2025 ANNUAL COMPENSATION REPORT

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EXECUTIVE SUMMARY

Cherokee Nation Human Resources is striving to provide holistic and impactful solutions for our employees and their families. As part of an initiative to increase the minimum wage to $15 by 2025, several analytical studies of our current Compensation program have been conducted over the last few years to establish a strategic approach to carry out and compete this mission.

This 2025 Annual Compensation Report confirms the Cherokee Nation's success in achieving and maintaining a competitive, fair, and equitable pay structure for its nearly 6,000 employees. Our annual market study, leveraging enhanced data from the Payfactors system and key industry partners, validates the strategic investments made in prior fiscal years.

Our employees are critical to the Cherokee Nation's success, ensuring that we remain responsive, relevant, and forthright in providing exceptional services to Cherokee citizens. To attract and retain a strong, diverse, and talented workforce, Human Resources conducts an annual compensation study. This study is designed to assess the Cherokee Nation's salary and pay plans against current market data from private and public organizations. By benchmarking our compensation program both internally and externally, we maintain a pay structure that supports our organizational goals.

Area	Status/Finding	Significance
Market Competitiveness	The overall salary structure is within **less than a 1% deviation** of the 50th percentile of the competitive labor market.	Confirms the success of the 2023 $10.6 million market adjustment, achieving current market parity.
Gender Pay Equity	Women's average earnings are **91.45%** of men's average earnings.	The Cherokee Nation is a national leader in pay equity, with a gap approximately **8% smaller** than the U.S. national and Oklahoma state averages.
Minimum Wage Commitment	FY25 marks the **final phase** of the minimum wage increase to **$15.00** (effective October 2025), per Executive Order.	Fulfills a key administration priority to strengthen the local economy and prioritize employee well-being.

OUR MISSION

Cherokee Nation is committed to protecting our inherent sovereignty, preserving and promoting Cherokee culture, language, and values, and improving the quality of life for the next seven generations

HISTORY

The Cherokee Nation's commitment to its employees continues to be a central priority, evidenced by recent and ongoing administrative actions.

In the 2023 fiscal year, the comprehensive analysis of all active positions revealed that a majority of employees were receiving salaries below market standards. Chief Hoskin and his administration acted swiftly, allocating $10.6 million to raise employee salaries to competitive levels.

The 2025 fiscal year marks a significant milestone in this commitment: it is the final year for the minimum wage adjustment to $15.00 per the Executive Order signed by Chief Hoskin on November 15, 2021. These proactive and planned increases continue to strengthen our local economies and underscore the administration's prioritization of employee well-being and market competitiveness.

METHODOLOGY

Our annual market study is enhanced by the continued integration of peer-based data through the Payfactors system, which provides real-time market intelligence. This powerful tool significantly streamlines the traditional, often outdated, methods of market analysis, allowing us to access diverse data cuts from direct competitors, including major healthcare institutions, other tribal entities, and state and local governments. Furthermore, our analysis is supported by established partnerships with key industry and government organizations, ensuring a comprehensive view of the labor market:

- REDW
- National Native American Human Resources Association (NNAHRA)
- Oklahoma Hospital Association (OHA)
- Bureau of Labor Statistics (BLS)

By utilizing the data provided by these trusted sources, we ensure our compensation decisions are based on the most current, relevant, and accurate information available. The Payfactors system has especially enhanced our ability to conduct granular analysis of individual jobs and the broader annual market trends.

RESULTS

Market Competitiveness

In FY25, Compensation completed a comprehensive market analysis on all active positions. This holistic analysis determined that the Cherokee Nation's salary structure is within a less than 1% deviation from the 50th percentile of the competitive labor market. With a total population of 5,957 employees across approximately 1,600 unique positions, we are pleased to confirm that our extensive pay adjustments and ongoing monitoring have successfully maintained our pay at or slightly above/below the market rate.

