



**STATE OF UTAH
EXECUTIVE BRANCH
PAY EQUITY STUDY:
2022 UPDATE**



**Governor's Office of Planning & Budget
State of Utah
October 2022**

EXECUTIVE SUMMARY

The Cox-Henderson administration is committed to narrowing pay and opportunity gaps among Utahns. Decades of national-level evidence points to divergences in employment experiences between men and women and those who are White and Not Latino or Hispanic and minority groups. Utah is frequently ranked as having one of the widest gender pay gaps.¹ As part of the Cox-Henderson administration’s first steps in addressing this issue, the Governor’s Office of Planning & Budget (GOPB) conducted a [pay gap analysis for state employees working within the executive branch in 2021](https://www.gopb.utah.gov/wp-content/uploads/2021/05/Executive-Branch-Pay-Analysis-5.21.2021.pdf).²

Employment equity can be measured according to different scales including both pay and opportunity. In 2021, the study conducted an initial step towards identifying where state

1 <https://www.ksl.com/article/50256062/utahs-gender-wage-gap-one-of-widest-in-the-nation-usu-study-shows>; [https://www.abc4.com/news/utah-ranks-second-worst-gender-wage-gap-in-u-s/#:~:text=In%20the%20Beehive%20State%20alone,from%2021.8%25%20to%2034.6%25](https://www.abc4.com/news/utah-ranks-second-worst-gender-wage-gap-in-u-s/#:~:text=In%20the%20Beehive%20State%20alone,from%2021.8%25%20to%2034.6%25;).; <https://www.usu.edu/uwlp/blog/2021/utah-gender-wage-gap-2021-update>; <https://slchamber.com/public-policy/initiatives/wage-gap/>

2 <https://www.gopb.utah.gov/wp-content/uploads/2021/05/Executive-Branch-Pay-Analysis-5.21.2021.pdf>

employees might be experiencing misaligned employment opportunities based on demographic characteristics, by taking a narrow scope of defining pay equity under an ‘equal pay for equal work’ framework. Given so, it measured the average pay differences between state executive branch employees who were performing substantially similar work while accounting for other factors that might drive wage differences.

The 2021 study’s results imply that average Utah executive branch employee pay levels are explained by non-demographic factors, as average pay differences between men and women employees, and non-minority and minority employees, did not meet thresholds for statistical significance. However, the findings also suggest that there may be pay and opportunity disparities based on gender and minority status for subsets of employees. The study included action items intended to help the state continue to explore and address employee level pay and opportunity issues. One of the action items was that GOPB repeat the 2021 study in 2022 with updated employee-level data to check whether the results held. GOPB completed this action item and uncovered that the results held, with a few subtle differences.

TABLE 1: DESCRIPTIVE STATISTICS

	2022 STUDY			2021 STUDY		
	COUNT	% WOMEN	% MINORITIES	COUNT	% WOMEN	% MINORITIES
Data Set	17,129	48.9%	15.7%	17,530	48.4%	15.0%
<i>Employment by schedule code</i>						
IN/TL	2,099	53.6%	20.3%	2,019	51.5%	16.8%
B	13,604	49.8%	15.3%	14,162	49.4%	15.0%
AB/AD/AR	474	38.8%	13.7%	438	37.7%	7.1%
AC/AQ/AS/AT	952	31.9%	8.4%	911	30.1%	13.7%
<i>Employment by EEO Designation</i>						
Service Maintenance	725	48.6%	19.2%	774	47.7%	20.8%
Paraprofessionals	1,706	61.9%	23.6%	1791	62.0%	20.5%
Clerical	1,019	88.9%	20.0%	1140	89.1%	19.0%
Professionals	8,420	57.9%	16.3%	8346	57.1%	15.9%
Technician	1,846	33.4%	12.8%	1987	33.1%	12.2%
Protective Services	2,126	13.2%	10.5%	2224	12.8%	9.8%
Skilled Craft	452	3.5%	9.5%	471	2.5%	8.9%
Officials & Administrative	835	34.0%	7.3%	797	32.7%	6.9%

UPDATED FINDING 1

The data from both studies implied that without controlling for other possible determinants of wage (for example, the type of work an employee performs and other job characteristics) that male employees are paid 21% more than females, and those who are White and not Latino or Hispanic are paid 17% more than employees who are not. However, both the 2021 study and the updated findings uncovered that wage gaps are small and statistically unimportant among employees who differ in gender or minority status, but have similar non-demographic characteristics.

