



American Association of University Women
Bennington, Vermont Branch

Testimony of Julie Mackaman

Secretary, American Association of University Women (AAUW) of Vermont
to the
Senate Committee on Economic Development, Housing and General Affairs
in support of
Vermont Senate Bill 275
February 28, 2018

Good morning.

My name is Julie Mackaman and I am a member of the American Association of University Women (hereafter "AAUW"); Secretary of the statewide AAUW of Vermont organization, with branches in Brattleboro, Middlebury and Bennington; and past president of the Bennington branch.

AAUW, founded in 1881, is the nation's leading voice promoting equity and education for women and girls. Its mission: to advance equity for women and girls through advocacy, education, philanthropy and research. Today, we have over 170,000 members and supporters, over 1,000 local branches, and 800 college and university partners.

One of AAUW's guiding issues is economic security for women. Fundamental to women's economic security and self-sufficiency is pay equity: AAUW is a leader in the fight to end wage discrimination for women in the workplace. While important protections have been put in place in both the public and private sectors, many of them are not yet codified in law, and further action is needed to close the pervasive gender pay gap.

Toward helping members throughout the country assess their own state's progress toward pay equity, AAUW has sent a team of researchers and lawyers into the field to conduct a state-by-state analysis of where the states stand against AAUW's pay equity legislative goals. For each state, AAUW has drafted a road map in the fight for pay equity. AAUW members in Vermont note with pride that our state has already taken legislative steps to:

- ✓ require employers to provide men and women with equal pay for equal work;
- ✓ ensure that public and private employers and small business owners are all covered;
- ✓ prohibit employers from retaliating or discriminating against employees who discuss their wages;
- ✓ require state contractors to comply with nondiscrimination laws; and
- ✓ ensure that employers don't reduce another employee's pay to comply with the law.

But there is still work to be done.

The next step in Vermont is clear and timely. Earlier this year, the board of the Bennington branch of AAUW unanimously adopted a resolution supporting S.275, specifically that part of the bill that prohibits employers from requesting a job applicant's salary history and which my testimony today addresses.

It was an easy call.

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In 2013, we organized a panel discussion on gender pay equity as the opening event of a semester-long project of the Massachusetts College of Liberal Arts. It fell upon our shoulders to set the historical stage for a series of very constructive seminars and workshops related to pay *equity* by sharing personal experiences of gender-based pay *discrimination*. The four Bennington women on the panel, all AAUW members, included a retired journalist, a research physicist, a college professor and a woman who shared a story from her family's archives. That story detailed the career of an Aunt Mary who entered the workforce as a "bookkeeper" in the 1920s and, despite successively mounting job responsibilities across the decades, left the workforce as a "bookkeeper" 50 years later.

Together their stories offered a "time-lapse" look at the long march toward workplace equity. And together, the panelists' stories revealed the stubborn nature and long-lasting impact of discrimination, as women in the workplace strive for equity in salaries, benefits, job descriptions and access to opportunities for professional development and advancement—as well as the resulting long-term financial impact of discrimination on retirement years. Except for Aunt Mary, none of them had thought twice about sharing their salary history with their prospective employer. For each of those women, their prior salary served as an "anchor" offer that chained them to past salary inequities. They each accepted, perhaps with gratitude, a salary that also chained them to lower pay than their male counterparts and to a future in which their retirement benefits would be determined by their inadequate, discriminatory salaries throughout their working lives.

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I believe you have heard from others who have testified before me about how protecting job seekers from having to disclose their salary history is a crucial step toward fair pay. How banning the use of this practice will give all workers a chance to take home a paycheck based on the work they're doing today instead of work they did yesterday. You've heard that since pay discrimination starts early in women's careers, relying on prior salary as a marker for future pay only compounds the problem, especially for women and people of color.

