



One Battery Park Plaza
New York, NY 10004
(212) 837-6000

ADVISORY | APRIL 2006

47, Avenue Georges Mandel
75116 Paris, France
33 1 44 05 80 00

A New Look for the EEO-1 Report

1775 I Street, N.W.
Washington, D.C. 20006
(202) 721-4600

350 South Grand Avenue
Los Angeles, CA 90071
(213) 613-2800

201 South Biscayne Boulevard
Miami, FL 33131
(305) 358-1666

Akasaka Tokyu Building, 6F
2-14-3 Nagata-cho, Chiyoda-ku
Tokyo, 100-0014 Japan
81 3 3539 2771

101 Hudson Street, Ste. 3601
Jersey City, NJ 07302
(201) 536-9220

Employers required to file an EEO-1 report, which provides the government with a count of employees by job category and then by ethnicity, race and gender, need to be aware that the Equal Employment Opportunity Commission (“EEOC”) recently made some significant changes to the report. The new EEO-1 report, which must be utilized beginning with the 2007 reporting cycle, contains revisions to the job categories and race and ethnicity categories. As a result, employers will need to change the way new and existing employees are classified.

The EEOC and the Office of Federal Contract Compliance (“OFCCP”) adopted the EEO-1 report in 1966 as a mechanism to collect data from private employers and federal contractors about their minority and female workforce. The EEOC uses the data to analyze trends in minority and female employment, while the OFCCP uses it to target employers for compliance evaluations. Employers with 100 or more employees, and employers with 50 or more employees and federal government contracts of \$50,000 or more, must file an EEO-1 report.

The revisions to the EEO-1 report are the first since its adoption 40 years ago. In order to better analyze national employment trends, a new race and ethnic category, “Two or more races,” was added. An individual who identifies with more than one of the EEO-1 report’s five races will be classified in this group. In addition, the “Asian or Pacific Islander” category was divided into two separate categories, “Asian” and “Native Hawaiian or other Pacific Islander,” and two race and ethnic categories were renamed. The category “Hispanic” was renamed “Hispanic or Latino” and one category “Black” was renamed “Black or African American.”

In order to better assess “the extent to which minorities and women have access to power and decision making jobs,” changes were made to the job categories

portion of the report. The “Officials and Managers” category was divided into two categories, “Executive/Senior Level Officials and Managers” and “First/Mid-Level Officials and Managers.” Executive/Senior Level Officials and Managers will include those who “plan, direct and formulate policy, set strategy and provide overall direction.” In large organizations, this group will encompass individuals “within two reporting levels of the CEO whose responsibilities require frequent interaction with the CEO.” First/Mid-Level Officials and Managers will include employees “who oversee and direct the delivery of products, services or functions at group, regional or divisional levels of management,” as well as those who direct day-to-day operational objectives, convey directions of senior managers to subordinate employees and, in some cases, those who directly and indirectly supervise other employees. Individuals with expertise in business and financial occupations will no longer be part of an Officers and Managers category. These positions will be moved to the Professionals category. The EEOC believed that including these individuals in the Officials and Managers category “makes data on management officials less useful. . . in analyzing trends in the mobility of minorities and women with the upper reaches of organizations.”

Finally, the revisions to the EEO-1 report emphasize that self identification of employees is the preferred method of data collection. Employers should gather data by use of employment records or visual identification only after an employee has declined to self identify.

Since the existing EEO-1 report will be used in 2006, employers have some time to adjust their data collection methods. However early implementation of a few simple steps will ease the transition to the new report. While the EEOC has said that it will not mandate that employers resurvey existing employees prior to the submission of the 2007 EEO-1 report, it stated that “opportunities to further resurvey without additional burden should be utilized as much and as soon as possible, for example, using routine updates of employees’ personal information.” If they are not doing so already, employers should invite all new employees to self identify. Employers should remember that employees must be told that the invitation to self identify is voluntary, and that refusal to provide race and ethnicity information will not result in any adverse treatment. Finally, employers should immediately update any existing self-identification forms to reflect the new race and ethnic categories.

This Advisory is for informational purposes only and is not intended as legal advice. If you have any question concerning this topic or other related issues, please contact:

*Ned H. Bassen
Jodi E. Divak*

*212.837.6090
212.837.6841*

*bassen@hugheshubbard.com
divak@hugheshubbard.com*