



State of Illinois
Illinois Commission on Equity and Inclusion

Race and Gender Wage Report Commission on Equity and Inclusion **Fiscal Year 2024**

Introduction

The Illinois Commission on Equity and Inclusion (CEI) was established through the passage of the CEI Act. The CEI Act aims to advance the State of Illinois' (State) commitment to equity and inclusion in state procurement and hiring processes. CEI supports minorities, women, people with disabilities, and veterans by ensuring fair access to job and contracting opportunities with the State. CEI is dedicated to the principle of "fair access," ensuring that every individual is provided with equitable opportunities for jobs and contracting throughout the state. This commitment means actively working to eliminate barriers and promote inclusivity, so that all individuals can participate and thrive in state-related opportunities. CEI aims to create a more equitable and inclusive society where everyone has equal access to opportunities and resources. We achieve these goals by encouraging collaboration, providing valuable resources, and implementing effective strategies to address the challenges and disparities faced by marginalized communities.

As part of these collective efforts to promote equity and inclusion, CEI is statutorily responsible under Section 40-20 of the CEI Act for completing race and gender wage (RGW) reports. The RGW report seeks to address inequality and support workers by advancing CEI's mission. Each state agency, board, commission, and public institution of higher education (PIHE) contributes to these efforts by submitting an annual report to CEI that details race, gender, and wage earnings.

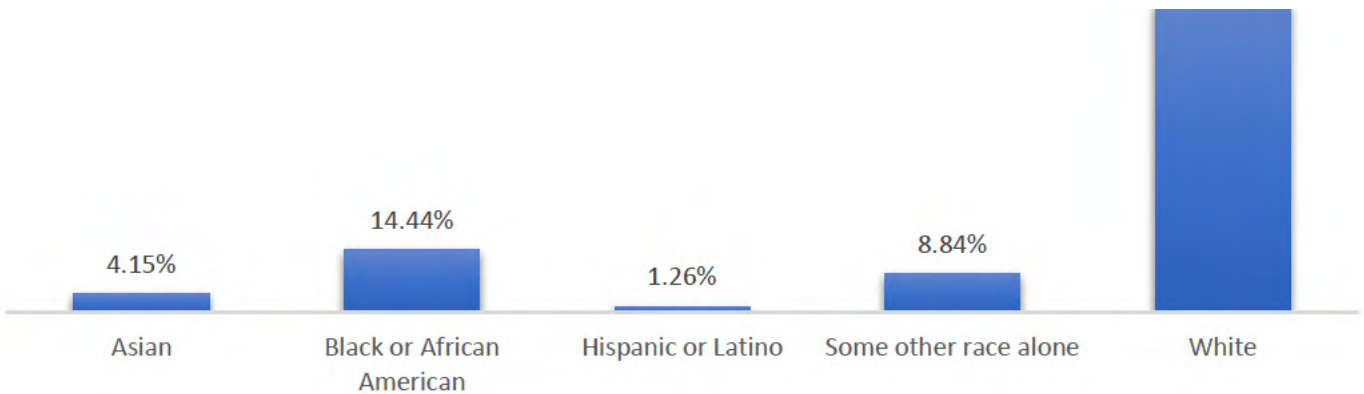
Methodology

The data collection processes for this report were derived from 110 entities, categorized as follows: 51 PIHEs and 59 agencies, boards, and commissions. Email correspondence and an Excel document were sent to each entity, requesting that participants fill in the relevant fields with employee information from the 2024 fiscal year. All collected data was then compiled into an Excel document for further analysis. State agencies, boards, commissions, and PIHEs were divided into two categories. Follow-up emails were sent over the course of four months to ensure that every entity was able to provide the requested information. CEI did not use any surveys or gather any qualitative data, focusing solely on quantitative data for this report. Employees earning minimum wage (\$29,120 per year or less) due to working part-time or not being employed by their respective organizations for the entire fiscal year were separately identified. The data was then cleaned, and employees with partial or no relevant information were excluded from the totals.

Once the data was processed, it was analyzed to reveal wage disparities related to race and gender, as well as the intersections among different demographic groups.

