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Measuring the Economic Costs of Workplace Sexual Harassment on Women

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**MEASURING THE ECONOMIC COSTS OF WORKPLACE SEXUAL HARASSMENT
ON WOMEN**

By

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**SUBMITTED TO SCRIPPS COLLEGE IN PARTIAL FULFILLMENT OF THE
DEGREE OF BACHELOR OF ARTS**

**PROFESSOR BOSE
PROFESSOR PEDACE**

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ABSTRACT:

Workplace sexual harassment costs the government and companies millions of dollars a year. Women who experience sexual harassment in the workplace suffer from negative mental and physical health problems, lower career attainment, decreased productivity, and a higher rate of job turnover. Sexual harassment is both costly and unjust, however the exact cost to women who experience sexual harassment is unknown. This thesis will measure the impact of workplace sexual harassment on wages in different industries. Using data on claims filed with the Equal Employment Opportunity Commission, I calculate and analyze the impact of sexual harassment on wages, age, sex, and industry. I find that industries with high rates of women reporting sexual harassment have lower wages.

INTRODUCTION:

This thesis explores the economic costs related to workplace sexual harassment by examining the impact of sexual harassment on the average income in different industries.

Workplace sexual harassment is legally defined by the Equal Employment Opportunity Commission (EEOC) as “unwelcome verbal, visual, or physical conduct of a sexual nature that is severe or pervasive and affects working conditions or creates a hostile work environment.” Examples of workplace sexual harassment include suggestive comments and/or emails, inappropriate sexual gestures, sharing sexually inappropriate videos or photos, and inappropriate touching.

Workplace sexual harassment has persisted since women entered the workforce. The recent #MeToo and Time’s Up movements have shed light on some women’s experiences dealing with sexual harassment. The EEOC estimates that anywhere between 25 percent and 85 percent of women have reported being sexually harassed at work. This estimate is likely on the lower end due to many women not reporting for fear of retaliation. A recent survey by the nonprofit group Stop Street Harassment reported that 81 percent of women and 43 percent of men have experienced some form of sexual harassment in their lifetime (2018). Sexual harassment has been shown to cause health problems in victims such as increases in

depressive symptoms and overall worse mental health (Houle et al. 2011). The stress of constant workplace sexual harassment has also resulted in victims being diagnosed with anxiety, PTSD, heart problems, anger issues, and expressing greater self-doubt (Houle et al. 2011, Marsh, Patel, et al. 2009, Magley et al. 1999).

Workplace sexual harassment does not just negatively impact the physical and mental health of victims; it also has negative effects on victim's careers. According to the U.S. Merit Systems Protection Board (MSPB), women who are sexually harassed tend to take more sick days, report lower productivity at work, have higher job dissatisfaction and often quit their jobs. According to one study, many women are passed over for promotions if they do not participate or condone their coworker's harassing behavior (McLaughlin et al. 2017). If women decide to leave their job, they often face career setbacks due to taking a job with lower income, starting over with a less prestigious position in a new company or leaving the industry all together (McLaughlin et al. 2017). Involuntary job displacement causes financial stress and hinders future career trajectories for individual women. In addition, companies or industries with high levels of sexual harassment are harmful to all women, placing them "in the untenable position of having to choose between participating in misogynistic cultures at work, which does not serve them as women, or resisting these cultures, leaving little chance for growth in their companies" (McLaughlin et al. 2017). This inhibits women from pursuing specific career paths or going into certain industries.

More than just individual women's economic costs, workplace sexual harassment costs the government and companies millions of dollars every year. In a 1994 report by the MSPB, sexual harassment in the federal workplace was estimated to cost the government

\$327 million over a two-year period. Not only is sexual harassment unjust, but also it is incredibly expensive and inefficient.

In January 2018, a cohort of U.S. senators asked the Bureau of Labor Statistics (BLS) to conduct a study measuring the economic costs of sexual harassment to better understand the scope of the problem and inform policies to address this issue. According to The Washington Post, the BLS refused, claiming the study would be too difficult and expensive to undertake (2018). Proper studies and data on workplace sexual harassment are lacking and much of the literature is out of date. While the #MeToo movement has brought this issue into the public's eye, adequate data and research to tackle the issue is missing. If we cannot properly quantify and understand this problem, then we cannot effectively propose solutions.

In this paper, I use EEOC data on every sexual harassment claim filed with the commission between 1995 and 2016 in eleven industry supersectors¹ ranging from white-collar to blue-collar industries. This industry-year panel data includes the gender of the person filing the report, their current age and the age in which they filed the report, their race, ethnicity, and the industry in which they work. I merged this with BLS data using industry codes to find the average wage in each industry and the number of female workers in that industry. I analyze this data in two parts: a regression analysis on how variation in sexual harassment affects labor market outcomes for women, as well a graphical analysis on trends in sexual harassment prevalence over time and across industries, race, and age.

¹ BLS aggregated more specific industry sectors into eleven "supersector" groups. These groups include many different jobs under more broad industry titles. Supersectors include: Natural Resources and Mining; Construction; Manufacturing; Trade, Transportation, and Utilities; Information; Financial Activities; Professional and Business Services; Education and Health Services; Leisure and Hospitality; Other Services; Government.

Media coverage and reports from the #MeToo movement have been focused on women's stories and reactions to their experiences, specifically in white-collar industries such as media and film. While I believe this is crucial to our understanding of sexual harassment, my research aims to incorporate the experience of workers from all industries, including blue-collar workers, and quantify these experiences in order to understand the harm that workplace sexual harassment causes and to advise better policy to stop this behavior.

LITERATURE REVIEW:

I survey the literature on workplace sexual harassment to gain an understanding of how employees bear the economic costs of harassment. Previous studies have focused on estimating the costs of workplace sexual harassment to organizations rather than individual employees. Most of the studies that do focus on targets of sexual harassment measure the impacts by examining job satisfaction and turnover rates. There lacks substantial literature on the impact of sexual harassment on individual employee's earnings.

Since the 1980s, there has been an increase in the economic literature on workplace sexual harassment. Many of the studies focus on the economic costs of sexual harassment at the organizational level.

The MSPB studied the costs to the federal government of workplace sexual harassment between the years of 1992 and 1994 (1994). They estimated that between job turnover, loss in individual and workgroup productivity, and sick leave it cost the federal government \$327 million. The estimate is conservative and does not take into account the cost of healthcare benefits, overtime to workers who filled in for absent employees, the time cost of dealing with complaints and litigation, or the \$4.4 million that victims lost in wages

due to taking unpaid leave as a result of sexual harassment. The federal government has not updated this report since 1994.

A report by the EEOC estimated the costs to companies in legal fees for all types of harassment lawsuits (2016). One estimate of the cost to companies for settlement payments and court judgments was \$356 million just for 2012. In 2015, the EEOC collected \$39 million in monetary benefits from employers to pay to victims of sexual assault. Another study from 1988 found that a typical Fortune 500 company loses \$6.7 million a year due healthcare costs, absent workers, lowered productivity, and job turnover (Sandroff 1988). That is over \$14 million in 2017 dollars. The literature concludes that workplace sexual harassment is very costly to companies that have to pay for legal fees, sexual harassment workshops, and less productive workers; yet, the literature on the costs to the employees of these companies is inconclusive.

Both companies and individuals suffer from the physical and mental health costs of workplace sexual harassment. Many studies have found links between sexual harassment and poor mental health. Houle et al. found an increase in depressive symptoms for employees that experienced sexual harassment (2011). The study states that individuals that are sexually harassed early in their careers report higher rates of depressive symptoms and mental health issues such as anger and self-doubt into their adulthood. A study by Marsh, Patel, et al. examined the prevalence of workplace sexual harassment on 387 female faculty and staff from colleges in Awassa, Ethiopia (2009). They found that workplace sexual harassment was highly prevalent and positively correlated with depression. Another study found that harassed individuals experienced physical symptoms such as nausea, headaches, shortness of breath and exhaustion due to the stress of sexual harassment (Magley et al. 1999). The literature

agrees that there is a positive relationship between sexual harassment and poor health effects. More research on the costs of those effects in doctor's visits, medication, and increased healthcare expenditures would be beneficial to understanding the economic costs to victims of harassment.

Studies that examine the impact of workplace sexual harassment on individual women measure their job satisfaction, turnover rates, earnings, and career attainment. Yet, literature on these topics is relatively recent and far from abundant. One of the most current and thorough studies on this topic examines the immediate and long-term financial stress on women who experience sexual harassment early in the careers (McLaughlin et al. 2017). Using Youth Development Study data, McLaughlin et al. find that women who experience harassment between the ages of 29 to 30 have increased financial stress in their early thirties. This is mostly due to women quitting their job in order to avoid harassers or because they are dissatisfied with their workplace. The study also conducted interviews with targets of sexual harassment and found that women were likely to move to a different industry, change their career path, and reduce their work hours, which often lowered their wages. The overall impact on career attainment and financial stability was on par with serious injury or illness, incarceration, and assault. This is one of the few studies that focuses on the impact of harassment on women's financial situations and it nicely incorporates qualitative data to support the quantitative findings.

Further studies have examined the relationship between workplace sexual harassment and job satisfaction. A 1999 study that assessed active-duty women in the U.S. Army found that experiencing sexual harassment resulted in reduced job satisfaction and higher intentions of leaving the military (Faley et al. 1999). Another study that observed active-duty women in

the army resulted in similar findings (Antecol and Cobb-Clark 2006). Using single-equation probit models, the study found that women who experience sexual harassment report reduced job satisfaction and an increased desire to leave the armed forces.

Another study analyzed the effects of sexual harassment on the earnings, job satisfaction, and turnover rate among female lawyers (Laband and Lentz 1998). Female lawyers that experienced or witnessed sexual harassment indicated lower job satisfaction and higher intentions to leave the company. However, the study does not find any impact of sexual harassment on hourly wages. The authors conclude that in the legal profession, employers may be able to harass women enough to prompt them to quit the company, but not enough to be penalized for their actions. Salman et al. examined the education sector of Peshawar, Pakistan to find the impact of sexual harassment on employee turnover intentions (2016). They also find a positive relationship between sexual harassment and employee turnover.

