

# 2021 Client Conference

Welcome!

Casey Mochel

MAY 20, 2021



# Diversity, Equity & Inclusion

May 20

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9:05 am	Pam Cone	Integrating DEI into Your Organization: A Discussion with Clients
9:55 am	Heidi tenBroek	DEI & Employee Communication
10:05 am	Greg McNutt Peggy Brinkmann	Pay Equity Millibyte
10:25 am	Lauren Busey Larry Daniels	Compensation Trends Relating to DEI
10:55 am	Bret Linton	Conference Wrap Up

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# Diversity, Equity, and Inclusion Non-profit Organizations



Advocate. Educate. Activate.



Challenging teachers and their students to stand up to bigotry and hate.



Equality for ALL not for some.

# Caveats

The information provided in today's presentation should be considered incomplete without the benefit of the discussion that accompanied it. The observations described in the presentation are not necessarily applicable to any specific organization. Users of the information provided in this presentation should be advised by professionals with experience in relevant domains.

The opinions provided in the presentation are those of the authors/presenters and should not be attributed to Milliman, Inc.

# Integrating DEI into your Organization: A discussion with clients

2021 Client Conference

Pamela Cone

MAY 20, 2021



FIDELITY SOCIAL JUSTICE **DIVERSITY** HUMILITY SUPPORT SYSTEM COURAGE CATALYST DIFFERENCE  
CULTURE RESPECT **DIVERSITY** MUTUAL INTERSECTIONAL GROWTH INTERSECTIONALITY  
BELONGING COURAGE TRUST ACCOUNTABILITY WELCOMING VALUED GROWTH CENTERING COMMUNITY  
WELCOMING TRANSPARENCY INTERACTING ACTIVE FAIRNESS JUSTICE NEEDS DIGNITY  
POWER **EQUITY** FAMILY TRANSPARENCY RECEPTIVENESS CONNECTION  
OPENNESS **EQUITY** EQUALITY COLLECTIVE RESPONSIBILITIES ACCOUNTABILITY  
TRUST INTERSECTIONALITY COMMUNITY EXPERIENCES HONESTY WELCOMING RESPECT  
HONESTY DIFFERENCE AFFIRMING IDENTITIES **INCLUSION** AFFIRMING  
LEADERSHIP INFORMATIVE VALUED PERSPECTIVES **INCLUSION** POSITIONALITIES  
FRIENDLINESS SUPPORT SYSTEM SOLIDARITY **INCLUSION** BELONGING  
RECEPTIVENESS CATALYST THRIVING CONSCIOUS COMMUNITY APPRECIATION **CARE**

# Milliman DEI Committee Purpose

To continue and expand our efforts to create an inclusive culture throughout Milliman by:

- Listening to our employees
- Creating a shared understanding of the importance of a diverse and inclusive workplace
- Providing the infrastructure to educate, evolve, and measure our progress.

# On The Path to Equity

REFLECTIONS FOR BLACK HISTORY MONTH AND BEYOND



# Our Panelists Today



**Jen Bae**

Vice President, Marketing  
KinderCare Education



**Rebecca Brown**

Executive Director  
Retirement at Providence



**Adam Scheerer**

Employment Manager  
Idaho Power Company

**“Diversity is a fact.  
Equity is a choice.  
Inclusion is an action.  
Belonging is an outcome.”**

—Arthur Chan



# Thank you

**Pamela Cone**

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# DEI & Employee Communication

2021 Client Conference

Heidi tenBroek

MAY 20, 2021



# Inclusive language and employee communication



Employee communication is the **voice** of **your organization**



Sets the **tone & expectations**



Represents and **influences** organization **culture & values**

# What are your words reflecting?

Culture, Beliefs, and Norms

Disrespect

Exclusion

Attack

# What are your words reflecting?

Culture, Beliefs, and Norms



**“Put simply, inclusive language is effective language – it is respectful, accurate and relevant to all.”**

—Diversity Council Australia



# A different kind of mindfulness

- Race and ethnicity
- Immigration status
- Gender and sexual orientation
- Ability
- Age



# Gender neutral pronouns



**Use “they”**  
not “he” or “she”

**Use “their”**  
not “his” or “her”

**Rewrite the sentence**  
to **avoid** a pronoun

# Gender neutral pronouns

The singular  
use of **“they”**

Common in informal and spoken English

## Authors

- Shakespeare
- Jane Austen
- W. H. Auden

## Style Guides

- AP Stylebook
- Modern Language Association
- Chicago Manual of Style
- Merriam-Webster

# Focus on people

- Include details only if they are relevant
- Avoid generic statements about groups of people
- Reconsider descriptions that imply normative status
- Use parallel language



# Review job descriptions and postings



- Careful with **buzz words** and **trendy terms**
- List only competencies and qualifications that **are truly required**
- Avoid words and phrases that may prevent some groups from applying

# Take a fresh look at your forms and policies

- Do you need all of the information you are requesting (i.e., gender)?
- Look for instances of **heteronormative language**
- Make sure **job applications** do not request date of birth, date of graduation, or salary history
- Some policies may not need updating from a technical perspective but include **outdated language**



# Resources

- SHRM
  - All Things Work from HR Magazine May 2021 – Transgender Workers
  - Are Your Job Posts Biased? (April 20, 2021, shrm.org)
  - Checklist for Creating an Age-Inclusive Workforce (July 17, 2019, shrm.org)
- American Psychological Association – APA Style – Bias-Free Language
- Linguistic Society of America – Guidelines for Inclusive Language
- Diversity Council Australia – Words at Work



# Thank you

**Heidi tenBroek**

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# Pay Equity Millibyte

2021 Client Conference

Peggy Brinkmann

Greg McNutt

MAY 20, 2021



# Key trends in pay equity



Increased scrutiny & pressure to resolve pay inequities



Compliance landscape – state and local pay laws becoming more common



Many employers focused on pay equity studies

- 60% of organizations are taking action
- 33% say it's on their radar



Biggest barriers to establishing pay equity

- Costs required to fix inequities
- Getting leadership buy in (time & resources)

Addressing pay equity compliance is only **part of** creating a workplace that is **fair to all** employees

**Differentiates** your organization as an employer of choice

# A Complex Situation

## Pay equity compliance vary by state

Went in effect 2019 or 2020 for most states

- Law requires:
  1. **Individuals** working in comparable jobs must be paid consistently
  2. **Employers** to have a systematic approach to ensure pay equity for all employees
- Every position must be assessed against criteria:
  1. Effort
  2. Knowledge
  3. Responsibility
  4. Skills
  5. Working conditions
- Pay differences must be **documented**



# Achieving and Maintaining Pay Equity

A multi-step solution

# 1. Define and commit to ongoing practices and culture

STEP 1 DEFINE & COMMIT

STEP 2

STEP 3

STEP 4

What is your pay philosophy?

What data do you have available?

- Job comparability, pay differences, historical information

Are you interested in pay differences only or also distribution?

