Mandatory Pay Transparency in Brazil: Policy Impacts and Firm Responses

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Abstract

This paper studies Brazil's mandatory pay transparency law and its effects on wages, gender gaps, and firm behavior, using detailed administrative data and an event-study design. The law requires medium and large firms to disclose gender-disaggregated wage information. We find no statistically significant effects on average wages or on the overall gender wage gap. Although, we document a decline in effective wages for women in leadership positions, with no corresponding change in contractual wages. These findings suggest limited aggregate effects alongside heterogeneous responses at the top of the occupational distribution.

Keywords: pay transparency; gender wage gap; firm behavior
JEL Codes: J31; J16; J71

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1 Introduction

An influential strand of the literature emphasizes that the persistence of gender wage gaps stems less from human capital differences in labor markets and more from how labor markets reward temporal availability. Goldin (2014) argues that the "last chapter" of gender convergence depends on changes in the structure of work, especially the reduction of nonlinear pay schemes that disproportionately reward long and inflexible hours. Occupations that require the continuous presence or specific schedules tend to amplify wage gaps, particularly after family events such as childbirth. By contrast, sectors with greater temporal flexibility, such as pharmacy or certain areas of science and technology, show much smaller pay disparities.

Building on this discussion, Olivetti and Petrongolo (2017) emphasize that the evolution of gender wage gaps cannot be understood without considering the interaction between labor market institutions and family policies. During the past century, reforms such as maternity and parental leave, childcare subsidies, and flexible work arrangements have reshaped the incentives and constraints faced by women in balancing career and family responsibilities. Although these policies have contributed to higher female employment and reduced some aspects of gender inequality, their effects on wage gaps remain mixed. Moderate entitlements and investments in early childhood care tend to support continuous labor market attachment, whereas very long or generous leave periods may inadvertently reinforce traditional gender roles and widen earnings disparities. These findings highlight that policies addressing gender inequality, such as pay transparency laws, should be interpreted within a broader institutional context, where the design of family and workplace regulations jointly determines women's economic outcomes.

Table 1 uses data on formal workers in Brazil in 2022 (the year before the introduction of the pay transparency law) and shows that the gender wage gap persists even after including occupation and firm fixed effects, as well as controls for other factors such as days of leave (a measure that includes maternity leave). The results indicate that the wage gap remains significant for both effective wages—which include bonuses, the thirteenth salary, and other forms of compensation—and contractual wages. However, the gap is smaller when considering the contractual component alone.

Table 1: Regression on log(wage) — Brazil (2022)

	Log(Wage)								Log(Contractual Wage)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Female	-0.20746***	-0.28028***	-0.28607***	-0.26824***	-0.25512***	-0.25317***	-0.24169***	-0.08326***	-0.06923***
	(0.00028)	(0.00027)	(0.00027)	(0.00026)	(0.00026)	(0.00026)	(0.00025)	(0.00021)	(0.00041)
Education		0.16038***	0.15340***	0.17017***	0.17622***	0.17596***	0.17374***	0.04292***	0.05802***
		(0.00009)	(0.00009)	(0.000085)	(0.000085)	(0.000085)	(0.000083)	(0.000073)	(0.000141)
Non-white			-0.20084***	-0.17414***	-0.17570***	-0.17569***	-0.15205***	-0.03253***	-0.03550***
			(0.00026)	(0.00025)	(0.00025)	(0.00025)	(0.00024)	(0.000205)	(0.000396)
Age				0.01465***	0.01446***	0.01449***	0.00985***	0.00630***	0.00499***
				(0.000011)	(0.000011)	(0.000011)	(0.000012)	(0.0000087)	(0.0000168)
Hours p/ week (contract)					0.01592***	0.01592***	0.01616***	0.02268***	0.04258***
					(0.000023)	(0.000023)	(0.000023)	(0.000020)	(0.000039)
Leave total days						-0.00048***	-0.00069***	-0.00074***	
						(0.0000042)	(0.0000041)	(0.0000027)	
Time with company							0.00230***	0.00129***	0.00140***
							(0.0000022)	(0.0000017)	(0.0000033)
Observations	26,325,827	26,325,827	26,325,827	26,325,827	26,325,827	26,325,827	26,325,827	26,325,827	26,325,827
$\mathbf{R^2}$	0.0202	0.1310	0.1505	0.2029	0.2171	0.2175	0.2498	0.7169	0.7677
Fixed effects	None (models 1–7)							Firm, Occupation	Firm, Occupation

Note: Robust standard errors in parentheses. Significance levels: $^{***}p < 0.01$. Columns (1)–(7) report incremental log(wage) regressions without fixed effects. Column (8) reports the full log(wage) specification with municipality and occupation fixed effects. Column (9) presents the corresponding log(contractual wage) regression with the same set of fixed effects. (A) Female is a dummy equal to 1 for women and 0 otherwise. (B) Education is a categorical variable ranging from incomplete primary education to completed postgraduate studies, as reported in RAIS. (C) Non-White is a dummy equal to 1 for individuals who identify as non-white and 0 otherwise. (D) Age is a continuous variable capturing the worker's age in years. (E) Hours per week (contract) refers to the contractual weekly hours and does not capture actual hours worked. (F) Leave total days measures the number of days the worker was absent for reasons such as illness, accidents, maternity leave, or mandatory military service; these absences do not affect contractual wage calculations. (G) Time with company corresponds to the total number of months the worker has been employed by the firm.

These findings suggest that pay transparency policies, by revealing existing inequities, can interact with the structural characteristics of occupations and underscore the need to reconsider incentives tied to working hours and career continuity. Although governments worldwide, such as Brazil through its Consolidation of Labor Laws (CLT), have enacted equal pay laws, wage gaps persist. The main reason is that equal pay legislation alone is ineffective without salary transparency: employees rarely know each other's salaries, employers lack the incentive to disclose them, and discussing pay remains socially discouraged. Additionally, women are roughly half as likely as men to negotiate wages and typically lack information on the market value of their labor (Hall & Krueger, 2012; Babcock & Laschever, 2003). As a result, even countries with equal pay laws are turning to pay transparency regulations to strengthen workers' bargaining power, particularly for women.

The well-known case of Lilly Ledbetter suggests that information about the pay of coworkers can empower low earners to stand up to pay discrimination. In 1998, Ledbetter received a covert message from a male colleague sharing his salary and alerting her to the differences in the paychecks she had received compared to 15 other all-male "area managers" at the same company, with similar experience and doing the same work. She used this information to file legal charges against her employer for unfair compensation. Her case became the basis for the 2009 Lilly Ledbetter Fair Pay Act in the United States. (Phillips 2009).

The international literature suggests that pay transparency policies affect not only pay gaps, but also overall wage levels, productivity, and firm strategies. Cullen (2024) reviews evidence on three types of pay transparency: (i) horizontal transparency, where

coworkers learn about each other's pay, which tends to reduce gender pay gaps, but often through reductions in average wages; (ii) vertical transparency, where information about promotion-related pay is revealed, boosting effort and productivity; and (iii) cross-firm transparency, which reduces search frictions and can increase wages by intensifying competition between employers.

As several countries have enacted pay transparency laws, several papers have been produced investigating the impact of these laws, and a considerable portion uses differences-in-differences. Baker et al. (2023) studied the staggered introduction of public-sector salary disclosure laws in Canadian provinces, which required universities to publish salaries above certain thresholds. Using administrative data and an event-study design, they find that transparency laws reduced the gender pay gap between faculty by about 20–30 percent, mainly by slowing the growth of men's salaries relative to women's. The effects were strongest in unionized institutions and among senior faculty, suggesting that both institutional mechanisms and bargaining dynamics shape the impact of transparency policies. Importantly, these results highlight that disclosure alone can drive meaningful reductions in gender inequities, although often through pay compression rather than uniform wage increases.

Evidence from different countries shows mixed results: in some cases, pay transparency laws have led to measurable improvements, while in others, they have produced little to no effect. This variation suggests that the policy's success depends heavily on national context, enforcement mechanisms, and how the law is actually implemented in practice.

A example in this literature is the Austrian pay transparency reform. Gulyas, Seitz, and Sinha (2021) exploit the firm-size thresholds that determine coverage under the law and use administrative social security records linked to an event-study design to estimate causal effects on wages and the gender wage gap. Despite the policy's comprehensive reporting requirements and near-universal compliance, the authors find no measurable impact on male or female wages, no reduction in the gender wage gap, and no evidence of wage compression within firms. Their estimates are precise enough to rule out even small economically meaningful effects. This suggesting that, at least in Austria, pay transparency alone was not sufficient to alter wage-setting behavior or narrow gender disparities.