While the research on job satisfaction and turnover seems to agree on a positive relationship between sexual harassment and a desire to leave the company or actually leaving the company, these studies do not focus on or do not find significant relationships between sexual harassment and earnings.

A paper by Hersch (2011) is one of the few studies that focuses on the impact of sexual harassment on earnings. Hersch employs the concept of compensating wage differentials to argue that industries with increased rates of sexual harassment compensate their workers with higher wages, similar to how dangerous jobs compensate their workers for the risk of injury or death. Hersch calculates gender-specific estimates of the risk of sexual harassment by industry and age group then matches the risk measurements to data from the

Current Population Survey (CPS). Using hedonic wage methodology, she estimates wage equations and finds that on average workers receive a wage premium for exposure to the risk of sexual harassment. My paper borrows its theoretical approach from Hersch and hypothesizes that if wages are higher in industries with high levels of sexual harassment then there is a compensating wage differential. However, I do not measure risk and I use BLS data rather than CPS data. This study focuses on finding an exact wage premium, while my study examines different aspects of sexual harassment such as how race, ethnicity, age, and hours worked contribute to trends in sexual harassment claims. Additionally, this study was done in 2011 and while it does not specify which years the data covers, my data set is more recent and likely does not include the same time period.

Basu (2003) argues against the use of a wage premium in firms with high levels of sexual harassment. This study claims that firms should not expose their workers to the risk of sexual harassment even if workers are being compensated for this risk. He proposes that sexual harassment should be banned rather than accommodated.

The literature has found that the cost to companies of sexual harassment is incredibly high. It has also found relationships between women experiencing sexual harassment and reporting job dissatisfaction and often quitting that job. However, the literature on the impact of sexual harassment on wages is lacking and inconclusive. This paper will add to the literature on the impacts of workplace sexual harassment on individual women by examining the relationship between sexual harassment and earnings.

THEORY:

Industries with high levels of sexual harassment either pay lower wages due to gender discrimination or pay higher wages to compensate for the cost of enduring sexual harassment. I will discuss the statistical discrimination model and the compensating wage differential model in this section in order to explain the reasoning behind these two hypotheses.

Workplace sexual harassment is a form of employment discrimination and is prohibited under Title VII of the Civil Rights Act. Harassment is considered discrimination by the EEOC because it is defined as unwelcome or offensive behavior towards someone based on a person's gender, sexuality, national origin, age, disability, or genetic information. Sexual harassment in particular is often based on a person's gender and age. Most instances of sexual harassment are men targeting women. In a study of harassment in corporate America by the Center for Talent Innovation, 34 percent of women reported being harassed by a coworkers and 97 percent of the time the perpetrator was a man (2018). Additionally, 72 percent of the perpetrators in this study were more senior level than their victims (Center for Talent Innovation 2018). This is in line with the sample of sexual harassment claims that is being used in this paper; women filed 27,015 out of the total 31,716 claims of the sexual harassment. Therefore, this is an issue of gender discrimination.

Using the theory of statistical discrimination, we can understand why an employer would pay lower wages to a woman in an industry with high levels of sexual harassment. Statistical discrimination explains the phenomena in which general observable characteristics about a person such as gender, race, or age, are used to make inferences about that person's unobservable characteristics. The decision-making party ultimately stereotypes an individual

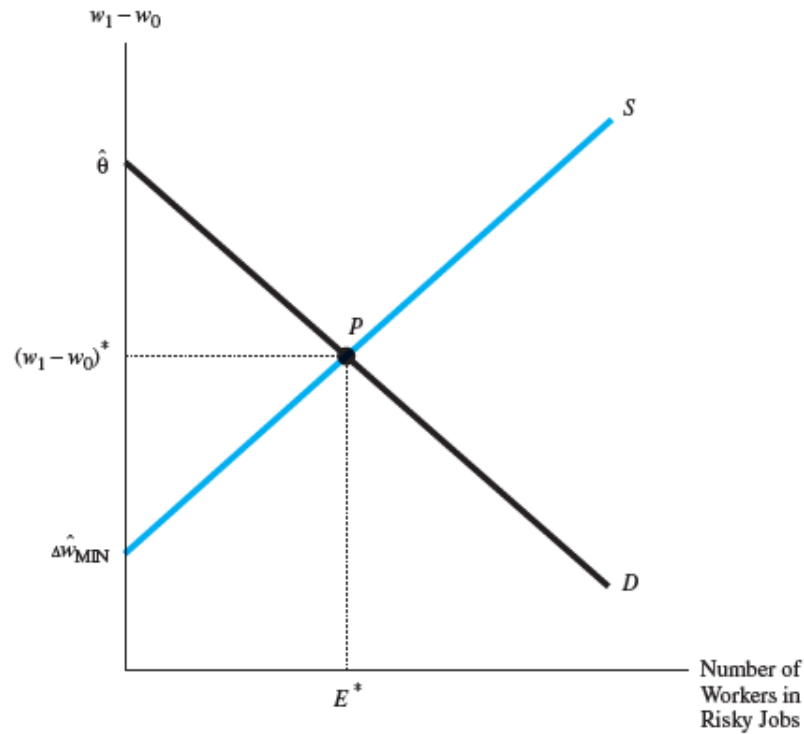
based off of group statistics in order to make assumptions about their productivity, intelligence, qualifications, and more. Fang and Moro provide a common example of this type of discrimination: “if employers believe (correctly) that workers belonging to a minority group perform, on average, worse than dominant group workers, then the employers’ rational response is to treat differently workers from different groups that are otherwise identical” (2011). When women experience sexual harassment, it often lowers their productivity, causes them to take more sick days at work, makes them feel nervous or uncomfortable in their work environment, makes them less of a team player, and often results in them leaving a job. One hypothesis for industries with high levels of sexual harassment paying lower wages is that there is statistical discrimination against women entering those industries. In industries where sexual harassment is commonplace, this perception of unproductivity, reputation for not being a team player, or suspicion of quitting is amplified among all women. If one woman possesses these characteristics in a workplace due to the sexual harassment that she experiences, then an employer will apply these characteristics to women as a whole demographic group and be less likely to want to employ women or pay them comparable wages. If this hypothesis is true, then sexual harassment does not just negatively impact women’s mental and physical health but also their income, what jobs are available to them, and what industries will hire them. Statistical discrimination affects all women, not just the women that experience sexual harassment directly, and reverberates throughout society by discouraging diversity and new ways of thinking in many male-dominated industries.

On the other hand, industries with high levels of sexual harassment could pay higher wages as a compensating wage differential due to the risk of sexual harassment. The theory of compensating wage differentials says that, in a perfectly competitive market, jobs with

disagreeable characteristics must pay workers a premium to justify the conditions (Smith 1979). While this theory usually applies to the safety of a job and holds most often in jobs with a high risk of injury or death, sexual harassment is an undesirable characteristic that has substantial health risks. Women that experience sexual harassment show a higher risk for mental health problems such as anxiety and depression, have increased anger, and lower self-confidence. These are long-lasting costs that women must incur in their jobs. Furthermore, sexual harassment is discrimination that is by definition “intimidating, hostile, or offensive to reasonable people” (EEOC). Enduring sexual harassment means that a person must put up with a negative and intimidating work environment, which is an undesirable job characteristic that must be accounted for in wages.

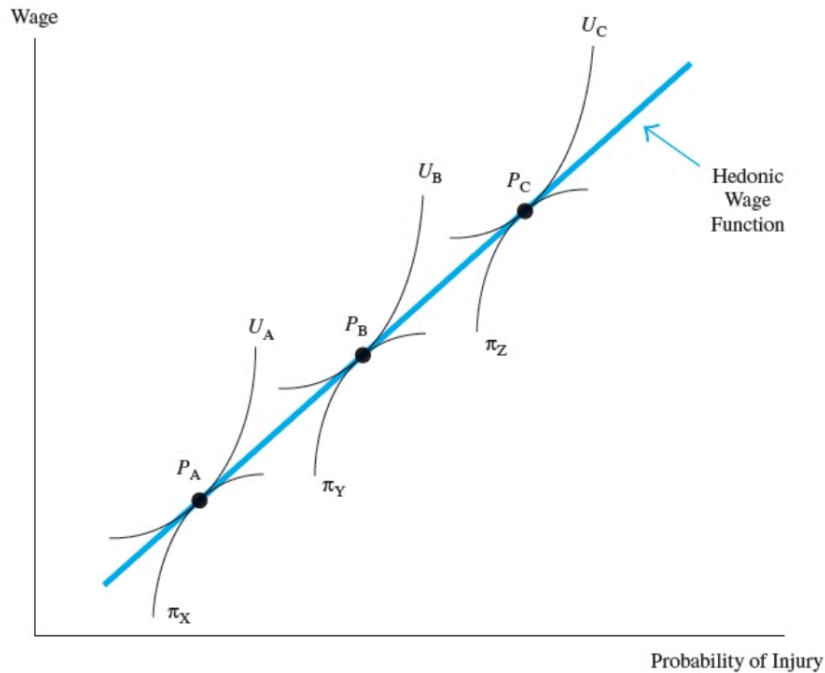
Not only is sexual harassment a cost to employees, but it is also a cost to the company. A company can reduce sexual harassment, but they must pay more and reduce their profits to undertake these efforts. A company would have to invest more money in Human Resources, pay for sexual harassment workshops, fire perpetrators that bring in profits for the company, and possibly hire a consulting company to implement better policies to reduce harassment. All these changes would be costly to the firm. A company can either pay to take measures to reduce sexual harassment or it can pay workers a compensating wage differential high enough that they will overlook the harassment and still choose to work at the company. To determine the market compensating differential, we can use a simple supply and demand graph as seen in Figure 1.