How knowledgeable and involved is your Board?

Do you have a budget for the pay analysis? Remediation?

What is your perspective on transparency? (cultural expectations)

- How much do employees know about each others' pay?
- How much do managers know about all employees' pay (beyond their own direct reports)?
- How do you train managers to discuss pay with direct reports?



## 2. Collect and prepare data

STEP 1 DEFINE & COMMIT

STEP 2 DATA PREP

STEP 3

STEP 4

- **Review jobs** to ensure that work done by employees with the same title is “substantially similar/of comparable character.”
  - Each job title is substantially dis-similar to the other jobs.
  - Make sure there is a clear reason to have each distinct job title.
- **Develop a systematic compensation philosophy** which will determine the factors that will differentiate pay
- **Determine market rates, hierarchy & pay structure** for each distinct job
- **Collect information** in a common place for each employee
  - Total compensation (individually and by pay component)
  - Work location
  - Experience
  - Education
  - Training relative to their current position
  - Seniority/time in job



To develop analysis variables, consider using data from:

- Job descriptions
- Performance reviews
- and other sources

# 3. Adopt and follow unbiased methodology

Build and test model

STEP 1 DEFINE

STEP 2 DATA PREP

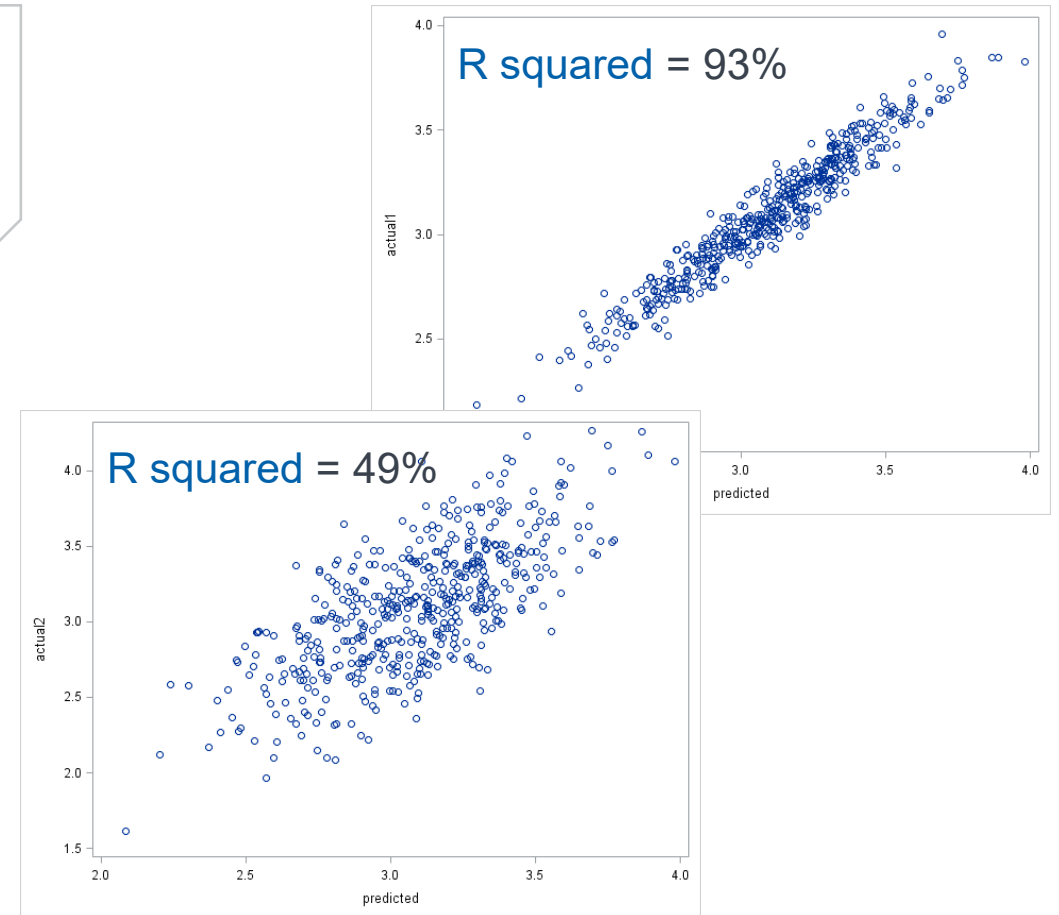
STEP 3 METHODOLOGY

STEP 4

*Law requires individuals working in comparable jobs (similar work, education, experience, performance, etc.) must be paid consistently*

**Regression analysis** – a powerful statistical method that produces equations that relate pay to employee and job characteristics

- Produces a measure of how much of the variance in pay is explained by employee and job characteristics
- Coefficient of determination (“**R squared**”)
  - **R squared = 100%** means that each employee’s pay exactly matches the regression equation result