An intriguing aspect of pay transparency policies is that, in many countries, implementations resemble more closely horizontal transparency, in which coworkers gain access to information about one another's wages. This format can inadvertently strengthen firms' bargaining power. While employers may face pressure to reduce gender gaps—or to reassign women to roles with more uniform pay structures—they can also invoke transparency as a justification for resisting individual wage increases, arguing that "raising your salary would require raising everyone else's as well." Such dynamics can hinder negotiations for

both men and women, and in some settings have been associated with a slowdown in women's wage growth (Cullen, 2024; Bennedsen, Larsen, & Wei, 2023).

Bennedsen et al. (2020) document that the introduction of gender-disaggregated wage reporting, in Denmark, reduced the gender pay gap primarily by slowing male wage growth, but the consequently reduce the average employee wage. Böheim & Gust (2021) find no improvement in the gender gap and a decline in women's wages in one specification; they also found a drop in the hiring of women. These findings suggest that transparency reforms can reduce salaries, sometimes for everyone, and do not necessarily lead to higher wages for women or meaningful reductions in the gender wage gap.

Taken together, this literature highlights a central trade-off: while transparency and quotas can promote equity and inclusion, they may also generate adjustment costs, average wage reductions, or efficiency losses.

This paper contributes to the literature by providing one of the first empirical analyses of a large-scale salary transparency reform in a developing country context, thereby extending existing evidence beyond developed economies and offering new insights into the effects of such policies in Latin American labor markets. Brazil is currently the only country in Latin America to have implemented a formal salary transparency policy requiring firms to disclose wage information through standardized public reports. While other countries in the region, such as Chile[1] and Mexico [2], have advanced discussions or partial regulations related to pay equality, these initiatives remain limited to anti-discrimination provisions, such as equal pay mandates or rights to request wage information, rather than full transparency requirements.

The remainder of the paper proceeds as follows. Section 2 describes the institutional setting and Brazil's pay transparency policy. Section 3 presents the data. Section 4 outlines the identification strategy and discusses the main results. Section 5 examines additional outcomes and subsample analyses. Section 6 presents robustness checks. Section 7 concludes and discusses final considerations and directions for future research.

2 Institutional setting

In Brazil, the principle of equal pay for equal work is guaranteed by Article 461 of the Consolidation of Labor Laws (CLT - *Consolidação das Leis do Trabalho*), which establishes that employees performing the same function, with equal productivity and technical proficiency, are entitled to the same salary, regardless of sex, nationality, or

[1] L&E Global, "Pay Equity Laws in Chile," available at: `https://leglobal.law/countries/chile/employment-law/employment-law-overview-chile/05-pay-equity-laws/`.

[2] El Economista, "Adiós sueldo competitivo: senadores proponen rango salarial obligatorio en vacantes de empleo," available at: `https://www.eleconomista.com.mx/capital-humano/adios-sueldo-competitivo-senadores-proponen-rango-salarial-obligatorio-vacantes-empleo-20251016-781847.html`.

age. More recently, this framework was reinforced by Law No. 14,611 on July 3, 2023, which specifically addresses gender pay inequality. The law obliges companies with more than 100 employees to publish, twice a year, pay transparency reports generated by the Ministry of Labor and Employment (MTE), comparing average wages by gender and race. These reports, based on information already submitted by employers through *Relação Anual de Informações* (RAIS)[3], must then be disclosed on the company's official websites and social media channels.

The reports contain the average wages of men and women, broken down by occupation according to the Brazilian Occupational Classification (CBO), along with the number of male and female workers and whether they self-identify as black or not. Non-compliance results in a fine of 3% of the firm's payroll, capped at R$141,200 (equivalent to 100 minimum wages). Since the first publication in March 2024, the MTE has intensified monitoring, issuing fines to firms that failed to comply, and notifying hundreds of others in advance of upcoming deadlines. When a company is inspected and a difference in salaries is found, it can try to show why this difference is justified[4], and if it is not, then the company will be given 90 days to initiate an "Action Plan to Mitigate Salary Inequality" [5].

The primary objective of the law is to increase transparency, reduce information asymmetries, and reduce gender and racial wage inequality. However, several criticisms have been raised, especially with regard to the reliance on the CBO as a criterion, because the highest possible aggregation of this classification was used for the reports; consequently, broad occupational groups may combine very different positions with legitimately different pay scales. To clarify how the report is constructed and how each section is defined, a detailed illustration is provided in Appendix A.

This research proposal aims to evaluate the effects of Brazil's pay transparency law on labor market outcomes. Specifically, it will investigate whether the disclosure requirement leads to wage equalization, changes in hiring practices, or unintended adjustments by firms. To do so, I will employ RAIS microdata and enforcement records from the MTE,

[3]Relação Anual de Informações (RAIS) is an administrative dataset containing socioeconomic information that the Ministry of Labor and Employment requires all legal entities and employers to submit each year to comply with federal labor regulations. The reporting system was established by Decree No. 76,900 of December 23, 1975, and has since served as one of the main administrative sources for monitoring employment, wages, and compliance with labor legislation in Brazil.

[4]Under Brazilian regulations, wage differences are considered legitimate when they arise from objective and verifiable factors such as experience or tenure, differences in job tasks, productivity or performance results, availability for overtime, and legally mandated additions like hazard or night-shift pay. Disparities may also reflect career progression within formal pay structures.

[5]The Action Plan for Mitigating Wage Inequality requires employers to outline concrete measures aimed at reducing gender-based pay gaps, including a prioritized set of interventions, defined goals and mechanisms for evaluating results, and a timeline for implementation, with progress reviewed at least semiannually. The plan must also include programs to train managers and employees on gender equity, promote diversity and inclusion in the workplace, and support women's entry, retention, and career advancement on equal terms with men. For companies with multiple establishments, the plan may be developed centrally but must account for the specific circumstances of each unit in its execution.

applying a *Difference-in-Difference* methodology.

3 Data

This study will rely primarily on administrative matched employer–employee data from the *Relação Anual de Informações Sociais* (RAIS), an annual mandatory census of formal sector employment in Brazil, between the years 2018 and 2024. RAIS provides detailed information on the demographics of workers (sex, race, age), job characteristics (occupation, wage, tenure), and firm identifiers, allowing the construction of wage distributions within and between firms. Firms in the public sector are excluded from the analysis, as pay transparency has been in place in this sector since 2011. Under federal transparency legislation, detailed information on public employees' compensation is publicly available through official transparency portals. Any individual can access salary information by identifying the employee's name and affiliated public institution. The disclosed information includes detailed earnings components as well as other expenditures financed with public funds.

I cleaned the data set by removing observations with extreme values, such as zero wages or cases where individuals earned less than 0.3x the legal minimum wage and earned more than 100x the legal minimum wage[6], I also restricted the sample to firms that appear in all years of the database to ensure that the analysis compares the same set of companies over time.

The table below shows the average characteristics of the firm using 2022 data. The law came into effect in 2023, but the treatment and control groups were defined using the 2022 thresholds. The control group consists of firms with 75 to 99 employees, and the treatment group consists of firms with between 100 and 125 employees. *The appendix contains a comparison of occupations and separation/hiring rates within each group.*

[6]The removal of extreme values is also applied in the official reports, with the sole purpose of preventing outliers from distorting the calculated descriptive averages.

Table 2: Comparison between Treated and Control Groups (2022)

Variable	**Treated**	**Control**
Wages (log)		
All	7.92	7.90
Men	8.00	7.97
Women	7.78	7.78
Age (workers)	37.90	37.96
Female (%)	37.6	37.6
Nonwhite (%)	56.5	56.2
Disabled (%)	2.2	1.5
Education (% of workers)		
Below basic education	23.0	23.1
Basic education completed	60.2	59.6
Undergraduate degree	16.2	16.8
Postgraduate degree	0.7	0.5
# Workers	369,195	557,289
# Establishments	4,578	8,695

4 Effect of Transparency on Wages

4.1 Empirical Strategy

To estimate the causal effect of the pay transparency law on wages and on the gender wage gap, I estimate the following triple-difference event-study specification, inspired by Baker et al. *(2023, AEJ: Applied Economics*) and Blundell et al. *(2025, AEJ: Econ Policy)* :

$\log(wage_{ijt}) = \sum_{k=-5k\neq-1}^{1} \beta_1^k(1[t=k] \times treated_j \times male_i) + \sum_{k=-5k\neq-1}^{1} \beta_2^k(1[t=k] \times treated_j) + \lambda_i + \theta_{st}^M + \theta_{st}^F + \varepsilon_{ijt}$.

