The State of Wage Inequality in the Workplace

Data reveals tech’s gender wage gap and where candidates stand on the issue
Wage inequality in tech
What you need to know

Men are offered higher salaries than women for the same job at the same company 63% of the time
More on page 4

Women are offered 4% less than men on average for the same role at the same company
More on page 4

More than half of women know they’ve been paid less than men in similar roles throughout their careers
More on page 6

San Francisco has the smallest gender wage gap
More on page 8

The education technology industry has the largest gender wage gap
More on page 10

The gender wage gap grows as tech workers get older
More on page 12

Hispanic and Black women are offered 90 cents for every dollar white men earn
More on page 14

LGBTQ+ women are offered more money than their non-LGBTQ+ counterparts
More on page 15
Overview

To better understand how the wage gap impacts technology workers, we’re releasing our third annual report, “The State of Wage Inequality in the Workplace.” In addition to studying what the gender wage gap looks like across geographies, industries, and roles, we examine how factors such as negotiation, race, and LGBTQ+ status impact compensation.

Hired has unprecedented visibility into tech workers’ salaries because all Hired candidates set a preferred salary and every interview request made by companies includes compensation information. This year, we also surveyed more than 1,200 Hired candidates about their personal experience with pay inequality and asked for their perspectives on how the problem could be solved.

At Hired, we believe we have a responsibility to our community, our employees, our clients, and the hiring industry at large to serve as a catalyst for a more diverse, equitable, and inclusive workforce. This begins with pay equality.

Ultimately, we want to empower candidates to ask for what they’re worth and prompt companies to evaluate and adjust their own compensation philosophies. We hope this report will fuel the conversation about pay equality so that everyone can be a part of the solution.
Same job, same company: Women make less

Many skeptics brush off the idea of a gender wage gap because the data is self-reported or may not take years of experience into account, but by only comparing the gap between candidates who interview for the same job at the same company, our analysis removes the inconsistencies. We found that 63% of the time, men are offered higher salaries than women for the same role at the same company. On average, these companies offer women 4% less than men for the same role, with some offering women up to 45% less.

It is disheartening to see that these numbers have not budged since our 2017 report. However, wage equality for technology workers in the US does fare better than other countries. In Toronto, men are offered higher salaries than women for the same role at the same company 69% of the time, and the average gap is 9%. London follows with men receiving higher salaries 65% of the time, with an average gap of 7%. And finally, tech workers in Paris are in a position similar to the US, where men receive higher salaries 63% of the time, and the average gap is 6%.

Distribution of the Gender Wage Gap

The width of this distribution indicates that there is a high variation in the salaries offered to candidates for the same job at the same company, and that the number of times women are offered less than men is almost two times greater than the reverse.
A number of factors contribute to the tech industry's wage inequality problem, including unconscious biases, inconsistent compensation policies, and relying on past income to inform salary offers and expectations. Our data found that 66% of the time, women are asking for less money — 6% less on average — than men for the same role at the same company. Undervaluing their accomplishments may be one reason women don't ask for what they are worth. Fifty percent of the female survey respondents said they frequently experience imposter syndrome, and 34% say they sometimes do. In an effort to address the gender wage gap, California passed a law in late 2017 that no longer allows employers to ask job applicants about their prior salary. Plus, the employers must give applicants a pay range for the job they are seeking, if requested. It will be interesting to see whether this new law, which went into effect on January 1, 2018, will have an impact on the wage disparity.

We want to empower all candidates to recognize their value, know the market rate for their skill set, and ask for the salary they deserve. Ultimately though, it is the company’s responsibility to establish a compensation philosophy, execute it consistently, and pay fairly. It is promising to see that companies are making up for a portion of the expectation gap in their salary offers, but we still have work to do.

One hopeful finding is women's increasing representation in the candidate pool. We found that 46% of the time, companies on Hired only interviewed men for a given role. Last year, the same was true 53% of the time. In reverse, companies only interviewed women for a given role 6% of the time both years. Controlling for the fact that Hired's candidate pool skews more towards men, we also found that women were underrepresented in the candidate pool 16% of the time.

Companies are improving when it comes to interviewing an equal number of men and women for a given role, but still have room to improve before reaching a balance.
This year, in addition to analyzing our data we surveyed more than 1,200 Hired candidates to better understand their personal experiences with pay inequality. More than half (54%) of women reported they had found out they were paid less than a peer of another gender in their same role — compared to 19% of men who reported the same experience throughout their careers. This may explain why 21% more women than men believe gender identity affects salary.