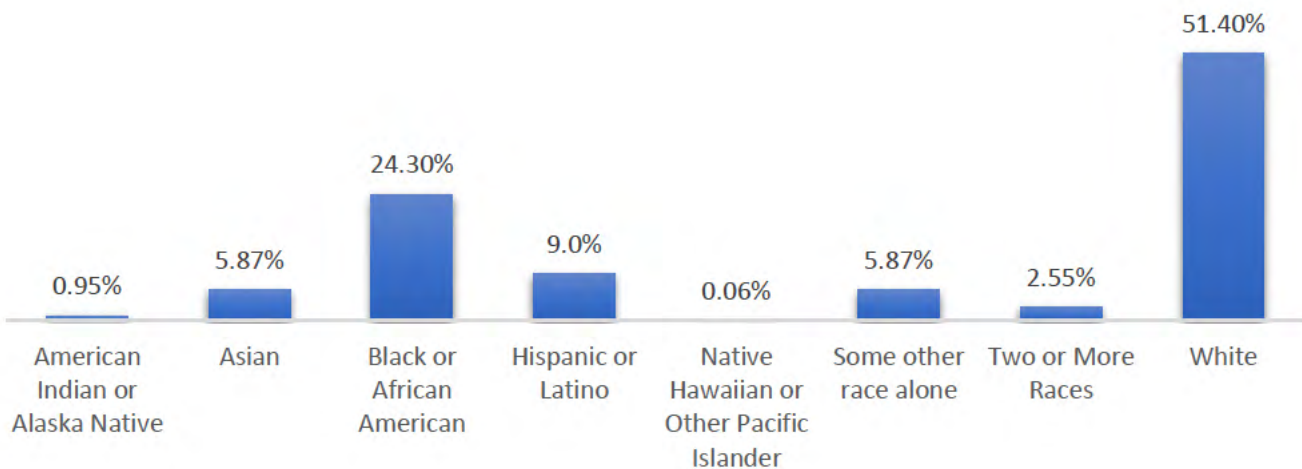
Employees Making Less than \$29,120 per Year

Agency Minimum Wage/Part-Time Workers by Race/Ethnicity



State agencies, boards, and commissions employed over 500 workers who were paid minimum wage, worked part-time, or did not complete the full fiscal year in 2024. Out of these, 71% identified as White, 14% as Black or African American, 8% as Some Other Race Alone, 4% as Asian, and 1% as Hispanic or Latino.

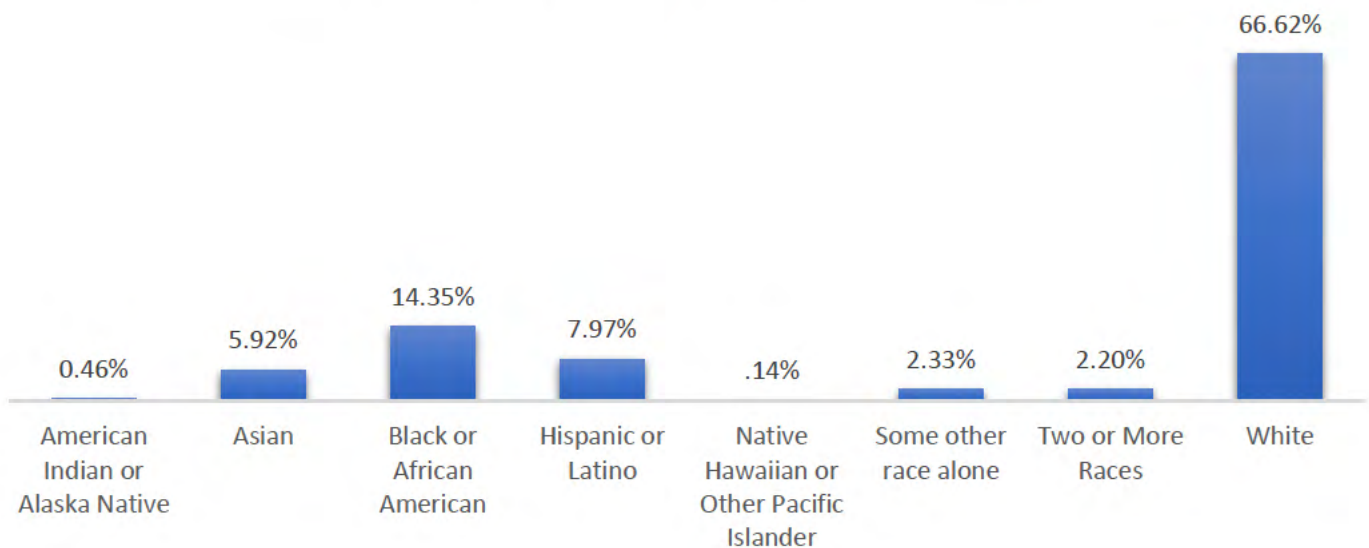
Agency Minimum Wage/Part-Time Workers by Race/Ethnicity



PIHEs employed just under 5,000 staff members who were considered part-time minimum wage earners or did not work the full fiscal year. Among these, 51% identified as White, 24% as Black or African American, 9% as Hispanic or Latino, 5% as either Asian or Some Other Race Alone, 2% as Two or More Races, and under 1% as American Indian or Alaskan Native or as Native Hawaiian or Other Pacific Islander.

