

The State of the

WORKPLACE

For Lesbian, Gay, Bisexual and Transgender Americans

2003



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As America's largest gay, lesbian, bisexual and transgender organization, the Human Rights Campaign provides a national voice on sexual orientation and gender identity and expression issues. HRC effectively lobbies Congress; mobilizes grassroots action in diverse communities; invests strategically to elect a fair-minded Congress; and increases public understanding through innovative education and communication strategies. HRC is a nonpartisan organization that works to advance equality based on sexual orientation and gender expression and identity, to ensure that gay, lesbian, bisexual and transgender Americans can be open, honest and safe at home, at work and in the community.

HRC WORKNET

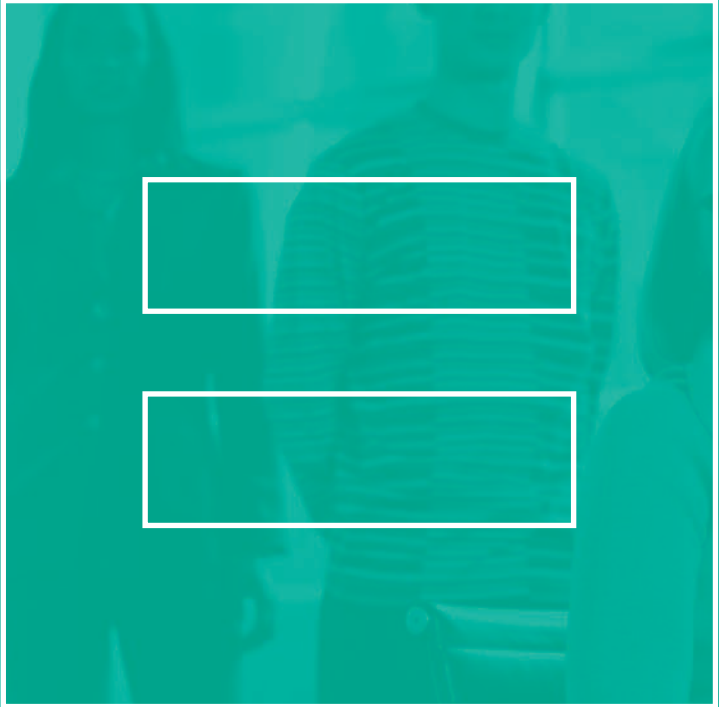
The Human Rights Campaign Foundation's workplace project, HRC WorkNet, is a national source of information on laws and policies surrounding sexual orientation and gender identity and expression in the workplace. HRC WorkNet advises employees and employers on the value of workplace diversity. It collects, analyzes and disseminates information to assist employees and employers in implementing policies and procedures aimed at treating gay, lesbian, bisexual and transgender workers equally. For more information, visit the HRC WorkNet website at www.hrc.org/worknet, or contact HRC WorkNet at 202/628-4160 or via e-mail at hrcworknet@hrc.org.

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EXECUTIVE SUMMARY

HOW MARRIAGE FOR SAME SEX COUPLES WILL AFFECT EMPLOYERS

Employers in all 50 states should expect to feel the reverberations of the Massachusetts decision legalizing marriage for same-sex couples starting in May 2004. Once marriage licenses are available to same-sex couples in the Bay State, employers nationwide may be faced with questions from employees and the public about eligibility for full spousal benefits. Residents of other states who marry in Massachusetts are likely to request that they be treated the same as all other married employees.

Employers that have already implemented domestic partner benefits programs are prepared for many of the contingencies the Massachusetts ruling raises. Forward-looking employers will also realize that the recognition of committed same-sex relationships on par with opposite-sex married relationships across the United States — and around the world — is better for business.

At this writing, Congress is considering amending the U.S. Constitution to prohibit marriage between same-sex couples. The proposed language could decrease the availability of domestic partner health insurance benefits through state-regulated plans. The proposed amendment could also reduce employers' flexibility around establishing benefits policies they need to accommodate a diverse work force. States might have to revisit whether they could continue to approve domestic partner insurance policies. In addition, health care benefits for public employees' partners might be considered unconstitutional, leading to more uninsured, and higher health insurance costs for everyone.

The amendment could compel the federal government to continue to unfairly tax companies and employees on health insurance purchased for domestic partners and may negatively affect tax-preferred status for such plans in Vermont and California.

Further, the amendment under consideration could render irrelevant employment clauses that require employees to enter arbitration for certain grievances surrounding benefits for same-sex couples. Because constitutional issues are off-limits in the arbitration process, employees with a grievance about same-sex benefits on either side of the issue could take an employer directly to court. Creative and aggressive lawsuits from religious political groups could label any benefit for same-sex couples as unconstitutional.

EMPLOYER-PROVIDED DOMESTIC PARTNER BENEFITS

As of Dec. 31, 2003, the Human Rights Campaign Foundation had tracked a total of 7,149 private employers and colleges and universities that provided health insurance coverage to employees' domestic partners — **an increase of 1,067 employers, or 18 percent**, in 2003. That's an average of about three employers every day extending health insurance to same-sex domestic partners, and is the same percentage increase as in 2002.

Also at the end of 2003, a total of 200 companies in the Fortune 500 — or 40 percent — provided domestic partner benefits. **A total of 25 Fortune 500 companies added the benefits in 2003, a 14 percent increase**, compared to 11 percent in 2002. (Twelve additional Fortune companies announced in 2003 that they would begin offering the benefits in 2004). In 1998, just 13 percent of Fortune 500 companies offered domestic partner benefits.

Among the Fortune 500, the data suggest — as in prior editions of this report — that the most successful employers provide domestic partner health coverage. While 40 percent of the Fortune 500 companies provide such benefits, 68 percent of the Fortune 50 do.

DOMESTIC PARTNERSHIP LAWS AND BENEFITS IN PUBLIC EMPLOYMENT

At the end of 2003, two states — Hawaii and Vermont — and the District of Columbia recognized and provided varying rights and benefits to same-sex couples. During the course of 2003, California and New Jersey, passed comprehensive domestic partnership laws, and the highest court in Massachusetts ruled in favor of marriage for same-sex couples in that state. In addition, at the end of 2003, 64 cities and counties provided domestic partner registries that offer limited rights to registered couples, such as hospital visitation. **Seven jurisdictions implemented registries in 2003 — a 12 percent increase over 2002.** The increase in 2002 was only 6 percent.

Ten states and the District of Columbia offer health insurance benefits to the partners of their states' public employees. Three states — Iowa, New Mexico and New Jersey — enacted such programs in 2003. At the end of 2003, a total of 175 cities, counties and quasi-governmental agencies also provided health insurance coverage to domestic partners. Twelve local jurisdictions added such coverage in 2003 — **a 7 percent increase.** **The total of all public and private employers that offer domestic partner health insurance is 7,335.**

EMPLOYER POLICIES COVERING SEXUAL ORIENTATION

The Human Rights Campaign Foundation tracked a total of 2,253 private employers and colleges and universities that included sexual orientation in their organization's primary equal employment opportunity or non-discrimination policy as of Dec. 31, 2003. **That represents an increase of 365 employers, or 19 percent, in 2003.** The increase in 2002 was 6 percent.

A total of 360 companies in the Fortune 500 — or 72 percent — included sexual orientation in their written non-discrimination policies at the end of 2003. Twenty-seven companies added the policies in 2003, an increase of 5 percent. The closer a company is to the top of the Fortune list, the more likely it is to have an inclusive policy. Ninety-eight percent — or 49 — of the Fortune 50 companies include sexual orientation in their non-discrimination policy. Exxon Mobil Corp. is the only company in the Fortune 50 that does not.

LAWS COVERING SEXUAL ORIENTATION

No federal law prohibits employment discrimination based on sexual orientation. As of Dec. 31, 2003, 14 states and the District of Columbia had civil laws that protect all gay, lesbian and bisexual workers within their borders from discrimination. An additional 11 states prohibit sexual orientation discrimination in their public work forces. Half of the states, therefore, provide some level of protection from anti-gay job discrimination.

In 2003, two state laws took effect banning discrimination in the private sector — New York, which passed its law in 2002, and New Mexico, which expanded its public sector protections to include the private sector. **Three states added protections for public sector employees only in 2003:** Arizona, Kentucky and Michigan.

At the end of 2003, 285 cities, counties and government organizations provided some level of protection against employment discrimination based on sexual orientation. Of those, 152 extend protections to employment in the private sector as well. **A total of six local jurisdictions added such protections in 2003.** **The total of all public and private employers that have written policies prohibiting workplace discrimination based on sexual orientation is 2,563.**

EMPLOYER POLICIES COVERING GENDER IDENTITY AND/OR EXPRESSION

The Human Rights Campaign Foundation tracked a total of 79 private employers and colleges and universities that include the terms “gender identity” and/or “gender expression” in their written non-discrimination or EEO policies, as of Dec. 31, 2003.

While only three Fortune 500 companies had such provisions in their non-discrimination policies in 2000, a total of 26 Fortune 500 companies had them as of Dec. 31, 2003. In 2003, 11 Fortune 500 companies modified their non-discrimination policies to include gender identity and/or expression, bringing the total to 26, up from 15 in 2002. **This was a 73 percent increase.**

LAWS COVERING GENDER IDENTITY AND/OR EXPRESSION

No federal law bans employment discrimination against transgender employees. Four states and the District of Columbia have enacted protections that extend to private employment, most by adding the terms “gender identity or expression” to their existing civil rights laws. Two states — New Mexico and California — passed laws in 2003. (California’s law took effect Jan. 1, 2004.)

Two other states enacted provisions in 2003 that ban discrimination against transgender state employees — Kentucky and Pennsylvania. And seven states have had existing laws interpreted in court and commission rulings to provide some level of protection for transgender workers.

At the end of 2003, a total of 61 cities and counties prohibited workplace discrimination on the basis of gender identity or expression. Eight jurisdictions implemented such protections in 2003 — **a 15 percent increase over the prior year. The total of all public and private employers that have written policies prohibiting workplace discrimination based on gender identity and/or expression is 153.**

INTRODUCTION

2003 was a watershed year for lesbian, gay, bisexual and transgender Americans. Courts in two provinces of Canada and Massachusetts ruled that prohibiting same-sex couples from marrying was discriminatory and illegal. These decisions will have profound implications for employers. Yet a significant proportion of corporate America is already well-positioned to deal with changes in the law that will result from the advent of legal marriage for same-sex couples.

As the data in this report show, the both public and private employers are continuing to implement policies that recognize same-sex relationships. The incidence of non-discrimination policies and domestic partner benefits continues to rise, even as some small businesses struggle to cope with skyrocketing health care costs that threaten their ability to offer benefits to any employee — married, partnered or single.

Perhaps the most significant event in 2003 for LGBT Americans was the Massachusetts Supreme Judicial Court ruling in November that the state constitution prohibited limiting marriage licenses to opposite-sex couples. At this writing, the future of that court's ruling and its impact beyond Massachusetts' borders were somewhat uncertain, but the state was preparing to issue marriage licenses to same-sex couples beginning in May 2004.

