

Is Affirmative Action in Employment Still Effective in the 21st Century?

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joint work with Zara Contractor and Julian Aramburu

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Disclaimer: Any opinions and conclusions expressed herein are those of the authors and do not necessarily represent the views of the U.S. Census Bureau. All results have been reviewed to ensure that no confidential information is disclosed.

Disclaimers

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2. All results coming from Census data have been reviewed to ensure that no confidential information is disclosed
 - Some results are only available qualitatively

Motivation

Affirmative Action as a tool to close racial gaps in employment

- There are large racial disparities in employment in the US
 - The unemployment rate for Black workers is just under twice the rate for Whites ([BLS, 2023](#))
 - Mean earnings for Black workers is 78% that of Whites ([BLS, 2019](#))
- One of the policies to combat these disparities: Executive Order 11246
 - The most widespread employment-based Affirmative Action (AA) policy in the US
 - Effective since 1965 at the federal level
 - 20% of US workforce employed at a firm subject to the policy ([OFCCP, 2019](#))

What do we know about the effects of Executive Order 11246?

- The literature finds that
 1. It has increased the share of Black workers in regulated establishments
Heckman (1976), Leonard (1984), Kurtulus (2016), Miller (2017)
 2. Even when regulation is transitory, effects are persistent
Miller (2017)
 3. Regulated employers may improve their screening methods
Holzer & Neumark (1999, 2000), Kalev, Dobbin & Kelly (2006)
- Latest empirical evidence dates back to the 80's, 90's and early 2000's
Kurtulus (2016), Miller (2017)

This project

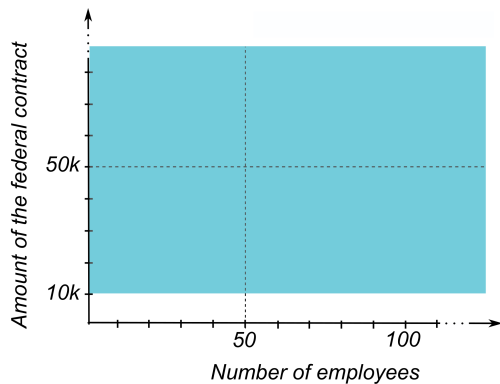
- Constructs and analyzes the first large-scale, administrative dataset containing MEE data alongside establishment-level information on federal contract acquisition and enforcement
- With these novel data,
 1. ours is the first paper to study the effects of EO 11246 in the 21st century
 - the positive effects found by the literature are not there in 2001–2014
 2. we are the first to study the effects of EO 11246 on the proportion of new hires and on log-earnings
 3. an overlooked requirement of EO 11246 involves a threshold in contract values
 - we leverage exogenous variation in these values to improve identification and isolate this impact
 4. we turn to the enforcement dimension of our data to investigate what drives the null effects

Institutional Setting

What is *Executive Order 11246*?

- Applies to firms that have contracts with a value \geq \$10k used with the federal government
- Regulated firms are expected to
 - make "good faith" efforts to employ minorities and women at rates that are (at least) proportional to the local and qualified workforce*
- How?
 - EEO posters + EEO Tag Line + Record keeping

What is *Executive Order 11246*?



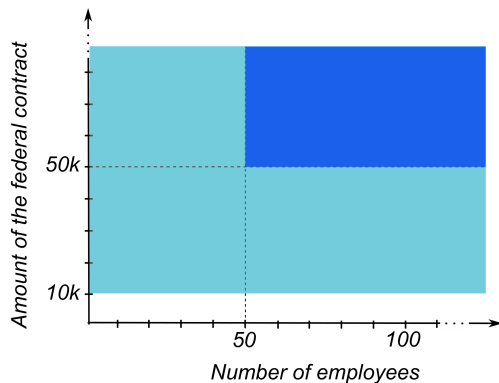
Firms with \geq \$10k contracts

- 1. Post EEO posters
- 2. Include EEO Tag Line in job ads
- 3. Keep hiring, promotion and firing records

What is *Executive Order 11246*?

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- Regulated firms are expected to
 - make "good faith" efforts to employ minorities and women at rates that are (at least) proportional to the local and qualified workforce*
- How?
 - EEO posters + EEO Tag Line + Record keeping
- Firms with over 50 workers and contracts with a value \geq \$50k usd must write AA Plans (AAPs)
 - To write an AAP, employers must identify **under-utilization** of minorities by **occupation**
 - If there is under-utilization, the AAP includes **strategies and a timeline** to eliminate them
 - The AAP must be updated annually while being a contractor with a value \geq \$50k usd

What is *Executive Order 11246*?



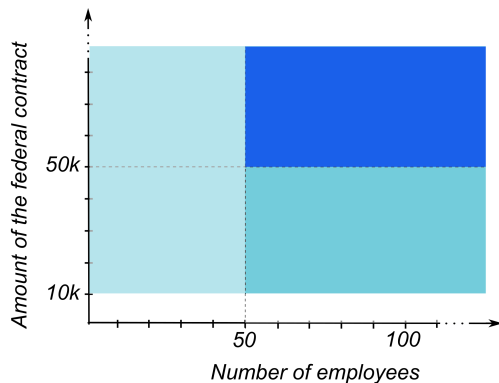
Firms with $\geq 10k$ contracts

- 1. Post EEO posters
- 2. Include EEO Tag Line in job ads
- 3. Keep hiring, promotion and firing records

Firms with $\geq 50k$ contracts

- 1.-3. and, in addition,
- 4. Establish an AAP

What is *Executive Order 11246*?



Firms with $\geq 10k$ contracts

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Firms with sizable contracts

- 1.-3. and, in addition,
- 4. Establish an AAP

Enforcement of EO 11246

- Enforcement under authority of Office of Federal Contract Compliance Programs (OFCCP)
- Allocation of contracts is **independent** of the OFCCP
- To monitor compliance, they evaluate of about 1% of contractors each year
 - Evaluate whether AA practices are in place
 - Desk audits followed by on-site visit in case of potential violation
- If not in compliance, OFCCP
 - Requests letter of commitment for minor violations
 - Seeks conciliation agreement for major violations
 - Ultimate punishment: to be debarred from doing business with federal government

Data

Data sources

1. *LEHD* (Restricted Census Data)

- Matched employer-employee for 19 states for years 2001–2014
- Worker: quarterly earnings, age, gender, race, education, place of birth, citizenship
- Firm: age, size, location, industry

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2. **FPDS** (Federal Procurement Data System)

- Universe of Federal Contracts awarded from 2001 onward
- Contains name, location, contract value, duration, and industry of the contractor

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3. Additional Data

- EEO-1 Records**: Miller's (2017) data. We have access to 1990–2014 (rather than 1978–2004)
- EEO Tabulations**: Reconstructed using ACS data and used in order to study potential mechanisms
- OFCCP Audit Records**: Obtained through a FOIA request to study potential mechanisms

Empirical Strategy

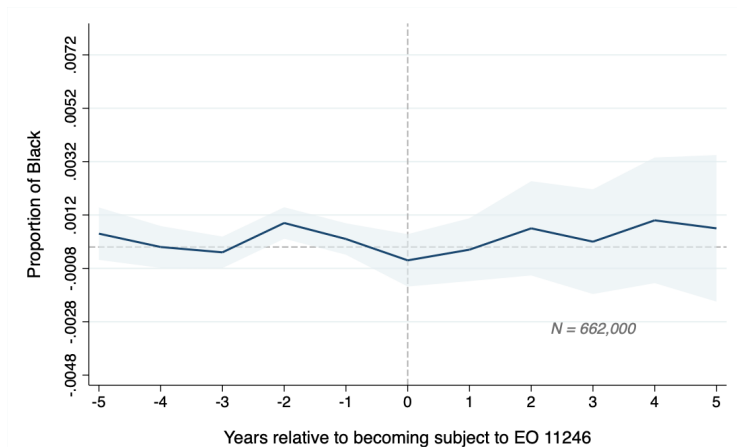
Empirical strategy: road-map

1. We estimate the impact of becoming a federal contractor \Rightarrow becoming regulated by EO 11246
 - Callaway and Sant'Anna's (2021) estimator imply small effects on:
 - the share of protected workers
 - the share of new protected hires
 - log-earnings of protected workers
 - We look at the effects on each protected group separately: will focus on Black workers
2. We analyze the effect of a more stringent margin of EO 11246: the AAP requirement
 - 'Becoming a contractor' could conflate EO 11246 effects with the direct effects of acquiring a contract
 - We compare federal contractors above and below the \$50k threshold using
 - a staggered event study
 - and an RD design
3. Test potential explanations for the absence of effects
 - Is the policy no longer binding for most firms? or
 - Is enforcement weak?

1. The effect of becoming a federal contractor

...on the share of Black workers

EEO-1 Records results



- The pre-treatment average share of Blacks is 5.62% and the effect is ≤ 0.001 (0.0018)
 - This would translate into at most a 0.006% increase

Hispanic

Minorities

Women

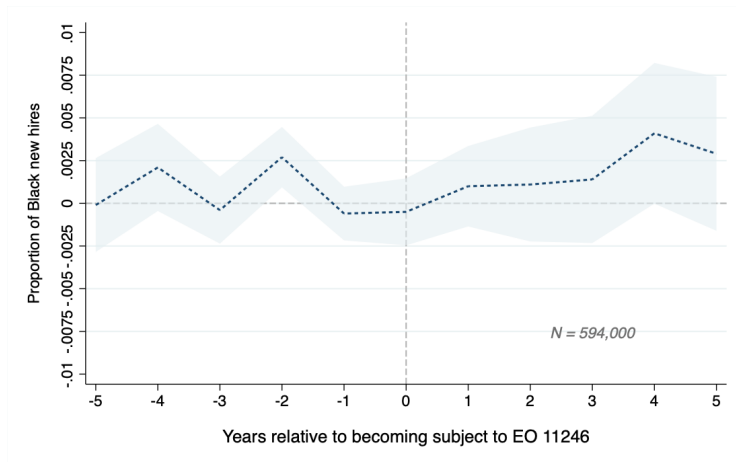
1. The effect of becoming a federal contractor

2. The effect of the AAP requirement

3. Potential explanations

1. The effect of becoming a federal contractor

...on the share of new Black hires



- The pre-treatment average share of Black new hires is 7.02% and the effect is ≤ 0.0041 (0.0021)
 - This would translate into at most a 0.016% increase

Hispanic

Minorities

Women

1. The effect of becoming a federal contractor

...on the log-wages of Black workers

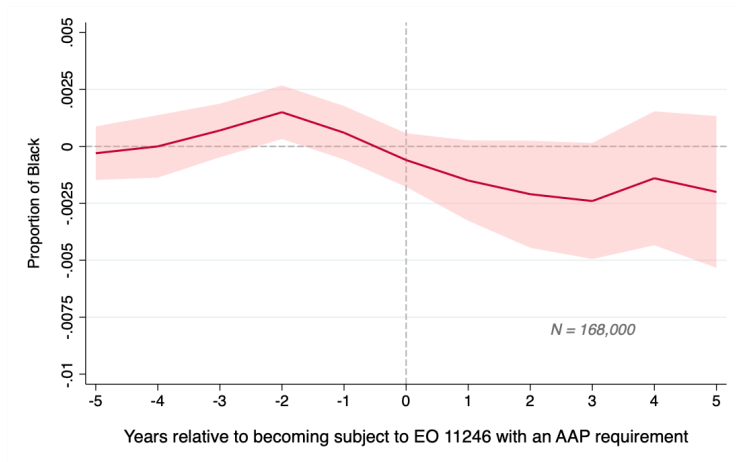
- At the worker-level, EO 11246 could induce firms to increase wages to retain protected workers
- We measure EO 11246's effects on log-wages of protected and non-protected workers
 - Using a naive TWFE estimator, we find qualitative evidence in line with null effects
 - The results from the staggered events study have not undergone Census Disclosure

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2. We analyze the effect of a more stringent margin of EO 11246: [the AAP requirement](#)
 - 'Becoming a contractor' could conflate EO 11246 effects with the direct effects of acquiring a contract
E.g. Anna Aizer, Ryan Boone, Adriana Lleras-Muney & Jonathan Vogel (2020)
 - We compare federal contractors above and below the [\\$50k threshold](#) using
 - a staggered event study
 - and an RD design
3. Test potential explanations for the absence of effects
 - Is the policy no longer binding for most firms? or
 - Is enforcement weak?

