

SB 2351

SD-1

**RELATING TO
EQUAL PAY**

A BILL FOR AN ACT

RELATING TO EQUAL PAY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that pay disparity
2 persists between men and women who do similar work. The
3 Institute for Women's Policy Research reported that if the
4 progress to achieve pay parity continues at the same rate as it
5 has since 1960, women and men will not reach pay parity until
6 2058.

7 The legislature further finds that existing Hawaii law
8 generally prohibits an employer from paying an employee at wage
9 rates less than the rates paid to employees of the opposite sex.
10 However, in 2015, the gender wage gap in Hawaii stood at sixteen
11 cents on the dollar. A woman working full-time and year-round
12 earned an average of eighty-four cents to every dollar a man
13 earned. The gap was far worse for women of color: for every
14 dollar a white male made, African-American and Asian-American
15 women made only seventy-three cents and Latina women made only
16 sixty-seven cents. This wage gap extends across almost all
17 occupations reporting in Hawaii.



1 The legislature believes that the ability of employers to
2 consider a job applicant's previous salary history is a
3 contributing factor to the gender pay disparity. Women often
4 disclose their lower salary histories, and employers offer lower
5 salaries in response. In 2017, New York City became the first
6 municipality in the United States to address this problem by
7 prohibiting employers from requesting a job applicant's salary
8 history. Hawaii should follow suit to help promote equality in
9 the workplace and close the pay gap between men and women.

10 The legislature also believes that pay secrecy undermines
11 efforts to close the pay gap. A 2010 Institute for Women's
12 Policy Research/Rockefeller Survey of Economic Security reported
13 that 23.1 per cent of private sector workers reported that
14 discussion of wages and salaries was formally prohibited, and an
15 additional 38.1 per cent reported that this type of discussion
16 was discouraged by managers. Pay secrecy inhibits workers from
17 pursuing claims of pay discrimination because women cannot
18 challenge wage discrimination that they do not know exists. The
19 federal government and many states have taken action to end wage
20 secrecy by prohibiting retaliation against employees who discuss
21 wages. Hawaii can also take this step by prohibiting wage



1 secrecy and retaliation or discrimination against employees who
2 disclose or discuss their wages.

3 The purpose of this Act is to:

- 4 (1) Disrupt the cycle of wage inequality for women and
5 minorities by prohibiting prospective employers from
6 requesting or considering a job applicant's prior wage
7 or salary history in the job application process so
8 that employers will set compensation offers based on
9 skills and qualifications; and
- 10 (2) Encourage equal pay between men and women by
11 prohibiting enforced wage secrecy and prohibiting
12 retaliation or discrimination against employees who
13 disclose, discuss, or inquire about their own or
14 coworkers' wages for the purpose of exercising rights
15 under the law.

16 SECTION 2. Chapter 378, Hawaii Revised Statutes, is
17 amended by adding a new section to part I to be appropriately
18 designated and to read as follows:

19 "§378- Employer inquiries into and consideration of
20 salary or wage history. (a) No employer, employment agency, or
21 employee or agent thereof shall:



1 (1) Inquire about the salary history of an applicant for
2 employment; or

3 (2) Rely on the salary history of an applicant in
4 determining the salary, benefits, or other
5 compensation for the applicant during the hiring
6 process, including the negotiation of an employment
7 contract.

8 (b) Notwithstanding subsection (a), an employer,
9 employment agency, or employee or agent thereof, without
10 inquiring about salary history, may engage in discussions with
11 an applicant for employment about the applicant's expectations
12 with respect to salary, benefits, and other compensation;
13 provided that if an applicant voluntarily and without prompting
14 discloses salary history to an employer, employment agency, or
15 employee or agent thereof, the employer, employment agency, or
16 employee or agent thereof, may consider salary history in
17 determining salary, benefits, and other compensation for the
18 applicant, and may verify the applicant's salary history.

19 (c) This section shall not apply to:

20 (1) Applicants for internal transfer or promotion with
21 their current employer;



1 (2) Any attempt by an employer, employment agency, or
2 employee or agent thereof, to verify an applicant's
3 disclosure of non-salary related information or
4 conduct a background check; provided that if a
5 verification or background check discloses the
6 applicant's salary history, that disclosure shall not
7 be relied upon during the hiring process for purposes
8 of determining the salary, benefits, or other
9 compensation of the applicant, including the
10 negotiation of an employment contract; and
11 (3) Public employee positions for which salary, benefits,
12 or other compensation are determined pursuant to
13 collective bargaining.

14 (d) For purposes of this section:

15 "Inquire" means to:

16 (1) Communicate any question or statement to an applicant
17 for employment, an applicant's current or prior
18 employer, or a current or former employee or agent of
19 the applicant's current or prior employer, in writing
20 or otherwise, for the purpose of obtaining an
21 applicant's salary history; or



1 (2) Conduct a search of publicly available records or
2 reports for the purpose of obtaining an applicant's
3 salary history;
4 provided that this shall not include informing an applicant, in
5 writing or otherwise, about the proposed or anticipated salary
6 or salary range for the position.

7 "Salary history" includes an applicant for employment's
8 current or prior wage, benefits, or other compensation, but
9 shall not include any objective measure of the applicant's
10 productivity, such as revenue, sales, or other production
11 reports."

12 SECTION 3. Section 378-2.3, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "~~§~~378-2.3~~§~~ **Equal pay; sex discrimination.** (a) No
15 employer shall discriminate between employees because of sex, by
16 paying wages to employees in an establishment at a rate less
17 than the rate at which the employer pays wages to employees of
18 the opposite sex in the establishment for equal work on jobs the
19 performance of which requires equal skill, effort, and
20 responsibility, and that are performed under similar working
21 conditions. Payment differentials resulting from:



- 1 (1) A seniority system;
- 2 (2) A merit system;
- 3 (3) A system that measures earnings by quantity or quality
- 4 of production;
- 5 (4) A bona fide occupational qualification; or
- 6 (5) A differential based on any other permissible factor
- 7 other than sex

8 do not violate this section.

9 (b) An employer shall not retaliate or discriminate
10 against an employee for, nor prohibit an employee from,
11 disclosing the employee's wages, discussing and inquiring about
12 the wages of other employees, or aiding or encouraging other
13 employees to exercise their rights under this section."

14 SECTION 4. This Act does not affect rights and duties that
15 matured, penalties that were incurred, and proceedings that were
16 begun before its effective date.

17 SECTION 5. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 6. This Act shall take effect on July 1, 2050.



Report Title:

Employment; Job Applicants; Salary History; Gender
Discrimination; Wage Secrecy

Description:

Prohibits prospective employers from requesting or considering a job applicant's wage or salary history as part of an employment application process or compensation offer. Prohibits enforced wage secrecy and retaliation or discrimination against employees who disclose, discuss, or inquire about their own or coworkers' wages. Effective 7/1/2050. (SD1)

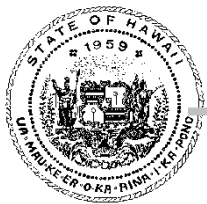
The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



SB 2351

SD-1

TESTIMONY



HAWAI‘I CIVIL RIGHTS COMMISSION

830 PUNCHBOWL STREET, ROOM 411 HONOLULU, HI 96813 · PHONE: 586-8636 FAX: 586-8655 TDD: 568-8692

March 20, 2018
Rm. 309, 10 a.m.

To: The Honorable Aaron Ling Johanson, Chair
Members of the House Committee on Labor

From: Linda Hamilton Krieger, Chair
and Commissioners of the Hawai‘i Civil Rights Commission

Re: S.B. No. 2351, S.D.1

The Hawai‘i Civil Rights Commission (HCRC) has enforcement jurisdiction over Hawai‘i’s laws prohibiting discrimination in employment, housing, public accommodations, and access to state and state funded services (on the basis of disability). The HCRC carries out the Hawai‘i constitutional mandate that no person shall be discriminated against in the exercise of their civil rights. Art. I, Sec. 5.

S.B. No. 2351, S.D.1, if enacted, will add a new section to H.R.S. chapter 378, part I, prohibiting employer inquiries about salary or wage history or reliance on such history in determining compensation for an applicant in the hiring process, and amend H.R.S. § 378-2.3, by adding a subsection (b) prohibiting an employer from retaliating against an employee for disclosing wages or discussing wages.

The Hawai‘i Civil Rights Commission (HCRC) recommends that S.B. No. 2351, S.D.1, should be amended by deletion of Section 2 of the bill, while retaining the current Section 3 of the bill.

The HCRC supports the intent of S.B. No. 2351, S.D.1 (and its companion bill, H.B. No. 2137, H.D.1), strongly supporting the proposed prohibition against employer retaliation for disclosing or discussing pay information, but has serious concern about the efficacy of the proposed prohibition against employer inquiries about salary or wage history or reliance on such history in determining compensation for an applicant in the hiring process.

The HCRC did not raise this concern or suggest amendments when S.B. No 2351 and its companion, H.B. No. 2137, were first heard before the Senate and House Committees on Labor, respectively. The concern arose and was articulated after the subject matter committee’s hearing on the bill, based on Commission review and discussion of the bill and relevant social and psychological research.

HCRC Concerns RE: Section 2 of S.B. No. 2351, S.D.1

Based on review of recent social and psychological research, the HCRC questions the efficacy of the proposed prohibition against employer inquiries into and consideration of salary or wage history in

determining compensation in the hiring process, with an exception allowing employer consideration of salary history in determining salary, benefits, and other compensation, if an applicant voluntarily and without prompting discloses salary history.

The HCRC is concerned that this well-intentioned statutory prohibition and exception may actually have a negative impact on women applicants and even exacerbate, rather than narrow, the gender pay gap.

Numerous studies have shown that men are more likely to engage in negotiation over compensation in the hiring process, affecting starting pay. Under the proposed law, male applicants will be more likely to negotiate expectations for starting pay, voluntarily disclosing salary history that can then be considered in determining salary, benefits, and other compensation. In effect, the statutory exception negates the rule, to the advantage of male applicants.