This report is intended to give an overview of the developing law surrounding same-sex relationships and how it will affect workplace benefits and policies. The report also provides a snapshot of the progress made in 2003 in banning anti-gay workplace discrimination and equalizing benefits policies at the state and local level and in the private sector.

METHODOLOGY

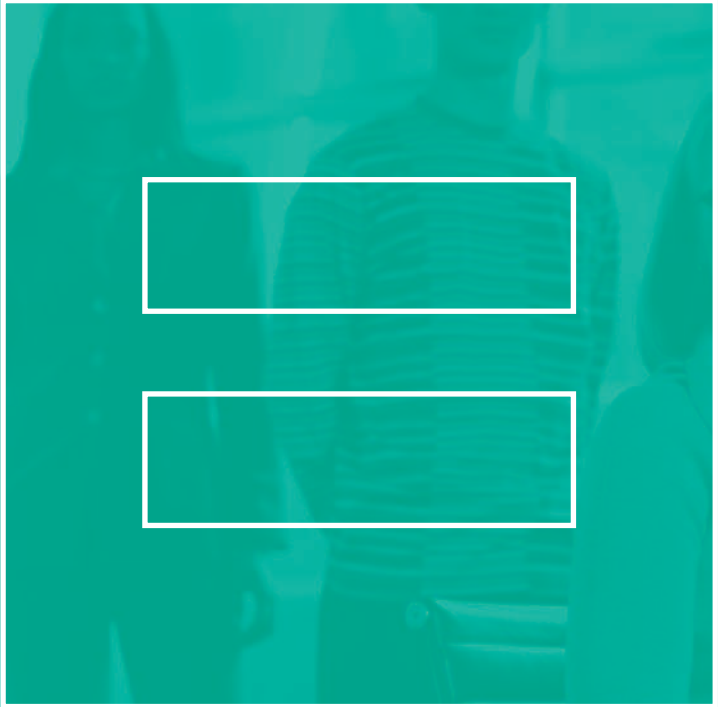
The data in this report come from a variety of sources including: direct reporting to HRC WorkNet (www.hrc.org), the Human Rights Campaign Foundation's workplace project; HRC WorkNet's annual Corporate Equality Index survey of LGBT policies at the Fortune 500 and Forbes 200; news accounts; state and local governments; employee resource groups; individuals; and other gay, lesbian, bisexual and transgender advocacy organizations.

Data were provided in January 2004 by the cities of San Francisco; Seattle; Oakland, Calif.; and Los Angeles for contractors that comply with those cities' equal benefits laws, which require employers to provide the same benefits to their employees' domestic partners as they offer to employees' legal spouses. The cities provided the employer name, city, state and the date on which each employer became compliant with the law. Unlike HRC, these cities do not track employer non-discrimination policies. Thus, some of the analyses in this report rely solely on HRC-collected data. Other jurisdictions with equal benefits ordinances were unable to provide their data mainly because enforcement is handled differently and central data systems do not exist.

For this report, HRC WorkNet has adopted a different method than in prior editions of this report to calculate the annual implementation rates of domestic partner benefits where HRC does not have data. (Such data are not publicly reported anywhere and some employers refuse to release it as proprietary.) HRC WorkNet's reported rates of implementation of domestic partner benefits for years before 1990 and from 2001-2004 represent actual values. The implementation rates reported for the years 1990-2000 are estimates based on the actual annual implementation rates in each year in that period plus unknown values that were attributed to each year on a statistical basis. While these results are reasonably accurate, readers should note that actual values in 1990-2000 may vary. Total results from previous years also vary due to this methodology change, corrections and additions since publication of the last annual report, and changes to the HRC WorkNet database employer universe.

The data contained in the charts and tables of this report cover the period Jan. 1 – Dec. 31, 2003, unless otherwise noted. Of course, policies and laws have continued to change. Readers should consult www.hrc.org/worknet for the latest data and analyses.

Finally, HRC WorkNet encourages readers of "The State of the Workplace" and visitors to HRC's website to contact the Human Rights Campaign Foundation with any additions, corrections or questions regarding this report.



SECTION ONE

**HOW MARRIAGE FOR SAME-SEX COUPLES
WILL AFFECT EMPLOYERS**

On Nov. 18, 2003, the Massachusetts Supreme Judicial Court ruled that under that state's constitution, same-sex couples are entitled to full legal marriage. On Feb. 4, 2004, in an advisory opinion requested by the state Senate, the court affirmed its ruling, concluding that "civil unions" would not satisfy the court's 2003 ruling. "[The] history of our nation has demonstrated that separate is seldom, if ever, equal," the court said. Its rulings in *Goodridge et al. v. The Department of Public Health* have all but guaranteed that same-sex couples will be able to apply for marriage licenses in Massachusetts beginning May 17, 2004.

Following that decision, several other jurisdictions began issuing marriage licenses to same-sex couples. Most notably, on Feb. 12, 2004, the county clerk in San Francisco began issuing marriage licenses to same-sex couples under a directive from Mayor Gavin Newsom. At this writing, San Francisco had issued more than 3,900 licenses before the California Supreme Court ordered a temporary halt to the practice. Following San Francisco's lead, jurisdictions in New Mexico and New York also issued marriage licenses to same-sex couples before being stopped. Multnomah County, Oregon, was also issuing licenses as this report went to press. The legality of these marriage licenses has not been established. However, Massachusetts licenses will carry the full weight of state law.

In March 2004, the Massachusetts Legislature passed a constitutional amendment to block marriages between same-sex couples but allow for civil unions. The Legislature must pass this measure once more before it can be placed on statewide ballots for voter ratification. Even if this effort succeeds, the earliest such a ban could go into effect would be 2006 — meaning that same-sex couples will be able to marry in that state for some two years.

Employers in all 50 states should expect to feel the reverberations of the Massachusetts decision. Once marriage licenses are available to same-sex couples in the Bay State, employers nationwide will be faced with questions from employees and the public about eligibility for full spousal benefits. Residents of other states who marry in Massachusetts are likely to request that they be treated the same as all other married employees.

Employers that have already implemented domestic partner benefits programs are prepared for many of the contingencies the Massachusetts ruling raises. Forward-looking employers will also realize that the recognition of committed same-sex relationships on par with opposite-sex married relationships across the United States — and around the world — is better for business.

IMPACT ON BENEFITS

Employers manage a wide range of benefits on behalf of their employees and their employees' spouses. Gay and lesbian employees — and often bisexual and transgender employees as well — face unequal treatment because they can't marry the partner of their choosing. When marriage licenses for same-sex couples are issued in Massachusetts, ideally employers nationwide will honor the relationship and adjust employee benefits and policies to the extent permitted by state and federal law.

In preparation for the same-sex marriage in Massachusetts, and the strong likelihood that other jurisdictions will follow, employers should maintain — or consider extending for the first time — eligibility for benefits for same-sex partners of employees. “Employers that recognize same-sex committed relationships will stay ahead of the legislative and litigation curves, and will be better-equipped to handle situations in which an employee with a same-sex spouse moves to a jurisdiction that does not recognize marriage between same-sex couples,” says Lara Schwartz, HRC senior counsel.

Employers with operations in the state of Massachusetts will be required to extend benefits to employees' same-sex spouses equivalent to

the benefits they offer other employees' opposite-sex spouses in that state. Under many insurance policies, same-sex spouses will meet the definition of “spouse” and will have to be covered on the same basis as opposite-sex spouses.¹ Under Massachusetts law, same-sex spouses will also be eligible for a 39-week continuation of health insurance coverage in the event the employee is laid off or dies; they will also be entitled to wages owed to a deceased employee.²

The federal government and all but three states do not recognize same-sex couples as “spouses” for tax purposes. Employees must continue to pay federal taxes on the value of benefits provided to a same-sex partner or spouse, unless the partner meets the IRS definition of dependent. The same is true for employers, which are required to pay federal payroll taxes on the value of the benefits provided to same-sex partners or spouses. Bills have been introduced in both houses of Congress — H.R. 935 and S. 1702 — to end the taxation of domestic partner benefits by the Internal Revenue Service. Some employers have publicly supported the legislation because they view it as being in concert with their non-discrimination policies, as well something that would ultimately save them money. (For more information on how to support the legislation, visit www.hrc.org/worknet.)

Massachusetts, however, will treat same-sex spouses equally under state tax laws, allowing employers to offer health and other benefits on a pre-tax basis. The same will be true in California beginning in 2005, and is already true in Vermont, where a law establishing civil unions allows employers to offer health and other benefits on a pre-state tax basis.

Other benefits that typically exclude same-sex couples include the ability to roll over 401(k) retirement savings in the event of a death of a spouse; family and medical leave; health insurance; disability benefits; and bereavement leave. Some of these — such as retirement rollover and family leave — are governed by federal law and will not be affected by legal marriage for same-sex couples in Massachusetts or elsewhere.



But, there are certain benefits employers can offer without any change in law, and without great expense. For instance, even though the federal Family and Medical Leave Act does not cover domestic partners, employers are free to grant the same unpaid leave to employees to care for their domestic partners as they do for legal spouses. Employers can also extend bereavement leave, relocation assistance, continued health insurance coverage and a host of other benefits at their discretion.

Employers with operations outside of Massachusetts or in multiple states may also face questions about eligibility for benefits from employees who marry in Massachusetts or in another jurisdiction that grants marriage licenses to same-sex couples. These questions are not easily answered as matters of law, particularly if an employee with a same-sex spouse moves to a jurisdiction that does not recognize marriage between same-sex couples.

The federal Defense of Marriage Act (DOMA), which was enacted in 1996, defines marriage as the union of a man and woman for all federal purposes. It also purports to permit states not to recognize same-sex marriages performed in other states. The law has never been challenged in court because there were no states that sanctioned marriage between same-sex couples. The Massachusetts decision makes it likely that DOMA will face legal challenge.

The Human Rights Campaign believes that DOMA unconstitutionally singles out same-sex couples for unequal treatment under federal law. However, it is likely to take years to resolve all of the legal questions surrounding DOMA. In the near term, same-sex couples who marry in Massachusetts will face discrimination by other states and by the federal government.

In addition, the Massachusetts ruling has inspired other state legislatures to pass or strengthen existing state-level defense of marriage acts. For example, on Feb. 6, 2004, Republican Gov. Bob Taft of Ohio signed a bill that not only prohibits any recognition of marriages between same-sex couples but precludes the “recognition or extension of the specific statutory benefits of a legal marriage” to any unmarried couple.

... on Feb. 24, 2004,
President George W.
Bush said he supports an
amendment to the U.S.
Constitution that would
limit marriage to one
man and one woman.

The law prevents state employees from ever receiving health insurance benefits for their unmarried partners. When individuals are uninsured, both the public and private sectors incur costs.³ The law does not prevent private employers from offering domestic partner benefits.

At this writing, 39 states have DOMA-like laws and three have state constitutional amendments that define marriage as between a man and a woman — Alaska, Hawaii and Nebraska. And, on Feb. 24, 2004, President George W. Bush said he supports an amendment to the U.S. Constitution that would limit marriage to one man and one woman.

