

## 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. This 10,800 dollar disparity can add up to nearly half a million dollars over a career. The gap for African America and Latina women is 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 Costco, approximately 43 percent of our employees are women and 53 percent are sales workers, but women account for only 3 percent percent of executive leadership and senior level managers, and 31 percent of first and mid level managers.

Costco states: “We aim to have a diverse workforce that is representative of the communities where we do business, and to foster an inclusive environment.”

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, earnings performance, and stock price growth. Best practices to address this underleveraged opportunity include “tracking and eliminating gender pay gaps.”

Mercer finds actively managing pay equity “is associated with higher current female representation at the professional through executive levels and a faster trajectory to improved representation.”

Regulatory risk exists as the Paycheck Fairness Act pends before Congress. The Equal Employment Opportunity Commission has proposed rules requiring wage gap reporting. California, Massachusetts, New York, and Maryland have passed some of the strongest equal pay legislation to date.

The *Wall Street Journal* reports, “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 Costco prepare a report, omitting proprietary information or legally prejudicial data. 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 median earnings expressed as a percentage of male earnings (Organization for Economic Cooperation and Development).

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