Figure 1



The demand curve is downward sloping because it is cheaper for a firm to pay to make a job safe than it is to pay the wage premium for a risky job. The supply curve is upward sloping because as the wage for risky jobs increases, more and more people are willing to work a risky job. The market compensating differential is at the intersection of the supply and demand curve and will equal the bribe required to attract the last worker hired by the firm (Borjas 2007). Now that the compensating wage differential has been determined, we can use the Hedonic Wage Function to match workers' risk preferences with firms that provide different levels of risk-prone jobs (as shown in Figure 2).

Figure 2



The curves denoted U_A , U_B , and U_C are the individual workers' indifference curves. Worker A is the most risk averse, while Worker C does not mind risk as much. The slope of the indifference curves is the reservation price each worker attaches to moving to a riskier job, or the highest price that the worker is willing to accept to move to a job with more risk. The curves denoted by π_X , π_Y , and π_Z are the isoprofit curves of different firms. An isoprofit curve gives the risk-wage combinations of a firm that yield the same profit (Borjas 2007). Higher isoprofit curves result in smaller profits; therefore, firm Z is making less money than firm X. The curves are upward sloping because it costs more money to make a job safer and it is concave because safety has diminishing returns. The hedonic wage function matches safe jobs with risk averse workers and risky jobs with less risk averse workers. In Figure 2, the market reaches an equilibrium because worker C does not mind risk and would rather have a higher wage and firm Z would rather pay a higher wage than make the job safer. The hypothesis of compensating wage differentials says that each worker in the market is at

equilibrium in the hedonic wage function. If workers are in a job in which they are being harassed or they are at a high risk of being harassed, then their wage must reflect a premium that compensates them for enduring that cost. These workers are represented by U_C because they are less risk averse and their wages are higher. The firm that is employing them is π_Z and this firm is making fewer profits due to the high risk of harassment in their firm.

The sorting of workers to industries based on risk preferences and associated compensating wages could be occurring in the case of sexual harassment. Women that work in industries with high levels of sexual harassment may endure it and decide to stay because they believe that the wage premium is worth the cost of being harassed. More risk averse women may leave and find an industry that pays less but does not have as high of a risk for harassment. Therefore, in the hedonic wage function graph, industries and workers would be matched and everyone would be experiencing a tolerable risk for harassment.

There are, however, possible reasons why the compensating wage differentials hypothesis may not hold. First, most labor markets are not perfectly competitive. Second, workers are more likely to have information about injury risk prior to taking a job than they will about harassment risk. Yet, compensating wage differentials are still a strong hypothesis and literature such as Hersch (2011) does find evidence of wage premiums in industries with high prevalence of sexual harassment.

In order to test these hypotheses, I will graph sexual harassment claims by industry over time and run several regressions.

DATA:

The sexual harassment data was collected from the EEOC and made public by BuzzFeed News. The panel data includes every sexual harassment claim filed with the EEOC between 1995 and 2016, over 170,000 claims. This represents only a small percentage of the incidences of sexual harassment that occur in the workplace because people do not always report, or they do not report directly to the EEOC. All personal details had to be removed in order to preserve the privacy of the filers, however the data includes their age, gender, race, ethnicity, industry worked in, size of company, and public status of the company. Women filed 83 percent of the claims, while men filed 15 percent and 2 percent did not specify a gender. Charges were broken down by industry using the North American Industry Classification System (NAICS) code, and over 64,000 charges did not include an industry code. Keeping only the charges with industry and gender specified, the data shows the number of sexual harassment claims for each year in each industry, including how many of the claims were filed by women, how many people filing were African American, and what the average age of the person filing is.

As of 2018, this is the most comprehensive and recent set of data that has been collected and analyzed. Due to issues of privacy, EEOC data is not available to the general public and needs to be attained through a Freedom of Information Act request. Other studies that have used EEOC data have not been able to access as many years of claims and have not made their data sets public. The data set that I collected is the only of its kind and can be used to make further estimates about the impact and costs of workplace sexual harassment.

The industry level data collected from the BLS includes the total number of employees per industry, number of female employees per industry, aggregate weekly hours

worked of all employees, average weekly earnings of all employees, and average weekly earnings of nonsupervisory employees. The total number of employees and number of female employees is measured in the thousands. The data for the total number of employees, number of female employees, and average weekly earnings of nonsupervisory staff was available for all years between 1995 and 2016, but the average weekly earnings of all employees and aggregate weekly hours of all employees only existed between 2006 and 2016. I extracted and merged all five data sets into one that displays the averages of all these variables for every industry in every year. Some specific industries did not contain data on every single variable for every single year, so these observations were dropped. I then merged the BLS data with the sexual harassment data to attain sexual harassment information at the industry level for each year. Due to the fact that the BLS data did not use the same industry code as the sexual harassment data, I used the two-digit NAICS code for both the BLS and the sexual harassment data then converted the industry sub-sectors into industry supersectors. The supersectors are high-level industry titles that include many different sub-industries that fall under similar categories. Aggregating data to a higher, broader level allows comparability to other programs with less detailed data.

There are eleven industry super-sectors that include: Mining, Quarrying, and Oil and Gas Extraction; Construction; Manufacturing; Wholesale Trade, Utilities, Retail Trade, Transportation and Warehousing; Information; Finance and Insurance, Real Estate and Rental and Leasing; Professional, Scientific, and Technical Services, Management of Companies and Enterprises, Administrative and Support and Waste Management and Remediation Services; Educational Services, Health Care and Social Assistance; Arts, Entertainment, and Recreation, Accommodation and Food Services; Other Services (except

Public Administration); and Public Administration (for a complete table of Industry Supersectors see Figure 4).

The final data set contains information on every industry supersector for each year between 1995 and 2016. Each observation reveals how many claims of sexual harassment were filed in each industry per year including information on the people who filed, information on the company, and industry averages for the mean number of employees, number of female employees, average number of hours worked, and average wages for all employees and nonsupervisory employees. The final data set includes 31,716 claims of sexual harassment over 20 years in 11 different industries.

Table 1 displays the summary statistics for all variables. Most notable from this table is that the age of the average person filing a claim is 47.341. This is surprising due to the fact that many of the women stepping forward in the #MeToo movement are younger and cite incidents of harassment when they were young. However, this may make sense because younger women often do not report or step forward until later in life, usually for fear of losing their job and retaliation. Additionally, it should be noted that every single industry in every year experienced at least two incidents of sexual harassment with the most being 639 claims in a single year and industry. This speaks to the prevalence of the problem. The number of women in each industry makes up about half of the total industry on average, however some industries only have 79.572 women which is incredibly small and may result in that industry having higher rates of sexual harassment. It is somewhat surprising that the women reporting incidences seem to be predominantly white and non-Hispanic. This may be due to the structural racism that renders other racial and ethnic minorities less able to risk their job and expect changes from reporting their claim.

Table 1: Descriptive Statistics, Sexual Harassment Claims and BLS, 1995-2016

	Mean	Standard Deviation	Minimum	Maximum
<i>Personal Information of Victim</i>				
Age of person when they filed the claim	47.341	5.208	34.0	58.25
Person filing claim is female (in a given year and industry)	111.632	105.565	1	571
Person filing is African American (in a given year and industry)	34.764	27.643	0	128
Person filing is Hispanic (in a given year and industry)	2.905	5.399	0	29
Total sexual harassment claims (in a given year and industry)	131.058	120.386	2	639
<i>Company Where Victim was Harassed</i>				
Size of company- small (15-100 people)	56.5	59.32	0	318
Size of company- medium (100-500 people)	14.946	15.255	0	77
Size of company- large (500+ people)	59.612	51.793	1	244
Public Company	13.095	31.092	0	198
<i>Industry Level Information</i>				
Total number of employees in an industry (thousands)	908.223	923.088	123.613	3765.31
Number of women employees in an industry (thousands)	593.061	593.131	79.572	2380.12
Average weekly earnings of all employees	817.164	206.382	464.696	1233.965
Average weekly earnings of production and nonsupervisory employees	644.726	173.768	336.859	1096.848
Aggregate weekly hours of all employees	26948.87	11125.63	5348.667	47067.29

N= 242

Source: EEOC and BLS, 1995-2016.

MODEL:

To analyze the impact of sexual harassment on worker's wages, I use a linear regression model to map the relationship between wage, industry, gender, age, sexual harassment prevalence, number of women in the industry, the public status of the company, and the size of the company. I am primarily interested in whether or not experiencing sexual harassment increases or decreases a person's wage. Sexual harassment does not solely contribute to a person's wage; therefore, I control for other factors such as age, gender, company information, and more in order to understand how much sexual harassment influences wages even after these variables have been accounted for. My model, unfortunately, does not account for education or work experience, despite these factors playing a large role in determining wages. The data did not have individual level information on education or work experience due to issues of privacy, and industry level averages for these factors were not available from the BLS.

The dependent variable (Y_{st}) in Models A, B, C, and D measures the average weekly earnings of all employees in supersector s in year t . In these models, I control for gender, age, race, and the total number of women working in the industry. There are many studies that indicate that these demographic factors have an influence on wages. I also account for the number of women working in the industry to see if this has an effect on wages. Model B includes the variable $public_{st}$ which accounts for whether the company at which the person filed a report was public or private. Working in a public company, such as a government agency, could greatly influence how much money a person makes. Model C takes into account the size of the company at which the person filed a sexual assault claim. Where medium is the omitted category, *small* is a company with 15-100 people and *large* is a

company with more than 500 people. Working at a small company of only 15 employees can result in a very different wage than working at a company with 1,000 employees. Model D includes both the variables on public and the size of the company.