The dependent variable is the logarithm of the mounth wage of individual i, employed in firm j at time t. The model follows a triple-difference specification that compares men and women in treated and control firms before and after the law. The terms $1[t=k]$ are event-time dummies indicating the number of years relative to the implementation of the law, where $k = -5, -4, ..., 0, 1$, and the year immediately preceding the law ($k = -1$) is omitted and serves as the reference period. The dummy variable $treated_j$ equals one for firms above the legal cutoff in 2022 (one year before the law) and zero otherwise, while $male_i$ equals one for men. The coefficients β_1^k capture the additional effect of the

law on treated men relative to treated women, and thus measure the impact of the law on the gender wage gap. The coefficients β_2^k measure the effect of the law on treated women relative to the control group. The total effect of the law on treated men is given by the sum $\beta_1^k + \beta_2^k$, which reflects the policy's impact on male wages in treated firms relative to the control group. The term λ_i denotes individual fixed effects, while θ_{st}^M and θ_{st}^F represent sector-by-year-by-gender fixed effects, which control for differential wage trends across sectors, years, and genders. Finally, ε_{ijt} is the error term. Standard errors are clustered at the firm level to account for within-firm correlation in wage shocks.

4.2 Identifying Assumptions

The validity of this empirical strategy rests on two key assumptions. First, the *parallel trends assumption* requires that, absent the law, the wage gap between men and women in treated and control firms would have evolved in parallel. This ensures that any divergence after the introduction of the policy can be attributed to the law itself rather than pre-existing differences in trends.

None of the pre-treatment coefficients are individually statistically significant, even at the 10% level. The event-study estimates visually suggest the absence of differential pre-trends. Consistent with this, a joint F-test of the null hypothesis that all pre-treatment coefficients are jointly equal to zero fails to reject, supporting the parallel trends assumption.

Second, it is important to rule out strategic manipulation of treatment status. If firms with the largest gender pay gaps had strategically downsized to remain below the treatment threshold, estimates would be biased toward zero. To address this concern, I compare the firm size distributions in 2022 and 2023 and find no evidence of bunching around the cutoff. If companies changed their behavior, a discontinuity close to 100 would be visible.

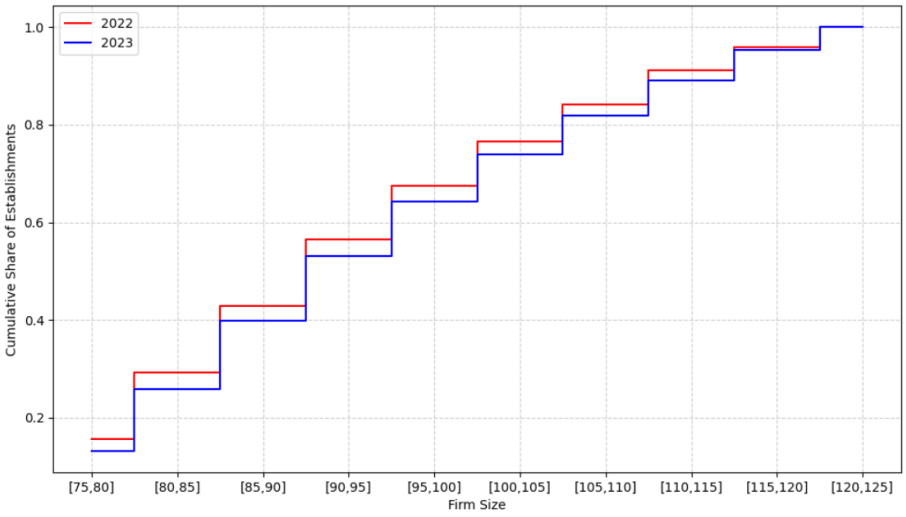
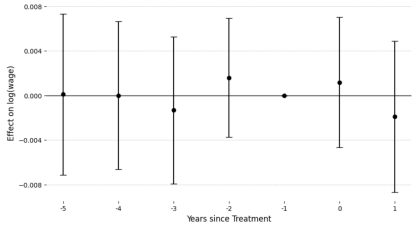
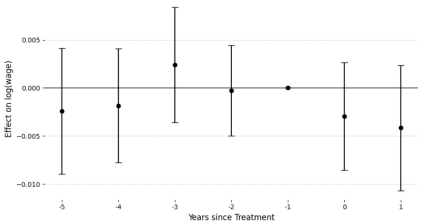


Figure 1: CDF of Establishments by Firm Size (2022 vs 2023)

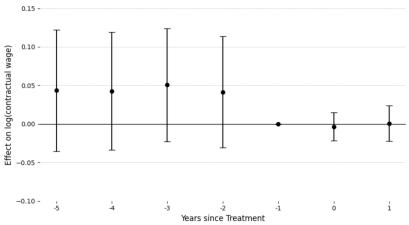
4.3 Results



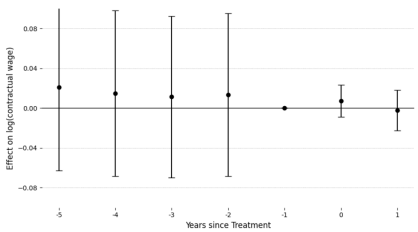
(a) Gender Pay Gap (Wage)



(b) Female (Wage)



(c) Gender Pay Gap (Contractual Wage)



(d) Female (Contractual Wage)

Figure 2: Effects of Transparency on GWG and Mouth Wage (Worker-level Treatment)

No statistically significant results were found, which is not an isolated case. In some countries, similar policies have also shown no clear effects, even though others have reported positive outcomes. In the Brazilian context, the lack of effectiveness can be explained mainly by two factors.

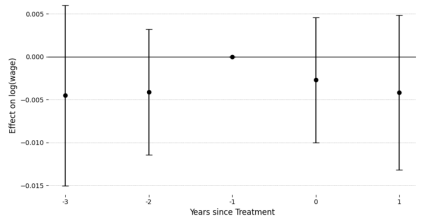
The first factor is related to the format of the pay transparency report required by the Ministry of Labor and Employment (MTE). The report presents only the percentage

differences between genders, without disclosing nominal wage values. This limits the possibility of more detailed analysis and prevents meaningful negotiations based on actual pay levels. In addition, the data are aggregated according to the Brazilian Classification of Occupations (CBO), which groups workers with very different positions and levels of responsibility into the same category. For instance, in the category "professionals in higher-level occupations," one might find both a newly graduated instructor teaching Calculus I and a researcher with publications in top journals. This heterogeneity reduces the precision of comparisons and, according to legal experts, weakens the report's practical usefulness as a tool to reduce the wage gap.

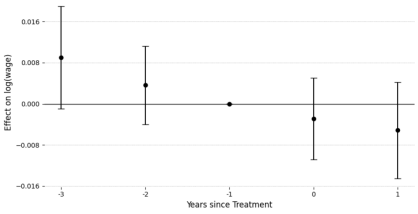
This limitation has also been pointed out by organizations. As reported by *Jornal Contábil* (April 1, 2024), attorney Mariana Barreiros Bicudo noted that the report, by relying exclusively on average differences based on the CBO, may distort reality. The classification used in the report is not the legal criterion for determining pay equity, as defined by Article 461 of the Brazilian Labor Code (CLT). According to the law, wage differences between men and women are not necessarily illegal as long as the criteria of identical function, same employer, equal technical performance, and similar length of service are respected. Therefore, the report may end up suggesting discriminatory practices where, legally speaking, none exist.

The second factor is related to the low level of enforcement of the law. Inspections and monitoring associated with the pay transparency policy began only recently, which limits the policy's immediate impact.

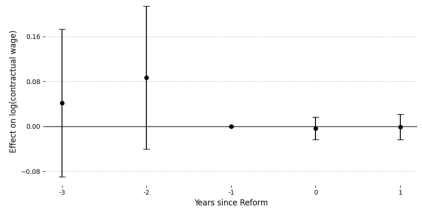
As a robustness check, I restrict the sample to individuals who remained in the same occupation and with the same employer between 2020 and 2024. I adopt this shorter time window because, in my dataset, workers rarely stay in the same position within the same firm for more than five years, which would substantially reduce the sample size. This restriction excludes individuals who were promoted, reassigned to other roles, or dismissed. In addition, I limit the analysis to occupations or business units that retained at least one man and one woman throughout the period to ensure meaningful gender comparisons. Even within this more stable and balanced subsample, the results remain statistically insignificant.



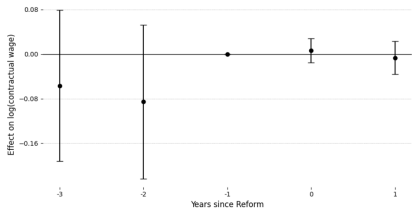
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(b) Female (Wage)



(c) Gender Pay Gap (Contractual Wage)



(d) Female (Contractual Wage)

Figure 3: Effects of Transparency on GWG and Mouth Wage (Worker-level Treatment; same firm and occupation)

This reinforces the need to improve the methodology by developing more detailed and context-sensitive measures, as well as to strengthen enforcement mechanisms to ensure more effective results.