2. The effect of the AAP requirement

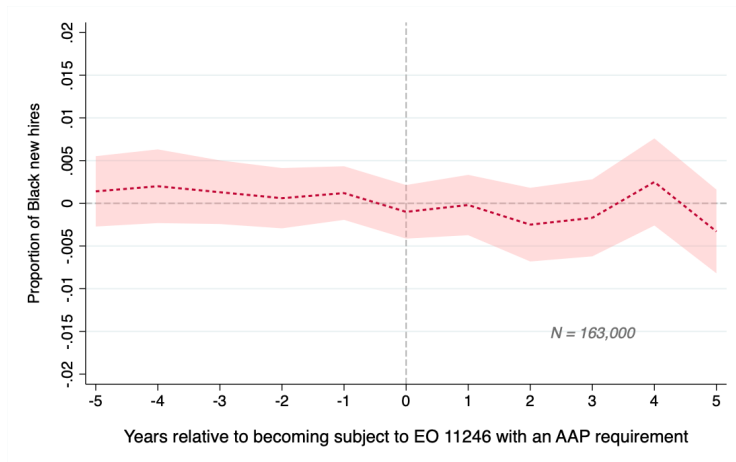
...on the share of Black workers



- The pre-treatment average share of Blacks is 8.6% and the effect is ≤ -0.0024 (0.0018)
 - This would translate into at most a 0.02% increase

2. The effect of the AAP requirement

...on the share of new Black hires



- The pre-treatment average share of Blacks is 10.2% and the effect is ≤ 0.0025 (0.0026)
 - This would translate into at most a 0.026% increase

Empirical strategy: road-map

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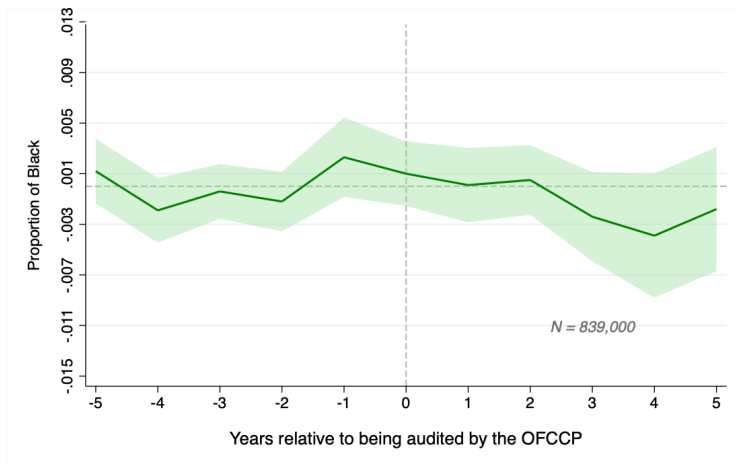
3. Potential explanations

i) Affirmative Action may not be binding for most firms

- Contractors are required to identify **under-utilization** of protected groups by occupation
 - If they find under-utilization, they should lay out strategies and a timeline to eliminate it
 - If they already meet these numbers, we should not expect effects
- We are constructing 2 pieces of evidence that refute this hypothesis
 1. How do the distributions of protected workers at regulated firms compare with local averages?
 - Non-disclosed results
 2. Does the policy have an impact on firms that start *below* the required targets?
 - We re-ran our estimations and still find no effects for firms below target

3. Potential explanations

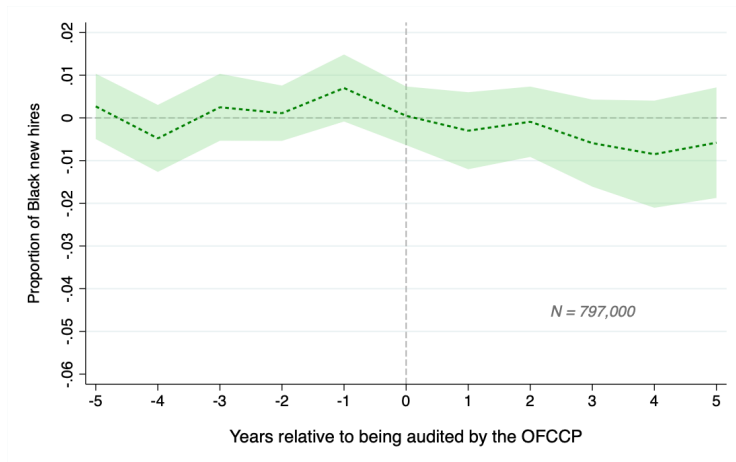
ii) Do OFCCP audits have effects on the share of Black workers?



- The pre-treatment average share of Blacks is 10.48% and the effect is ≤ -0.0039 (0.0025)
 - This would translate into at most a 0.04% decrease

2. The effect of the AAP requirement

...on the share of new Black hires



- The pre-treatment average share of Blacks is 11.59% and the effect is ≤ -0.0085 (0.0064) - This would translate into at most a 0.006% decrease

Concluding remarks

- We construct a novel dataset to study the effects of EO 11246 and document four main findings
 1. the policy is no longer effective in increasing the share of protected workers in regulated firms, and the effect does not grow over time like it used to in the 20th century
 2. even the more stringent element of the policy is ineffective
 3. the policy is ineffective on the share of new hires and the relative earnings gap of protected workers
 4. this lack of effects is not driven by the policy no longer binding but by lack of compliance
- Two recent measures may strengthen oversight activities to improve contractor compliance
 1. In 2021, the Biden Administration requested a 33% increase in the budget for the OFCCP
 2. the OFCCP launched a “*contractor portal*” in 2022 where regulated federal contractors must certify they are meeting their requirements

Supplementary Slides

9 Occupations in EEO-1 Records

1. Officials and managers
2. Professionals
3. Technicians
4. Sales workers
5. Administrative support workers
6. Craft workers
7. Operatives
8. Laborers/helpers
9. Service workers

Under-utilization

Job Group	Female Incumbency %	Female Availability %	Establish Goal? Yes/No	If Yes, Goal for Females	Minority Incumbency %	Minority Availability %	Establish Goal? Yes/No	If Yes, Goal for Minorities
1	0.0	47.6%	Yes	47.6%	11.1%	18.1%	Yes	18.1%
2	45.5%	43.8%	No		18.2%	8.2%	No	
4	20.0%	34.5%	Yes	34.5%	0.0%	12.4%	Yes	12.4%
5	83.3%	87.7%	No	*	43.3%	27.6%	No	
6	9.3%	44.16%	Yes	44.16%	34.9%	19.93%	No	
7	10.0%	6.3%	No		30.0%	37.5%	No	*
8	6.3%	19.1%	Yes	19.1%	37.5%	26.3%	No	

[go back](#)

Under-utilization

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[go back](#)

Corrective Actions

<i>Areas of Concern</i>	<i>Corrective Actions</i>
<ul style="list-style-type: none">• Underutilization of minorities and women in Job Groups 1 and 4 where external hiring opportunities occurred. Concern regarding low minority and female applicant flow rate resulting from inadequate recruitment for both job groups.	<ul style="list-style-type: none">• No later than March 1, 2010, notify management and professional recruitment sources, in writing, of FCI's interest in attracting qualified minorities and women to apply for job openings.• No later than March 1, 2010, expand FCI's recruitment program to colleges and universities with a significant percentage of minority and female students.
<ul style="list-style-type: none">• Underutilization of women in Job Groups 6 and 8 craft workers and entry-level blue-collar jobs. Concern regarding low female applicant flow rate resulting from inadequate recruitment.	<ul style="list-style-type: none">• No later than January 1, 2010, contact the local YWCA, local vocational school, and training centers to inform them of FCI's interest in attracting qualified female applicants.
<ul style="list-style-type: none">• High termination rate for females in Job Group 8.	<ul style="list-style-type: none">• Immediately review exit interview survey of terminated females to confirm voluntary reason for leaving.

Defining Availability

United States **Census** Bureau

Search

BROWSE BY TOPIC EXPLORE DATA LIBRARY SURVEYS/ PROGRAMS INFORMATION FOR... FIND A CODE ABOUT US

// Census.gov > American Community Survey (ACS) > American Community Survey Data > EEO Data > 2014–2018 EEO Tables - Main > 2014–2018 EEO Tables - Table Viewer

2014–2018 EEO Tables (ACS 5-Year Data)

SELECT NEW TABLE

Table: **EEO-ALL01R - Occupation by Sex and Race/Ethnicity for Residence Geography**

Geography: **Connecticut**

Occupations: **237** (2014-2018 EEO Occupation Code List)

*** Open Quick Guide to Using Table Tools ***

Quick Search: SEARCH: DETAILED OCCUPATIONS DOWNLOAD SHOW MOE HIDE MOE Display 6 Rows

	Total All Groups	Hispanic or Latino	Not Hispanic or Latino, One Race					Balance of not Hispanic or Latino
			White alone	Black or African American alone	American Indian /Alaska Native alone	Asian alone	Native Hawaiian /Pacific Islander alone	
Top executives : 11-10XX / 0010								
Total	31,095	1,430	26,900	880	0	1,350	0	540
Male	22,730	925	19,900	620	0	930	0	350

go back

EEO Sample Poster

Equal Employment Opportunity is THE LAW

Private Employers, State & Local Governments, Educational Institutions, Employment Agencies and Labor Organizations

Applicants and employees of most private employers, state and local governments, educational institutions, employment agencies and labor organizations are protected under federal law from discrimination on the following basis:

RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN

Title VII of the Civil Rights Act of 1964, as amended, protects applicants and employees from discrimination in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment, on the basis of race, color, religion, sex (including pregnancy), or national origin. Religious discrimination includes failing to reasonably accommodate an employee's religious practices where the accommodation does not impose undue hardship.

AGE

Title VII and Title IV of the Age Discrimination Act of 1967, as amended, protect qualified individuals from discrimination on the basis of disability in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment. Disability discrimination includes not making reasonable accommodations to the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or employee. Hiring, senior benefits.