Anti-marriage amendments at the federal or state level could reduce employers’ flexibility around establishing benefits policies that accommodate a diverse work force. A federal anti-marriage amendment proposed by Rep. Marilyn Musgrave, R-Colo., could end the availability of domestic partner health insurance benefits through state-regulated plans. Under its language, states might have to revisit

whether they could continue to approve domestic partner insurance policies. In addition, health care benefits for public employees' partners could be found unconstitutional, leading to more uninsured citizens and higher health insurance costs for everyone.

The Musgrave amendment could compel the federal government to continue to unfairly tax companies and employees on health insurance purchased for domestic partners and could negatively affect tax-preferred status for such plans in Vermont and California.

Further, the amendment under consideration could render irrelevant employment clauses that require employees to enter arbitration for certain grievances surrounding benefits for same-sex couples. Because constitutional issues are off-limits in the arbitration process, employees with a grievance about same-sex benefits on either side of the issue could take an employer directly to court. Creative and aggressive lawsuits from religious political groups could label any benefit for same-sex couples as unconstitutional.

State-level DOMAs are equally bad for employers. For instance, Ohio State University President Karen Holbrook urged the governor to veto the Ohio bill, saying it would have an "adverse impact on the efforts of Ohio State, one of Ohio's largest employers, to attract and retain employees." Several other companies expressed opposition to the measure, including Fortune 500 ranked NCR Corp., which is based in Dayton. The company expressed concern that it would be more difficult to attract and retain a talented work force.⁴

OTHER LAWS RECOGNIZING SAME-SEX RELATIONSHIPS IN THE UNITED STATES

Numerous other jurisdictions have already conferred rights to same-sex couples by modifying domestic partnership and insurance laws. Since July 1, 2000, Vermont has performed civil unions for same-sex partners. While by no means equal to marriage, civil unions confer more than 300 state-level rights and responsibilities to same-sex couples living in Vermont that opposite-sex spouses take for granted.⁵

In January 2004, New Jersey Democratic Gov. James E. McGreevey signed the Domestic Partners Act, which amended state law to require that a same-sex domestic partner be treated as a dependent (or where relevant, as a "spouse," "surviving spouse," "widow" or "widower") for the purposes of administering certain retirement and health benefits.⁶ While this law does not specifically require private employers to offer health insurance coverage for domestic partners, it does require insurance companies and HMOs to offer policies that cover domestic partners. Unlike California, Vermont and Massachusetts, it does not allow employers or employees to pay for health insurance coverage on a pre-tax basis. The law also amends New Jersey's civil rights code to include "domestic partnership status" as a protected class. The law will take effect July 11, 2004.

In September 2003, then-California Gov. Gray Davis, a Democrat, signed A.B. 205, which, starting in January 2005, will grant to registered domestic partners in that state almost all of the state-level legal protections and rights currently available only to married couples.⁷ Finally, the Hawaii Reciprocal Beneficiaries Act, enacted in July 1997, provides limited rights and privileges to same-sex couples or any two adults who are legally prohibited from marrying under state law.⁸

MARRIAGE VS. CIVIL UNIONS

The marriage vs. civil unions debate is not merely a matter of semantics. Civil unions are different from marriage in very fundamental ways, which can have direct implications on how employers administer benefits programs.

Civil unions provide only the state-level legal protections provided by marriage. There are at least 1,138 rights, benefits and protections that are provided to married couples by the federal government that are not automatically guaranteed to couples who are in civil unions. These include Social Security survivor benefits, the right to inherit in the absence of a will, the ability to roll over a deceased partner's 401(k) plan without incurring substantial tax penalties, and exemption from tax on the value of health insurance for one's partner.⁹ These differences are substantial and cannot be rectified by wills, powers of attorney or other legal documents.

Civil unions, which are currently only available in Vermont, are not recognized by other states. For example, a Vermont couple in a civil union who moves out of state may not have their relationship recognized by their employer. Married couples do not face these difficulties. In short, marriage rights are "portable."

Children being raised by gay and lesbian parents, like all children, need a secure, protected family unit. Marriage provides important safeguards for parents and their children, such as the right to make medical decisions in emergencies. If their parents are not legally married, these children do not have the same rights and protections that other children have. This is especially important in states and jurisdictions that either prohibit same-sex couples from adopting or prohibit second parent adoption. (See www.hrc.org/familynet for a database of adoption laws.)

Equal Benefits Ordinances: These laws require contractors with a state or local government to offer the same benefits to their employees' domestic partners as they offer to their employees' opposite-sex legal spouses. Advocates of such ordinances see them as an opportunity to obtain needed benefits while ensuring that the jurisdiction receives the highest-quality goods and services, arguing that employers who provide domestic partner benefits tend to be the most competitive in their industry and therefore are more likely to attract and retain the most talented employees.¹⁰

San Francisco became the first jurisdiction to implement an equal benefits ordinance in 1997. As of Jan. 19, 2004, one state — California — and nine cities and counties had enacted equal benefits ordinances. California's law will go into effect in 2007.

The other jurisdictions that mandate such coverage for certain contractors are:

Berkeley, Calif. (Effective: 2001)

King County, Wash. (Effective: 2004)

Los Angeles (Effective: 2000)

Minneapolis (Effective: 2004)

Oakland, Calif. (Effective: 2002)

San Mateo County, Calif. (Effective: 2001)

Seattle (Effective: 2000)

Tumwater, Wash. (Effective: 2002)

Similar bills were pending, at this writing, in New York City and Atlanta.

Additionally, three cities have variations on the standard equal benefits ordinance:

- >> Portland, Maine, requires organizations that receive funds from the city's Housing and Community Development Program to provide equal benefits;
- >> Broward County, Fla., permits the county to extend preferences to contractors that provide equal benefits; and
- >> Sacramento, Calif., requires contractors to offer the same personal and family leave benefits to employees with domestic partners as they offer to married employees.

Domestic Partner Registries: Domestic partner registries provide same-sex couples and, in many places, opposite-sex unmarried couples, an official means to record their commitments to each other in the absence of legal marriage. As of Dec. 31, 2003, two states and 66 cities and counties had domestic partner registries. Few of these registries, however, provide any tangible benefit to the registrants, and the majority of those limit rights to hospital or correctional facility visitation.

Many employers use these registries to help in administering their domestic partner benefit programs. For instance, employers may require their employees in jurisdictions that offer registries to sign up in order to be eligible to receive domestic partner benefits. Some employers require employees who move to Vermont and wish to take advantage of the companies' domestic partner benefits to register under that state's civil union law even if they have registered their partnerships in another jurisdiction.

INTERNATIONAL LAWS AND THE GLOBAL ECONOMY

The first country in the world to legalize marriage between same-sex couples was the Netherlands, in 2001. Belgium followed in January 2003, and the Canadian provinces of Ontario and British Columbia began allowing same-sex couples to marry in the summer of 2003.¹¹ A third Canadian province, Quebec, declared same-sex marriage legal in March 2004.

A number of other countries recognize same-sex relationships under the law. According to Human Rights Watch, an independent non-governmental organization that works to protect human rights worldwide, Croatia, Denmark, Finland, France, Germany, Hungary, Iceland, Norway, Portugal and Sweden recognize same-sex partnerships, while several other countries or jurisdictions within them recognize same-sex relationships in order to extend certain benefits to couples' partners. These include: Argentina, Australia, Brazil, Colombia, Costa Rica, the Czech Republic, Israel, Italy, New Zealand, South Africa, Spain and Switzerland.¹²

Finally, in December 2003, the European Union council of ministers formally adopted a position on a draft directive specifying the rights of European Union citizens and their family members to reside in any member nation of the union. Under this directive, registered partners are covered if the host state treats such relationships as the equivalent of marriage.¹³ Unfortunately, the new directive does not integrate a proposed European Parliament amendment that would have guaranteed residency for non-European Union national same-sex spouses and same- or different-sex registered or unmarried partners of European Union citizens.¹⁴

As the American economy becomes increasingly globalized, employers with operations overseas need to be attentive to these trends — and their employees' needs and expectations of fair treatment. U.S. employers that do business in these countries are complying because they must. HRC urges these employers to extend the same benefits and protections to their workers in the United States and elsewhere if they are not already doing so.

BUSINESS ARGUMENTS FOR RECOGNIZING SAME-SEX RELATIONSHIPS

Competitive advantage: Savvy employers recognize that their employees are more effective and productive when they experience less stress in their personal and professional lives. Employee morale is often directly linked to productivity. “I think most organizations still don’t understand why you need to be good to your workers,” said Marc Drizin, vice president of Walker Information, an Indianapolis-based research firm.¹⁵ Employers who ignore workplace discontent run the risk of periodic productivity slumps as skilled staffers depart for positions with better benefits whenever the labor market surges, said Drizin.

A 2004 survey by Human Resources & Investor Solutions, the worldwide human resources and shareholder services business of Mellon Financial Corp., found that employers are increasingly offering benefits categorized under the general heading of work/life programs, including things such as domestic partner benefits. Allison Levin, principal with Mellon HR&IS, reported that “the most commonly cited reasons for offering work/life programs are to enhance recruitment efforts (73 percent), raise morale (74 percent), and remain competitive (72 percent).”¹⁶

An increasing number of private sector employers consider domestic partner benefits to be an extension of their pledge not to discriminate based on sexual orientation. For instance, Hewlett-Packard Co. began offering health and other benefits to domestic partners of company employees in 1997. Lewis Platt, then-chairman and CEO of the company, told HRC that “the extension of benefits to domestic partners continues HP’s ongoing efforts to create an inclusive environment. We are also enhancing our competitiveness as a great place to work so we can attract and retain top talent.”¹⁷

Changes in demographics: Many employers cite changes in the structure of the American family and the imperative to adapt to the needs of their employees as some reasons for offering domestic partner benefits. The 2000 Census found that there are same-sex couple households in more than 99 percent of all counties in the United States.¹⁸

Reputation: As more jurisdictions recognize same-sex relationships, employees in such relationships will demand that their employers offer them benefits comparable to those offered to opposite-sex spouses — and the local jurisdiction may support those claims should they go to court.

When same-sex marriage becomes available in Massachusetts, employees in same-sex relationships who marry in that state but live elsewhere will expect their relationships to be honored by their employers as equal to opposite-sex marriages. Some employees may file lawsuits if their employers do not honor their relationships. While it is unclear whether such suits will be successful, the potential impact of any discrimination suit on an employer’s reputation can profoundly impact its ability to succeed.

SECTION TWO

EMPLOYER-PROVIDED DOMESTIC PARTNER BENEFITS

As of Dec. 31, 2003, the Human Rights Campaign Foundation had tracked a total of 7,149 private employers and colleges and universities that provided health insurance coverage to employees' domestic partners. This was an 18 percent increase, the same rate as in 2002.

Also at the end of 2003, a total of 200 companies in the Fortune 500 — or 40 percent — provided domestic partner benefits. A total of 25 Fortune 500 companies added the benefits in 2003, a 14 percent increase. The increase in 2002 was 11 percent. (Twelve additional Fortune companies announced in 2003 that they would begin offering the benefits in 2004). In 1998, just 13 percent of Fortune 500 companies offered domestic partner benefits.