To assess potential heterogeneity across firms, the Appendix C. presents additional analyses based on subsamples comprising the top 20%, 40%, 60%, 80% and 100% of firms with the largest pre-policy wage gaps (in year 2022). This approach allows us to examine whether firms with more pronounced disparities—those that would, in principle, need to undertake larger adjustments—respond differently to the transparency requirement. The results indicate that none of these subsamples exhibit a significant reduction in the gender wage gap. But most of them show a negative (or near-zero) result for the wage gap and for wages, even if not significant. This non-significant result demonstrates that even the firms that most needed adjustments did not close the wage gap.

The observed reduction in the width of confidence intervals in the difference-in-differences estimates in the post-reform period coincides with the structural break in RAIS in 2022, associated with the transition to eSocial[7]. As documented in the official technical note, this change led to a significant increase in coverage and an improvement

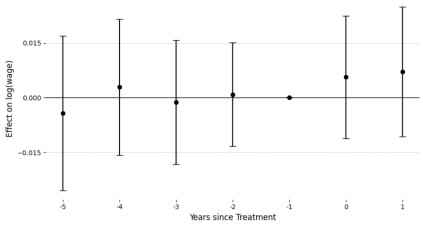
[7]The eSocial (Digital System for the Recording of Fiscal, Social Security, and Labor Obligations) is a Brazilian government platform that centralizes the reporting of labor, social security, and tax information by firms, replacing several previously separate declarations, including RAIS. Unlike the traditional RAIS system, which relied on annual firm-reported data, eSocial is based on more frequent and structured administrative records directly linked to payroll and legal obligations. The transition to eSocial, largely consolidated in RAIS from the 2022 reference year onward, led to increased coverage and improved data quality by reducing omissions, inconsistencies, and reporting errors present in the previous system. You can see a detailed Ministry Report about it here: https://www.gov.br/trabalho-e-emprego/pt-br/assuntos/estatisticas-trabalho/rais/rais-2022/nota-tecnica-rais-2022.pdf

in data quality, with fewer omissions and inconsistencies in administrative records. This improvement in the data reduces non-systematic variance (measurement error noise) in the variables of interest, resulting in more precise estimates and, consequently, narrower confidence intervals. In other words, part of the increased statistical precision observed in the post-reform period may not solely reflect stronger causal identification, but also improvements in the underlying data quality. This effect is particularly relevant for contractual wages, which appear to have been more sensitive to changes in measurement, whereas effective wages, being tied to tax and social security obligations, were already measured more accurately prior to the transition.

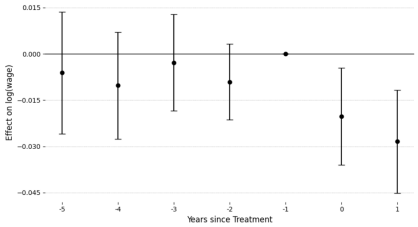
5 The Effect of Salary Transparency on Occupations and Firm Behavior

5.1 Wages of Workers in Leadership Positions

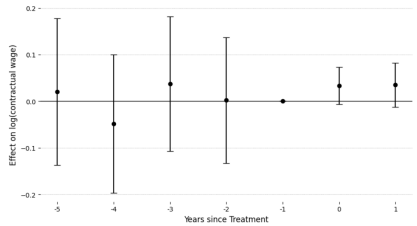
Using the first two digits of the Brazilian Classification of Occupations (CBO), we classify leadership positions as codes 11–14 [8]. Code 13 — Directors and Managers in Health, Education, or Cultural, Social, or Personal Services Companies — is concentrated in traditionally female-dominated sectors and exhibits more than 70% female representation. The remaining leadership categories have less than 50% women, averaging approximately 36%.



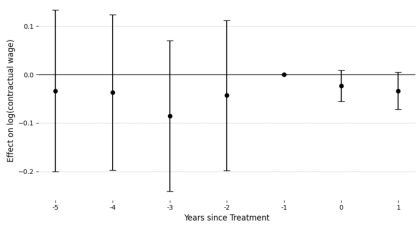
(a) Gender Pay Gap (Wage)



(b) Female (Wage)



(c) Gender Pay Gap (Contractual Wage)



(d) Female (Contractual Wage)

Figure 4: Effects of Transparency on GWG and Mouth Wage (Only Leadership Positions)

[8] You can see a detailed explanation of what each code means on the website: https://www.ocupacoes.com.br/tabela-completa-da-cbo

While we find no statistically significant effect of pay transparency on the overall wage of women or on the aggregate gender wage gap within firms, the results reveal a striking heterogeneous effect at the top of the occupational hierarchy. Specifically, women in leadership positions experience a decline in effective wages following the introduction of the transparency policy. This reduction is mirrored by an increase in the gender wage gap within leadership roles. Importantly, this effect is observed only for wages and not for contractual wages, which remain unchanged.

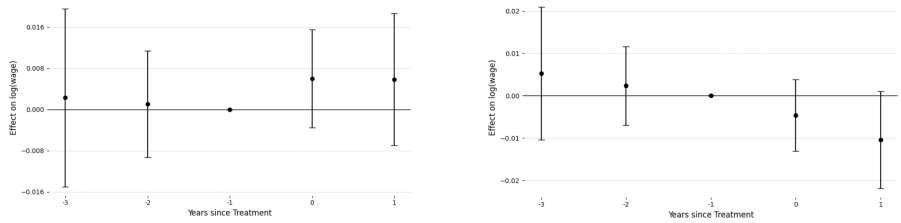
This distinction is economically meaningful. Contractual wages tend to be more rigid, particularly in high-level occupations where formal salary structures are often predetermined by contracts or internal pay scales. In contrast, effective wages incorporate bonuses, discretionary payments, and performance-related components, which are substantially more flexible and often represent a large share of total compensation in senior positions. Thus, transparency may operate through adjustments in discretionary pay rather than through base contractual salaries.

The fact that the effect is concentrated among women in leadership is consistent with broader evidence that gender disparities are larger at the top of the wage distribution. Blau and Kahn (2016) document that gender wage gaps have declined more slowly at the upper tail and remain particularly pronounced in high-skilled occupations. In our data, the average gender wage gap in leadership positions is approximately 30%, compared to 20% in the overall sample. This pattern aligns with evidence that gender gaps widen in senior and male-dominated roles (Bertrand, Goldin, and Katz 2010; Kunze and Miller 2014). It is important to note that the "Directors and Managers" category is explicitly reported in firms' disclosures, which facilitates the identification of salary differences within this group. However, the category remains heterogeneous, as it includes both lower-level managers and general directors.

One possible mechanism is that women in high-ranking positions are particularly exposed to informal evaluation processes and discretionary compensation decisions. A growing literature emphasizes the role of social interactions, networks, and managerial discretion in shaping promotion and pay outcomes. Cullen and Perez-Truglia (2023) show that informal interactions between employees and managers significantly affect promotion probabilities and help explain gender gaps in advancement. If transparency alters internal bargaining dynamics or increases scrutiny over reported pay gaps, firms may respond by compressing discretionary components of compensation, particularly for women in highly visible positions. If women at the top already operate under tighter constraints, even small institutional shocks, such as the introduction of transparency requirements, may disproportionately affect their compensation margins.

Taken together, these findings suggest that while transparency laws may not affect average female wages or the aggregate gender wage gap, they may unintentionally impact women in top positions by altering the structure of discretionary compensation.

This result should be interpreted with caution, as it may largely reflect compositional changes rather than a true decline in women's wages in leadership positions. In particular, the observed effect could be driven by the entry of women into leadership roles at lower wage levels, rather than reductions in the salaries of incumbent female leaders. Nonetheless, this remains an important finding, as it suggests that newly hired women in leadership positions may be receiving lower wages. To further investigate this, we restrict the sample to women who remain in the same firm and occupation for at least five years. In this case, we do not impose the additional requirement of having both a male and a female in the same firm-occupation cell, as such a restriction would drastically reduce the sample size given the scarcity of leadership positions. Within this more stable sample, we find no statistically significant decline in wages, although the estimated coefficient remains negative.



(a) Gender Gap (Wage) (b) Wage (Female)

Figure 5: Effects of Transparency on GWG and Mouth Wage (Only Leadership Positions; same firm and occupation)

6 Hiring, Separation and Occupational Transitions

To better understand the effects of the policy, it is necessary to analyze other variables, since a possible strategy of companies may be to fire women, reduce female hiring, or reallocate workers between occupations (that is, change their CBO code). This last variable, however, presents an important limitation, since the legislation establishes that people who hold exactly the same position must have the same salary. Thus, if companies promote, for example, a worker from "junior" to "senior" as a way to circumvent salary inequality, this change is not captured even when using the most granular classification of the CBO (Brazilian Classification of Occupations).[9]

In this analysis, I use the same sample of firms as in the baseline empirical strategy, but the focus now shifts to firm-level outcomes, requiring a different empirical approach. The key distinction is that the unit of analysis is the firm rather than the individual, which makes a triple-difference specification unnecessary. Instead, a standard difference-in-differences framework is sufficient for this analysis.

