



## Memorandum of Support – Ban Salary History: Closing the Pay Gap Budget Item

### WHAT THE BILL DOES:

Aims to help close the gender wage gap by banning the question of an applicant's salary history during the interview process.

**STATUS as of 1/18/19:** Introduced in Governor Cuomo's Executive Budget in *Part Q of the Education, Labor and Family Assistance, Article VII Legislation*

### BACKGROUND:

By not relying on salaries that reflect wage discrimination, employers will be required to offer jobs and compensation based on a prospective candidate's skills, merit and demands of the job. This will require making a clear, market-based reasoning for pay, leading to workplace transparency and ultimately net a more informed applicant pool.

- The bill prevents employers from relying on salary history when determining the salary of a potential employee unless an applicant voluntarily provided salary history information.
- The bill prohibits employers from asking a job applicant to provide their salary history as part of the interview process, or as a prerequisite for hiring.
- The bill prohibits employers from asking a job applicant's current or former employer to provide an applicant's salary history.

### Groups affected by the gender pay gap

- While many factors contribute to the gender pay gap, including occupational segregation, patterns of work or even direct or indirect discrimination, the disparity in earnings between women and men from the 2015 U.S. Census Bureau is hard to ignore. U.S. women working full time year-round were paid just 80 percent of U.S. men's median earnings – a gap of 20 percent. In New York, that number was slightly better with an 89 percent median earnings ratio between genders - yet a gap still remains and can hardly be considered equal pay for equal work.

Although the gender pay gap has narrowed over time, according the American Association of University Women (AAUW), women are not expected to reach pay equity until 2059. If change continues at a slower growth rate seen since 2001, the pay gap is not expected to close until 2152.

- People of color and people with disabilities face even larger pay gaps (according to AAUW):
  - African American women – 66¢ of every the dollar earned by non-Hispanic white men

- Latina women -- 56¢ of every dollar earned by non-Hispanic white men
- Asian American women – 80¢ of every dollar earned by non-Hispanic white men
- However, the 2015 American Community Survey (ACS) by the U.S. Census Bureau found that both women and men of most racial minority groups were paid substantially less than non-Hispanic white workers.
- The ACS also shed light on earnings of people with disabilities. Those with disabilities made just 68 percent of what those without earned while within this population subset, there exists a large gender pay gap - median pay for women is 69 percent of that for men.
- In the long-term, lower career wages result in an even greater disparity in retirement income, namely through smaller Social Security benefits which are calculated based on an individual's earning history.
  - Median income for women 65 years or older is 44 percent less than the median income for men in the same age group.
  - Women who are 75 years or older are almost twice as likely as men to live in poverty.
- New York has enacting [legislation](#) to close loopholes in the State's equal pay laws, and Governor Cuomo has signed executive orders to [prohibit state entities](#) from evaluating candidates based on wage history, and requiring state contractors to [disclose data](#) on the gender, race, and ethnicity of employees. As part of the effort to close the gap, in 2017 the Governor directed the Department of Labor to study the issue and provide recommendations to break the cycle of unfair, unequal compensation. After holding hearings across the state, the Department of Labor released its [report](#) last spring. (Local 1180 Case Study on page 34.)
- Governor Cuomo introduced a [program bill](#) in 2018 to expand on his executive orders by instituting a salary history ban that prohibits all employers, public and private, who do business in New York from asking prospective employees about their salary history and compensation.

**Support Ban of Salary History In Job Application Process**  
 For More Information Contact CWA District 1 at 212-344-2515