Research also raises a troubling phenomenon, indicating that even when women negotiate starting compensation, it can have a negative impact on them. Assertive or aggressive negotiation that is seen as a positive masculine trait in men can be viewed as a negative for women, based on stereotyping of female behavior. *See* H.R. Bowles, *et al.*, “Social incentives for gender differences in the propensity to initiate negotiations: Sometimes it does hurt to ask,” *Organizational Behavior and Human Decision Processes* 103 (2007) 84-103. (available online at <https://www.sciencedirect.com/>).

The unintended consequence of the Section 2 protection could be that a male applicant who voluntarily discloses his salary history may be viewed as assertive, with voluntary disclosure triggering negotiation. Women, research indicates, would be less likely to voluntarily disclose salary history (it being “protected”) putting them at a disadvantage in negotiation, and even if they do voluntarily disclose salary history, it can be ignored or held against them.

HCRC’s Suggested Amendment

Based on the concerns discussed above, the HCRC suggests amendment of S.B. No. 2351, S.D.1, deleting Section 2 of the bill in its entirety.

Strong HCRC Support for Section 3 of S.B. No. 2351, S.D.1

The HCRC continues to strongly support the addition of subsection (b) to H.R.S. 278-2.3 which prohibits employer retaliation for disclosing or discussing pay information. Employees must be permitted to discuss wage differences in order to determine pay disparity. Transparency, with free and open discussion, will promote pay equality between genders.

Enactment of the Section 3 prohibition against employer retaliation against employees for disclosing or discussing wages will mark a substantial step forward in the movement toward gender pay equality, that being one of the pillars of the Paycheck Fairness Act that has languished in Congress for the past two decades.

HAWAII
STATE
COMMISSION
ON THE
STATUS
OF
WOMEN



Chair
LESLIE WILKINS

COMMISSIONERS:

SHERRY CAMPAGNA
CYD HOFFELD
MARILYN LEE
JUDY KERN
AMY MONK
LISA ELLEN SMITH

Executive Director
Khara Jabola-Carolus

Email: kjabola-carolus@dhs.hawaii.gov

235 S. Beretania #407
Honolulu, HI 96813
Phone: 808-586-5758
FAX: 808-586-5756

March 19, 2018

To: Rep. Johansson, Chair
Rep. Holt, Vice Chair
Honorable Members of the H. Committee on Labor

From: Khara Jabola-Carolus
Executive Director
Hawaii State Commission on the Status of Women

Re: Testimony in Support, SB2351

On behalf of the Hawaii State Commission on the Status of Women, I would like to thank the committee for hearing this measure and for the opportunity to testify in support of SB2351, which would prohibit an employer from requesting or considering a job applicant's pay history, and prohibit enforced wage secrecy and retaliation against employees who disclose, discuss, or inquire about their own or coworkers' wages. These provisions intend to correct Hawaii's gender wage gap—the pay difference in men's and women's median earnings, which is destructive both to women's economic security and to our local economy.

In Hawaii, women make 84 cents to every dollar earned by men. The wage gap is even more pronounced for women of marginalized identities. The most extreme disparities exist among earnings of immigrant women (naturalized or undocumented). If trends continue, Hawaii will not achieve equal pay until 2100.

Current Hawaii law prohibits pay discrimination, but does not prohibit inquiries into pay history. If a woman is initially paid less than a man for comparable work in her first job and subsequently transitions to a second job in which her new employer bases her pay on previous salary, then her lower pay will persist. To break this cycle, an ever-growing list of states have restricted or banned employers from asking about an applicant's pay history.

Recommended Amendments

1. Inclusion of information on wage inequality for Native Hawaiian women in the preamble. Native Hawaiian women make 70 cents for every dollar a man makes, and 79 cents for every dollar a Native Hawaiian man makes. Native Hawaiian are conspicuously missing from the preamble although other ethnocultural groups of women are named.
2. Deletion of section 2 in its entirety. While the Commission supports a ban on employers asking about or using prior salary in hiring decisions, we are concerned that the allowance for voluntary pay negotiations would unintentionally harm women.
3. Addition of a requirement that employers disclose a "pay scale" or comparative information on salary for comparable workers for the position sought within an organization.

The Commission therefore supports SB2351 and urges the Committee to pass this important measure with the recommended amendments.

Sincerely,

Khara Jabola-Carolus



SB2351 SD1
RELATING TO EQUAL PAY
House Committee on Labor & Public Employment

March 20, 2018

10:00 a.m.

Room 309

The Office of Hawaiian Affairs **SUPPORTS** SB2351 SD1, which seeks to address a source of systemic discrimination against women and communities of color, by prohibiting prospective employers from requesting or considering a job applicant's wage or salary history, and further prohibiting enforced wage secrecy and retaliation or discrimination against employees who disclose, discuss, or inquire about their own or their coworkers' wages.

OHA appreciates the intent of this measure, to help combat systemic discrimination and implicit biases that can be at the root of economic disparities experienced by women and communities of color. OHA notes that this measure's preamble includes information on wage inequality for African American, Latina, and Asian American women in Hawai'i, showing that pay inequality may contribute to higher poverty rates for women of color. **OHA respectfully recommends that the Committee consider amendments to the preamble to further include information on extreme income disparities for Native Hawaiians—and particularly for Native Hawaiian women—suggesting that the combination of gender and race discrimination in pay may significantly impact the Native Hawaiian community as well.** Recent research indicates that Native Hawaiian men and women make less than the statewide average annual income: Native Hawaiian men earn on average \$7,621 less annually than the total male population statewide; **Native Hawaiian women, meanwhile, make on average \$5,967 less in income annually than that of women statewide, \$11,393 less annually than that of Native Hawaiian men, and an average of \$19,014 less than all men statewide.** OHA submits that such disparities should be acknowledged, in efforts to seek true equity in Hawai'i.

SB2351 SD1 may help to alleviate wage disparities by eliminating mechanisms that can reinforce systemic discrimination in the workplace. By prohibiting employers from requesting a prospective employee's wage or salary history, this measure may better ensure that his or her future compensation is not impacted by prior income levels that may have been lower due to systemic race and/or gender discrimination. By better enabling employees to evaluate their wages in comparison to their peers, this measure may further bring to light disparities that currently exist in our workplaces, and help to address any associated mechanisms of systemic discrimination. OHA believes that perpetuating wage inequality is detrimental to the well-being of Native Hawaiians and Native Hawaiian

women in particular, as well as women and communities of color generally. By establishing protections that may help to close gender and race wage gaps, this measure would not only help to increase women's and minorities' earnings in Hawai'i, but would also significantly lower poverty rates among working Native Hawaiian women and families.

Accordingly, OHA urges the Committee to **PASS** SB2351 SD1. Mahalo nui for the opportunity to testify on this measure.



**Testimony to the House Committee on Labor
Tuesday, March 20, 2018 at 10:00 A.M.
Conference Room 309, State Capitol**

RE: SENATE BILL 2351 SD1 RELATING TO EQUAL PAY

Chair Johanson, Vice Chair Holt, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **has comments** on SB 2351 SD1, which prohibits prospective employers from requesting or considering a job applicant's wage or salary history as part of an employment application process or compensation offer. Prohibits enforced wage secrecy and retaliation or discrimination against employees who disclose, discuss, or inquire about their own or coworkers' wages.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The Chamber supports equal pay and the equal pay language found in HRS chapter 378. Saying that, we do have concerns with the proposed amendments contained in SB2351 SD2 which would disallow employers from inquiring about the salary history of a potential employee. All employers covered by the National Labor Relations Act are already prohibited from preventing employees from discussing wages among themselves. Also, Hawaii Labor Relations Board generally applies similar law to employers not covered by the NLRA. Additionally, we believe that this section could lead to morale problems in the workplace.

Like many difficult issues, this one is full of complexity. Supporters of this legislation often cite statistics that say that on average, women earn 77 cents on the dollar as compared to men. This often leads to the assumption that there must be wide spread wage discrimination by employers. However, this does not tell the whole picture or provide details on what is happening in the workplace.

The 2009 report (see, U.S. Department of Labor, Consad Research Corporation, An Analysis of Reasons for the Disparity in Wages Between Men and Women) prepared for the U.S. Department of Labor, provides some insight into the factors that include the fact that a larger percentage of women work in part-time jobs, a larger percentage of women leave the work force at some point for family responsibilities to name a few.

Another telling report comes from Pew Research. Below are some of other parts of the story.



Chamber of Commerce HAWAII

The Voice of Business

- The BLS study looks at weekly earnings and not hourly earnings which leads to a larger gap, especially since women are twice as likely as men to work part time.
- The BLS study restricts the estimate to full time workers which leaves out a significant share of workers, both men and women. Also, men report working longer hours – 26% of full time men say they work more than 40 hours per week compared to 14% of women.
- Occupation, negotiation of wages and tradeoffs of compensation for other amenities such as flexible work hours are other attributes for the wage differential.
- For young women, the pay gap is smaller at 93%.
- The presence of discrimination is more difficult to quantify.

In closing, we support equal pay, however we believe this legislation would ultimately devalue key factors in establishing wages, such as training, experience, education, and skill; and expand litigation opportunities. If the concern is truly prohibiting discriminations then we believe enforcement should be the focus and not a change in the law. Lastly, it could tie the hands of employers in offering other benefits that employees may value for their own individual situation.

Thank you for the opportunity to testify.

THE HOUSE OF REPRESENTATIVES
TWENTY-NINTH LEGISLATURE
2018 REGULAR SESSION

Committee on Labor and Public Employment

Rep. Aaron Ling Johanson, Chair

Rep. Daniel Holt, Vice Chair

Hearing: Monday, March 20, 2018

Time: 10:00 a.m.

Room: Conference Room 309

**TESTIMONY OF IWLW LOCAL 142 RE:
SB2351, SD1 RE: EQUAL PAY**

ILWU Local 142 unambiguously supports the concept of equal pay for equal work. We also recognize that wage discrimination has led Hawai'i's women to have wage rates that are 16 cents less per hour than men, as stated in Section 1 of S.B. 2351, S.D.1.

