



Vermont Businesses
for Social Responsibility

VBSR Testimony on H.704 before the House General & Housing Committee **February 21, 2024**

Our Mission: To leverage the power of business for positive social and environmental impact
Our Vision: A just, thriving, and transformative economy for all people and the planet

Good morning. Thank you, Chair Stevens, and members of the Committee, for the opportunity to speak today on House Bill 704. My name is Kristin Warner, and I serve as the Public Policy Manager at Vermont Businesses for Social Responsibility (VBSR).

Vermont Businesses for Social Responsibility (VBSR) is a statewide, nonprofit business association with a mission to leverage the power of business for positive social and environmental impact. VBSR is the oldest state-level socially responsible business association in the nation, home to the highest number of certified B Corporations per capita and represents over 700 member businesses across 46 industries.

I am here today on behalf of VBSR's members to offer support for H.704. Our members understand that workplace morale and productivity increase when companies operate transparently, including in their hiring practices. When employers do not post salaries for an open position, it creates situations where people apply for a job and then have their applications processed when the position will not meet their income needs.

For most job candidates, - wage negotiations occur when a position is offered, if at all. In the United States, the gender wage gap is a prevailing problem that creates wealth disparities for women and people of color throughout their professional careers and into retirement. In our current society, white men frequently have the advantage in negotiations, while women and people of color are often less skilled, carry less power in their self-advocacy, and are judged harshly for attempting to negotiate. For these reasons, transparency about a salary or wage range in job postings is an essential practice for equity as it provides marginalized people more leverage to apply for positions that meet their needs and negotiate for salaries that employers are able to pay.

Critics of this legislation may cite the freedom to determine wages based on a candidate's experience as an essential aspect of hiring, and they can still do so. By publishing a *range* of wages, the employer has the opportunity to offer the candidate a wage that recognizes their experience. The absence of a designated salary range for a specified role opens the door to favoritism, sexism, racism, and other unfair practices. Being transparent with the pay range upfront is an effective practice for creating an equitable, transparent pay structure. We support informing new employees of the skills, projects, or longevity that would help them increase their pay.

As a long-time labor organizer, I can tell you that three things go into determining a wage proposal: 1) the employer's ability to pay 2) the market standards and 3) the power the workers have. By passing this legislation, you can support workers in their efforts to attain a wage that is best in line with their needs, and you can help employers by setting clear standards for equitable hiring practices. Eight states across the United States have passed similar bills, and have seen no harm to their employers, workers, or labor markets by doing so. VBSR would be thrilled to see Vermont follow suit.

Thank you for your time.