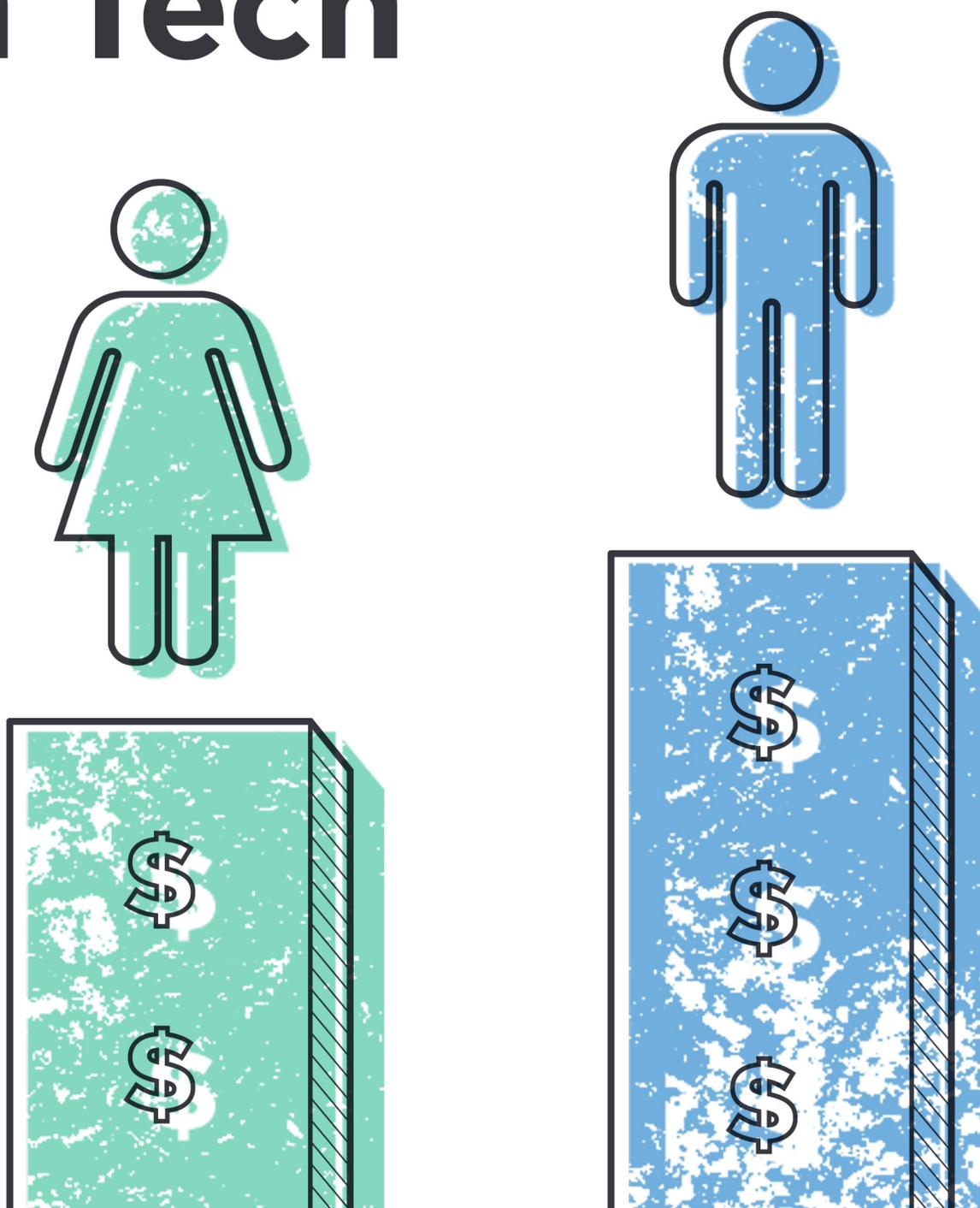


Quantifying the Gender Gap in Tech



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Numerous studies and statistics indicate a clear gender pay gap in the United States. Yet, there is little data available about this gap as it relates specifically to the technology industry. In the past six months, thousands of candidates have used Hired to search for jobs in the emerging tech industry. Our initial investigation found that women expect a lower income than men before the interview process begins. Unexpectedly, while entry-level candidates receive approximately equal compensation regardless of gender, experienced candidates see a wide disparity.

