

Representative Monique Smith HB 396 Sponsor Testimony

Good afternoon Chairman Stein, Vice Chair Johnson, Ranking Member Lepore Hagan, and members of the Commerce and Labor Committee. Thank you for letting us speak on behalf of House Bill 396 which creates a fair paycheck workplace designation.

The gender wage gap affects every Ohioan, and it is time to take steps to address it. When women receive less pay for the same work, their bank accounts suffer, they have less buying power, their retirement is delayed, and their families are negatively impacted. This is money that working families in Ohio cannot afford to lose- money that is missing from the pockets of Ohioans, their children, and the communities they live in. The Fair Paycheck Workplace designation is a great way to reward businesses that pay their employees fairly.

Ohio is ranked 33rd in pay equity and the average working woman in Ohio is paid only 79 cents per dollar her male counterpart is paid, regardless of educational background and job description. Women of color suffer the worst pay disparity in Ohio: Black women make 63 cents, Hispanic women make 60 cents, Asian American women make 88 cents, and Native American women make 71 cents to a white male's dollar. For the average Ohio woman, the wage gap adds up to \$449,040 in lifetime losses.

The COVID-19 crisis has further highlighted the detrimental effects the wage gap has on women, their families, and our economy- especially for the over 55 percent of Ohio households where the mother is the primary wage earner. Women, especially mothers, have been a large percentage of

COVID-19 essential workers, but they are paid less than their male counterparts in the same occupations. There's even a name for this: "The She-cession."

This designation is also an opportunity for businesses to market themselves to prospective employees when they are looking to attract workers. Just as businesses strive for other accolades, they can strive towards earning this certificate to demonstrate their commitment to their employees. A report from Beqom found that when employees perceive a pay gap, it results in a 16 percent decrease in intent to stay. A study by Aptitude Research Partners found that organizations with a formal pay equity process were 26 percent more likely to have improved their quality of hire.

Encouraging businesses to pay their employees fairly is a win for everyone. Through the Fair Paycheck Workplace designation, businesses can attract and retain great employees, Ohioans can know that they are being paid fairly, and the financial security of women and their families will be uplifted. This legislation is key to encouraging and rewarding businesses that treat their employees fairly and with dignity.

Thank you for the opportunity to speak on behalf of House Bill 396.