# 3. Adopt and follow unbiased methodology (continued)

Evaluate practice compared to intended position

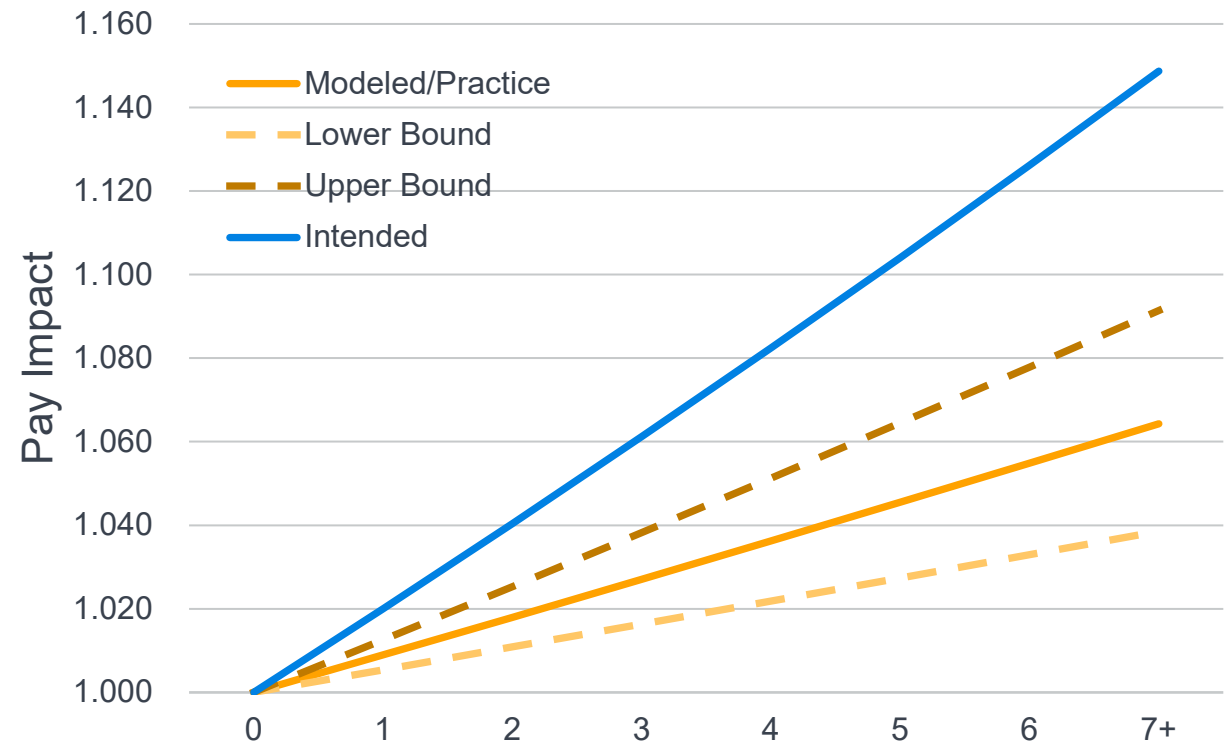
STEP 1 DEFINE

STEP 2 DATA PREP

STEP 3 METHODOLOGY

STEP 4

- Understand your current pay practices for each bona fide factor
  - Requires model to evaluate after adjusting for all other factors
  - Looking at each factor in isolation is not enough
- Does current pay practice line up with existing policy, or the intended position of the company?
- Remediate to bring practice to intended positions where possible





# 4. Monitor and audit pay practices

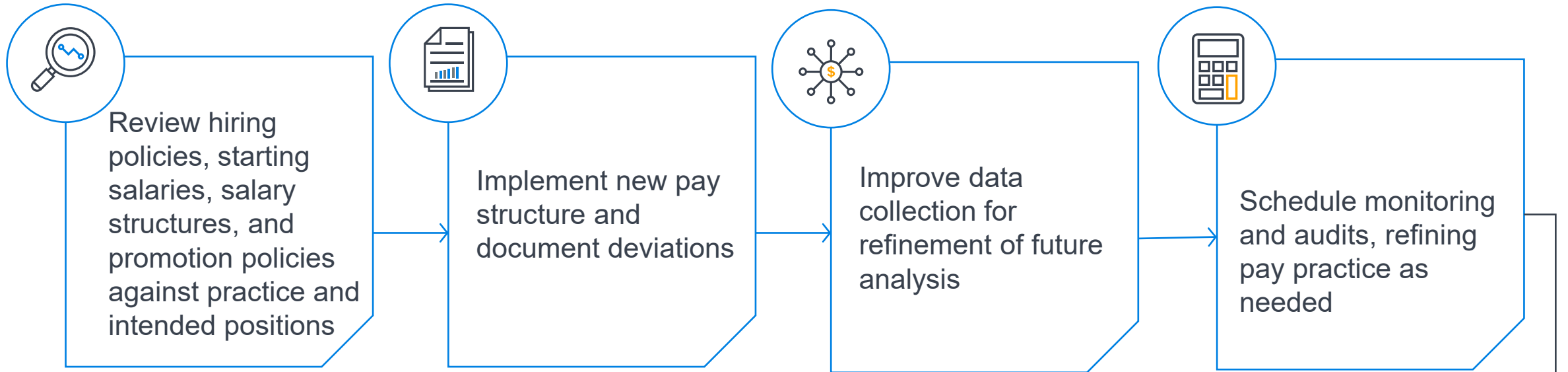
Hold yourself accountable

STEP 1 DEFINE

STEP 2

STEP 3 METHODOLOGY

STEP 4 MONITOR



Benefit from **compliant, informed, and sustainable** pay practices



# Thank you

**Peggy Brinkmann**

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**Greg McNutt**

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# LIVE POLL

Which is your preferred organization?

- American Association for Access, Equity and Diversity
- Facing History and Ourselves
- Human Rights Campaign

# Compensation Trends relating to DEI

2021 Client Conference

Lauren Busey

Larry Daniels

MAY 20, 2021





# LIVE POLL

- In which **geographic** area do you work?
- In which **industry** do you work?



**35+ yrs**

conducting reliable  
compensation surveys

**HR reported  
Compensation data**



**Unlimited  
custom market data**



Scope to your industry, location,  
size, etc. or select your peer group



**1,000+**

Unique participating  
employers



**Over 1,800  
unique jobs**

**300K  
incumbents**



*Source: Milliman's Compensation & Benefit Surveys*



# LIVE POLL

Are you building a diversity, equity and inclusion (DEI) team?

- a. We already have positions dedicated to DEI
- b. We are looking to hire position(s) dedicated to DEI
- c. DEI duties are already included in other HR positions
- d. We're using a third-party DEI consultant

# Survey trends in support of DEI

## Survey Enhancements

### **New jobs added tor 2021**, including ...

- Diversity, Equity & Inclusion Business Partner / Specialist
- Diversity, Equity & Inclusion Manager

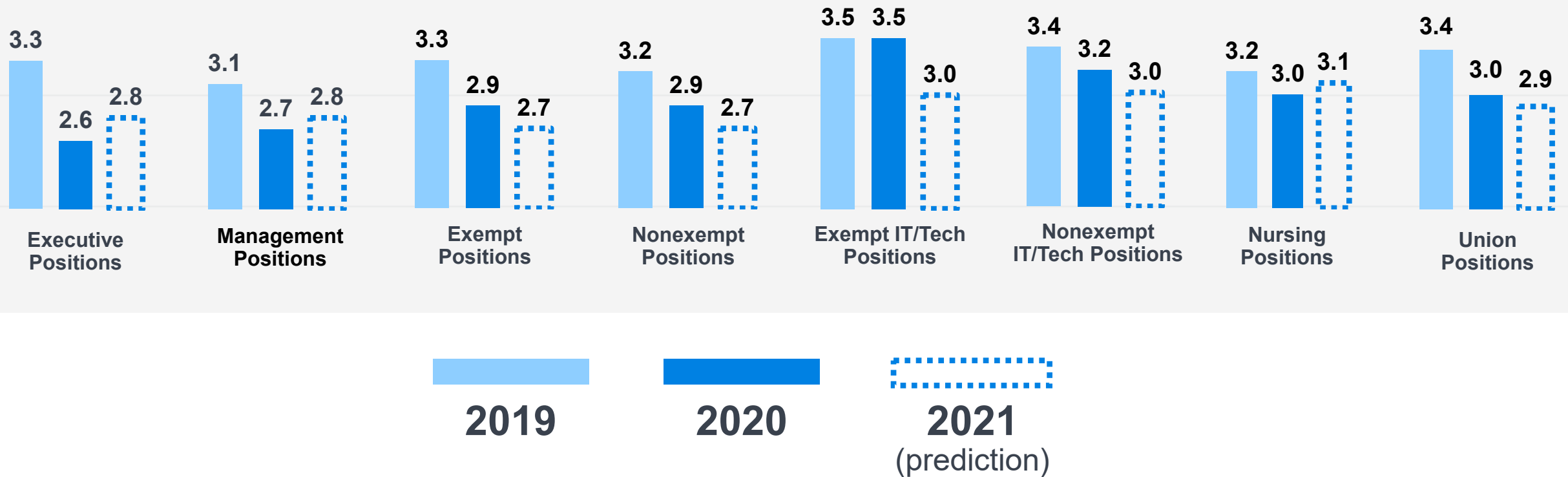
### **Gender-neutral job title examples**

