Compensation You Can Defend

A short guide to pay data that stands up to scrutiny

Why the source of a number matters

Most salary websites publish a single figure and leave you to trust it. When that number has to survive a negotiation, a board conversation, an audit, or a courtroom, trust is not enough. What matters is where the figure came from, when it was collected, and how it was adjusted to today. This guide lays out how to tell defensible pay data from the rest, and how we approach it.

Four questions to ask of any pay figure

Before you rely on a salary number for anything that carries consequences, ask these four things. If a source cannot answer them, treat the number as a rough signal, not evidence.

- **What is the source?** A named, verifiable source (a federal survey, a public filing) can be checked. An anonymous crowdsourced average cannot. The difference is the difference between evidence and opinion.
- **When was it collected?** Pay moves every year. A figure from three years ago, presented as current, overstates its own accuracy. A credible source states its collection date plainly.
- **How was it aged?** If a number has been brought forward to the present, the method should be disclosed: what rate, over what period, compounded how. An undisclosed adjustment is not a methodology.
- **Does it fit the role?** A national average hides enormous variation by industry, employer size, geography, and scope. The right comparator set is what turns a number into a market price.

The two sources professionals actually rely on

For pay questions that must hold up, two primary sources carry more weight than any aggregator, because both are public, both are verifiable, and both are the origin that many commercial products quietly repackage.

Federal wage data. The U.S. Bureau of Labor Statistics publishes wage estimates for hundreds of occupations, with percentiles from the 10th to the 90th, broken out by state and metropolitan area. It is free, methodologically transparent, and updated annually. It is the closest thing to a neutral reference point that exists for occupational pay.

Public company disclosures. Every public company reports its named executives' actual compensation in its annual proxy statement, filed with the Securities and Exchange Commission. Base salary, bonus, stock, and total pay are disclosed under oath. For executive pay, this is the primary record, not an estimate of it.

How we handle it at WePayFairly

Our public data draws on these same primary sources, and we label each figure with its origin and its vintage. Where a range is an estimate rather than a published percentile, we say so on the page. Where a figure has been aged to the current year, we disclose the method. Our standard is simple: a number you cannot explain is a number you cannot defend.

That standard exists because we do this work under scrutiny. Our team designs executive pay programs and testifies about reasonable compensation, so the data we publish has to meet the bar we are held to in those rooms.

When you need more than a reference figure

Public data is the right starting point for orientation and comparison. It is not a substitute for an engagement-grade market pricing, which weighs your organization's industry, size, structure, and specific comparator set, and which can be documented and defended if it is ever questioned. That is the work our practice does. If you are facing a pay decision that carries real consequences, a reasonable-compensation question, an executive package, a dispute, or a board matter, that is where an analysis prepared by compensation professionals earns its place.

Talk to us about a defensible market pricing for your organization. Visit wepayfairly.com and request a compensation analysis, or reach the team through the site.

Sources referenced: U.S. Bureau of Labor Statistics, Occupational Employment and Wage Statistics program. U.S. Securities and Exchange Commission, company proxy statement (DEF 14A) disclosures. This guide is general information about compensation data, not legal, tax, or financial advice.