

Final Report of the Pay Disparity Study

Overview of Study:

Pursuant to Section 3-305 of the *Labor and Employment Article, Annotated Code of Maryland*, the Commissioner of Labor and Industry is directed to report an analysis of data voluntarily collected from employers regarding the wages, job classification, racial classification, gender, and other information concerning employees in Maryland. Data collection began October 1, 2008 and is scheduled to end December 31, 2013.

Data Collection:

To collect data for this study, the Division of Labor and Industry developed an on-line data submission site that employers could access through the Department of Labor, Licensing, and Regulation website. Employers are able to submit all requested information by entering a pay period and then entering data regarding race and gender under the applicable job group. To encourage employer participation, information about the study was distributed with Unemployment Insurance mailings to newly registered employers as well as posted on the Department of Labor, Licensing and Regulation's website homepage. To facilitate employer submission, the Commissioner of Labor and Industry modeled job groups and racial classifications after the Equal Employment Opportunity Commission's reporting requirements so that employers could easily use the information that they compile for their Federal reporting requirements on their State form. The ten job groups used for this study are the same categories used on the Employer Information Report EEO-1. In addition, the EEOC race and ethnicity categories were used to collect data.

Results:

To date, 50 employers have participated in the study, submitting a total of 542 entries. The demographic information collected is summarized in the table below:

Job Group	Total Number of Submissions	Total Number of Employers	Total Number of Employees	Total Number of Women	Total Number of Men	Total Number of American Indian/Alaskan Native	Total Number of Asian	Total Number of Black/ African American	Total Number of Hispanic/ Latino	Total Native Hawaiian or other Pacific Islander	Total Number of White	Total Number of Some Other Race
Administrative Support Workers	95	27	616	514	102	0	17	129	49	0	412	9
Craft Workers	36	7	254	10	244	1	4	102	28	0	119	0
Executives/Senior Level Managers	60	26	151	40	111	0	3	6	2	0	137	3
Laborers & Helpers	44	10	249	32	217	0	3	92	45	2	107	0
Mid Level Officials & Managers	77	21	460	291	169	0	5	121	24	0	308	2

Operatives	37	7	943	12	931	1	11	353	112	0	466	0
Professionals	70	24	681	362	319	0	81	102	23	0	459	16
Sales Workers	59	16	484	350	134	1	6	107	69	0	295	6
Service Workers	50	12	1657	658	999	4	22	988	92	3	519	29
Technicians	14	7	49	5	44	0	0	10	1	0	38	0

Conclusion:

While the Commissioner of Labor and Industry requested that employers submit all demographic and salary data required by Section 3-305 of the *Labor and Employment Article*, the lack of adequate participation by employers renders the results of this study inconclusive regarding the issue of wage disparity. The highest level of participation for a job group category is 27 employers, with 7 employers as the lowest level of participation. Such low participation can not accurately reflect Maryland employers as a whole with regard to wage disparity. In addition, inconsistent submissions by employers also contribute to the inconclusive nature of data collected. For example, gross salary rates in the “Professionals” job group range from a submission of “1” to “5,121,193” for men. Because of the low participation level by employers as well as inconsistent and seemingly inaccurate submissions, it was not possible to determine meaningful salary dollar figures for any of the job groups.

Recommendations:

To collect information more effectively for future wage disparity studies, employer incentives to participate should be developed. Currently, the law does not authorize such incentives, nor include any employer consequences for failure to participate. In addition, the law provides that employers retain information on wages, gender and racial classification. However, the law does not require that an employer submit this information to the Commissioner of Labor and Industry. This results in voluntary submission by employers as the Commissioner does not have staff to conduct on-site audits of records.

In addition, the structural design of the study needs to be adjusted to ensure data types collected will be sufficient for future quality analysis. The current race and gender data the Commissioner is authorized to collect is not sufficient to be used for wage disparity analysis because contextual data is not also collected. Without contextual data, any analysis will not be able to conclude if differences in wages are a result of wage disparity or other factor(s). Other factors could include differences in geographic location, employee experience and qualifications, pay schedules for the same job classification, employer size, employer classification descriptions for the same job title, etc. In addition, the study design should also account for the possibility of cross variable impact. For example, if a female employee who is also a minority experiences wage disparity, the study should be able to analyze if one variable or both variables contributed to the disparity identified.

To effectively conduct a future study of pay disparity, partnering with another State entity such as the University of Maryland could greatly enhance results. If the law was to require the electronic submittal of wage data to the Commissioner and then an organization or entity with skilled researchers and other necessary resources were involved, the report would give a better picture of wage disparity in the State. Such a partnership would improve the design, development, and quality of results of a future study on wage disparity.