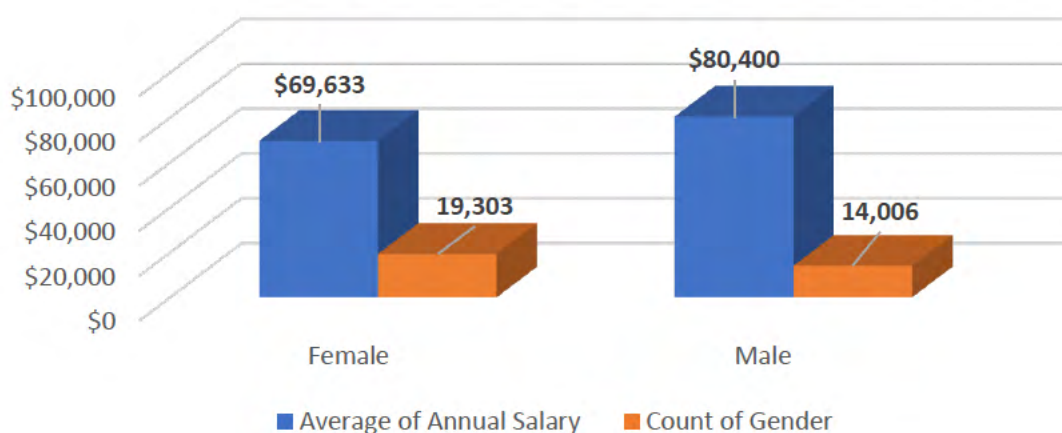
Full-Time Employees at Public Institutions of Higher Education

Employment Statistics by Race/Ethnicity



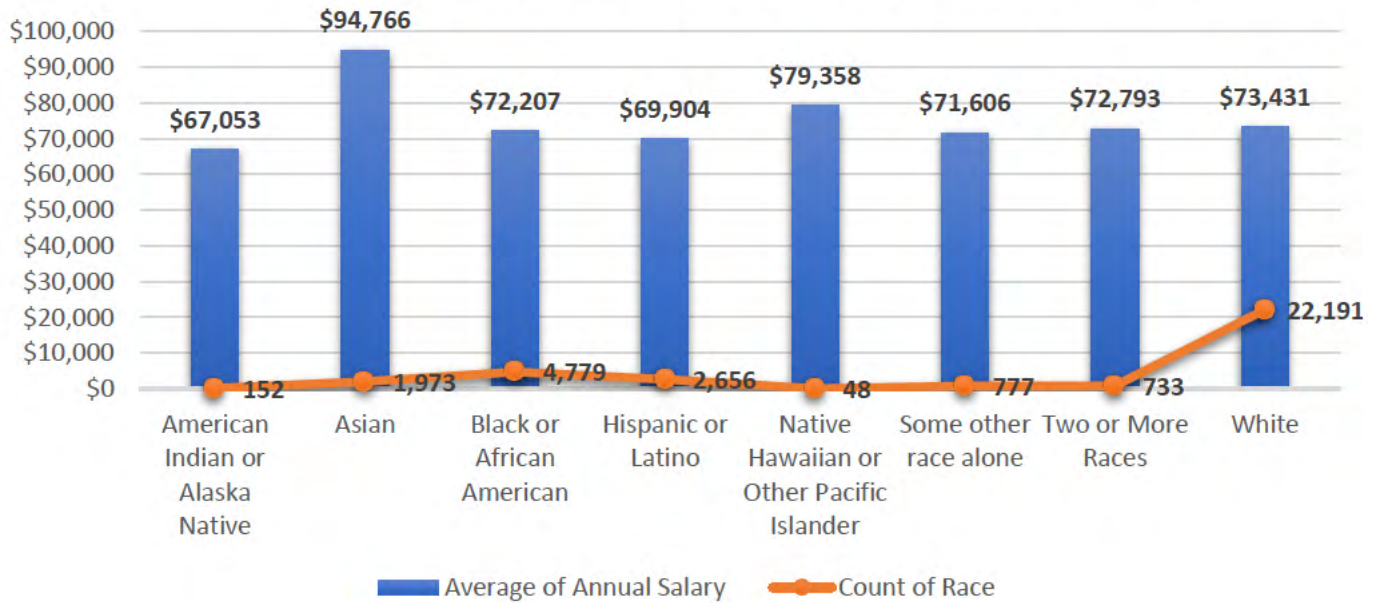
PIHEs employed over 33,000 people in Illinois who earned over \$29,120 per year. The majority of these employees identified as White (67%), followed by Black or African American as the next largest demographic (14%), and those who identified as Hispanic or Latino (8%). The two least represented demographics in the PIHE workforce were American Indian or Alaska Native and Native Hawaiian or Other Pacific Islander (both under 1%).