[9]Since computing occupational changes requires information from the previous year, the event window starts at $k = -4$ instead of $k = -5$, as in the other specifications.

$$\log(y_{jjt}+1) = +\sum_{k=-4k\neq-1}^{1} \delta_1^k(1[t=k]\times treated_j) + \lambda_j + \theta_{srt} + \varepsilon_{jt}.$$

The dependent variable is the logarithm of the outcome variable y_{jt} at the firm level, measured for firm j at time t. Since some firms report zero values for outcomes such as hirings, separations, or occupational changes in a given year, we use the transformation $\log(y_{jt}+1)$ to retain these observations in the sample. The empirical specification follows a standard event-study difference-in-differences design comparing treated and control firms before and after the implementation of the law. The terms $1[t=k]$ are event-time indicators capturing the number of years relative to the policy implementation, where $k=-4,-3\ldots,0,1$, and the year immediately preceding the law ($k=-1$) is omitted as the reference period. The indicator $treated_j$ equals one for firms above the legal cutoff in 2022 (one year before the reform) and zero otherwise. The coefficients δ_1^k capture the dynamic effects of the policy on treated firms relative to the control group. The specification includes firm fixed effects, λ_j, which absorb time-invariant differences across firms, and state-by-sector-by-year fixed effects, θ_{srt}. This replaces the previous gender-based interactions used in the individual-level analysis, which are no longer relevant in a firm-level setting, and instead controls for time-varying shocks across states and sectors. The error term is denoted by ε_{jt}, and standard errors are clustered at the firm level to account for within-firm correlation in shocks over time.

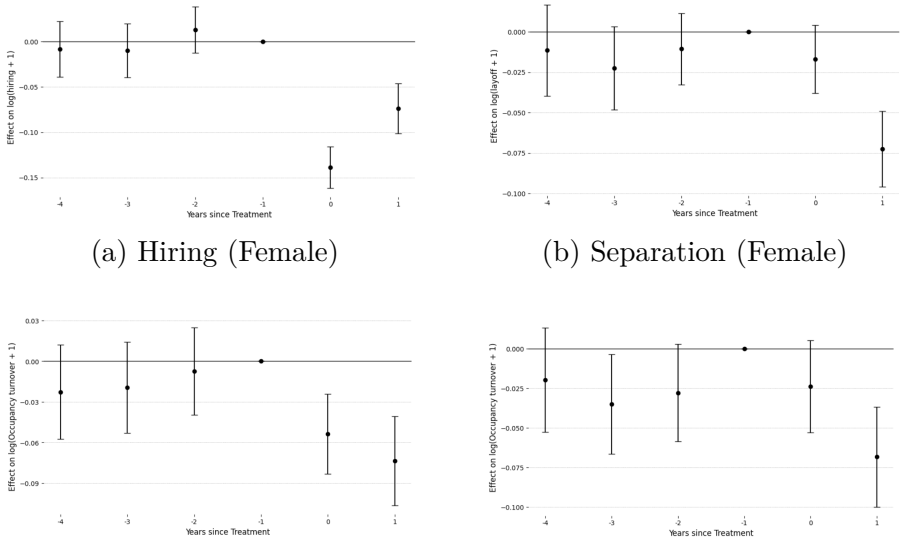
6.1 Identifying Assumptions

The validity of this empirical strategy rests on two key assumptions. First, the *parallel trends assumption* requires that, absent the law, the outcomes in treated and control firms would have evolved in parallel.

The parallel trends assumption should be interpreted with caution, as its validity varies across outcomes. While some variables display clear pre-treatment trends consistent with the identifying assumption, others, such as occupational transitions within firms, do not exhibit parallel trends. A key reason for this is the very low variability of these outcomes: most firms report values close to zero, with an average rate of occupational change of approximately 5%. This limited variation makes it difficult to detect meaningful pre-trends and may lead to noisier estimates, reducing the reliability of the identification strategy for these specific outcomes.

Second, it is important to rule out strategic manipulation of treatment status. This aspect was explored in the initial empirical strategy.

6.2 Results



(a) Hiring (Female) (b) Separation (Female)

(c) Occupancy turnover (Male) (d) Occupancy turnover (Female)

Figure 6: Effects of salary transparency on other variables (2024)

Note: (a) The hiring number is defined as the number of workers hired during the year (This includes those who left the company during the year and those who did not.); (b) The separation corresponds to the number of workers who left the firm during the year; (c) and (d) The occupational change considers only workers who were employed at the firm in the previous year and who changed their CBO code (at the six-digit level).

The results indicate that the introduction of pay transparency is associated with a significant decline in hiring in both the immediate ($t = 0$) and subsequent ($t = 1$) periods, for both men and women. In contrast, there is no significant change in separations at the time of implementation, but a decline emerges in the following period ($t = 1$). Taken together, these findings suggest that firms respond to the policy by adopting a more cautious stance, initially reducing hiring and, with some delay, also reducing separations. From an economic perspective, hiring entails an intertemporal commitment, as subsequent adjustments can be costly. In institutional contexts such as Brazil, dismissing a worker without cause involves substantial severance costs, including mandated payments that increase with tenure, such as the FGTS penalty [10], which may discourage firms from making new hires when facing increased uncertainty. Moreover, institutional features of the labor market may limit downward wage adjustments following internal reallocation. In practice, firms may face constraints in reducing a worker's pay after a change in occupation, which makes internal mobility potentially costly if it leads to persistent increases in labor costs. As a result, firms may prefer to postpone hiring and avoid internal adjust-

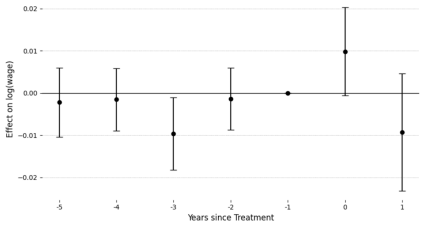
[10]The FGTS (Fundo de Garantia do Tempo de Serviço) is a mandatory severance fund in Brazil, where employers deposit a fixed share of wages, and firms must pay an additional 40% penalty on the accumulated balance upon dismissal without cause.

ments to minimize future rigidities. Consistent with this interpretation, we also observe a decline in occupational mobility within firms, indicating that fewer workers change roles over time. Altogether, the evidence points to a reduction in firm-level labor market dynamism following the policy, characterized by lower turnover and reduced internal reallocation of workers.

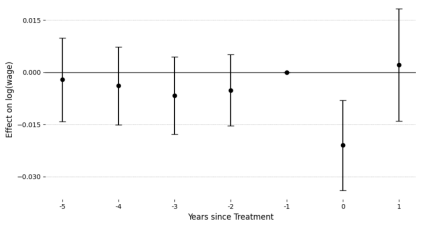
6.3 Hiring in the respective year

Since we find that firms subject to the reporting requirement did not adjust wages for incumbent workers, except in leadership positions, we explore whether firms instead altered wage-setting behavior for newly hired workers. This possibility is particularly relevant in light of institutional wage rigidity. Both economic frictions and Brazilian labor law, which prohibits nominal wage reductions, limit firms' ability to adjust existing salaries downward. As a result, any adjustment in pay policies may operate primarily through the wages offered to new hires.

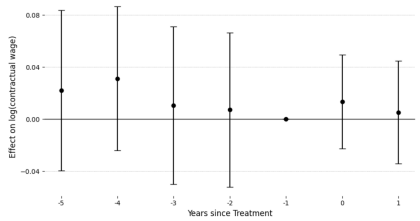
To examine this channel, we use the same sample and baseline triple-difference specification as in the main analysis, but restrict attention to workers hired in a given year who remain employed at the firm through the end of that year. This restriction ensures that we capture entry wages under stable employment relationships. Because most individuals in this subsample are observed only once, since they are observed only in their year of hire, we cannot include individual fixed effects as in the previous specification. Instead, we replace them with fixed effects defined by the interaction between the first two digits of the CBO occupational code and the firm identifier, allowing us to compare new hires within firm–occupation cells.