AGE

The Age Discrimination in Employment Act of 1967, as amended, protects applicants and employees 40 years of age or older from discrimination based on age in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment.

EEO CHARGES

In addition to an discrimination prohibited by Title VII of the Civil Rights Act, as amended, an Equal Pay Act of 1963, as amended, prohibits employers from discrimination on the basis of sex in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment.

ENFORCEMENT

Title VII of the Civil Rights Act of 1964, as amended, prohibits employers from discrimination on the basis of race, color, religion, sex (including pregnancy), or national origin. Religious discrimination includes failing to reasonably accommodate an employee's religious practices where the accommodation does not impose undue hardship.

ENFORCEMENT

All of these federal laws provide covered entities with remedies against a person who files a charge of discrimination, participates in a discrimination proceeding, or otherwise opposes an unlawful employment practice.

RIGHT TO SUIT TO FILE A CHARGE OR MAKE A COMPLAINT

There are strict time limits for filing a charge or complaint. To preserve the ability of EEOC to act on your behalf and to file a lawsuit, you should contact EEOC promptly when discrimination is suspected.

The U.S. Equal Employment Opportunity Commission (EEOC), 1-800-649-4000 and that or its field offices under Title VII handles the federal law with hearing requirements. EEOC can offer assistance in a number of ways: you can go to its website for information on EEOC, including information on charge filing, is available at www.eec.gov.

EEOC/MS and EEOC/MSB Service Guide 1544 (1/09) Appendix

Employers Having Federal Contracts or Subcontracts

Applicants and employees of companies with a federal government contract or subcontract are protected under Federal law from discrimination on the following basis:

RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN

Executive Order 11246, as amended, prohibits job discrimination on the basis of race, color, religion, sex or national origin, and requires affirmative action to ensure equality of opportunity in all aspects of employment.

AGE DISCRIMINATION PROHIBITED

Executive Order 11246, as amended, prohibits age discrimination on the basis of race, color, religion, sex or national origin, and requires affirmative action to ensure equality of opportunity in all aspects of employment.

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RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN

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WHAT TO DO IF YOU BELIEVE DISCRIMINATION HAS OCCURRED

There are strict time limits for filing charges of employment discrimination. To preserve the ability of EEOC to act on your behalf and to protect your right to file a private lawsuit, should you ultimately need to, you should contact EEOC promptly when discrimination is suspected: The U.S. Equal Employment Opportunity Commission (EEOC), 1-800-669-4000 (toll-free) or 1-800-669-6820 (toll-free TTY number for individuals with hearing impairments). EEOC field office information is available at www.eec.gov or in most telephone directories in the U.S. Government or Federal Government section. Additional information about EEOC, including information about charge filing, is available at www.eec.gov.

EEO tagline in employment ads

- Job ads of regulated employers must include the tag line

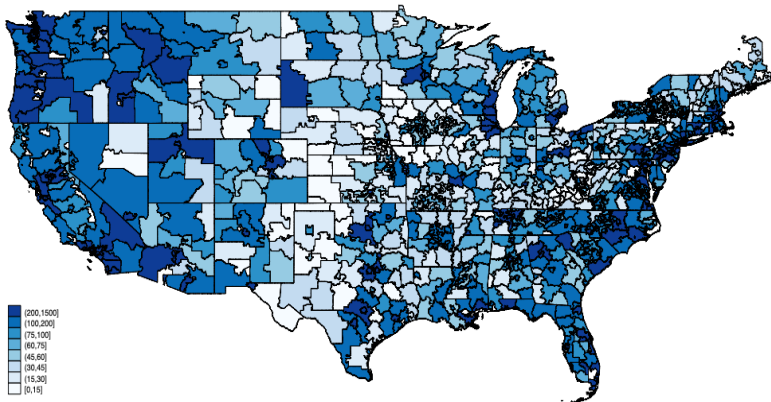
“We are an equal opportunity employer. All qualified applicants will receive consideration for employment without regard to race, color, religion or sex.”

- After amendment by Obama in 2014 this changed to:

“We are an equal opportunity employer. All qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.”

Geographic Distribution of Contractors

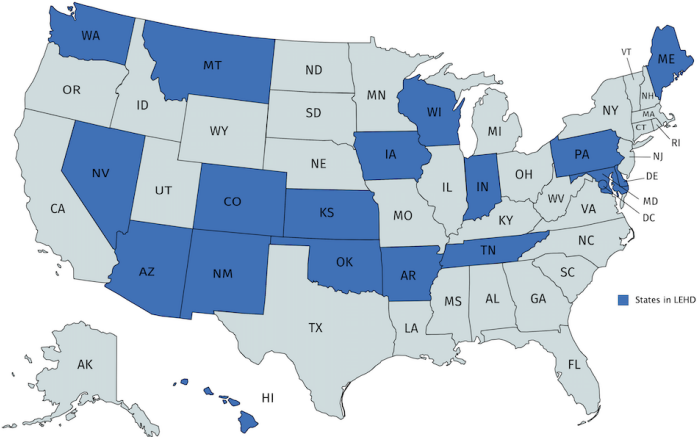
Number of Establishments with Federal Contracts
by 3-digit ZIP Code



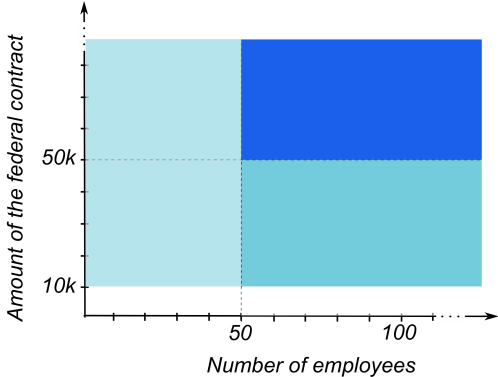
Exceptions

- Contracts performed outside the US
- Contracts with State or local governments
- Contracts with religious corporations
- Contracts with educational institutions
- Contracts involving work on or near an Indian reservation

States in (our) LEHD data



AA regulation in employment in the US: *Executive Order 11246*



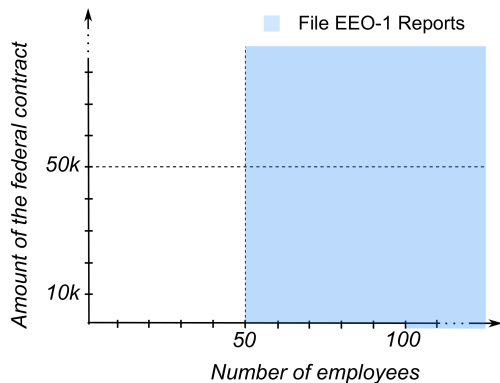
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Firms with sizable contracts

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EEO-1 Records



- These reports are filed by all contractors (and their establishments) with over 50 employees
 - Contain the workforce composition by race and gender disaggregated by 9 broad [occupations](#)

9 Occupations in EEO-1 Records

1. Officials and managers
2. Professionals
3. Technicians
4. Sales workers
5. Administrative support workers
6. Craft workers
7. Operatives
8. Laborers/helpers
9. Service workers

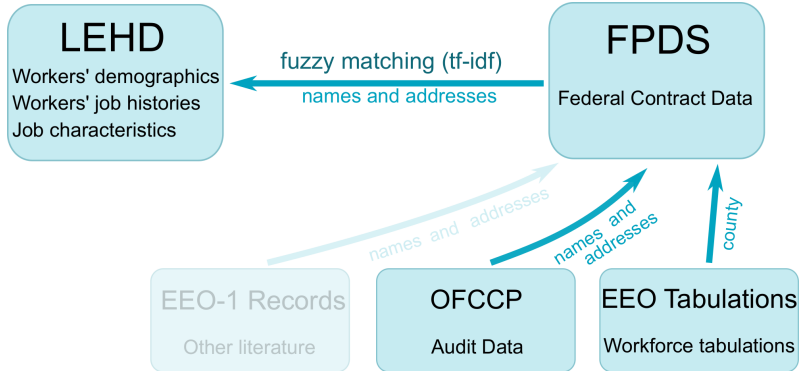
EEO-tabulations: Imputing local county-occupation counts

- AAPs identify underutilization of minorities comparing their workforce to a benchmark
 - This benchmark are the Equal Employment Opportunity (EEO) tabulations
- EEO tabulations are built using 5-year ACS data
 - Consist of the racial & gender workforce composition of a given area by occupation and industry
- Our main data, **LEHD+FPDS**, do not have workers' occupations
- We reconstruct EEO tabulations to include additional variables in 5-year ACS data
 - We compute the racial & gender workforce composition of a given area by age, education and industry
 - Our tabulations approximate "well" those by occupation

Compliance Evaluation and Investigation data

- We filed a FOIA request to compliance evaluations and complaint investigations data
 - Obtained the universe of compliance evaluations and complaint investigations for 2004-14
- Complaint Investigations' Data
 - Contain yearly allegations by basis and investigative authority
 - Basis protected by Executive Order 11246: race, gender ethnicity, color, national origin
- Compliance Evaluations' Data
 - Evaluations correspond to ~1% of establishments with a federal contract >\$10k
 - Contain details of yearly compliance evaluations:
the violations found and whether the establishment is deemed compliant of AA

Dataset construction



Advantages of our data

- The core of our data consists of the match between *LEHD* and *FPDS*: **LEHD+FPDS**

	<i>LEHD + FPDS</i> for firms in 19 states	<i>EEO-1 records</i> for firms with 100+ workers and contractors with 50+ workers
Firm characteristics		
Name, Address & industry	✓	✓
Presence of federal contract	✓	✓
Size of federal contract	✓	
Workforce by occupation		✓
Workforce by race/ethnicity	✓	✓
Workforce by age/educ	✓	
Age of the firm	✓	
Worker characteristics		
age, educ, race, gender, ethnicity	✓	
earnings, employment, employer	✓	
Availability	2001–2014	1990–2014

Strategy: staggered event study

- Following Callaway and Sant'Anna (2021), we estimate effect in time t of becoming subject to EO 11246 at time g

$$ATT^{AA}(g, t|X_j, \lambda_t) = \mathbb{E}[Y_t^g(D_t^{AA}) - Y_t^0(D_t^{AA})|X_j, \lambda_t, G_j^{AA} = g]$$

- where

g = adoption time of EO 11246,

G_j^{AA} = cohort of establishment j (in relation to treatment)

$Y_t^g(D_t^{AA})$ = potential outcome at t | becoming subject to EO 11246 at time g ,

$Y_t^0(D_t^{AA})$ = untreated potential outcome at time t

- Control group: not-yet-contractors
- Identifying assumption: the timing of the first contract depends on the availability/profitability of federal contracts rather than compliance costs of EO 11246
- We aggregate $\{ATT(g, t|X_j, \lambda_t)\}_{g \in \mathcal{G}, t=g, \dots, T}$ over t to get the average dynamic effects for event times $e = t - g$:

$$\theta_{AA}(e) = \sum_{g \in \mathcal{G}} \mathbb{1}_{AA}(g + e \leq T) ATT(g, g + e|X_j, \lambda_t) \mathbb{P}(G^{AA} = g|X_j, \lambda_t, G^{AA} + e \leq T)$$