ACTION ITEM 1 FOLLOW UP

As mentioned above, the first action item from the 2021 study called for this analysis to be periodically updated to ensure that the equal pay for equal work finding continues to hold over time, which is found to be the case in this 2022 updated study. The original action item also recommended that this finding should be further evaluated by alternative research methods and additional data. GOPB is currently exploring a longitudinal analysis to identify how advancement trajectories within executive branch state government may differ on the basis of demographic status.

UPDATED FINDING 2

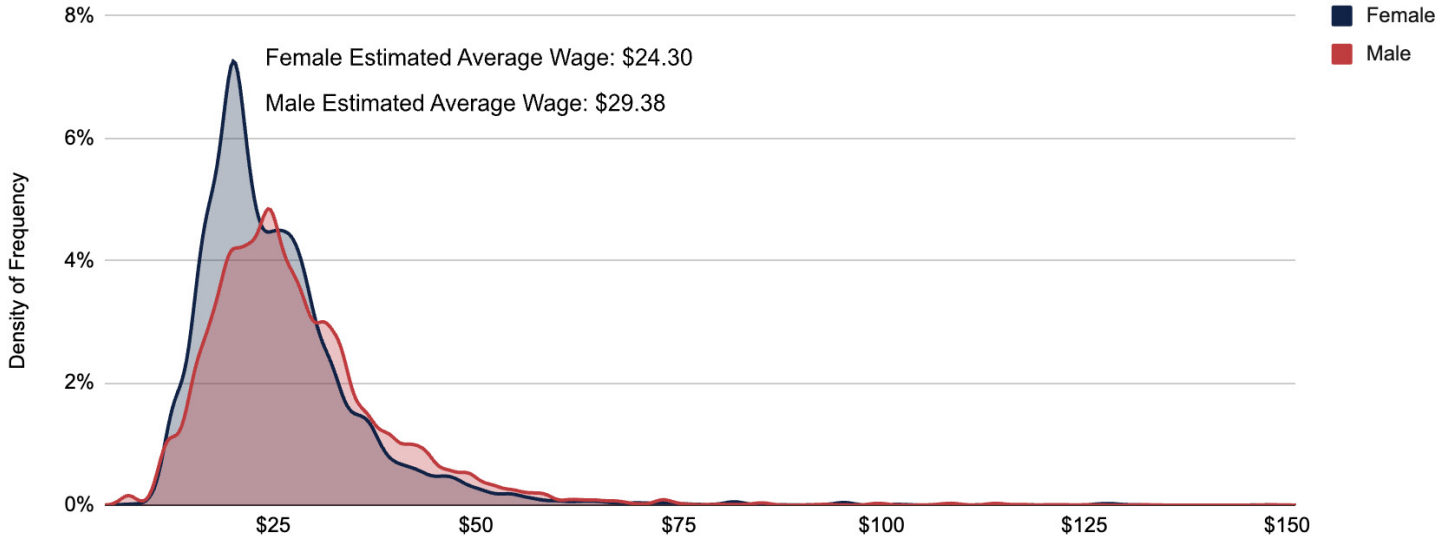
While the 2021 analysis found that men and women received equal pay for equal work on average, the modeling did point to some evidence for possible individual instances of gender associated pay gaps. Using the same analytical techniques as deployed in the previous study, the possibility of individual instances of pay gaps between men and women once again could not be ruled out in the 2022 study.

