HAWAII STATE COMMISSION ON THE STATUS OF WOMEN



Chair LESLIE WILKINS

#### COMMISSIONERS:

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

Executive Director Catherine Betts, JD

Email: Catherine.a.betts@hawaii.gov Visit us at: humanservices.hawaii.gov /hscsw/

235 S. Beretania #407 Honolulu, HI 96813 Phone: 808-586-5758 FAX: 808-586-5756 February 4, 2016

- To: Representative Mark M. Nakashima, Chair Representative Jarrett Keohokalole, Vice Chair Members of the House Committee on Labor and Public Employment
- From: Cathy Betts, Executive Director Hawaii State Commission on the Status of Women
- Re: Testimony in Support, HB 1909 Relating to Equal Pay

Thank you for this opportunity to provide testimony in strong support of HB 1909, which would amend Hawaii's equal pay statute, HRS 378-2.3, thereby strengthening equal pay protection for women and providing further guidance to employers and employees.

Currently, the wage gap for Hawaii's women is at a standstill, with women making roughly 86 cents for every dollar paid to a man for substantially similar work. Throughout the past 30 years, the wage gap has stagnated. At the current rate, the wage gap will not close in Hawaii until 2058.

40% of American families depend on a woman as both the primary caregiver and the primary or sole breadwinner. Families largely depend on women's wages to be economically self sufficient, which makes the stagnated wage gap a real and tangible daily problem for working families everywhere, including Hawaii. Women in Hawaii who are employed full time lose a combined total of more than *1.4 billion dollars* annually due to the wage gap.<sup>i</sup> This wage gap exists regardless of industry, occupational choice or educational level, and it is felt the moment a woman receives her first job, whether out of high school, college, graduate school, etc.<sup>ii iii iv</sup>

Pay inequity is largely linked to poverty. If women's hourly earnings rose to the level of similarly qualified men, poverty rates among working families would be reduced by 50%. This is a real problem with real effects on our women and families.

Our equal pay statute has not been litigated, so there is very little guidance for employers or employees on what constitutes compensation discrimination, or the remedies an employee may have under the law. By revising the language in HRS 378-2.3, we have an opportunity to hasten the closing of the wage gap, thereby benefiting all women and families in Hawaii.

The Commission strongly supports the current language, but would like to propose some additional language in order for the language to be more effective in closing the wage gap.

The Commission proposes adding the following language:

#### HRS 378-2.3:

(c): Any employer shall be prohibited, personally or through an agent, to screen job applicants based on their wage or salary histories, including by requiring that an applicant's prior wages or salary history satisfy minimum or maximum criteria or by requesting or requiring as a condition of being interviewed or as a condition of continuing to be considered for an offer of employment that an applicant disclose prior wages or salary history;

(d) Any employer shall be prohibited from seeking the salary history of any prospective employee from any current or former employer; provided a prospective employee may provide written authorization to a prospective employer to confirm prior wages or salary history only after an offer of employment has been made to the prospective employee.

(e) Any employer shall, personally or through an agent, publish, list, or post, publicly or within the organization; or publish, list, or post with any employment agency, job-listing service, or website an advertisement to recruit candidates for hire or independent contractors to fill a position within the organization including the minimum rate of pay whether paid by the hour, shift, day, week, salary, piece, commission, or other; including overtime; with allowances, if any, claimed as part of the minimum wage, including tip, meal, or lodging allowances. No employer shall pay wages for the position less than what were advertised.

Thank you for this opportunity to testify in strong support of HB 1909.

