



**Testimony submitted to the Joint Committee on Labor and Workforce Development
In Support of H.1940/S.1181, An Act relative to transparency in the workplace
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The League of Women Voters of Massachusetts supports the pay discrimination legislation H.1940/S.1181, An Act relative to transparency in the workplace. The League supports equality of opportunity for all under state and federal law regardless of race, color, gender, religion, national origin, age, sexual orientation, or disability. Beginning in the 1980's, the League has actively endorsed legislative efforts that foster the implementation of pay equity for both public and private employees.

In 1945, Massachusetts became the first state in the country to pass an equal pay law. On July 1, 2018, an updated equal pay law went into effect in Massachusetts. This law, **An Act to establish pay equity**, updates the **Massachusetts Equal Pay Act (MEPA)**. It provides clarity on what is unlawful wage discrimination and adds new protections to ensure that workplace pay practices are fair. The law does not have a compliance mechanism. The gender wage gap is a serious economic issue that affects women and families in our state. It exists because women on average are paid less than white male workers for doing the same job. The data shows that women in Massachusetts earn just 81 cents on the dollar compared to male coworkers. This ratio is even worse for most women of color. Asian and Pacific Islander women earn 66 cents, Native women earn 59 cents, African American women earn 57 cents, and Latina women earn 51 cents on the dollar. Women make \$13,000 less annually on average.¹ The research is clear that the wage gap has not been improving significantly over that last 20 years despite our good state laws. An Act relative to transparency in the workplace, along with its companion bill, An Act relative to pay range disclosure (H.1849/S.1191) promises to break this negative trend.²

H.1940/S.1181 requires entities that employ 100+ full-time workers to evaluate wage data by gender identity, race and employment category annually (EEO-1) or biannually (EEO-4). Businesses would submit this data to the Secretary of State who would share it with the Executive Office of Labor and Workforce Development. The aggregated data would then be made available to the public. Many businesses have not studied their pay practices for possible discriminatory patterns. Companies that have conducted internal audits of pay practices most

¹ EqualPayMA: Closing the Wage Gap in Massachusetts: An initiative of the Office of Economic Empowerment to close the wage gap in Massachusetts (<https://www.mass.gov/equalpayma-closing-the-wage-gap-in-massachusetts>)

² Wallace, Lisa, Four Predictions for Pay Transparency Laws in 2023, FORBES Leadership, Feb. 1, 2023 (<https://www.forbes.com/sites/forbeseq/2023/02/01/four-predictions-for-pay-transparency-laws-in-2023/?sh=13d6de087b72>)

often find discrepancies in pay by gender and race. It is expected that public disclosure of aggregate pay data will lead to greater awareness and social pressure for corrective action.

A family story highlights that pay equity policy is needed. When I was a teenager, my mother became a single parent. She took an accounting course and got a job as a bookkeeper to support herself and her two daughters. She was capable. She was the valedictorian of her high school class, detail-oriented and she was devoted to her job. After several years, her employer explained that he was letting her go because he found a male accountant who could do a better job. My mother also learned that her employer was paying the new male accountant more than he had paid her. I am grateful that her story includes the fact that whenever she encountered her former boss, he told her that he regretted firing her because she was actually the better employee. My mother was deeply affected and told this story often for the rest of her life. I was affected too. Some years later, when I needed to pick a topic for my dissertation research, I focused on practical results of gender stereotypes. I did this research in the 1970's when the results of stereotyping were often obvious. Most school districts required women to leave their teaching jobs when they became pregnant, for example. Today, gender bias is often more subtle, but it is still pervasive and harmful to many. Current gender stereotype research suggests that mostly unconscious biases of women's roles and capabilities are still very much associated with unfair real world consequences including employment and pay practices.^{3 4} These biases are slowly fading which suggests that continued policy improvements can make a difference. Improving pay equity policy will be one of the most powerful things that legislatures can do. The need is especially apparent when we see that more women and girls compared to men fall below the poverty line at all ages.

The League, which represents 44 local Leagues from Cape Cod to the Berkshires, urges you to report H.1940/S.1181 favorably.

Thank you for your attention and consideration.

³ Ellemers, Naomi, Annual Review of Psychology: Gender Stereotypes, January 2018. 69:275–98 (<https://www.annualreviews.org/doi/abs/10.1146/annurev-psych-122216-011719>)

⁴ Gerdeman, Dina, How Gender Stereotypes Kill a Woman's Self-confidence, Harvard Business Review, Feb. 25, 2019 (<https://hbswk.hbs.edu/item/how-gender-stereotypes-less-than-br-greater-than-kill-a-woman-s-less-than-br-greater-than-self-confidence>)