

Letter Signed by 28 Organizations in SUPPORT of HB 123/SB 217

Dear Members of the House Economic Matters Committee:

As organizations dedicated to ensuring that working people in Maryland and throughout the country are treated fairly in the workplace, we write to strongly urge you to support SB 217/HB 123, the “Salary History” bill. This bill is a simple, straightforward measure that will help stop practices that are harming Maryland employees and businesses by (1) ensuring that employers no longer rely on job applicants’ salary history in hiring and setting pay and (2) requiring employers provide the wage range for a position if the applicant applying for the position requests it.

Using salary history in the hiring and pay-setting process is an unfair and unnecessary practice that hurts all working people in Maryland, but has a disproportionately negative impact on women and people of color who face conscious and unconscious bias in the workplace and, consequently, are paid lower wages, on average, than white men. It also penalizes individuals—predominately women—who had to reduce their hours or leave their prior job to care for children or family members, or who worked for the nonprofit sector, and whose prior salary, consequently, doesn’t reflect their current qualifications or market conditions. Relying on salary history forces Marylanders to carry lower earnings and gender and racial wage gaps throughout their careers.

Ending reliance on salary history is a good businesses practice. Small and large businesses in Maryland and throughout the country, including Bank of America, Wells Fargo, Cisco, Progressive, and Amazon, are announcing that they are not asking applicants to provide their salary history, acknowledging that this practice perpetuates wage gaps and that employees should be paid based on their experience, skills, track record, and the responsibilities they will be assuming, not on what they happened to be paid in their past job. Stopping reliance on salary history can help businesses attract and retain a diverse workforce by ending a practice that limits the talent pool,ⁱ hurts an employer’s brand, and can drive the best candidates away.ⁱⁱ Moreover, by proactively helping stop wage gaps from arising in a workplace, SB 217/HB 123 will help insulate Maryland businesses against equal pay lawsuits.

Maryland is overdue to join the nationwide movement to end this practice. Thirteen states from Delaware to Colorado, and New Jersey to Illinois, have passed legislation prohibiting employers from relying on salary history—all with bipartisan support. Recent research into one of these laws shows that it has helped to narrow gender wage gaps.ⁱⁱⁱ Colorado, Washington, and California all also require salary range transparency—a practice that research shows helps narrow gender wage gaps.^{iv}

Maryland lawmakers have an urgent obligation to working people, families, and the state economy to pass SB 217/HB 123: Black women in Maryland are paid only 68 cents on the dollar paid to white, non-Hispanic men and Latinas are paid only 47 cents—the 4th largest wage gap for Latinas in the country. In this bill we have a simple, high impact and proven tool for helping close the wage gap. Marylanders literally cannot afford to wait any longer to use it.

Thank you,

ACLU of Maryland
AFSCME Council 3
American Association of University Women Maryland
Business and Professional Women of Maryland (BPW/MD)
CASA
Common Cause Maryland
JOTF
Maryland Center on Economic Policy
Maryland Consumer Rights Coalition
Maryland Legislative Agenda for Women
Maryland National Organization for Women
Maryland State Education Association
Maryland State and DC AFL-CIO
MomsRising
Montgomery County Commission for Women
NAACP MSC
NARAL Pro-Choice Maryland
National Women's Law Center
National Organization for Women - Baltimore
Not Without Black Women
Planned Parenthood of Maryland
Progressive Maryland
Public Justice Center
The Women's Democratic League of Frederick County
The Women's Law Center of Maryland
TIME'S UP Now
Women's Democratic Club of Montgomery County
Women Lawyers on Guard Action Network

ⁱ Moshe A. Barach & John J. Horton, How do Employers Use Compensation History: Evidence From a Field Experiment (CESifo, Working Paper No. 6559, 2017), <http://moshebarach.com/wp-content/uploads/2017/06/WageHistory.pdf>.

ⁱⁱ Liz Ryan, When Someone Demands Your Salary History, Give Your Salary Requirements Instead, *forbes* (Jan. 16, 2017), <https://www.forbes.com/sites/lizryan/2017/01/16/when-they-demand-your-salary-history-give-your-salary-requirement-instead/#944ba255a8bb>.

ⁱⁱⁱ Drew McNichols, Information and the Persistence of the Gender Wage Gap; Early Evidence from California's Salary History Ban (February 1, 2019), SSRN: <https://ssrn.com/abstract=3277664> or <http://dx.doi.org/10.2139/ssrn.3277664>

^{iv} See, e.g., Hannah Riley Bowles, Linda Babcock & Kathleen L. McGinn, Constraints and Triggers: Situational Mechanics of Gender in Negotiations, 89 *J. Personality & Soc. Psych.* 951, 955-56 (2005), https://projects.iq.harvard.edu/files/hbowles/files/situational_mechanics.pdf.