Miller's (2017) event study approach

- Using EEO-1 records, Miller (2017) estimates regression models of the form

$$y_{jt} = \alpha_j + \lambda_t + X_{jt}\gamma + \sum_{k=-5}^{k=5} \theta_k D_{jt}^k + \varepsilon_{jt},$$

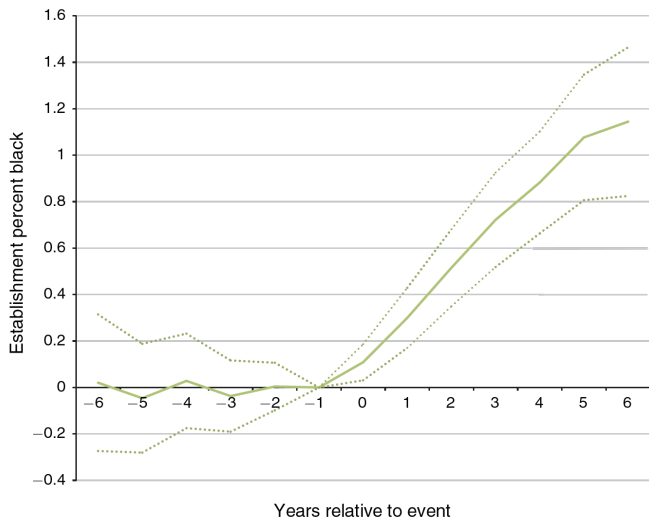
- where

y_{jt} = %Black employees in establishment j at year t ,

$D_{jt}^k = \mathbb{1}(j \text{ first becomes a federal contractor in } k \text{ periods})$

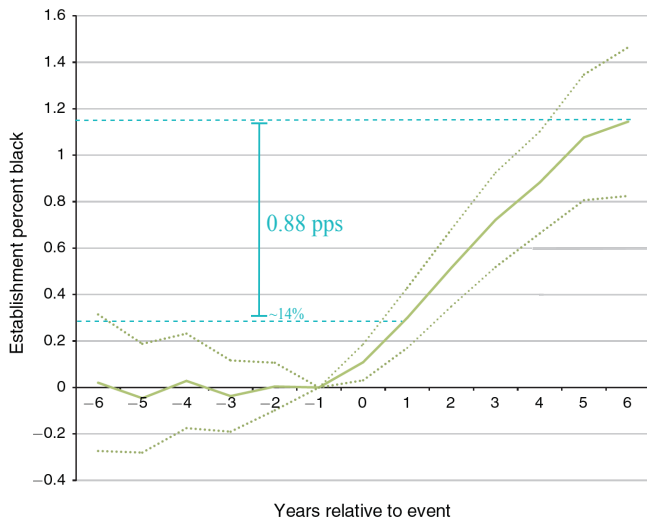
- Control group: non-contractors
- Identifying assumption: the timing of the first contract depends on the availability/profitability of federal contracts rather than AA compliance costs

Miller's (2017) findings with EEO-1 Reports



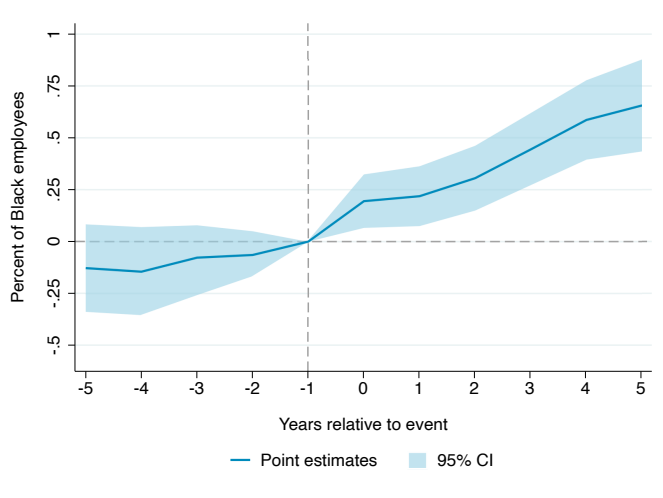
- AA increases the share of Black employees (in 1978–2004). Fig 3, Panel A from Miller (2017)

Miller's (2017) findings with EEO-1 Reports



- AA increases the share of Black employees (in 1978–2004). Fig 3, Panel A from Miller (2017)

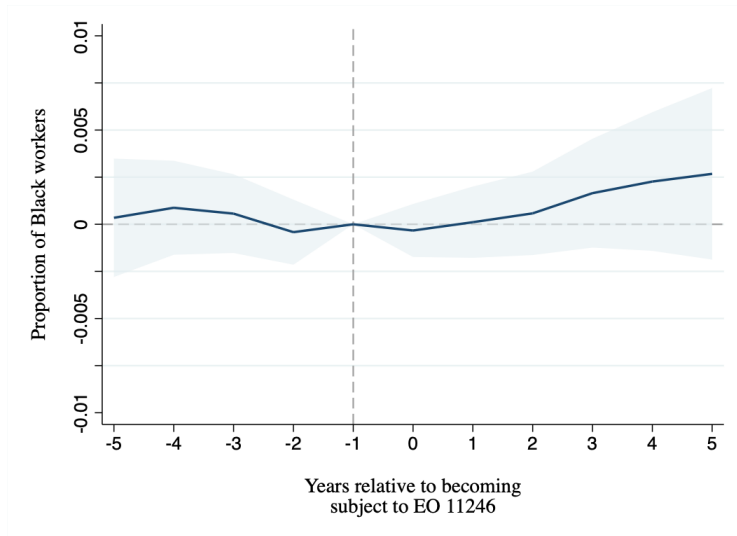
Replicating Miller's (2017) with EEO-1 Reports in 1990–2004



- Effects of EO 11246 decrease when we look at a more recent period (in 1990–2004)

Replicating Miller's (2017) with EEO-1 Reports in 2001–2014

...on the share of new Black hires



- Using the same data for **our sample period** makes the impacts of EO 11246 disappear

Hispanic

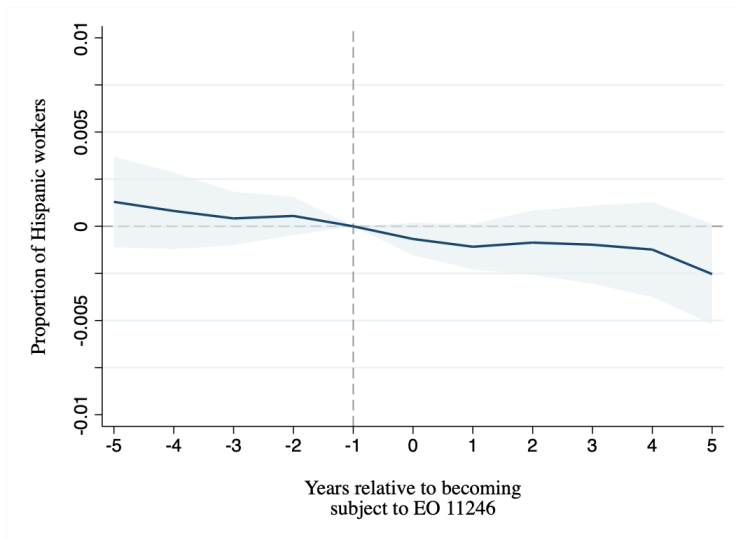
Minorities

Women

go back

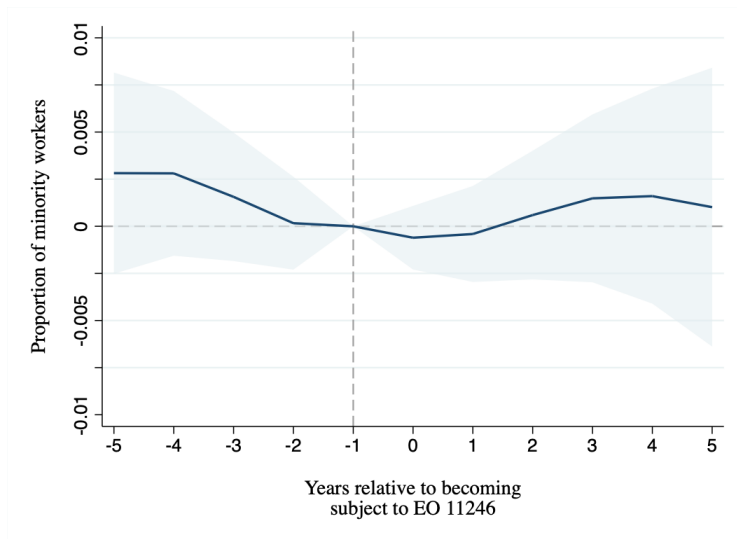
Replicating Miller's (2017) with EEO-1 Reports in 2001–2014

