

Gender Pay Equity

Whereas:

The median income for women working full time in the United States is reported to be 79 percent of that of their male counterparts, a 10,800 dollar disparity that can add up to nearly half a million dollars over the course of a career. The gap for African America and Latina women is wider at 60 percent and 55 percent respectively. At the current rate, women will not reach pay parity until 2059.

Fortune reports the wage gap is 70.3 percent for retail salespersons, ranking such positions at number 8 in their top 20 jobs with the highest gender pay gaps list.

Despite women holding just over one half of retail industry positions, women are underrepresented in higher paying retail management positions and overrepresented in low paying front line jobs.

At Starbucks, approximately 65 percent of our employees are women, but women account for only 26 percent of leadership.

A large body of evidence suggests diversity in leadership leads to better performance. McKinsey & Company states, “the business case for the advancement and promotion of women is compelling” and has found companies with highly diverse executive teams boasted higher returns on equity (+10.7 percent), earnings performance (+91.4 percent), and stock price growth (+36 percent). McKinsey advocates best practices to address this underleveraged opportunity including “tracking and eliminating gender pay gaps.”

The National Center for Women and Information Technology reports benefits of gender diversity include better financial performance, superior team dynamics and productivity, and employee performance.

Regulatory risk exists as the Paycheck Fairness Act pends before Congress to improve company level transparency and strengthen penalties for equal pay violations.

President Obama signed an executive action requiring companies who do business with the federal government to report pay data by gender and race, and the Equal Employment Opportunity Commission has proposed rules requiring wage gap reporting. Both California and Massachusetts have passed some of the strongest equal pay legislation to date.

The *Wall Street Journal* reports, “Academic research attributes salary inequalities to several factors—from outright bias to women failing to ask for raises.” A Harvard University economist concluded the gap stems from women making less in the same jobs. As much as 40 percent of the wage gap may be attributed to discrimination.

Retail peer The Gap has publically reported and committed to gender pay equity, along with many companies in the technology sector.

Resolved: Shareholders request Starbucks prepare a report by August 2017, omitting proprietary information and prepared at reasonable cost, on the Company’s policies and goals to reduce the gender pay gap.

The gender pay gap is defined as the difference between male and female earnings expressed as a percentage of male earnings according to the Organization for Economic Cooperation and Development.

Supporting Statement: A report adequate for investors to assess Starbucks’ strategy and performance would include the percentage pay gap between male and female employees, including base, bonus and equity compensation, policies to address that gap, and quantitative reduction targets.