

Guidance for Agencies Conducting Pay Gap Data Analysis

Purpose

This document provides an overall guide for agencies to conduct their own pay gap data analysis, as a supplement to the analysis that OPM regularly conducts on Government-wide pay systems. The Office of Personnel Management (OPM) recommends agencies conduct data analysis similar to the Governmentwide pay gap data analysis OPM conducts. The purpose of conducting this analysis is to:

1. Identify areas where potential gender-related and racial/ethnic-related pay disparities exist within an agency (if any);
2. Determine if there are identifiable reasons for any disparities;
3. Provide a basis for the development of targeted strategies to reduce any gender-related and racial/ethnic-related pay disparities; and
4. Track to see whether strategies to advance diversity, equity, inclusion, and accessibility improve any gender-related and racial/ethnic-related pay disparities over time.

The following overview refers to a more detailed description of the data sources and analysis process OPM used to conduct the “Governmentwide Gender and Racial/Ethnic Pay Gap Analysis Summary.”

OPM’s data sources and analysis process

Data sources

OPM analyzed workforce data reported by agencies to OPM’s central data systems (for example, Enterprise Human Resources Integration (EHRI) system). Agencies may use their own sources of workforce data for their analyses.

Population

The population was limited to:

- Employees in the Executive branch;
- Employees in pay status;
- Employees with a “permanent” appointment (i.e., appointment without time limitation); and

- Employees with a non-seasonal, full-time work schedule.

Factors

OPM's study included the factors listed below that describe employee characteristics, along with the selected subpopulations established for each factor.

- Age
- Gender
- Grade level (for GS employees)
- Occupation
- Pay plan
- Race/ethnicity

Agencies can look at other factors such length of service, education level, etc.

Calculation

In comparing female salaries to male salaries, OPM used male salaries as the base for comparison. Thus, in the detailed analyses, average female salary was expressed as a percentage of the average male salary. For example, in 2022, the average female salary was 94.4 percent of the average male salary for the Executive branch workforce.

In comparing racial/ethnic groups, OPM used White male salaries as the base for comparison. Thus, in the detailed analyses, average male and female salaries were expressed as a percentage of the average White male salary. For example, in 2022, the average Black/African American female salary was 85.1 percent of the average White male salary for the Executive branch workforce.

Another approach to calculating pay gaps is to compare median salaries instead of average salaries. However, if an agency uses median salaries to calculate pay gaps, the agency will not be able to make direct comparisons to OPM's Governmentwide data analyses.

For more information on OPM's data sources and analysis process see Section I of the "Governmentwide Gender and Racial/Ethnic Pay Gap Analysis Summary."

Types of data analysis

OPM analyzed workforce snapshot data:

- Data was extracted and analyzed by gender and racial/ethnic group to obtain a picture of specific workforce characteristics, including:
 - an overall raw gender pay gap and raw racial/ethnic group pay gaps; and
 - a weighted average gender pay gap from each of the factors studied.
- Snapshot data is taken from a status file representing employee characteristics at a particular point in time.
- See Section I of the “Governmentwide Gender and Racial/Ethnic Pay Gap Analysis Summary” for the specific process OPM used for the workforce snapshot data.

Agencies may perform regression analyses if they have the resources to do so.

Focus of the analysis

OPM recommends that agencies conduct targeted analysis of:

- Governmentwide pay systems (for example, General Schedule) and large independent pay systems administered by the agency (covering 100 or more employees in a given population);
- Major occupations; and
- Subpopulations with the largest gender-based and racial/ethnic-based pay disparities.

In some cases, agency data analysis may need to probe deeper than the analysis conducted by OPM to fully understand the factors behind a gender or racial/ethnic pay disparity. For example, an agency may generate data for major occupations that show gender pay gaps by age groupings within each occupation.

OPM recommends that agencies analyze data for the most recent fiscal year available to obtain an understanding of the current workforce with respect to gender and racial/ethnic groups. This data can be a baseline for future comparisons. Agencies may then decide to analyze past years to gain an understanding of workforce trends.

Agencies’ pay gap analysis should consider these questions:

- Are there any gender pay equality issues in your agency?
- Are there any pay equality issues between racial/ethnic groups in your agency?

- How do your agency's results compare with OPM's Governmentwide results?

Agencies are encouraged to assemble a team of employees, including those with necessary skills in data system administration and statistical analysis, and give the team specific tasks to perform.

Ongoing data analysis

Agencies are encouraged to develop plans for conducting data analysis related to gender and racial/ethnic pay equality on a regularly recurring basis to remain focused on addressing this important issue and to measure progress in closing any gender and racial/ethnic pay gaps.

OPM Contact Information

Agency headquarters-level human resources offices may contact the Pay, Leave, and Workforce Flexibilities office at OPM at paypolicy@opm.gov. Employees should contact their agency human resources office for further information on this guidance.