



Reducing the gender pay gap by protecting employees who discuss compensation from retaliation

HF2274 (Masin)/SF1999 (Goodwin)

- Allows employees to voluntarily discuss their compensation without fear of adverse consequences from their employers.

The Facts

- **The gender wage gap in Minnesota remains stuck at 20% overall, but it's twice as large (38 – 40%) for African Americans, American Indians, Latinas, those who are new to the country, and those with disabilities.** The pay gap persists even among 25-30 year-old Minnesotans, and it shows up in almost all occupations, even those predominantly held by women. The gender disparity in pay is largest in rural areas and high-income suburbs, but it exists everywhere, even in our urban core.
- **All too often, wage disparities go undetected because employers maintain policies that punish employees who voluntarily share salary information with their coworkers.** When employees fear retaliation, there is a serious “chilling effect” on any conversations about wages. The federal law that protects some employees from such retaliation is so full of loopholes that the unfortunate practice of penalizing employees who discuss their wages has flourished, and Minnesota is *not* one of the six states that prohibit employers from firing employees who reveal their wages.
- As the Supreme Court has recognized, the “[f]ear of retaliation is the leading reason” why many victims of pay and other discrimination “stay silent.” **Fear of retaliation only exacerbates the many hurdles employees face in gathering information that would suggest they have experienced wage discrimination.** In fact, workers often learn of egregious pay discrimination only by accident.
- **About half of all workers (51 percent of women and 47 percent of men) report that the discussion of wage and salary information is either discouraged or prohibited and/or could lead to punishment.**
- **Most Minnesota women (85%) work in the private sector where employers are more likely to try to control access to information about compensation:** 62 percent of women and 60 percent of men working for private employers report that wage and salary information is secret.
- **Pay transparency can help narrow the wage gap.** In government, where wage information is more transparent, the gap is much smaller -- 10% for Minnesota’s federal workers and virtually none for Minnesota’s state and local government workers (compared to 20% overall).
- **The proposed legislation would establish a bright-line rule banning retaliation against workers who discuss their wages.** This change in the law would greatly enhance employees’ ability to find out about wage disparities, making it easier for them to detect and report discrimination so it can be addressed. The protection would apply to all employees covered by the Human Rights Act (including supervisors) and to employers with 15 or more employees.

Nearly two-thirds (63 percent) of single mothers say they work for employers who discourage or outright prohibit discussion of wage and salary information.