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In a first-of-its-kind compensation agreement with the U.S. Department of Labor, the Boeing Co. has agreed to take steps on a corporate-wide basis to eliminate any pay disparity affecting salaried and executive female and minority personnel.

The nation's second-largest federal contractor will pay a minimum of $4.5 million in back pay and salary adjustments to female and minority employees. This fund will resolve claims of pay disparities raised by the department's Office of Federal Contract Compliance Programs at the company's Philadelphia, Huntsville, Ala., and Long Beach, Calif., facilities. The fund will also remedy any pay disparities that may exist at facilities in Wichita, Kan., and Tulsa, Okla., as well as at Boeing’s corporate headquarters in Seattle and for low- and mid-level executives throughout the entire company. Boeing has also agreed to examine and prospectively adjust, as necessary, pay practices corporate-wide within the next four years. The cost of those adjustments will be in addition to the $4.5 million fund.

"We will use every tool, including cooperative efforts, innovative agreements, and vigorous enforcement to maximize compliance with nondiscrimination laws by federal contractors," Labor Secretary Alexis M. Herman said. "This is the first agreement that obligates a federal contractor to conduct self-examinations, make across-the-board salary adjustments at every facility and then report its results to the department. It establishes a new paradigm that ensures equal employment opportunity and enhances enforcement corporate-wide, not just location by location. I commend Boeing for coming to the table and cooperating with us. All Boeing employees will benefit."

Boeing will also make certain adjustments to its employment practices, including the manner in which it collects and analyzes data on applicants. The company will adopt a new approach to gathering applicant information which addresses the growing use of the Internet as a means of seeking employment. Previously, Boeing only collected data on
individuals who were interviewed for employment. Now the company will collect information from individuals who express an interest in working at Boeing and will use this information for affirmative action and anti-discrimination purposes. This method will help determine the impact of Boeing's hiring procedures on female and minority applicants.

"This agreement demonstrates that we will work with all contractors to ensure fair and equal pay for America's working people regardless of their gender or race," stated Bernard E. Anderson, assistant secretary of labor for employment standards. Shirley J. Wilcher, head of the OFCCP, added that "the most effective way to root out discrimination and eliminate pay disparities is by coupling enforcement with innovation and cooperation."

The agreement resolves 10 open Office of Federal Contract Compliance Programs compliance evaluations. However, the agency will continue to conduct regularly scheduled audits at Boeing sites. The agreement provides for the initial information, including compensation data, to be given during an off-site review. It is anticipated that many of these evaluations may be concluded without full on-site reviews, although OFCCP retains the right to conduct such reviews where warranted.

Boeing, the largest aerospace company in the world, received $11 billion in government contracts in 1998. The Seattle-based company employs 202,000 workers nationwide.

The Office of Federal Contract Compliance Programs a division of the Labor Department's Employment Standards Administration enforces Executive Order 11246 and other laws that prohibit employment discrimination by federal contractors. OFCCP monitors federal contractors to ensure that they provide equal employment opportunity without regard to race, gender, color, religion, national origin, disability or veteran status and that they meet affirmative action requirements.