...on the share of Hispanic workers

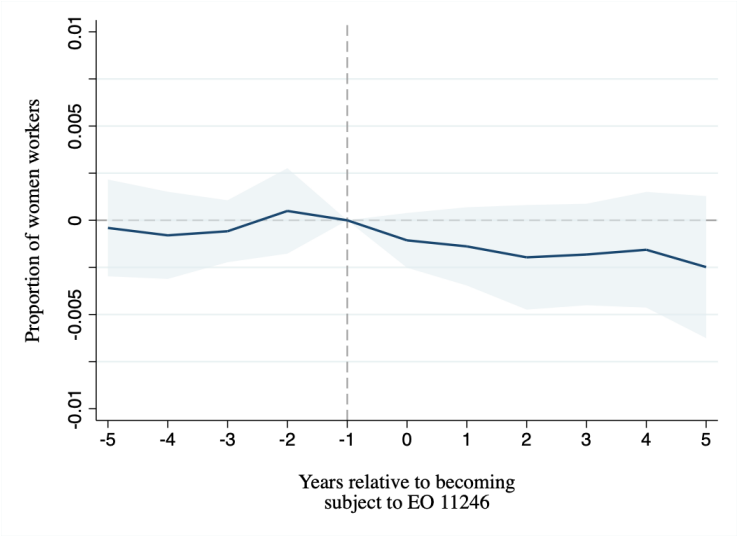


Replicating Miller's (2017) with EEO-1 Reports in 2001–2014

...on the share of Minority workers

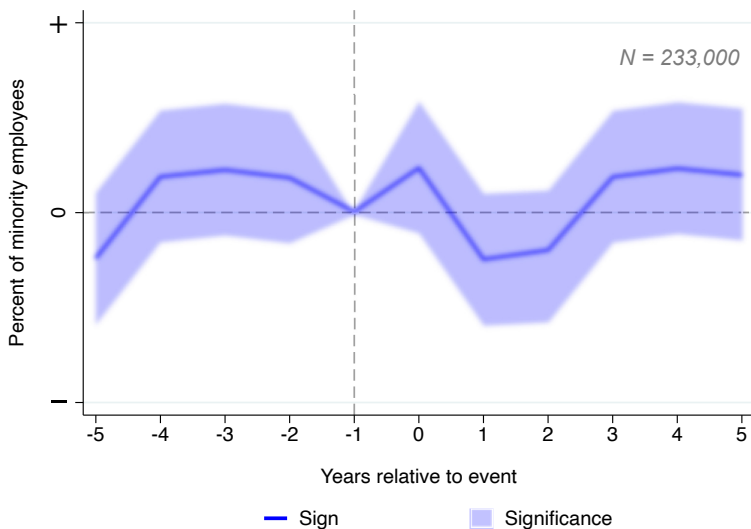


Proportion of Women workers



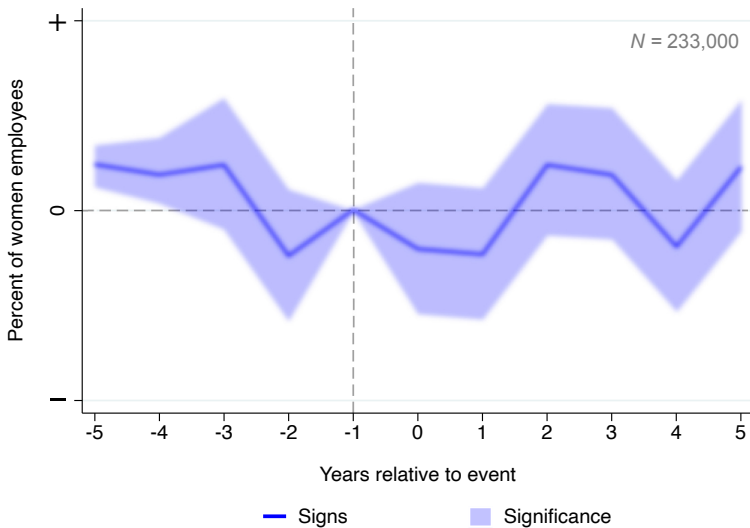
Replicating Miller's (2017) with *LEHD+FPDS* (in 2001–2014)

Proportion of minority workers



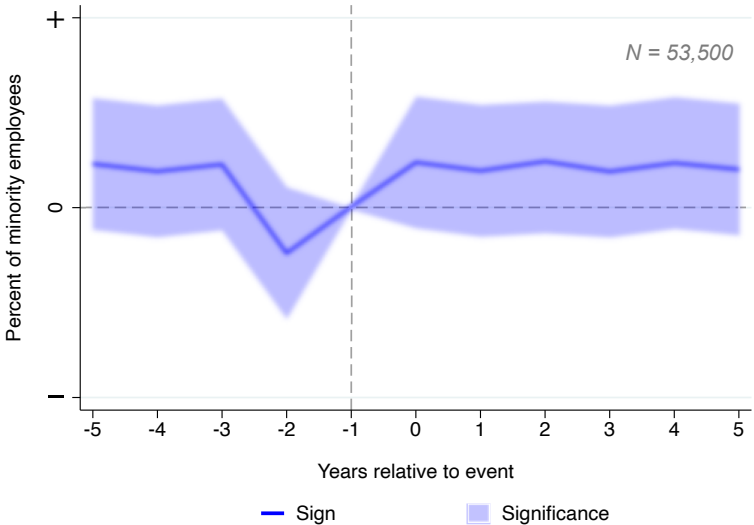
Replicating Miller's (2017) with *LEHD+FPDS* (in 2001–2014)

Proportion of women



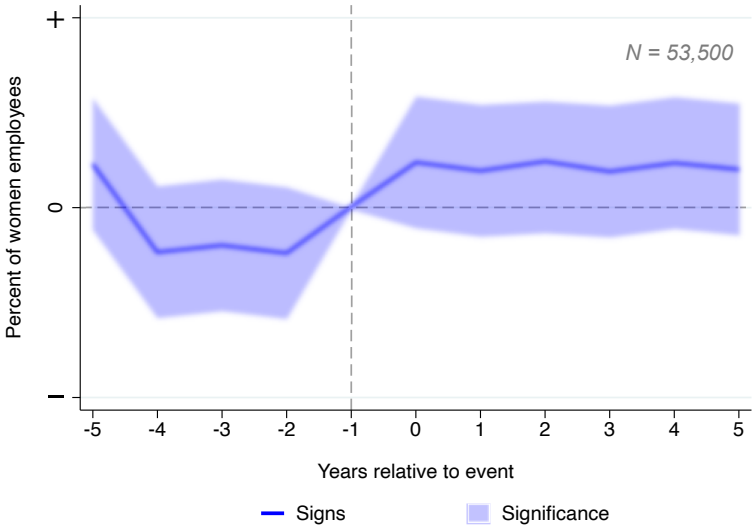
The effects of the AAP requirement following Miller's (2017) approach

Proportion of minority workers



The effects of the AAP requirement following Miller's (2017) approach

Proportion of women

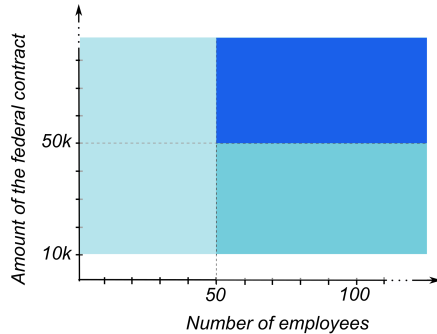


Match Results

$$Pr(\text{Match}_j = 1) = \alpha + \beta X_j + \lambda_{ind} + \lambda_t + \varepsilon_j$$

	Pr(Match=1)
Log(Contract Value)	+***
Above \$50k	+***
Minority owned	-***
Black owned	-***
Industry FE	Yes
Year FE	Yes
<i>N</i>	1,321,000
*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$	

Policy stringency



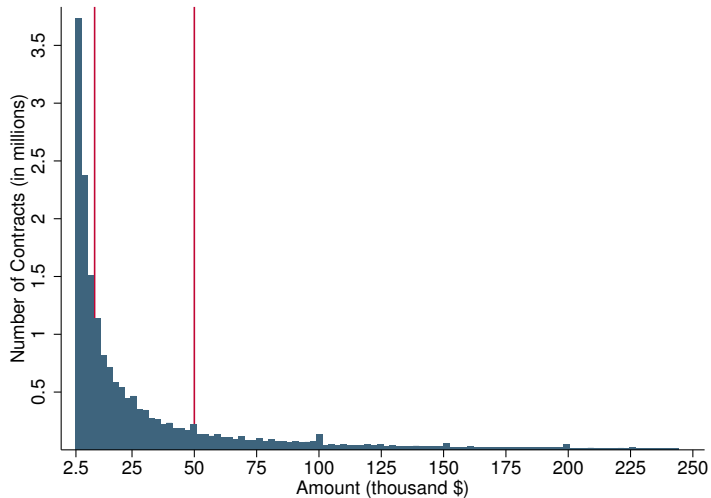
Firms with \geq \$10k contracts

- 1. Post EEO posters
- 2. Include EEO Tag Line in job ads
- 3. Keep hiring, promotion and firing records

Firms with sizable contracts

- 1.-3. and, in addition,
- 4. Establish an AAP

\$50k contract value threshold



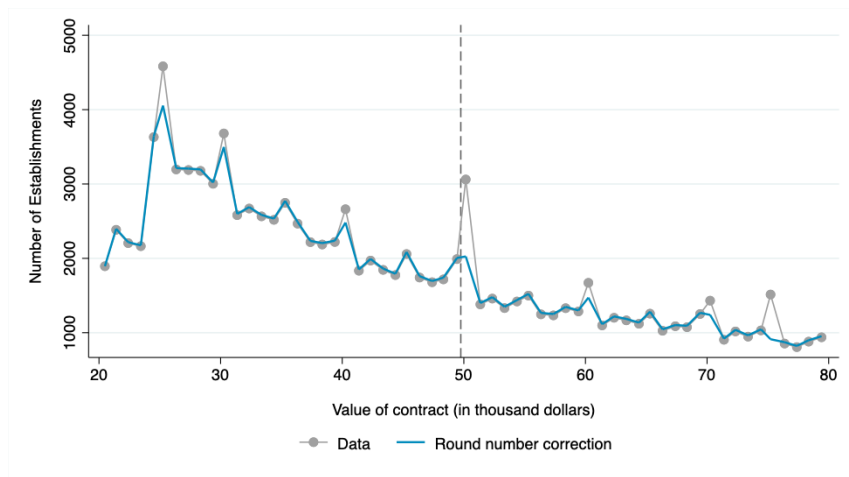
- \$50k corresponds to the 68th percentile in value distribution

Contracts characteristics

	All contracts	Between \$25-50K	Between \$50-75K
Contract chars			
Duration (years)	1.60	1.63	1.64
Competed	0.68	0.69	0.67
Fixed price	0.89	0.91	0.88
Offers received	3.73	3.81	4.00
Black owned	0.02	0.02	0.02
Awarding Agency			
DoD	0.57	0.58	0.59
GSA	0.12	0.13	0.11
Veteran Affairs	0.09	0.08	0.07
Other	0.22	0.21	0.23
<i>Number of contracts</i>	11,806,984	1,952,855	855,339

[go back](#)

No bunching below \$50K threshold



- Contracts below \$50K are similar to those above
- Before-regulation firms' characteristics evolve smoothly around the threshold

[more](#)

[go back](#)

2. The effect of the AAP requirement

... through an RD design

$$y_{j,t+k} = \alpha + \beta \mathbb{1}_{c_{jt} \geq 50} + f(c_{jt}) + \mathbb{1}_{c_{jt} \geq 50} f(c_{jt}) + \gamma X_{jt} + \varepsilon_{jt}$$

	<i>t</i> - 1 (baseline)	<i>t</i> + 0	<i>t</i> + 1	<i>t</i> + 5
Proportion Black workers	-	-	+	+
Proportion Black new hires	-	-	-	-
Relative Black-white earnings gap	-	-	-	+
<i>N</i> (nearest 100)	2,600	2,600	2,200	1,800

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Minorities and women

go back

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Proportion Black new hires	-	-	-	-
Relative Black-white earnings gap	-	-	-	+
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Minorities and women

go back

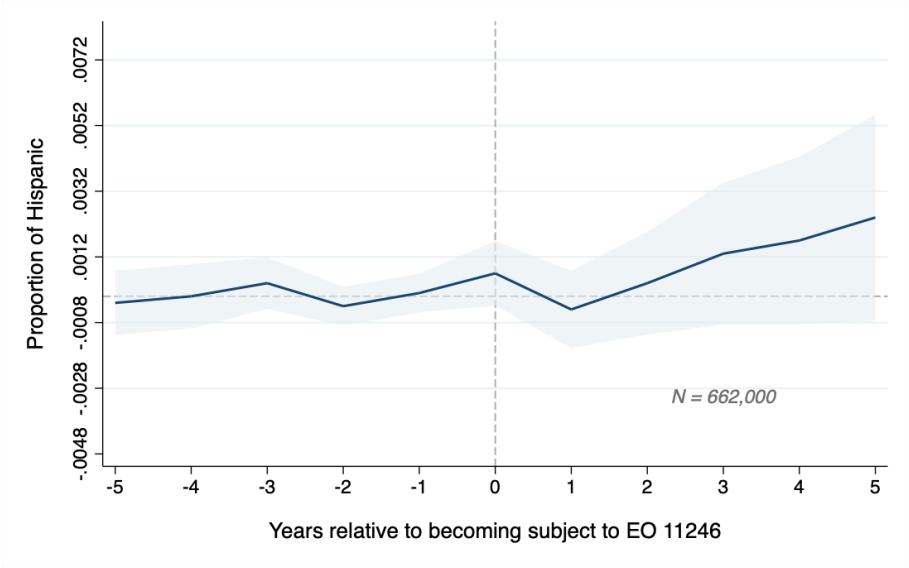
RD Results: Minority and women workers

$$y_j = \alpha + \beta \mathbb{1}_{c_j \geq 50} + f(c_j) + \mathbb{1}_{c_j \geq 50} \times f(c_j) + \gamma X_j + \varepsilon_j$$

