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## NEW YORK CITY BECOMES FIRST IN NATION TO ENFORCE SALARY HISTORY BAN

In major step toward achieving pay equity for women and people of color, NYC employers will no longer be allowed to inquire about an applicant's salary history before extending an offer of employment

**NEW YORK**—New York City today became the first municipality in the nation to enforce a law prohibiting all employers in New York City from inquiring about job seekers' salary history during the hiring process, including on job applications and in interviews. By removing questions about an applicant's previous earnings, the law allows applicants who have been systemically underpaid, particularly women and people of color, to negotiate a salary based on their qualifications and earning potential rather than being measured by their previous salary. Mayor Bill de Blasio signed the bill into law in May. First Lady Chirlane McCray, Public Advocate Letitia James, Human Rights Commissioner Carmelyn P. Malalis and other key NYC leaders held a rally today at City Hall to celebrate the law going into effect.

"New York City is taking a decisive step forward in the fight for equal pay. This new law will help to end the cycles of structural racism and sexism that have held women and people of color back for too long, and create a fairer City for all New Yorkers," said **Mayor Bill de Blasio**.

"Today, we say goodbye to the much-dreaded question that forces too many women and people of color to continue working at an unfairly low wage, job after job. Beginning today, employers in New York City who ask job applicants to share their salary history are breaking the law. And NYC will hold them accountable; because people should be paid based on the skills and qualifications they bring to a job, not the size of their last paycheck," said **First Lady Chirlane McCray, Co-Chair of the Commission on Gender Equity**.

"Equal pay for equal work is a basic human right and today, New York City takes a critical step towards achieving it," said **Public Advocate Letitia James**. "By banning questions about salary history, we are putting a stop to an employment practice that perpetuates gender wage discrimination and hurts all New Yorkers. I'm proud that New York is the first city in the country to officially ban this practice and ensure we are doing all we can to support women as we work to build a society where every individual has the opportunity to realize their full potential."

"The salary history ban will help finally close the wage gap, especially for women and people of color, and I am proud that New York City is the first municipality to take this big step forward," said **Council Speaker Melissa Mark-Viverito**. "I thank the Mayor, the First Lady, Public Advocate James, and Council Member Elizabeth Crowley for their hard work in making sure that no New Yorker is disadvantaged by their salary history."

"Women and people of color deserve to be paid what they're worth, not held back by their current or previous salary," said **Chair and Commissioner of the NYC Commission on Human Rights Carmelyn P. Malalis**. "Today's law will enable job seekers to negotiate a fair salary based on their skills and will help break the cycle of income inequality that has been so prevalent in the workforce for so long. We are proud to enforce this law and are actively engaging business communities and advocates to make sure everyone understands their rights and obligations under the Law."

Nationally, women earn 80 cents for every dollar that men earn, according to <u>U.S. Census Bureau</u>. In New York City, women earn \$5.8 billion less than men in wages each year, according to a report by <u>New York City's Public Advocate Tish James' office</u>, a disparity that's even greater for people of color. Black women in New York City make just 55 cents for every dollar a white man makes while Hispanic women make just 45 cents. Nationally, Black men earned 73 percent of white men's hourly earnings in 2015, according to the <u>Pew Research Institute</u>, while Hispanic men earned 69 percent. This translates to average hourly wages for Black and Hispanic men of \$15 and \$14, respectively, compared with \$21 for white men.

The law, which will be enforced by the NYC Commission on Human Rights, makes it illegal for both public and private employers in New York City to inquire about a job applicant's salary history during the hiring process, including:

- Asking applicants questions about or soliciting information in any way about applicants' current or prior earnings or benefits, including on job applications.
- Asking applicants' current or former employers or their employees about applicants' current or prior earnings or benefits.
- Searching public records to learn about applicants' current or prior earnings or benefits.
- Relying on information about applicants' current or prior earnings or benefits to set their compensation.

"Today is a historic day for the citizens of New York and I applaud Mayor de Blasio and First Lady Chirlane McCray for their commitment to addressing pay equity. This is a win for those of us who have fought to ensure that everyone has a livable wage regardless of who they are and I am proud to stand with New Yorkers on this special day," said **Lilly Ledbetter, Equal Pay Advocate and Women's Equality Activist**.

"This Law is an important step toward closing the gender wage gap in NYC," said **DCA Commissioner Lorelei Salas**. "DCA is committed to protecting and enhancing the economic lives of all New Yorkers. A key part of accomplishing this is ensuring that all workers are given equal opportunities in seeking employment."