Year-Round Civilian Employed Population 16 Years and Over. Retrieved 17 September 2015, from

http://www.census.gov/hhes/www/cpstables/032015/perinc/pinc06 000.htm

<sup>&</sup>lt;sup>1</sup> U.S. Census Bureau. (2015). American Community Survey 1-Year Estimates 2014, Geographies: All States within United States and Puerto Rico, Table B20017: Median Earnings in

the Past 12 Months by Sex by Work Experience in the Past 12 Months for the Population 16 Years and Over with Earnings in the Past 12 Months. Available at:

 $<sup>\</sup>underline{http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS\_14\_1YR\_B20017\&prodType=tablegervices/jsf/pages/productview.xhtml?pid=ACS\_14\_1YR\_B20017\&prodType=tablegervices/jsf/pages/productview.xhtml?pid=ACS\_14\_1YR\_B20017\&prodType=tablegervices/jsf/pages/productview.xhtml?pid=ACS\_14\_1YR\_B20017\&prodType=tablegervices/jsf/pages/productview.xhtml?pid=ACS\_14\_1YR\_B20017\&prodType=tablegervices/jsf/pages/productview.xhtml?pid=ACS\_14\_1YR\_B20017\&prodType=tablegervices/jsf/pages/productview.xhtml?pid=ACS\_14\_1YR\_B20017\&prodType=tablegervices/jsf/pages/productview.xhtml?pid=ACS\_14\_1YR\_B20017\&prodType=tablegervices/jsf/pages/productview.xhtml?pid=ACS\_14\_1YR\_B20017\&prodType=tablegervices/jsf/pages/productview.xhtml?pid=ACS\_14\_1YR\_B20017\&prodType=tablegervices/jsf/pages/productview.xhtml?pid=ACS\_14\_1YR\_B20017\&prodType=tablegervices/jsf/pages/productview.xhtml?pid=ACS\_14\_1YR\_B20017\&prodType=tablegervices/jsf/pages/productview.xhtml?pid=ACS\_14\_1YR\_B20017\&prodType=tablegervices/jsf/pages/productview.xhtml?pid=ACS\_14\_1YR\_B20017\&prodType=tablegervices/jsf/pages/productview.xhtml?pid=ACS\_14\_1YR\_B20017\&prodType=tablegervices/jsf/pages/productview.xhtml?pid=ACS\_14\_1YR\_B20017\&prodType=tablegervices/jsf/pages/productview.xhtml?pid=ACS\_14\_1YR\_B20017\&prodType=tablegervices/jsf/pages/productview.xhtml?pid=ACS\_14\_1YR\_B20017\&prodType=tablegervices/jsf/pages/productview.xhtml?pid=ACS\_14\_1YR\_B20017\&prodType=tablegervices/jsf/pages/pa$ 

<sup>&</sup>lt;sup>ii</sup> U.S. Census Bureau. (2015). American Community Survey 1-Year Estimates 2014, Table S2404: Industry by Sex and Median Earnings in the Past 12 Months for the Full-Time,

 $http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_14_1YR_S2404\&prodType=table_services/sf/pages/productview.xhtml?pid=ACS_14_1YR_S2404\&prodType=table_services/sf/pages/productview.xhtml?pid=ACS_14_1YR_S2404\&prodType=table_services/sf/pages/productview.xhtml?pid=ACS_14_1YR_S2404\&prodType=table_services/sf/pages/productview.xhtml?pid=ACS_14_1YR_S2404\&prodType=table_services/sf/pages/productview.xhtml?pid=ACS_14_1YR_S2404\&prodType=table_services/sf/pages/productview.xhtml?pid=ACS_14_1YR_S2404\&prodType=table_services/sf/pages/productview.xhtml?pid=ACS_14_1YR_S2404\&prodType=table_services/sf/pages/productview.xhtml?pid=ACS_14_1YR_S2404\&prodType=table_services/sf/pages/productview.xhtml?pid=ACS_14_1YR_S2404\&prodType=table_services/sf/pages/productview.xhtml?pid=ACS_14_1YR_S2404\&prodType=table_services/sf/pages/productview.xhtml?pid=ACS_14_1YR_S2404\&prodType=table_services/sf/pages/productview.xhtml?pid=ACS_14_1YR_S2404\&prodType=table_services/sf/pages/productview.xhtml?pid=ACS_14_1YR_S2404\&prodType=table_services/sf/pages/productview.xhtml?pid=ACS_14_1YR_S2404\&prodType=table_services/sf/pages/productview.xhtml?pid=ACS_14_1YR_S2404\&prodType=table_services/sf/pages/productview.xhtml?pid=ACS_14_1YR_S2404\&prodType=table_services/sf/pages/sf/pa$ 

