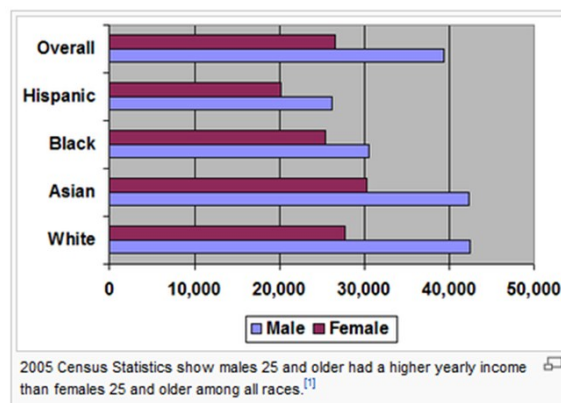


Business Case for Diversity

Cost of Discrimination

Cost to Victim

Discrimination costs American workers billions of dollars each year in lost wages when salaries are compared to their majority counterparts. There are many factors that influence salaries, but the wage gap persists across education levels, occupations, and seniority levels. In fact, the gender wage gap increases at the highest levels of education.



The wage gap has fluctuated over the past few decades, narrowing in the 80s and widening again in the 90s. Overall there has been little progress toward pay equity.

Cost of Lawsuits

Class action lawsuits can cost companies vast sums of money. The three largest settlements in U.S. history include Publix Supermarkets' \$815 million settlement for sex discrimination, United Airlines' \$525 million settlement for age discrimination, and California Public Employees Retirement System's \$250 million settlement for age-discrimination.

While small businesses may not face multi-million dollar payouts, the cost of a discrimination lawsuit is still a major expense. Even if a business successfully defends itself, it still faces a significant cost in lost business revenues and lost employee time.

Cost to Coworkers

Discrimination costs others in the workplace besides the victim. A study conducted by Daniel Lawson of the University of Notre Dame showed that for every 1% discriminatory decrease in the wages of female non-managerial workers, the wages of the manager fell by 0.53%. Discrimination in the workplace also has intangible effects on the entire staff, affecting morale, teamwork, and motivation.

Sources

Bureau of Labor Statistics
US Census Bureau
www.womensmedia.com