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TESTIMONY IN SUPPORT OF HB 123: The “Salary History” Bill

To: Hon. Dereck Davis, Chair, and members of the House Economic Matters Committee

From: Ruth Martin, Vice President, MomsRising

Date: February 4, 2020

I am the Vice President for Workplace Justice Campaigns at MomsRising.org and on the Board of Directors of the Maryland Legislative Agenda for Women. I’m also a Silver Spring mom of two young daughters, and on their behalf, as well as on behalf of the over 30,000 members of MomsRising in Maryland, I urge you to give HB 123 a favorable report.

Maryland has a chance to be a leader in the fight to close the racial and gender wage gap, and the need is urgent. Right now, Black women in Maryland are paid just 68 cents for every dollar paid to white men in Maryland and Latinas are paid just 47 cents. In fact, Maryland has the fourth largest wage gap for Latinas in the nation. Women of all races and ethnicities in Maryland are paid an average of 86 cents for every dollar paid to white men. [1] If the wage gap were eliminated in our state, working women in Maryland would have enough money, on average, to pay for 10 more months of childcare each year. [2] Black women in Maryland would be able to afford 27 more months of childcare each year and Latinas would be able to afford nearly 47 more months. [3] This is staggering because we know that childcare for our littlest Marylanders is more expensive than in-state tuition at a four-year public college. [4]

Passing HB 123 can help close the wage gap. Banning employers from requiring job applicants to disclose their prior salary histories and requiring employers to provide a salary range to applicants upon request is a simple and proven way to help close Maryland’s gender and racial wage gaps. Women, especially women of color and mothers, are likely to have lower prior salaries than men for reasons that have nothing to do with skills or experience. Further, salary history requirements are an imperfect measurement to assess an applicant’s value or interest in a position.

I don’t want my daughters to have to keep fighting the fight for equal pay that started when their grandmothers were in the workforce. But this isn’t just about my daughters. We all lose when women don’t get equal pay for equal work.

When women don't have adequate funds to spend, the impact is felt across our economy from "big box" stores to small businesses on main streets. After all, women make three-quarters of purchasing decisions, from food and clothes to furniture and cars. [5]

Ignoring the economic power of women in Maryland hurts our families, our businesses, and our state economy. In fact, the Institute for Women's Policy Research found that the U.S. GDP would grow by nearly 3 percent if women were paid as much as men. [6]

No single policy will close the wage gap, but simple policy changes, like those in HB 123 are a smart step in the right direction. Banning the considerations of prior salary history and requiring salary range transparency helps level the playing field. MomsRing urges you to support HB 123 to boost working families' economic security and our state economy.

[1] National Women's Law Center (NWLC) calculations based on 2014-2018 American Community Survey Five-Year Estimates (<http://www.census.gov/acs/www/>)

[2, 3] National Partnership for Women & Families, The Wage Gap in Maryland
<https://www.nationalpartnership.org/our-work/economic-justice/wage-gap/the-wage-gap-in-maryland.html>

[4] Economic Policy Institute, The Cost of Child Care in Maryland
<https://www.epi.org/child-care-costs-in-the-united-states/#/MD>

[5] Harvard Business Review: The Female Economy <https://hbr.org/2009/09/the-female-economy>

[6] IWPR: Impact of Equal Pay on Poverty and the Economy
<https://iwpr.org/publications/impact-equal-pay-poverty-economy/>