Paying Today and Tomorrow

Charting the Financial Costs of Workplace Sexual Harassment

Ariane Hegewisch, Jessica Forden, and Eve Mefferd

INSTITUTE FOR WOMEN’S POLICY RESEARCH

TIME’S UP FOUNDATION
Executive Summary

One in four women experience workplace sexual harassment over their lifetimes, according to even the most conservative estimates. Beyond the personal toll it takes, sexual harassment can also have high financial costs for individual workers who are targeted. These costs can be seen through job loss and unemployment, lower earnings, missed opportunities for advancement, forced job changes, and loss of critical employer-sponsored benefits like health insurance and pension contributions. The financial impact of workplace sexual harassment can be detrimental and long-lasting to those who experience it, limiting their career advancement and threatening their economic security during their working lives and into retirement. The short-term and long-term impact on the economic security of those working in low-wage jobs can be particularly severe.

While there is extensive research on the impact of workplace sexual harassment on individuals’ health and performance, and on the expense of workplace sexual harassment for employers, less is known about the tangible financial costs of workplace sexual harassment to targeted individuals themselves. This report fills this gap by providing new insights into the economic costs of workplace sexual harassment to individual workers. Based on in-depth interviews with 16 survivors of workplace sexual harassment, as well as with experts, this report charts the detailed pathways that lead to financial costs to individual workers as a result of workplace sexual harassment and retaliation. It draws on existing literature on sexual harassment in the workplace to contextualize these costs. Finally, it provides a set of recommendations on next steps for further research.

Key Takeaways

- The lifetime costs of workplace sexual harassment and retaliation were particularly high for those pushed out of well-paid, men-dominated occupations, reaching $1.3 million for an apprentice in the construction trades. While lower earnings and lower job quality in many women-dominated service sector jobs...
mean that the quantifiable costs of harassment are lower for those in these positions, for one fast-food worker forced out of her job, lifetime costs still totaled over $125,600.

- **Job loss and unemployment due to workplace sexual harassment and retaliation are major contributors to individuals’ costs.** All those interviewed experienced at least some loss of work or forced job change. The cost of a single year out of work for an apprentice in a construction occupation translates into a lifetime loss of $230,864 due to lost wage progression and foregone benefits.

- **Losing valuable pension and health insurance benefits are common consequences of workplace sexual harassment and retaliation.** Losing employer-sponsored health insurance forced many of those interviewed to forego healthcare and therapy altogether (because they were unable to afford it) or to face high out-of-pocket costs. Reduced pension and Social Security contributions additionally translate into less economic security in old age.

- **Forced career change may necessitate paying for new degrees or credentials.** These costs came to almost $70,000 for one woman, reflecting direct tuition costs for a two-year community college degree plus lost earnings over two years as she pursued her new degree.

- **Sexual harassment contributes to the gender wage gap.** Case studies in the report show how women were pushed out of well-paying careers—including in fields dominated by men such as construction, trucking, and IT—into lower-paid or less regular employment.

- **The “knock-on,” or consequential, costs of sexual harassment were particularly severe for those working in low-paid and precarious jobs.** Loss of earnings translated into higher financial charges, lower credit ratings, mounting student loan debt, repossession of cars, evictions from housing, including temporary homelessness, and reduced retirement security.

- **Policies designed to prevent workplace sexual harassment are not working.** For every individual interviewed, the experiences of harassment were compounded and the costs magnified because those who were positioned to help address the harmful behavior (supervisors, human resources staff, colleagues) failed to act—or even worse, retaliated against the employees who were harassed. High costs of legal representation, lack of information, and uncertainty over immigration status left the large majority of those who experienced workplace sexual harassment and related retaliation without legal recourse.

- **The research confirms common risk factors of sexual harassment and retaliation.** Individuals interviewed repeatedly cited similar circumstances, including work in men-dominated industries, in physically isolated workplaces, in situations of substantial power imbalance, including due to immigration status, and in industries with no clear channels for reporting harassment because of subcontracting, franchising, and other decentralized employment structures. Often these risk factors overlapped.
• The dearth of nationally representative data on sexual harassment and its costs—both to individuals and the broader economy—is unacceptable. No data sources allow analysis by occupation and industry of the prevalence or the consequences of harassment, let alone data that are detailed enough to fully analyze and explore the intersectional nature and impact of harassment on the women, men, and non-binary people who face harassment at the cross-sections of multiple oppressions. Such data are urgently needed to establish benchmarks and allow us to track progress in tackling harassment over time.

View the full report at www.iwpr.org/paying-today-and-tomorrow-report.

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