ACTION ITEM 2 FOLLOW UP

The second action item from the 2021 study involved the state Division of Human Resources (DHRM) engaging with state agencies to evaluate potential pay gaps as they may exist within like-job classifications. DHRM is currently working to develop Standard Operating Procedures (SOPs) for root cause analysis of unconditional pay differences among employees across gender and minority status. DHRM has also procured analytical tools to identify possible pay discrepancies on a monthly basis, and to develop response and remediation strategies.

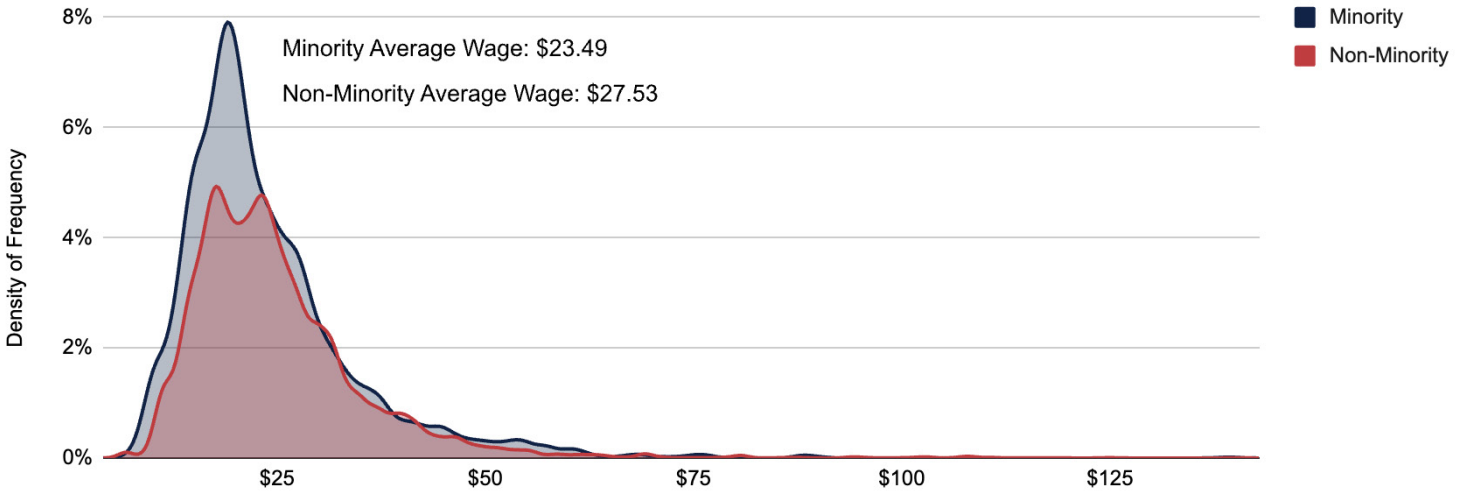
	MALE WAGE PREMIUM			NON-MINORITY WAGE PREMIUM		
	UNCONDITIONAL MEAN	CONDITIONAL MEAN	STATISTICALLY SIGNIFICANT	UNCONDITIONAL MEAN	CONDITIONAL MEAN	STATISTICALLY SIGNIFICANT
Original study (2021)	21%	2.2%	✗NO	17%	0.6%	✗NO
Study update (2022)	21%	2.8%	✗NO	17%	0.9%	✗NO