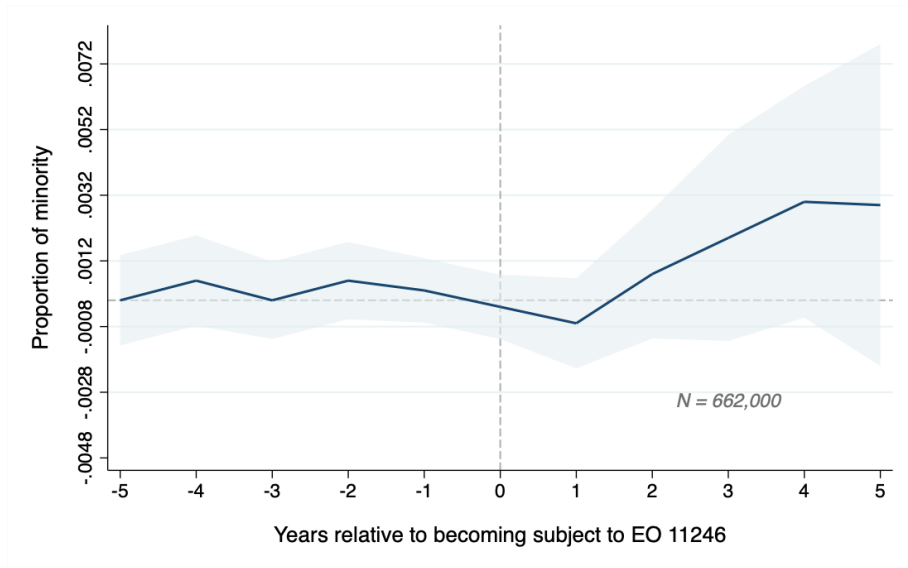
	$t-1$	$t+0$	$t+1$	$t+5$
	(baseline)			
Proportion minority workers	-	+	+	+
Proportion women workers	-	+	+*	+
N (nearest 100)	2600	2600	2200	1800

