



AAUW of Virginia 2021 Legislative Priority Fact Sheet for Members

What: Salary History Ban

Why it is important:

Relying on salary history to set future salary assumes that prior salaries were fairly established in the first place. Using salary histories, which may have been tainted by bias, means that discriminatory pay follows workers wherever they go, whatever their job, no matter their abilities. Curtailing this practice will go a long way in our fight for pay equity.

As such, beginning in 2016, many states and localities began regulating the use of salary history in the hiring process. While there are differences between the provisions, as of December 2020, 17 states and 20 localities across the Nation have passed legislation that regulates the practice in some form. By executive order, Governor Northam banned state agencies from asking for salary history in 2019.

Status of legislation:

During the 2020 session, Delegate Joshua Cole sponsored HB416, which would have prohibited a prospective employer with 25 or more employees from requiring that prospective employees provide their salary history as a condition of employment or from otherwise seeking that information. Violations would be subject to a \$100 civil penalty. It was passed by the House and sent to the Senate Commerce and Labor Committee, which carried it over to the 2021 session; however, since no one in the Senate took up the bill, it will not be considered in 2021. To continue to build awareness about the gender pay gap and its impact on the economic security of women and families, we will contact our representatives in Richmond during this session to keep the issue on the table while we seek support from like-minded organizations and strategize for introduction of a bill in 2022.

Draft letter or script for telephone call:

As your constituent, I am (sending this letter/calling you) on behalf of myself and the more than 1,000 members of the American Association of University Women in 24 branches in the Commonwealth of Virginia.

AAUW of Virginia is committed to achieving equity for women and girls and creating a secure economic future for all Virginians, and we have worked for many years to close the gender pay gap in Virginia. While a comprehensive bill like the Paycheck Fairness Act of 2019 is an ideal outcome, incremental steps are also valuable. Last year, the House passed HB416 that would have prohibited most employers from requiring salary history information as a condition of employment. The bill was sent to the Senate Commerce and Labor Committee, which decided to continue it to 2021. Regrettably, no action was taken before the end of last year to continue the legislation to the current session. AAUW of Virginia continues to advocate for a salary history ban and ask for your support. Relying on salary history to set future salary assumes that prior salaries were fairly established in the first place. Using

salary histories, which may have been tainted by bias, means that discriminatory pay follows workers wherever they go, whatever their job, no matter their abilities. Curtailing this practice will go a long way in our fight for pay equity for women.

Thank you for your leadership.

Additional key points for phone call or legislative staff discussion:

- In 2019, median annual earnings for men in Virginia were \$60,285 compared to \$48,209 for women, an earnings ratio of just 80%, or 27th out of all states and the District of Columbia. The gap is far worse for most women of color and working mothers.
- By December 2020, 17 other states had enacted state-wide bans on seeking and/or using salary history information to establish salaries.
- Salary history bans pose little cost to businesses to implement, other than a change to policy and/or reprinting of applications.
- Salary history bans work: Harvard University researchers analyzed differences between areas with salary history bans and neighboring counties in states without bans and found that these new laws generated substantial pay increases for Black (+13%) and female (+8%) candidates who took new jobs.