Testimony by Marilyn Watkins on ESHB 1646, Equal Pay and Opportunities Act, Senate Commerce and Labor Committee, February 26, 2016

Good morning. I’m Marilyn Watkins with the Economic Opportunity Institute, speaking in opposition to the striking amendment on House Bill 1646.

Unequal pay is hurting Washington women and undermining community prosperity. My organization strongly supported the Equal Pay Act as it was introduced and passed the House. But the proposed here in committee today takes us backward.

The typical employed Washington woman made $15,000 less than the typical man in 2014 – a big hit to family pocket books. For every dollar paid to white men, white women who worked fulltime in Washington in 2014 made 74 cents, Black women 58 cents, and Latinas just 48 cents, according to American Community Survey data. This is true even though women now compose half the workforce and earn the majority of college and advanced degrees.

There are many reasons for the wage gap. Among them are job segregation and biases – often unconscious – of firm managers. Biased assumptions reduce the likelihood that women and all people of color will be hired, assigned to high wage departments, or promoted.

Multiple studies have demonstrated that supervisors and coworkers frequently don’t recognize or belittle women’s contributions. Even in college science classes, women must significantly out-perform men to be considered knowledgeable by male peers. A recent study of 200 managers at Fortune 100 companies found that they tended to assume that women employees had more difficulty than men in balancing work and family, even though the women themselves reported less conflict. That bias resulted in less willingness to promote women. Other studies have found that all other qualifications being equal, motherhood renders women less employable while fatherhood makes men more desirable to employers. And people with “ethnic-sounding” names have a much harder time landing a job interview than people with “white” names with similar resumes.

As a result, women, especially women of color, have less bargaining power and often start at lower wages than men.

This discrimination is compounded by the fact that 60% of private sector workers are prohibited by their employers from discussing compensation. So most people don’t know when someone else is getting paid more for the same job – or which job tracks are likely to result in higher pay long term. Moreover, when workers do discover wage discrimination, the burden is on them to go to court and prove that their employer intended to discriminate on the basis of gender or race.

Gender-based wage inequality is too pervasive and too harmful to be left to the goodwill of individual companies.

The Equal Pay and Opportunities bill as it passed the House would make real progress by facilitating wage transparency, opening doors of opportunity, and providing realistic recourse for people who face discrimination.

The proposed substitute sets us back, by further empowering employers to practice wage secrecy. I urge you to reject it and instead pass the underlying bill.