

Business

Goldman Sachs to pay \$215 mln to end gender bias lawsuit

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The logo for Goldman Sachs is seen on the trading floor at the New York Stock Exchange (NYSE) in New York City, New York, U.S., November 17, 2021. REUTERS/Andrew Kelly/File Photo



May 8 (Reuters) - Goldman Sachs Group Inc ([GS.N](#)) agreed to pay \$215 million to settle a class action alleging widespread bias against women in pay and promotions, ending one of the highest-profile lawsuits claiming unequal treatment of women on Wall Street.

The settlement disclosed on Monday covers about 2,887 current and former female vice presidents and associates who worked in investment banking, investment management and securities. Goldman denied wrongdoing in agreeing to settle.

The resolution averts a trial that was scheduled to begin in June in the nearly 13-year-old case.

"Everybody is feeling very happy and proud of this settlement - we worked so extremely hard to get here," said Anne Shaver, a partner at Lief Cabraser Heimann & Bernstein representing the plaintiffs. "It will inspire other people to step up."

The average payout could be about \$47,000 after deducting legal fees and costs, and court approval is required.

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"Goldman Sachs is proud of its long record of promoting and advancing women and remains committed to ensuring a diverse and inclusive workplace," said Jacqueline Arthur, its head of human resources.

PANDORA'S BOX

Bank of America Corp ([BAC.N](#)), Citigroup Inc ([C.N](#)) and Morgan Stanley ([MS.N](#)) are among the Wall Street firms that have settled gender discrimination lawsuits.

In a well-known 1990s case, Smith Barney settled charges that men harassed women in a space known as the "Boom-Boom Room."

The #MeToo movement against sexual abuse and recent changes in New York law have made gender-based lawsuits more common, said Dominique Camacho Moran, a partner at law firm Farrell Fritz, who was not involved in the Goldman case.

She said that after the settlement, employers should "step back" to ensure fair practices.

Alison Taylor, a professor at New York University's Stern School of Business, said it was now "impossible" to keep issues of harassment and discrimination confidential.

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"The Pandora's box is open," she said.

GOLDMAN'S RECORD

Goldman had been sued in 2010, when former executives Cristina Chen-Oster and Shanna Orlich accused the bank of denying them equal pay and promotions because of their gender.

"This settlement will help the women I had in mind when I filed the case," Orlich said in a statement. The settlement also calls for Goldman to hire independent experts to analyze its gender pay gaps and performance evaluation processes.

In 2020, the bank said it aimed for 40% of vice presidents to be women within five years. Twenty-nine percent of its current partners and managing directors are women.

(This story has been refiled to add a dropped word in paragraph 4)