This report represents an investigation into our own dataset. Our goal is to provide insights that will continue to drive the conversation forward.

What is the Gender Pay Gap?

A series of recent stories have lent fuel to the conversation around gender inequality in tech. Like many industries, the tech industry suffers from gender bias. In a recent report, the American Association of University Women reported a gender pay gap of 16% for Computer Programmers¹.

What is the gender pay gap? The gender pay gap (or wage gap) measures income inequality as the percentage difference in earnings between men and women². Historically and presently, women on average earn less than men for equivalent work. In the United States, measurements of the pay gap range between 23%³ and 5%⁴ - depending on the method used.

A recent survey showed that a third of women consider eliminating the gender pay gap the most important indicator of progress in the workplace⁵. Another third consider the end of the conversation about women in the workplace as most important, something that certainly requires elimination of the pay gap. But the gender pay gap is more than a straightforward matter of discrimination.

¹ AAUW The Simple Truth (September 2014) | [link](#)

² OECD Family Database, Gender Pay Gap (July 2013) | [link](#)

³ Washington Post, Fact Checking State of the Union Address (January 2014) | [link](#)

⁴ CONSAD Report prepared for Department of Labor (January 2009) | [link](#)

⁵ Citi/LinkedIn Survey (June 2014) | [link](#)

What is the Gender Ask Gap?

Recent comments by Microsoft CEO Satya Nadella when addressing the crowd at the Grace Hopper Celebration of Women in Computing focused attention on the issue of negotiation. This spurred a debate on whether women should ask for a raise or wait for the system to provide one naturally. Many studies claim that one of the primary factors behind the gender pay gap is a hidden gender ask gap.

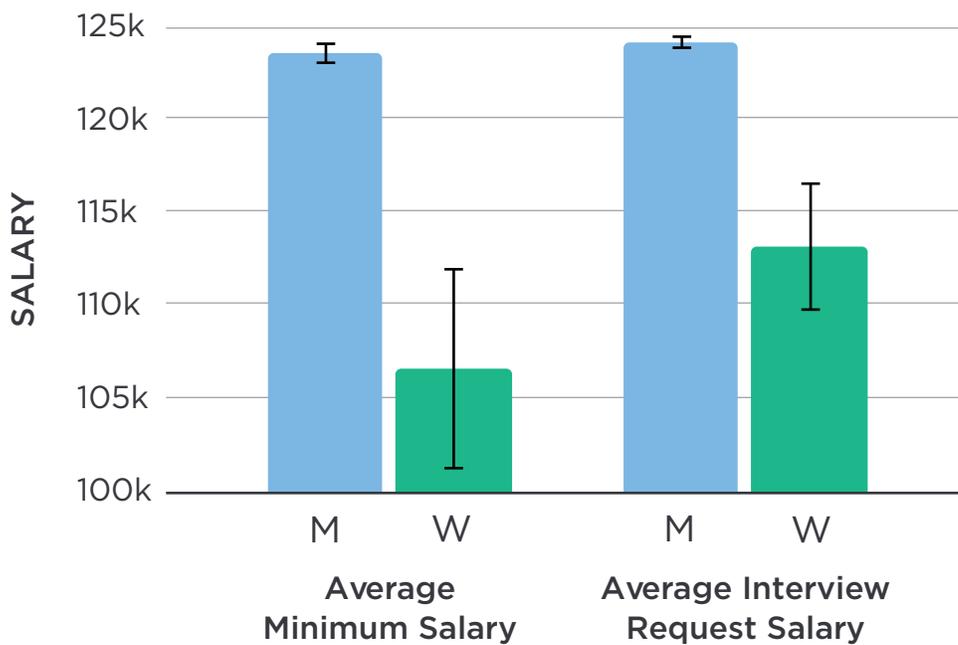
Before entering the market, our candidates must specify a “minimum salary” that is shown to employers. The employers then compete with each other, sending interview requests that include an exact salary number to start the negotiation process. The candidate then selects which interview requests to pursue, based on their interest in the company and the competitiveness of the offer.

