

State Representative Thomas E. West Sponsor Testimony – House Bill 385

Good Morning Chairman Young, Vice Chair DeVitis, Ranking Member Lepore-Hagan, and members of the Economic Development, Commerce, and Labor Committee. Thank you for the opportunity to provide sponsor testimony this morning on House Bill 385. This legislation will increase wage transparency for state employees, reduce the wage gap without placing excessive regulations on agencies, and allow us to study the wage gap in Ohio in a way that will allow us to make educated decisions about the issue in the future.

The wage gap is a problem that plagues our entire economy. It reduces income for families and makes it harder for working Ohioans to get by. We hear a lot of discussion about the role that the government should play in reducing this gap. However, the government itself is <u>one of the worst culprits</u>, despite the ability of the public to view its employees' salaries.

According to countless studies, this gap only increases as women and minorities earn promotions and pay increases. According to a <u>2016 report</u> from the Economic Policy Institute, women at in the bottom 10% of earners are paid 92 cents on the male dollar, while women in the top 5% of earners are paid 74 cents to the male dollar.

This growing gap stems partially from two common exercises that employers practice: asking potential employees about salary history during interviews and prohibiting employees from discussing wages with each other.

A <u>number</u> of <u>studies</u> point <u>towards</u> the <u>conclusion</u> that prohibiting employers from inquiring about the salary history of potential employees reduces the wage gap over time. I will be happy to provide a copy of those studies to any members who would like that. Similar studies suggest that the inability of employees to discuss wages with each other further increases this problem, since they are unable to notice and acknowledge the differences in each other's salaries. This is likely to remain true in government despite the public availability of salaries due to a lack of knowledge on how to access these salaries and because workplace conversations are far more likely to occur than extensive wage research sessions.

This legislation would adopt the dominant wage theory by prohibiting Ohio state agencies from inquiring about a candidate's salary history and further prohibiting these agencies from punishing employees who discuss wages with each other.

Finally, this bill will create a five-year study commission to measure the effects of the policy change over this five-year period. At the end of this period, the study committee will issue a report on the impact of the policy. Ohio can become a national leader on this issue by adopting well-documented and proven measures that close the wage gap among government employees.

This legislation is far less intrusive than some other proposals to reduce the wage gap. In my discussions with business organizations and owners, none have planned to oppose this bill because it applies only to state agencies and allows us to properly study the issue.

Thank you for the opportunity to discuss House Bill 385 today. I look forward to taking you questions.