Average Annual Salary by Gender



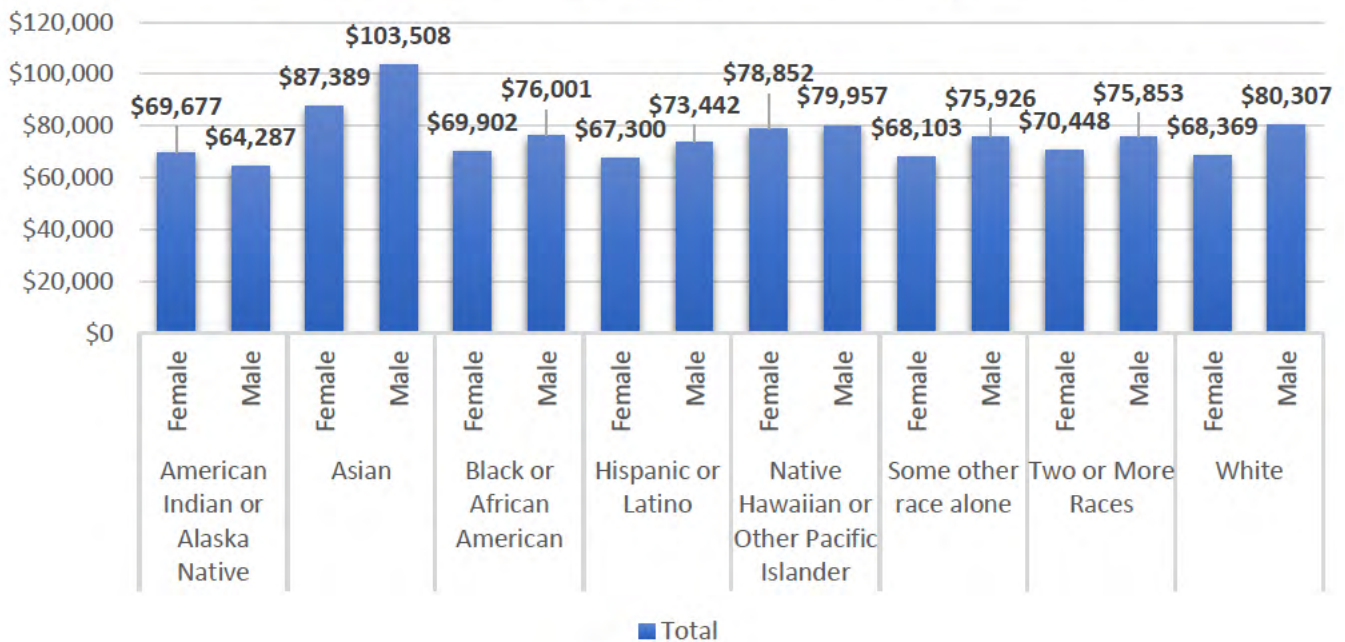
Analyzing the average pay by gender, males earned over \$10,000 more on average than females, even though the workforce was comprised of more women. PIHEs employed just over 19,000 individuals who identified as female and 14,000 who identified as male.

Average Annual Salary by Race/Ethnicity



Analyzing average salaries by race and ethnicity revealed a slightly greater equality in salary distribution. While individuals identifying as Asian (1,973 individuals) earned significantly more on average, their employment numbers were lower than those of other demographics. White individuals made up the majority of the workforce (over 22,000 individuals), followed by Black or African American (nearly 5,000 individuals) and Hispanic or Latino (over 2,500 individuals) individuals. Overall, the disparity in average salary between the highest-paid demographic and the lowest was \$27,000.