By asking for a minimum salary up front, we collect benchmark data about how candidates perceive their value on the market. At Hired, we define the Gender Ask Gap to be the percent difference between the minimum market salaries requested by equivalently skilled men versus women.

Quantifying the Gender Ask and Pay Gaps

On Hired, all candidates must complete their profile (work experience, education, and personal summary) and undergo a manual curation screening. This eliminates a lot of potential for error and allows us to make meaningful statements about salary differences. In the last six months, thousands of technical candidates were approved for the marketplace. Of these, about 7.5% are women. The under-representation of women in tech is outside the scope of this report.

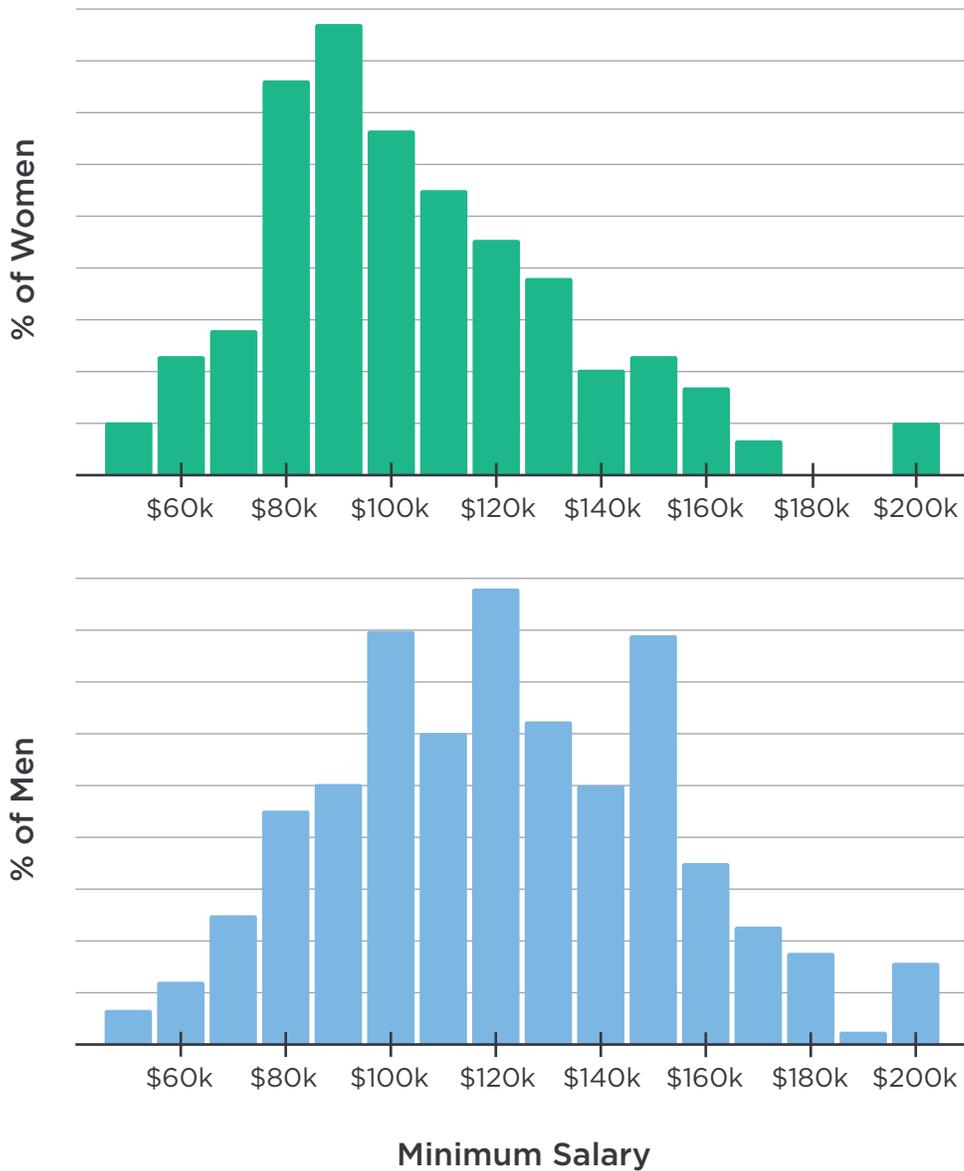
The Gender Ask Gap and Gender Pay Gap Quantified