As further observed by Section 1 of this proposed enactment, this disparity is even more acute among women of color. Indeed, one of the achievements which organized labor is most proud of is that women in unions, across all color lines, have attained higher rates of pay than their parallel non-union counterparts. The National Women's Law Center has cited this fact to the U.S. Supreme Court in its amicus brief in Janus v. AFSCME as one important reason why unions should continue to be allowed to assess non-union members their fair share of the cost of collective bargaining representation, while permitting these individuals to opt out of union expenses that are directly related to political campaigning. The existence of the trade union movement itself is a positive force that promotes the economic advancement of women in general and gender pay equality in specific.

S.B. 2351, SD 1 seeks in a balanced fashion to protect women in the workforce from employer inquiries into their salary or wage history that will replicate the historical gender inequality in earnings. However, it exempts innocent background checks that inadvertently discover this information, provided such wage information is not used to determine the applicant's salary, as well as collectively bargained salary information. Voluntary disclosures by the applicant are also allowed by Section 2(b) of the bill.

Section 3(b) adds a significant refine by prohibiting employers from retaliating or discrimination against an employee for disclosing her wages and inquiring about the wages of other employees or encouraging other employees from exercising their rights to do so. S.B. 2351, SD 1 thus affirms the well-established right of all employees to engage in protected concerted activity for their mutual aid and protection in advancing their own wages and terms and conditions of employment.

S.B. 2351, SD 1 is therefore a reasonable and progressive measure which deserves enactment.



HAWAII

AMERICANS FOR DEMOCRATIC ACTION

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Doug Pyle

MAILING ADDRESS

Cameron Sato
P.O. Box
Honolulu
Hawaii'i 96823

March 16 , 2018

TO: Honorable Chair Johanson and Members of the Labor Committee

RE: SB2351 SD1 Relating to Equal Pay

Support for hearing on March 20

Americans for Democratic Action is an organization founded in the 1950s by leading supporters of the New Deal and led by Patsy Mink in the 1970s. We are devoted to the promotion of progressive public policies.

We support SB2351 SD1 as it would prohibit prospective employers from requesting or considering a job applicant's wage or salary history as part of an employment application process or compensation offer. It also prohibits enforced wage secrecy and retaliation. The National Partnership for Women and Families reports that women in Hawaii'i earn 84 cents for every dollar earned by men. This is not acceptable. This bill takes a few steps in the right direction.

Thank you for your favorable consideration.

Sincerely,

John Bickel
President



March 18, 2018

To: Hawaii State House Committee on Labor and Public Employment
Hearing Date/Time: Tuesday, March 20, 2018 (10:00 am)
Place: Hawaii State Capitol, Rm. 309
Re: Testimony in support of SB2351

Dear Representative Aaron Ling Johanson (Chair), Representative Daniel Holt (Vice Chair), and Committee Members,

I am grateful for this opportunity to testify in **strong support of SB2351**, which directly confronts the gender equity issue in employment wages. This is a concern in Hawai‘i, and in the USA in general because most Americans believe fundamentally in fairness. We hear this mantra whispered to children by family members, imparted to students in secondary school, and promoted in community educational policies. If we spend this much effort in extolling the benefits of fairness in a civil society, how can we not support this attribute in the work place?

We have clear evidence that fairness does not prevail in the locations where people earn their incomes. Men and women performing similar occupational tasks are not paid the same salaries. These gender-based salary differentials are found across occupations, and continue through individuals’ working lives, worsening with age.¹ The gender pay gap affects women’s abilities to feed their families at the start of their careers, and their capacities to retire in comfort at age 65. All families in Hawai‘i with a female family member in the workplace are negatively impacted.

In addition, economic data demonstrate that the pay gap is not diminishing any time soon, which means that my grand-daughter will still be dealing with lower wages than men in her university graduating cohort, and in her later years of life. Indeed, “a girl born in the United States in 2017 has a life expectancy of 87 years. In 2082, when she turns 65, a wage gap will still remain in 13 states.”²

There is little that women can do on their own to protect themselves against the gender pay gap. This is why government action, and legislation of this type is so important. If laws do not change, then women are abandoned to their economic plight.

Attending university does not eliminate the gender effect in salaries. Women experience its effects a year after receiving their undergraduate degrees, and their economic situations worsen in comparison to those of men ten years after graduation.³

Women are encouraged to select high-profit majors, such as STEM fields, but research shows that when women become more prevalent in a field, salaries drop in the

¹ US Dept. of Labor, Bureau of Labor Statistics, “Labor Force Statistics from the Current Population Survey,” <https://www.bls.gov/cps/cpsaat39.htm>; AAUW, *The Simple Truth about the Gender Pay Gap*, 2017; <https://www.aauw.org/resource/the-simple-truth-about-the-gender-pay-gap/>.

² “Status of Women in the States. Projected Year the Wage Gap Will Close by State. IWPR #R476.” March 2017. www.statusofwomen.org

³ AAUW, 2012, *Graduating to a Pay Gap*, <https://www.aauw.org/resource/graduating-to-a-pay-gap/>; AAUW, 2007, *Behind the Pay Gap*, <https://www.aauw.org/files/2013/02/Behind-the-Pay-Gap.pdf>.

profession.⁴ There is a gender effect across occupations and within occupations, and women cannot change this situation on their own.

This issue is complex, and it will require multiple types of legislation and policy interventions to correct. This is only the start of the process. Two simple fixes are proposed in this bill, which is focused on discussion of wages in the workplace, and provision of one's previous salary to a new employer. Women's salary histories show that a gender penalty follows them from one workplace to another. This bill is an effort to break this cycle, by prohibiting employers from asking potential employees about their earnings at a previous job. This means that women will be offered salaries based on educational qualifications, occupational skills, and workplace successes, rather than the lower wages they suffered at previous jobs. Similar bills have been passed in a number of other states, including, California, Oregon, Delaware, Massachusetts, and New Jersey, and proved successful in changing how HR departments deal with potential employees. Their long-term effects are still to be measured, but it is significant that many legislators across the nation have deemed this tactic to be good policy.

It is apparent that employees benefit from a salary-history bill, but does it benefit businesses? Are there any incentives for employers to hire in this manner? Interestingly, recent studies by a Columbia University / University of California, Berkeley coalition of economists has demonstrated that pay inequality has major negative effects in the workplace for employers.⁵ For example, workers who were aware that they were paid in an unequal fashion (i.e., different wages for similar types of work) demonstrated their disgruntlement in various ways against their employer. Unfairly paid employees were lax in their work attendance, showed decreased cooperation with each other, and had lower work outputs, compared with those, who knew they were being paid in an equal manner. Employees reward their employers with better work according to a variety of measures in an economically-fair environment.

One conclusion from these studies is that employers should be implementing these types of measures, which are zero cost to the fair employer, in the interests of getting better work from their employees and encouraging employees to remain with the business long-term. A second lesson from the research is that employees who know that they are paid fairly are more invested in their place of employment, and in working effectively, so employers should share this information with their workers.

In fact, the second portion of this bill, preventing employers from negatively sanctioning employees who discuss their wages is also helpful for businesses in a fair wages environment because it encourages knowledge of fair wages to percolate among employees. The Columbia-Berkley research demonstrates that this knowledge will be good for worker morale, the workplace environment, and ultimately, business output.

Some business owners have mentioned concerns that for unspecified means they won't be able to hire good employees if they don't know previous salaries. I doubt that Hawai'i businesses are quite as poorly managed as implied by this statement, which is readily countered by available information from other locations. Hiring of good employees has not proved to be an issue in other jurisdictions, where employers do not access salary information. There are ample data for making good hiring decisions, readily

⁴ Francine D. Blau & Lawrence M. Kahn, 2016, "The Gender Wage Gap," <http://ftp.iza.org/dp9656.pdf>

⁵ Emily Breza, Supreet Kaur & Yogita Shamdasanani, 2016, "The Morale Effects of Pay Inequality," *NBER Working Papers*, National Bureau of Economic Research.

available from the application of careful interview strategies, combined with attention to letters of reference about potential employees, and other documents, including resumes, university or high school transcripts, and a history of previous work experience. Indeed, just this past few months, I chaired a committee considering a CEO hiring for a consortium working across several Pacific states, and we experienced no difficulty in judging candidates, without using previous salary information.

It has also been suggested that disclosure of salaries should be voluntary. This type of modification does reduce the effect of the bill. Potential employees would feel pressured to disclose, and nervous that lack of disclosure would be viewed as uncooperative by the potential employer and diminish their chances of a job offer. This bill ideally should be amended to remove the option of disclosing salaries, rendering it more effective for reducing the gender pay gap.

I have also encountered the fallacious statement that maintaining the status-quo is more protective of women than removing previous salary disclosure. This idea is based on social science research demonstrating that women do not negotiate as well as men (a result of effective socialization in a gendered society), and that women who do negotiate are viewed more negatively than men in the same situation (also a cultural artifact). These well-accepted research outcomes should not result in the negation of portions of this bill. It seems more effective to provide education to women on how to be good negotiators (such as the AAUW Start Smart, or Work Smart programs), and also support the bill, which has been approved by legislators from many other states in the US, and overseas. There are decades of data demonstrating that the existing system is penalizing women, so an argument for the status-quo is not one that most women should endorse. In addition, several HR specialists submitted testimony in previous hearings about how knowledge of previous salaries disadvantages women significantly in new employment situations. Surely, it is valuable to listen to these accounts of work experience, from those who have dealt with employees and salaries for major portions of their working lives.

It is anticipated that owners and managers of well-run businesses will see the merits of this bill, and as has been shown, most businesses benefit from following the rules suggested in this bill, as do employees. In Hawai‘i, full-time, year-round women workers earn on average only 84% of what their male counterparts earn. There are many situations, when women earn lower percentages, especially if they are women of color, or work part-time, among other factors.