You've also no doubt heard that relying on salary history to determine a future salary assumes that the prior rates were fairly established in the first place. Take a moment to imagine an all too real hypothetical woman in the job market. Let's say she faced a pay gap in her last job, perhaps because of bias or even outright discrimination. Or maybe because personal circumstances demanded her to take an extended leave. And let's say her new employer calibrates her salary offer on her last wages, which may have nothing to do with her current qualifications or existing labor market conditions. This offer, which let's say she's too timid or too desperate to negotiate, perpetuates not only the pay gap, but also the intended or unintended bias and discrimination embedded in her old job.

By now you've heard that prior pay has little to do with a worker's ability to perform in a new position. You've heard, and I hope accepted as fact, that women are much less likely than men to negotiate salaries and raises, daunting confrontations that require the kind of self-promotion and assertiveness that are prized among male workers but so often scorned among women workers.

But today there is room for cautious optimism. Forward-looking employers understand the value of basing wages on factors other than prior pay. When hiring managers look at what the market is paying

for a position, and at the skills and experience needed to do the job, rather than an applicant's current salary, the hiring process is more likely to yield high-quality candidates—not to mention the long-term rewards redounding from an investment in an employee's morale, sense of worth and commitment to the job.

Four states—California, Delaware, Massachusetts and Oregon, as well as Puerto Rico—have recently passed legislation banning employers from relying on prior salary to set future wages. Additionally, the governors of New York and New Jersey signed executive orders prohibiting the practice for state employees. Many additional states have introduced similar bills in the 2018 legislative sessions. And while there hasn't been sufficient time to analyze the consequences of passage as the laws have been in place for only a matter of months at most, in deciding to take action legislators had access to ample research-based evidence, including AAUW studies, to support the argument that pay equity is in fact hampered by businesses and recruiters asking for salary history.¹

The response from the human resources community is encouraging. The Forbes Human Resources Council, offering colleagues suggestions for tactical changes that HR departments can make to ensure they're not only complying with the law but also compensating their teams more fairly, notes that there is good news for both sides of the hiring equation: "Candidates won't be judged or underpaid based on their previous employer's salary standards, and companies can ensure that they're hiring the best talent at fair market value, without unintentionally (or intentionally) discriminating against anyone."² The Society for Human Resource Management cautions that this train may already be pulling away from the station, driven in part by a generational shift in the workforce: "Even if no additional legislative action takes place, the role of pre-hire salary questions in perpetuating pay inequality is likely to become more prominent, and the net result could be a more informed applicant pool."³

S.275 is practical, timely—and the right thing to do.

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Let me close by taking you back to that AAUW panel discussion about gender-based pay inequity on that college campus, one evening in 2013. Today, I can still remember the silence in the room as the students listened to the Bennington women's stories that were in equal measures heart-breaking, enraging and inspiring. One of the panelists calculated that today she would be at least \$250,000 to the good had she been paid fairly during her working life. Another one was awarded the largest faculty pay increase in the history of the college as a result of a class action suit.

On behalf of those brave women who went back into their pasts that night to retrieve stories of how bias and discrimination in their working lives curtailed their professional possibilities and cast a shadow over their retirement security, on behalf of the members of the three Vermont branches of AAUW and

¹Slate, "Equal Pay Legislation Banning Salary History Questions is Absolutely Based on Data," April 14, 2017. http://www.slate.com/blogs/xx_factor/2017/04/14/equal_pay_legislation_banning_salary_history_questions_is_based_in_data.html

²Forbes Human Resources Council, "The Salary Question Ban: Seven Ways To Change Your Hiring Approach," July 25, 2017. <https://www.forbes.com/sites/forbeshumanresourcescouncil/2017/07/25/the-salary-question-ban-7-ways-to-change-your-hiring-approach/#7fefdbd32e7b>

³Society for Human Resource Management, "Banning Salary History Requirements: A Game Changer?" October 6, 2016. <https://www.shrm.org/resourcesandtools/hr-topics/compensation/pages/banning-salary-history.aspx>

of our national organization, but especially on behalf of the students who listened to their stories that night, puzzled by a system that was so clearly unfair while so widely accepted, I urge you to pass S.275.

Thank you.

Respectfully submitted,

Julie Mackaman
Pownal, Vermont