- Lineworker (formerly Lineman)
- Journey Tree Trimmer (formerly Journeyman Tree Trimmer)



# Base pay increases

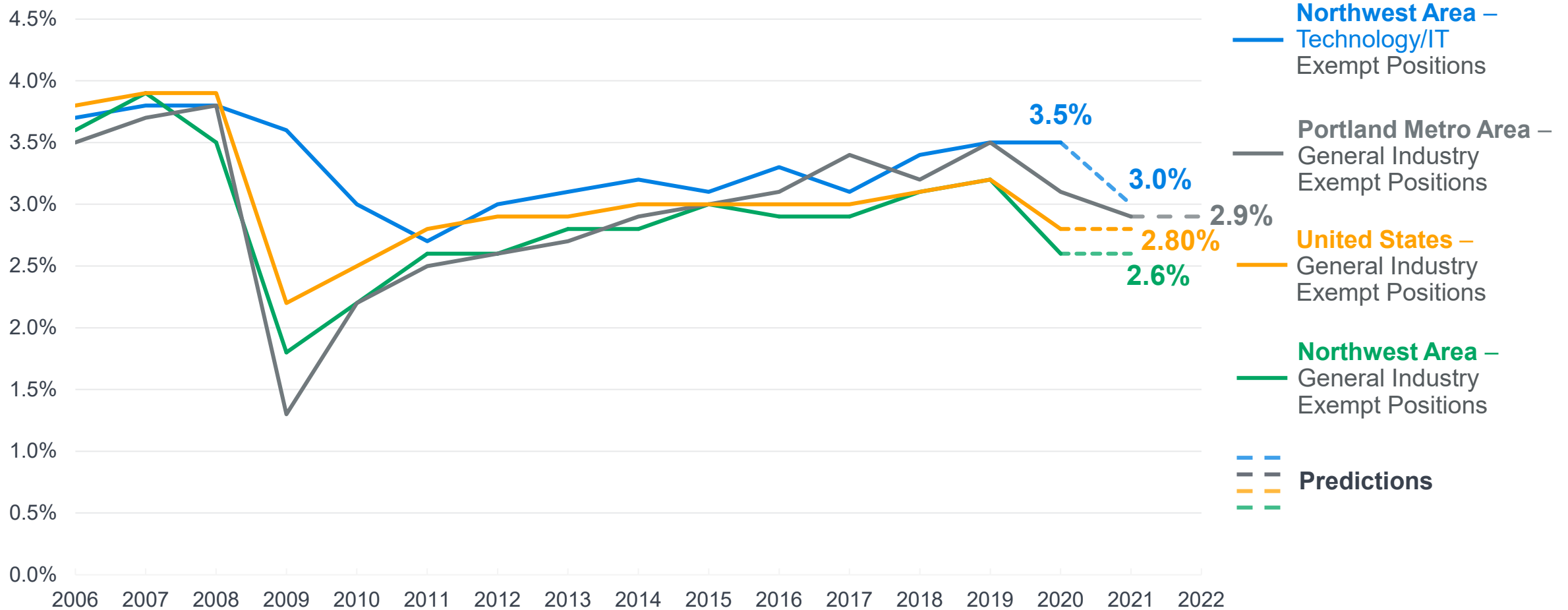
Average annual base salary budget increases across all industries – by type of position



Source: Milliman 2020 Compensation & Benefits Surveys

# Base pay increases

Average annual base salary budget increases (including zeros)



Sources: Milliman Northwest Technology Survey; Milliman Portland Area Compensation Survey; WorldatWork Salary Budget Survey; Milliman Northwest Management & Professional Compensation Survey

# Compensation trends in support of DEI

## Issues / Opportunities

- 3% merit budget, or flat \$ amount?
- Pay equity
- Learning curve / progression within salary range
- Compression issues!

# Compensation trends in support of DEI

## Salary history bans



- Prohibited from asking candidate's salary history
- Intent is to not perpetuate historical pay discrimination
- Implemented in many areas, increasing Washington & Oregon
- Revise hiring practices, institute nationwide policies
- More reliance on market data, and candidate's qualifications

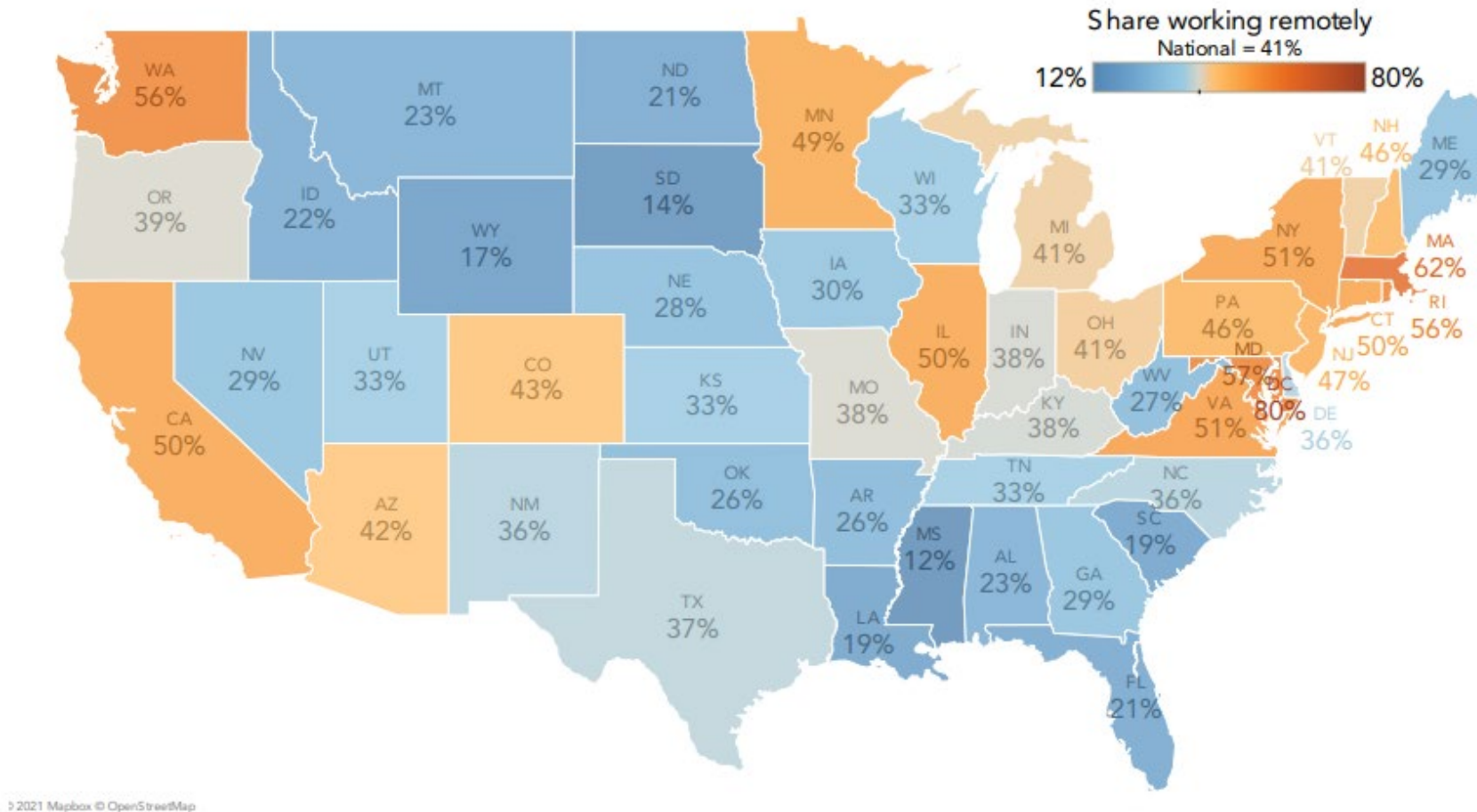
**“An increase in remote working could become the most influential legacy of COVID-19.”**