Model A assumes the following form:

$$Y_{st} = \beta_0 + \beta_1 \text{sexual harassment}_{st} + \beta_2 \text{female}_{st} + \beta_3 \text{black}_{st} + \beta_4 \text{age}_{st} + \beta_5 \text{super_sector} + \beta_6 \text{women}_{st} + u_i$$

in which

Y_{st} measures the average weekly earnings of all employees in supersector s in year t

$\text{sexual harassment}_{st}$ is the sum of the claims of sexual harassment in supersector s in year t

female_{st} is the sum of females filing complaints in supersector s in year t

black_{st} is the sum of African Americans filing complaints in supersector s in year t

age_{st} is the average age of the person filing the complaint in supersector s in year t

super_sector is the fixed effect

women_{st} is the total number of women in the industry measured in thousands in supersector s

in year t

u_i is the error term

Model B includes the public status of the company where the person is filing a complaint:

$$Y_{st} = \beta_0 + \beta_1 \text{sexual harassment}_{st} + \beta_2 \text{female}_{st} + \beta_3 \text{black}_{st} + \beta_4 \text{age}_{st} + \beta_5 \text{super_sector} + \beta_6 \text{women}_{st} + \beta_7 \text{public}_{st} + u_i$$

in which

public_{st} is the number of people reporting sexual harassment from a public company in supersector s in year t

Model C addresses the size of the company where the person is filing a sexual harassment complaint:

$$Y_{st} = \beta_0 + \beta_1 \text{sexual harassment}_{st} + \beta_2 \text{female}_{st} + \beta_3 \text{black}_{st} + \beta_4 \text{age}_{st} + \beta_5 \text{super_sector} + \beta_6 \text{women}_{st} + \beta_7 \text{small}_{st} + \beta_8 \text{large}_{st} + u_i$$

in which

small_{st} is the number of people reporting sexual harassment from a company with 15-100 employees in supersector s in year t

large_{st} is the number of people reporting sexual harassment from a company with more than 500 employees in supersector s in year t

medium_{st} is the omitted category

Model D includes both the public status of the company and the size of the company:

$$Y_{st} = \beta_0 + \beta_1 \text{sexual harassment}_{st} + \beta_2 \text{female}_{st} + \beta_3 \text{black}_{st} + \beta_4 \text{age}_{st} + \beta_5 \text{super_sector} + \beta_6 \text{women}_{st} + \beta_7 \text{public}_{st} + \beta_8 \text{small}_{st} + \beta_9 \text{large}_{st} + u_i$$

Due to the fact that I am working with panel data, I also do a fixed effects model because the individual effects are correlated with the independent variables. The fixed effects model eliminates the impact of time-invariant characteristics in order to model the effect of the predictors on the outcome variable, Y_{st} . While a fixed effects model ideally has more observations than this data set holds, the issue of matching industry codes greatly limited the number of observations that could be used. The EEOC and BLS data use different industry codes and the EEOC does not require that a claim includes an industry code. Additionally, after 2006, industry codes in the EEOC are missing more often due to a change in the type of code used. The only way to merge the data sets was to convert them all to industry

supersectors, which results in substantially fewer observations. If the industry code was not an issue, the fixed effects model would be ideal.

In my model, I fix the effects of the year and the industry supersector. I test the fixed effects model in four parts, the same as above:

$$\text{Model A (FE): } Y_{st} = \beta_0 + \beta_1 \text{sexual harassment}_{st} + \beta_2 \text{female}_{st} + \beta_3 \text{black}_{st} + \beta_4 \text{age}_{st} + \beta_5 \text{super_sector} + \beta_6 \text{women}_{st} + u_i$$

$$\text{Model B (FE): } Y_{st} = \beta_0 + \beta_1 \text{sexual harassment}_{st} + \beta_2 \text{female}_{st} + \beta_3 \text{black}_{st} + \beta_4 \text{age}_{st} + \beta_5 \text{super_sector} + \beta_6 \text{women}_{st} + \beta_7 \text{public}_{st} + u_i$$

$$\text{Model C (FE): } Y_{st} = \beta_0 + \beta_1 \text{sexual harassment}_{st} + \beta_2 \text{female}_{st} + \beta_3 \text{black}_{st} + \beta_4 \text{age}_{st} + \beta_5 \text{super_sector} + \beta_6 \text{women}_{st} + \beta_7 \text{small}_{st} + \beta_8 \text{large}_{st} + u_i$$

$$\text{Model D (FE): } Y_{st} = \beta_0 + \beta_1 \text{sexual harassment}_{st} + \beta_2 \text{female}_{st} + \beta_3 \text{black}_{st} + \beta_4 \text{age}_{st} + \beta_5 \text{super_sector} + \beta_6 \text{women}_{st} + \beta_7 \text{public}_{st} + \beta_8 \text{small}_{st} + \beta_9 \text{large}_{st} + u_i$$

Finally, I include a regression (Model E) that examines the relationship between sexual harassment and the number of women working in an industry. This tests to see if there is correlation between a high number of sexual harassment claims in an industry and fewer women working in that industry. The dependent variable (Y_{st}) is the total number of women in the industry measured in thousands in supersector s in year t . The independent variables are the same as in Model D. Model E is specified below:

$$Y_{st} = \beta_0 + \beta_1 \text{sexual harassment}_{st} + \beta_2 \text{female}_{st} + \beta_3 \text{black}_{st} + \beta_4 \text{age}_{st} + \beta_5 \text{super_sector} + \beta_6 \text{public}_{st} + \beta_7 \text{small}_{st} + \beta_8 \text{large}_{st} + \beta_9 \text{wage}_{st} + u_i$$

in which

Y_{st} measures the total number of women (in thousands) in supersector s in year t

$\text{sexual harassment}_{st}$ is the sum of the claims of sexual harassment in supersector s in year t

$female_{st}$ is the sum of females filing complaints in supersector s in year t

$black_{st}$ is the sum of African Americans filing complaints in supersector s in year t

age_{st} is the average age of the person filing the complaint in supersector s in year t

$super_sector$ is the fixed effect

$public_{st}$ is the number of people reporting sexual harassment from a public company in supersector s in year t

$small_{st}$ is the number of people reporting sexual harassment from a company with 15-100 people in supersector s in year t

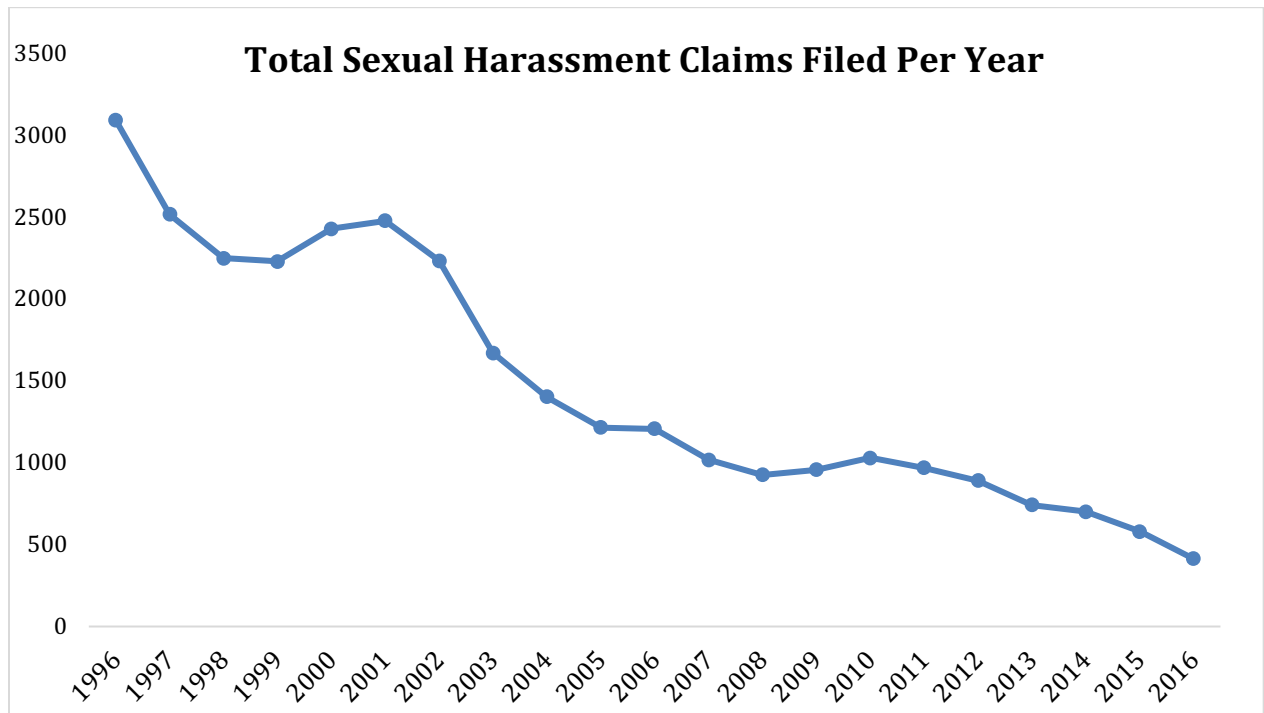
$large_{st}$ is the number of people reporting sexual harassment from a company with more than 500 in supersector s in year t

$medium_{st}$ is the omitted category

$wage_{st}$ is the average weekly wage of all employees in supersector s in year t

