

Ensuring Equal Wages Will Support Maryland Families, Boost Local Economy

Position Statement in support of Senate Bill 404

Given before the Senate Finance Committee

Ensuring that employers don't pay lower wages or make less favorable employment offers due to an applicant's gender or race would improve uneven economic growth and would help create greater economic security for working families. For these reasons, the Maryland Center on Economic Policy supports Senate Bill 404.

Despite prior federal and state legislation to address the wage gap, a woman working in Maryland makes only 85 cents for every dollar made by men in comparable jobs.ⁱ This wage disparity is even greater for women of color: African American women make 69 cents, and Latina women make only 47 cents for every dollar paid to a man doing comparable work. Closing this gap is a vital step toward ensuring all Marylanders have the same opportunity to climb the economic ladder.

Senate Bill 404 will build on past legislation by requiring employers with 15 or more employees to include the minimum rate of pay for the position in job announcements. It also prohibits employers from asking for an applicant's salary history during the screening process. This improves the position of applicants who might have been paid below-average wages for past work when they enter salary negotiations for a new position, preventing past wage discrimination from affecting future wages.

As a whole, Maryland women who work full time lose an estimated \$8.5 billion due to the wage gap.ⁱⁱ The median income for a full-time female employee in Maryland is \$8,604 less than that of a male. The income that women could potentially gain if pay was equal could help them put food on the table, pay the mortgage, and pay for education.

In Maryland, women are the heads of household for approximately 320,000 families.ⁱⁱⁱ Of those families for which a woman is the primary breadwinner, approximately 60,000 struggle to get by on wages below the

federal poverty line—just \$16,020 for a family of two. Ensuring equal wages and closing the wage gap will provide vital income for these women and their families.

Senate Bill 404 is an important step toward ensuring that everyone receives fair, equal treatment in the workplace. By strengthening the law, Maryland is making sure that women, people of color, and others who experience wage discrimination can continue providing for their families and building a stronger economy.

For these reasons, the Maryland Center on Economic Policy respectfully requests that the Finance Committee give a favorable report to Senate Bill 404.

ⁱ "Maryland's Women and the Wage Gap." *National Partnership for Women and Families*. Web. <http://www.nationalpartnership.org/research-library/workplace-fairness/fair-pay/4-2016-md-wage-gap.pdf>

ⁱⁱ U.S. Census Bureau. (2015). *American Community Survey 1-Year Estimates 2014, Geographies: All States within United States and Puerto Rico, Table B20017: Median Earnings in the Past 12 Months by Sex by Work Experience in the Past 12 Months for the Population 16 Years and Over with Earnings in the Past 12 Months*. Retrieved 17 September 2015, from http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_14_1YR_B20017&prodType=table
U.S. Census Bureau. (2015). *Current Population Survey, Annual Social and Economic (ASEC) Supplement: Table PINC-05: Work*

ⁱⁱⁱ U.S. Census Bureau. (2015). *American Community Survey 1-Year Estimates 2014, Geographies: United States, Table DP03: Selected Economic Characteristics*. http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_14_1YR_DP03&prodType=table
(To determine whether a household falls below the poverty level, the U.S. Census Bureau considers the income of the householder, size of family, number of related children, and, for one- and two person families, age of householder. The poverty threshold in 2014 was \$19,073 for a single householder and two children under 18.)