In 2003, 981 employers implemented domestic partner health insurance in response to city contracting laws. The vast majority of these companies are small employers, indicating that small businesses can find and pay for health insurance coverage for domestic partners. However, some studies have suggested that smaller employers are jettisoning the domestic partner coverage, perhaps as part of cost cutting that has included benefits for married couples as well.¹⁹

Among the Fortune 500, once again, the data suggest that the most successful employers provide domestic partner health coverage. While 40 percent of the Fortune 500 companies provide such benefits, 68 percent of the Fortune 50 do.

Among colleges and universities, 31 of 50 top national four-year colleges, according to *U.S. News and World Report*, provided domestic partner coverage as of Dec. 31, 2003. Fourteen of those schools added the coverage since 2002.

The overwhelming majority of employers that offer domestic partner health insurance — 92 percent of those tracked by the HRC Foundation — offer it to both same-sex and opposite-sex partners. This is partly because that's what is required by equal benefits ordinances.²⁰

TABLE I.

Private Employers and Colleges and Universities
that offer domestic partner health benefits.

YEAR	2002	2003
Fortune 500	175	200
Other Private Sector Employers (Includes Non-Profits and Labor Organizations)	5,725	6,753
Colleges and Universities	182	196
TOTALS	6,082	7,149

FIGURE I.

Employers that offer domestic partner health benefits, by year.

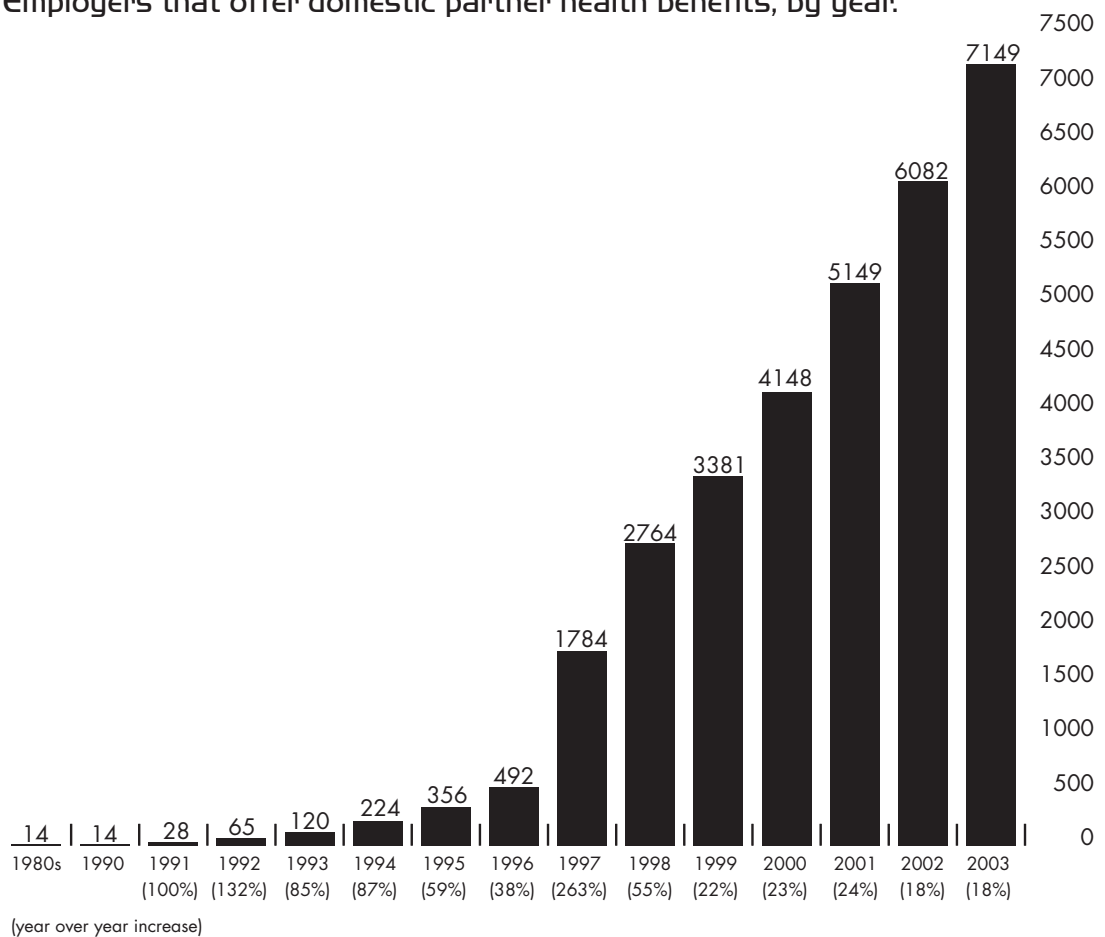


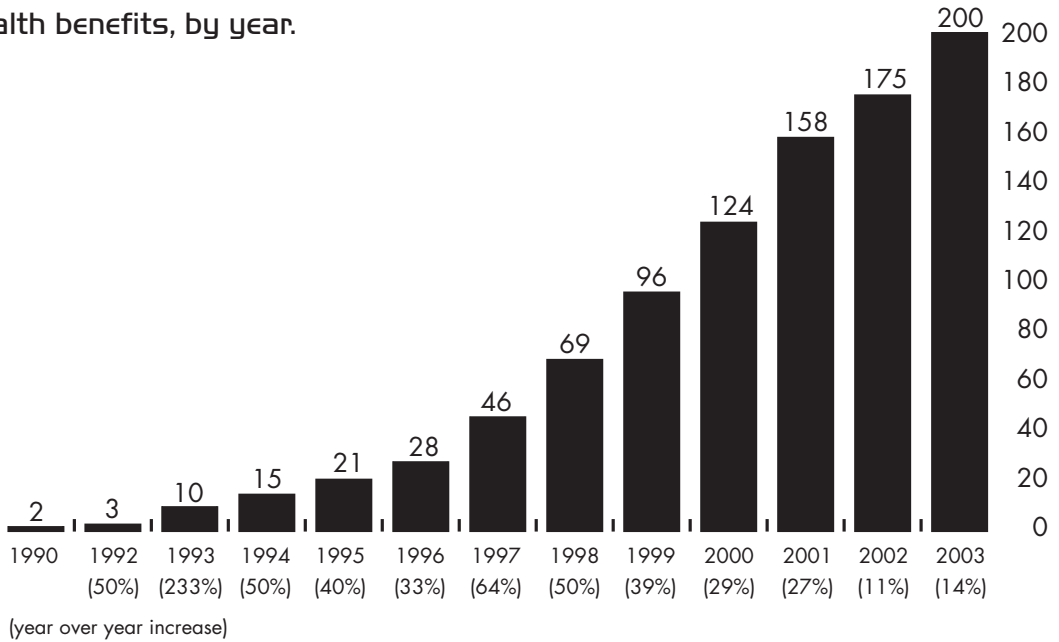
TABLE 2.

Fortune 500 companies that added or announced domestic partner health benefits from Jan. 1, 2003 and through Feb. 29, 2004.

RANK	EMPLOYER NAME	CITY	STATE	YEAR OF IMPLEMENTATION
323	American Family Insurance Group	Madison	WI	2003
142	Anheuser-Busch	St. Louis	MO	2003
91	Best Buy Co. Inc.	Minneapolis	MN	2003
19	Cardinal Health	Dublin	OH	2003
108	Coca-Cola Enterprises	Atlanta	GA	2003
157	Comcast Corp.	Philadelphia	PA	2003
209	Countrywide Financial Corp.	Calabasas	CA	2003
147	Express Scripts Inc	St. Louis	MO	2003
434	Host Marriott	Bethesda	MD	2003
127	Household International Inc.	Prospect Heights	IL	2003
64	International Paper Co.	Purchase	NY	2003
34	Johnson & Johnson	New Brunswick	NJ	2003
373	Lexmark International Inc.	Lexington	KY	2003
56	Lockheed Martin Corp.	Bethesda	MD	2003
107	Loews Corp.	New York	NY	2003
179	MBNA Corp.	Wilmington	DE	2003
17	Merck & Co. Inc.	Whitehouse Station	NJ	2003
500	Neiman Marcus	Dallas	TX	2003
99	Northrop Grumman Corp.	Los Angeles	CA	2003
101	Sara Lee Corp.	Chicago	IL	2003
187	Schering-Plough Corp.	Madison	NJ	2003
30	Sears, Roebuck and Co.	Hoffman Estates	IL	2003
248	SunTrust Banks Inc.	Atlanta	GA	2003
63	UnitedHealth Group	Minnetonka	MN	2003
45	Walgreens Co.	Deerfield	IL	2003
488	Affiliated Computer Services	Dallas	TX	2004
458	Airborne Inc.	Seattle	WA	2004
212	Aon Corp.	Chicago	IL	2004
213	Aramark Corp.	Philadelphia	PA	2004
172	Eli Lilly & Co.	Indianapolis	IN	2004
5	General Electric Co.	Fairfield	CT	2004
338	Owens Corning	Toledo	OH	2004
62	PepsiCo Inc.	Purchase	NY	2004
165	Staples Inc.	Westborough	MA	2004
89	TIAA-CREF	New York	NY	2004
43	United Parcel Service (UPS)	Atlanta	GA	2004
128	Wyeth	Madison	NJ	2004

FIGURE 2.

Fortune 500 companies that offer domestic partner health benefits, by year.

**FIGURE 3.**

Colleges and universities that offer domestic partner health benefits, by year.

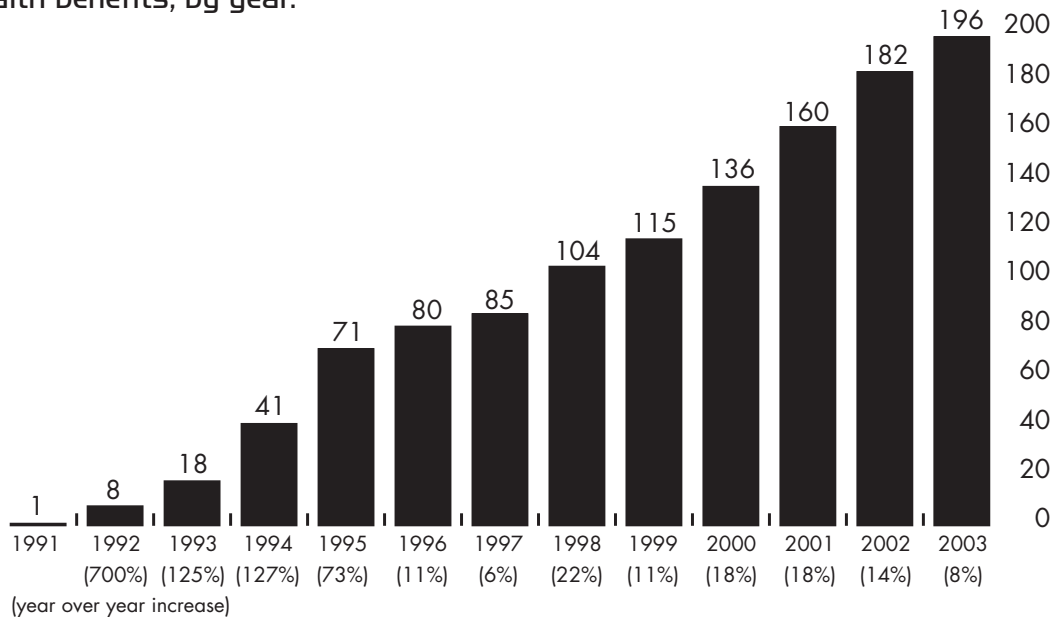


TABLE 3.
Colleges and universities that added domestic partner health benefits in 2003.

