



EEOC Proposes Rescinding Workforce Demographic Reporting Requirements

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Action: On May 14, the US Equal Employment Opportunity Commission (EEOC) submitted a proposed rule to the Office of Management and Budget (OMB) that, if adopted, could end the Federal government’s long-running collection of demographic data (including race, ethnicity, and sex) from covered employers.¹ However, the text of the proposal is not yet public, so details are uncertain. After OMB review, the proposal would need to be published in the *Federal Register* for public comment before being finalized and may face legal challenges that would delay implementation.

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- Under current rules, covered private employers with 100 or more employees and certain Federal contractors meeting applicable criteria must submit workforce demographic data by job category and sex and race or ethnicity to the EEOC using the EEO-1 report.
- The proposal fits within broader shifting Federal civil rights enforcement priorities. In April 2025, an Executive Order directed agencies to deprioritize enforcement actions that rely on disparate impact liability, a legal theory under which a facially neutral employment policy or practice can be unlawful if it disproportionately affects workers based on a protected class² In May 2025, the EEOC Chair further emphasized that “there is no diversity exception” to the Civil Rights Act’s Title VII prohibition on the use of protected characteristics in employment actions.³
- The proposal is already generating debate with supporters framing the change as reducing compliance burden and making employment decisions more meritocratic, while critics say the data are critical to detecting patterns of discrimination.⁴
- However, unless the EEOC also seeks to exercise Federal preemption, state requirements on workforce demographic and pay reporting (for instance, in California, Illinois, and Massachusetts) would continue.
- **What this means for business:**
 - **Compliance readiness:** Employers should continue preparing for EEO-1 reporting until the EEOC formally changes the rule and provides instructions on the 2025 collection cycle. Companies should monitor the *Federal Register*, and EEOC’s data-collection page for the proposed rule, comment deadline, and any filing-cycle guidance.
 - **Data governance:** Even if the Federal requirement is rescinded, employers will need to decide whether and how to continue collecting workforce demographic data for state reporting, internal compliance, pay equity analysis,

litigation defense, and workforce planning. Existing EEOC regulations recommend keeping race and ethnicity records separate from ordinary personnel records when maintained for EEO-1 purposes, underscoring the importance of limiting access and preventing misuse in employment decisions.

- **Antidiscrimination risk:** Rescinding reporting requirements would not repeal Title VII or other Federal civil rights laws. EEOC rules continue to require preservation of personnel and employment records for certain periods and require relevant records to be preserved when a discrimination charge or action has been filed. Employers should maintain documentation of hiring, promotion, compensation, discipline, layoff, and accommodation decisions and ensure that demographic data are not used as a basis for employment action.
- **Multistate complexity:** Large employers may face a more fragmented reporting environment. Many employers will still need reliable demographic and compensation data systems even if EEO-1 reporting is ultimately rescinded.

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1. <https://www.reginfo.gov/public/do/eoDetails?rrid=1382263>
 2. <https://www.federalregister.gov/documents/2025/04/28/2025-07378/restoring-equality-of-opportunity-and-meritocracy>
 3. <https://www.eeoc.gov/newsroom/message-eeoc-acting-chair-lucas-about-opening-2024-eeo-1-component-1-data-collection>
 4. <https://www.washingtonpost.com/politics/2026/05/15/federal-civil-rights-watchdog-wants-stop-tracking-data-race-sex/>

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