Our survey data suggests that transparent discussions about salary may be a catalyst to close the gender wage gap. When we asked candidates how they became aware of a pay disparity at their workplace, the majority (66%) cited open discussions with a colleague(s) about salary. Other responses included a conversation with alumni from the candidate’s current company (5%), a conversation with a member of their company’s People/HR team (7%), an online forum (5%), and lastly a transparent company policy around salary ranges (3%).

Despite varying firsthand experiences with the wage gap, the data indicates tech workers aren’t interested in working for organizations that have unfair salary practices. Seventy-five percent of candidates indicated their interest in working for an organization would be impacted if a company received negative attention for having a gender wage gap.

### Have you ever found out you were being paid less than your peer of another gender, in the same role?

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<tr>
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<th>Women</th>
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<tr>
<td>Yes</td>
<td>54%</td>
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### Do you believe people are paid less or more based on their gender identity?

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**Women are shortchanged and they know it**
Who’s responsible for closing the gap?

42% Closing the gap requires collaboration between companies, the government, women, and non-binary individuals

39% Company leaders are responsible; they should compensate people equally regardless of their gender

7% The government is responsible; it should mandate gender parity through policy

6% Women and those who are gender non-binary are responsible; they should know their worth and ask for more money

Should the US adopt a law similar to Iceland’s, which requires companies to prove that they pay fair wages?

66% Yes

13% No

21% Not sure
Between countless sexual harassment claims and lagging workforce diversity numbers, Silicon Valley has a bit of a black eye. But our data shows that the San Francisco Bay Area is doing relatively better than other US tech hubs when it comes to wage parity. On average, women in the San Francisco Bay Area are offered 8% less than men in similar roles. For comparison, Boston has a 9% gender wage gap, Los Angeles and New York have 10% gender wage gaps, and Seattle has an 11% gender wage gap, on average.

It is important to note that these wage gaps are higher than the United States’ 4% average wage gap reported in the first section of this report. Our US local market data looks at the gap between the average man and the average woman in that market, while the 4% wage gap is based on salary offers for the same role at the same company. Given that men are more likely to be in senior positions that in turn command higher salaries — women only make up 25% of executive, senior level and manager positions at S&P 500 companies — the overarching wage gap is larger.

### Wage & Expectation Gaps for Women by US City

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<th>Wage Gap</th>
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*The wage gap in San Francisco is lower than any other market analyzed in this report, whereas Seattle’s wage gap is the highest.*
Women’s representation in the candidate pool, especially for senior positions, is a concern for every US market in our analysis besides Boston. In Boston, women are overrepresented in the candidate pool by 5%, showing early signs that companies in that market are actively seeking diverse talent. It is a very different story in Seattle and Los Angeles, where women are underrepresented by 25% and 29% respectively.

**Women Representation in the Candidate Pool by City**

- **Seattle**: -25%
- **SF Bay Area**: -14%
- **Los Angeles**: -29%
- **Boston**: +5%
- **New York**: -17%

*Boston is the only city that has a higher representation of women in the candidate pool, whereas all other markets analyzed show that women are underrepresented.*
This year, for the first time, we analyzed the wage gap by industry, and found that some industries are closer to closing the gap than others. Salaries for women tech candidates in health and finance are about 7% lower than salaries for men, but still measurably better than the education technology industry. On average, women in education technology receive 10% less than the salaries men in similar roles receive.

Across each of these industries, women in tech are asking for lower salaries than men — but the expectation gap is lowest in health and finance, at 8%. E-commerce and education technology come in next at 9%, while women in tech positions in the media industry are asking for a full 10% less than men.

The media industry has the largest expectation gap, while education technology companies have the largest wage gap.
In tech, not all roles are created equal — especially for women. When we looked at technology positions, including data analytics, design, product management, and software engineering roles, one position became the clear leader in closing the wage gap: product management.

Not only is there a stronger representation of women in the candidate pool for product management roles, but the wage gap is narrowest for product management salaries, at 4%. Interestingly, our 2018 State of Salaries report found that product management roles come out on top in another category, too — as the highest-paying tech role, at an average of $145K.

The other positions, however, have a longer way to go before closing the wage gap — data analytics, design, and software engineering roles are all offering women 8% less than men. Women are not underrepresented in design roles as well, which makes the wide salary gap for design roles as well, which makes the wide salary gap for design roles that much more surprising.

**Wage Gaps for Women by Tech Role**

- Data Analytics: -8%
- Design: -8%
- Product Management: -4%
- Software Engineering: -5%

*Women in product management receive salary offers that are closest to the salaries offered to men.*
The gender wage gap increases with age

Age data in the context of gender reveals sobering findings about salary trends. While the wage gap is lowest among young candidates, it increases with age. Women candidates between 20 and 25 make $0.97 for every dollar men in similar roles earn — but by the time they’re in their forties, the gap increases to $0.90. Women in their mid-thirties, however, are facing a particularly unique challenge. They ask for 2% less than their male counterparts, but the salaries they’re offered are a full 7% lower.