<sup>&</sup>lt;sup>iii</sup> U.S. Census Bureau. (2015). Current Population Survey, Annual Social and Economic (ASEC) Supplement: Table PINC-06: Occupation of Longest Job in 2014--People 15 Years and

Over, by Total Money Earnings in 2014, Work Experience in 2014, Race, Hispanic Origin, and Sex. Retrieved 17 September 2015, from

<sup>&</sup>lt;sup>iv</sup> U.S. Census Bureau (2015). Current Population Survey, Annual Social and Economic (ASEC) Supplement: Table PINC-03. Educational Attainment--People 25 Years Old and Over,

by Total Money Earnings in 2014, Work Experience in 2014, Age, Race, Hispanic Origin, and Sex. Retrieved 17 September 2015, from

http://www.census.gov/hhes/www/cpstables/032015/perinc/pinc03\_000.htm



February 5, 2016

To: Representative Mark Nakashima, Chair Representative Jarett Keohokalole, Vice Chair and Members of the Committee on Labor and Public Employment

From: Jeanne Y. Ohta, Co-Chair

RE: HB 1909 Relating to Equal Pay Hearing: Friday, February 5, 2016, 9:30 a.m., Room 309

#### POSITION: STRONG SUPPORT

The Hawai'i State Democratic Women's Caucus (HSDWC) writes in strong support of HB 1909 Relating to Equal Pay. HSDWC supports amendments to the bill proposed by the Hawai'i State Commission on the Status of Women and the Hawaii Civil Rights Commission.

The fact that the pay gap between men and women has been stagnant and has not continued narrowing, necessitates more effort in ensuring the concept of equal pay for equal work. California passed legislation improving their equal pay statute last year. In addition, approximately 24 states are considering updating their statues this year.

This measure improves our current equal pay statute. It ensures that employees performing substantially similar work are paid equally; changes the requirement of "equal work" to "substantially similar work;"; revises the "bona fide factor other than sex" defense to require employers to prove a business necessity for using the factor; and ensures that any legitimate, non-sex related factor(s) relied upon are applied reasonably and account for the entire pay differential.

In addition, it prevents employers from retaliating against any employee who discusses her pay with others; because if employees cannot discuss their salaries, they cannot learn that they are being paid less.

Current statutes have "catch alls" which allow loopholes for employers and have been difficult for employees to prove pay discrimination.

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. It is because of this mission that we respectfully request that the committee pass this bill.



# HAWAI'I CIVIL RIGHTS COMMISSION

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

February 5, 2016 Rm. 309, 9:30 a.m.

To: The Honorable Mark M. Nakashima, Chair The Honorable Jarrett Keohokalole , Vice-Chair Members of the House Committee on Labor & Public Employment

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

#### Re: H.B. No. 1909

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. 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.

H.B. 1909, if enacted, will amend the provisions for equal pay and sex discrimination for substantially similar work. The bill also adds a subsection prohibiting an employer from taking action against an employee for disclosing wages or discussing wages.

The HCRC strongly supports H.B. 1909, with an amendment to clarify § 378-2.3 (3). The

HCRC strongly supports subsection (b) stating that an employer may not prohibit an employee from

disclosing wages, or discussing, inquiring, aiding or encouraging any other employee from doing so.

The bill in its current form amends HRS § 378-2.3 (4) by changing it to (a)(3) and making this change:

(3) A bona fide occupational qualification; [or] provided that it does not have a disparate impact based on sex and that the qualification is necessary to the position.

With the HCRC's suggested amendment, paragraph (a)(3) would read :

(3) A bona fide occupational qualification or factor other than sex only if:

#### (A) It does not have a disparate impact based on sex; or

(B) If it does have a disparate impact based on sex, the employer proves that the factor is job-related for the position in question and that there is no alternative business practice that would serve substantially the same business purpose with less sex based disparate impact; and

(C) The factor is not being used to and is not operating to discriminate based on sex.