Moving Hawai‘i forward to a situation in which women receive similar economic rewards to those of men has the potential to improve the situation of many Hawai‘i households, which tend to include multiple earners living under the same roof. Approximately 56,000 Hawaiian households survive on female wages, and 19% of these families are struggling with incomes below the poverty level.⁶ It is estimated that 61.2% of children living in poverty in our state with working mothers would benefit “if working women were paid the same as comparable men [2016 data].”⁷

⁶ National Partnership for Women and Families, 2017, “Hawaii Women and the Wage Gap,” <http://www.nationalpartnership.org/research-library/workplace-fairness/fair-pay/4-2017-hi-wage-gap.pdf>

⁷ Table 3: Impact of Equal Pay on Children. Institute for Women’s Policy Research, “Status of Women in the States. IWPR #C457.” www.statusofwomendata.org

In conclusion the fixes provided in **SB2351** have high potential to improve women's salaries across the state. Focusing on fairness is also good for businesses by improving workplace morale and output. I urge the passage of this bill.

Thank you for the opportunity to testify.

Sincerely

Susan J. Wurtzburg

Ph.D., Policy Chair



Randy Perreira
President

HAWAII STATE AFL-CIO

345 Queen Street, Suite 500 • Honolulu, Hawaii 96813

Telephone: (808) 597-1441

Fax: (808) 593-2149

The Twenty-Ninth Legislature, State of Hawaii
Hawaii State House of Representatives
Committee on Labor and Public Employment

Testimony by
Hawaii State AFL-CIO
March 20, 2018

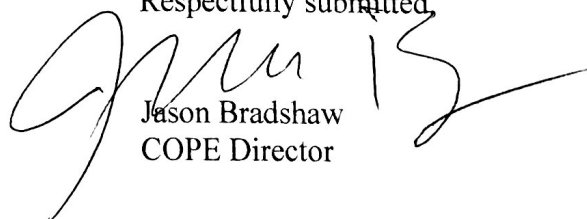
S.B. 2351, S.D.1 – RELATING TO EQUAL
PAY

The Hawaii State AFL-CIO strongly supports S.B. 2351, S.D.1 which prohibits prospective employers from requesting or considering a job applicant's wage or salary history as part of an employment application process or compensation offer and prohibits enforced wage secrecy and retaliation or discrimination against employees who disclose, discuss, or inquire about their own or coworkers' wages. .

Unfortunately a gender wage gap still exists in the United States. On average, women earn roughly 79 cents for every dollar a man earns and in some cases work harder and longer hours. This is simply wrong. Passage of S.B 2351, S.D.1 will hopefully correct the wage and salary injustice many women face today. The Hawaii State AFL-CIO strongly urges the Committee on Labor and Public Employment to pass S.B. 2351, S.D.1 to help ensure equal pay becomes a reality.

Thank you for the opportunity to testify.

Respectfully submitted,



Jason Bradshaw
COPE Director

To: Hawaii State House of Representatives Committee on Labor and Public Employment
Hearing Date/Time: Tuesday, Mar. 20, 2018, 10:00 a.m.
Place: Hawaii State Capitol, Rm. 309
Re: Testimony of Planned Parenthood Votes Northwest and Hawaii in strong support of S.B. 2351, SD1, relating to Equal Pay

Dear Chair Johanson and Members of the Committee,

Planned Parenthood Votes Northwest and Hawaii (“PPVNH”) writes in strong support of S.B. 2351, SD1, which seeks to increase fairness and lessen discrimination in the workplace. We also support and request that you make the necessary amendments to implement the recommendations of the Hawaii State Commission on the Status of Women.

PPVNH supports equal pay policies that bring women’s earnings in line with men’s earnings.

Women have higher rates of economic insecurity than men do, and their lower wages hurt not only themselves but also their families who rely on those earnings for all or part of their income. Women are also more likely to rely on public benefits like Medicaid, the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps), and housing assistance. This economic insecurity is even more common for women of color.

Closing the wage gap requires laws like S.B. 2351 that address workplace discrimination. Employers pay women less from the moment of hire, and are more likely to deny them promotions because of the presumption that they will have children and thus commit less time and dedication to their jobs.

If women do get pregnant or take on caregiving responsibilities, they sometimes lose income because of overt discrimination based on these stereotypes. They also lose pay when they are deprived of opportunities to advance to higher paid jobs or are pushed out of work altogether because employers do not accommodate needs that may arise for women as a result of motherhood (like the need to pump breast milk at work or take time off to care for a sick child).

Remedying pay disparities improves the lives of women and their families, and helps relieve the economic burden of women’s health care and family planning. Please pass S.B. 2351 in support of Hawaii’s working women.

Thank you for this opportunity to testify in support of this important measure.

Sincerely,

Laurie Field
Hawaii Legislative Director



1050 Bishop St. PMB 235 | Honolulu, HI 96813
P: 808-533-1292 | e: info@hawaiiifood.com

Executive Officers

Beau Oshiro, C&S Wholesale Grocers, *Chair*
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Toby Taniguchi, KTA Superstores, *Vice Chair*
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Stan Brown, Acosta Sales & Marketing, *Advisor*
Paul Kosasa, ABC Stores, *Advisor*
John Shilf, Rainbow Sales & Marketing, *Advisor*
Barry Taniguchi, KTA Superstores, *Advisor*
Derek Kurisu, KTA Superstores, *Advisor*

TO:
Committee on Labor and Public Employment
Rep. Aaron Ling Johanson, Chair
Rep. Daniel Holt, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: Tuesday, March 20, 2018
TIME: 9am
PLACE: Conference Room 309

RE: SB 2531 Relating to Equal Pay

Position: Comments

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

Hawaii currently has an unemployment rate of about 2%, which is the lowest that any state has ever recorded. In this incredibly competitive labor market employers must use all the tools available to them to fill job openings with qualified candidates. An applicant's salary history is one important piece of information that helps paint a picture of a person's work experience and career trajectory.

Both job seekers and those involved in the hiring process are aware that a previous salary is not the sole dictator of the wage at a new job. Potential employees can easily let employers know during the hiring process if they feel that their former wages were inadequate for any reason, or not an accurate comparison for the work and compensation they anticipate in the new position. However, prohibiting any discussion of previous wages means that both parties may have to start negotiations with hypothetical numbers, which can make the process unnecessarily complicated and adversarial.

While we fully support the intent of this measure, our concern is that banning the disclosure of

this particular piece of information places both potential employers and employees at a disadvantage when conducting negotiations. We thank you for the opportunity to testify.



March 20, 2018

To: Representative Aaron Ling Johanson, Chair
Representative Daniel Holt, Vice Chair and
Members of the Committee on Labor and Public Employment

From: Jeanne Y. Ohta, Co-Chair

RE: SB 2351 SD2 Relating to Equal Pay
Hearing: Tuesday, March 20, 2018, 10:00 a.m., Room 309

POSITION: Strong Support

The Hawai'i State Democratic Women's Caucus writes in strong support of SB 2351 SD2 Relating to Equal Pay which would prohibit employers from requesting or considering a job applicant's wage or salary history as part of an employment application process or compensation offer.

The measure would also prohibit retaliation against employees who disclose or discuss their wages. Employees cannot know that they have lower salaries if they are prohibited from discussing them. Indeed, that is one of the reasons that Lilly Ledbetter did not know for years that she was the victim of wage discrimination. (Lilly Ledbetter Fair Pay Act of 2009)

Lilly Ledbetter was one of the few female supervisors at the Goodyear plant in Gadsden, Alabama, and worked there for almost two decades. She faced sexual harassment at the plant and was told by her boss that he didn't think a woman should be working there. Her co-workers bragged about their overtime pay, but Goodyear did not allow its employees to discuss their pay, and Ms. Ledbetter did not know she was the subject of discrimination until she received an anonymous note revealing the salaries of three of the male managers. After she filed a complaint with the EEOC, her case went to trial, and the jury awarded her back-pay and approximately \$3.3 million in compensatory and punitive damages for the extreme nature of the pay discrimination to which she had been subjected.

The Court of Appeals for the Eleventh Circuit reversed the jury verdict, holding that her case was filed too late – even though Ms. Ledbetter continued to receive discriminatory pay – because the company's original decision on her pay had been made years earlier. In a 5-4 decision authored by Justice Alito, the Supreme Court upheld the Eleventh Circuit decision and ruled that employees cannot challenge ongoing pay discrimination if the employer's original discriminatory pay decision occurred more than 180 days earlier, even when the employee continues to receive paychecks that have been discriminatorily reduced.

It is because of this situation and many like it that we are asking that the legislature pass legislation that protects workers from discrimination.

Both provisions in this measure would assist in closing the gender wage gap. The use of salary histories in job applications continues to penalize women by perpetuating the wage gap by basing salaries for new jobs on their current lower salaries. Salary history bills have been passed in several states, including: California, Delaware, Massachusetts, New Jersey, and Oregon. Employee wage discussion bills have been passed in 18 states, including Colorado, Nevada, and Puerto Rico.

“Salary is not a neutral, objective factor. Salary history is also an imperfect proxy for an applicant’s value or interest in a position. For example, relying on salary history can lead to depressed wages for individuals who have previously worked in the public sector or in nonprofits and are moving into the private sector; it can deprive senior individuals with higher salaries who are looking to change jobs or re-enter the workforce the opportunity to be considered for lower paying jobs they might seek.”¹

Currently, human resource managers have other methods to determine compensation; such as market-based approaches to wage setting — where employers compensate workers on the basis of the needs of and competition for the job, rather than the history of the person. It is not necessary for employers to ask for salary histories. Examples of the **publicly available wage data at no cost** are attached. There are many other websites with wage data and job demand information. Since this information is widely available, human resource managers should not need to ask for wage histories.

The gender pay gap is found across ethnic and racial groups, age groups, educational groups, and occupational groups; pay inequality is worse for women of color; and the gap gets worse as women age.

More needs to be done to eliminate the gender pay gap. This measure is just a start. We ask that the committee pass this measure.

The Hawai‘i State Democratic Women’s Caucus is a catalyst for progressive, social, economic, and political change through action on critical issues facing Hawaii’s women and girls. Thank you for the opportunity to provide testimony.