Among all tech candidates, the average minimum salary for men was \$124,000. The average minimum salary for women was \$107,000 - a \$17,000 difference, or 13%. This is statistically significant⁶ for the population sizes in question. The average interview request salaries were closer - men average \$124,000 in this metric as well, but women do better at \$114,000 - a difference of \$10,000, or 9%. This is smaller than pay gaps that have been reported elsewhere, possibly due to the high overall salary environment and competitive marketplace aspect.

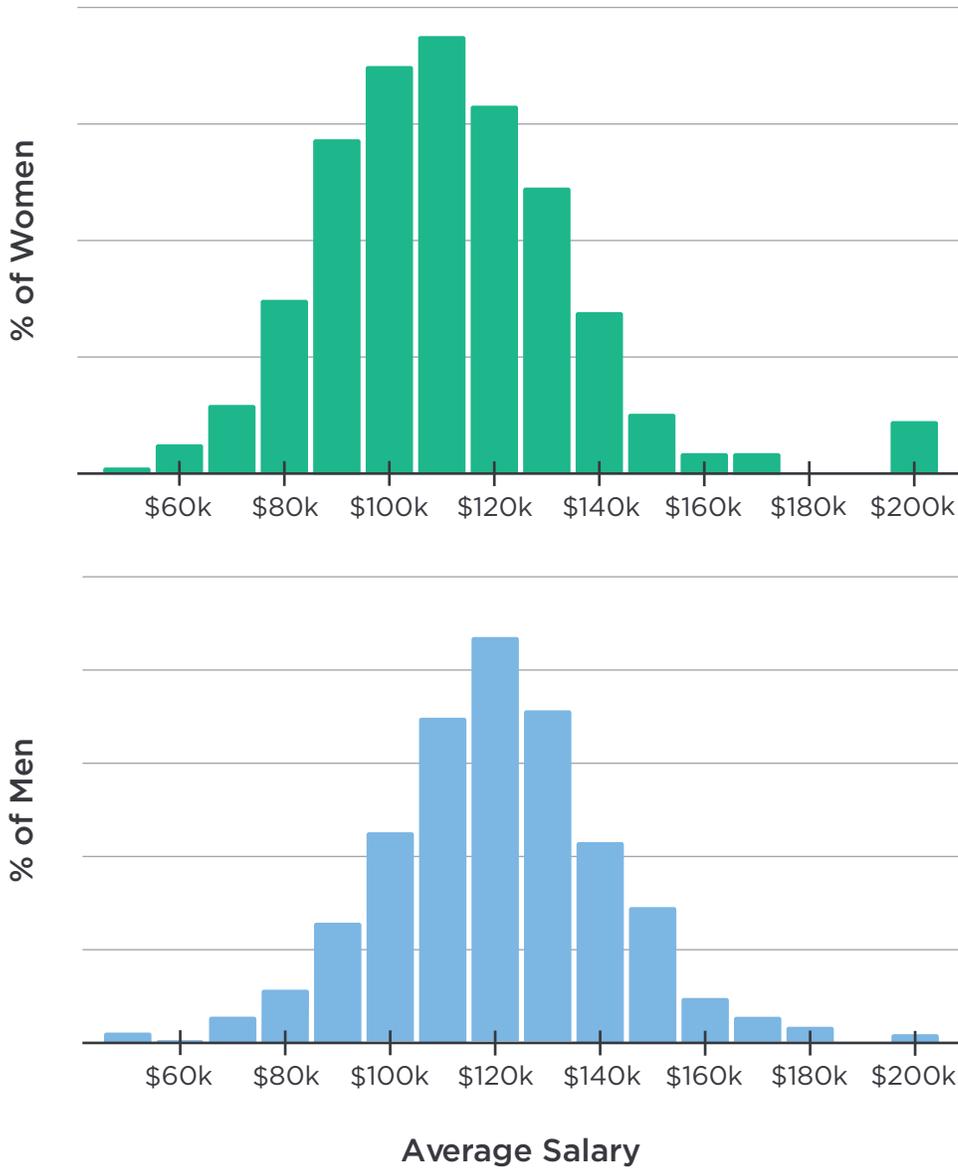
⁶ \$2,500 standard deviation - 6 sigma

Women Expect Lower Salaries on Hired



Looking at averages can be useful, but sometimes the complete distribution tells an even better story. For women, a surprisingly large number put \$80-\$100k as a minimum. This could be due to undervaluing, it could also be due to different interpretations of the question wording. For men, we see a fairly normal distribution with modes at \$100k, \$120k, and \$150k. These values indicate market norms for entry-level, mid and senior candidates respectively.

The Pay Gap is Smaller than the Ask Gap



When we compare this distribution with the average salary distribution, things look a bit more encouraging. Employers are sending interview requests to candidates in a fairly tight salary range, and both men and women experience similar outcomes on the platform. As many employers will adjust their salary numbers to be in line with others and slightly above candidate minimums, women experience slightly lower averages due to lower starting points.

One might notice that we haven't addressed seniority yet - what if there are simply more entry-level women in tech than seasoned engineers? To account for this, we split candidates into entry-level and experienced buckets and re-examined the gaps. It turns out there actually are slightly more entry-level women than men (31% vs 23%), but the impact isn't what you think.