Gender Pay Equity

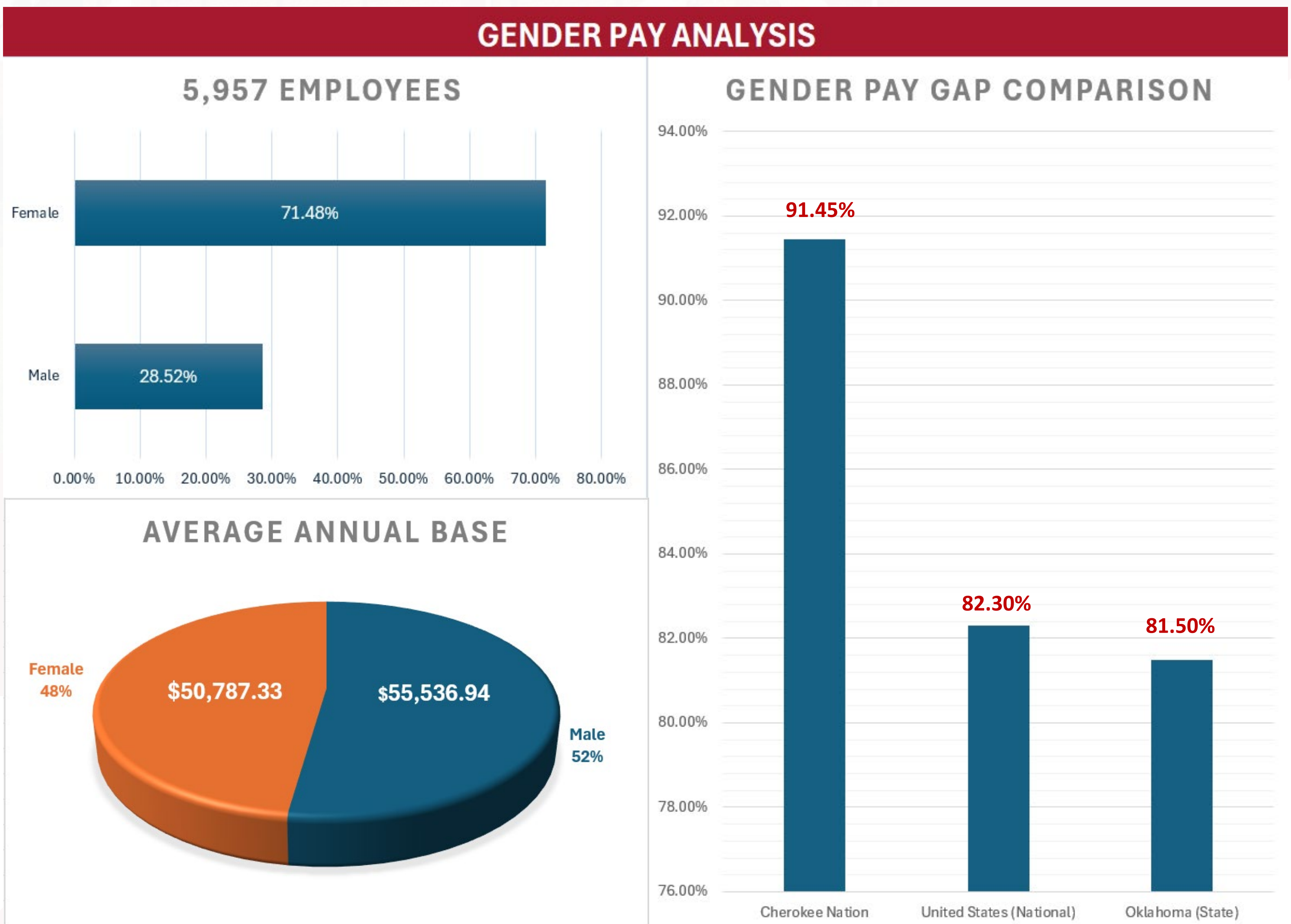
The analysis of gender pay equity continues to highlight the Cherokee Nation as a leading employer in this domain.

FY25 data shows that the Cherokee Nation remains a leading entity compared to both state and national averages with a significant positive gap: women make 91.45% of their male colleagues' earnings.

- This pay equity figure is approximately 8% lower than the state and national average, according to 2024 data from the U.S. Bureau of Labor Statistics (BLS) and Metriarch.

- Note: Last year's report indicated a 16.1% gap for the Nation, meaning women earned 83.9% of male colleagues' pay. This year's reported figure of women earning 91.45% represents substantial progress in closing that gap.

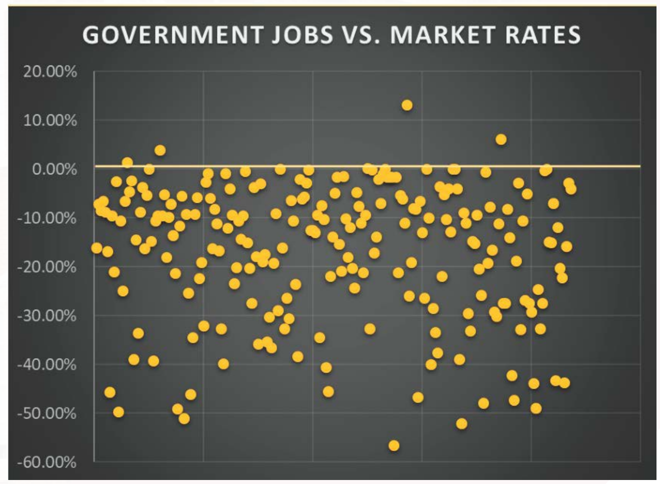
Further analysis will be continuously conducted to maintain this positive trend and to identify opportunities for complete parity.