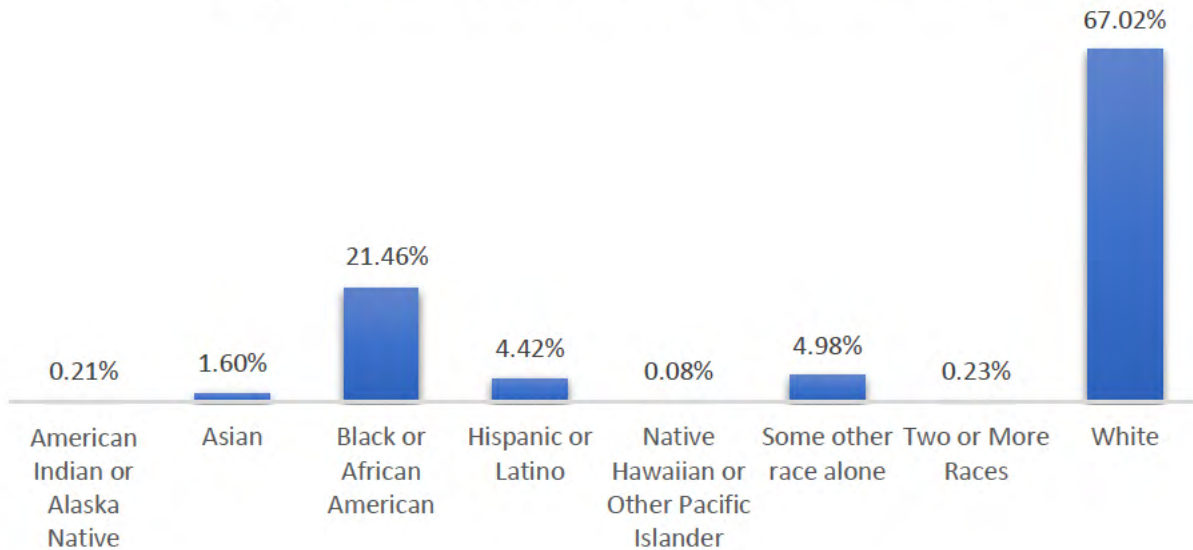
Average Annual Salary by Race/Ethnicity and Gender



When examining the disparities that intersect race and gender, it is evident that women generally earn less on average than men.

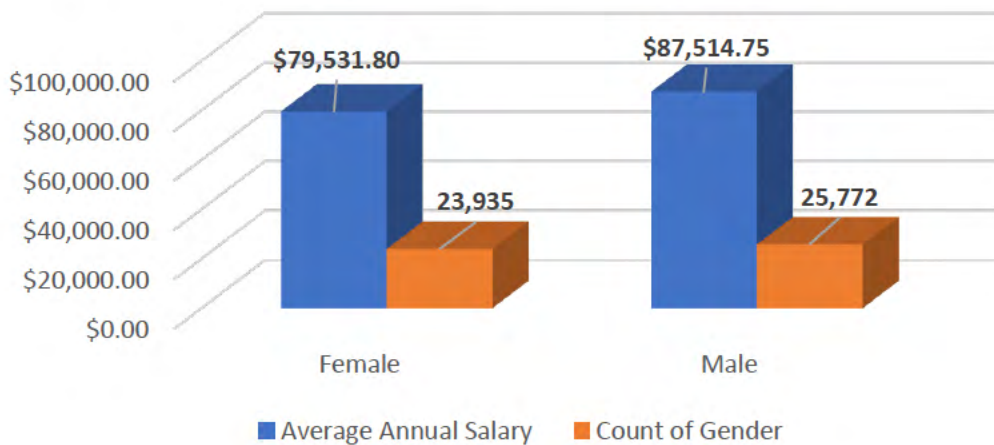
Full-Time Employees at State Agencies, Boards, and Commissions