2022 UNCONDITIONAL MEAN EXECUTIVE BRANCH WAGE DISTRIBUTION BY GENDER



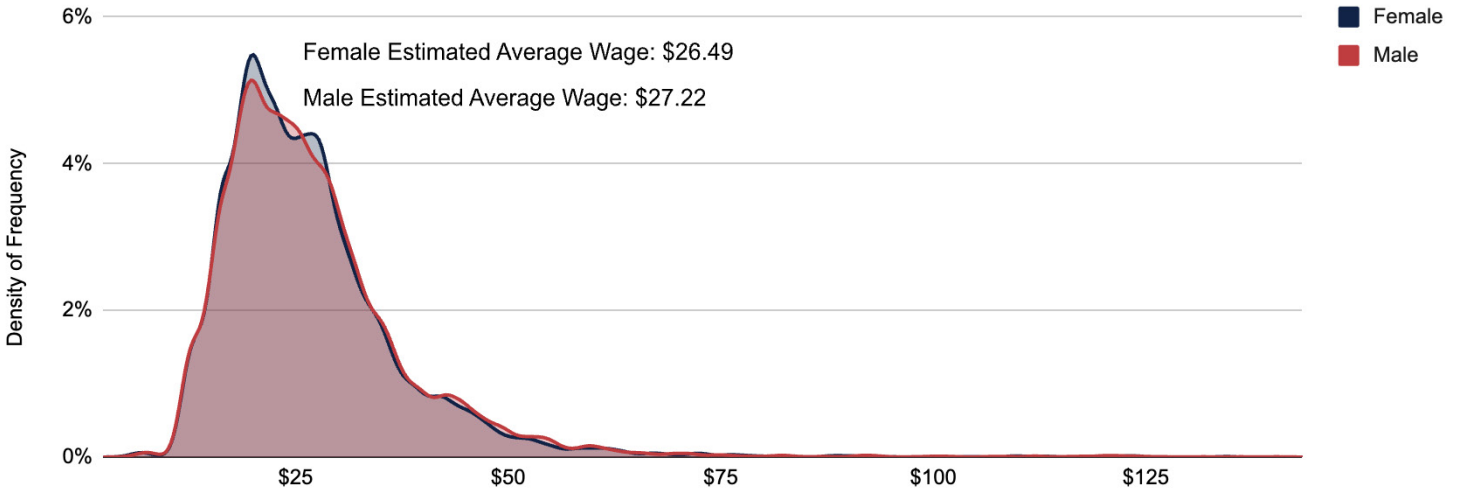
SOURCE: DHRM; analysis by the Governor’s Office of Planning and Budget

2022 UNCONDITIONAL MEAN EXECUTIVE BRANCH WAGE DISTRIBUTION BY MINORITY STATUS



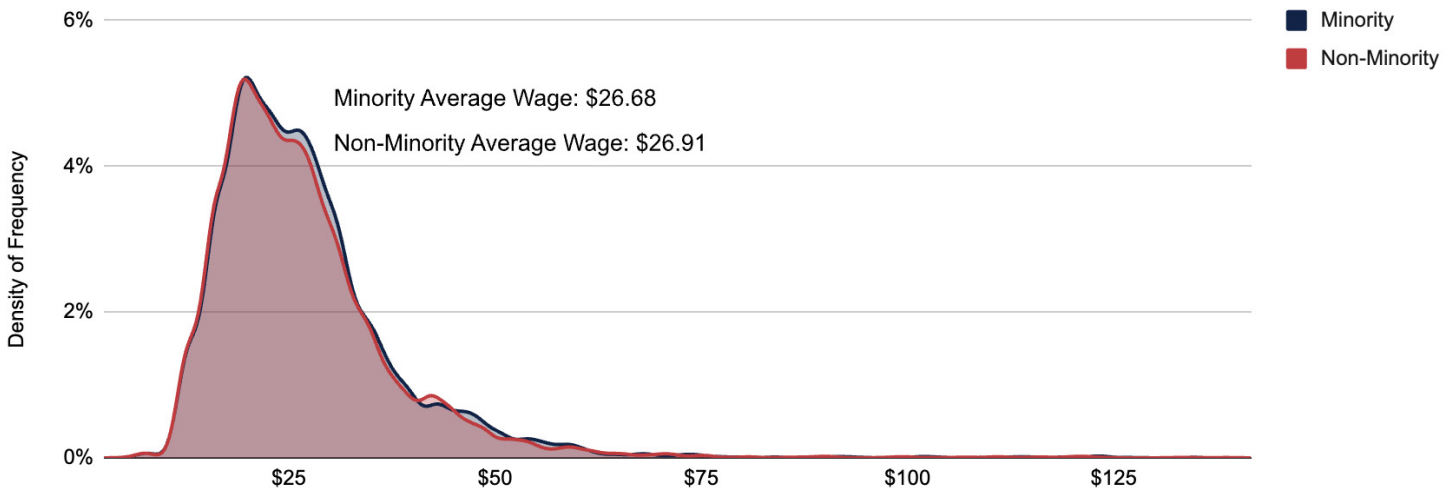
SOURCE: DHRM; analysis by the Governor’s Office of Planning and Budget