Previous Year Market Comparisons

In 2023, a market study was completed after implementing a new Compensation policy. At that time, 64% of jobs at Cherokee Nation lagged, or fell below, the market average. 50% of jobs were benchmarked, including 211 Health Services jobs and 612 Government jobs. Based on the results of the analysis, this allowed Compensation to understand and set primary objectives for the future to make our positions competitive. The primary objective of this study was to attract and retain qualified workers, provided competitive and equitable salaries for employees, and develop a consolidated salary structure that provides for internal equity while maintaining a competitive edge. Cherokee Nation allocated $10.6 million towards increasing employee salaries to match competitive rates.

2023

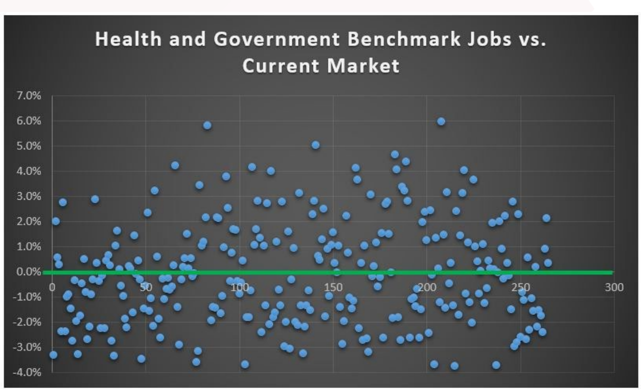


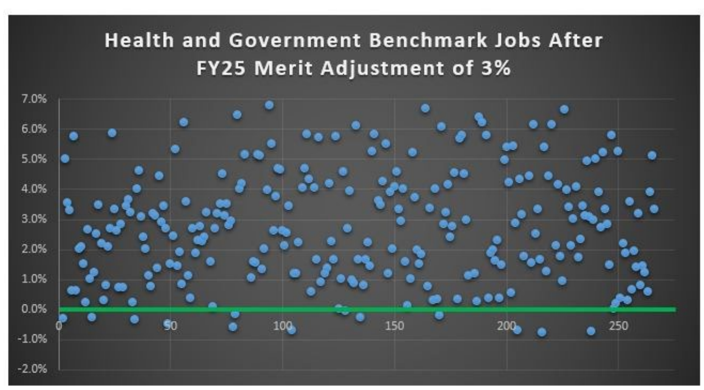
In 2024, the $10.6 million investment towards increasing employee salaries in FY23 saw an immediate impact. For the 2024 market study and analysis, Compensation benchmarked 265 jobs for both Government and Health Services. The results of this study indicated that employee salaries were, on average, -0.12% below the going rate in the job market. The inclusion of a 3% merit adjustment to employee salaries brought most employees above the national average for both Government and Health Services.

However, this adjustment caused a slight increase in the gender pay gap, rising from 16.1% in 2023 to 18.0% in 2024. Cherokee Nation was still lower than the State of Oklahoma, where the gender pay gap was reported at 26.0%.

2025 was a remarkable year for our gender pay gap, which dropped from 16.1% to **8.55%**.

2024





RECOMMENDATION

To ensure the Cherokee Nation maintains its competitive positioning and external equity with the current labor market, we recommend the following action for FY25:

- Market Adjustment: Given projected increases in the federal sector and recent private-sector compensation trends, a 3.0% increase to the 50th percentile salary schedule will likely be recommended in the foreseeable future. However, given that there was -1.0% deviation from the 50th percentile from the recent study and analysis, a 3.0% merit increase for employees will be recommended for FY25 to keep competitiveness with the labor market.

- Competitive Strategy: The planned 3% merit increase in October, will ensure that the Cherokee Nation remains highly competitive without an unanticipated rise in salary costs.

Additionally, the final minimum wage increase to $15.00 in November 2025 will necessitate a comprehensive internal equity assessment. This review will proactively identify and address any potential compression issues within existing positions or salary structures to maintain fairness across the organization. This will keep Cherokee Nation in a strategic and competitive edge for the labor market. We will continue to monitor the market for any major shifts and make necessary adjustments to our strategy.

MOVING FORWARD

The success outlined in this 2025 report—from maintaining market parity to leading on gender pay equity—is a foundation for our future strategy. To ensure these positive trends continue, the Compensation team is focused on improving operational efficiency and expanding our analytical capabilities such as establishing a dedicated market analysis position to provide continual reporting on any changes to the external labor market, expanded analytical bandwidth to provide more detailed, specialized analysis in a variety of areas that affect employee compensation, going beyond the annual review. Compensation will conduct a thorough review of other available market data systems, outside of the current platform, to determine the best fit technology that supports our overall mission and newly established Compensation philosophy.

By integrating dedicated expertise, improving efficiency, and utilizing best-in-class technology, the Cherokee Nation will continue to ensure our investment in our employees is strategic, fair, and competitive, ultimately solidifying our position as an Employer of Choice.