



## **SPEAKERS SERIES**

### **Fireside Chat with Citi Chair John Dugan: A Discussion on Gender and Diversity Pay Gaps**

September 10, 2019

Earlier this year, leadership at Citi took the bold step of publicly disclosing the firm's unadjusted pay gap data. Unadjusted gender pay gap data compares the median pay for all women to the median pay for all men while unadjusted gap data for U.S. measures median pay for U.S. minorities against the median pay for non-minorities. John Dugan, Chair of Citi, joined us for a breakfast fireside chat about the firm's decision and the reaction to that decision.

John discussed how diversity has been an evolving priority at Citi, starting at the top with CEO Michael Corbat. John also suggested that the geographic diversity of Citi's global footprint, operating in nearly 100 countries and the concomitant diversity of its global workforce, played an important role in Citi's decision to go public in early 2018 with its pay equity review. That review measured adjusted pay equity between women and men in the U.S., Germany and the U.K and U.S. minorities to non-minorities. John explained that adjusted pay equity measures take into account factors to make the comparisons meaningful, including job function, level and geography.

John described how Citi's thinking changed in 2018 due, in part, to Mike Corbat and senior management embracing the concept that Jane Fraser, President of Citi and CEO of Global Consumer Banking, has described as "radical transparency." A shareholder proposal on pay equity also impacted Citi's thinking.

In early 2019, Citi disclosed that, on an adjusted basis, Citi's global female workforce made on average 99% of what men were paid at Citi and that there was no statistical difference in pay for U.S. minorities to U.S. non-minorities. Unadjusted pay gaps revealed a different story, however, with median pay for women globally at 71% of the median for men, and the median pay for U.S. minorities at 93% of the median for U.S. non-minorities. Citi also disclosed that its near-term goals were to increase representation at the Assistant Vice-president to Managing Director levels to at least 40% for women globally and 8% for U.S. minorities. Citi is the first major financial services company to disclose these results.

John noted that, at first, Citi took a lot of heat for the large unadjusted pay gaps but that changed quickly as the public came to understand that Citi's public disclosure of its unadjusted pay gaps was intended to be a report card or benchmark by which Citi could be measured in the future. Citi's disclosure has since been viewed positively by investors and has become a selling point in the

recruitment process. For these reasons, John stated his belief that more companies will make unadjusted pay gap disclosures in the future.