



# The Guides for Equitable Practice: Chapter 3





# **The Guides for Equitable Practice: Compensation**

- Compensation is shaped by access, value of work, firm practices, and fee structures.
- Eliminating gaps supports talent retention, firm growth, and stability in the profession.
- This guide explores wage gaps and their causes and effects, and offers solutions.



# What is compensation?

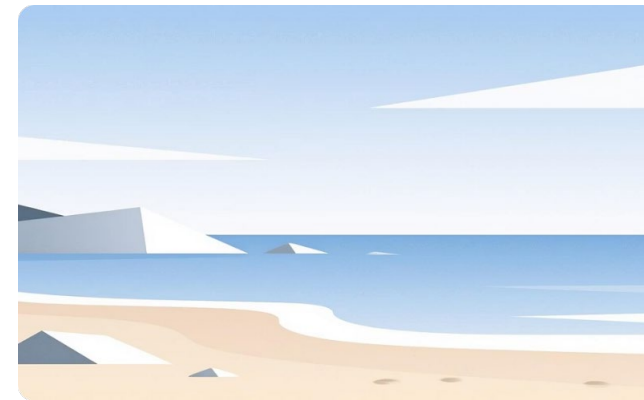


**Compensation=All value provided to employees for work.**



## Direct compensation

Monetary rewards such as salaries, wages, and performance bonuses.



## Indirect benefits

Non-monetary benefits like paid time off (PTO), health insurance, retirement plans, and education assistance.

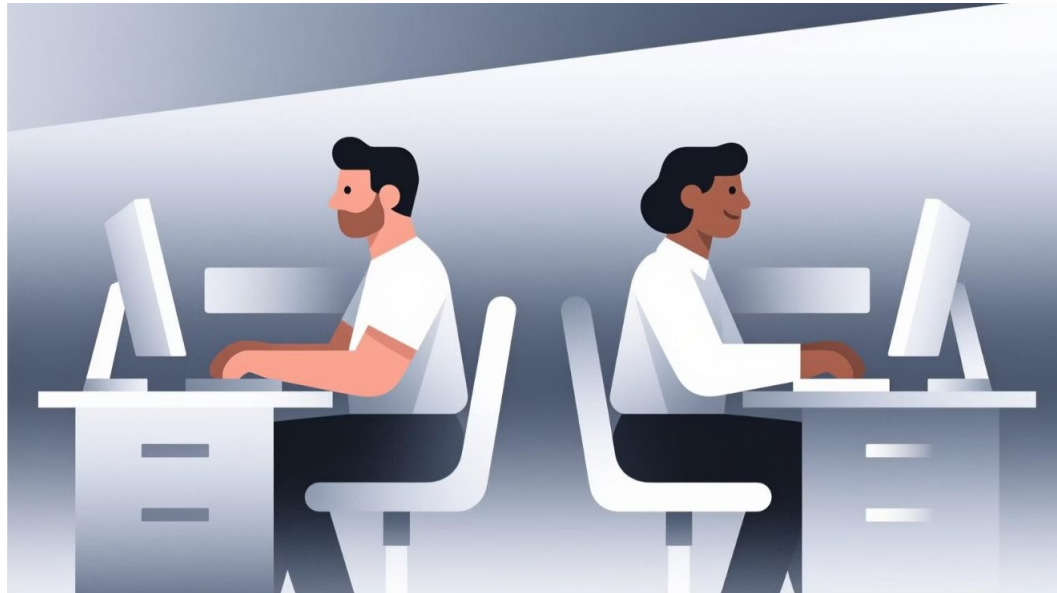


## Nonfinancial rewards

Intangible benefits such as opportunities for career growth, professional recognition, and work autonomy.



# Gaps, parity, and equity



## Pay parity

Ensuring equal compensation for individuals performing the same job, regardless of their background.

## Compensation equity

Achieving fair compensation that considers an individual's skills, experience, responsibilities, and contributions.



## Pay equity

Providing comparable compensation for different roles that hold equivalent value to the organization.

## Understanding wage gaps

Recognizing that significant disparities in wages persist across various demographic groups in the US.



# Why does equitable compensation matter?



**Transparency boosts morale and retention**



**Equity attracts diverse talent**



**Gaps create stress, hurt reputation**



**AIA Ethics: Provide fair and equitable work environments**



**It's also a legal requirement under EEOC laws**



# 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
- A minus for those that are missing.





# **Actions to foster equitable Compensation (individual)**

Learn about compensation issues

Research employer practices

Articulate your value clearly

Engage in and encourage pay discussions



# **Actions to foster equitable compensation (firm-level)**

- Establish a compensation philosophy
- Evaluate for wage gaps
- Communicate openly and regularly
- Allow open pay discussions without retaliation
- Audit and adjust pay regularly





## Consider

### DISCRIMINATION HURTS

For a long time, I wanted to work on local projects, since before I was mostly involved in large international projects. So I joined a small firm, was a bit underpaid but told myself, “It’s a small firm, that’s what they can afford, but it feels like a family and I get more exposure to projects.” However, I changed my job after three and a half years because there was really no room there to grow and advance my career.

Two months after I started at a new firm, one of my female colleagues from the firm I had left informed me that some documents had been miraculously disclosed, or leaked: the salary reports of the firm’s employees from 2000 to 2018. They found out that the women in the firm were being paid on average 5% to 15% less than men; I was one of them, of course. More disturbingly, I learned that at the time that I was the lead designer of a project, one of my male project team members who I had trained and was ten years younger in skills and experience, actually had made twenty thousand dollars a year more than I had. For that project, we had strong evidence of discrimination. A number of my female colleagues and I decided to file a complaint through the EEOC. But you know how slow it can be when you start a legal process. It’s still ongoing but moving at glacial speed.

For me, what mattered most was not necessarily the end result, such as a paycheck, but to teach them a lesson so they no longer do it to others. But then it’s very stressful. It’s disappointing. These were people who called me “family.” I put my heart and soul into my projects, yet I wasn’t being compensated enough. They were just discriminating behind closed doors and none of us were aware of that. So how do I know it’s not happening in other firms? In my current firm, I’m getting a higher salary, but how do I know my other colleagues with similar or less experience aren’t getting paid more than I am? I always heard women are on average being paid 10% to 20% less than men, but then I didn’t fully apprehend it until it happened to myself. The gender pay gap is not a myth. It’s really happening and it hurts.

—Full-Time Architect at a Large Firm, White, Female, 43

# Consider scenarios & reflections

Read, discuss in small groups, and share insights



## Now what?

Review your thoughts and observations thus far and develop a SMART (Specific, Measurable, Achievable, Relevant, Time-bound) compensation equity goal.