

Equal Pay in the Equality State: Good for Wyoming's Economic Development

What does HB0178 Prospective employees – salary history say?

This bill is very simple: It prohibits employers from asking for salary history. It does not bar employees from sharing their history.

Why is legislation important?

Fair pay legislation provides women and businesses with the tools needed to ensure equal pay for equal work. These are concrete, straightforward, and achievable steps that will help reduce the gender wage gap and deter acts of gender based wage discrimination

How does removing the salary history question help to close the gender pay gap?

- The premise is simple: Judging an applicant's worth from his or her previous salary can perpetuate pay gaps that arise from discrimination.
- According to new research, when employers no longer consult salary history, they expand the pool of workers they consider and go to greater lengths to evaluate them.
- Since women tend to earn less in nearly all occupations in comparison to men, the practice of being asked to disclose one's previous salary can compound inequalities, inadvertently replicate discrimination, and follow a woman over the course of her career.
- "Prior salary, whether considered alone or with other factors, is not job related and thus does not fall within an exception to the Act that allows employers to pay disparate wages." *Rizo v Yovino*
- The American Bar Association and Society of Human Resource Management advise: The most conservative approach is not to discuss at all the applicant's salary history or desired salary during the interview and recruitment process.

How does closing the gender pay gap matter for Wyoming's economic development?

"Pay equity is no longer a defensive conversation, but a badge of honor that [is] critical to attracting and retaining top talent."

Source: Natasha Lamb, Arjuna Capital, named by Bloomberg Businessweek as one of the "Bloomberg 50" who defined global business in 2017.

Pay equity in Wyoming is a significant economic development issue. Wages lost to the pay gap mean women and their families have less money to support themselves, save and invest for the future, and spend on goods and services. Families, businesses and the economy suffer as a result. Closing the wage gap and ensuring women are paid the same for substantively similar work will create jobs, tax revenue, and additional income across Wyoming.

Closing the gender wage gap is good for Wyoming's economic development and will result in:

- An infusion of \$153 million in induced labor income
- An induced effect of an additional 604 jobs
- Approximately \$22.2 million in additional labor income
- Over \$80 million in output to the Wyoming economy
- Real estate (41.2 jobs) and full-service restaurants (36.6 jobs) would see the greatest increase in jobs
- Offices of physicians and the wholesale trade sectors would see the greatest increases in labor income, at approximately \$1.8 million and \$1.2 million, respectively.
- Increases to state and local taxes of more than \$5 million.

Source: R&P Report on Wage & Benefit Disparities between Men & Women in Wyoming that was prepared for the Wyoming Legislature for HB0209 (2017).

What other states have similar laws?

California, Connecticut, Delaware, Illinois, Massachusetts, Minnesota, New York, Oregon, and Puerto Rico have enacted gender pay equity measures over the past two years.

- Massachusetts – illegal to pay different genders different rates for “comparable work,” in addition to salary history and wage transparency provisions.
- Delaware – unlawful to screen applicants based on their compensation histories.
- Oregon – outlaws discrepancies in compensation for work based on any protected characteristic.
- California – salary history ban to all California employers, may not rely on prior salary history.
- Puerto Rico – pay discrimination illegal; wage history and salary transparency provisions; double damages provisions.

States currently considering legislation include Alaska, Arizona, Colorado, Hawaii, Iowa, Kansas, Louisiana, Maryland, Massachusetts, Michigan, Missouri, Nebraska, New Jersey, Ohio, Oklahoma, Rhode Island, Tennessee, Utah, Vermont, Virginia, Washington, West Virginia and Wisconsin.

As Wyoming works to diversify the economy, support new businesses, and attract top tier talent, creating a favorable business environment will be the cornerstone of the success of these efforts. Without forward-looking policies and statutes, prospective investors may overlook Wyoming as a viable location for their investment. In a competitive business environment, we cannot afford to overlook the importance of pay equity as a business development tool. **Wyoming receives a tremendous return on investment by saying yes to pay equity.**