EMPLOYER NAME	CITY	STATE
Butler University	Indianapolis	IN
Drexel University	Philadelphia	PA
Elon University	Elon	NC
Embry-Riddle Aeronautical University	Daytona Beach	FL
Hillsborough Community College	Tampa	FL
Maryville University	St. Louis	MO
Nova Southeastern University	Fort Lauderdale	FL
Purdue University	West Lafayette	IN
Reed College	Portland	OR
Stetson University	DeLand	FL
Temple University	Philadelphia	PA
Trinity University	San Antonio	TX
University of Illinois System	Urbana-Champaign	IL
University of Utah	Salt Lake City	UT

FIGURE 4.
Fortune companies that offer domestic partner health benefits, by rank.

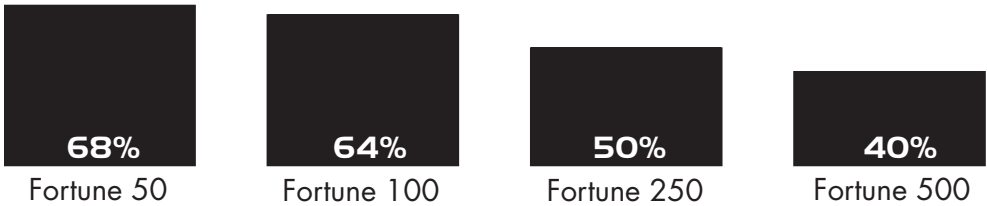
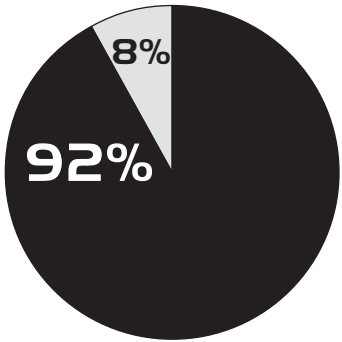


FIGURE 5.
Percentage of employers offering domestic partner health benefits for same-sex couples vs. both same and opposite-sex couples.

- Same and Opposite-Sex Couples
- Same-Sex Couples Only



SECTION THREE

DOMESTIC PARTNERSHIP LAWS AND BENEFITS IN PUBLIC EMPLOYMENT

At the end of 2003, two states — Hawaii and Vermont — and the District of Columbia recognized and provided varying rights and benefits to same-sex couples. During the course of 2003, California and New Jersey, passed comprehensive domestic partnership laws, and the highest court in Massachusetts ruled in favor of marriage for same-sex couples in that state. In addition, at the end of 2003, 64 cities and counties provided domestic partner registries that offer limited rights to registered couples, such as hospital visitation. Employers may use the registries to help define eligibility for domestic partner benefits programs. Seven jurisdictions implemented registries in 2003, a 12 percent increase over 2002.

Ten states and the District of Columbia offer health insurance benefits to the partners of their states' public employees. Three states enacted such programs in 2003. At the end of 2003, a total of 175 cities, counties and quasi-governmental agencies also provided health insurance coverage to domestic partners. Twelve local jurisdictions added such coverage in 2003, a 7 percent increase over 2002.

TABLE 4.
States that recognize same-sex relationships.

STATES	SAME-SEX RELATIONSHIP RECOGNITION
California	A.B. 205, passed in 2003 and taking effect Jan. 1, 2005, will grant same-sex partners most of the rights, benefits and responsibilities given to married couples under state law.
Hawaii	The state offers "reciprocal beneficiary" status to same-sex couples. While the benefits for which these couples are eligible are not as extensive as those afforded married couples in Hawaii, reciprocal beneficiaries do gain certain rights and obligations associated with survivorship, inheritance, property ownership and insurance.
Massachusetts*	On Nov. 18, 2003, the Massachusetts Supreme Judicial Court ruled that same-sex couples must be permitted to marry.
New Jersey*	The New Jersey Domestic Partners Act amends state law to require that a same-sex domestic partner be treated as a dependent for the purposes of administering certain retirement and health benefits. The law will take effect July 11, 2004.
Vermont	Vermont's civil union law, enacted in 2000, entitles same-sex couples to the more than 300 state-level rights and responsibilities extended to opposite-sex spouses.

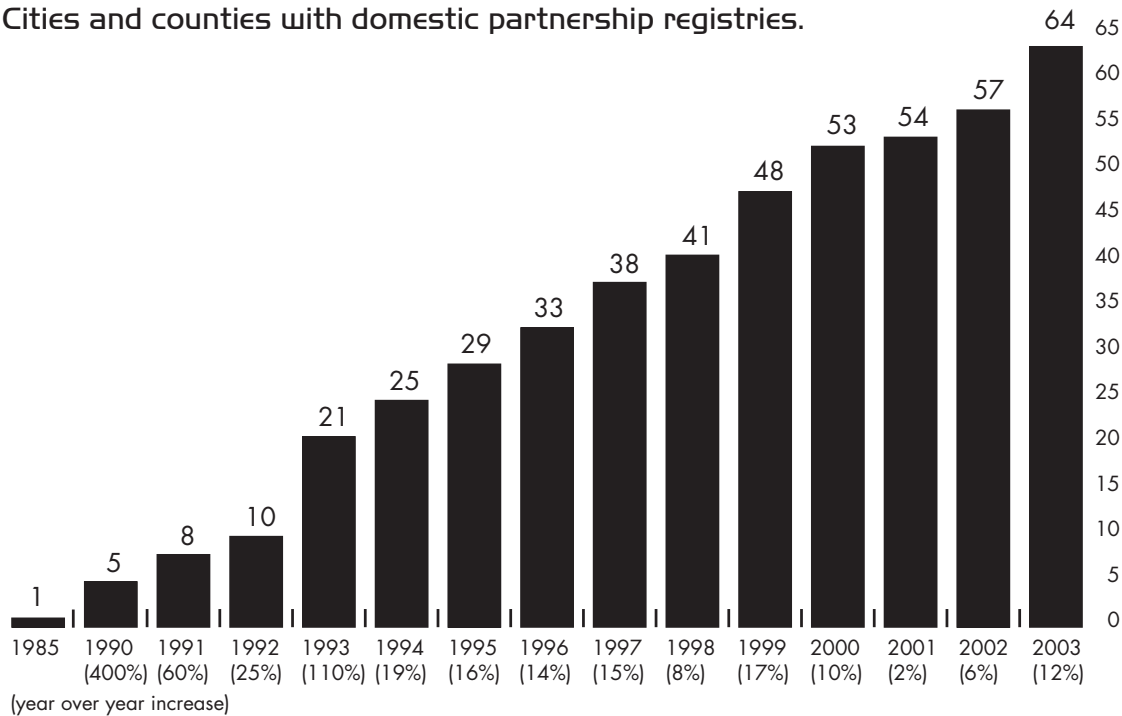
Bold: Enacted or decided in 2003. * To be implemented in 2004.

TABLE 5.
States that offer health insurance coverage
to public employees' same-sex partners.

STATE NAME	YEAR	STATE NAME	YEAR
Vermont	1994	Washington	2001
New York	1995	Iowa	2003
Oregon	1998	New Mexico	2003
California	1999	New Jersey	2004
Connecticut	2000		
Rhode Island	2001		

Bold: Enacted in 2003.

FIGURE 6.
Cities and counties with domestic partnership registries.



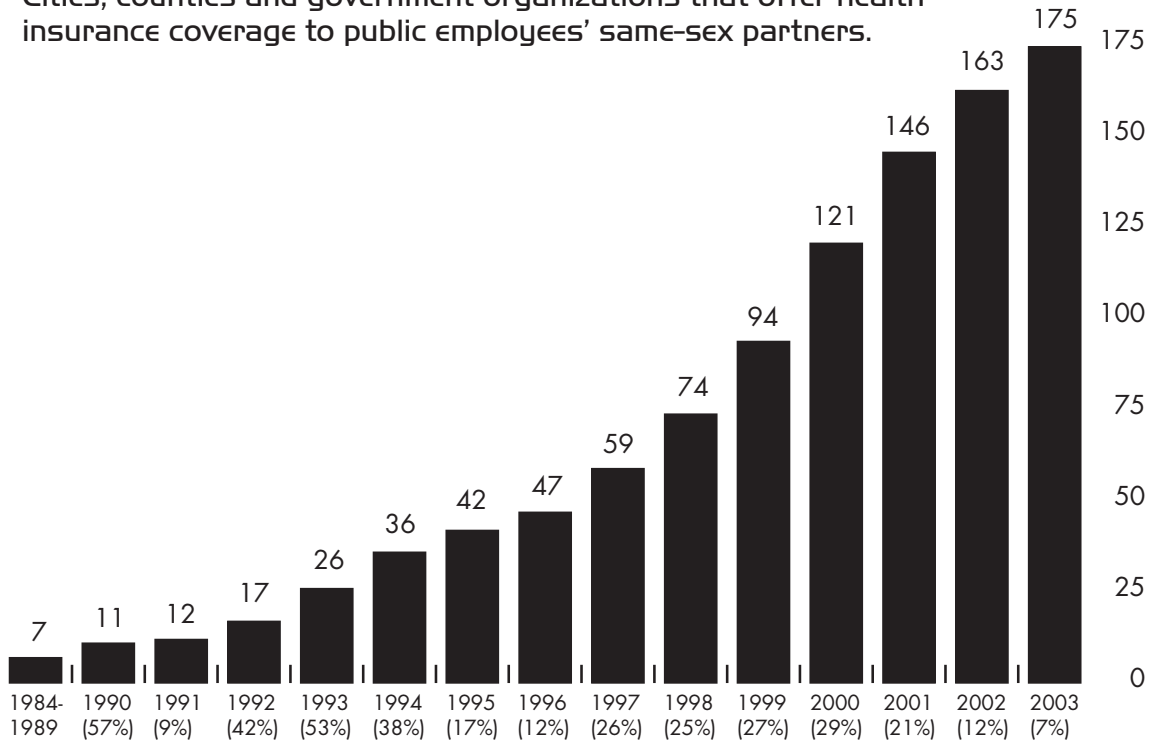
Implemented registries in 2003:

Cleveland Heights, Ohio
Cook County, Ill.
Fulton County, Ga.

Jackson, Kan.
Kansas City, Mo.
Southampton, N.Y.
Tucson, Ariz.

FIGURE 7.

Cities, counties and government organizations that offer health insurance coverage to public employees' same-sex partners.



(year over year increase)

Enacted benefits in 2003:

Durham, N.C.

Exeter, N.H.

Fulton County, Ga.