¹ National Women’s Law Center, “Asking for Salary History Perpetuates Pay Discrimination from Job to Job,” June 9, 2017, <https://nwlc.org/resources/asking-for-salary-history-perpetuates-pay-discrimination-from-job-to-job/>

Attachment 1: Example of Wage Information from HireNet Hawaii, www.hirenethawaii.com



Here is the information you selected for Bookkeeping, Accounting, and Auditing Clerks in Honolulu County, HI.



Bookkeeping, Accounting, and Auditing...

Compare

Honolulu County, HI

Compare

Summary | Description | Jobs | Candidates | Supply and Demand | Skills | Education and Work Experience | **Employment and Wages** | Nature of the Work | Job Requirements | Other

Customize Report

For help click the question mark icon next to each section.

Employment Wage Statistics

This section shows the estimated employment wage statistics for individuals in Honolulu County, HI employed for Bookkeeping, Accounting, and Auditing Clerks in 2016.

Click a column title to sort.

Rate Type / Statistical Type	Entry level	Median	Experienced
Annual salary	\$29,350	\$39,040	\$45,690
Hourly wage	\$14.11	\$18.77	\$21.97



Source: Hawaii Dept. of Labor and Industrial Relations, Research and Statistics Office, OES BLS (State & Hon) and LEWIS (Other Counties)

The median wage is the estimated 50th percentile; 50 percent of workers in an occupation earn less than the median wage, and 50 percent earn more than the median wage. Entry level and Experienced wage rates represent the means of the lower 1/3 and upper 2/3 of the wage distribution, respectively. Data is from an annual survey.

Wage Rates on Advertised Jobs

This section shows a statistical breakdown of available wage data on the 42 job openings advertised online for Bookkeeping, Accounting, and Auditing Clerks in Honolulu County, HI that posted a salary on March 17, 2018.

Click a column title to sort.

Rate Type / Statistical Type	Entry Level	Median	Experienced
Annual wage or salary	\$33,038	\$38,740	\$42,865
Hourly Wage	\$15.88	\$18.63	\$20.61



Source: Online advertised jobs data

Home | My Dashboard | Register/Sign in | Services for individuals | Services for Employers

Desired Salary of Available Candidates

This section shows the desired salary of potential candidates in the workforce system that are looking for jobs as Bookkeeping, Accounting, and Auditing Clerks in Honolulu County, HI on March 17, 2018.

Click a column title to sort.

Rank	Desired Salary	Potential Candidates	Percentage of Potential Candidates
1	Not Specified	14	9.46%
2	\$5,000 - \$19,999	2	1.35%
3	\$20,000 - \$34,999	41	27.70%
4	\$35,000 - \$49,999	63	42.57%
5	\$50,000 - \$64,999	26	17.57%
6	\$65,000 - \$79,999	2	1.35%



Source: Individuals with active résumés in the workforce system.

Wage Rates Area Distribution



This section shows the distribution of the estimated 2016 median annual labor market wage rates for individuals employed in Bookkeeping, Accounting, and Auditing Clerks in Hawaii by county.

Click a column title to sort.

Rank	Area	Median
1	Maui County	\$40,370
2	Honolulu County	\$39,040
3	Hawaii County	\$38,430
4	Kauai County	\$38,330



Source: Hawaii Dept. of Labor and Industrial Relations, Research and Statistics Office, OES BLS (State & Hon) and LEWIS (Other Counties)

The median wage is the estimated 50th percentile; 50 percent of workers in an occupation earn less than the median wage, and 50 percent earn more than the median wage. Entry level and Experienced wage rates represent the means of the lower 1/3 and upper 2/3 of the wage distribution, respectively. Data is from an annual survey.

Wage Rates in Related Occupations



This section shows a comparison of 2016 median annual rates for occupations that are in the same occupational family as Bookkeeping, Accounting, and Auditing Clerks for Honolulu County, HI.

Click a column title to sort.

Rank	Occupation	Median	*Related By
1	Budget Analysts	\$77,390	O*NET
2	Credit Analysts	\$58,230	O*NET
3	Accountants	\$58,100	O*NET
4	Tax Preparers	\$56,970	O*NET
5	Executive Secretaries and Executive Administrative Assistants	\$53,700	O*NET
6	Title Examiners, Abstractors, and Searchers	\$52,860	O*NET
7	Legal Secretaries	\$50,160	O*NET
8	City and Regional Planning Aides	\$47,800	O*NET
9	Court Reporters	\$47,280	O*NET
10	Payroll and Timekeeping Clerks	\$43,660	O*NET
11	Library Technicians	\$43,520	O*NET
12	Paralegals and Legal Assistants	\$42,380	O*NET
13	Procurement Clerks	\$41,710	O*NET
14	Human Resources Assistants, Except Payroll and Timekeeping	\$40,630	O*NET
15	Statistical Assistants	\$40,230	O*NET
16	Statement Clerks	\$39,920	SOC4
17	Billing, Cost, and Rate Clerks	\$39,920	O*NET
18	Bookkeeping, Accounting, and Auditing Clerks	\$39,040	N/A
19	Insurance Claims Clerks	\$38,890	O*NET
20	Insurance Policy Processing Clerks	\$38,890	O*NET
21	Brokerage Clerks	\$38,140	O*NET

[Home](#)
[My Dashboard](#)
[Register/Sign in](#)
[Services for Individuals](#)
[Services for Employers](#)

23	Loan Interviewers and Clerks	\$37,430	O*NET
24	Bill and Account Collectors	\$36,850	SOC4
25	Word Processors and Typists	\$31,060	O*NET
26	Cargo and Freight Agents	\$29,050	O*NET
27	Tellers	\$25,670	SOC4
28	Medical Transcriptionists	\$24,200	O*NET
29	File Clerks	\$19,480	O*NET

BRIGHT OUTLOOK NATIONALLY



Source: Hawaii Dept. of Labor and Industrial Relations, Research and Statistics Office, OES BLS (State & Hon) and LEWIS (Other Counties)

The median wage is the estimated 50th percentile; 50 percent of workers in an occupation earn less than the median wage, and 50 percent earn more than the median wage. Entry level and Experienced wage rates represent the means of the lower 1/3 and upper 2/3 of the wage distribution, respectively. Data is from an annual survey.

*Related By: O*NET™ - The Occupational Information Network; O*NET is a registered trademark of the US Department of Labor, Employment and Training Administration.
SOC4 - Occupational grouping based on 1st 4 digits of the Standard Occupational Classification system.

Wage information is available by counties



Hawaii Women's Coalition

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Rep. Aaron Ling Johanson, Chair

Rep. Daniel Holt, Vice Chair

DATE: Tuesday, March 20, 2018

TIME: **10:00 AM**

PLACE: Conference Room 309

Aloha Chair Johanson, Vice Chair Holt and members,

STRONG SUPPORT FOR SB2351 that would prohibit prospective employers from requesting or considering a job applicant's wage or salary history as part of an employment application process or compensation offer. Prohibits enforced wage secrecy and retaliation or discrimination against employees who disclose, discuss, or inquire about their own or coworkers' wages.

Lilly Ledbetter was hired by Goodyear in 1979. After working for Goodyear for nineteen years, and nearing retirement, Ledbetter received an anonymous note revealing that she was making thousands less per year than the men in her position. Her discovery and subsequent crusade led the Lilly Ledbetter Fair Pay Act in 2009. Unfortunately the act has failed to result in equal pay for equal work due at least in part to the fact the right-wing led Supreme Court severely restricted the time period for filing pay discrimination claims, making it onerous for the individual woman.

Fortunately we in Hawaii have the opportunity to redress this imbalance. Keep in mind that women in Hawaii are still making 20 percent less than men doing the same job. Wage secrecy policies that include retaliation for disclosure coupled with employers basing salary/wages on a woman's already unequal pay at her previous job keep women from advancing.

These discriminatory practices hurt everyone, including the employer who may gain in short-term profits but will lose in morale and productivity. The economy as a whole suffers from these practices as dissatisfied workers look elsewhere resulting in a constant and costly churn in the workforce.

Please pass this bill,

Mahalo for the opportunity to testify,

Ann S. Freed Co-Chair, Hawaii Women's Coalition

Contact: annsreed@gmail.com Phone: 808-623-5676



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Supporting SB 2351 SD1 – Relating to Equal Pay
House Committee on Labor & Public Employment
Scheduled for hearing on Tuesday, March 20, 2018, 10:00 AM, in Conference Room 309

Dear Chair Johanson, Vice Chair Holt, and members of the Committee:

Thank you for the opportunity to testify in SUPPORT of **SB 2351 SD1**, which would prohibit prospective employers from requesting or considering a job applicant's pay history as part of the hiring process as well as prohibit enforced wage secrecy and retaliation or discrimination against employees who disclose, discuss, or inquire about their own or their colleagues' pay.

These provisions are intended to reduce the gender wage gap, which would help ensure more financial security for women and their families across Hawai'i. Eighteen other states have laws that protect against discrimination or retaliation for discussing wages, and since 2016 eight states and cities have banned salary history requests.

In Hawai'i, females make 84 cents for every dollar a male makes. However, Asian women in Hawai'i make only 74 cents for every white male dollar, significantly lower than the national average for Asian women of almost 85 cents.

The National Partnership for Women and Families pegs the pay gap as taking \$2.5 billion out of the pockets of women statewide, or \$7,640 per woman per year. According to the National Women's Law Center, the lifetime wage gap for women in Hawai'i is \$305,600 over a 40-year career.

The problem of the wage gap is only compounded in Hawai'i by our high cost of living. These burdens make it very difficult for women to pursue further education, start a business, buy a home, or save for retirement. Economic insecurity also makes it more difficult for women to leave domestic violence situations. These all have effects on future generations.

Three out of ten Hawai'i single mothers with children under the age of 18 live in poverty. When their children are all under the age of 5, one-third of single mothers are poor. Meanwhile, research from the Institute for Women's Policy Research estimates that eliminating the gender wage gap would reduce the poverty rate among single mothers at the national level by almost half.