The HCRC's suggested paragraph (3) language above would amend the statute to use the correct terminology, because use of the term "bona fide occupational qualification" is incorrect in that context. The suggested language specifies that for a "factor other than sex" to be "bona fide," that it cannot have a discriminatory effect or purpose. It is a conclusion, rather than a consideration. Additional language explains "bona fide factors other than sex," taking case law on disparate impact and court interpretations of the Equal Pay Act and Title VII into account.

The HCRC requests that new subsections (c) and (d) be added, expressly providing:

(c) Nothing in this section shall limit any person's right under any other section of this Chapter to be free of compensation discrimination in employment.

(d) As used in this section, "sex' shall include gender.

The HCRC strongly supports this bill, and an end to pay disparity between men and women who do similar work. This bill will help to ensure that men and women receive equal pay for equal work in the same establishment. HCRC strongly supports the addition of subsection (b) which prohibits employer actions regarding pay disclosure. Employees must be permitted to discuss wage differences, in order to determine pay disparity. Free and open discussion will promote pay equality between genders. HCRC supports this bill as a step towards ending discrimination against women, particularly women of color, in the workplace as a result of lower wages than their male counterparts. Equal pay for equal work will benefit families, and children, as well as women employees.



#### Testimony to the House Committee on Labor & Public Employment Friday, February 5, 2016 at 9:30 A.M. Conference Room 309, State Capitol

#### **RE: HOUSE BILL 1909 RELATING TO EQUAL PAY**

Chair Nakashima, Vice Chair Keohokalole, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **opposes** HB 1909, which amends the provisions for equal pay and sex discrimination for substantially similar work. Also clarifies the employer defenses and prohibits employer actions regarding wage disclosure.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,000 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.

#### Not the Whole Picture

We support the equal pay in the workplace. However, like many difficult issues there is 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.

- 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 with 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—are more difficult to quantify.



#### Existing Law

It is already against the law for an employer to discriminate in setting employee wages based on gender. At the state level we have the Equal Pay Law, which clearly states that no employer shall discriminate based on gender when setting wages. At the federal level, the Equal Pay Act says that employers must pay equal wages to women and men in the same establishment for performing substantially equal work.

In 2009, Congress passed the Lilly Ledbetter Fair Pay Act, which extended the statute of limitations for filing an equal pay lawsuit. We believe these laws already cover the issue of gender wage discrimination.

#### No Due Process for Employers

We disagree and oppose the presumption that the employer is guilty of wage discrimination, and puts the burden of proof on them to prove their innocence. The bill amends Hawaii's Equal Pay Law to limit three allowable "bona fide" factors for wage differentials to a seniority system, a merit system, and an occupational qualification. This ties the hands of the employers in any legal flexibility in compensation.

This section could create many frivolous lawsuits against employers. Lawsuits (threatened or filed) have a substantial impact on small business owners. We have heard story after story of small business owners spending countless hours and sometimes significant sums of money to settle, defend, or work to prevent a lawsuit.

#### Sharing of Wage Information

While federal law protects certain sharing of wage information, the bill goes much farther than present federal law. We believe that this section could lead to morale problems in the workplace.

#### Other Reasons

In closing, we support the principle of equal pay, however we believe this legislation would ultimately impose enormous burdens and risks on employers; devalue important factors in establishing wages, such as training, experience, education, and skill; and expand litigation opportunities. Lastly it could tie the hands of employers in offering other benefits that employees may value for their own individual situation.

Please defer this bill.

Thank you for the opportunity to testify.