Greenbelt, Md.

Ingham County, Mich.

Juneau, Alaska

Missoula County, Mont.

Modesto Board of Education, Calif.

Pasadena Unified School District, Calif.

Sacramento Municipal Utility District, Calif.

Solano County, Calif.

Yosemite Community College District

SECTION FOUR

EMPLOYER POLICIES COVERING SEXUAL ORIENTATION

The Human Rights Campaign Foundation tracked a total of 2,253 private employers and colleges and universities that included sexual orientation in their organizations primary equal employment opportunity or non-discrimination policy as of Dec. 31, 2003. That represents a 19 percent increase from 2002.

A total of 360 companies in the Fortune 500 — or 72 percent — included sexual orientation in their non-discrimination policies at the end of 2003. The closer a company is to the top of the Fortune list, the more likely it is to have an inclusive policy. Ninety-eight percent — or 49 — of the Fortune 50 companies include sexual orientation in their non-discrimination policy. Exxon Mobil Corp. is the only company in the Fortune 50 that does not.

A total of 400 colleges and universities had written non-discrimination policies containing sexual orientation at the end of 2003. Forty-nine of 50 top national four-year colleges and universities, according to *U.S. News and World Report*, include sexual orientation in their non-discrimination policies. The University of Notre Dame is the only school that does not.

One of the reasons this total is so much lower than the number of employers with domestic partner benefits is that the cities supplying data to HRC do not ask employers if they have these policies. However, all employers in the 14 states with non-discrimination laws are prohibited from such discrimination. Therefore, the number of employers who are already covered by law is far higher than the 2,253 known to have written non-discrimination policies

TABLE 6.

Employers with written non-discrimination policies that included sexual orientation.

YEAR	2002	2003
Fortune 500	333	360
Other Private Sector Employers (Includes Non-Profits and Labor Organizations)	1,177	1,493
Colleges and Universities	378	400
TOTALS	1,888	2,253

FIGURE 8.

Private employers and colleges and universities with written non-discrimination policies that include sexual orientation, by year.

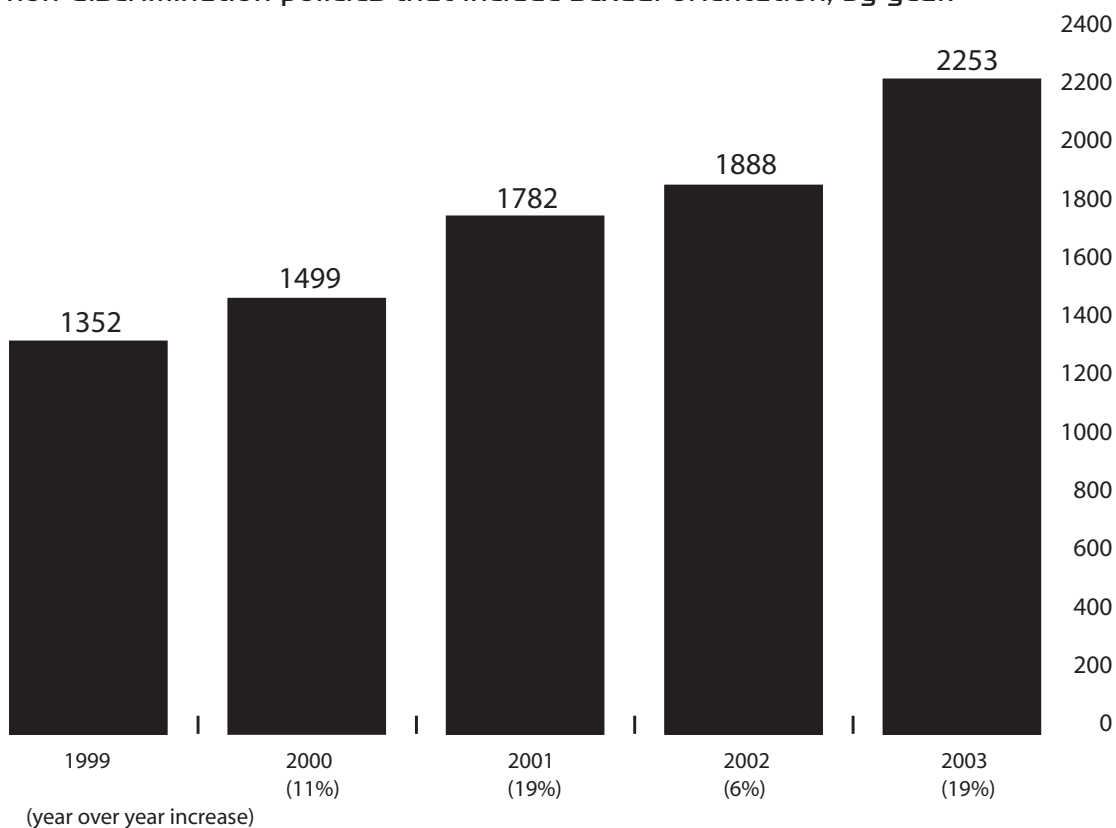
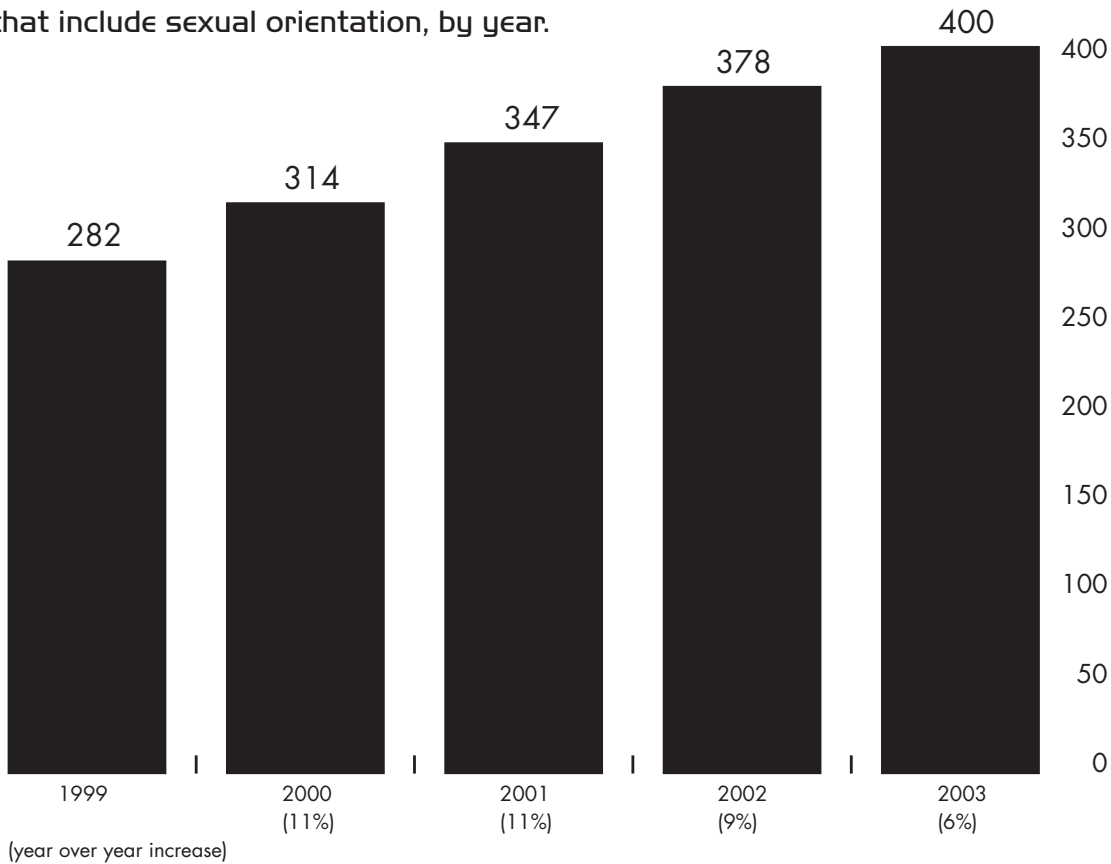
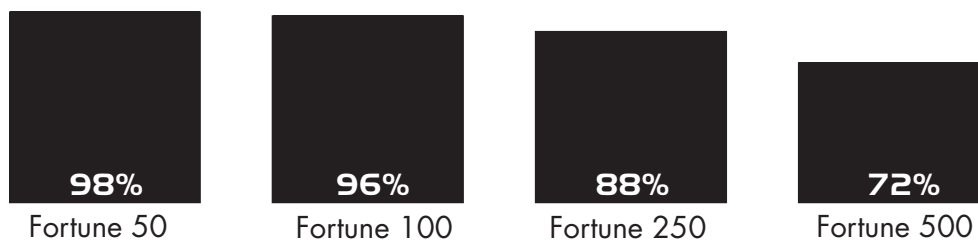


FIGURE 9.

Colleges and universities with written non-discrimination policies that include sexual orientation, by year.

**FIGURE 10.**

Fortune companies with written non-discrimination policies that include sexual orientation, by rank.



SECTION FIVE

LAWS COVERING SEXUAL ORIENTATION

No federal law prohibits employment discrimination based on sexual orientation. As of Dec. 31, 2003, 14 states and the District of Columbia had civil rights laws that protect all gay, lesbian and bisexual workers within their borders from discrimination. An additional 11 states prohibit sexual orientation discrimination in their public work forces. Half of the states, therefore, provide some level of protection from anti-gay job discrimination.

In 2003, two state laws took effect banning discrimination in the private sector — in New York, which passed its law in 2002, and New Mexico, which expanded its public sector protections to include the private sector. Three states added protections for public sector employees only in 2003: Arizona, Kentucky and Michigan.

A bill being considered by the U.S. Congress, the Employment Non-Discrimination Act, would outlaw job discrimination based on sexual orientation in all 50 states. At this writing, the bill had 179 co-sponsors in the House and 44 in the Senate. More than three dozen major corporations publicly support ENDA. (See Appendix 1.)

At the end of 2003, 285 cities, counties and government organizations provided some level of protection against employment discrimination based on sexual orientation. Of those, 152 extend protections to employment in the private sector as well. A total of six local jurisdictions added such protections in 2003, an increase of 4 percent.

TABLE 7.

States that prohibit sexual orientation discrimination in the workplace.

IN THE PUBLIC SECTOR ONLY	IN BOTH THE PUBLIC AND PRIVATE SECTORS
Alaska (2002)	California (1992)
Arizona (2003)	Connecticut (2001)
Colorado (2002)	Hawaii (1991)
Delaware (2001)	Maryland (2001)
Illinois (1996)	Massachusetts (1989)
Indiana (2001)	Minnesota (1993)
Kentucky (2003)	Nevada (1999)
Michigan (2003)	New Hampshire (1997)
Montana (2001)	New Jersey (1992)
Pennsylvania (2002)	New Mexico (2003)
Washington (1993)	New York* (2003)
	Rhode Island (1995)
	Vermont (1992)
	Wisconsin (1982)

Bold: Passed and took effect 2003. * Passed in 2002, took effect 2003.

FIGURE 11.

Cities, counties and government organizations with sexual orientation protections.