We can and should find ways to better ensure that our women and their children can find economic security in the Aloha State. The modest and common-sense proposals contained within this bill would move us closer towards that goal.

We appreciate your consideration of this testimony.

The Hawai'i Appleseed Center for Law and Economic Justice is committed to a more socially just Hawai'i, where everyone has genuine opportunities to achieve economic security and fulfill their potential. We change systems that perpetuate inequality and injustice through policy development, advocacy, and coalition building.



To: Rep. Aaron Ling Johanson, Chair
Rep. Daniel Holt, Vice Chair

From: Jozette Montalvo
Hawaii Petroleum, Inc-Human Resources Director

RE: SB2351 Relating to the Wage History Request

Date: March 15, 2018

Thank you for the opportunity to provide testimony. Hawaii Petroleum Company is an independent petroleum marketer operating on the islands of Maui and Hawaii, with approximately 325 employees on two islands. We operate sixteen Minit Stop convenience stores throughout the islands of Maui and Hawaii.

Hawaii Petroleum **opposes SB2351** for the following reasons.

While we understand the intent of this bill, there are already laws in place that prohibit pay discrimination based on gender. A person's prior salary is not the only criteria used to determine the wage they will be offered. There are many other factors used to determine salaries when making an offer such as the level of the position they are applying for, their relevant experience, the applicant's education/training, and overall qualifications they possess.

An individual's salary history speaks to the level of accomplishment they have attained. Prohibiting the discussion of salary disadvantages employers as well as applicants from a negotiating stand point and further complicates the hiring process. In addition, in this competitive labor market, how does an employer potentially attract someone from another organization if pay cannot be part of the discussion and this is of course what people work for and aspire to advance in.

For these very reasons, I kindly ask that you vote **NO** on **SB2351**

Mahalo!

Maui: 385 Hukilike Street, #101 | Kahului, Hawaii 96732 | t: 808.270.2800 | f: 808.270.2801

Hilo: 16 Railroad Avenue, #202 | Hilo, Hawaii 96720 | t: 808.935.6641 | f: 808.934.7197

Kona: 74-5558 B Kaiwi Street | Kailua-Kona, Hawaii 96740 | t: 808.329.1862 | f: 808.326.2755

e-mail: sales@hawaiipetroleum.com | www.hawaiipetroleum.com | www.ohanafuels.com | www.minitstop.com

SB-2351-SD-1

Submitted on: 3/19/2018 9:44:32 AM

Testimony for LAB on 3/20/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Oahu County Committee on Legislative Priorities, Democratic Party of Hawai'i	Support	No

Comments:

To: Hawaii State House Committee on Labor & Public Employment

Hearing Date/Time: Tuesday, March 20, 2018, 10M
Hawaii State Capitol, Rm. 309

Position Statement Supporting Senate Bill 2351 SD1

Thank you Chair Johanson, Vice Chair Holt, and Committee Members,

The YWCA O'ahu **supports Senate Bill 2351 SD1**, which would help close the wage gap between men and women. Senate bill 2351 makes small provisions that ensure a person is paid according to their education, experience, and skills.

It is an undeniable fact that women earn less than men. Women in Hawaii, especially Native Hawaiian women, earn less than their male counterparts. This trend begins with their first job and because of practices like disclosing one's previous salary, follows a woman through her career. For women in Hawaii, the yearly collective lost in wages is more than \$2.5 billion.

If the wage gap were closed, women would have enough money for:

- An additional 8 months of child care
- Approximately 51 more weeks of food for her family
- More than 5 additional months of rent

The additional income is also beneficial to our local economy.

We have seen similar laws go into effect in New York City, Delaware, and California, with Massachusetts starting enforcement in the summer. Oregon and Maryland are also considering this legislation and some areas have included fines for companies found out of compliance. Around the country, we are seeing an end to discriminatory hiring practices through legislation like Senate Bill 2351.

The changes in SB 2351 are small but significant. It allows women who have the experience, education, and skill set to be paid a salary/wage they deserve.

Kathleen Algire
Director, Public Policy and Advocacy
YWCA O'ahu

SB-2351-SD-1

Submitted on: 3/19/2018 12:46:18 PM

Testimony for LAB on 3/20/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Irish Barber	IATSE Local 665	Support	No

Comments:

The House of Representatives

The Twenty-Ninth Legislature

Regular Session of 2018

To: The Honorable Aaron Ling Johanson, Chair

The Honorable Daniel Holt, Vice-Chair, and

Members of the House Committee on Labor and Public Employment

Date: Tuesday, March 20, 2018

Time: 10:00AM

Place: Conference Room 309

State Capitol, 415 S. Beretania St., Honolulu, HI

RE: SB2351, SD1: RELATING TO EQUAL PAY

Aloha, Chair Johanson, Vice-Chair Holt and Members of the Committee,

IATSE Local 665 represents the film technicians who work behind the camera on TV series and films throughout the State of Hawai'i.

As union members, we are against any kind of discrimination whatsoever and our contracts protect the wages of our workers regardless of their gender. More and more, women are the sole earners of their families. In fact, more single women are purchasing homes than single men – even with the pay discrepancy which means they are likely working more than one job.

We stand united in **STRONG SUPPORT** of SB2351, SD1, and request that the committee rule in favor of fairness and equality.

Respectfully,

Irish Barber

Business Representative

IATSE Local 665

SB-2351-SD-1

Submitted on: 3/15/2018 8:01:49 PM

Testimony for LAB on 3/20/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Eileen M Gawrys	Individual	Support	No

Comments:

There is no rational argument against equal pay and the hiring women on their talents & capabilities.

SB-2351-SD-1

Submitted on: 3/15/2018 8:04:11 PM

Testimony for LAB on 3/20/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Golojuch	Individual	Support	No

Comments:

Hearing Date: March 20, 2018, 9:00 A.M., Rm 309

To: House Committee on Labor and Public Employment

From: Jean Evans, MPH (Individual, jevans9999@yahoo.com, 808-728-1152, 99-1669 Hoapono Pl., Aiea, HI 96701)

Re: TESTIMONY IN SUPPORT OF SB 2351, SD1 - RELATING TO EQUAL PAY

My name is Jean Evans. I retired after 40 years holding executive positions in Hawaii non-profit agencies. In these positions I have interviewed and hired hundreds of applicants. I am also a member of AAUW Hawaii.

I am strong support of SB 2351, SD1 Relating to Equal Pay.

It is well documented that there is a large gap in gender pay across the nation and in Hawaii where women earn only 84% of what men earn.

Non-profit agencies in Hawaii have historically offered low salaries which did not reflect the level of education, experience and responsibility associated with the positions. These agencies, which were predominately filled by females with a few male top executives, were seen as helping and giving organizations and so perpetuated the idea that the women should work for lower wages for the good of the community. Slowly this mind-set is changing to reflect a more professional attitude toward the non-profit workforce. However, this change has been slow and contributes to the wage gap.

In my application for the two executive director positions which I subsequently secured, I was required to list my past salary history. Only after being in these positions, did I discover that previous Executive Directors were compensated well above me. In one case over twice my salary. Interestingly, one was a female and the other a male.

I am ashamed to admit, when in the position of hiring, I often used previous salary history to offer lower salaries to save funds for the agency. I also found myself using pay history to eliminate applicants with high salary histories who were perhaps changing fields or relocating from the mainland thinking that they wouldn't consider the lower range I could offer. With the increased usage of on-line application processes, this type of salary history screening often eliminates applicants. If this measure were in place all applicants would be considered based on their qualifications rather than pay history.

No matter how good your intentions are when in the position of hiring, if past salary history is available, it is very tempting to use it as a factor in hiring.

I also support the provision prohibiting retaliation against employees who share and discuss their own wages.

Employee turnover continues to be a problem in Hawaii, especially when unemployment is low. This bill is an important step in reducing turnover by ensuring competitive salaries and equal treatment.

Let Hawaii join other states in passing this legislation where these measures have been shown to succeed in leveling the salary discrepancies and retaining talented employees. I encourage your support for this measure.

Mahalo for allowing me to submit my testimony today.

SB-2351-SD-1

Submitted on: 3/16/2018 12:49:33 PM

Testimony for LAB on 3/20/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Peter Thoenen	Individual	Oppose	No

Comments:

While generally I do not believe employers should discriminate against employees who discuss pay or other work conditions even more strongly do I believe a relationship between an employer and an employee is none of the Government's business short of ensuring employment at will. It is not the State of Hawaii's place to tell employers how they wish to run their business; if an employee disagrees with their employers policies they are free to find employment elsewhere or ignore them and risk sanction. As such I simply cannot support this bill and ask the Senate oppose it.

SB-2351-SD-1

Submitted on: 3/16/2018 9:32:47 PM

Testimony for LAB on 3/20/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lea Minton	Individual	Support	No

Comments:

SB-2351-SD-1

Submitted on: 3/18/2018 8:51:24 AM

Testimony for LAB on 3/20/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Martha E. Martin	Individual	Support	No

Comments:

Please support this bill, so salaries for jobs can be discussed openly, and employers barred from asking job applicants what a former job salary was.

SB-2351-SD-1

Submitted on: 3/18/2018 10:18:25 AM

Testimony for LAB on 3/20/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Caroline Kunitake	Individual	Support	No

Comments:

I am writing to submit testimony in support of SB 2351 SD1.

Reasoning: women's salary histories show that a gender penalty follows them from one workplace to another, and they do not discover this fact at their place of work. This bill is an effort to break this cycle, by prohibiting employers from asking potential employees about their earnings at a previous job. This means that women will be offered salaries based on their educational qualifications, occupational skills, and workplace successes, rather than the lower wages they suffered at previous jobs.