Employment Statistics by Race Ethnicity



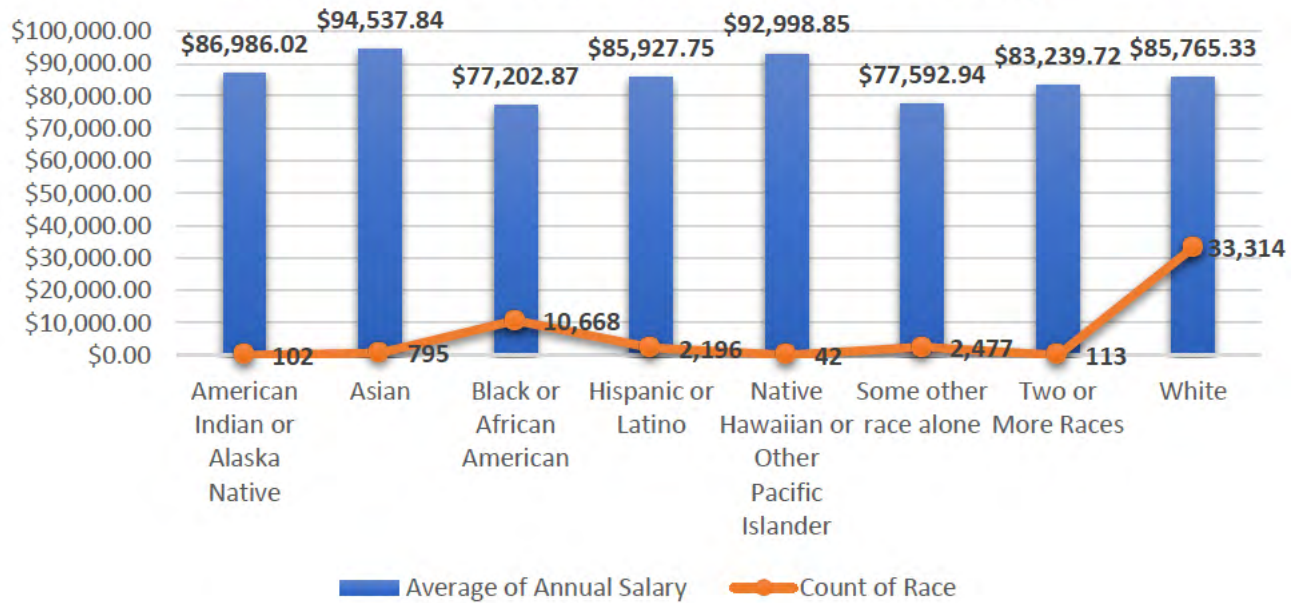
State agencies, boards, and commissions employed over 50,000 people in Illinois who earned more than \$29,120 annually. The majority of these employees were identified as White (67%), followed by Black or African American as the next largest demographic group (22%), and those identifying as Hispanic or Latino and Some Other Race Alone (5%). The two least represented demographics in the workforce of agencies, boards, and commissions were American Indian or Alaska Native (102 individuals) and Native Hawaiian or Other Pacific Islander (42 individuals).

Average Annual Salary by Gender



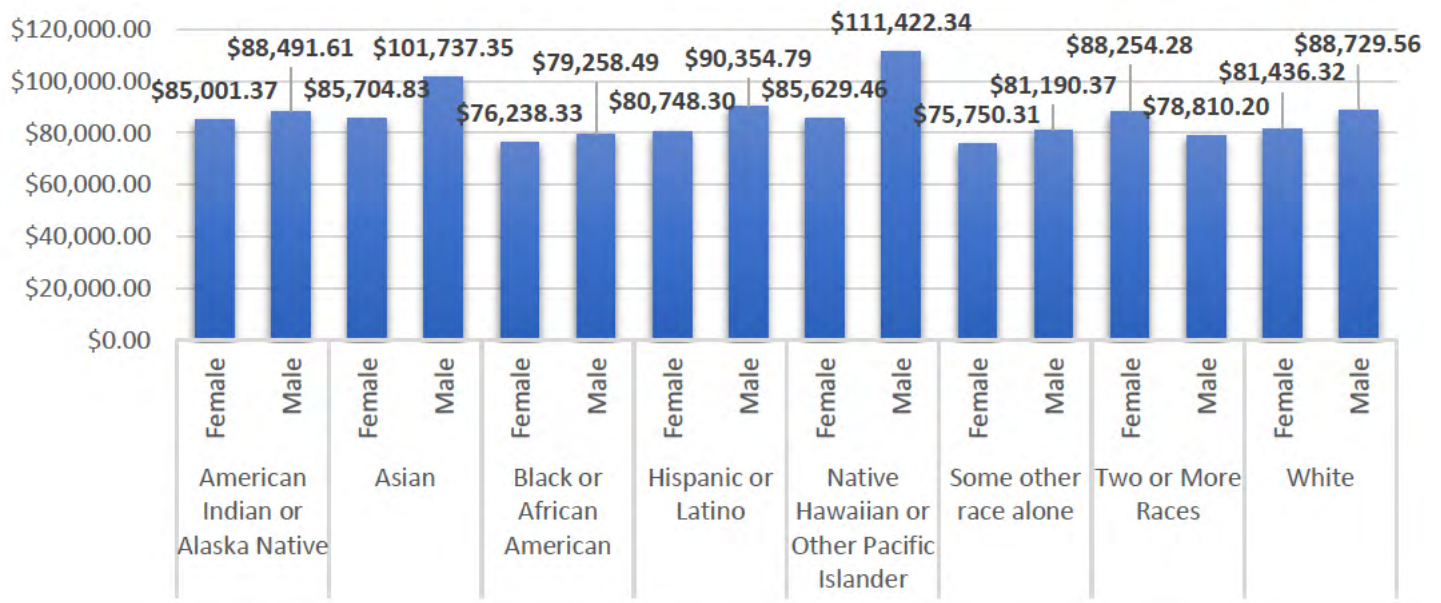
Analyzing the average pay by gender, men earned nearly \$8,000 more than women. However, more men are employed than women (26,000 compared to 24,000).

