

# Chapter 3

## Compensation

### Facilitator Notes

**Chapter 3: Compensation** addresses the role of pay structures in shaping equity in the profession of architecture. It defines compensation broadly—including financial and non-financial forms of value—and explores how bias, transparency, and organizational norms contribute to wage gaps.

### What this guide includes:

- Definitions and dimensions of compensation.
- Differences between pay parity and pay equity.
- Impacts of inequitable compensation on individuals, firms, and the profession.
- Actions individuals and firms can take to promote equity.
- Scenarios for reflection and goal setting.

### Use this outline to:

- Normalize open dialogue about pay, transparency, and fairness.
- Identify harmful practices and assumptions around compensation.
- Connect ethical, legal, and strategic reasons for addressing inequity.
- Generate actions at personal and organizational levels.

### Suggested Pre-Read:

- To maximize engagement and discussion, participants should read the corresponding chapters one page, [Executive Summary](#).

### Corresponding Learning Objectives

Attendees will be able to:

- Describe compensation—both financial and non-financial—and explain how it influences equity in the architecture profession.
- Distinguish between pay parity and pay equity and recognize how each relates to fairness and inclusion in the workplace.
- Analyze how bias, transparency, and organizational norms contribute to compensation disparities, and assess their impact on individuals, firms, and the broader profession.
- Identify and apply strategies to promote equitable compensation practices, using reflection and goal setting to drive change at both individual and organizational levels.

**SLIDE 2 THE GUIDES FOR EQUITABLE PRACTICE: COMPENSATION**

- How well employees are compensated for work depends on access to opportunities, the value that is placed on different kinds of work, firm pay practices, and fee structures. Removing compensation gaps supports the entrance, development, and retention of talent and the economic stability and growth of individuals, firms, and the profession.
- This guide discusses current wage gaps in architecture, how they occur, and what their impacts are, and suggests steps for evaluating, establishing, and maintaining equity and parity in compensation.

**Notes**

1. **Why is this topic important to you or your firm?**
  2. **Set expectations for rules of engagement.**
- 

**SLIDE 3 WHAT IS COMPENSATION?**

- Definition: Compensation is the sum of all tangible and intangible value that employers provide to employees in exchange for work. Employers use compensation to attract, recognize, and retain employees. Employees use it to achieve a standard of living, gauge the relative value of their work contribution to an employer and to society, and make employment choices.
- Types:
  - Direct financial compensation = money paid to employees.
  - Indirect financial compensation = has financial value but is not paid monetarily i.e. PTO, FMLA, insurance, retirement, IT resources, additional benefits i.e. education, wellness programs, meals, housing.
  - Nonfinancial = nonmonetary but has value for career building and increasing job satisfaction i.e. opportunities, recognition, autonomy.

**Notes**

1. **Total compensation combines direct, indirect, and nonfinancial elements.**
2. **Consider your organization or firm's full compensation picture. What is most visible? What matters most to you and to others?**

**SLIDE 4 GAPS, PARITY, AND EQUITY**

- *Pay parity* is equal pay for equal work: two employees doing the same work.
- *Pay equity* is equal pay for work of equal value: two employees doing different work that has equal value.
- Compensation is equitable when employees with similar skills, education, experience, qualifications, seniority, location, and performance receive the same compensation.
- *Wage gaps* exist in the U.S. in almost every demographic category: race, ethnicity, physical ability, age, gender—regardless of education level, occupation, or industry.

**Notes**

1. **On average, in architecture white men earn more than men of color, who earn more than white women, with women of color earning the least. Average salaries for men are higher than women's at every year of experience, with average starting pay difference within a few thousand dollars, then increasingly diverging to approximately a 15% pay gap in late career.<sup>1</sup> BLS Data confirms that as of 2024 this gap persists.<sup>2</sup>**
  2. **Equity: The median pay for information technology managers (mostly men) is 27% higher than for human resource managers (mostly women). When more women became designers, the overall wages for designers fell 34%.<sup>3</sup>**
  3. **Parity: Currently, women are paid on average 4% less than men, and as much as 45% less, for the same role, and men are offered higher salaries than women for the same work 63% of the time.<sup>4</sup>**
  4. **Where have you seen pay gaps during your career?**
- 

**SLIDE 5 WHY DOES EQUITABLE COMPENSATION MATTER?**

- Transparent equitable compensation can boost employee morale, engagement, and retention.
- Professions known to provide equitable compensation can attract the robust and diverse pool of talent that support a healthy profession.
- Pay gaps can cause stress mentally and physically, ultimately reducing quality of life.
- Inequity is rooted in bias and lack of transparency which can permanently damage a reputation.
- The AIA Code of Ethics and Professional Conduct—Canon V, Ethical Standard 5.1 states: “Professional Environment: Members should provide their colleagues and employees with a fair and equitable working environment, compensate them fairly, and facilitate their professional development.”
- Pay inequality is a legal issue.
  - The U.S. Equal Employment Opportunity Commission (EEOC) enforces several federal laws that prohibit discrimination in employment compensation: the Equal Pay Act of 1963 (EPA), Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967 (ADEA), and Title I of the Americans with Disabilities Act of 1990 (ADA).<sup>5</sup>

