

# Adverse Impact Tool

## From Thomas Econometrics

Are you looking for an easy way to begin examining your selection decisions for adverse impact?

Thomas Econometrics has an online tool that can help you get started.

The new **Adverse Impact Tool** is an online tool that calculates some basic statistics of selection decisions:

- Four different kinds of selection decisions:
  - hiring;
  - promotion;
  - termination;
  - reduction in force.
- Up to four different pools can be studied simultaneously;
- Three different statistical analyses:
  - Adverse Impact Ratio (a.k.a., 80% Rule, Four-Fifths Rule);
  - Chi Square;
  - Proportions (a.k.a., Standard Deviations Test)
- Test descriptions are provided;
- Guidelines for interpretation are provided;
- Can be used for any “majority” and “minority” groups (e.g., gender, race, ethnicity, age, disability status, sexual orientation, etc.).

The tool is intended as a reference and is provided free of charge for informational purposes. The tool does not constitute expert advice, and is not a substitute for advice from qualified consultants or legal counsel regarding your selection decisions and the potential for adverse impact.

You can find the tool at <http://www.thomasecon.com/a-i-tool.html>

### Adverse Impact Tool

#### Instructions:

Enter majority and minority headcounts in the spaces below.  
(e.g., Gender: Male = Majority; Female = Minority)

Use the checkboxes to select the analyses you would like to perform.

Click "compute" to generate analysis results.

Please read the disclaimer at the bottom of this page before proceeding with analyses

The screenshot shows the Adverse Impact Tool interface. At the top, there is a dropdown menu for 'Type of Selection' set to 'Promotion' and a text field for 'Report Title (optional)'. Below this is a table with four columns representing 'POOL #1' through 'POOL #4'. Each column has two rows: 'Number of Majority' and 'Number of Minority'. Each row contains a 'Total' and 'Promoted' sub-row, each with an input field. Below the table, there are three checkboxes for statistical analyses: 'Adverse Impact Ratio', 'Chi-Square Test', and 'Proportions / Standard Deviations Test'. To the right of these checkboxes is a text box that says 'Use checkboxes to select analyses to perform. Click 'ANALYZE' button to calculate.' At the bottom, there is an 'ANALYZE' button and a 'Show:' section with checkboxes for 'Test description' and 'Guidelines for interpretation'.

*DISCLAIMER: Thomas Econometrics is providing this tool for informational purposes only. While we have made every effort to ensure the accuracy of the calculations, you choose to use them and to rely on any results at your own risk. Your use of the tool will not make you a client of Thomas Econometrics, nor will it entitle you to any consulting services from Thomas Econometrics. The end user assumes total responsibility and risk for use of this tool. Thomas Econometrics will not under any circumstances accept responsibility or liability for any incidental, indirect, direct, consequential, punitive or special damages of any kind that may arise from a decision that you may make as a result of using this tool.*