*—Immediate Responses to Planning for the Reimagined Workplace,  
The Conference Board, Inc., June 2020*

# Rates of remote work vary across geographies

Share of workers in professional and office occupations aged 25 to 54 who switched to working from home because of the pandemic, January 2021



Source: The Conference Board using microdata from the Current Population Survey

# What percentage of your employees work remotely?

87% of participating organizations in Milliman's 2021 Northwest Benefits Survey allow some or all employees to work remotely.

46%

are currently working remotely on average



29%

expected to work remotely past summer on average



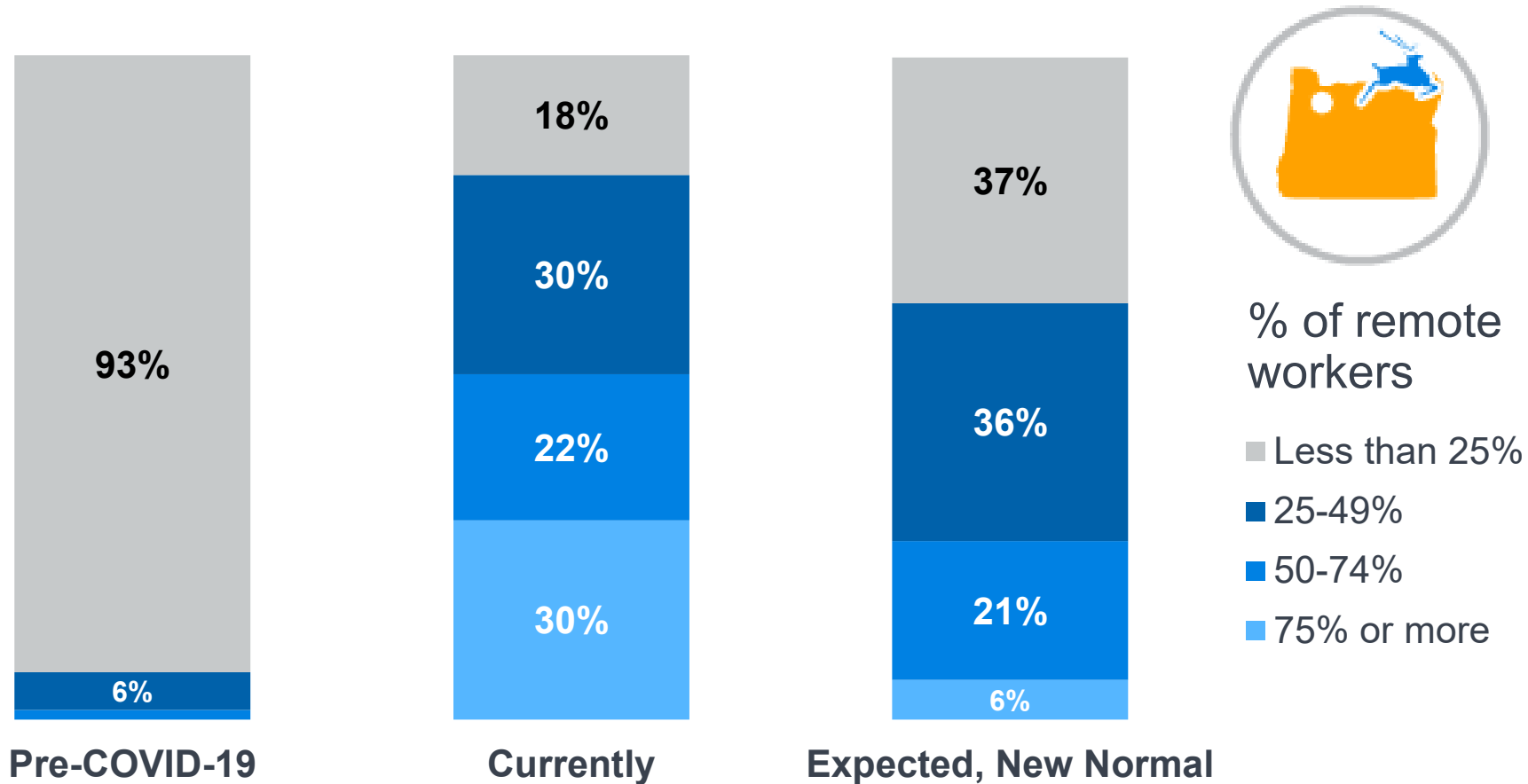
Currently

Summer 2021

Source: Milliman 2021 Northwest Benefits Survey (n=108).