February 4, 2016

To:	Hawaii State House Committee on Labor and Public Employment
Hearing Date/Time:	Friday, February 5, 2016 (9:30 a.m.)
Place:	Hawaii State Capitol, Rm. 309
Re:	Testimony of American Association of University Women –
	Hawaii in support of H.B. 1909, Relating to Equal Pay

Dear Chair Nakashima, Vice Chair Keohokalole, and Members of the Committee,

I am grateful for this opportunity to testify in **strong support of H.B. 1909**, which directly confronts the gender equity issue in employment wages. My testimony is on behalf of the approximately 400 members of the American Association of University Women (AAUW) in Hawaii, who list equal pay as an important current concern. "More than 50 years after passage of the Equal Pay Act of 1963, it's clear the pay gap is unlikely to go away on its own. That's why the American Association of University Women and its more than 170,000 members and supporters are leading a nationwide campaign to close the pay gap and end pay discrimination" (http://www.aauw.org/files/2014/09/ Hawaii-Pay-Gap-2014.pdf). It is absolutely ridiculous that in 2016, we are still dealing with the issue of women taking home smaller salaries than their male counterparts while working in substantially similar employment.

Given that women make up half the population in Hawaii, and are the majority providers in many single-parent homes, surely they deserve to make salaries equitable to those of men? Approximately 56,000 Hawaiian households survive on women's wages, and 19% of these families are struggling with incomes below the poverty level. Increasing women's incomes to the levels enjoyed by men would mean that each working woman in Hawaii would have sufficient money for 48 more weeks of food for her family.

In conclusion, passage of H.B. 1909 is an important step toward more equitable wages for women. This bill contains a number of important fixes, which together have the potential to make a major improvement in women's lives.

Thank you for the opportunity to testify.

Sincerely Susan J. Wurtzburg, Ph.D. Policy Chair February 3, 2016

To: Representative Mark M. Nakashima, Chair, Representative Jarrett Keohokaloe, Representative Henry J.C. Aquino, Representative Joy A. San Buenaventura, Representative Sharon E. Har, Representative Roy M. Takumi, Representative Linda Ichiyama, Representative Kyle T. Yamashita, Representative Aaron Ling Johanson, Representative Andria P.L. Tupola and Representative Matthew S. LoPresti

From: Lisa Ellen Smith

Re: Testimony in Support, HB 1909 Relating to Equal Pay

Thank you for this opportunity to provide testimony in strong support of HB 1909, to amend Hawaii's equal pay statute, HRS 378-2.3, in order to strengthening equal pay protection for women and providing further guidance to employers and employees.

By revising the language in HRS 378-2.3, we have an opportunity to hasten the closing of the wage gap, thereby benefiting all women and families in Hawaii. I strongly support the current language, but would like to propose some additional language in order for the language to be more effective in closing the wage gap. I support the Commission on the Status of Women who proposes adding the following language:

HRS 378-2.3: (c): Any employer shall be prohibited, personally or through an agent, to screen job applicants based on their wage or salary histories, including by requiring that an applicant's prior wages or salary history satisfy minimum or maximum criteria or by requesting or requiring as a condition of being interviewed or as a condition of continuing to be considered for an offer of employment that an applicant disclose prior wages or salary history;

(d) Any employer shall be prohibited from seeking the salary history of any prospective employee from any current or former employer; provided a prospective employee may provide written authorization to a prospective employer to confirm prior wages or salary history only after an offer of employment has been made to the prospective employee.

(e) Any employer shall, personally or through an agent, publish, list, or post, publicly or within the organization; or publish, list, or post with any employment agency, job-listing service, or website an advertisement to recruit candidates for hire or independent contractors to fill a position within the organization including the minimum rate of pay whether paid by the hour, shift, day, week, salary, piece, commission, or other; including overtime; with allowances, if any, claimed as part of the minimum wage, including tip, meal, or lodging allowances. No employer shall pay wages for the position less than what were advertised.

Thank you for this opportunity to testify in strong support of HB 1909.

