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CHRIS ROBERTS: More than two years ago, Northern States Power Company took a somewhat unusual step as Minnesota's largest utility. It began to offer health benefits to the unmarried partners of its employees.

Even though he had been lobbying for domestic partner benefits, the move came as a surprise to NSP financial consultant Kerry Severson. Ever since, Severson's loyalty and commitment to the company has grown.

**KERRY SEVERSON:** It shows that my company is very supportive of us and wants to be equitable to all their employees. And knowing that it is there, when I do get into a committed relationship, I'm very fortunate for that.

**CHRIS ROBERTS:** Minnesota companies have put the state at the forefront of the domestic partner issue, according to Scott Fearing, Coordinator of Education and Training at the Gay and Lesbian Community Action Council in Minneapolis.

Fearing organizes the Workplace Alliance, a network of gay and lesbian employee support groups around Minnesota who have made domestic partner benefits one of their top priorities.

A list of companies offering such benefits is a who's who of Minnesota employers, including American Express, NSP, the *Star Tribune*, Cray Research, St. Paul Companies, the University of Minnesota, and HealthPartners, Incorporated. All of the state's major insurers, except for Blue Cross Blue Shield, have domestic partner plans for their own employees.

Fearing says the state's human rights amendment protecting gays, lesbians, bisexuals, and transgender people from discrimination has been an impetus for employers to examine the parity of their benefits packages.

And it has inspired more employees to come out of the closet and demand equitable treatment. Fearing says one employer told him, until they heard from employees, they hadn't even considered the issue.

**SCOTT FEARING:** They had heard of it. They knew of other companies that were doing it, even some of their competitors that were doing it. But until an employee came to HR and said, I really would like to be able to cover my partner, that they didn't have the discussion. So that made the turning point.

So because Minnesota has the law, we have an atmosphere where more people are out and open and visible and have the self-confidence to ask for it, it makes a difference.

**CHRIS ROBERTS:** Fearing advises companies to implement domestic partner benefits for all employees as a matter of fairness. When he talks about benefits parity, he's not only referring to health insurance, but also sick and bereavement leave, tuition reimbursement, or employee discounts. His most powerful argument on behalf of domestic partner benefits is the bottom line.

**SCOTT FEARING:** It is an issue of recruitment. It is an issue of retention. If I want to go out and compete in today's marketplace for bright and wise and smart and intelligent employees, I need to be treating them that way.

**CHRIS ROBERTS:** St. Paul Companies has offered domestic partner benefits for two years. Corporate diversity officer, Eric Watson, says the company implemented the program to improve productivity among its workers. And he says it fits in with what he calls the company's strategy to manage diversity in the workplace.

**ERIC WATSON:** We do business with people from all walks of life, and we want to be able to both attract them as insurers and attract them as employees.

**CHRIS** Has this turned out to be exorbitantly expensive for you?

**ROBERTS:**

**ERIC WATSON:** No, we did the research and there's not been any adverse effects to this at all from a financial standpoint.

**CHRIS** In fact, some studies indicate that for corporations whose costs have gone up because of domestic partner plans,  
**ROBERTS:** those increases have amounted to 1% or less. Again, the Gay and Lesbian Community Action Council, Scott Fearing.

**SCOTT** There are organizations that have been doing this for close to 10 years now. One of the first people to offer  
**FEARING:** domestic partner benefits was Levi Strauss, and they started, I believe, in 1989. So this is going on 8 to 10 years of numbers that are there. And the numbers do not support at all that it's more expensive.

It's the same as if suddenly you had a company that was all straight employees, and they all went out and got married. It's not going to be any more expensive than providing the coverage for them.

**CHRIS** Still, only 1 in 10 American companies or organizations offer domestic partner benefits. While that number is  
**ROBERTS:** projected to grow substantially, many companies are slow to join the trend.

Some have moral objections. Others are worried about a backlash against their products, such as the boycott called by Southern Baptists against the Disney Corporation when it announced a domestic partner plan.

Barry Lawrence, spokesperson for the Society for Human Resource Management in Northern Virginia, says his organization's surveys indicate cost, especially for midsize and smaller companies, is the main concern.

**BARRY** It's still an expansion of the current benefit pool, and some companies just simply can't afford to be getting into  
**LAWRENCE:** that kind of cost structure.

At the same time, other companies have decided, hey, we want to be the employer of choice for all employees, no matter what their backgrounds or sexual preferences or whatever. We're going to try to be inclusive because we can't afford not to be if we want to attract the best and the brightest. So each individual employer has to weigh those two risks.

**CHRIS** Lawrence says more companies will be confronted with that decision as the activities of gay workplace groups  
**ROBERTS:** increase and the pressure to attract and retain talented employees grows. For Minnesota Public Radio, this is Chris Roberts.