# What percentage of your employees work remotely?

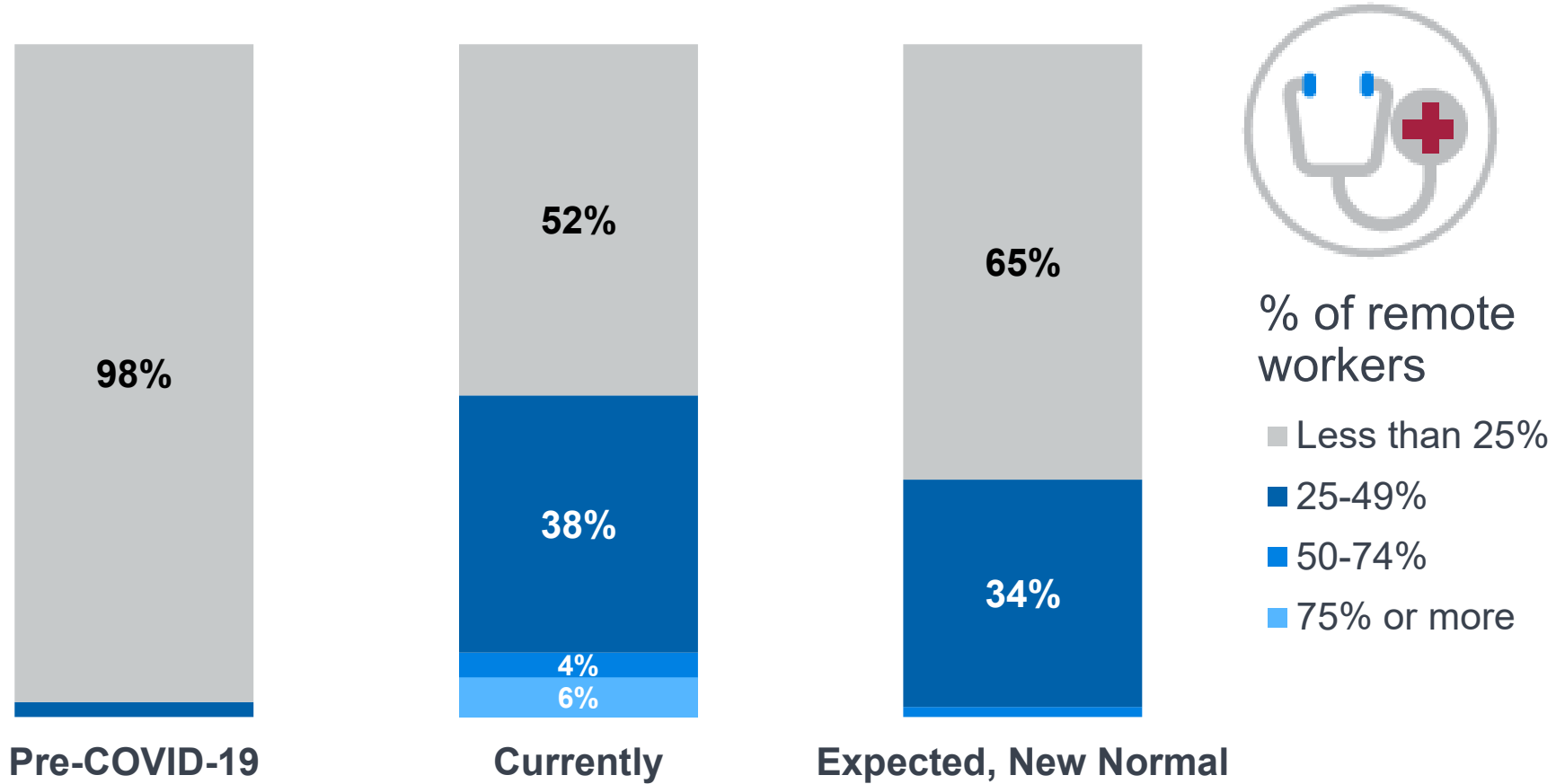
More than half of participating organizations expect that 25% or more of their employees will work remotely post-pandemic as the new normal.



Source: Milliman 2021 Portland Area Compensation Survey (n=67).



# What percentage of your employees work remotely?



Source: Milliman 2021 Northwest Healthcare Compensation Survey (n=136).

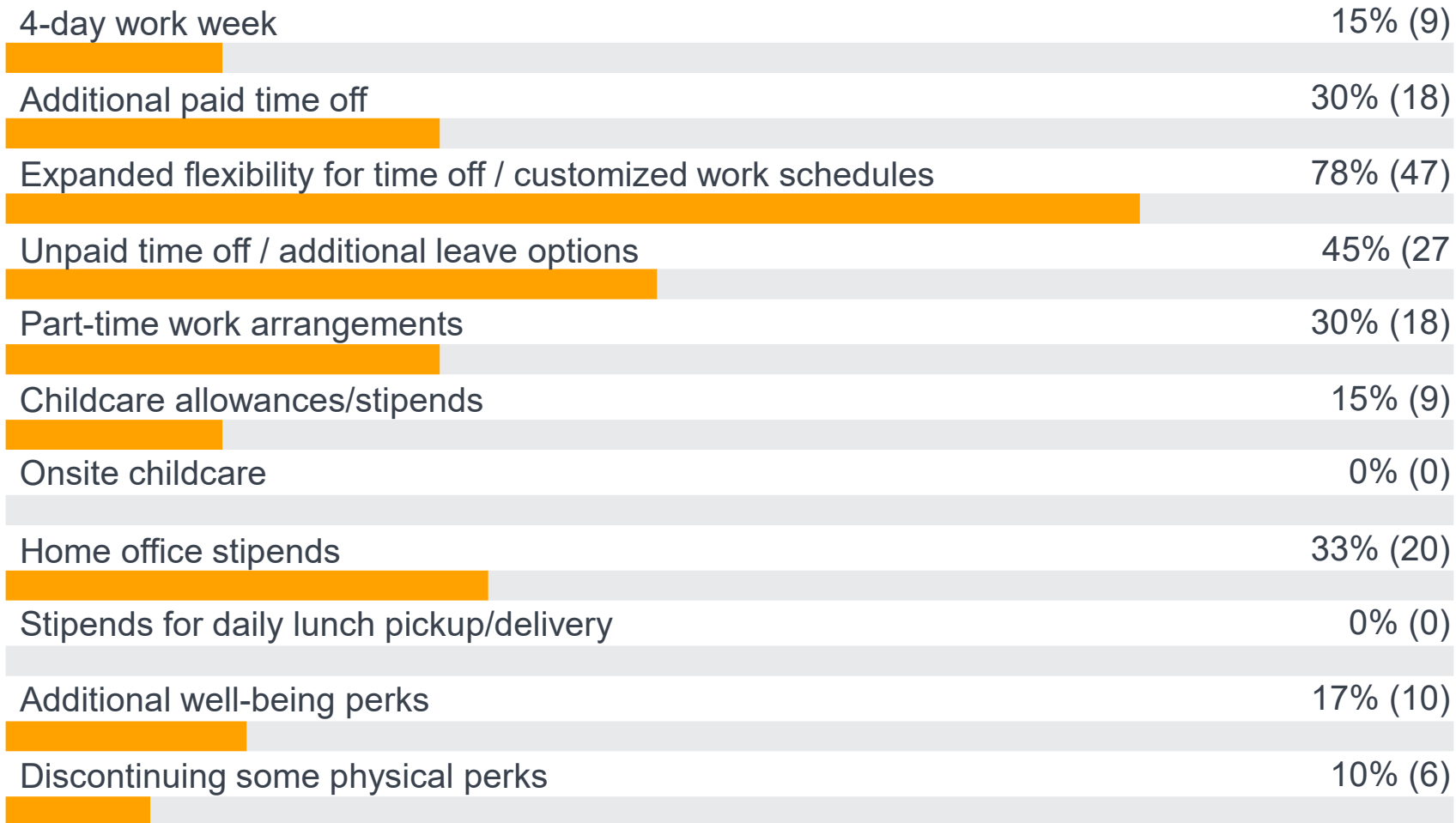


# LIVE POLL

Is your organization doing any of the following to support parents with childcare challenges?