#### LABtestimony

From:	mailinglist@capitol.hawaii.gov	
Sent:	Wednesday, February 03, 2016 5:31 PM	
To:	LABtestimony	
Cc:	joyamarshall0416@gmail.com	
Subject:	*Submitted testimony for HB1909 on Feb 5, 2016 09:30AM*	
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#### <u>HB1909</u>

Submitted on: 2/3/2016 Testimony for LAB on Feb 5, 2016 09:30AM in Conference Room 309

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Joy Marshall	Individual	Support	No

#### Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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#### keohokalole2-Nahelani



From: Sent:	mailinglist@capitol.hawaii.gov Thursday, February 04, 2016 5:20 PM
To:	LABtestimony
Cc:	mrocca@hscadv.org
Subject:	*Submitted testimony for HB1909 on Feb 5, 2016 09:30AM*
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#### <u>HB1909</u>

Submitted on: 2/4/2016 Testimony for LAB on Feb 5, 2016 09:30AM in Conference Room 309

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Michelle Rocca	Hawaii State Coalition	Support	No
	Against Domestic Violence	••	

#### Comments:

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From:mailinglist@capitol.hawaii.govSent:Thursday, February 04, 2016 7:57 PMTo:LABtestimonyCc:dylanarm@hawaii.eduSubject:\*Submitted testimony for HB1909 on Feb 5, 2016 09:30AM\*

#### <u>HB1909</u>

Submitted on: 2/4/2016 Testimony for LAB on Feb 5, 2016 09:30AM in Conference Room 309

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Dylan Armstrong	Individual	Support	No

Comments:

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### eliminating racism empowering women **YWCA**

o'ahu



**YWCA Fernhurst** 1566 Wilder Avenue Honolulu, Hawai'i 96822 (808) 941-2231 **YWCA Kokokahi** 45-035 Kāne'ohe Bay Drive Kāne'ohe, Hawai'i 96744 (808) 247-2124 YWCA Laniākea 1040 Richards Street Honolulu, Hawai'i 96813 (808) 538-7061 www.ywcaoahu.org

To:Hawaii State House Committee on Labor and Public EmploymentHearing Date/Time:Friday, February 5, 2016, 9:30 a.m.Place:Hawaii State Capitol, Rm. 309Re:Testimony of YWCA O'ahu in support of H.B. 1909, Relating to Equal Pay

Good morning Chair Nakashima, Vice Chair Keohokalole, and members of the committee. On behalf of YWCA O'ahu we thank you for the opportunity to share our testimony in <u>strong support</u> <u>of HB1909</u> relating to equal pay.

In Hawaii, women are paid 86 cents for every dollar paid to men, amounting to a yearly wage gap of \$6,624 between men and women who work full time in the state. This gap is larger for women of color, especially Pacific Islander, African American and Latina women.

Hawaii women and families cannot afford discrimination and lower wages. Job creation and economic opportunity are critical issues for women, many of whom continue to struggle with economic insecurity and pay discrimination. Many Hawaii women are breadwinners and are responsible for the economic security of their families. Due to the wage gap, families, businesses and the economy suffer. Lost wages mean families have less money to spend on goods and services that help drive economic growth.

We need public policies such as HB1909 to address the gender wage gap. More than 50 years after passage of the federal Equal Pay Act of 1963, it's clear the pay gap is unlikely to go away on its own. Wages overall are stagnating and the gender wage gap has barely budged over the last ten years. A new study from the Institute of Women's Policy Research shows that women will not see equal pay with men until 2058. Unfortunately, Hawaii has little protection, remedies, and preemptive action laws when it comes to Equal Pay Laws.

HB1909 will not only ensure that employees performing substantially similar work are paid equally, but will also remove stigma and negative consequences of discussing pay. We strongly support and encourage implementing a pay secrecy ban in efforts to eliminate pay discrimination. It is an important and necessary step in eliminating the persisting wage gap in our State.

Thank you for your consideration and for the opportunity to provide testimony on this matter.

Sincerely,

Noriko Namiki CEO, YWCA Oʻahu



#### COMMITTEE ON LABOR & PUBLIC EMPLOYMENT Rep. Mark M. Nakashima, Chair Rep. Jarrett Keohokalole, Vice Chair



DATE: February 1, 2016 TIME: 9:30 a.m PLACE: Conference Room 16

Strong Support of HB1909 RELATING TO EQUAL PAY.