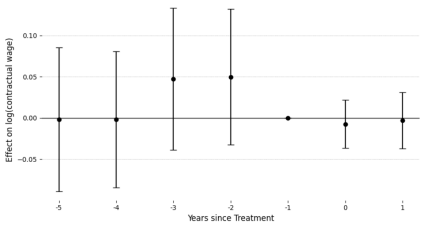
(a) Gender Pay Gap (Wage)



(b) Female (Wage)



(c) Gender Pay Gap (Contractual Wage)



(d) Female (Contractual Wage)

Figure 7: Effects of Transparency on GWG and Mouth Wage (Hiring in the respective year)

The event-study estimates reveal a negative and statistically significant effect on wages in year zero, which corresponds to the year of the policy announcement. While most pre-treatment coefficients are statistically indistinguishable from zero, one pre-period estimate reaches conventional levels of significance, indicating that the parallel trends assumption is not perfectly satisfied. Importantly, this deviation does not suggest a systematic differential trend, as the remaining pre-treatment coefficients are small in magnitude and statistically insignificant.

A plausible explanation for the negative wage effect observed in year zero relates to the informational environment at the time of the announcement. Because year zero marks the formal announcement of the reporting requirement, firms may have anticipated increased scrutiny and adjusted wage-setting behavior, particularly for incoming workers. At that stage, however, the degree of enforcement was uncertain. Enforcement mechanisms were initially limited, and formal inspections only began in 2025. This institutional context may explain why we observe a negative adjustment in wages precisely in the announcement year, without evidence of persistent pre-trends or sustained post-treatment effects thereafter.

Overall, although the presence of one significant pre-treatment coefficient warrants caution, the broader pattern of estimates remains largely consistent with the absence of systematic differential trends prior to implementation.

7 Robustness checks

We conduct a series of robustness exercises to assess the sensitivity of our results to the choice of bandwidth around the 100-worker cutoff and to alternative definitions of the treatment year. In the main specification, we restrict the sample to firms within ±25 workers of the cutoff. As a robustness check, we re-estimate the same triple-difference specification using narrower and wider bandwidths, specifically ±10 and ±40 workers. All corresponding event-study graphs are presented in Appendix B. The results are broadly consistent with our baseline findings, as we do not detect statistically significant effects across these alternative bandwidths. Because the parallel trends assumption appears less clear when using the ±40 bandwidth, we additionally consider an intermediate window of ±35 workers. In this case as well, we find no statistically significant effect on the gender wage gap.

As an additional placebo-type exercise, we redefine the treatment status using firm size in 2021, a year that is exogenous to the policy. Under this alternative definition, the contractual wage specification exhibits clear parallel trends and confirms the absence of statistically significant effects. For effective wages, the estimates are somewhat noisier, though they remain statistically insignificant. For reference, Figure 8 presents results for firms within the 90–110 worker range, Figure 9 for 60–140, Figure 10 for 65–135, and Figure 11 for 75–125 workers, with the latter set of figures based on the 2021 treatment definition. The Appendix also includes additional analyses based on a regression discontinuity design (RDD), which yield results consistent with the main specification.

8 Final Considerations and Next Steps

This paper studies the effects of Brazil's mandatory pay transparency law on wages and gender inequality using administrative employer–employee data. Exploiting the 100-employee reporting threshold in a triple-difference event-study framework, we find no statistically significant effects on average wages or on the overall gender wage gap. These results are robust to alternative bandwidth choices and placebo treatment definition. In the aggregate, the evidence suggests limited immediate behavioral responses to the disclosure requirement.

At the same time, we document heterogeneous effects at the top of the occupational distribution. Women in leadership positions experience a decline in effective wages, with no corresponding change in contractual wages, leading to a widening of the gender gap within this group. This pattern is consistent with wage rigidity in base pay and adjustments occurring through more flexible compensation components. More broadly, the findings highlight the importance of institutional design and enforcement in shaping the impact of transparency policies and suggest that disclosure alone may be insufficient to

generate broad changes in wage inequality.

8.1 New Data - Ministry of Labor

Recent information from the Ministry of Labor indicates that inspections have intensified, with 217 firms audited in the past few months and 90 fined for failing to display the report in a publicly accessible location (Ministry of Labor, 2025) [11]. Once inspection and enforcement records become available, I intend to follow an approach similar to De Souza (2025) and Szerman (2022), who compared firms that were inspected with observationally similar firms that were not. Their findings suggest that inspections increase the likelihood of compliance, although De Souza (2025) shows that firms often respond strategically: instead of fully meeting the quota for disabled workers, many reduce their workforce to avoid stricter requirements, and even after being inspected, they tend not to reach full compliance, only approaching the mandated target. Drawing on this framework, I plan to examine whether pay transparency inspections produce analogous behavioral adjustments and whether firms meaningfully alter wage structures or simply move closer to formal compliance without fully achieving it. These data will only become available once the RAIS 2025 release is published, but they will enable me to study compliance more directly and to test whether increased monitoring reinforces or substitutes for the effects of transparency.

[11] https://www.gov.br/mulheres/pt-br/central-de-conteudos/noticias/2025/setembro/empresas-devem-publicar-relatorio-de-transparencia-salarial-ate-30-de-setembro

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A Report

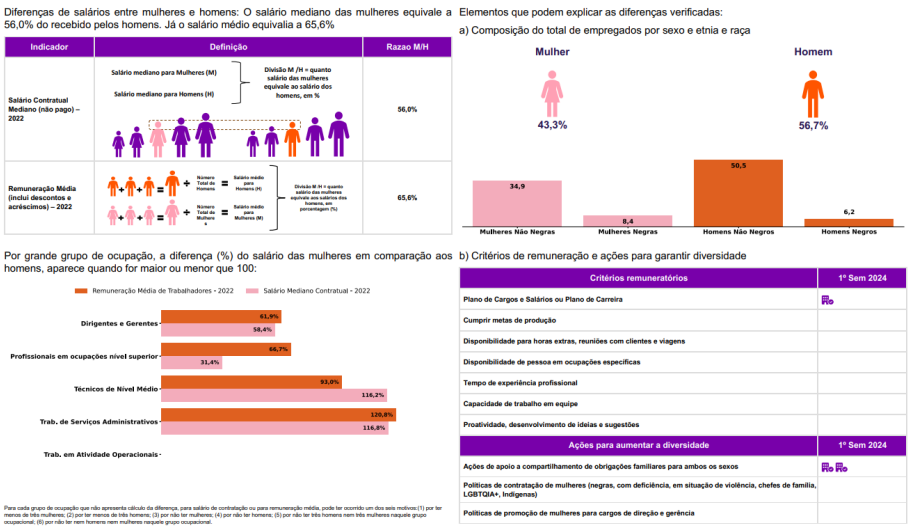


Figure 8: Example of a Transparency and Equal Pay Report for Women and Men

This report considers both contractual remuneration and effective remuneration, the latter including elements such as the 13th salary, given that remuneration in Brazil is paid monthly rather than weekly, along with bonuses and other forms of additional compensation. Items such as paid leave or similar non-remunerative benefits are not included. Only career groups with at least three women and three men are considered in the analysis, with interns and intermittent workers excluded. Average values are calculated only for salaries above 0.3 minimum wages and below 150 minimum wages, ensuring the removal of extreme outliers.

For this report, the term Black population refers to individuals who identify as Black or Brown ("pretos" or "pardos"), while non-Black population refers to individuals who identify as White, Yellow (of Asian descent), or Indigenous.

The major occupational groups defined by the Brazilian Classification of Occupations (CBO) represent aggregations of occupations that share similar characteristics based on their tasks within the occupational hierarchy.

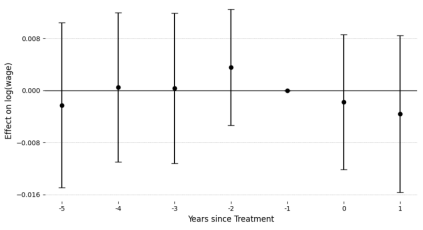
- **Executive and managerial roles** involve leadership and decision-making responsibilities.
- **Higher education occupations** support organizational leadership and the planning of activities.
- **Technical-level occupations** supervise tasks within their respective areas.
- **Administrative occupations** perform general clerical and office functions.

- **Operational occupations** carry out the core activities of organizations across all sectors, including agriculture, commerce, industry, and services, corresponding to Groups 5 through 9 of the CBO.

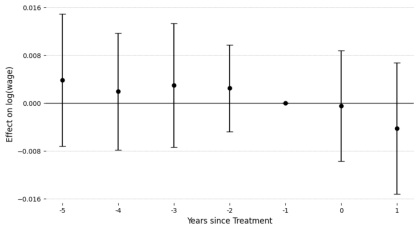
The CBO major group is composed of ten categories, which does not allow for the identification of individual workers, as the classification is designed to describe occupations according to their functions rather than personal characteristics.