CONDITIONAL EXPECTED VALUE EXECUTIVE BRANCH WAGE DISTRIBUTION BY GENDER



SOURCE: DHRM; analysis by the Governor’s Office of Planning and Budget

CONDITIONAL EXPECTED VALUE EXECUTIVE BRANCH WAGE DISTRIBUTION BY MINORITY STATUS



SOURCE: DHRM; analysis by the Governor’s Office of Planning and Budget

UPDATED FINDING 3

The agency, schedule code and occupational class in which an employee works has influence on employee wages and were detected as important in both the 2021 and 2022 analyses. This is an important finding when it comes to efforts for increasing equal opportunity and efforts to provide wage advancement to employees.

ACTION ITEM 3 FOLLOW UP

Since job factors such as the agency, schedule code and occupational class in which an employee works were found to be important determinants to pay in the 2021 analysis,

DHRM committed to conducting an evaluation of state recruitment practices, applicant pools and the general labor pipeline into the state. DHRM further proposed investing in diversity, equity and inclusion capacity in order to develop recommendations for improving state hiring outcomes.

Since the release of the 2021 study, DHRM has hired an Equity, Inclusion & Diversity Accelerator (EDIA) Director, and it is developing practices for targeted recruiting efforts in underserved groups and communities by examining possible gender bias in job descriptions and posting, salary ranges and performance management.

These efforts are in an early phase and updated processes will be included in subsequent progress reports.

UPDATED FINDING 4

The initial study implied that there is an important connection between employee leave balances and wages within similar levels of work performed, holding other explanatory features constant. That is, when annual leave balances are higher, even after controlling for variables such as tenure and job level, wages are predicted to be higher. This finding may have implications for paid family leave benefit policies and other employee work. The 2022 study once again supports that there is an important connection between employee leave balances and wages within similar levels of work performed.

ACTION ITEM 4 FOLLOW UP

SB 100, *Paid Leave Modifications*, (T. Weiler), and HB 104, *State Employee Amendments*, (K. Christofferson) were enacted following the 2022 General Legislative Session. SB 100 provided three weeks of paid parental leave benefits upon the birth or adoption of an employee’s child (to be used in conjunction with the existing three weeks of postpartum recovery leave benefits). HB 104 established a framework for state

employee pay for performance beginning in FY 2024. By providing more targeted leave hours to employees who need them most, combined with concentrating on employee performance when making salary increase decisions, SB 100 and HB 104 help reinforce a family-friendly organizational culture concurrent with aligning wages with work performance.

CONCLUSION

Findings from the 2021 Executive Branch Employee Pay Equity Study held true, with a few subtle differences. On average, differences in wage gaps among state employees based on demographics are small and statistically unimportant, and most differences are explained by non-demographic factors.

GOPB, DHRM, and state agencies use findings from these studies to do important work to analyze how leave practices, recruitment, and advancement opportunities are influencing executive branch employees. GOPB is also currently exploring a longitudinal analysis to identify how trajectories within state government may differ on the basis of demographic status which will provide additional insight.

GOPB will complete an updated version of this study in Fall 2023.

SCOPE AND METHODS		
	2022 STUDY	2021 STUDY
Reference period	Pay period ending Mar. 4, 2022	Pay period ending Mar. 5, 2021
Scope	Executive branch agencies reporting to the governor	Executive branch agencies reporting to the governor
Data cleaning procedures	Excluding observations below minimum wage, or with no reported gender or minority status	Excluding observations below minimum wage, or with no reported gender or minority status
Method	Bayesian additive regression trees	Bayesian additive regression trees