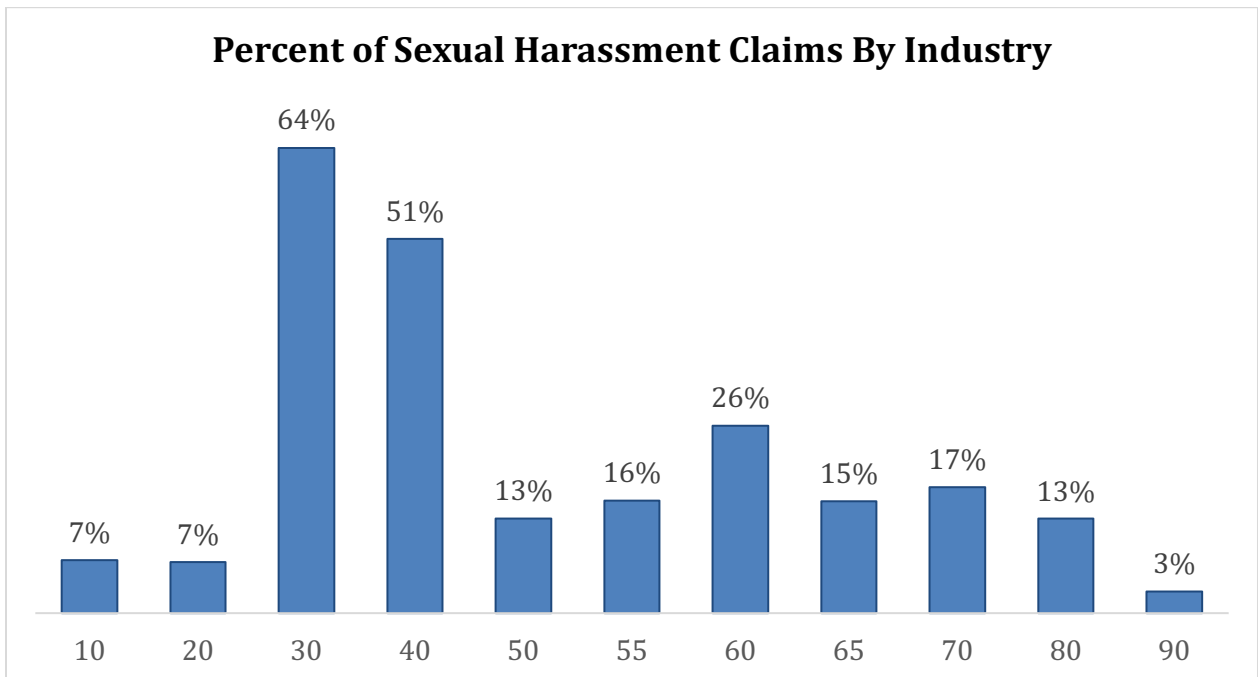
u_i is the error term

In addition to a regression analysis, I also graph relationships between the data to find trends over time between sexual harassment and age, industry, number of women employed in the industry, hours worked per week, and race/ethnicity. I report the findings of both the graphical and regression analysis in the results section of this paper.

RESULTS:**Figure 3**

In Figure 3, I graph the total number of sexual harassment claims over time and find that the rate of claims is falling; claims are down from over 3,000 in 1996 to around 500 in 2016. This is very surprising given that workplace sexual harassment has just recently become a popular point of contention with the #MeToo movement. All the women who have been saying that this issue has been persisting for years are correct — evidence of this can be seen in the high rate of claims in the late 1990s. However, sexual harassment does seem to be less and less common outside of the spike in 2000 and 2001. The overall trend could be due to improved workplace policies or more accountability and consequences for perpetrators of sexual harassment.

Figure 4



Industry Supersector	Description
10	Mining, Quarrying, and Oil and Gas Extraction
20	Construction
30	Manufacturing
40	Utilities, Wholesale Trade, Retail Trade, Transportation and Warehousing
50	Information
55	Finance and Insurance, Real Estate and Rental and Leasing
60	Professional, Scientific, and Technical Services, Management of Companies and Enterprises, Administrative and Support and Waste Management and Remediation Services
65	Education Services, Health Care and Social Assistance
70	Arts, Entertainment, and Recreation
80	Other Services (except Public Administration)
90	Public Administration

Figure 5

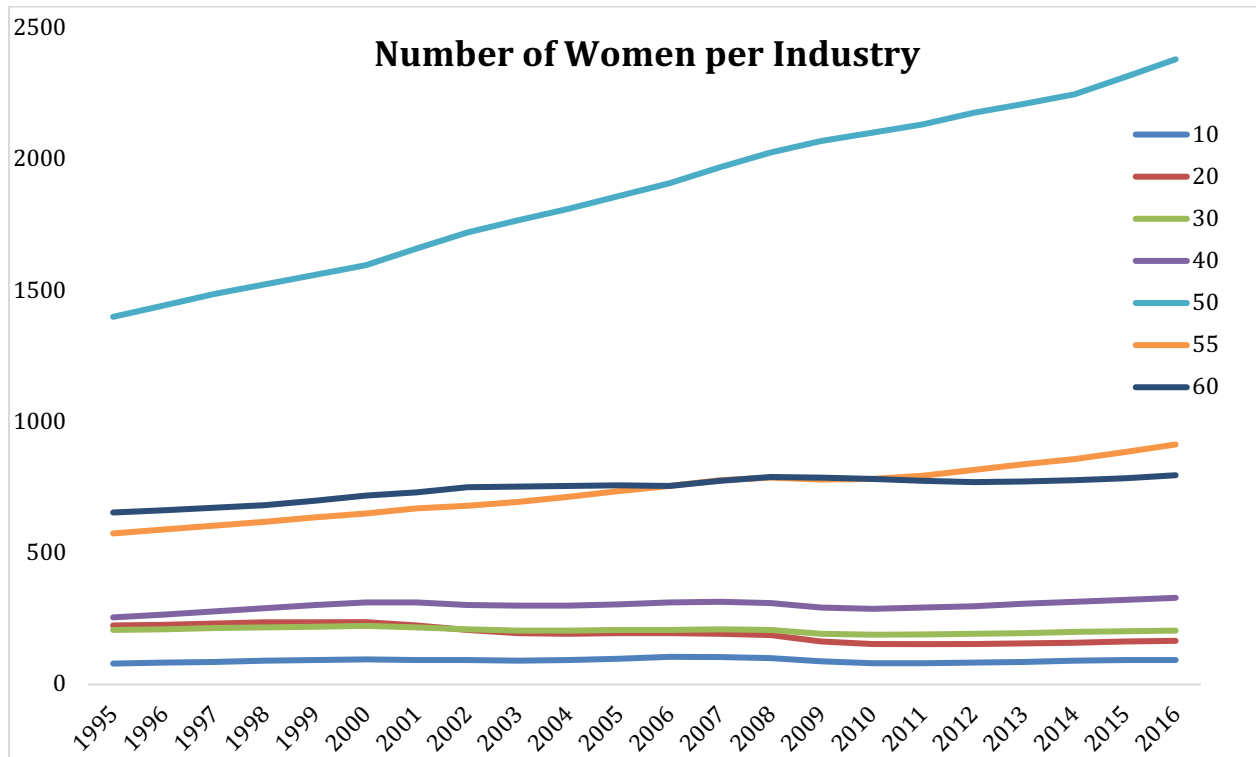


Figure 4 charts the proportion of sexual harassment claims in each industry based on the total number of employees that work in that industry, expressed as a percentage. Using percentages is a more accurate measure because some industries include more subgroups than others. For instance, supersector 40 includes Utilities, Wholesale Trade, Retail Trade, and Transportation and Warehousing, while supersector 20 only includes Construction. Based on the graph it is clear that sexual harassment is most prevalent in supersector 30, Manufacturing. This makes sense because manufacturing has one of the lowest rates of women (see Figure 5) and according to Fitzgerald et al. male-dominated workplaces have higher rates of sexual harassment (1997). On the other hand, supersector 50 which is

Information,² only has a 13 percent rate of sexual harassment and according to Figure 5 this industry has the highest number of women. The industry with the second highest rate of sexual harassment claims is 40, which includes Utilities, Wholesale Trade, Retail Trade, and Transportation and Warehousing. This is another stereotypically male set of professions and according to Figure 5, these industries are also dominated by men. However, supersectors 10 and 20 seem to go against this trend. Supersector 10 is Mining, Quarrying, and Oil and Gas Extraction and has only a 7 percent rate of sexual harassment and supersector 20, which is Construction, also has a 7 percent rate. These industries are male-dominated, as seen by the extremely low rates of women in Figure 5. While this seems to debunk the idea that male-dominated industries have higher rates of sexual harassment, it might actually further prove it. A 7 percent rate of sexual harassment is really quite high considering the low number of women in these industries. Expressed as a percentage of women in the industry, supersector 10 has over an 11 percent rate of sexual harassment and supersector 20 has over 21 percent rate of sexual harassment. This puts them on par with other industries with high rates. Therefore, Figure 4 and Figure 5 support the relationship between male-dominated industries and high rates of sexual harassment.

The #MeToo movement has highlighted instances of sexual harassment in white-collar industries. Many of the women that have stepped up to share their stories work in film, media, and entertainment. While these industries do have substantial issues, as exemplified by the 17 percent rate of sexual harassment for supersector 70, it is actually blue-collar

² According to the BLS, the main components of this sector are the publishing industries, including software publishing, and both traditional publishing and publishing exclusively on the Internet; the motion picture and sound recording industries; the broadcasting industries, including traditional broadcasting and those broadcasting exclusively over the Internet; the telecommunications industries; Web search portals, data processing industries, and the information services industries.

workers who face a higher risk for sexual harassment. The industries with the highest rates of sexual harassment, supersectors 30 and 40, are both blue-collar. Reporting sexual harassment can be intimidating and there is often fear of losing one's job and maintaining financial stability after reporting. Despite having less financial stability and more risk, blue-collar workers are reporting at higher rates. This could be due to the fact that there is significantly more harassment occurring or that the harassment that is occurring is particularly egregious or both. Regardless, this finding is important because the conversation needs to include women in different industries and from diverse socioeconomic backgrounds.

Figure 5 is also important for the argument of statistical discrimination in certain industries. Industries that are dominated by men and have high rates of sexual harassment have consistently low rates of women. Supersectors 10, 20, 30 and 40 all have exceptionally low and stable numbers of women. If women in those industries experience sexual harassment and are less productive as a result, then there may be a bias against all women entering those industries. Low rates of women and high rates of sexual harassment deter more women from entering those industries due to discriminatory hiring processes and toxic work environments. Contrastingly, supersector 50 has an increasing rate of women. Low rates of sexual harassment allow more women to enter in the industry, rise up the ranks, and thrive. There could also be reverse causality: because there are more women in the industry, the rate of sexual harassment is lower.