Aloha, Chair Nakashima, Vice Chair Keohokalole, and members. The Coalition is in strong support of HB1909 addressing the issue of equal pay in our state.

The Hawaii Women's Coalition is in strong support of HB1909, which would amend Hawaii's equal pay statute, HRS 378-2.3, thereby strengthening equal pay protection for women and providing further guidance to employers and employees. Currently, the wage gap for Hawaii's women is at a standstill, with women making roughly **86 cents for every dollar paid to a man** for substantially similar work. Throughout the past **30 years, the wage gap has stagnated**. At the current rate, the wage gap will not close in Hawaii until 2058.

40% of American families depend on a woman as both the primary caregiver and the primary or sole breadwinner. Families largely depend on women's wages to be economically self sufficient, which makes the stagnated wage gap a real and tangible daily problem for working families everywhere, including Hawaii. Women in Hawaii who are employed full time lose a combined total of more than 1.4 billion dollars annually due to the wage gap. This wage gap exists regardless of industry, occupational choice or educational level, and it is felt the moment a woman receives her first job, whether out of high school, college, graduate school, etc.

Pay inequity is largely linked to poverty. If women's hourly earnings rose to the level of similarly qualified men, poverty rates among working families would be reduced by 50%. This is a real problem with real effects on our women and families.

Our equal pay statute has not been litigated, so there is very little guidance for employers or employees on what constitutes compensation discrimination, or the remedies an employee may have under the law. By revising the language in HRS 378-2.3, we have an opportunity to hasten the closing of the wage gap, thereby benefiting all women and families in Hawaii. We strongly support the current language, but would like to propose some additional language in order for the language to be more effective in closing the wage gap.

The Coalition joins the Hawaii State Commission on the Status of Women in proposing the addition of the following language:

#### HRS 378-2.3:

(c) Any employer shall be prohibited, personally or through an agent, from screening job applicants based on their wage or salary histories, including by requiring that an applicant's prior wages or salary history satisfy minimum or maximum criteria or by requesting or requiring as a condition of being interviewed or as a condition of continuing to be considered for an offer of employment that an applicant disclose prior wages or salary history;

(d) Any employer shall be prohibited from seeking the salary history of any prospective employee from any current or former employer; provided a prospective employee may provide written authorization to

prospective employer to confirm prior wages or salary history only after an offer of employment has been made to the prospective employee

(e) Any employer shall, personally or through an agent, publish, list, or post, publicly or within the organization; or publish, list, or post with any employment agency, job-listing service, or website an advertisement to recruit candidates for hire or independent contractors to fill a position within the organization including the minimum rate of pay whether paid by the hour, shift, day, week, salary, piece, commission, or other; including overtime; with allowances, if any, claimed as part of the minimum wage, including tip, meal, or lodging allowances. No employer shall pay wages for the position less than what were advertised.

Mahalo for the opportunity to testify,

Ann S. Freed Co-Chair, Hawai`i Women's Coalition Contact: <u>annsfreed@gmail.com</u> Phone: 808-623-5676



Testimony to the House Committees on Labor & Public Employment February 5, 2016 at 9:30 a.m. State Capitol - Conference Room 309

RE: HB1909 Relating to Equal Pay

Aloha members of the committees:

I am John Knorek, the Legislative Committee chair for the Society for Human Resource Management – Hawaii Chapter ("SHRM Hawaii"). SHRM Hawaii represents more than 800 human resource professionals in the State of Hawaii.

We are writing to respectfully <u>oppose</u> HB 1909 which amends the provisions for equal pay and sex discrimination for substantially similar work. This bill attempts to clarify employer defenses and prohibits employer actions regarding wage disclosure. We believe that this bill does not further its stated objectives and that existing state and federal law already prohibit the wage discrimination. We are concerned about the burden of proof that this bill would place on HR professionals and the significant challenges that would result from the limitations in this bill.

