



How will the revised EEO-1 Report affect your company?

Understanding the new requirements
for workforce diversity reporting

What is the EEO-1 Report?

The EEO-1 Report is an annual survey that all affected employers must furnish to the federal government by September 30th of each year. The survey is based upon employment numbers from any pay period in July through September of that year. It tracks your company's workforce counts by job category, as well as by ethnicity, race, and gender.

Is your company affected?

Businesses are required to complete this annual survey if they have 100 or more employees OR if they are a federal contractor with 50 or more employees and \$50,000 in government contracts.

What has changed on the survey?

After lengthy review of employer data collection requirements, the Equal Employment Opportunity Commission (EEOC) has updated its survey in two key areas: (1) race and ethnic categories and (2) job categories. This marks the first time the agency has modified the form since 1966.

The two revised categories are:

RACE & ETHNIC Category CHANGES:

- A new category has been added, titled "Two or more races"
- "Asian or Pacific Islander" is divided into two separate categories: "Asian" and "Native Hawaiian or other Pacific Islander"
- "Black" is now renamed "Black or African American"
- "Hispanic" is now renamed "Hispanic or Latino"
- EEO-1 race/ethnicity tracking has been extended to affected Hawaiian employers as well
- The survey strongly endorses employee self-identification of race and ethnic categories whenever possible (as opposed to visual identification by employers)

JOB Category CHANGES:

- The original "Officials and Managers" category is now divided into two distinct levels, based upon responsibility and influence within your company:
 1. **Executive/Senior-Level Officials and Managers:** These employees plan, direct, formulate policy, set strategy, and provide overall direction; in larger organizations, anyone within two reporting levels of CEO is considered on this level.
 2. **First/Mid-Level Officials and Managers:** These employees direct operations within specific parameters set by executive/senior-level officials and managers; they oversee day-to-day operations.
- Nonmanagerial business and financial occupations have been moved from the "Officials and Managers" category to the "Professionals" category.

Why did this survey change?

To Reflect Population Changes: According to the EEOC, these changes have been made to modernize the report in terms of racial and ethnic classifications, so it better reflects today's more diverse demographic population.

To Ensure Better Tracking Precision: By more precisely distinguishing between different management levels, the agency believes it can better track the advancement opportunities of women and minorities. Officials state that the updated data will provide clearer insights as to whether certain demographic groups continually ascend to higher management levels while others stall out at lower- to mid-level progression.

To Reduce Error: The agency believes its revised policy urging employers to collect its ethnic/race data through self-identification (versus employer visual identification) will greatly increase the accuracy in multi-race category tracking. It often can be difficult for employers to provide this information based solely on an employee's appearance.

When does the new form take effect?

To assure employers enough time to adopt these new tracking requirements into their processes, this new form takes effect with the survey due September 2007:

You should have used the CURRENT form for your September 2006 filing (still available on the EEOC site, <http://www.eeoc.gov/eeo1survey/e1instruct.html>).

Use the NEW version for your September 2007 filing. You will be using your employment figures from any one pay period from July through September 2007 to properly complete this new survey.

Suggested Steps:

- **Meet with your internal departments and/or outside vendors now** to discuss roles, responsibilities, and timelines to incorporate these new tracking changes. (Example: IT may be needed for system changes, while outside partners may be required to help with management software revisions or legal/HR counsel.)
- **Ensure that your current payroll or human resource management solution can handle these significant tracking changes**, including the new ethnic/racial categories, management-level classifications, and a confirmation mechanism for employee self-identification.

Want to find out more about EEO and other employment laws? Go to www.eeoc.gov/ or www.dol.gov

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