Figure 6

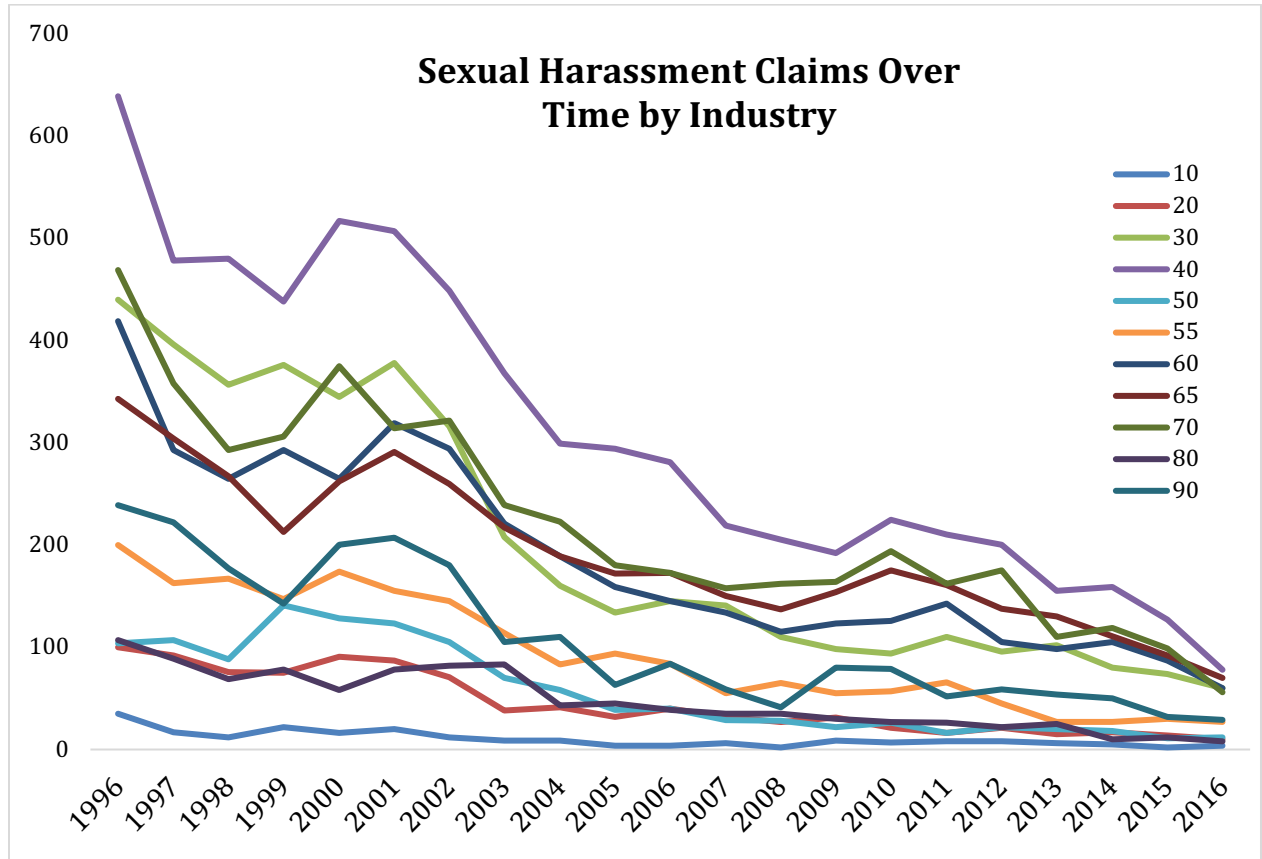


Figure 6 charts the number of sexual harassment claims for every industry supersector from 1996 to 2016. The overwhelmingly clear trend is downward for every single industry. Even industries with high rates of sexual harassment such as 30 and 40 are decreasing over time. While it does not mean that sexual harassment is going away completely, it is still very hopeful and indicates that there must be some policy or change that is driving this improvement. Across all industries there is a sharp increase in the early 2000s in sexual harassment claims. By 2003 the downward trend continues. Despite the overall decreasing trend, this spike is concerning and should be further investigated. In 1996 there is a fairly large variance between the industries with the lowest rates of sexual harassment and the highest rates. Nevertheless, by 2016, all the industries are converging at a low and condensed

number of claims. This is fascinating because the decreases are across every industry and are closing the wide gap.

Figure 7

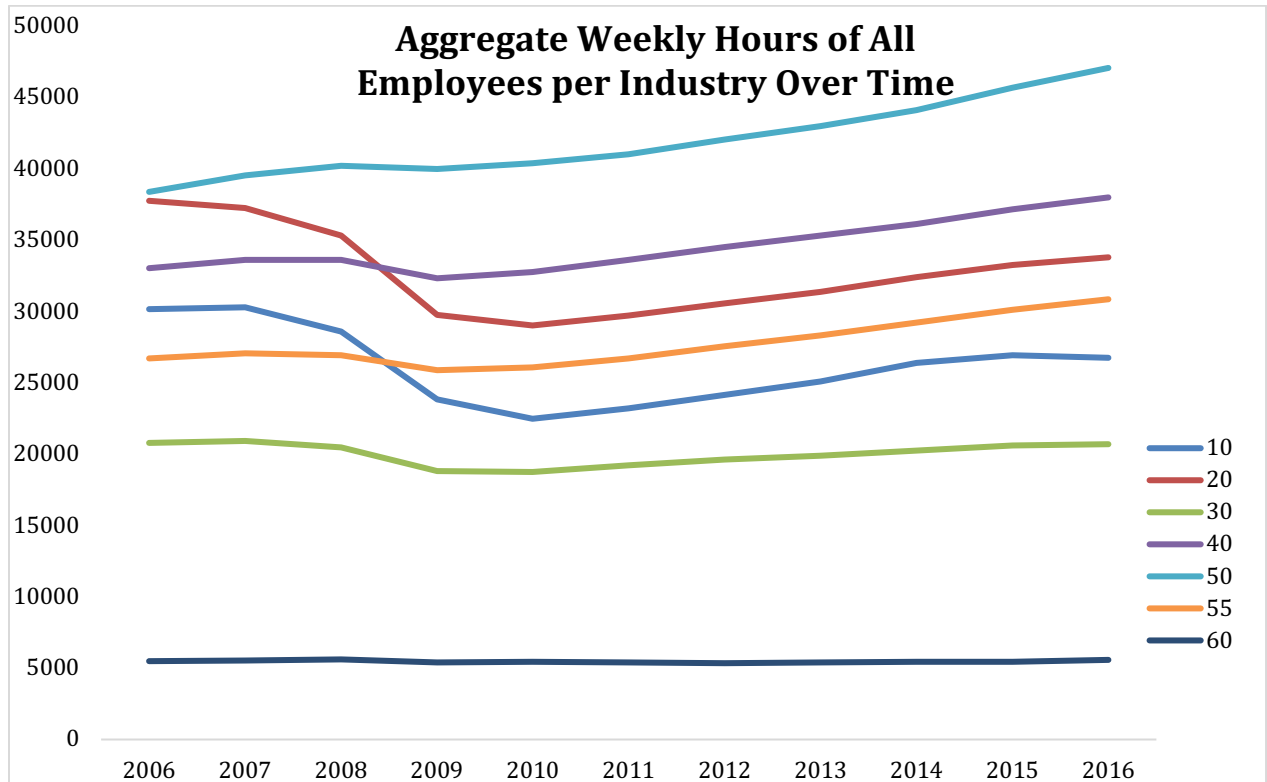


Figure 7 examines the relationship between hours worked in different industries from 2006 to 2016. The most hours worked are in supersector 50, Information,³ which also has one of the lowest rates of sexual harassment. This shows that there is not a relationship between working long hours and sexual harassment. Women who have to stay late at the office or come in on weekends are not more susceptible to sexual harassment, at least in industries with large numbers of women.

³ See footnote 2 for further explanation of the Information supersector.