SB-2351-SD-1

Submitted on: 3/18/2018 11:13:11 AM

Testimony for LAB on 3/20/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jean Keating	Individual	Support	No

Comments:

This issue is complex, and it will require multiple types of legislation and policy interventions to correct. I support this bill as an initial step. I want to see steps taken to end the wage disparity I encountered as a young professional. Jean Keating Kihei, HI

SB-2351-SD-1

Submitted on: 3/18/2018 11:16:17 AM

Testimony for LAB on 3/20/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Younghi Overly	Individual	Support	Yes

Comments:

Dear Chair Johanson, Vice-Chair Holt, and Members of the House Committee on Labor and Public Employment,

Thank you for the opportunity to testify in strong support for S.B. 2351 and thank you for your support in getting the companion measure HB2137 pass out of House.

In Hawaii, median annual pay for a woman who holds a full-time, year-round job is \$40,434 while median annual pay for a man who holds a full-time, year-round job is \$48,074. This means that women in Hawaii are paid 84 cents for every dollar paid to men, amounting to an annual wage gap of \$7,640. This equates to about 51 weeks of food for the working woman. In Hawaii, more than 52,000 family households are headed by women; about 17 percent of the families headed by women have incomes that fall below the poverty level. Eliminating the wage gap would provide much-needed income to women whose wages sustain their households. So not only do gender pay gap unfair to the working women, it is unfair to their families. (Source: [National Partnership for Women & Families, Hawaii Women and the Wage Gap, April 2017](#)) There is very little than women can do on their own to protect themselves against the gender pay gap and we need legislation to protect the working women and their families.

Gender pay gap is a complex issue and it will require multiple types of legislation and policy interventions to correct. S.B. 2351 proposes two effective simple fixes to the problem of gender pay gap, at zero cost to the employers. Similar recent laws prevail in other states, including: California, Oregon, Delaware, and Massachusetts. (Source: AAUW Policy Guide to Equal Pay in the States)

By prohibiting employers from asking potential employees about their earnings at a previous job, women will be offered salaries based on their educational qualifications, their occupational skills, and their workplace successes, rather than the lower wages they suffered at previous jobs. Women's salary histories show that a gender penalty follows them from one workplace to another, and they do not discover this fact at their place of work. S.B. 2351 is an effort to break this cycle, by prohibiting employers from asking potential employees about their earnings at a previous job. This means that women will be offered salaries based on their educational qualifications, occupational

skills, and workplace successes, rather than the lower wages they suffered at previous jobs.

Preventing employers from retaliating employees who discuss their wages is also helpful for businesses in a fair wages environment because it encourages knowledge of wages and knowledge of fairness to percolate among employees. A research by a coalition of Columbia-Berkley economists demonstrates that this knowledge will be good for worker morale, the workplace environment, and ultimately, business output. (Source: Emily Breza, Supreet Kaur & Yogita Shamdasanani 2016 "The Morale Effects of Pay Inequality," NBER Working Papers, National Bureau of Economic Research)

As a retired IBM manager, I can testify for S.B. 2351 based on its benefit to the employers. Starting late 1990s, IBM started to track and share with employees where their pay stood in comparison to what market paid. This meant the managers had to make sure that employees were paid fairly in order to retain them. This also assured the employees that they were paid fairly, reducing the suspicion that employees at IBM as well as at other companies may be getting paid better. While fair pay is not the only tool available to managers, I believe this fair and transparent pay practice which S.B. 2351 would create helped with employee morale and employee retainment. In one case when I made sure that an employee was paid fairly for the work she was doing rather than paid based on pay from her previous job (she was a teacher), she went extra mile whenever IBM needed her to do so and became one of the best performers in the business unit.

So I strongly support S.B. 2351 because it is fair to women, for their families, and because these fair pay practices are also good for the employers.

Thank you for taking time to read and take my testimony into consideration.

SB-2351-SD-1

Submitted on: 3/18/2018 3:36:04 PM

Testimony for LAB on 3/20/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Judy McCluskey	Individual	Support	No

Comments:

I strongly support SB 2351. Passage of this bill will help overcome employer bias during the hiring process by prohibiting the employer from requiring information regarding the applicant's previous salary. Thus, the applicants would be judged on their qualifications and skills rather than the lower wages they earned at previous employment. In addition, the bill would provide protections for employees who discuss and compare their wages with coworkers, allowing them to judge for themselves what is fair. These two concepts would be steps in the right direction toward providing equal pay for women who, as a group, historically have received significantly less compensation than men for equal work.

Eliminating the wage gap is good for women, families and the economy. In Hawaii, many mothers are the primary earners in their families with children under 18 years of age, yet they earn only 84 cents for every dollar earned by a father. Closing the wage gap would ensure families have greater financial security enabling them to better afford, rent, groceries and childcare. It would also boost our state's economy by making up for monies lost annually in lower women's wages.

Equal pay for equal work would benefit society as a whole, focusing on fairness and improving morale, cooperation and productivity in the workplace.

I encourage passage of this bill as a measure toward righting a wrong that has gone on too long.

Thank you,

Judy McCluskey

Ms. Jo Ann C. Kocher
7124 Naakea Street
Honolulu, Hawaii 96825
March 18, 2018

Subject: Support of SB2351, SD1
Date/Time of Hearing: March 20, 2018; 10:00 a.m.
Committee on Labor and Public Employment

To Whom It May Concern:

Thank you for the opportunity to express my support for SB2351, SD1. As a single woman who has supported herself her whole life, the issue of equal pay is very important to me. Inequities in the salaries of men and women exist in too many workplaces, nationwide and in Hawaii, where women are paid 84 cents for every dollar their male counterparts earn. Unfortunately, this disparity often follows the women even when they change jobs. This affects the woman's ability to provide for herself throughout her working life and into retirement. Since many women are contributing or sole providers for their families, it also impacts their children adversely. In Hawaii, more than 52,000 households are headed by women. About 17 percent of those families live below the poverty line.

This issue has been manifested for many years and is caused by various contributing factors. It cannot be solved overnight but can be corrected with multiple levels of interventions, especially legislative ones. Two simple proposals are included in SB2351, SD1 which would greatly help women in the workforce. This bill focuses on a discussion of wages in the workplace, and provision of one's previous salary to a new employer. Women's salary histories show that a gender penalty follows them from one workplace to another. This bill, if passed, would begin to break this cycle, by prohibiting employers from asking potential employees about their earnings at a previous job. Women would be offered salaries based on their educations, occupational skills and achievements, rather than the lower wages they suffered at previous jobs. The bill would also prohibit employers from sanctioning or discriminating against employees who discuss their salaries. Similar bills have been passed in several other states. It is time for Hawaii to move into the 21st Century regarding equal pay for men and women. Research has shown that morale and productivity increase for both employers and employees when everyone is treated fairly and with respect.

Thank you for the opportunity to testify in this important matter. If you have any questions or would like to discuss my support for this bill further, please feel free to contact me at 808 395-1300 or at Tiger2Balm@aol.com.

Sincerely,

Jo Ann C. Kocher

SB-2351-SD-1

Submitted on: 3/19/2018 7:07:12 AM

Testimony for LAB on 3/20/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Beverly Munson	Individual	Support	Yes

Comments:

I am writing to share my first-hand experience as a Senior Human Resources Professional who has been involved in the recruitment and hiring of more than 1,000 employees in my almost 30 year career.

My experience includes working for companies that did NOT use salary history in the employment process; and working in California where employees are legally able to freely share their personal salary information without discrimination, punishment, or retaliation.

Based on my first-hand professional experience, I believe that **SB2351 is an essential first step in closing the gender pay gap** and strongly support its passage. Thank you for allowing me to share my experiences with you; I hope you find them helpful.

I would like to start by responding to “opposition” testimony previously submitted:

- **Action is needed now to close Hawaii’s gender pay gap.** Opponents of this Bill have asked that Hawaii wait until pay equity legislation in other states is proven. “Proving” will take several years or decades. Not passing this legislation sets up Hawaii’s women for continued economic discrimination based on their gender. Having worked for companies that did not use salary history in their employment process, I saw firsthand that such companies had little to no gender and minority pay gaps.
- **Opponents of SB2351 argue that salary history is needed to effectively evaluate a job candidate’s prospective performance.** In my professional experience this simply is not true; **salary history is NOT an indicator of one’s actual future performance.** I’ve seen highly paid employees perform poorly, and less paid employees who are stellar workers. I’ve had the same experience with salary as an indicator of “career trajectory”; salary history is not a fool-proof indicator of one’s career advancement potential.

- **Removing salary history from prospective employment discussions will NOT widen the gender pay gap** as some opponents to this bill claim. Basing salary discussions on an applicant's training, education, skills and experience rather than what one has earned in the past will focus discussions on factual job-relevant information. My experience where salary history was not part of the employment discussion is that women were paid akin to their male peers.
- **In an interview, job applicants cannot talk about dissatisfaction with past pay and benefits without jeopardizing their chances of being hired:** Opponents of SB2351 have attempted to argue that if an applicant has been underpaid in a past job they can discuss their low salary in an interview. In my experience, smart job candidates will not say anything negative about past employers; they are going to avoid any discussion that may lead a hiring manager to think they are a "complainer" or "disgruntled" worker.
- **Opponents of SB2351 argue that they need an applicant's salary history to ensure they are offering a competitive salary.** That argument is an admission that employers routinely use past salary as a basis for future salary. In my experience relying on salary history leads to "**salary bias**" which in turn perpetuates the gender pay gap. Salary data is readily available without asking job applicants for salary history. Salary surveys are widely available for employers to gauge competitive rates for jobs in Hawaii; online tools such as salary.com are also easily accessible and take only minutes to use.
- **Arguments against pay equity legislation like SB2351 are speculative and unproven:** Recently articles have been published (including in the Honolulu Advertiser) that claim that pay equity legislation is ineffective. However, if one takes time to read the quotes from "experts" their arguments rely heavily on "*might*"; "*could*"; "*I imagine*" and "*may*". The articles and research I've read are supported by **speculation** or sociological studies that have been misinterpreted or manipulated in an attempt to create journalistic "evidence" to support provocative "news" articles. Pay Equity Legislation is new to many states so it is too soon to have hard evidence of such legislation's effectiveness, but my first-hand experience as an HR Executive leads me to believe that **SB2351 is an essential first step to closing the gender pay gap.**
- **Opponents argue that SB2351's provision allowing employees to share their own salary information will lead to frivolous legal claims and**

workplace dissatisfaction. In my experience, sharing wage information does not adversely impact a workplace. Much of my career was in California where for decades employees have been entitled to share their personal salary information freely. My experience working in California was that: 1) knowing that an employee may share their salary information with co-workers motivated employers to be more attentive to pay equity; 2) although employees were free to share their own salary information, typically they were judicious in sharing such information; and, 3) employee privacy was protected as employers could not release salary information without the express permission of the employee.

