



Equal Pay

Senate Committee on
Economic Development,
Housing, and General
Affairs

April 12, 2018

Re: H.294, An act relating to inquiries about an applicant's salary history

Vermont Businesses for Social Responsibility (VBSR) is a non-profit, statewide business trade organization with a mission to advance business ethics that value multiple bottom lines- economic, social, and environmental. We strive to help members set a high standard for protecting the natural, human and economic environments of the state's residents, while remaining profitable. Founded in 1991, VBSR has more than 700 members across Vermont.

VBSR supports this bill because relying on an applicant's salary history in hiring decisions:

- Provides no useful information to the hiring company concerning the candidate's qualifications for the position.
- Adversely impacts candidates who have experienced pay gaps related to gender or race by compounding and repeating that pay gap.

Comments from VBSR members:

"Men are statistically more likely to see their monetary value as higher than women and they are more likely to risk the potentially awkward negotiation conversation. This often results in hundreds of thousands of dollars of lost income for women over their professional lifetimes. With more and more women being

the primary wage earner for families, this is a great disservice to everyone and puts more and more families under stress.

- Markey Read, founder, Career Networks, Inc., Williston, and VBSR Board Chair

"We state salary range and benefits, and don't ask about (often discriminatory) pay history. This weeds out folks early who need more (having learned that lesson the hard way, getting deep into the process. exciting us as a prospective employee, only to then discuss compensation and find everyone's time was wasted). Transparency, and early, is fair to all involved... and avoids the discrimination that focusing on pay history can perpetuate."

- Duane Peterson, co-founder, SunCommon, Waterbury

"I have been advising clients to drop this practice for years. Employees approach compensation in many different ways (wage rate, time off, flexible workplaces, alternative benefits, etc), and asking for salary history is just one piece of the compensation puzzle and leads the new employer to make significant decisions on incomplete information. This does, generally speaking, impact women more than men, as women traditionally move towards jobs that compensate them in ways other than wages. Over time, this creates a compounding system where each successive wage is determined on the (reduced) wage that came before it."

- Heather Wright, co-founder, WrightJones, PLC, Burlington

“Because we are a start-up still and all employees tend to wear multiple hats, hiring conversations at Stonecutter involve deep and detailed discussions about job expectations. While these conversations always include talks about salary and bonus/incentive structure, we find that salary history doesn't play a role in considering the opportunity with a potential candidate.”

- Sas Stewart, co-founder, Stonecutter Spirits, Middlebury

“This is legislation that I strongly support, both as an equal opportunity employer and as a woman. Some people are skeptical of the effectiveness of such regulation. However, the science tells us that our salary history does indeed impact our lifelong earning potential. I hope Vermont doesn't fall behind here.”

- Jennifer Kimmich, co-founder, The Alchemist, Stowe

“I have never understood how/why this question is germane to hiring a new staff member - either they have the qualifications or they don't.”

- Margi Swett, owner, Vermont Trophy & Engraving, Colchester

Daniel Barlow
VBSR Public Policy Manager
danielb@vbsr.org
(802) 355-7461
www.vbsr.org