

Advocating for Contractor Equal Pay

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Overview

The following outlines an operational plan for established unions or employee groups (advocates) to motivate company decision makers to adopt more equitable pay policies between full-time and contract workers at their organizations.

STEP 1

EVALUATE THE STATE OF FULL-TIME AND CONTRACTOR PAY AT YOUR ORGANIZATION

Advocates should start by documenting the state of full-time and contractor pay by surveying full-time and contract workers. In particular, this analysis should consider the myriad factors that contribute to compensation disparities, such as formal monetary compensation (such as equity and bonuses), benefits (for example, health insurance, family planning, retirement) and job stability factors (such as contract length, employment protections).

Consideration: Size of Organization

- ▶ If an organization has fewer than 200 employees, advocates should consider sending a survey to the broader worker population.
- ▶ If the organization has over 200 employees, advocates should consider starting with individual departments where there are at least 10 workers in full-time and contractor roles.

Supporting Assets

- ▶ A sample worker pay survey (Appendix A) that can be distributed to employees and contractors to understand the pay landscape

STEP 2

QUANTIFY THE PAY GAP

Based on data from surveys or an existing database (such as union records), advocates should quantify the average pay gap between full-time and contract employees. The [Contractor Pay Gap Calculator](#) provides a framework to quantify the overall gap, as well as information on how the pay gap breaks down across formal monetary compensation, benefits, and job stability. Identifying the source of pay gaps is crucial for prioritizing requests for the company.

Supporting Assets

- ▶ [Contractor Pay Gap Calculator](#): An interactive tool to help identify monetary and non-monetary compensation disparities within an organization.

STEP 3

PRIORITIZE REQUESTS

Although each tech company will have its individual goals and constraints when it comes to compensation, there are a few levers that advocates can ask companies to consider to reduce the gap. These should be prioritized based on the areas that contribute most to the pay gap, as identified by Step 2.

- ▶ Ask the company to convert a portion of its contract workforce to full-time employment.
- ▶ Require that subcontracting agencies provide some of the same benefits as those provided to full-time employees.

- ▶ Address job instability issues by offering longer contracts or requiring equivalent severance benefits.
- ▶ Increase contractors' hourly wages to compensate for the remaining pay gap.

Supporting Assets

- ▶ [Company Operational Plan](#): This playbook outlines a full list of action items that a company can take. Prioritize what you think is most relevant and feasible given the context at your organization.

STEP 4

MAKE THE ASK

Advocates can request these policy changes in different ways depending on the structure of their organization (for example, union or employee interest group), such as the formal collective bargaining process or collective action campaigns, like a petition. These actions serve to raise awareness and pressure company leadership.

Supporting Assets

- ▶ Sample Educational 1-Page (Appendix B): This document can be distributed via employee group email lists or union meetings to encourage employees to take up the issue of contractor pay gaps.
- ▶ Sample Petition Letter (Appendix C): This document can be submitted directly to the company leadership or hosted on a website such as Coworker.org.
- ▶ [Company Policy Brief](#): This document can be attached to a petition letter or any communications with a company decisionmaker (such as the CEO or head of people/human resources) to further make the case for enacting a more equitable compensation plan.

Appendix A: Sample Salary Survey

SURVEY

EQUAL PAY FOR EQUAL WORK

Anonymously Contribute Your Salary Information to Improve Pay Equity

Questions for all workers

What is the title of your position?

How many years of relevant experience do you have in your field?

Are you a full-time or contract worker?

What race(s) do you identify as? (Select all that apply)

- White or Caucasian
- Black or African American
- Hispanic or Latino
- Asian or Asian American
- Native American/Indigenous
- Native Hawaiian or other Pacific Islander
- Other
- Prefer not to say

What is your age?

- 16-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65+
- Prefer not to say

SURVEY

What gender do you identify as? (Select all that apply)

- Nonbinary/Genderqueer
- Woman
- Man
- Transgender Woman
- Transgender Man
- Other
- Prefer not to say

Questions for full-time workers

What is your annualized salary?

If you do use your company's healthcare plan, what is the monthly premium?

How many days of paid time off per year do you currently get?

How many sick days per year do you currently get?

Do you currently get a 401(k) match? If so, what is the yearly value?

Questions for contract workers

What is your hourly wage?

What subcontracting agency do you work at?

How many months is your employment contract?

If you do use your company's healthcare plan, what is the monthly premium?

How many days of paid time off does your contract offer per year?

How many sick days does your contract offer you per year?

Do you currently get a 401(k) match? If so, what is the yearly value?

For an editable version of the above sample survey, see [here](#).

Appendix B: Sample 1-Pager

EQUAL PAY FOR EQUAL WORK

Supporting Our Contractor Colleagues

Although technology companies voice a commitment to equal pay policies, they are not living up to this promise for their contract workers, who often have similar responsibilities as full-time counterparts but receive drastically lower compensation. Studies have shown that unequal pay can lead to [lower morale, decreased productivity, and higher turnover](#) — issues that affect the short- and long-term health of a business. [Union/Company] workers can play a role in fighting for a more equitable workplace by encouraging their companies to adopt an equitable compensation strategy for contractors that accounts for the hidden imbalances in compensation of contract work.

Contractor Equity is Social Equity

Contract workers are more likely to represent [marginalized identities](#) — women, BIPOC communities, and first-generation immigrants. Advocating for contractor equity is a vote for [social equity](#).

Build Power by Building Community

As contractor employment continues to outgrow full-time roles, building solidarity across workers of different employment conditions is essential for building power to hold companies to account.

Support a More Equitable Future of Work

The Future of Work is leading to more protections for all workers. By advocating for equal pay for equal work, regardless of employment status, workers can build a more equitable and inclusive workplace for all workers.

To support contractors, please consider: **[Labor organizers should end this 1-pager with an ask of what you are asking the employees to do with this information. This may be attending a union meeting, signing a petition, or another action.]**

Appendix C: Sample Petition Language

Dear **[Chief Executive Officer]** and **[Head of People]**,

We believe **[Company]** can create an empowered and equitable workplace that supports the well-being of all workers, including those who are employed full time as well as contractor colleagues who work alongside us every day.

While we understand there are a variety of reasons that **[Company]** hires contract workers, such as for temporary projects or for specialized training, we want to acknowledge that contract workers are frequently underpaid compared with their full-time counterparts and lack access to benefits and perks provided only to full-time employees. Moreover, contract workers bear uncompensated risk through increased job instability and fewer formal protections.

To this end, we call on **[Company]** to employ a more equitable pay framework for contractors, using the [Contractor Pay Gap Calculator](#), that accounts for the hidden costs of contract labor – such as lack of access to performance bonuses, unequal benefits, and job instability – and fairly compensate our contractor colleagues for these differences. We also believe **[Company]** should be more transparent with our pay equity standards and publish a yearly report about pay equity – covering gender, race and ethnicity, and full-time/contractor status.

While the United States does not have formal pay laws protecting pay equity status between full-time and contract workers, we believe that we have a unique opportunity to be on the right side of history and justice by proactively affirming a policy of equal pay for equal work.

Signed,

[Company Employees]



**ASPEN TECH
POLICY HUB**

ADVOCATING FOR CONTRACTOR EQUAL PAY
Operational Plan