* $p < 0.1$

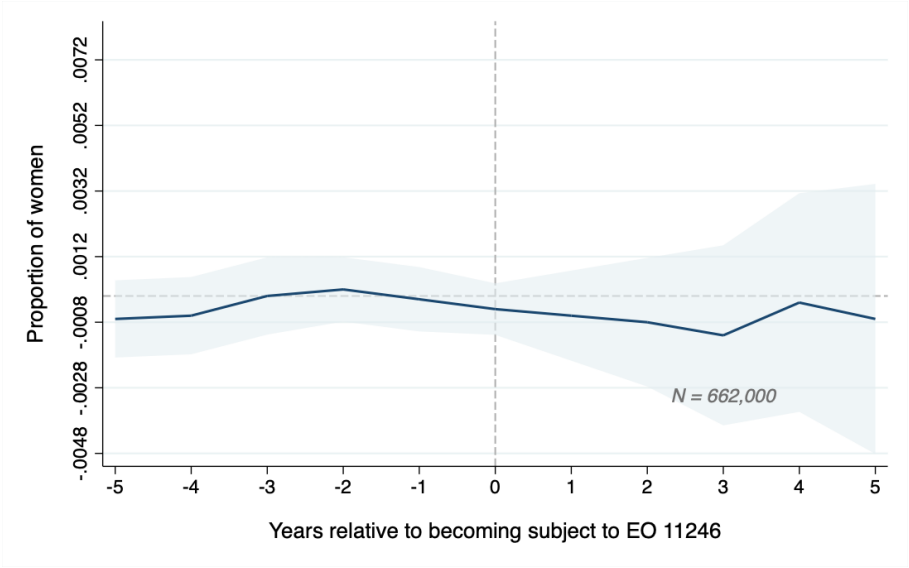
Proportion of Hispanic workers



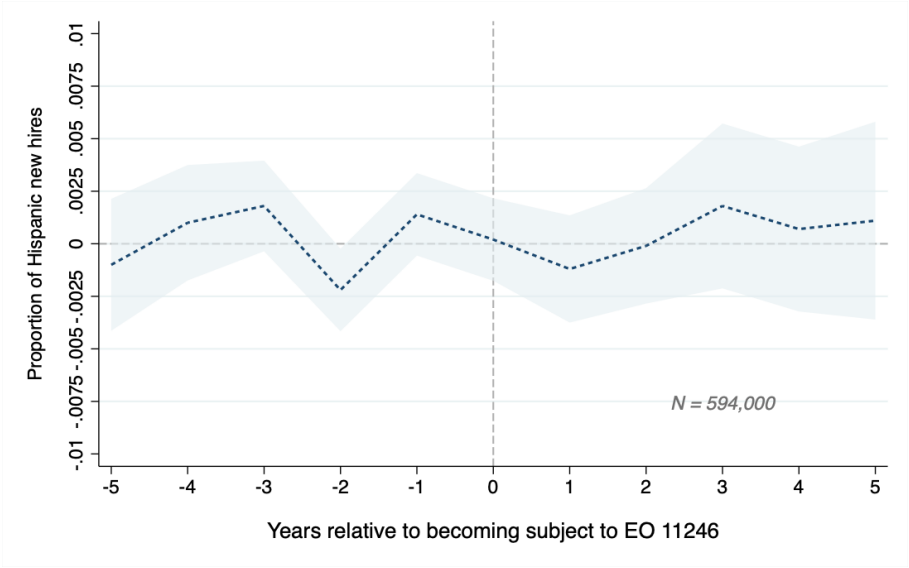
Proportion of Minority workers



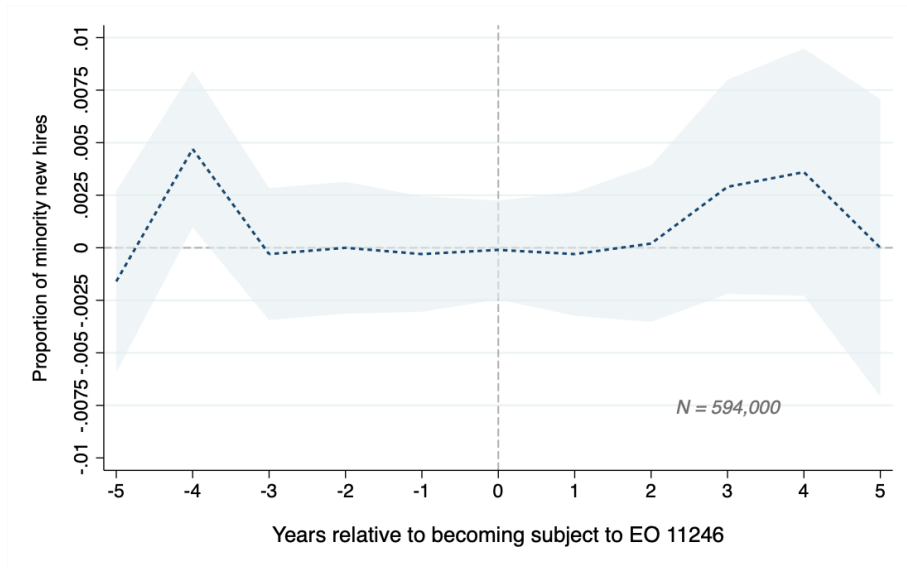
Proportion of Women workers



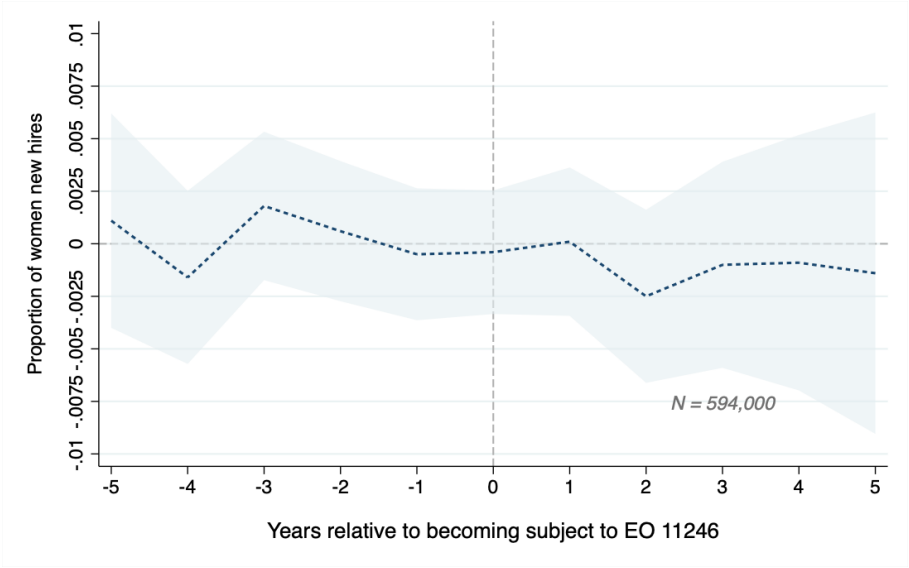
Proportion of new Hispanic hires



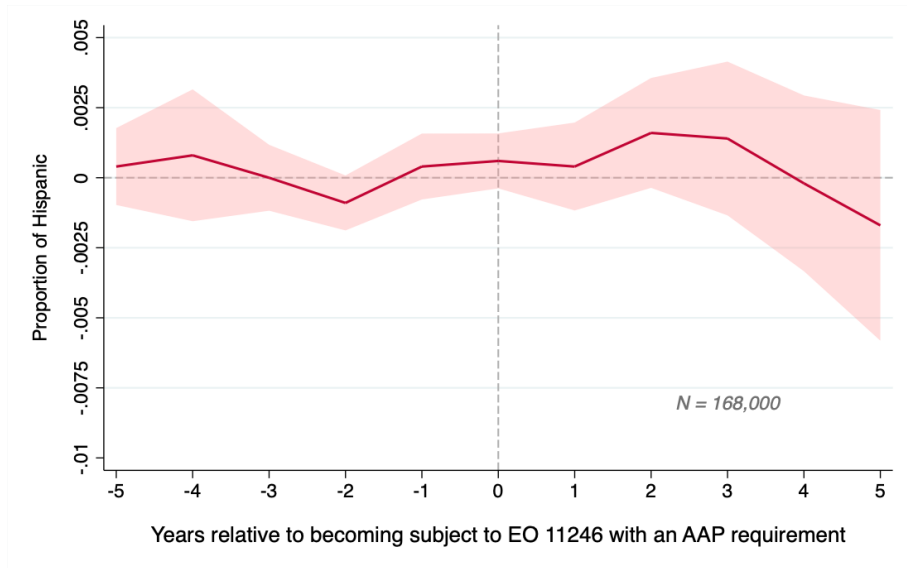
Proportion of new Minority hires



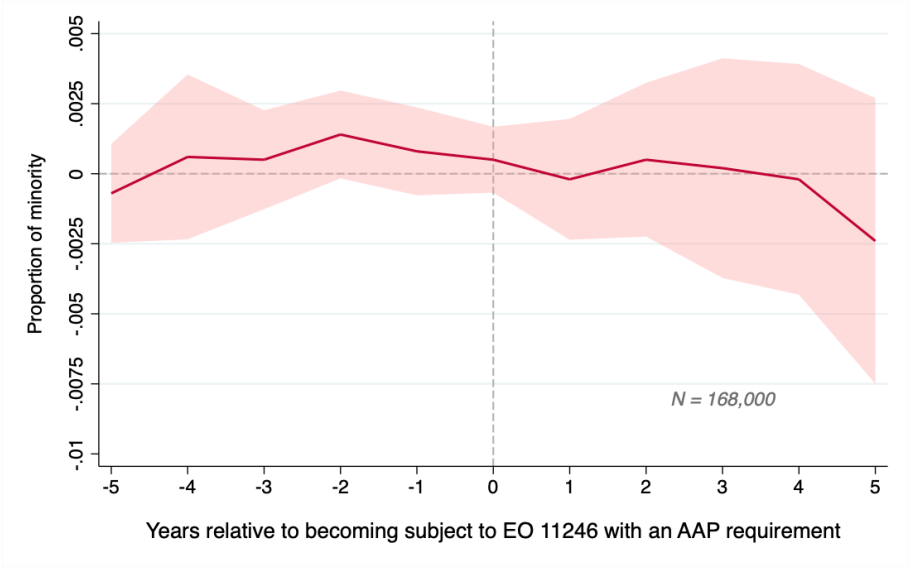
Proportion of new Women hires



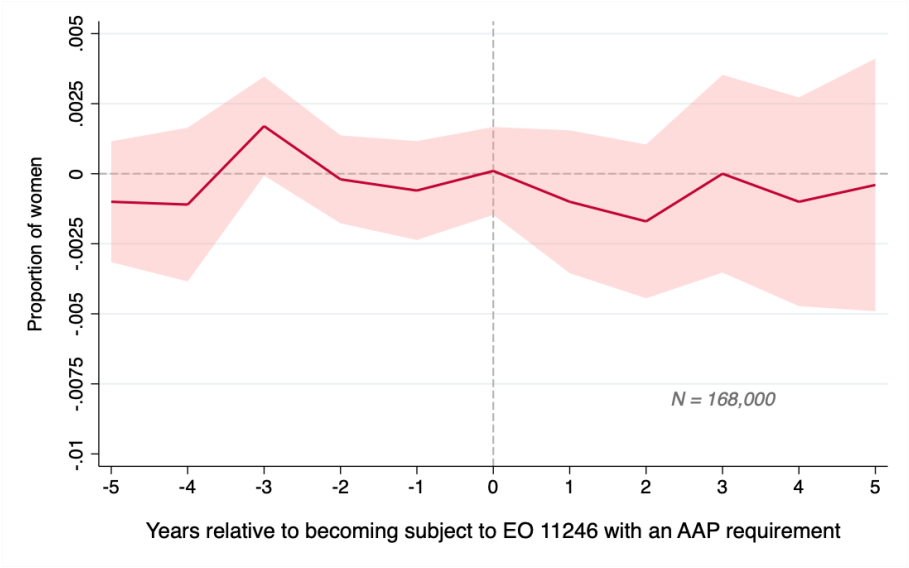
Proportion of Hispanic workers



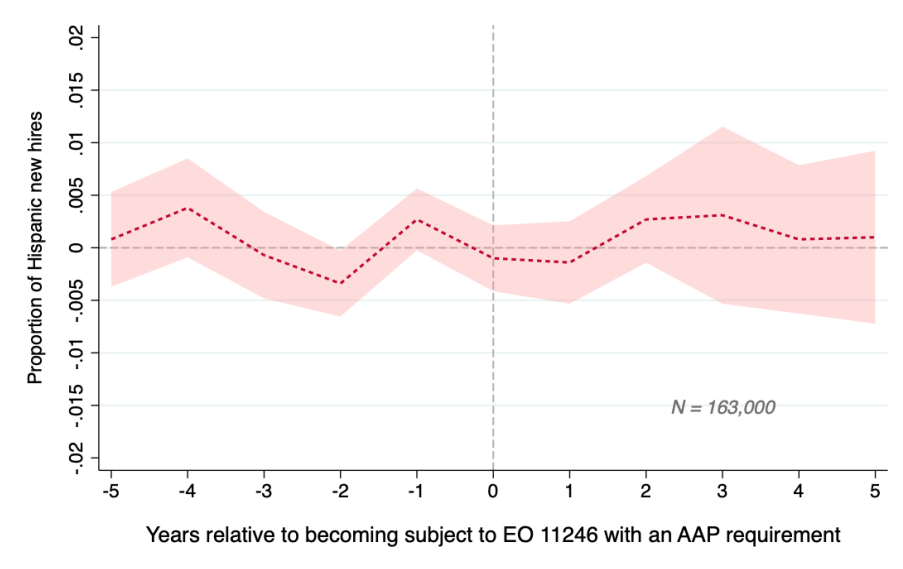
Proportion of Minority workers



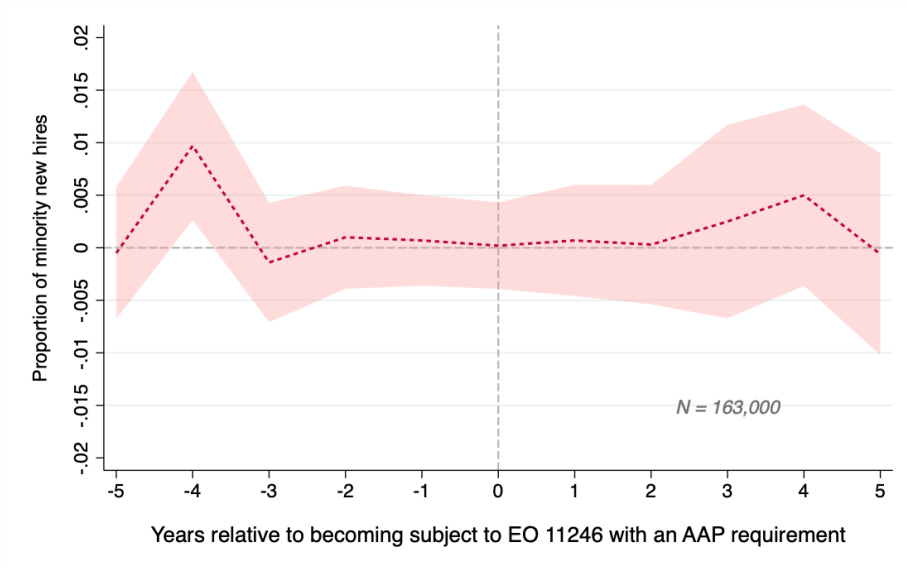
Proportion of Women workers



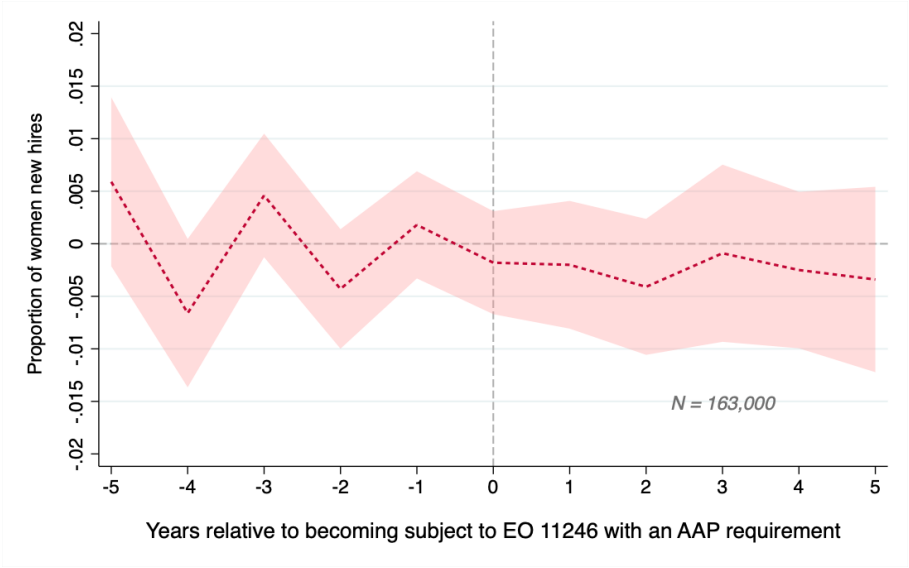
Proportion of new Hispanic hires



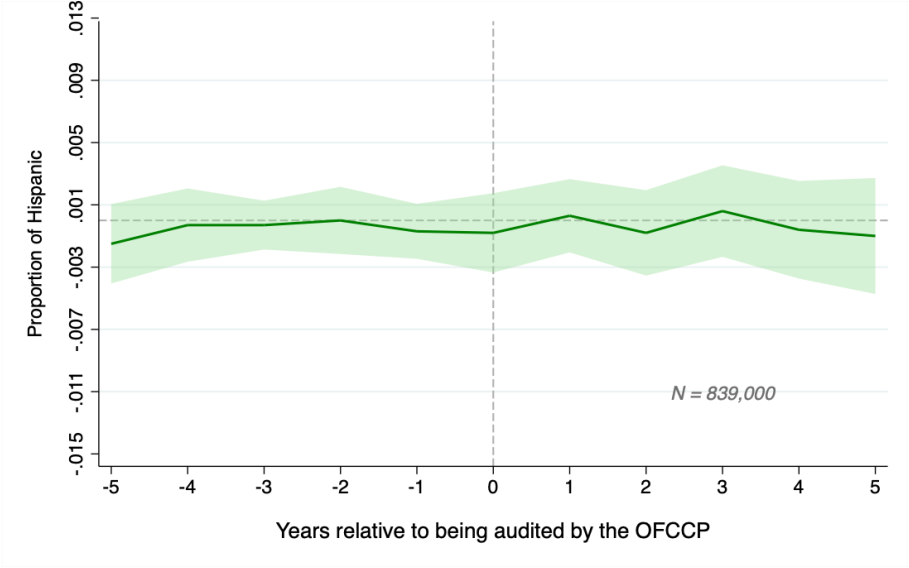
Proportion of new Minority hires



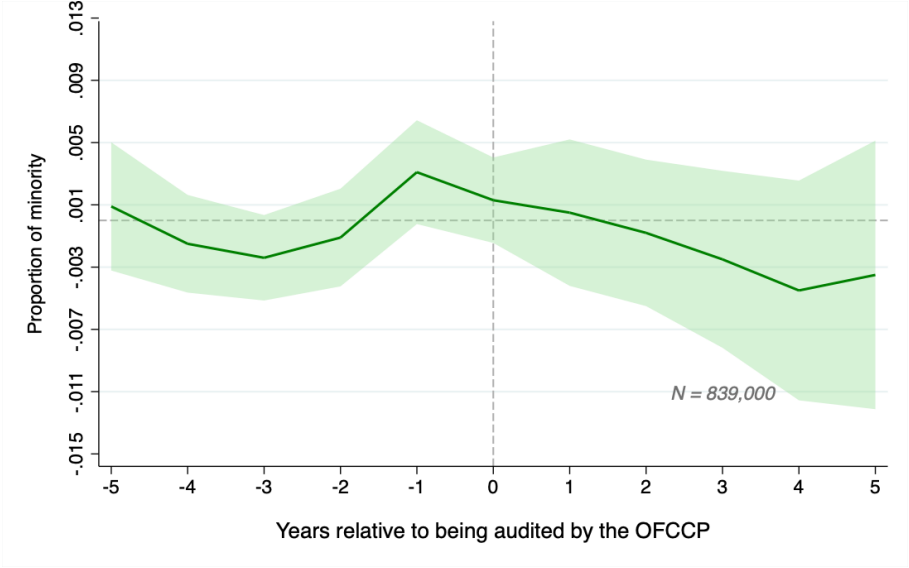
Proportion of new Women hires



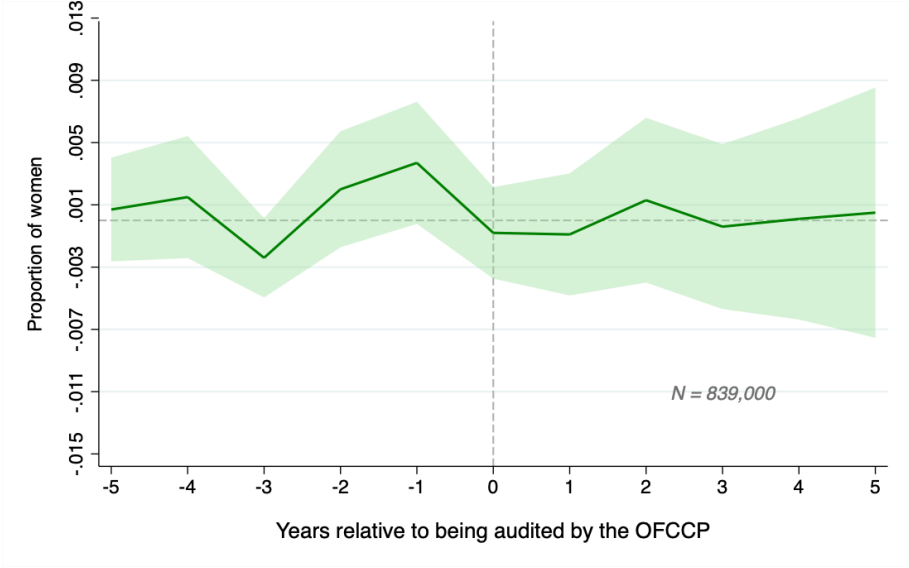
Proportion of Hispanic workers



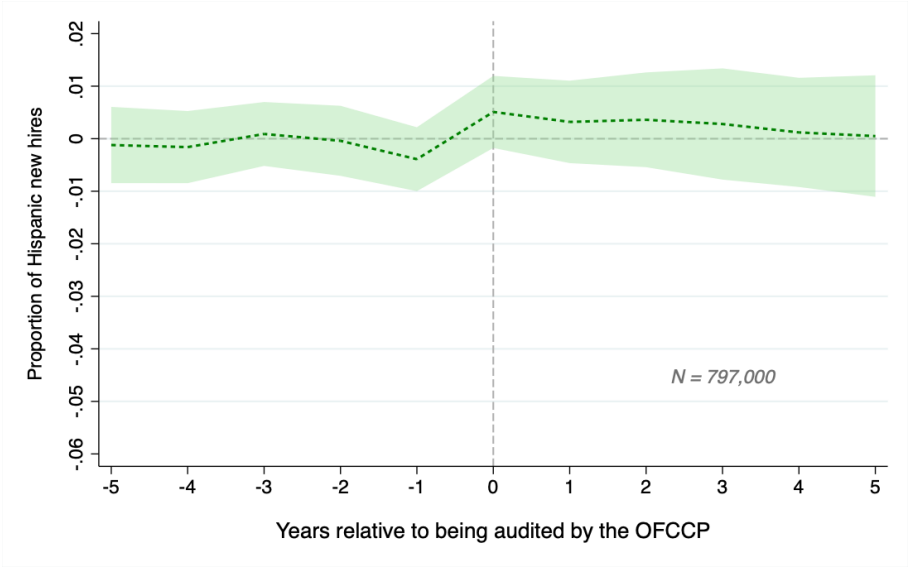
Proportion of Minority workers



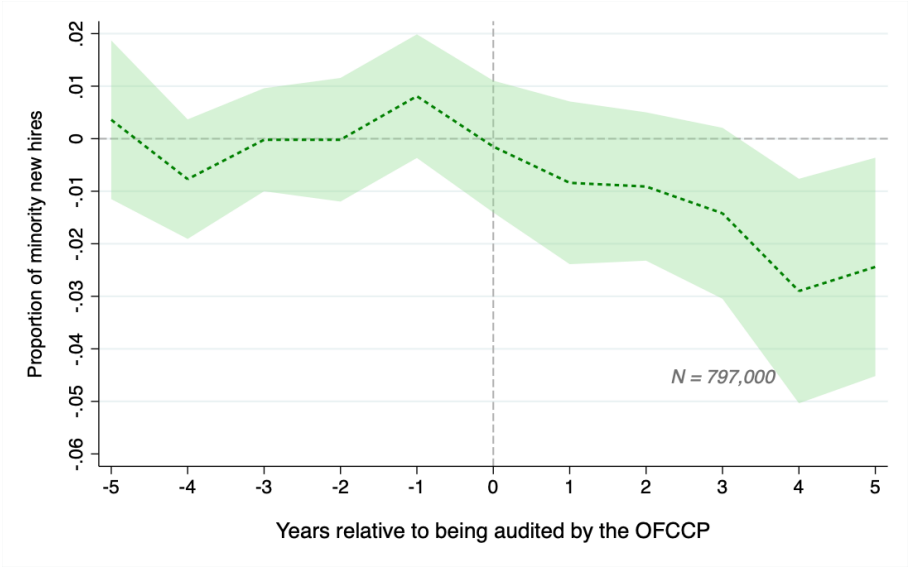
Proportion of Women workers



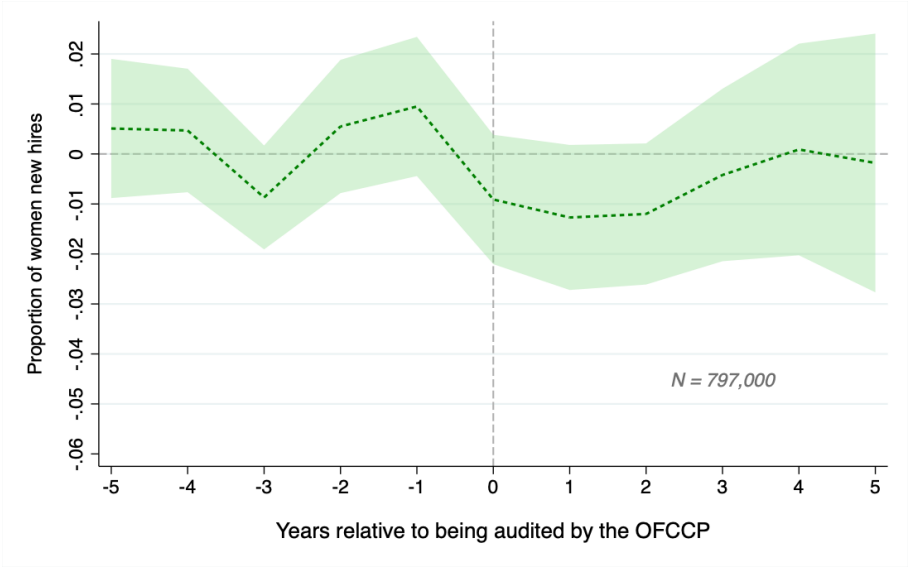
Proportion of new Hispanic hires



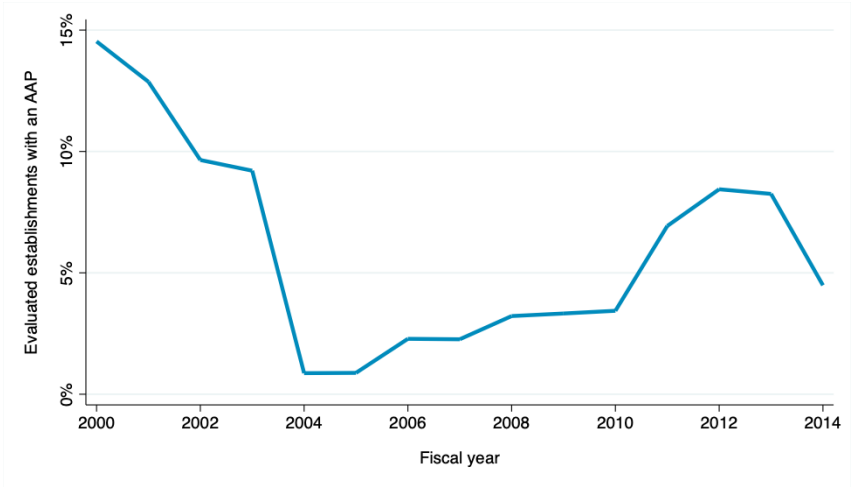
Proportion of new Minority hires



Proportion of new Women hires



Very few establishments have an AAP in place according to Audit data



- Note: not all evaluated establishments need an AAP, only those with a contract of value \geq \$50k



Introducing the Contractor Portal

On August 31, 2021, the Office of Management and Budget approved the Office of Federal Contract Compliance Programs' (OFCCP) information collection request for the Affirmative Action Program Verification Interface, through a new online portal, referred to as the Contractor Portal. Covered federal contractors and subcontractors ("contractors") must use this portal to certify, on an annual basis, whether they have developed and maintained an affirmative action program for each establishment and/or functional unit, as applicable. In addition, the Contractor Portal will provide a secure portal for scheduled contractors to submit to OFCCP their Affirmative Action Program(s) during compliance evaluations.

On **Feb. 1, 2022**, contractors may begin registering for access to the portal. OFCCP will also send an e-mail to each covered federal contractor in its jurisdiction whose email information is available in its system inviting them to register.

On **March 31, 2022**, contractors will be able to utilize the certification feature in the portal to certify their AAP compliance.

By **June 30, 2022**, existing contractors must certify whether they have developed and maintained an affirmative action program for each establishment and/or functional unit, as applicable.

More information about registration and certification will be forthcoming in the next few months.

[Additional information on the Contractor Portal,](#)