Human resource professionals are keenly attuned to the needs of employers and employees. We are the frontline professionals responsible for businesses' most valuable asset: human capital. We truly have our employers' and employees' interests at heart. We will continue to review this bill and, if it advances, request to be a part of the dialogue concerning it. Thank you for the opportunity to testify.







#### Before the House Committee on Labor & Public Employment

DATE: February 5, 2016

TIME: 9:30 a.m.

PLACE: Conference Room 309

#### **Re: HB 1909 Relating to Equal Pay**

Testimony of Melissa Pavlicek for NFIB Hawaii

Aloha Chair Nakashima, Vice Chair Keohokalole, and members of the Committee:

We are testifying on behalf of the National Federation of Independent Business (NFIB) to respectfully **oppose** this measure. NFIB and our members support equal pay, in that we agree with the principle that an equal day's work deserves an equal day's pay. The existing legal framework already protects employees from wage discrimination based on gender. We do not support the changes proposed in the current version of HB 1909.

It is already against the law for an employer to discriminate in setting employee wages based on gender. At the state level we have the Equal Pay Law, which clearly states that no employer shall discriminate based on gender when setting wages. At the federal level, The Equal Pay Act says that employers must pay equal wages to women and men in the same establishment for performing substantially equal work.

Additional protections are afforded under Title VII of the Civil Rights Act, which prohibits employers with at least 15 employees from discriminating against their employees based on a variety of factors, including gender. In 2009, Congress passed the Lilly Ledbetter Fair Pay Act, which extended the statute of limitations for filing an equal pay lawsuit. We believe these laws already cover the issue of gender wage discrimination. We believe that this legislation would ultimately impose enormous burdens and risks on employers; devalue important factors in establishing wages, such as training, education, and skill; and expand litigation opportunities for plaintiffs.

Please defer this bill.



## National Association of Social Workers

Date: February 3, 2016

To: <u>House Committee on Labor & Public Employment</u> Chair, Representative Della Au Belatti Vice-Chair, Representative Lynn DeCoite

<u>House Committee on Judiciary</u> Chair, Representative Karl Rhoads Vice-Chair, Representative Joy. A. San Buenaventura



The National Association of Social Workers, Hawaii Chapter (NASW) strongly supports House Bill 1909, relating to equal pay.

#### Introduction

Women now make up over half of the world's population. In the United States, more women now graduate from college than men do and more women are currently attending medical school than men. Women are lawyers, doctors, politicians, mothers, CEOs and engineers. In a society where women have proven that they are just as hard working and intelligent as men, how is it that there is still a substantial wage gap between the two genders?

#### Economic Benefits of this Bill

The Organization for Economic Cooperation and Development produced a study in 2012 that stated that gender equality is influential on a country's growth. The study found that investment in gender equality produces the highest return on all development investments. Eliminating gender pay disparities will also decrease the amount of government assistance needed. HB1909 will not only benefit women workers but will simultaneously benefit the country as a whole economically.

# NASW HAWAI'I CHAPTER

#### National Association of Social Workers Gender Equity Benefits of this Bill

Women who complete the same work as men should be compensated the same amount because we live in a country that recognizes that women are not below men but are their equals. The reality of women's vulnerable position in the U.S. legal system highlights the need for "substantive, lasting cultural change in attitudes towards women". Gender pay disparities affect women throughout their entire lives and as a result of this, more women over the age of 65 experience poverty than men. This statistic is troubling due to the fact that women on average live six years longer than men.

#### Conclusion

Because women have shown that yield results equal to men, it is no surprise that the issue of unequal pay is not only discriminatory, it is also an economic hindrance. Gender pay disparities create an unequal playing field for women and stifles economic growth in the United States. Laws and legislative processes like this one are needed to combat employment discrimination.

Sonje Buyurer, MSW, LSW

Sonja Bigalke-Bannan, MSW, LSW Executive Director National Association of Social Workers, Hawai'i Chapter