



Leaders for Equity and Equal Pay (LEEP) Toolkit FAQs

Q: What exactly *is* the LEEP Toolkit?

A: The LEEP Toolkit is an easy-to-use, free-to-you resource crafted by experts in the field, to address gender and racial pay equity within your organization. We've done the work so you can achieve results. In 2020, the Change The Story VT initiative partnered with Sadowski Consulting Services and seven Vermont employers to develop the LEEP Toolkit. It is housed publicly on all Change The Story VT partner websites to encourage employers to lead the way to #EqualPay. The LEEP Toolkit includes:

- **The Equity Management Tool (EMT)**, an Excel-based plug-and-play resource for small and mid-size employers (< 400 employees) to run their own in-house, ongoing gender and racial pay equity reviews.
- **The EMT User Guide: Step-by-step Instructions for Building Great Charts**
- A companion 60-page resource written by compensation expert Frank Sadowski. “**The Pay Equity Playbook: Tools for Small and Mid-Size Organizations**” highlights context and issues behind pay inequity, shares case studies, guides readers through the use of the EMT, and offers how-tos for change.
- Additional resources to help you on your pay equity journey: the **Compensation Philosophy Worksheet**, a **Pay Equity Plan Template**, and the **Sadowski Performance Review Rubric**.

Q: What does the LEEP Toolkit cost?

A: NOTHING! It's absolutely free!!

Q: Is the Toolkit only for organizations based in Vermont?

A: NO!! While the resource was developed in Vermont, the LEEP Toolkit can be used by companies anywhere. This methodology is designed for organizations with 400 or fewer employees.

Q: I'm not a compensation expert. What kind of skills or knowledge do I need to use the Equity Management Tool?

A: You don't have to be an expert. If you can use Excel, you can use the EMT. We've created the **EMT User Guide: Step-by-step Instructions for Building Great Charts** to help you along the way. (There is also a Directions tab in the EMT itself.)

Q: What variables does the Equity Management Tool let me look at? Anything other than gender and race?

A: The EMT currently includes race, gender, disability, and veteran status. It is possible to add additional identities or qualifications as well. If you want to pay differently based on certification of additional skills, for instance, you could add that dimension to your analysis through the EMT.

Q: Is the EMT able to reflect the whole gender spectrum?

A: Yes! In the EMT you can create as many gender categories as you would like, in order to reflect each of your employees as they identify.

Q: What do I need to do in preparation for running a pay equity analysis using the EMT?

A: You'll need to have a) commitment from your organization's leadership team; b) established pay ranges; c) a written compensation philosophy; and d) your pay data cut and pasted into the EMT. **The Pay Equity Playbook** can help with all of these.

Q: Does the Toolkit work for nonprofits? Government agencies? Organizations with unions?

A: Yes, any organization can use these pay equity tools, regardless of structure.

Q: My organization is very small – it's just me and 3 other employees. Can I still use the Toolkit?

A: Yes. We encourage organizations of any size to use the tools and input pay data into the EMT. When there are more than 15-20 employees and/or more than one person in the same or relatively similar jobs, the charts begin to reveal patterns you might not readily see otherwise. In your case, the charts might still provide interesting information. Leaders of every organization, large or small, need to determine how they pay people what they do - and why. The Toolkit can help now and as you grow:

- **The Pay Equity Playbook** can help you explore the larger social context of pay inequities and how they develop; define internal equity for your firm; create a compensation philosophy; and learn more about various approaches to compensation, job descriptions and performance reviews.
- **The EMT** can be an important proactive tool - as you grow and hire more employees, you will want to be sure that those new hires are coming in at wages that maintain your firm's internal equity.
- The **Worksheets, Rubrics** and **Templates** are useful tools for organizations of all sizes and structures in considering practices and policies to improve and maintain equity.

Q: Is it better to use median or mean for midpoint in pay ranges?

A: When you are developing pay ranges, and using salary surveys the median pay is a better measure of the midpoint of the competitive range. After you are clear about the competitive range, then you can develop your company's pay range based on your compensation philosophy. **The Playbook** describes the difference.

Q: Assuming that many companies are not in a position to increase their payroll in one fell swoop, what advice do you have about “an appropriate timeline” for getting underpaid individuals to pay equity?

A: The tension between equity/fairness and ability to pay is real, and the solution will vary with each company. That said, look at the reasons for the underpayment. Do they warrant complete immediate adjustment or more gradual shifts? Then look at your budget and figure out where the money can come from and in what timeframe. No matter the timeline, good communication is key!

Q: Any suggestions for using these tools to help increase employee voice and power while running a pay equity analysis? Can they help distribute power in an organization?

