



Testimony to the House Economic Matters Committee
HB 832: Labor and Employment - Equal Pay for Equal Work - Wage Range
Transparency
Position: Favorable

February 28, 2023

The Honorable C.T. Wilson, Chair
House Economic Matters Committee
Room 231, House Office Building
Annapolis, MD 21401
Cc: Members, Economic Matters

Honorable Chair Wilson and Members of the Committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action Maryland provides direct assistance today while passing legislation and regulations to create systemic change in the future.

Transparency is a cornerstone of consumer protection. Consumer advocates believe that individuals need access to information to prevent market asymmetries. Failure to provide a clear salary range is a barrier to entry for many candidates – deterring some worthy candidates from applying for a position because the individual isn't assured that the salary will be commensurate with their needs. This opaqueness can also cost the employer time and energy interviewing prospective employees who may turn down a proffered position once they learn the salary requirements.

In addition to transparency, Economic Action Maryland's work focuses on expanding economic rights in Maryland. For employers to require and use salary history as a basis for setting the salary range for a new employee exacerbates existing inequalities for women and people-of-color – particularly women-of-color. Women and women-of-color traditionally have earned less for the same level of work and with higher qualifications. Basing future salary off of a history of being underpaid simply widens this gendered pay gap. Additionally, asking people what they earned in their past jobs is a violation of their privacy.

HB 832 would help address this by requiring that all job listings include the salary range available for the position. Research shows that when job applicants are clearly

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informed about the context for negotiations, including the salary range, gender differences in negotiation outcomes diminish, which could help narrow gender wage gaps. Providing applicants with a salary range that the employer is willing to pay helps level the negotiating playing field by giving applicants important information that can inform an initial offer that is less tied to their previous pay levels or personal identity.

Our organization always discloses salary ranges when posting a job and it's our internal practice to only promote job postings that list salary history as a way to address equity concerns. It is generally considered a best practice among nonprofit organizations.

For transparency, equity, and privacy reasons, we support HB 832 and urge a favorable report.

Best,

Marceline White
Executive Director

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