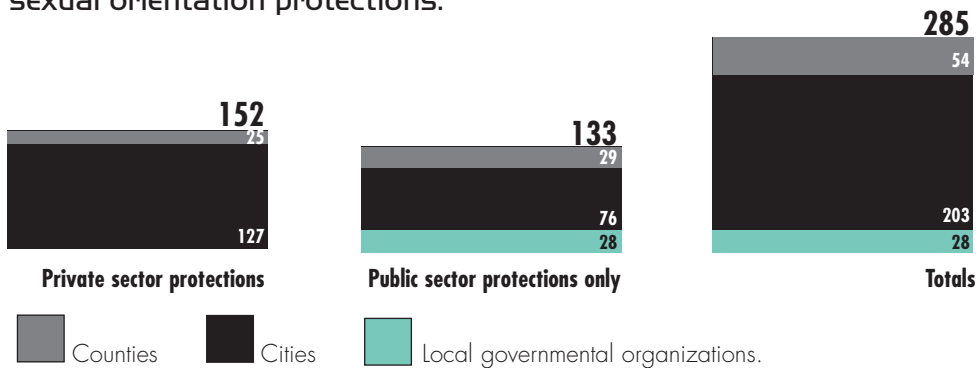
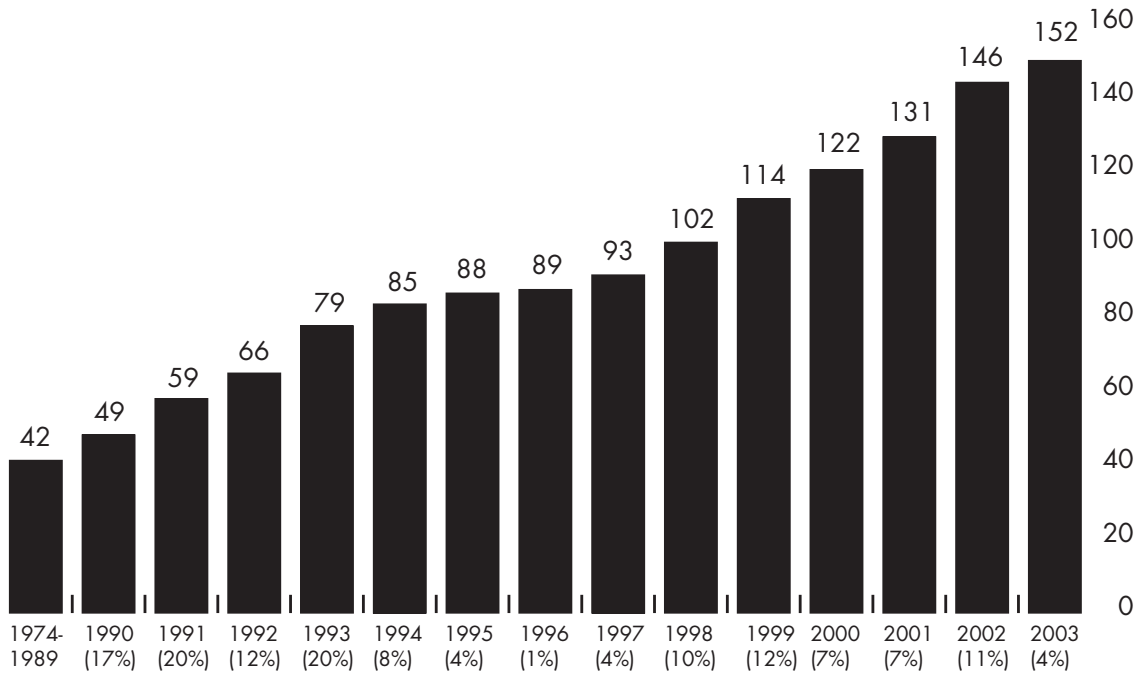


FIGURE 12.

Cities and counties that prohibit sexual orientation discrimination in the private sector.



(year over year increase)

Implemented protections in 2003:

Covington, Ky.

El Paso, Texas

Moorhead, Minn.

Peoria, Ill.

Rehoboth Beach, Del.

Springfield, Ill.

SECTION SIX

EMPLOYER POLICIES COVERING GENDER IDENTITY AND/OR EXPRESSION

The Human Rights Campaign Foundation has tracked a total of 79 private employers and colleges and universities that include the terms “gender identity” and/or “gender expression” in their written non-discrimination or EEO policies.

While employers have been addressing sexual orientation discrimination in their policies for more than 20 years, protections specifically for transgender and gender non-conforming employees is a newer phenomenon. However, policies protecting transgender employees are on the upswing. While only three Fortune 500 companies had such provisions in their non-discrimination policies in 2000, a total of 26 companies had them as of Dec. 31, 2003. In 2003, 11 Fortune 500 companies modified their non-discrimination policies to include gender identity and/or expression, bringing the total to 26, up from 15 in 2002 — a 73 percent increase.

TABLE 8.

Employers with written non-discrimination policies that include gender identity and/or expression.

Fortune 500	26
Other Private Sector Employers (Includes Non-Profits and Labor Organizations)	46
Colleges and Universities	7
TOTAL	79

FIGURE 13.

Fortune 500 Companies with written non-discrimination policies that include gender identity and/or expression, by year.

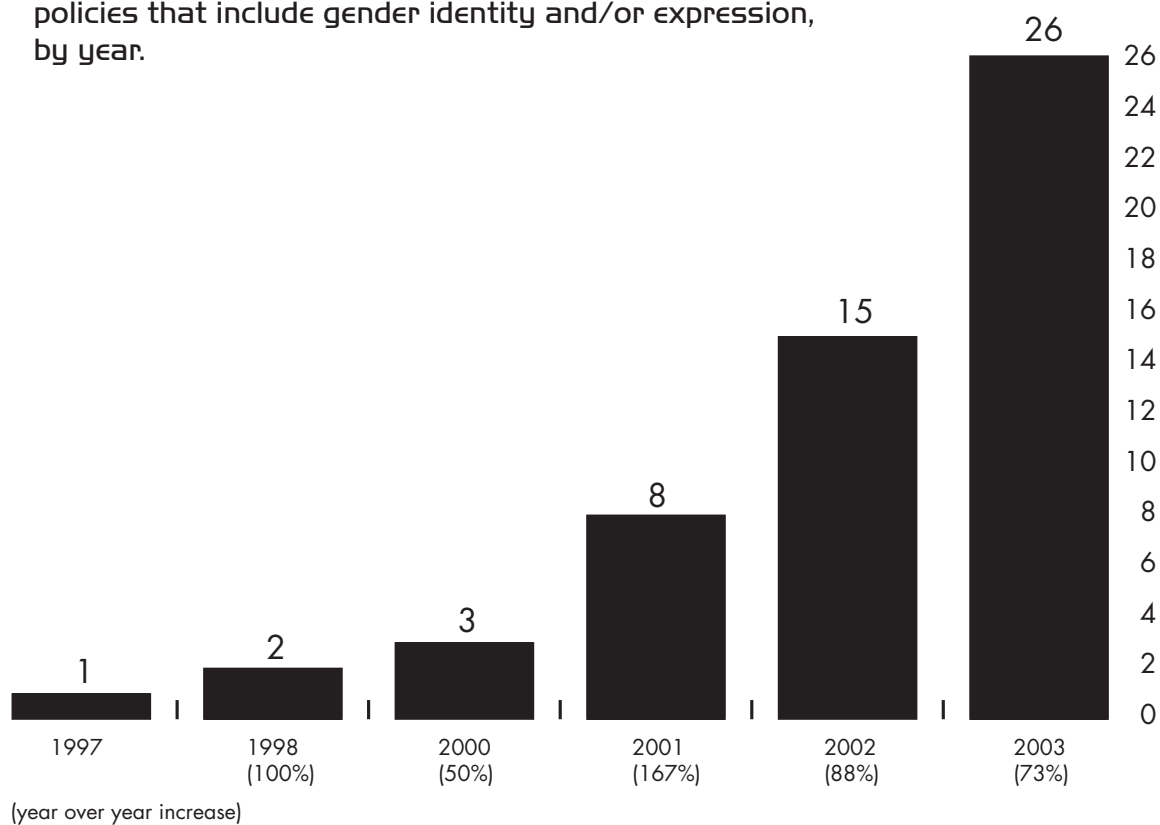


TABLE 9.

Fortune 500 Companies with written non-discrimination policies that include gender identity and/or expression.

RANK	EMPLOYER NAME	CITY	STATE
88	Aetna Inc.	Hartford	CT
104	American Airlines	Dallas-Fort Worth Airport	TX
300	Apple Computer Inc.	Cupertino	CA
22	AT&T Corp.	New York	NY
335	Avaya Inc.	Basking Ridge	NJ
79	Bank One Corp.	Chicago	IL
91	Best Buy Co. Inc.	Minneapolis	MN
191	Capital One Financial Corp.	Falls Church	VA
203	Chubb Corp.	Warren	NJ
150	Eastman Kodak Co.	Rochester	NY
14	Hewlett-Packard Co.	Palo Alto	CA
8	IBM	Armonk	NY
58	Intel Corp.	Santa Clara	CA
26	J.P. Morgan Chase & Co.	New York	NY
109	Lehman Brothers Holdings	New York	NY
389	Levi Strauss & Co.	San Francisco	CA
373	Lexmark International Inc.	Lexington	KY
141	Lucent Technologies Inc.	Murray Hill	NJ
38	MetLife	New York	NY
59	Motorola Inc.	Schaumburg	IL
304	NCR Corp.	Dayton	OH
486	New York Times Co.	New York	NY
188	Nike Inc.	Beaverton	OR
140	PG&E Corp.	San Francisco	CA
57	Prudential Financial Inc.	Newark	NJ
116	Xerox Corp.	Stamford	CT

SECTION SEVEN

LAWS COVERING GENDER IDENTITY AND/OR EXPRESSION

No federal law bans employment discrimination against transgender employees. Four states and the District of Columbia have enacted protections that extend to private employment, most by adding the terms “gender identity and/or expression” to their existing civil rights laws. Two states — New Mexico and California — passed laws in 2003. (California’s law took effect Jan. 1, 2004.)

Two other states enacted provisions in 2003 that ban discrimination against transgender state employees — Kentucky and Pennsylvania. And seven states have had existing laws interpreted in court and commission rulings to provide some level of protection for transgender workers.

