



Senate Labor Committee
March 28 2018
Testimony by Douglas Hall

Legislation to Advance Equal Pay in Rhode Island

The Economic Progress Institute supports **Senate Bill 2638** to require employers of 100 or more employees to report—by gender, race, ethnicity, and job category—information on compensation and hours worked, and **Senate Bill 2475**, a bill that provides protections against employer imposed wage differentials based on race, color, religion, sex, sexual orientation, gender identity or expression, disability, age, or country of origin. These bills will move Rhode Island towards equal pay, adding important protections to those currently in place both in Rhode Island and federally.

Figure 1 highlights persistent gender-based wage gaps in Rhode Island. These gaps persist in good economic times and bad. Since 2000, modest progress at closing the gap between the median wages of Rhode Island women and men has resulted almost entirely from the decline in median incomes for men. (Figure 1 highlights the importance of enacting policies that lift wages Rhode Island women, such as increasing the minimum wage to \$15.00/hour.

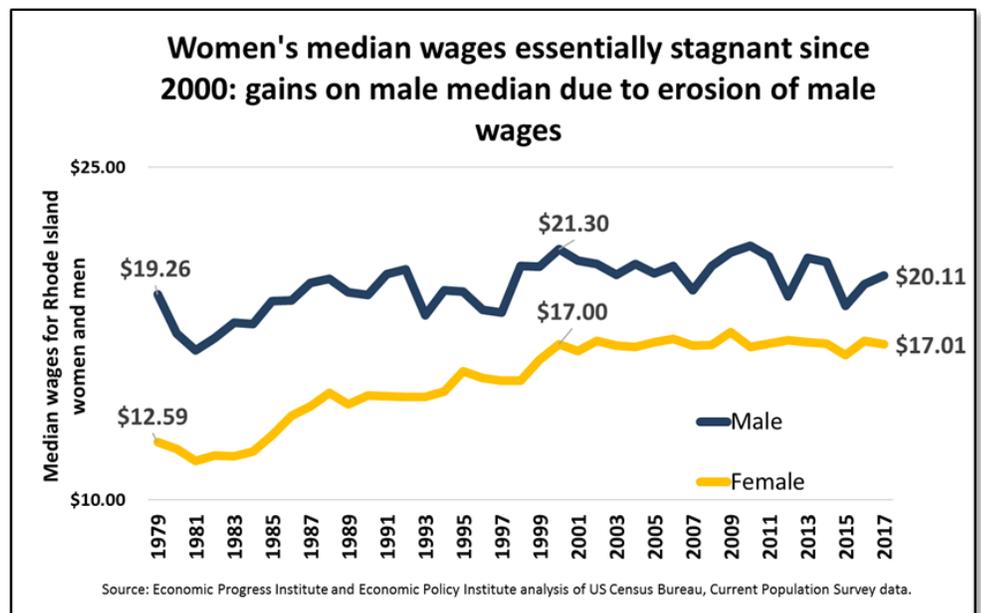


Figure 1

We know from our 2015 report, *State of Working Rhode Island: Workers of Color*¹ that there are persistently large disparities in median wages based on race and ethnicity in Rhode Island. While statistical sampling limitations prevent us from including Rhode Islanders who are Black, Asian, or Native American, data on median household income confirm disparities by race and ethnicity negatively affecting both Black and Latino households.²

¹ <http://www.economicprogressri.org/index.php/2015/12/17/the-state-of-working-rhode-island-2015-workers-of-color/>

² <https://www.economicprogressri.org/index.php/2017/09/15/facts-and-stats-us-census-poverty-and-income-data-2016/>

The combined impact of disparities based on gender with those based on race and ethnicity is additive. Figure 3 shows the lifetime wage loss for women based on race and ethnicity, comparing the median wages of each demographic group to those of non-Hispanic men. While the gender gap between the median wages of Non-Hispanic White women and men is stark – totaling \$431,000 over the course of a 40-year career, Rhode Island women of color face gaps that are much larger. Over the course of a lifetime, Black women see wage losses of nearly \$1 million due to the wage gaps they face, and Latina Rhode Islanders face a gap that is over \$1.1 million.