Average Annual Salary by Race/Ethnicity



The average annual salary by race/ethnicity across the workforce shows that Black or African American individuals make significantly less than most other demographics. White individuals made up the bulk of the workforce (over 33,000 individuals), followed by Black or African American (over 10,000) and Hispanic or Latino and Some Other Race Alone (over 2,000 each). Overall, the difference in average salary between the highest-paid demographic and the lowest-paid demographic was \$27,000.

Average Annual Salary by Race/Ethnicity and Gender



Further breaking down this average salary by intersecting race and gender reveals that Black or African American women earn less than most of their counterparts.

Impact of Disparities

There are several implications of racial and gender wage disparities, each carrying the potential to adversely impact individuals and families in numerous ways. Wage disparities lead to limited financial resources, which can result in psychological, physical, and social effects that negatively influence life choices and overall quality of life. For instance, such disparities are linked to social inequality. Pay differences can adversely affect an individual's health and well-being through various social determinants of health (SDOH). SDOHs are commonly recognized and generally categorized into five groups: economic stability, neighborhood and built environment, healthcare access and quality, educational access and quality, and social and community context. Each SDOH category is directly affected by pay equity (and, conversely, pay inequity). Additionally, vulnerable populations, including minority and disadvantaged groups, face a higher risk of adverse outcomes due to the increased barriers they encounter throughout society. In light of these insights, achieving pay equity is essential for enhancing living conditions and overall quality of life in society as a whole.

Race and gender wage disparities affect employee morale and retention rates. Decreased morale among the workforce may result from perceptions of unfair wage disparities. When an employee feels undervalued, it can lead to adverse consequences, including reduced motivation, diminished productivity, and lower job satisfaction. This type of workplace culture often results in higher turnover rates, inefficiencies, and a lack of engagement with new processes, which can be costly for organizations. When considering the micro and macro components of race and gender wage disparities, it is crucial to understand their effects on both community and society, as well as individual outcomes. High employee morale and fair pay promote stability in companies and communities. For example, the ripple effects on small businesses in a community and on overall societal health can be significant. Acknowledging wage disparities and taking proactive steps to address these injustices is vital, as this can improve individual well-being and foster community wellness.

As a standard of comparison, in 2024 the federal Office of Personnel Management released a report noting that the current gender pay gap nationwide was 16%. In the State of Illinois, based on the data collected in this report, the gender pay gap for state employees and employees is 9.5%. For PIHEs this number is currently 14.3%. Future iterations of this report will continue to track this gap, showing progression over time.

Recommendations

CEI's actionable suggestions for addressing and mitigating wage disparities are summarized below.

- **Wage Transparency** – Transparency regarding wages and salaries serves as a countermeasure to address gender and racial pay gaps. When organizations are dedicated to implementing transparent pay scales and conducting regular pay audits, individual characteristics (such as gender, race, disability status, etc.) may become less significant in future hiring practices and trends. Laws promoting salary wage transparency represent a significant step in the right direction. The Illinois Equal Pay Act, along with its amendments, aims to achieve these desired outcomes. Effective January 1, 2025, the Illinois Department of Labor mandates that all job postings from employers with 15 or more employees must include information on pay scales and benefits. The two main goals of achieving pay transparency are to promote wage equality and to provide job seekers

with essential information to make informed decisions. Each of these measures fosters a more equitable and transparent job market, ultimately benefiting all citizens of Illinois.