"New York City has taken another momentous step towards making the city a fairer, more equitable place to work. Starting today, employers can no longer ask job applicants about their salary history, leveling the playing field for all New Yorkers," said **Paul Rodríguez, Acting Counsel to the Mayor**. "We are proud that New York City is leading the fight for equal pay."

"Today, NYC takes a critical step toward eliminating wage inequity. Prohibiting employers from using salary history to determine salary offers goes a long way to ensuring that compensation is based equally on a person's qualifications, experience, and record of achievement as well as business priorities. Today, NYC sends a clear signal to this – and future – generations of women and people of color that they should not be disillusioned; their hard work and commitment to be productive, successful New Yorkers are valued and protected," said **Jacqueline Ebanks**, **Executive Director of the Commission on Gender Equity.** 

The new law, which was passed by New York City Council in April 5, 2017 and signed into law by Mayor de Blasio on May 4, 2017, protects applicants applying for full-time, part-time, and internship positions as well as independent contractors. It does not, however, prohibit job seekers from voluntarily informing employers of their previous salary, nor does it prohibit employers from asking applicants about their salary expectations or providing a salary range for a job.

To help businesses and job seekers understand the new law, the NYC Commission on Human Rights launched a four-week digital ad campaign last week targeting self-identified human resources professionals and job seekers on LinkedIn, Facebook, Twitter, Google, and City & State, and those who have expressed interested in online job boards such as Indeed, Glassdoor, Monster, Career Builder, and Simply Hired, among others. The Commission will also launch a poster campaign on the new law in the weeks ahead targeting neighborhood storefronts in the five boroughs.





Additionally, the Commission issued two fact sheets, one for <a href="employers">employers</a> and one for <a href="job">job</a> applicants</a>, providing details on the new salary history law as well as <a href="Frequently Asked">Frequently Asked</a> Questions gathered from discussions with business advocates and representatives of employers that answer questions for employers, such as the scope of coverage of the law, what employers can and cannot do to learn about an applicant's salary expectations, how to handle agents and headhunters, how "compensation" is defined, and best practices.

The law, which follows an executive order by Mayor de Blasio issued last year that barred city agencies from inquiring about applicants' salary history, amends the City's Human Rights Law which is one of the strongest in the nation in protecting individuals from employment discrimination. Over the last two years, several new employment protections were added to the Law, including the "Fair Chance Act" which prohibits employers from asking applicants about their criminal history until after a conditional offer of employment, the "Stop Credit Discrimination in Employment Act" which protects New Yorkers from discrimination based on credit history, and protections for workers with caregiving responsibilities.

The NYC Commission on Human Rights has the authority to fine violators with civil penalties of up to \$250,000 for willful and malicious violations of the Law and can award unlimited compensatory damages to victims, including emotional distress damages and other benefits. The Commission considers a variety of factors when assessing fines, including the size and sophistication of a business, the ability to pay, the willfulness of the violation, and the impact of a fine on a business. The Commission can also order trainings on the NYC Human Rights Law, changes to policies, and other relief including community service and mediated apologies.

"The fact that women in New York City earn over five billion dollars less than men every year not only hurts women and families, but our entire economy. By stopping prospective employers from asking about wage history, this important bill helps to ensure that wage discrimination at a previous job is not perpetuated. Companies will now have to pay an employee based on their experience and merits, and we are one step closer to breaking the cycle of gender-based underpayment. Thank you to Public Advocate James for leading the way on this critical protection for women and others who have experienced wage discrimination," said **Council Member Helen Rosenthal**.

"Women represent half of our city's population and workforce; and yet we have been shortchanged by the very economic system that would not flourish without our contributions. As chair of the Committee on Women's Issues and co-chair of the Women's Caucus, I am proud to have worked with Public Advocate Letitia James as a co-sponsor on this legislation that would help close the gender wage gap by ending wage discrimination in New York City through the salary history ban. Debt, poverty, and homelessness are the realities faced by women living paycheck to paycheck - unable to meet the inflated cost of living in this city. Women can no longer afford to be nickeled and dimed; it is time to level the paying field," said **Council Member Laurie A. Cumbo**.

