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Health and Government
Operations Committee

Subcommittees

Government Operations
and Estates and Trusts
Insurance and Pharmaceuticals



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401
Testimony in Support of HB 123

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Labor and Employment – Wage History and Wage Range

Dear Mr. Chairman, Madam. Vice Chairmen, and esteemed members of the Economic Matters Committee.

HB 123 prohibits employers from requesting job applicants' wage histories at any time during the application, interview, and hiring process. The Bill also requires employers to provide a wage range for posted positions upon request. Applicants are free to volunteer their wage histories after employers make offers of employment during subsequent wage negotiations.

HB123 will end a practice that growing numbers of local and state governments, as well as businesses, are discontinuing. Thirteen states, including California, Colorado, Connecticut, Delaware, Hawaii, Illinois, Maine, Massachusetts, Oregon, New Jersey, New York, Vermont, and Washington as well as Puerto Rico have passed wage history legislation with bipartisan support. An additional twelve local municipalities, including Louisville, KY; New Orleans, LA; and Kansas City, MO have passed wage history bans. Business leaders such as Bank of America, Wells Fargo, Cisco, Progressive, Starbucks, and Amazon have announced that they are no longer requesting wage histories as part of their hiring practices. They acknowledge that this practice perpetuates wage gaps among various populations. Instead, they hold that employees should be compensated based on their experience and skills.

The 2020 Wage History Bill makes a considerable compromise to ensure that failures to comply are less punitive to local businesses as they institute new practices. The 2020 bill sets violations as follows: \$500 for the first violation; \$1,000 for the 2nd violation, and \$5,000 for subsequent violations. Within this range, it is left to the Commissioner of Labor and Industry to determine the severity of the violation and set punitive damages accordingly.

The Federal Equal Pay Act of 1963 and the Lily Ledbetter Fair Pay Act of 2009 helped to close the explicit gender pay gap, but they do not address some practices.

Despite the passage of these laws, white women still make only 80 cents for every dollar their male counterparts make. Still worse, African-American women make only 60 cents on the dollar, and Latinas are paid about 55 cents for every dollar paid to white men.

In Maryland, white women make approximately 85 cents on the dollar, African-American women make 68 cents, and Latinas earn only 47 cents on the dollar compared to white men. These clear economic disparities are destabilizing to the millions of families that are headed by women.

The wage gap damages the long-term security of women and their families. Over a woman's lifetime, the gender wage gap—reinforced by wage history questions—is estimated to cost her between \$500,000 and \$1.2 million in low-ball wage offers. What is more, equal pay projections suggest that the poverty rate for women could be cut in half, while lifting close to 3 million women out of poverty. These increased wages would inject nearly \$4.5 billion in additional income into the economy—roughly 2.9% of the national GDP.

Preventing employers from asking for wage histories during the interview process and making wage ranges a transparent part of the employment negotiation will not completely close the wage gap. However, these measures are a great step forward as we dismantle the practices that reinforce wage inequity. It has never been more important to pass this Legislation, as the wage gap has barely decreased in the last decade.

For these reasons, I urge you to support **HB123**, and I request a favorable report.

Thank you.

Delegate Karen Lewis Young