



**Testimony of Ilana Boivie, Senior Policy Analyst
at the COW Subcommittee on Workforce Public Hearing on
B21-0878, The Fair Wage Amendment Act of 2016
November 29, 2016**

Chairperson Silverman and members of the Committee, thank you for the opportunity to speak today. My name is Ilana Boivie, and I am the Senior Policy Analyst at the DC Fiscal Policy Institute. DCFPI is a non-profit organization that promotes budget and policy choices to expand economic opportunity and reduce income inequality for District of Columbia residents, through independent research and policy recommendations.

I am here to express support for the Fair Wage Amendment Act of 2016, which would prohibit employers from inquiring about a job applicant's prior earnings before making an offer of employment. This law could help decrease the wage gap between men and women, and between white and non-white workers.

There is a persistent gender wage gap in the District. On an hourly basis, at the median, women still earn about 93 cents on the dollar as compared with a man.¹ Women working full-time are paid just 86 percent of a man's median wages in DC.²

The city's racial pay gap is staggering. The Economic Policy Institute estimates that the median hourly wage for white workers in DC was \$33.43 in 2015, as compared with just \$17.37 for African-American workers.³

Nationally, in 2015, Black men earned 73 percent of the pay of white employees, and Hispanic males earned just 69 percent. The racial pay gap for women is even worse—Black women earn 65 percent, and Hispanic women, 58 percent, of a white male's pay.⁴

These gaps continue to widen over a worker's career, with the largest pay gaps among workers age 45 and older.⁵ This is where it can be helpful to ban an employer's knowledge of a prospective employee's prior earnings. For example, when starting a new job, a 5 percent pay increase would generally be seen as a relatively large boost. But if a woman taking that position had been underpaid by 15 percent in her previous job, she still would be underpaid by 10 percent in her new position—or, by the full 15 percent, if the percentage increase is based on her prior pay.

¹ Economic Policy Institute. "What is the Gender Pay Gap and is it Real?" October 20, 2016.

² The American Association of University Women. "The Fight for Pay Equity: A Federal Road Map." September 2016. <http://www.aauw.org/files/2016/09/Washington-DC-Pay-Gap-2016.pdf>

³ Estimates from the Economic Policy Institute based on data from the Current Population Survey.

⁴ Pew Research Center. "Racial, Gender Wage Gaps Persist in U.S. Despite Some Progress." July 2016.

⁵ Economic Policy Institute. "What is the Gender Pay Gap and is it Real?" October 20, 2016.

For this reason, many jurisdictions are looking to ban employers from asking prospective employees about their earnings history. Massachusetts recently became the first state to adopt such legislation,⁶ and New York City Mayor de Blasio recently signed an executive order banning the practice at city agencies.⁷ Similar laws are currently being discussed in Colorado, New York state,⁸ New Jersey, and Pennsylvania.⁹

The DC Council made strides recently in passing “Ban the Box” legislation to prohibit employers from asking about a potential worker’s criminal and incarceration history, under the principle that this information should be irrelevant, because it does not affect any individual’s ability to do a particular job well.

Similarly, an individual’s prior pay does not affect his or her ability to do a particular job, nor should it factor into the prospective employer’s wage offer to that individual. Instead, the offer should be based on the employee’s particular skill set and how that fits into the company’s existing pay scale and bottom line.

As a Senior Vice President at Google recently wrote in the *Washington Post*, “by paying for the role, not the person, you start with a clean slate and mitigate any bias...In other words, you correct the pay bias that exists in society.”¹⁰ Since adopting this and other practices to reduce the gap, Google has virtually eliminated gender pay gaps at the company.

In summary, because this legislation could go a long way in reducing the city’s racial and gender pay gaps, DCFPI is in favor of the Fair Wage Amendment Act.

Thank you for the opportunity to testify today; I look forward to answering your questions.

⁶ The New York Times. “Illegal in Massachusetts: Asking Your Salary in a Job Interview.” August 2, 2016.

⁷ The New York Times. “To Help Close the Wage Gap, de Blasio Tells Agencies to Stop Asking about Applicants’ Past Pay. November 4, 2016.

⁸ Time. “How Banning Employers from Asking About Salary History Could Help Close the Wage Gap.” August 11, 2016.

⁹ The Washington Post. “More State, City Lawmakers Say Salary History Requirements Should Be Banned.” November 14, 2016.

¹⁰ The Washington Post. “How the ‘What’s Your Current Salary?’ Question Hurts the Gender Pay Gap.” April 29, 2016.