Entry-level candidates, overall, asked for a minimum of \$99,000. Entry-level women asked for \$96,000. This is not a statistically significant difference, and so our findings don't support a gender ask gap at the entry level. In contrast, experienced candidates asked for \$130,000 overall, but women only asked for \$112,000 - a deficit of \$18,000. When we look at interview request salaries, the gender pay gap is \$6,000 for entry-level candidates - below our threshold of significance⁷, and \$10,000 for experienced candidates - significant.

⁷ We used a 3 sigma threshold significance in this study.

Moving Forward

Hired has a unique opportunity to address the gender gap directly. Unlike most companies, we have a platform that can impact compensation broadly across the industry rather than within an individual organization. Identifying a gap within our marketplace is the first step to correcting it.

How can we address the gender gap? Our business is based around three core concepts - transparency, efficiency, and discovery. With modern anti-discrimination laws, transparency is ever more important to ensuring a fair wage system. When the only data around market salaries comes from your close confidants, it is very easy for an isolated group to operate in ignorance. We encourage an open conversation around compensation between employers, employees, and the broader public. If individuals can access knowledge and opportunities, they become empowered to improve their situation.

If you work in technology and have questions regarding your personal compensation, Hired can help. Our Talent Advocate team is available to answer questions via advocacy@hired.com, even if you're not a member of the Hired marketplace. Talent Advocates represent candidates as they go through our process and are expert career advisors. Whether you want to use Hired for your next search or just want to make sure you're getting fair compensation, we're here for you.