Based on my first-hand Human Resources experience, I offer the following in SUPPORT of SB2351's passage:

SB2351 is a well-crafted Bill: it is:

1. Complete;
2. Clearly written and understandable; and,
3. Can be implemented easily with minimal lead time at little to no cost to employers – implementation is simple: a) stop collecting salary history on job applications; and, b) stop punishing employees who share their own salary information.

The gender pay gap has lifelong impact: The gender pay gap not only affects a woman's ability to support her family during her working years, but affects her ability to build savings for emergencies or retirement. Since Social Security, 401(k) contributions, pensions, and other retirement benefits are based on one's earnings, the gender pay gap results in women living off less in their elderly years. The gender pay gap is not a "working years issue" but rather has lifelong impact.

In Hawaii women are more likely to live in poverty than men: The statistics regarding the difference between what various groups of women in Hawaii earn in comparison to their male peers are cited in SB2351 so I will not repeat them in this testimony. I would however like to refer you to a 2017 study from the University of Hawaii's School of Social Work that indicates that **women in Hawaii are 57 percent more likely than their male counterparts to live in poverty.** Hawaii's gender pay gap contributes to this disturbing statistic.

Half of Hawaii's population is female: Don't the girls and women of Hawaii deserve every opportunity to adequately support their families and avoid low-income or poverty in their elder years? Based on my experience with women in the workplace, women are equitable contributors to business success and therefore should be paid equitably.

Eliminating salary history in the application process removes "salary bias" a barrier to pay equity: Despite anti-discrimination laws against setting wages based on gender, employers typically base salary offers on one's past salary which perpetuates America's centuries-old practice of paying women less than men. SB2351 helps eliminate the "Salary Bias Effect" that influences wages offered to new employees.

Skillful interviewing, not salary history provides an unbiased JOB-RELEVANT means for employers to evaluate job candidates: From hiring more than 1,000 employees I know first-hand that past salary is NOT an indicator of future job performance. Using well-crafted job-focused interview questions an attentive hiring manager can in a nondiscriminatory manner glean specific information to evaluate a candidate's qualifications, skills and experience. That information can then be used for appropriate salary placement within the organization. Employers can use proven techniques such as "Behavior-Based Interviewing" to evaluate a candidate's experience and its relevance to the employer's needs.

Effective prospective salary discussions can be had without salary history: Before beginning a recruitment effort employers typically establish a salary budget for the position in question. If they do not have formal salary ranges established, they still determine a range that they are willing to pay depending on the salaries of existing employees and budgetary constraints. Under SB2351 employers will still be free to ask a prospective employee about their salary expectations without asking about salary history. The employer can then use the expectation discussion to determine if there is an economic match between the candidate and salary that is budgeted.

Employers can publish salary ranges in job postings and advertisements: Employers who worry that they will waste time interviewing candidates who will not accept the wage they intend to offer can eliminate that concern by simply publishing salary ranges in job postings and advertisements; OR, when calling to set up an interview first tell the applicant the proposed salary range and ask the applicant if they wish to interview for the job.

Thank you for considering the points above. I hope my experience and expertise as a Human Resources professional provides helpful information.

Sincerely,

Beverly M. Munson

March 19, 2018

Hawaii State House Committee on Labor and Public Employment

Hearing Date/Time: March 20 (10:00 am)

Place: Hawaii State Capitol, Rm.309

Re: Testimony in support of SB2351

Dear Representative Aaron Ling Johanson (Chair), Representative Daniel Holt (Vice Chair) and Members of the Committee,

I am writing in strong support of SB2351.

In 1982 I was offered the position of executive director in a small non profit agency in Honolulu at \$19,000 a year. I was a single mother with two children in high school. I took the position. I had no idea that I could negotiate for a better salary. This starting salary affected my future earnings during my 30 year career and it affects my social security payments today.

Many women in Hawaii still are not aware that can negotiate, or don't how to negotiate, for an entry level salary or for a raise. Women in Hawaii make 84 cents for every dollar a man makes. The National Partnership for Women and Families pegs the pay gap as taking \$2.5 billion out of the pockets of women statewide, or \$7,640 per woman per year. Statistics from the US Department of Labor show that gender-based salary differentials are found across occupations, and continue through individuals' working lives, worsening with age. According to the National Women's Law Center, the lifetime wage gap for women in Hawaii is \$305,600 over a 40-year career. This is clear evidence that women are paid less, documenting the need for a legislative fix.

Progress in decreasing the gap is too slow without legislation. Women have been waiting decades for the gender gap to close. This issue is complex, and it will require multiple types of legislation and policy interventions to correct. This bill is an initial step,

The goal of SB2351 is to diminish the gender pay gap, and to promote fairness in how salaries are determined for both men and women. The bill focuses on diminishing the pay gap when women change employment, and on allowing women to speak with colleagues, so they can discover when they are being paid less than men. Two simple fixes are proposed in this bill: (a) open discussion of wages in the workplace without negative sanction by employees, and (b) prohibition of required provision of one's previous salary to a new employer.

Sanctions against discussing salaries make it possible for employers to hide this discrimination from female employees. Women are greatly disadvantaged when disparities in salaries are hidden.

Requiring salary history is unfair to women who make less than their male counterparts. women's salary histories show that a gender penalty follows them from one workplace to another There are other tools available to employers such as paying salaries based on

educational level, work experience, and specific skills. Being forced to disclosing previous salaries keep women's pay artificially decreased. This measure ensures that women will be offered salaries based on their educational qualifications, occupational skills, and workplace successes, rather than the lower wages they labored under at previous jobs.

There is little that women can do to protect themselves against the gender pay gap. I feel strongly that this bill is needed to help women to achieve economic equity in employment and ensure that our women – and their children and families – can find economic security in the Aloha State.

Thank you for the opportunity to testify.

Janet E. Morse

SB 2351

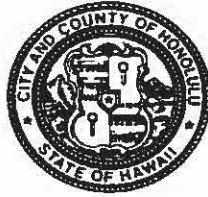
SD-1

LATE

TESTIMONY

DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF HONOLULU
650 SOUTH KING STREET 10TH FLOOR • HONOLULU, HAWAII 96813
TELEPHONE: (808) 768-8500 • FAX: (808) 768-5563 • INTERNET: www.honolulu.gov/hr

KIRK CALDWELL
MAYOR



CAROLEE C. KUBO
DIRECTOR
NOEL T. ONO
ASSISTANT DIRECTOR

March 20, 2018

The Honorable Aaron Ling Johanson, Chair
The Honorable Daniel Holt, Vice Chair
and Members of the Committee
on Labor & Public Employment
The House of Representatives
State Capitol, Room 426
415 South Beretania Street
Honolulu, Hawaii 96813

LATE

Dear Chair Johanson, Vice Chair Holt, and Members of the Committee:

SUBJECT: Senate Bill No. 2351, S.D. 1
Relating to Equal Pay

The City and County of Honolulu ("City"), Department of Human Resources offers comments on Senate Bill 2351, S.D. 1. The City strongly supports the goal of promoting equality in the workplace and closing the gender wage gap in Hawaii.

In order to clarify intent, however, the City requests that amendment to Hawaii Revised Statutes, Chapter 378, specify that such amendment is not intended to apply to the City and other counties which have exempt and excluded employees covered by directives whose pay follows collective bargaining agreements.

The City requests the following amendment (added language underlined):

§378- Employer inquiries into and consideration of salary or wage history.

....

(c) This section shall not apply to:

....

(3) Public employee positions, including excluded and exempt employees, for which salary, benefits, or other compensation are

The Honorable Aaron Ling Johanson, Chair
The Honorable Daniel Holt, Vice Chair
and Members of the Committee
on Labor & Public Employment
March 20, 2018
Page 2

determined pursuant to collective bargaining or executive directives.

These changes would clarify that all categories of public employees are excluded from the prohibition on inquiries into and consideration of wage history. Without this amendment, excluded and exempt employees whose compensation is set via executive directive to mirror schedules determined pursuant to collective bargaining processes, would be unfairly differentiated from other public employee positions.

Thank you for the opportunity to comment on this bill.

Sincerely,


for Carolee C. Kubo
Director

IBEW1260

‘A‘OHE HANA NUI KE ALU ‘IA

March 20, 2018

The Twenty-Ninth Legislature
Hawaii State House of Representatives
Committee on Labor and Public Employment

SB2351 - RELATING TO EQUAL PAY

Chair Johanson, Vice Chair Holt, and Members of the Committee,

The International Brotherhood of Electrical Workers Local Union 1260, AFL-CIO (IBEW1260), represents more than 3500 members, has advocated for all workers in the State of Hawaii for over seventy-five years and respectfully offers the following testimony in **STRONG SUPPORT** of Senate Bill 2351 (SB2351).

While unionized women of the IBEW have enjoyed pay equality since 1892, many women in the non-unionized work force are subject to systematic gender pay disparity. For this reason, IBEW1260 respectfully ask the Committee to **SUPPORT SB2351** sending a message that all workers are equal regardless of gender or race.

Mahalo for the opportunity to testify on this issue.

Respectfully,



Michael M. Brittain
Asst. Business Manager
IBEW1260 / AFL-CIO

LATE

SB-2351-SD-1

Submitted on: 3/20/2018 8:30:12 AM

Testimony for LAB on 3/20/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Golojuch Jr	LGBT Caucus of the Democratic Party of Hawaii	Support	Yes

Comments:

LATE