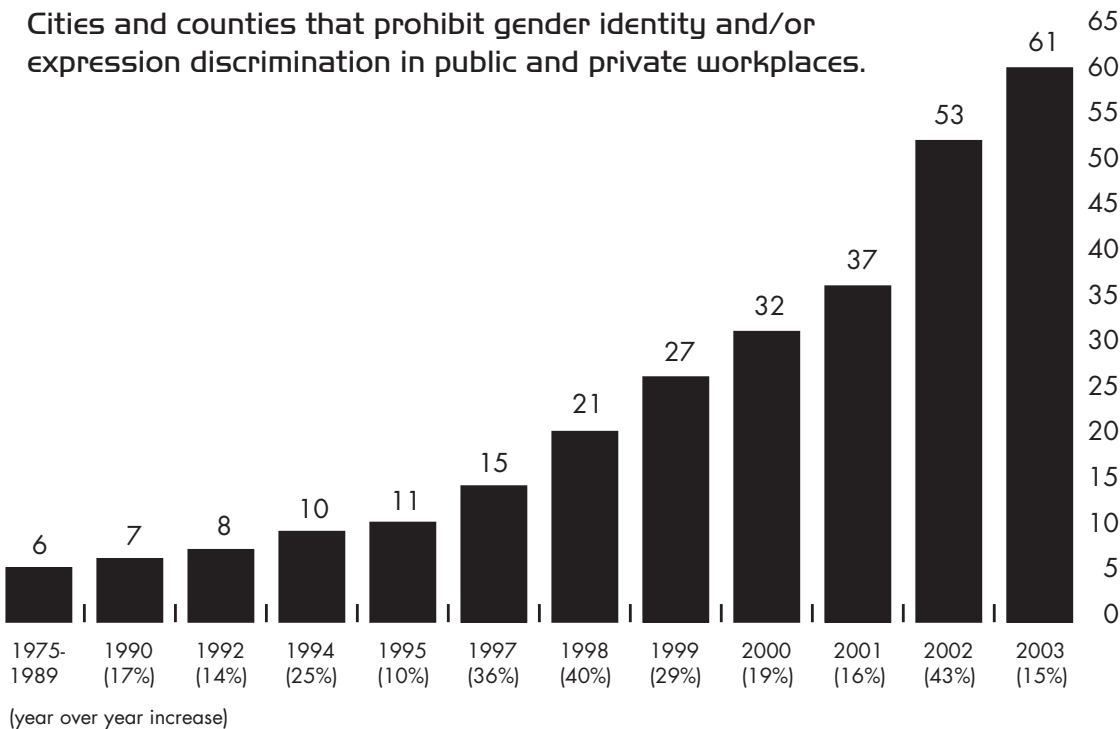
At the end of 2003, a total of 61 cities and counties prohibited workplace discrimination on the basis of gender identity or expression. Eight jurisdictions implemented such protections in 2003.

TABLE 10.
States that prohibit gender identity discrimination in the workplace.

In the public sector only (through executive orders)	In the private and public sector (under law)	State court, commission or agency rulings have inter- preted existing state law to include some protection against discrimination for transgender workers.
Kentucky (2003) Pennsylvania (2003)	Minnesota (1993) Rhode Island (2001) New Mexico (2003) California (2004)*	Connecticut (2000) Florida (1991) Illinois (1997) Hawaii (2002) Massachusetts (2001) New Jersey (2001) New York (2002)

Bold: Passed and took effect in 2003. * Passed in 2003, took effect Jan. 1, 2004.

FIGURE 14.
Cities and counties that prohibit gender identity and/or
expression discrimination in public and private workplaces.



Implemented protections in 2003:

- Covington, Ky.
El Paso, Texas
Ithaca, N.Y.
- Key West, Fla.
Monroe County, Fla.
Peoria, Ill.
- San Diego
Springfield, Ill.

CONCLUSIONS

Regardless of changes at the state or national level with regard to same-sex civil marriage, private employers in the United States are addressing the inequalities endured by same-sex couples in their workplace and benefits policies. At the same time state and local governments are continuing to pass anti-discrimination and benefits laws that protect lesbian, gay, bisexual and transgender workers.

The contentious issue of marriage for same-sex couples has created a backlash in some states that threatens to permanently label gay and lesbian families as second-class citizens. So-called defense of marriage laws amount to little more than codified intolerance toward gay people and their families and may have a chilling effect on the business environment in certain parts of the country.

Nevertheless, as the data in this report show, the business case for recognizing same-sex relationships has remained unchanged even in a fluid legal environment. The desire to be an employer of choice, to attract and retain the best and the brightest, to improve employee productivity and enhance corporate reputations will remain strong drivers in the business community's rationale for recognizing the diversity of the U.S. work force.

APPENDIX I. EMPLOYERS THAT HAVE ENDORSED THE EMPLOYMENT NON-DISCRIMINATION ACT

MAJOR CORPORATIONS

Agilent Technologies Inc., Wilmington, DE
 Apple Computer Inc., Cupertino, CA
 AT&T, New York, NY
 Bausch & Lomb, Rochester, NY
 Ben & Jerry's Ice Cream, South Burlington, VT
 Borland International, Scotts Valley, CA
 BP, Chicago, IL
 Capital One Financial Corp., Falls Church, VA
 Charles Schwab & Co. Inc., San Francisco, CA
 Chubb Corp., Warren, NJ
 Cisco Systems, San Jose, CA
 Coors Brewing Co., Golden, CO
 Corning Inc., Corning, NY
 Digi-Net Syndication, Tampa, FL
 Eastman Kodak, Rochester, NY
 Electronic Arts, Redwood City, CA
 FleetBoston Financial Corp., Boston, MA
 Trillium Asset Management, Boston, MA
 General Mills, Minneapolis, MN
 Hewlett-Packard Co., Palo Alto, CA
 Hill and Knowlton, New York, NY
 Honeywell, Moristown, NJ
 IBM, Armonk, NY
 Imation, Oakdale, MN
 JP Morgan Chase & Co., New York, NY
 John Hancock Financial Services Inc., Boston, MA
 Levi Strauss & Co., San Francisco, CA
 Louis Dreyfus Corp., Wilton, CT
 MFS Investment Management, Boston, MA
 Microsoft, Redmond, WA
 Millipore Corp., Bedford, MA
 Nationwide, Columbus, OH
 Nike Inc., Beaverton, OR
 Oracle Corp., Redwood Shores, CA
 Prudential Insurance Co., Newark, NJ
 Quaker Oats Company, The, Chicago, IL
 Quark, Denver, CO
 SGI, Mountain View, CA
 Shell Oil Co., Houston, TX
 Software Spectrum Inc., Garland, TX
 State Street Corp., Boston, MA
 Triarc Beverage Group, White Plains, NY
 Verizon Communications, New York, NY
 Wainwright Bank, Boston, MA
 Worldspan L.P., Atlanta, GA
 Xerox, Stamford, CT
 Yahoo Inc., Sunnyvale, CA

SMALL BUSINESSES

America's Second Harvest, Chicago, IL

Ansafone Communications, Santa Ana, CA
 Aquila Dallas Marketing, Dallas, TX
 Atlanta Computer Group, Alpharetta, GA
 Billingsley Co., Dallas, TX
 Bridge Capital, Irvine, CA
 Calvert Group Ltd., Bethesda, MD
 Ceres Capital Partners, Dallas, TX
 Corey & Co., Watertown, MA
 Crow Design Centers, Dallas, TX
 Donato's Pizza, Boston, MA
 EduMedia, Round Lake Beach, IL
 Emerson Partners, Dallas, TX
 Employon, Cleveland, OH
 Far West Management, Santa Ana, CA
 Feed Bag Restaurants, The, Dallas, TX
 Greater Boston Food Bank, Boston, MA
 Hall Financial Group, Frisco, TX
 Homewood Suite Hotels, Lewisville, TX
 I Love Flowers, Dallas, TX
 James Daniels & Associates, Fort Worth, TX
 L.A. Associates, Vienna, VA
 Linkage Inc., Lexington, MA
 L&M Meridien, Springfield, VA
 Lopezgarcia Group, Dallas, TX
 MassEnvelope Plus, Somerville, MA
 Memorial Family Medicine, Long Beach, CA
 Microtek Inc., Chicopee, MA
 Morrissey Associates Inc., Chicago, IL
 Mozzarella Co., Dallas, TX
 Nims Associates Inc., Decatur, IL
 Olivia Cruises & Resorts, Oakland, CA
 Odell & Associates, Dallas, TX
 Parma Pediatrics, Parma, OH
 Phil's CookShop LLC, Lexington, KY
 Prime Access Inc., New York, NY
 Rafanelli Events Management Inc., Boston, MA
 Replacements Ltd., Greensboro, NC
 Resource One, Columbus, OH
 Riverview Center for Orthopedic Rehab, Columbus, OH
 Saddleback Interiors, Corona Del Mar, CA
 Southern Enterprises Inc., Dallas, TX
 Staubach Co., The, Addison, TX
 Triton Funding Group, San Francisco, CA
 Visa Rainbow Card, Conshohocken, PA
 Voice Publishing Co. Inc., Dallas, TX
 Waters Ford Co. Inc., Blackshear, GA
 Wheelhouse Corp., Burlington, MA
 Winninghabits.com, Dallas, TX
 Witeck-Combs Communications, Washington, DC
 Wyndham Jade, Dallas, TX
 Yellow Cab Cooperative, San Francisco, CA

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20. Sixty-three percent of employers that provide domestic partner coverage but are not required to make it available to both same- and opposite-sex couples do so anyway. That figure has remained roughly constant since 1998, when HRC published its first “State of the Workplace” report.

ABOUT THE AUTHORS

Daryl Herrschaft, Deputy Director for WorkNet

Since 1998, Daryl Herrschaft has overseen HRC WorkNet, the workplace project of the Human Rights Campaign Foundation. In this capacity, he monitors and evaluates corporate policies surrounding lesbian, gay, bisexual and transgender employees, consumers and investors. In 2002, he launched HRC's annual Corporate Equality Index, a simple and effective tool that rates corporate policies and practices on several key criteria that impact LGBT people. He is also lead author of the HRC Foundation's annual report, The State of the Workplace for Lesbian, Gay, Bisexual and Transgender Americans.

Herrschaft has directly consulted with dozens of major corporations seeking to implement domestic partner benefits and/or non-discrimination policies. He has presented HRC findings to diverse audiences including The Conference Board, the Society for Human Resource Management and the New York City Council. He is frequently called upon by national and local media and has appeared on CNN and CNBC. He is a member of Massachusetts'-based Linkage Inc.'s Diversity Summit Advisory Board and the board of San Francisco-based Out & Equal Workplace Advocates. Before joining HRC, he was a research associate at the Urban Institute. He holds a bachelor's degree from The George Washington University.

Kim I. Mills, Education Director

In 1998, Kim I. Mills was named the organization's first education director and has built a multifaceted department that supports HRC's political mission through public communications, research and education. She leads the team that writes, edits, designs and prints all HRC publications, including a quarterly magazine. In addition, she is responsible for the HRC website. Under her direction, website traffic has increased from approximately 18,000 user sessions per month in 1997 to well over 450,000 user sessions per month and 1.4 million page views each month. Mills also oversees HRC WorkNet, HRC FamilyNet and the National Coming Out Project.

Mills joined HRC in January 1996 as deputy communications director, serving as one of the organization's chief spokespeople on the full range of gay civil rights issues. She has been interviewed extensively by national and international television, radio, online and print media. Her opinion pieces have been published in *The Dallas Morning News*, *The Harvard Business Review*, MSNBC online and elsewhere.

Before joining HRC, Mills spent 14 years as a reporter and editor at The Associated Press and six years in public relations. She holds a bachelor's degree in biology from Barnard College and a master's in journalism from New York University.

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