Figure 8

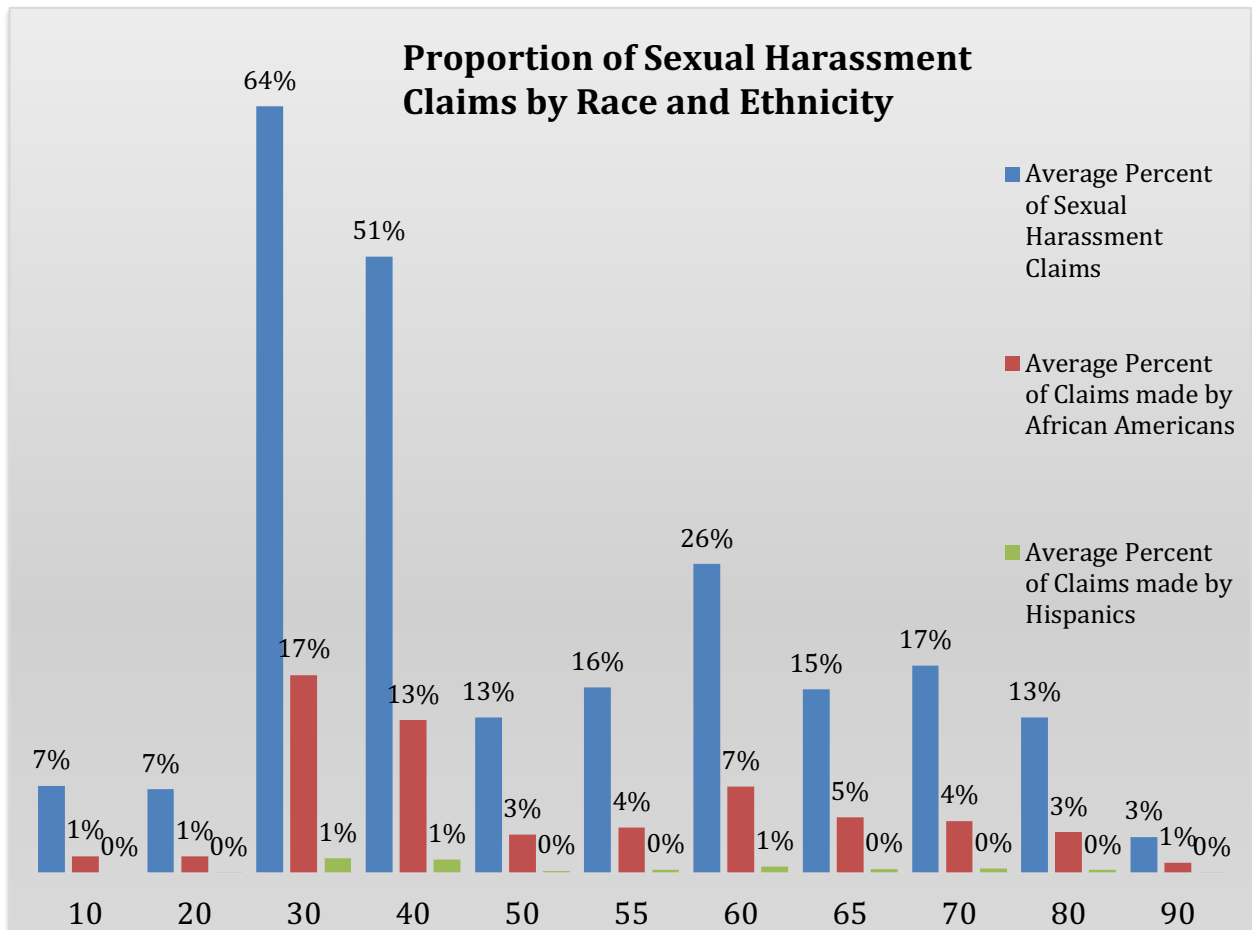
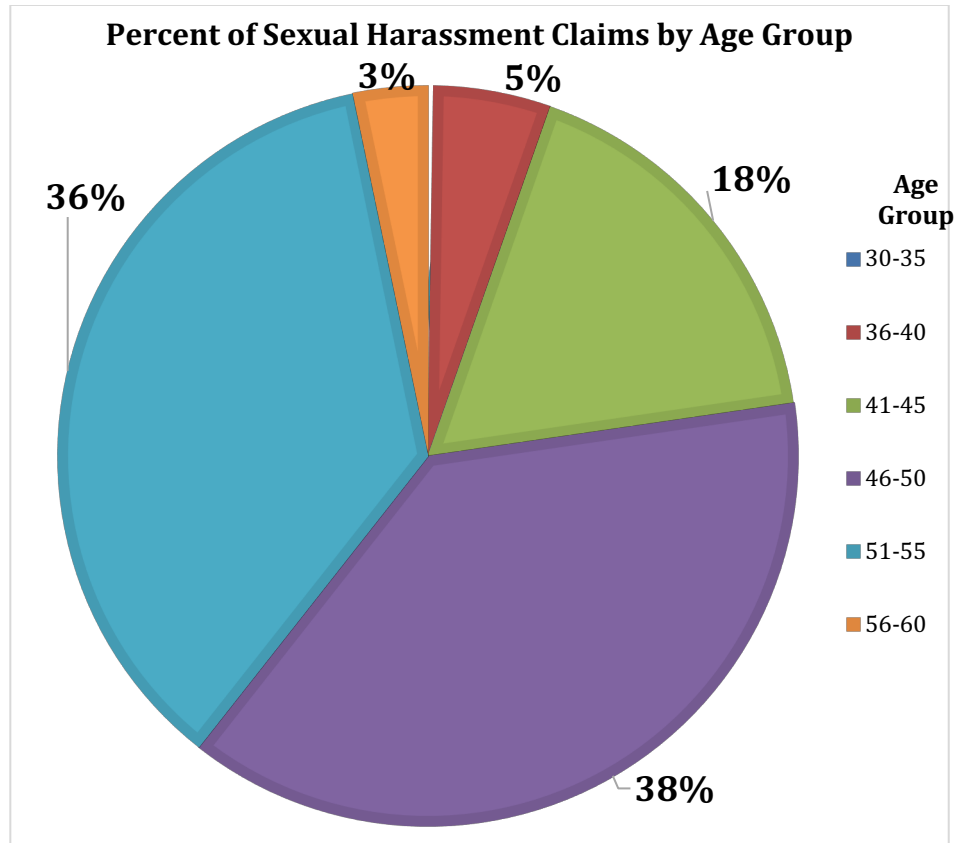


Figure 8 shows the proportion of people filing sexual harassment claims based on race and ethnicity. The graph uses the ratio of victims that are African American and Hispanic over the total number of people employed in the industry. The graph allows comparisons between the total number of sexual harassment cases in that industry and the number that were filed by people that are black and people that are Hispanic. There does not seem to be a relationship between being of a racial and ethnic minority and reporting sexual harassment. Even in the industry with the highest rate of sexual harassment claims with 64 percent, only 17 percent of those claims were made by African Americans and only 1 percent by Hispanics. The rate of African Americans filing is small, however the rate of Hispanics

reporting is almost nonexistent. In most industries, the percent of Hispanics reporting sexual harassment is either 0 percent or 1 percent. The graph indicates that most people reporting sexual harassment are white. This could be because it is less risky and detrimental for white women to report sexual harassment.

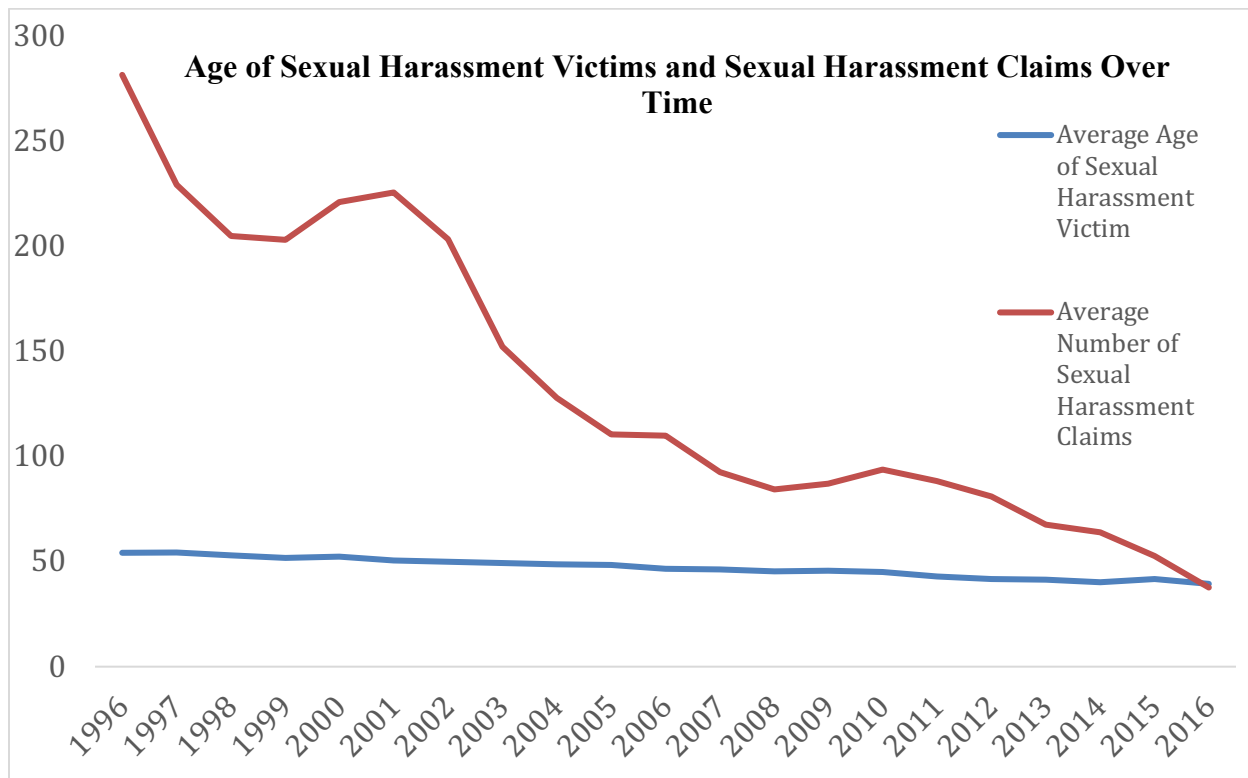
Figure 9



One of the most interesting findings of this study can be seen in Figure 9. Figure 9 shows the relationship between sexual harassment claims and the age of the person reporting. Surprisingly, the graph shows an overwhelming relationship between being older and reporting sexual harassment. 38 percent of women that reported were between 46-50 and 36 percent of women were between 51-55, while 0 percent were between 30-35. According to McLaughlin et al., the likelihood of sexual harassment is higher among single women and

single women are usually younger (2017). However, this sample does not even show any women in their twenties and the youngest person out of over 31,000 observations is 34 years old. While this doesn't mean that younger women are not experiencing sexual harassment, it does mean that they are not reporting it. Older women have more job stability, financial stability, and possibly more experience dealing with these issues, therefore they are reporting incidences of sexual harassment more consistently. The women that are making a difference and drawing attention to sexual harassment are predominantly older women.

Figure 10



This trend of older women reporting at higher rates has persisted over time. As seen in Figure 10, women around the age of 50 have always been the ones to report sexual harassment. As sexual harassment claims have fallen over time, the age of the women experiencing harassment is constant and older.

The media has featured many women that have experienced sexual harassment, but most of them are younger or experienced harassment when they were younger. The dominant narrative seems to be that older men in positions of authority prey on younger, subordinate employees. The #MeToo movement has reiterated this phenomenon again and again. However, older women are also experiencing significant amounts of sexual harassment and they are the only ones that are actually reporting it. Changes are made when people step up, not just to the media, but also in reporting incidences, something that these older women understand.

The graphical analysis reveals key trends and relationships in workplace sexual harassment. Incidents of workplace sexual harassment are decreasing over time across all industries. Male-dominated industries have higher rates of sexual harassment and industries with more women have lower rates. Sexual harassment is most common in blue-collar industries, despite media coverage featuring mostly white-collar workers. Working long hours does not increase the rate of sexual harassment, neither does being black or Hispanic. Older women are the ones reporting sexual harassment and always have been.

