

## Fact Sheet:

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### **New York 2017 Equal Pay Measures: Why We Need a Law Prohibiting Employers from Asking About Salary History**

Employers often ask prospective employees to provide prior salary histories in order to set salary pay rates. This practice persistently discriminates against women who historically earn lower salaries than men throughout their careers. New York State Assemblywoman Sandy Galef and New York State Senator David Carlucci recently introduced a bill ([A6707/S5233](#)) that would prevent employers from inquiring about a job applicant's salary history. This bill would build on the passage of the [New York Women's Equality Act](#) and groundbreaking [New York Paid Family Leave Law](#) and will help further ensure that all workers in New York earn the wages they deserve. This fact sheet highlights why these new measures are integral to women's economic equality.

#### **The Wage Gap Persists in 2017, Particularly for Women of Color**

In the United States, women working full-time only make 79 cents for every dollar earned by men.<sup>1</sup> In New York State, while the gap is narrower, women working full-time still only make 89 cents for every dollar a man earns.<sup>2</sup> The gap for women of color remains much wider. Black women in New York earn just 66 cents for every dollar a white man earns, and Latina women earn an astonishing 56 percent of what white men in New York earn.<sup>3</sup>

- In New York State, women in the workplace collectively lose nearly \$54 billion a year due to unequal pay.<sup>4</sup>
- Women employed by the New York State government only make 83 cents for every dollar earned by men.<sup>5</sup>
- Wage disparity takes a significant economic toll on women, especially those living in poverty and those who are the primary supporters of their families. Women head over 1 million households in New York, with nearly 300,000 of

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<sup>1</sup> Carmen DeNavas-Walt & Bernadette D. Proctor, U.S. Census Bureau, *Income and Poverty in the United States: 2014: Current Population Reports* 10 (2015),

<https://www.census.gov/content/dam/Census/library/publications/2015/demo/p60-252.pdf>.

<sup>2</sup> National Partnership for Women and Families, *New York Women and the Wage Gap* 1 (2017),

<http://www.nationalpartnership.org/research-library/workplace-fairness/fair-pay/4-2017-ny-wage-gap.pdf> [hereinafter *New York Women and the Wage Gap*].

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> Letitia James, N.Y.C. Public Advocate's Office, *Policy Report: Advancing Pay Equity in New York City* 8 (2016), [http://pubadvocate.nyc.gov/sites/advocate.nyc.gov/files/opa\\_pay\\_equity\\_report\\_final.pdf](http://pubadvocate.nyc.gov/sites/advocate.nyc.gov/files/opa_pay_equity_report_final.pdf).

those households surviving on incomes that fall below the poverty level. If the wage gap of nearly \$5,916 per year were eliminated in New York, women could use those funds to pay for approximately five months of rent, or three months of mortgage payments, or close to a year's supply of groceries for their families.<sup>6</sup>

- Experts warn that unless a concerted effort is made to close the gender wage gap, it could take until the year 2059 to achieve pay equity.<sup>7</sup>

### Disclosing Salary History to Employers Contributes to Wage Inequality

Women begin earning less at the very outset of their careers. Therefore, when an employer asks about salary history, women are immediately at a disadvantage when it comes to negotiating and setting salary rates. The practice of asking about salary history thus perpetuates and reinforces wage inequality.

- Nationally, female college graduates earn an average of \$4 less per hour than their male counterparts in their first jobs after college, with women's starting salaries averaging \$16.58 and men's salaries averaging \$20.94.<sup>8</sup>
- Asking about salary history especially disadvantages those women that have left the job market to take on family responsibilities.<sup>9</sup> This effectively penalizes those caregivers that take time to raise children and once again puts economic and family responsibilities at odds with one another.

### The Proposed New York State Salary History Ban Would Help Close the Gender Wage Gap

In August 2016, Massachusetts became the first state to pass a law banning employers from asking prospective employees about salary history.<sup>10</sup> Since then, Puerto Rico, New York City, and Philadelphia have passed similar laws.<sup>11</sup> This proposed legislation would also build upon the [Executive Order](#) Governor Cuomo signed in January 2017 requiring all New York State entities to adopt salary history blind hiring practices.

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<sup>6</sup> *New York Women and the Wage Gap*, *supra* note 2, at 1–2.

<sup>7</sup> Institute for Women's Policy Research, *Women's Median Earnings as a Percent of Men's Median Earnings, 1960–2014 (Full-time, Year-round Workers) with Projection for Pay Equity in 2059*, at 1 (2015), <http://www.iwpr.org/publications/pubs/equal-pay-projection-2059>.

<sup>8</sup> Teresa Kroeger & Katie Gould, *Straight out of college, women make \$4 less per hour than men—and the gap is getting wider*, Economic Policy Institute, Apr. 26, 2016, <http://www.epi.org/publication/straight-out-of-college-women-make-4-less-per-hour-than-men-and-the-gap-is-getting-wider/>.

<sup>9</sup> James, *supra* note 2, at 4.

<sup>10</sup> S. 2119, 189th Gen. Ct., Reg. Sess. (Mass. 2016), <https://malegislature.gov/Bills/189/Senate/S2119>.

<sup>11</sup> See 2017 P.R. Act 16; N.Y.C. Int. 1253-2016; Phila., Pa. Code Tit. IX, § 9-1131 (2017).

The New York State bill would:

1. Prevent employers from relying on salary history when determining the salary of a potential employee unless an applicant voluntarily provided salary history information that supported a wage higher than the one offered by the employer.<sup>12</sup>
2. Prohibit employers from asking a job applicant to provide their salary history as part of the interview process, or as a prerequisite for hiring.<sup>13</sup>
3. Prohibit employers from asking a job applicant's current or former employer to provide an applicant's salary history. However, if an employer makes an offer of employment and an applicant responds to the offer by providing salary history information that includes a wage higher than that proposed by the employer, the employer can then seek to confirm the disclosed salary with the current or former employer.<sup>14</sup>
4. Make it illegal for employers to refuse to hire or retaliate against an applicant for not providing salary history information.

The passage of this crucial legislation would not only help further wage equality in New York State but also set an important precedent for other states across the country.

*For more information contact A Better Balance at 212-430-5982 or [www.abetterbalance.org](http://www.abetterbalance.org) or visit PowHer at [www.powherny.org](http://www.powherny.org).*

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<sup>12</sup> See A. 6707, 2017 Leg., Reg. Sess. (N.Y. 2017), <http://legislation.nysenate.gov/pdf/bills/2017/A6707>.

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*