B Robustness Test

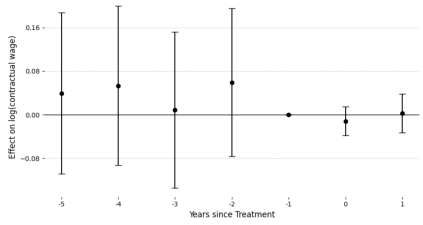
B.1 Specification



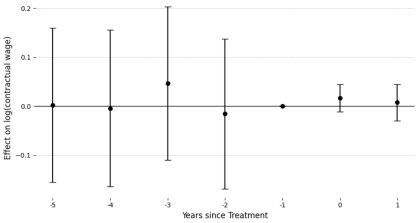
(a) Gender Pay Gap (Wage)



(b) Female (Wage)

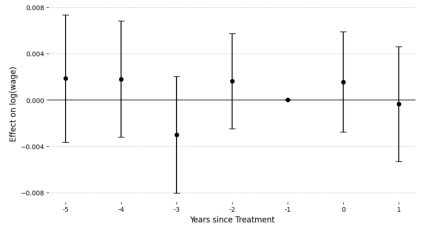


(c) Gender Pay Gap (Contractual Wage)

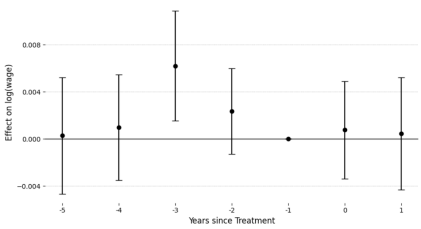


(d) Female (Contractual Wage)

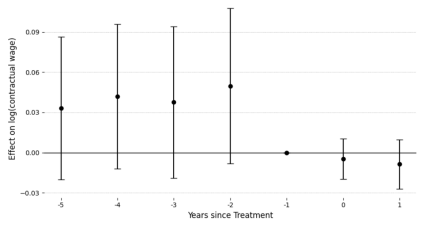
Figure 9: Effects of Pay Transparency on the Gender Wage Gap and Monthly Wages (Worker-Level Analysis, 90–110 Employees)



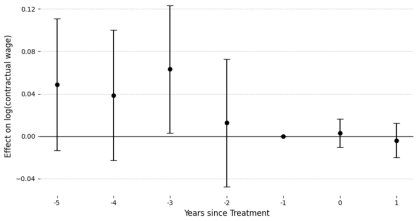
(a) Gender Pay Gap (Wage)



(b) Female (Wage)

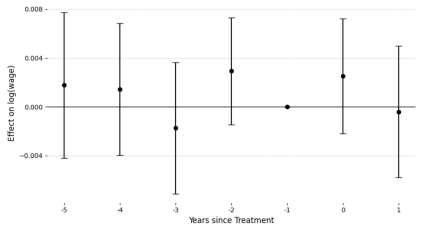


(c) Gender Pay Gap (Contractual Wage)

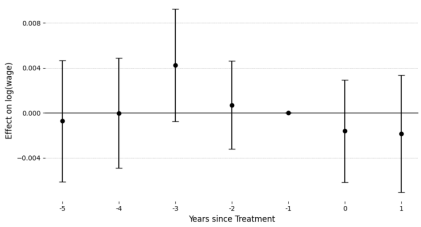


(d) Female (Contractual Wage)

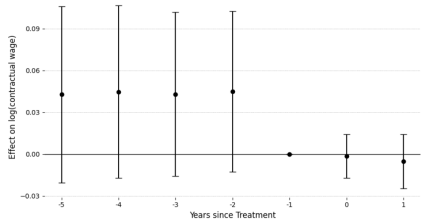
Figure 10: Effects of Pay Transparency on the Gender Wage Gap and Monthly Wages (Worker-Level Analysis, 60–140 Employees)



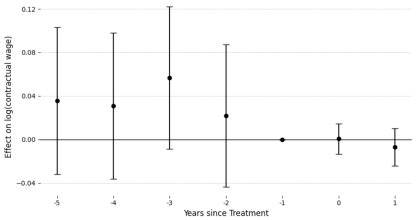
(a) Gender Pay Gap (Wage)



(b) Female (Wage)

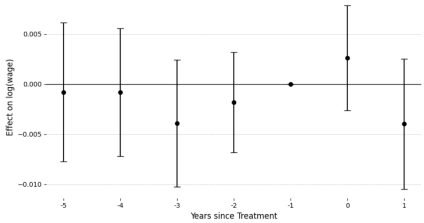


(c) Gender Pay Gap (Contractual Wage)

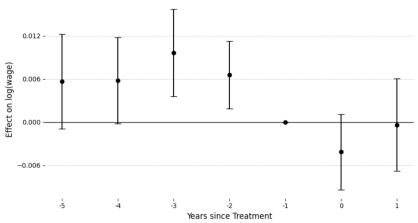


(d) Female (Contractual Wage)

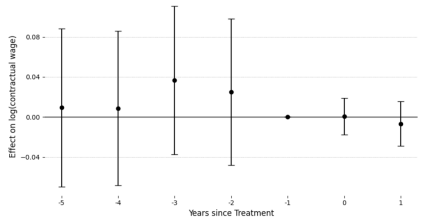
Figure 11: Effects of Pay Transparency on the Gender Wage Gap and Monthly Wages (Worker-Level Analysis, 65–135 Employees)



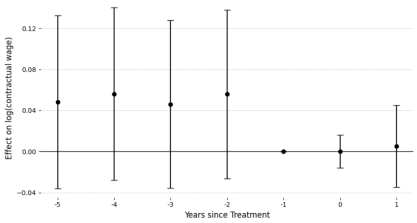
(a) Gender Pay Gap (Wage)



(b) Female (Wage)



(c) Gender Pay Gap (Contractual Wage)



(d) Female (Contractual Wage)

Figure 12: Worker-Level Effects of Pay Transparency on the Gender Wage Gap and Monthly Wages (Treatment Defined Using 2021 Firm Size)

B.2 Regression Discontinuity Design

Using the universe of RAIS firms, I construct the within-firm occupational gender wage gap as the difference between the log average wages of men and women in each firm–occupation cell, restricting to cells with both genders present. The analysis compares two cross-sections—2022 (pre-policy) and 2024 (post-policy)—for firms observed in both years, allowing identification of policy-induced changes in occupation-level gender wage gaps within firms. The local linear RDD is given by:

$$Y_{io} = \alpha + \tau D_i + \beta_1(X_i - c) + \beta_2(X_i - c)D_i + \varepsilon_{io},$$

where $D_i = 1(X_i \geq c)$ equals one if firm i lies above the cutoff (100 workers). The coefficient τ captures the discontinuous change in the occupational gender wage gap at the threshold and is interpreted as the local average treatment effect of the policy. stimation relies on a local linear RDD with a triangular kernel and optimal bandwidth selection. Consistent with the previous approach, we find no statistically significant effect, indicating that the transparency law did not affect the gender wage gap.

The results are similar to those found by the previous method; no significant effect was found. This reinforces the possibility that the transparency law may not have had an effect on the gender pay gap.

Table 3: RD Estimates Using Local Polynomial Regression

	Estimate	95% CI
2022 Effect	-0.011	[-0.038 , 0.017]
2024 Effect	-0.008	[-0.023 , 0.006]

Notes: Sharp RD design estimated using local linear polynomial with triangular kernel. Bandwidth selected by MSE-optimal method. Robust bias-corrected inference reported.

Applying the same method, but excluding 10 workers around the cutoff point, we arrive at the same conclusion presented above, reinforcing the result.

Table 4: Estimates of RD using Local Polynomial Regression - excluding companies with between 90 and 110 employees

	Estimate	95% CI
2024 Effect	-0.009	[-0.041, 0.032]

Notes: Sharp RD design estimated using local linear polynomial with triangular kernel. Bandwidth selected by MSE-optimal method. Robust bias-corrected inference reported.

The McCrary density test (2008) conducted around the 100-employee cutoff in 2024 indicates evidence of manipulation in the running variable. This discrepancy is plausibly attributable to the fact that other regulations also rely on the 100-employee threshold. One prominent example is Brazil's disability employment quota, which requires firms with more than 100 employees to hire a minimum share of workers with disabilities—a requirement that increases with firm size. As documented by De Souza (2025), compliance with this quota is particularly challenging because firms must integrate workers into appropriate roles, and in many regions of Brazil the number of available workers with disabilities is insufficient to meet labor market demand. These dynamics likely generate discontinuities in firm size prior to the transparency law and help explain the 2022 result.

