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HB 649 - Labor and Employment - Equal Pay for Equal Work - Wage Range Transparency House Economic Matters Committee February 21, 2024

SUPPORT

**Donna S. Edwards
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Maryland State and DC AFL-CIO

Chairman and members of the Committee, thank you for the opportunity to submit testimony in support of HB 649. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 300,000 union members, I offer the following comments.

We applaud HB 649 for promoting fair and equitable practices. HB 649 requires employers to provide good-faith estimates of the wage range, benefits, and other compensation on job postings. Maryland law currently requires employers to provide this information to applicants if they request it.

Pay transparency measures have substantial impacts on decreasing the gender wage gap and decreasing pay inequality within a company. A University of Utah study found that total pay transparency, "can attribute up to 50% of an observed reduction in gender pay gap...transparency results in up to 20% reduction in differences in pay across individuals within academic departments and institutions."¹

Requiring all companies to provide salary range data is also good for businesses by leveling the playing field and meeting applicant expectations. LinkedIn recently published a study that found that 91% of job applicants said they wanted salary range data on a job posting, with 82% saying that publishing salary ranges gave them a more favorable impression of the company.²

ADP, the payroll and human resources company, wrote, "Pay transparency is not a fad – it's the new normal. While managers once may have reserved discussions about wages for performance reviews, that approach does not meet the moment." Pay transparency laws already cover 20% of workers in the country. California, Colorado, Connecticut, Nevada, New York City, Rhode Island, and Washington already have laws on their books. Current Maryland law requires employers to provide a salary range

¹ Todd Zenger, "What happens to pay allocation when pay becomes transparent?" University of Utah.

² Matt Southern. "LinkedIn Data: 91% Of Applicants Want Salary Range In Job Posting." February 13, 2023. <https://www.searchenginejournal.com/linkedin-data-91-of-applicants-want-salary-range-in-job-posting/479267/>

if requested. So HB 649 does not require any additional burden on the employer except openly and honestly stating the intended wage range.

Some of the most important benefits of a collective bargaining agreement are salary transparency, predictable pay, and prohibitions on salary discrimination. A worker can read their collective bargaining agreement and see what their coworkers might earn. If a worker found out that they were being paid a different amount for the same job classification and experience, they can file a grievance to fix the issue. Unfortunately, most workers do not have these protections.

We urge a favorable report for HB 649.