pay, Donovan says, because women coming to your nonprofit from other employers have likely been affected by the gender pay gap at some point.

9. Don't ask new hires how much they want to make. That's because people usually "anchor" their answers to their last salary, Donovan says, which often puts women at a disadvantage. Take, for example, a man and a woman at the same career level who both apply for a higher position at a new employer. If the man currently earns \$100,000, he may ask for \$120,000 to try to get a 10-15 percent pay bump, which is typical for such a move, Donovan says. But for the woman — who would likely be making around \$80,000 for the same job — to reach that same amount, she would have to ask for a 50 percent increase. "That's not going to happen," Donovan says.

10. Tell job candidates what the position pays. "If you want to really close the gender pay gap, include the pay for your job in any of your job listings," Donovan says. "That would be the quickest and easiest way to eliminate one of the biggest hurdles to achieving pay equity" — tying offers to candidates' past wages.

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