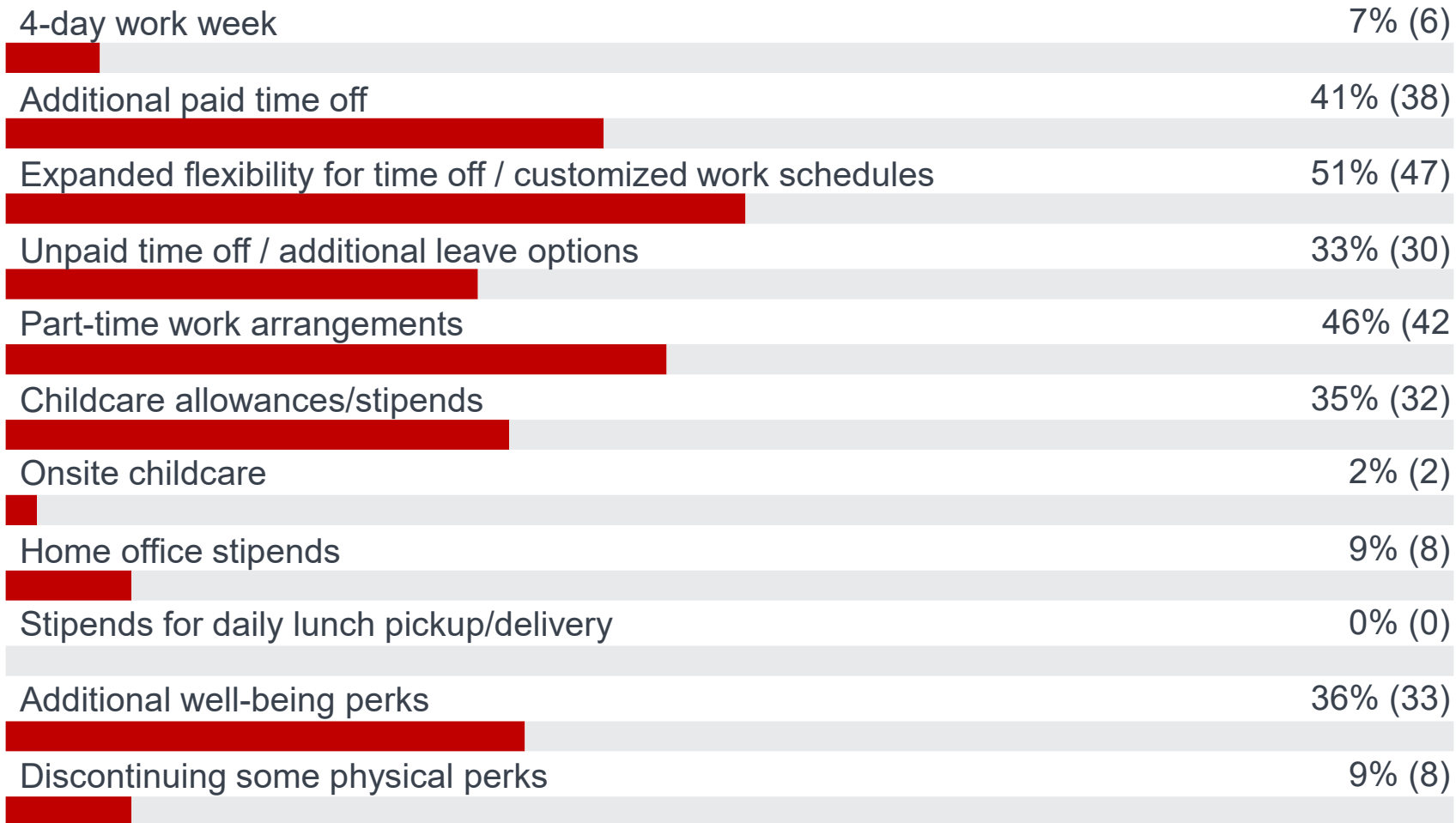
- Childcare allowances/stipends
- Onsite childcare
- Flexible work scheduling
- Additional PTO specifically for childcare
- Other

## Are you considering or implementing any of the following changes? (select all that apply)



Source: Milliman 2021 Portland Area Compensation Survey (n=73)

## Are you considering or implementing any of the following changes? (select all that apply)



Source: Milliman 2021 Northwest Healthcare Compensation Survey (n=92)

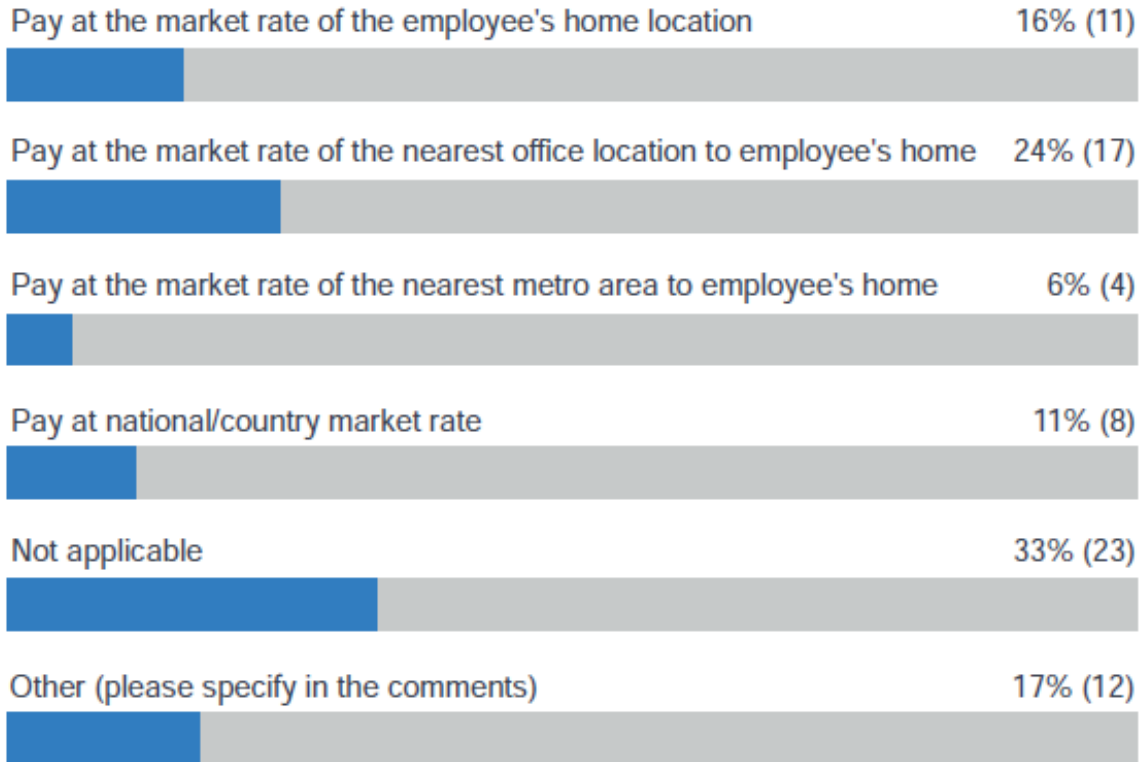


# LIVE POLL

For your remote workers, how do you set their compensation?

