

Private Sector Workers Lack Pay Transparency: Pay Secrecy May Reduce Women's Bargaining Power and Contribute to Gender Wage Gap

The IWPR/Rockefeller Survey of Economic Security is the first to ask workers whether there are policies at their work places that discourage or prohibit sharing information about pay. Respondents with jobs were asked to indicate which of the following statement best characterized their work place: a) wage and salary information is public; b) wage and salary information can be discussed in the workplace; c) discussion of wage and salary information is discouraged by managers; d) discussion is formally prohibited, and/or employees caught discussing wage and salary information could be punished.

Figure 1. Pay Secrecy Policies by Type of Employer (All Workers)



Source: IWPR/Rockefeller Survey of Economic Security 2010.

Note: Calculations based on 879 respondents currently employed as wage and salary workers in the private and public sectors and providing answers to the survey item on access to wage information in their workplaces.

In the public sector, most government agencies have formal grade and step systems that make general wage and salary information public (70 percent) and only 15 percent of workers are discouraged (9 percent) or prohibited (6 percent) from publicly discussing salary information at work. In contrast, the highest response for private sector workers is that 41 percent report discussion of wage and salary information is discouraged and another 25 percent report that it is formally prohibited for a total of two-thirds of workers who are discouraged or prohibited from discussing wages and salaries. Only 17 percent of private sector workers say wage and salary information is public.

While there may be no direct link between pay secrecy and pay inequality, pay secrecy appears to contribute to the gender gap in earnings. In 2016, the overall female-to-male earnings ratio was 80.5 percent for annual earnings of full-time, year-round workers. However, the earnings ratio was lower among private sector workers (79.3 percent) compared to public sector workers (81.4 percent).¹

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¹ IWPR calculations using U.S. Census Bureau, Current Population Survey, 2017 Annual Social and Economic Supplement Table [PINC-07. Class of Worker of Longest Job in 2016--People 15 Years Old and Over by Total Money Earnings in 2016, Work Experience in 2016, Race, Hispanic Origin, and Sex.](#)