**Notes**

1. **Pay equity is both ethical and strategic.**
2. **Does your firm have a transparent compensation philosophy?**
3. **What tasks are rewarded? How are opportunities distributed?**
4. **How do pay decisions impact morale and trust?**

**SLIDE 6 WHAT GOOD LOOKS LIKE**

## Notes

1. Review each example of what good looks like. Make a check mark next to practices that you can find in your firm or organization, a question mark for those that you are not sure of, and a minus for those that are missing.
  2. Which areas are strong, which are you not sure about, and which areas are weak?
  3. Ask for volunteers who have examples to share.
  4. What could you do to influence change?
- 

**SLIDE 7 ACTIONS TO FOSTER EQUITABLE COMPENSATION (INDIVIDUAL LEVEL)**

- Learn about the broad and complex issues of compensation and how your choices will impact your financial and career prospects.
- Research potential employers to determine if they have transparent and fair compensation practices. Ask about policies and norms.
- Be able to articulate your value and how it aligns with the firm or organization's goals. Document your work performance and point out when important tasks are undervalued.
- Prompt or be open to compensation discussions with colleagues. Encourage them to also increase their awareness and ability to self-promote.

## Notes

1. AIA has a free [compensation calculator](#) that can be used to explore real industry averages by job title and region.
2. Discussion Prompts:
  - What questions do you wish you had asked about compensation earlier in your career?
  - How have you advocated for your own compensation or for others?
  - How can individuals support greater transparency?

**SLIDE 8 ACTIONS TO FOSTER EQUITABLE COMPENSATION (FIRM-LEVEL)**

- Establish a compensation philosophy, structure, and policy that all senior leaders understand and adhere to.
- Evaluate compensation to determine whether and how wage gaps are occurring.
- Consistently and regularly communicate compensation information and changes with all managers.
- Inform employees that they are free to openly discuss compensation without fear of retaliation.
- Regularly audit and adjust compensation to current market value.

**Notes**

1. **Emphasize importance of both structure and communication.**
  2. **Consider how compensation matters are treated in your workplace culture. Are there discussions and policies that you wish were clearer and more transparent?**
  3. **Discussion prompts:**
    - What changes would increase trust around pay at your firm?
    - What myths or fears stop firms from being transparent?
- 

**SLIDE 9 CONSIDER SCENARIOS & REFLECTIONS****Notes**

1. **Select a scenario from the chapter that you feel will resonate with the group. Ask a volunteer to read it aloud. Discuss the discussion prompts in small groups and share back with the full group.**
- 

**SLIDE 10 NOW WHAT?****Notes**

1. **Ask everyone to review their thoughts and observations thus far and develop a SMART (Specific, Measurable, Achievable, Relevant, Time-bound) compensation equity goal for themselves, their firm, or their proteges.**
2. **Give everyone the option to share.**
3. **Suggest they check in with a peer or accountability partner one month later.**
4. **If you have specific resources, committees, or additional worksheets you can promote those here.**

1. For more information on this and other data, see Annelise Pitts, "EQxD Metrics: Pay Equity Series Overview (1 of 3)," Equity by Design, June 27, 2017, <http://eqxdesign.com/blog/2017/6/26/eq3sh1813brgmzndknr379oy05ajam>.
2. "Median Weekly Earning of Full-time Wage and Salary Workers by Detailed Occupation and Sex", U.S. Bureau of Labor Statistics, accessed August 20, 2025, [https://www.bls.gov/cps/cpsaat39.htm\\_3](https://www.bls.gov/cps/cpsaat39.htm_3)
3. Claire Cain Miller, "As Women Take Over a Male- Dominated Field, the Pay Drops," New York Times, March 18, 2016, <https://www.nytimes.com/2016/03/20/upshot/as-women-take-over-a-male-dominated-field-the-pay-drops.html>.
4. "The State of Wage Inequality in the Workplace," HIRED, 2018, <https://hired.com/wage-inequality-report>.
5. "Facts About Equal Pay and Compensation Discrimination," Equal Employment Opportunity Commission, accessed July 18, 2018, <https://www.eeoc.gov/laws/guidance/facts-about-equal-pay-and-compensation-discrimination>. For broad federal rules and requirements, see the U.S. Department of Labor website on Wages and the Fair Labor Standards Act, <https://www.dol.gov/agencies/whd/flsa/>.