- a. Pay at the market rate of the employee's home location
- b. Pay at the market rate of the nearest office location to employee's home location
- c. Pay at the market rate of the nearest metro area to employee's home location
- d. Pay at national/country market rate
- e. Not applicable

## For remote workers, how do you set their compensation?



Source: 2021 Milliman Portland Area Compensation Survey

## Cost of labor vs. cost of living

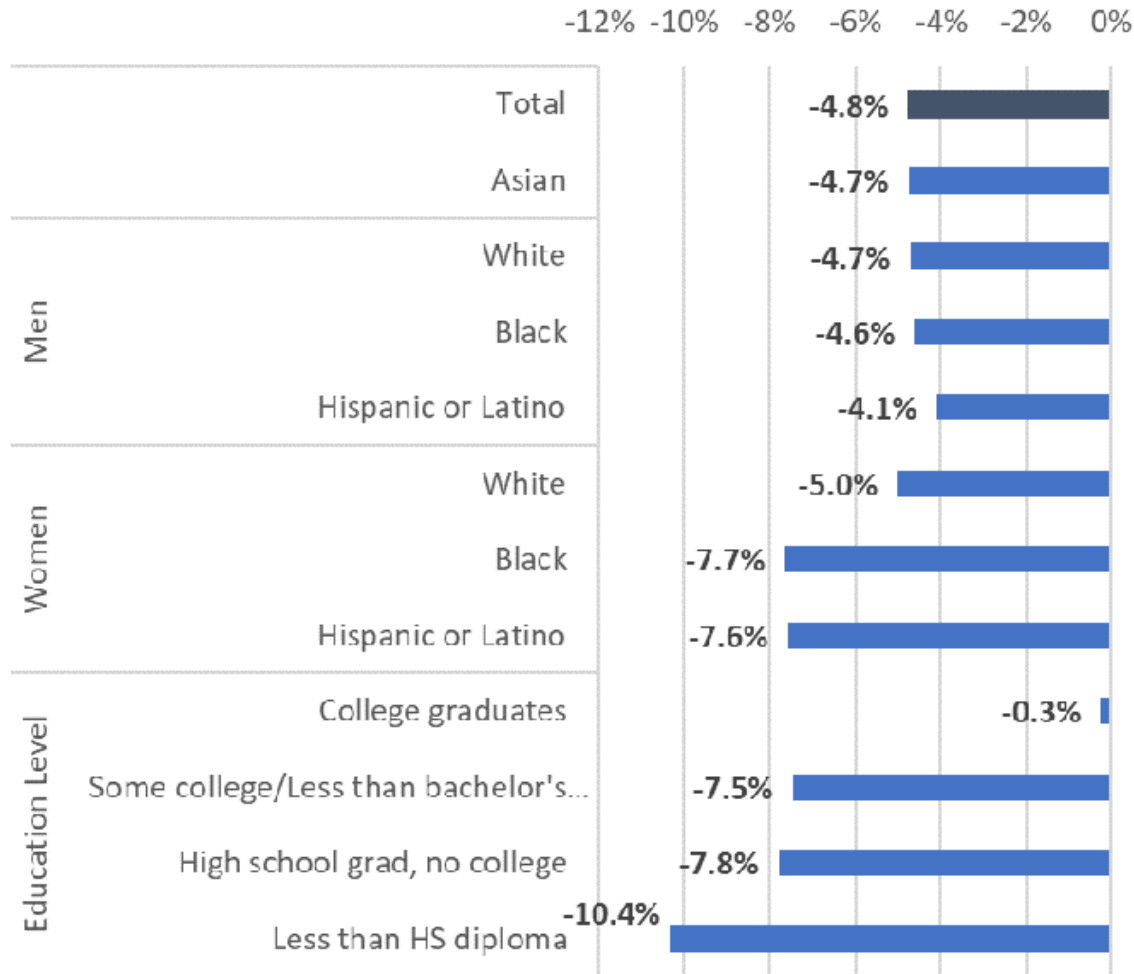
Differentials vs. U.S. average, ERI \$80,000 salary level

	Pay differential	Cost of living differential
Anchorage, AK	+11.7%	+40.4%
Boise, ID	-9.6%	+3.1%
Bend, OR	-3.0%	+6.9%
Eugene, OR	-3.7%	+10.6%
Portland, OR	+3.5%	+32.2%
Vancouver, WA	+3.8%	+11.2%
Seattle, WA	+14.8%	+56.5%
Spokane, WA	-3.0%	1.3%
San Francisco, CA	+28.7%	+216.1%

Source: ERI Economic Research Institute, Inc.

# Percent change in employment from pre-pandemic to now

By demographic group, seasonally adjusted (February 2020 – April 2021)



Note: National and Asian totals refer to persons ages 16 and older. Gender breakdowns are not available for Asians. Data for men and women refer to persons ages 20 and older; educational breakdowns refer to persons ages 25 and older.

Source: US Bureau of Labor Statistics, as cited in 2021 The Conference Board, Inc. Labor Markets Watch US Update and Outlook May 19, 2021

# Compensation trends in support of DEI

Hiring in a market during a labor / skills shortage

1. Be flexible
2. Don't overlook in-house talent
3. Hire outside your traditional channels
4. Eliminate arbitrary barriers, such as degree requirements

“Women have been crushed in labor force participation”

– Jane Oates, President  
WorkingNation





# Compensation trends

Upcoming events!

## Milliman webinars / survey results briefings

- Wed 7/21, 11:45 – 1:00 pm PDT **Puget Sound & Portland Surveys** (with NCRF & TR-PDX)
- Thur 8/26, 11:00 – 12:00 pm PDT **Alaska Compensation Survey**
- Wed 10/20, 9:00 – 10:00 am PDT **Northwest Technology Survey**





# Thank you

**Lauren Busey**

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**Larry Daniels**

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# Wrap-up

# Poll Results

Milliman will contribute to all three charities based on your votes



**\$2,000**  
recipient



**American  
Association for  
Access, Equity  
and Diversity**

**\$3,000**  
recipient



**Facing History  
and Ourselves**

**\$5,000**  
recipient



**Human Rights  
Campaign**



# Thank you

Follow-up materials will be sent next week.

Feel free to contact [clientconference@milliman.com](mailto:clientconference@milliman.com) with any questions.

See you in 2022!