



Advocating better skills, jobs, and incomes

TESTIMONY IN SUPPORT OF HB0014:

Equal Pay for Equal Work - Inquiring About Wages - Prohibition on Adverse Action

TO: Delegate Dereck E. Davis, Chair, and Members of the Economic Matters Committee

FROM: Christopher Dews, Policy Advocate

DATE: February 4th, 2020

The Job Opportunities Task Force (JOTF) is an independent, nonprofit organization that advocates for better jobs, skills training, and wages for low-income workers and job seekers in Maryland. We support House Bill 14 as a means of leveling the playing field with regards to wages and eliminating barriers around wage growth.

Despite a booming stock market and massive profit hikes for businesses and mega-corporations due to the current presidential administration, lower to middle-income workers' wages have remained nearly stagnant when adjusted for inflation. Most economists concede that even ten years after the 2008 Housing Crisis leading to the Great Recession, the market has undoubtedly been at a standstill for the working class. Economists have suggested the root cause of this being that America now exists in an 'Employer's Market.' This means that employers and business owners have had a tremendous advantage in selecting high-quality candidates amongst the masses by having more competing candidates than open positions. Historically when an economy gives way to an employer's market, employers tend to maximize on savings by hiring extremely qualified candidates at a much lower salary than usual what is usually projected for the position. Employers also have a habit of cutting down on overall staff count- operating on a skeleton crew of sorts- drastically increasing the workload on current workers without increased pay. For employers, this situation is ideal, as they get to maximize profits while keeping overhead low.

As an example, within the last decade, the cost of college has increased by 65% while wage growth has been at a doddering 6%. Once again, this phenomenon is caused largely due to employer's market. Economists ranging from Fox Business to Forbes have acknowledged thatayscale secrecy has been in large part the method by which employers keep wages low- simply by forbidding (or stigmatizing) employees from freely talking about earnings amongst each other- and dismissing applicants who ask for salary ranges of those who previously held the position and the current wages of fellow employees. This has led to other economic abuses such as disproportionate pay amongst workers performing the same position.

JOTF JOB OPPORTUNITIES TASK FORCE

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Current Maryland law allows employers to actively discriminate against applicants/employees who inquire about the salary range of a certain position and allows employers to demand employees to sign non-disclosure agreements about their current wages at risk of termination.

House Bill 14 prohibits employers from taking adverse employment action against an employee for inquiring about the employee's wages. Therefore, making a strong move in the right direction of balancing worker and employer rights regarding wages. JOTF urges a favorable report on House Bill 14.