

Override the Governor's veto of HB 2462, the "No Salary History" Bill, which passed the House 91-24.

Strengthen the Illinois Equal Pay Act to prevent employers from asking job applicants about their previous salary history.

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Help Close the Gender Wage Gap

FACT:

Women in Illinois make up almost half the workforce, but earn 79% of what men earn. This is even worse for many women of color.

For every dollar that White men in Illinois earn...



Black and African-American women earn
63 cents



Hispanic and Latina women earn
48 cents



(Data source: U.S. Census Bureau, 2011-2015 ACS, median earnings in 2015 inflation-adjusted dollars, for full-time, year-round adults.)

Since women earn on average less than men, basing wages on a worker's previous pay only perpetuates wage inequality.

MYTH: The Massachusetts law is better than HB2462, as Governor Rauner asserts.

FACT: The MA law favors employers over employees and would undermine the intent of HB 2462. For example, the MA law allows an employer to ask about an applicant's previous salary during the hiring process. HB2462 was amended to reflect sensible aspects of the MA law by allowing an employer to obtain wage history if it is a matter of public record or if the applicant is applying for a different position with the same employer.

MYTH: The Governor supports eliminating the gender wage gap.

FACT: The Governor wants to limit an employer's liability for paying women less than men if they have done a self-evaluation of their pay practices and merely made "progress" toward eliminating the gap.

MYTH: HB 2462 would lead to frivolous lawsuits and be a burden on employers.

FACT: Bringing a lawsuit is expensive, time-consuming, and emotionally exhausting. There have been a limited number of complaints filed under the Illinois Equal Pay Act, and prohibiting employers from inquiring about an applicant's salary history will not open the floodgates to more lawsuits. Furthermore, Illinois' Equal Pay Act includes "a factor other than sex" defense for paying men and women differently. HB2462 includes a provision that simply requires employers to justify that their use of this broad exception for the pay difference (for example, years of experience or education), is based on that factor and not based on discrimination.

MYTH: HB2462 will prevent an applicant and an employer from negotiating salary.

FACT: An employer can ask applicants what their salary requirement is or share the salary range if the employer does not want to waste time interviewing an applicant who might have too high a salary requirement.

MYTH: Employers need to ask applicants what they previously earned to determine the going-rate salary to offer.

FACT: The growth of online salary research sites allows even the smallest employers instant access to the pay rate of jobs.

For more information: Contact: Melissa Josephs, 312-631-9145, mjosephs@womenemployed.org;
or Wendy Pollack, 312-368-3303, wendypollack@povertylaw.org

EDITORIAL

Providing salary history should be history

By CRAIN'S EDITORIAL BOARD

Asking a job applicant for his or her salary history is about as commonplace as asking for a Social Security number. And yet [a raft of states and cities](#)—including Massachusetts, Pennsylvania, California and New York City—have either enacted or are considering laws that would ban the practice. Illinois missed its chance to join the crowd last month when Gov. Bruce Rauner vetoed legislation that would have prohibited employers from asking potential hires to specify how much they earned in previous jobs.

In doing so, it would seem the governor has fallen for the [talking points](#) drafted by those who would like to undo such salary history bans. There's a knee-jerk quality to people who oppose these "don't ask, don't tell" laws. The laws' intent is to reduce pay disparities that plague women and minorities in the workplace, something that business owners should also want to eradicate in the name of fairness and a happier—and more productive—workforce. But to the opponents, these measures are nanny state-ism, the sort of thing that must be defied at all costs.

Here are the facts, as unpersuasive as they may be to some: For many women and minorities, the pay gap starts as soon as they land their first job. A 2013 [study](#) by the American Association of University Women reveals that women graduating from college typically slip right into the pay crevasse, getting paid 6.6 percent less than men in their very first jobs. When employers base future pay on previous salaries, the rift widens, following women throughout their careers. According to 2016 [data](#) compiled by the Pew Research Center, women in 2015 earned 83 percent as much as men in median hourly earnings. Similarly, blacks earned just 75 percent as much as whites. The pay divide is even wider for women of color. Latino women were paid only 54 percent of what white men were paid in 2015, while African-American women pulled in 63 percent, according to further AAUW [research](#).

Contrary to what many believe, it's not that women do not negotiate for higher pay. Studies [suggest](#) they do, almost as often as men. But women tend to ask for less and are more likely to be perceived negatively when they push for higher pay. These factors amplify pay inequity. Closing the pay gap is a worthwhile goal for both government and business. Fair pay helps companies recruit and retain the best employees, create a positive work environment, make the best use of human resources and improve productivity.

If employers think a salary history guarantees they won't overpay for labor, they should think again. A job applicant coming to Chicago from, say, New York City or Silicon Valley is likely to have a pay history that's higher than a Chicagoan with similar experience. Here's a free-market solution to the problem: Define the job that needs doing, figure out how much you can afford to pay for it, and pay that amount to the best-qualified candidate. Salary history should have little to do with it.