- **Workgroups and Committees** – All entities should strive to establish committees, sub-committees, or workgroups (such as HR compensation departments) dedicated to overseeing new hires and annual compensation adjustments. Implementing standardized pay equity audits across all organizational departments and levels serves as a benchmark to ensure there are no unfavorable variances based on race and gender. Additionally, this aims to safeguard internal equity and ensure equitable compensation for similar work. Utilizing workgroups focused on individuals with lived experience—comprising marginalized groups and allies—can inform policy decisions and influence recruitment procedures and philosophies. Employers should consistently focus on cultivating groups of individuals capable of establishing guardrails against implicit and explicit bias to enhance recruitment efforts. Ultimately, every employer’s recruitment philosophy should support an inclusive strategy to ensure that the workforce is representative of the diversity they aim to achieve. Diversity within a workforce will continue to foster innovation, creativity, and a higher likelihood of achieving effective outcomes based on a measured approach.
- **Education and Training** – Entities working to address and mitigate wage disparities should prioritize continuous education and training on these inequalities. Achieving this goal requires consistently educating key influencers within organizations, such as HR and recruitment leaders, about race and gender disparities. This approach decreases the likelihood that gatekeepers or entry points within an organization will approach offers with bias. The process begins with recruitment offices; in some cases, operational leaders miss access to candidates because the recruitment office disposes of or rejects them. Occasionally, hiring managers are unaware of the candidates’ existence. Consequently, education and training efforts must target recruitment offices. These efforts are equally important for training operational leaders to choose the most qualified candidates while minimizing bias. Employers must also ensure that the algorithms used in these efforts remain unbiased. Recruitment offices should implement user-friendly tools and algorithms to establish fair offer rates. While operational leaders focus on assessing skills and behaviors, recruitment offices are responsible for determining equitable wages based on years of experience and other relevant factors. Additionally, there is a crucial need for individuals in leadership roles to proactively advocate for candidates through meaningful discussions and by investing more time with recruiters regarding candidates’ qualifications.
- **Research and Data Analysis** – Entities should track changes in wage disparities over time and identify effective interventions. They can do this by creating indexes that measure wage disparities across different sectors and demographics, providing a benchmark for progress and accountability.

Conclusion

This RGW report is an example of a collaborative effort CEI spearheaded to address disparities marginalized communities face. One of the primary objectives of this report was to facilitate continued efforts toward equity and inclusion, which aligns with CEI’s mission and vision. Additional efforts are needed in this regard. Data was collected from 110 entities (51 PIHEs and 59 agencies, boards, and commissions) for the RGW report. The following section summarizes key findings for State PIHEs, agencies, boards, and commissions. PIHEs employed 33,309 individuals (earning over \$29,120 per

year) across the State, broken down by the following percentages: 67% White, 14% Black or African American, 8% Hispanic or Latino, 1% (152 people) American Indian or Alaska Native, and 0% (48 people) Native Hawaiian or Other Pacific Islander. On average, males at PIHEs earned \$10,767 more than females. PIHE employed just over 19,000 females and 14,000 males. Individuals identifying as Asian (1,973 people) earned significantly more than other races and ethnicities, on average (\$94,766), although their numbers were fewer than other demographics. The majority of the workforce identified as White (22,000 people), followed by Black or African American (4,000 people) and Hispanic or Latino (2,656 people). Overall, the difference in average salary between the highest-paid and lowest-paid demographic was \$27,000. When examining the disparities related to race and gender, women, on average, earned less than men.

State agencies, boards, commissions, and PIHEs employed over 50,000 individuals in Illinois, each earning more than \$29,120 annually. The overwhelming majority identified as White (67%), while those identifying as Black or African American represented 22%. Individuals identifying as Hispanic or Latino made up 4%, and those identifying as Some Other Race alone comprised 5%. The two least represented demographics in the workforce of state agencies were American Indian or Alaska Native (102 people) and Native Hawaiian or Other Pacific Islander (42 people). When examining average pay by gender, it was observed that males earned nearly \$8,000 more than their female counterparts, despite women being in greater numbers in the workforce. An analysis of average salary by race and ethnicity revealed that Black or African American individuals earned less on average than most other demographics. Individuals identifying as White comprised the majority of the workforce (33,000 people), followed by those identifying as Black or African American (10,000 people), and then those identifying as Hispanic or Latino and Some Other Race, each accounting for 2,000 people. The salary difference between the highest and lowest-paid demographics was \$27,000. Analyzing the annual average wage by race and ethnicity and gender showed that Black or African American women earn less than most of their counterparts.

Acknowledgements

CEI wishes to acknowledge the contributions of various stakeholders, without whom this report would not have been possible. We extend our sincerest gratitude to each agency, board, commission, and PIHE involved in this endeavor. The positive change we aim to achieve throughout the State and society would not be possible without your partnership and collaboration. CEI deeply appreciates the patience and support of every entity engaged in this effort. Furthermore, we express our gratitude to the Governor's Office for its ongoing assistance and support in developing this report.