Though a number of factors are likely contributing to the lower wage gap among young candidates, including easier access to salary data for entry level roles and parallel career paths for men and women immediately after college, the narrow wage gap is a positive sign. We hope that women candidates are entering the workforce with a heightened awareness of potential bias and accurate assessments of the value of their skills, and thus are asking for higher salaries. Regardless of the reasons, our data indicates that younger women candidates are recognizing their market worth, and are working with tech companies across all industries to close the gap.

Wage & Expectation Gaps for Women by Age*

*Sample sizes for the 51+ age groups weren't large enough to be included in this report.
As we dug deeper into the data, we discovered the wage gap fluctuates with years of experience as well. Women with less than two years of experience earn $0.98 on the dollar, and it’s the only age group where women are equally represented. On the lowest end of the spectrum, women with 13-14 years of experience earn just $0.92 on the dollar.

**Wage & Expectation Gaps for Women by Years of Experience**

*Women just starting off in their careers both expect and receive salaries that more closely align with the salaries offered to men with similar years of experience.*
This is the second year we've examined how race impacts salary offers and salary expectations. Perhaps unsurprisingly, white men have maintained the highest average salary offers and salary expectations. Asian men are close behind with an average salary offer of $135K.

Hispanic and black women are at the opposite end of the spectrum, commanding $122K and $123K respectively. In all racial categories, women are paid and expect lower salaries than men.

Additionally, we uncovered that racial minority groups are underrepresented 6% of the time in the candidate pool. In order to increase diversity and equality in the workplace, it's important for companies to actively seek out underrepresented candidates to be more inclusive throughout the interview process.

White men are paid the most, while both black and Hispanic women are offered $0.90 cents for every dollar white men receive.

It is important to note that we did not have a large enough sample size of candidates to break it down by both race and gender. To produce the chart above we combined the overall race gap and the overall gender gap. This is the best available method for estimating gap by race and gender. It's possible that the combined effects of being a racial minority and a woman are greater than simply the combination of these two gaps.
Dozens of studies over the last few decades have shown that LGBTQ+ (lesbian, gay, bisexual, transexual, and queer) men earn less than their non-LGBTQ+ counterparts. And despite companies’ recent efforts to welcome candidates of all gender identities, our data shows that this trend persists. LGBTQ+ men in the Hired marketplace are paid an average $0.97 for every dollar non-LGBTQ+ men are paid.

For the first time in the Hired marketplace, however, LGBTQ+ women are getting offered slightly more (1%) than non-LGBTQ+ women. Mirroring this trend, women are also receiving salary offers closer to the amount they expect.

Non-LGBTQ+ men are earning more than their LGBTQ+ counterparts, whereas LGBTQ+ women are earning more than their non-LGBTQ+ counterparts.
Conclusion

We’re encouraged by the tech industry’s newfound emphasis on pay equality in the workplace, but words are not enough for impactful change. The data in this report underscores the prevalence of deep-rooted issues surrounding wage inequality based on not only gender but also race, years of experience, and LGBTQ+ status. This report demonstrates how we can all play a role in creating a diverse, inclusive, and equitable workplace.

At Hired, we take a long-term view on this issue, and acknowledge that the solution requires cooperation from all sides. While we applaud policies like Iceland’s, establishing laws are not enough. It takes commitment, consistency, and financial investment to solve pay inequality, and that responsibility ultimately falls on companies. By sharing transparent salary data, walking the talk with our own workforce, and offering product features that aim to reduce bias, we’re committed to finding a sustainable solution.

Methodology

This report is based on proprietary data gathered and analyzed by Hired's analytics and strategy team. The analysis in this study was done using a combination of voluntary, self-reported demographic data and a classifier that identified the gender of the candidate based on their first name. The results were based on a candidate’s self-identified gender, if present, before considering the predicted gender classifier. Only data from candidates with unambiguous gender classifications were used in this report. Data related to race and LGBTQ+ status was collected through an optional, self-reported survey given to Hired candidates that is used only for aggregated research purposes and not shared with Hired clients. The salaries included reflect base pay only and are drawn from a sample set of more than 420,000 interview requests and job offers facilitated through our total marketplace of 10,000 participating companies and more than 98,000 job seekers.
About Hired

Hired (hired.com) is a marketplace that matches tech talent with the world’s most innovative companies. Hired combines intelligent job matching with unbiased career counseling to help people find a job they love. Through Hired, job candidates and companies have transparency into salary offers, competing opportunities and job details. This level of insight is unmatched, making the recruiting process quicker and more efficient than ever before.

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