A: Pay equity is at the nexus of all of an organization's people systems: recruitment and hiring, performance evaluations and promotions, leadership advancement, and internal communications, among others. Transparency around pay will make a difference in the power dynamic. Share with your employees why you pay what you do (your compensation philosophy). Invite discussion about that and other policies.

Q: Does the Toolkit address larger forces and systems - beyond the wage gap - that affect folks impacted by the wage gap?

A: The Pay Equity Playbook provides a wealth of information about organizational and systemic equity, and the power structures and unconscious biases that uphold systemic *inequity*. It's not just about pay, after all.

Q: Does the Toolkit have the ability to assess whether women are promoted at the same rate as men (assuming equal reviews)?

A: Not directly, but it's pretty easy to look at your gender balance at each level of your company and see how it changes (or doesn't) over time. **The Playbook** can help you explore possible reasons why some people aren't getting promoted at the same rate as others.

Q: What can I do to help spread the word about the Toolkit and all it can do to help businesses drive equity?

A: Share the resource with your networks and encourage folks to use it!

Q: I work for a company with more than 400 employees. Can I use the Toolkit in a single department, to analyze equity within our group?

A: Depending on the size of your department, using a regression analysis may be a simpler approach. That said, **the EMT** will give you some good insights on your department and there is a LOT of applicable information in **the Playbook** that may be useful to you.

Q: I'm in a union. Might the Toolkit be of use to us as we negotiate our contract?

A: It might. Using **the EMT** to analyze your members' pay data will help highlight any racial and gender pay imbalances. **The Playbook** also gives you language to talk about why people are paid what they are - it can be used to facilitate deeper conversation about what drives pay for an employer. If your company is having issues recruiting or retaining women, check **the Playbook** for a discussion of benefits and scheduling issues that might be important parts of the solution.

Q: How often should I be running a pay equity analysis?

A: Leading practice for small companies is once a year. With every new hire and promotion, there is an opportunity for pay inequity to re-emerge. The good news is that once you have established practices and have a process in place for running a pay equity analysis, it gets easier and faster! It becomes about making small tune-ups and celebrating successes. However, if you wait too long between assessments, you risk losing ground (and consequently also losing trust and employee engagement) and needing to make more significant adjustments.

Q: Every time we start talking about our compensation system, things go sideways. We have several different compensation schemes within the company and some employees feel they are being paid unfairly. I'm worried that embarking on a pay equity study right now might blow up in our faces.

A: You raise an important point. As a society, we are not in the habit of openly discussing money, and in some states it is still illegal for employees to compare their salaries. In an organization, any time compensation comes up, you can expect employee trust to reduce by half. It sounds like you might benefit from taking a pause to examine what is going on. There are structural biases and systems of oppression that, despite our best efforts, show up in all of our workplaces, and we want to be sure we don't perpetuate them. It is possible - and perhaps preferable - to address workplace culture and run a pay equity review at the same time, but think carefully about what needs to be in place for open and honest communication to occur. The Playbook can help you think through many of these conundrums.

Q: Is there anything else I should know about the EMT before I leap in?

A: **The EMT** is a great tool, but it is still just a tool. You will need to grow your knowledge about pay equity and the forces that drive it to use this Toolkit effectively. The good news is, there is LOTS of expertise shared in the Playbook and supporting resources. And the other good news is ... you got this!

Q: Yikes! I'm having technical difficulties. Who can help me?

A: Please be in touch with sadowskiconsultingservices.com. They will do their best to troubleshoot with you.

Q: I'm a Vermont employer who wants to show my commitment to pay equity. How can I do that?

A: Sign the **Vermont Equal Pay Compact!** You'll find it on the Vermont Commission on Women's Equal Pay Compact: https://women.vermont.gov/news_events/compact. You should also, of course, download the **LEEP Toolkit**, read **The Pay Equity Playbook** and regularly use the **Equity Management Tool** to analyze your pay data in order to achieve and maintain pay equity at your company.

If you are not lucky enough to be based in Vermont, check with your state or municipality for similar programs. Boston and Seattle, for instance, both have terrific opportunities for employers to partner in creating more equitable workplaces.

This FAQ sheet was developed to support the use of the Leaders for Equity and Equal Pay (LEEP) Toolkit, a joint project of Change The Story VT and Sadowski Consulting Services.

A wee disclaimer at the very end: we are not attorneys. The answers in this FAQ do not constitute legal advice. If you are in a pickle, we recommend you talk to a lawyer who specializes in compensation.

Change The Story VT (CTS) is a partnership initiative of the Vermont Women's Fund, the Vermont Commission on Women and Vermont Works for Women designed to advance women's economic well-being. If you would like to receive updates on this project and other CTS efforts, please sign up at changethestoryvt.org.