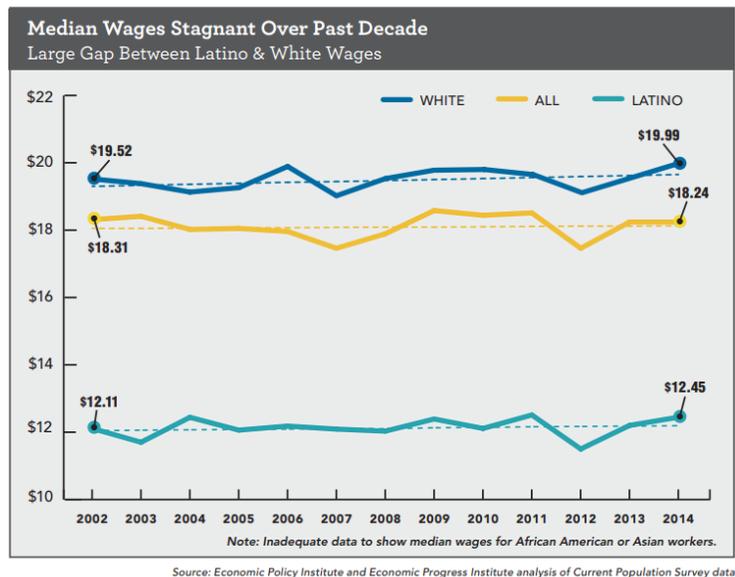


Figure 2

Unfortunately, data limitations prevent us from also exploring the wage penalties faced by Rhode Island women and men with other protected characteristics that are often the basis of pay discrimination.

Senate Bill 2475 gives Rhode Island important new tools to help close these persistent wage gaps, by extending Rhode Island’s current gender-based protections for equal pay to other groups, by ensuring that Rhode Island courts use a fair “comparable work” standard to assess claims, by closing loopholes used by employers to circumvent equal pay protections, by protecting employees from retaliation for discussing pay, and by prohibiting reliance on salary history when determining employee compensation.

Senate Bill S2638 requiring employers to report to the Department of Labor and Training both compensation and hours worked by employees based on race, color, religion, sex, sexual

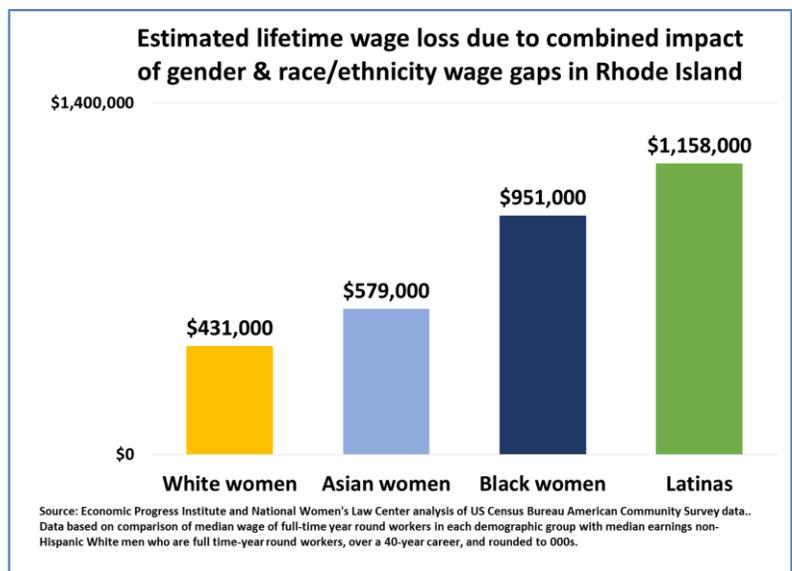


Figure 3

orientation, gender identity or expression, disability, age, or country of origin, and to provide copies of those reports to employees at their request, will allow employers, the Department of Labor and Training, and employees with the information necessary to monitor pay and to determine based on that monitoring, whether there are inequitable pay patterns based on any of those demographic characteristics. This bill is consistent with the belief expressed by U. S. Supreme Court Justice, Louis Brandeis, that “sunshine is the best disinfectant”.

We recognize that the prevalence of wage disparities based on gender, race, ethnicity, and other demographic characteristics will not be entirely eliminated by the provisions of these bills. We must do more to ensure that our public schools, colleges, and universities proactively work to address other disparities that contribute to the wage gap, especially disparities in high school completion rates and attainment of post-secondary education. (These aspects can be explored in greater depth in our report, *State of Working Rhode Island, 2017: Paving the Way to Good Jobs*)³.

We are confident, however, that these bills will help shift Rhode Island’s employment policies towards greater equity, without placing undue burdens on Rhode Island employers. We urge this committee to pass these bills out of committee for consideration by your Senate colleagues.

³ The Economic Progress Institute, 2017. *State of Working Rhode Island, 2017: Paving the Way to Good Jobs*. <http://www.economicprogressri.org/index.php/2017/12/20/the-state-of-working-rhode-island-2017-paving-the-way-to-good-jobs/>.