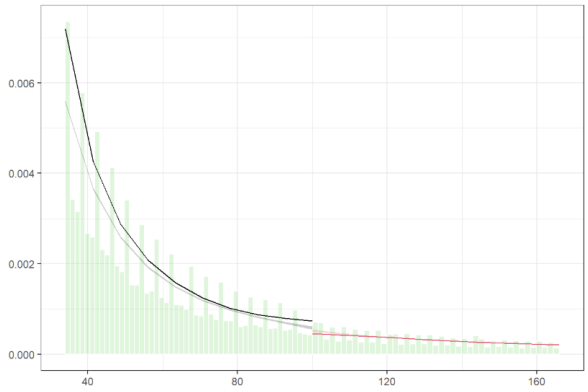
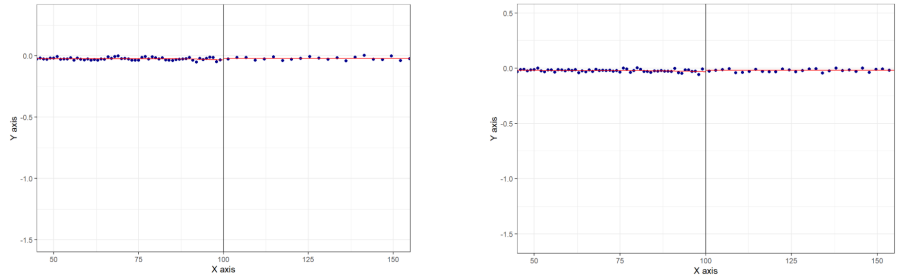


Figure 13: McCrary Density Test (2024)

To get around this problem we use Difference-In-Discontinuity. Following the intuition of the difference-in-discontinuity framework introduced by Grembi, Nannicini, and Troiano (2016), the parameter of interest can be written as

$$\tau^{DiDC} = E\left[Y_{i,1}(1,1) - Y_{i,1}(1,0) \mid Z_i = z_0\right].$$

This parameter captures the policy-induced change in the discontinuity at the cutoff z_0. Identification relies on comparing the size-based discontinuity before and after the reform, thereby differencing out any pre-existing jump at the threshold. In our application, the difference-in-discontinuity design is implemented as a robustness exercise rather than the primary identification strategy, therefore, we will not delve deeper and will only use the years t=0 and t=1.



(a) Wage Gap (b) Contractual Wage Gap

Figure 14: Difference-In-Discontinuity (2023-2022))

C Tables

Table 5: Distribution of Workers by Occupation (CBO Classification, 2022)

Occupation Category	**CBO**	**Control (%)**	**Treated (%)**
(1) CEOs and Managers	CG 1	5.30	4.96
(2) Professionals (Senior staff)	CG 2	8.39	8.04
(3) Technicians (Middle-level)	CG 3	10.37	10.58
(4) Clerks and Services (White collars)	CG 4–5	41.75	42.48
(5) Production Workers (Blue collars)	CG 7–9	32.84	32.34
(6) Agriculture Workers	CG 6	1.35	1.60

Note: (a) Categories of knowledge observed in the structure of the firms. (b) CBO occupations included in each category of knowledge. CBO occupations: CEOs and Managers (CG1), Professionals (CG2), Technicians and Associate Professionals (CG3), Clerks (CG4), Service Workers (CG5), Production Workers – Discrete Process (CG7), Production Workers – Continuous Process (CG8), and Maintenance Workers (CG9). Agriculture Workers (CG6) and Armed Forces (CG0) were excluded.

Table 6: Separation and Hiring Rates (2022)

	Control (%)	**Treated (%)**
Separation (%)	27%	28%
Hiring (%)	31%	31%

Note: Separation and hiring rates are calculated relative to total worker flows (i.e., worker circulation) within each group in 2022, rather than relative to total employment levels.

Table 7: Heterogeneous Effects Across Sample Sizes (Wage and Gap Effects)

	20%	**40%**	**60%**	**80%**	**100%**
Treated × Male	0.005483	-0.000331	-0.000158	0.000189	-0.000309
	(0.006832)	(0.003761)	(0.002873)	(0.002605)	(0.002528)
Treated	-0.011189	-0.005285	-0.003963	-0.003203	-0.003299
	(0.006742)	(0.003728)	(0.002855)	(0.002601)	(0.002563)
Observations	1,346,763	3,314,348	4,864,995	5,929,037	6,678,002
Worker FE	Yes	Yes	Yes	Yes	Yes
Sector × Year × Gender FE	Yes	Yes	Yes	Yes	Yes
Clusters	Firm	Firm	Firm	Firm	Firm
Adjusted R^2	0.931505	0.925482	0.920264	0.91668	0.913245
RMSE	0.168063	0.163389	0.16262	0.1635	0.166716

Notes: Standard errors clustered at the firm level are reported in parentheses. All regressions include worker fixed effects and sector × year × gender fixed effects. $^{*}p < 0.10$, $^{**}p < 0.05$, $^{***}p < 0.01$.
Firms were selected from the overall pool of firms. Within this group, we identify those with the largest gender wage gaps in 2022 and then apply workforce size cutoffs of 75 and 125 employees. (a) The average wage gap among the top 20% of firms with the largest gaps is 58.2%; (b) among the top 40%, 38.96%; (c) among the top 60%, 27.84%; and (d) among the top 80%, 19.76%.

Table 8: Heterogeneous Effects Across Sample Sizes (Contractual Wage and Gap Effects)

	20%	**40%**	**60%**	**80%**	**100%**
Treated × Male	-0.046692	-0.011327	-0.035561	-0.019040	-0.03108
	(0.060546)	(0.035319)	(0.02875)	(0.026111)	(0.025175)
Treated	-0.030053	-0.046710	-0.006547	-0.014532	-0.005530
	(0.064619)	(0.037941)	(0.030883)	(0.028130)	(0.026690)
Observations	1,346,763	3,314,348	4,864,995	5,929,037	6,678,002
Worker FE	Yes	Yes	Yes	Yes	Yes
Sector × Year × Gender FE	Yes	Yes	Yes	Yes	Yes
Clusters	Firm	Firm	Firm	Firm	Firm
Adjusted R^2	0.706682	0.686212	0.675832	0.6713774	0.668679
RMSE	1.08837	1.12488	1.13863	1.14486	1.14821

Notes: Standard errors clustered at the firm level are reported in parentheses. All regressions include worker fixed effects and sector × year × gender fixed effects. $^{*}p < 0.10$, $^{**}p < 0.05$, $^{***}p < 0.01$.
Firms were selected from the overall pool of firms. Within this group, we identify those with the largest gender wage gaps in 2022 and then apply workforce size cutoffs of 75 and 125 employees. (a) The average wage gap among the top 20% of firms with the largest gaps is 58.2%; (b) among the top 40%, 38.96%; (c) among the top 60%, 27.84%; and (d) among the top 80%, 19.76%.

Table 9: Event-study estimates of the effect of transparency on wages

	(1)
Years since the law = -5 × Treated	-0.0024061
	(0.003340)
Years since the law = -4 × Treated	-0.001853928
	(0.003028)
Years since the law = -3 × Treated	0.002391515
	(0.003062)
Years since the law = -2 × Treated	-0.000291543
	(0.002403)
Years since the law = 0 × Treated	-0.002970235
	(0.002855)
Years since the law = 1 × Treated	-0.004158524
	(0.003322)
Years since the law = -5 × Treated × Male	0.000093383
	(0.003697)
Years since the law = -4 × Treated × Male	0.000000634
	(0.003382)
Years since the law = -3 × Treated × Male	-0.001322999
	(0.003372)
Years since the law = -2 × Treated × Male	0.001594311
	(0.002723)
Years since the law = 0 × Treated × Male	0.001182160
	(0.002981)
Years since the law = 1 × Treated × Male	-0.001897136
	(0.003455)
Observations	6,678,002
Worker FE	Yes
Sector × Year × Gender FE	Yes
Clusters	Firm
Adjusted R^2	0.913246
RMSE	0.166714

Table 10: Event-study estimates of the effect of transparency on contractual wages

	(1)
Years since the law = -5 × Treated	0.020457
	(0.04275)
Years since the law = -4 × Treated	0.014397
	(0.042520)
Years since the law = -3 × Treated	0.011325
	(0.041454)
Years since the law = -2 × Treated	0.013029
	(0.041715)
Years since the law = 0 × Treated	0.007039
	(0.008236)
Years since the law = 1 × Treated	-0.001804
	(0.010397)
Years since the law = -5 × Treated × Male	0.043675
	(0.040185)
Years since the law = -4 × Treated × Male	0.043730
	(0.038881)
Years since the law = -3 × Treated × Male	0.051050
	(0.037426)
Years since the law = -2 × Treated × Male	0.041847
	(0.036749)
Years since the law = 0 × Treated × Male	-0.003382
	(0.009411)
Years since the law = 1 × Treated × Male	0.000058
	(0.011775)
Observations	6,678,002
Worker FE	Yes
Sector × Year × Gender FE	Yes
Clusters	Firm
Adjusted R^2	0.668694
RMSE	1.14819