Next, I turn to a regression analysis to determine the impact of sexual harassment on wages. In the regular regression Models A, B, C, and D, there is a negative impact of sexual harassment on wages. This indicates that industries with higher rates of sexual harassment result in lower industry wages. This could be due to the fact that companies in these industries face expensive sexual harassment lawsuits. As seen in previous literature, a typical Fortune 500 company loses around \$6.7 million per year due to the costs of sexual harassment and this estimate is from 1988 (Sandroff). The high costs of settling lawsuits and paying litigation fees could increase the operating costs of the company. In order to mitigate

those costs, companies in this industry could lower wages. The impact of sexual harassment on wages could also be because companies with a high prevalence of sexual harassment have toxic work environments which results in a higher turnover of staff. Therefore, the companies have increased operating costs for recruiting and replacing employees as well as lower profits due to the decrease in productivity of current employees that quit and new employees that have to go through a training period. Both the increased operating costs and lower output and profit of companies in industries with high rates of sexual harassment could result in lower wages. Finally, the decrease in industry wide wages could be capturing the decrease in women's wages due to statistical discrimination against women in these industries. Employers in these industries could be refusing to pay women comparable wages because of the decrease in productivity that they experience after facing sexual harassment in their workplace. Additionally, women could be forced to take unpaid leave after experiencing sexual harassment, resulting in lower wages. This decrease in women's pay could be bringing down the average wage of the entire industry. The effect of lower industry wages as a result of sexual harassment amounts to around \$3.44 per week and \$178 per year. However, this is only significant at the five percent level in Model C that includes the size of the company, but not the public status of the company.

While this does indicate that sexual harassment lowers wages, there seems to be other significant variables that have more explanatory power over wages. The most significant variable is age. The increase in age of women reporting sexual harassment is correlated with a decrease in wages. This is significant at the one percent level in every single model.

The r-squared value hovers around 95 percent in Models A, B, C and D. This indicates that these variables are explaining about 95 percent of wages, which is quite high.

Model E examines the impact of sexual harassment incidence on the number of women working in a particular industry. According to the results, experiencing sexual harassment contributes to fewer women working in that industry. This could be because women leave industries where they experience a lot of harassment, or women are not able to get jobs in industries with high levels of harassment due to discrimination against women by hiring managers in those industries. It could also be reverse causality where industries with more women have fewer incidences of sexual harassment. However, all the results in Model E had very high p-values and are not significant.

In Table 3, I run the same regressions, but using a fixed effect on industry (variable supersector) and year. In the fixed effects regression model, there is still a strong negative relationship between sexual harassment and wages that is significant at the one percent level in Model C and the five percent level in Model D. When the size and public status of the company are accounted for, sexual harassment results in lower wages. The standard errors for these variables are also a lot smaller in this regression. This further affirms that sexual harassment does lower wages, even if there are other variables that are also significant in the regression. In this model, age and the size of the company are significant in influencing wages. As the age of women reporting sexual harassment increases, wages decrease in the industry. These variables are significant at the one percent level in all models. Even with the fixed effects model, none of the variables in Model E are significant.

Despite not taking into account education and work experience, there is evidence that workplace sexual harassment negatively impacts wages. This decrease in wages could confirm the statistical discrimination hypothesis.

In addition to the other substantial health and career costs of workplace sexual harassment, women are also left with lower wages to deal with these costs. Not only is sexual harassment unjust, but it significantly impacts women's economic stability.

Table 2: Liner Regression Model - Effect on Wages in Regular Regression

	Model A	Model B	Model C	Model D	Model E
Sexual Harassment	-0.756 (1.160)	-0.319 (1.178)	-3.436** (1.664)	-2.481 (1.580)	-0.581 (1.723)
Female	-1.350 (1.255)	-1.982 (1.240)	-0.658 (1.039)	-1.170 (1.032)	0.297 (1.217)
Black	1.983** (0.994)	2.528** (1.123)	1.059 (0.842)	1.579 (1.021)	0.409 (1.090)
Age	-8.304*** (2.601)	-8.772*** (2.650)	-7.679*** (2.665)	-8.176*** (2.750)	-3.142 (2.780)
Women	0.036 (0.061)	0.042 (0.057)	0.052 (0.061)	0.058 (.058)	
Public		-7.807 (5.652)		-7.021 (6.009)	3.421 (5.151)
Small			1.702 (1.664)	1.007 (1.508)	0.489 (1.757)
Large			3.496** (1.470)	2.843** (1.365)	-0.343 (1.606)
Wage					0.085 (0.105)
N	77	77	77	77	77
R-sq	0.9500	0.9512	0.9538	0.9547	0.9937

Notes: Industry and year fixed effects are used in this model. Robust standard errors are in parenthesis.

Model A is the main regression model that examines the impact of sexual harassment on wages, accounting for gender, race, age, and number of women in the industry.

Model B adds to the main regression model the public status of the company at which the person reported sexual harassment.

Model C adds to the main regression the size of the company at which the person reported sexual harassment.

Model D includes the main regression and the public status and size of the company.

Model E examines the impact of sexual harassment on the number of women in an industry, accounting for gender, race, age, public status of the company, size of the company, and average wages of all employees.

* p<.10 ** p<.05 *** p<.01

Table 3: Liner Regression Model - Effect on Wages in Fixed Effects Regression

	Model A	Model B	Model C	Model D	Model E
Sexual Harassment	-0.756 (1.126)	-0.319 (1.172)	-3.436*** (0.752)	-2.481** (1.052)	-0.581 (1.450)
Female	-1.350* (0.786)	-1.982* (1.048)	-0.659** (0.319)	-1.170** (0.499)	0.297 (0.701)
Black	1.983** (1.015)	2.528** (1.266)	1.059* (0.652)	1.579 (1.128)	0.409 (0.628)
Age	-8.304*** (1.669)	-8.772*** (1.780)	-7.679*** (1.650)	-8.176*** (1.795)	-3.142 (2.744)
Women	0.036 (0.072)	0.042 (0.067)	0.052** (0.072)	0.058 (0.068)	
Public		-7.807 (6.423)		-7.021 (8.655)	3.421 (6.747)
Small			1.702 (0.691)	1.007 (1.050)	0.488 (1.450)
Large			3.496*** (0.723)	2.843*** (0.972)	-0.343 (1.211)
Wage					.085 (0.192)
N	77	77	77	77	77
R-sq (overall)	0.9500	0.9512	0.9538	0.9547	0.9937

Notes: Industry and year fixed effects are used in this model. Robust standard errors are in parenthesis.

Model A is the main regression model that examines the impact of sexual harassment on wages, accounting for gender, race, age, and number of women in the industry.

Model B adds to the main regression model the public status of the company at which the person reported sexual harassment.

Model C adds to the main regression the size of the company at which the person reported sexual harassment.

Model D includes the main regression and the public status and size of the company.

Model E examines the impact of sexual harassment on the number of women in an industry, accounting for gender, race, age, public status of the company, size of the company, and average wages of all employees.

* p<.10 ** p<.05 *** p<.01

CONCLUSION:

There is statistically significant evidence that workplace sexual harassment has a negative impact on worker's wages in industries that experience high rates of sexual harassment. This is along with the other costs of workplace sexual harassment such as an increase in depressive symptoms, lower productivity, job dissatisfaction, job turnover, and lower career attainment.

The analyses also revealed more hopeful news: sexual harassment claims have decreased among every industry in the last twenty years. Sexual harassment claims in 1996 were six times as high as they were in 2016. Less hopeful, industries with the highest rates of sexual harassment also have the lowest number of women — suggesting that women are discouraged from entering these male-dominated industries either by hiring managers or by their own preferences. Increasing the number of women in an industry would lower the rate of sexual harassment and give women more career options.

The industries with the lowest number of women and the highest rates of sexual harassment are predominantly blue-collar. Despite the media focusing on white-collar industries, women in blue-collar industries face the most sexual harassment. Blue-collar workers have more to lose when they step forward to report, and yet, they are still reporting at higher rates than any white-collar workers.

There is also a strong relationship between sexual harassment and age. Older women overwhelmingly report sexual harassment, while younger women in their twenties and thirties rarely report. As for race and ethnicity, there is no relationship between being of a racial or ethnic minority and reporting sexual harassment. More likely however, women of racial and ethnic minorities do not often report because the risk outweighs the benefits.

These findings suggest some policy changes such as increasing the number of women working in industries with high rates of sexual harassment, implementing better workplace policies to prevent retaliation after women report, and broadening the #MeToo movement to include blue-collar workers so that these women can tell their stories and perpetrators can publicly be held accountable.

Due to the issues with industry codes and not having individual level data, I lost a lot of observations and had to use aggregate level data. Future research should use Current Population Survey (CPS) data rather than BLS data. CPS data uses the same industry codes as the EEOC and would allow for analysis on a less aggregated level, showing more variation in the results. The CPS also has access to industry level statistics about education and work experience that would allow the model to better predict wages. With a data set that is not aggregated at the supersector level and includes information about education and work experience, this model could even more accurately predict the impact of sexual harassment on wages.

Additionally, future research is needed to understand why sexual harassment has been decreasing so drastically over this time period. Figure 6 shows that every industry has seen a huge decrease in sexual harassment claims and even a convergence at a very low rate. If we could understand what changed in this time period that caused this decrease, then we could create better policy and promote further decreases. The spike in claims in the early 2000s is also very curious. Further research is needed to understand this and figure out why harassment suddenly increased, before returning to the downward trend.

Finally, more research on the impacts of sexual harassment is necessary. Including this study, there is only one other economic paper that focuses on the impact of workplace

sexual harassment on wages. The data set that I have created is crucial for better understanding how pervasive and detrimental workplace sexual harassment is. Using this data, we can implement and inform policy to further reduce claims of sexual harassment. Workplace sexual harassment is physically, emotionally, and economically harmful to victims. The #MeToo and Time's Up movements were a call to action. This paper is a response, but more resources need to be utilized to abolish this injustice.

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