"The pay gap between men and women in our country remains far too wide. When women start off too low in salary, then future employers work off the last salary, they never catch up. It is long past time for all levels of government to take concrete action to address this gap, and the broad issues of inequality that come along with it. I commend First Lady McCray, Public Advocate James, Speaker Mark-Viverito, Commissioner Malalis, and all their colleagues for helping New York City take this significant step toward equality in the workplace," said **Senator Liz Krueger.** 

Employers who ask for the salary history of applicants are unwittingly perpetuating inequalities that persist in our society. By banning this common practice, women and minorities will be better able to combat discrimination and be able to be paid fairly for the work they do," said **Senator Marisol Alcántara**.

"Today, New York City takes a momentous step towards closing the wage gap. I applaud First Lady Chirlane McCray, Public Advocate Letitia James, Council Speaker Melissa Mark-Viverito, and Human Rights Commissioner Carmelyn P. Malalis for making this important labor protection a reality. I am grateful that our city remains committed to fighting for economic justice, and I hope Albany will follow its lead and pass my bill (S24) to ban salary histories statewide and end the wage gap once and for all," said **Senator Brad Hoylman**.

**Assistant Speaker Felix W Ortiz** said, "People should be hired based on their qualifications and earning and not on their previous salary. This new policy will create a more level playing field for new hires and better opportunities for everyone."

Assemblywoman Jo Anne Simon said, "Banning questions regarding a person's salary history is a tremendous step toward achieving equal pay. Women and people of color have long been plagued by their salary histories in negotiating for fair compensation. Now New Yorkers seeking employment can negotiate fair wages without the suppressing impact of their potential employers knowing prior salary history. I applaud everyone who worked tirelessly to make New York the first city in the country to implement this ban."

"For years, women across the nation have been disenfranchised by unequal employment practices," said **Assemblywoman Alicia Hyndman**. "Today, we are one step closer towards leveling the playing field in the fight to close the gender wage gap. This bill will allow women and people of color to be fairly compensated for their work."

"Requiring salary history in the hiring process is discriminatory on so many levels and I commend Mayor Bill de Blasio and City Council for putting an end to this practice that has undervalued our workers. Employers should make an independent salary assessment rather than use biased practices to underpay our workforce," said **Assemblywoman Rebecca Seawright**.

"New York City's salary history ban is the first step to fastening the enormous wage gap that is very much transparent between race and gender," said **Assemblywoman Latrice Walker**. In 2016 alone, women earned \$6 billion less in wages then men and I applaud this collaborative effort to fight to close that gap. Today marks the beginning of job seekers receiving a salary based on their qualifications solely."

"Salaries should be determined by the quality and content of a person's work, not their wage history" said **Assemblyman David Weprin.** "Thanks to the leadership of First Lady Chirlane McCray, Public Advocate Letitia James, City Council Speaker Melissa Mark-Viverito, Human Rights Commissioner Carmelyn P. Malalis and Mayor Bill de Blasio, New York becomes the first city in the nation to bar employers from asking about salary history; ending an unfair practice that discriminates against historically disadvantaged groups by penalizing them for their previous socioeconomic status."

"By banning salary history as a requirement in applying for a job in the five boroughs, New York City has become a pioneer in the fight for pay equity. It's a bold step that will help end the vicious cycle in which inequitable wages are perpetuated from one job to the next," said **Assemblyman Richard N. Gottfried of Manhattan**.

"Today marks a major step forward in the fight for fair pay in New York City," said **Dina Bakst, Co-Founder and co-President of A Better Balance: The Work and Family Legal Center.**"By banning salary history inquiries, women and people of color will no longer remain tethered to their past salaries and face insurmountable barriers to earning the fair and equal wages they deserve. A Better Balance applauds Public Advocate Letitia James for her leadership on this issue and the NYC Commission on Human Rights for their commitment to enforcing this law and their public education effort."

"The salary history ban which goes into effect today on Halloween is not a treat for employees or a trick for business. It is not a sugar-coated law. It is a strong, common-sense solution to the scary salary history question which perpetuates and multiples wage discrimination," said **Beverly Neufeld, President of PowHer NY**. "Employees will no longer fear being tricked out of wages because they have been underpaid and undervalued from job to job. That cycle is broken today in New York City. PowHer New York applauds the tenacity and commitment our public officials, particularly Mayor de Blasio and Public Advocate James, who worked together with advocates so that all NYC employees, especially women, LGBTQI individuals, and people of color, will have a better chance for economic success."

"Women's City Club has been on the front lines of civil rights and gender equity since we were founded more than a century ago," said **Annette Choolfaian**, **President of Women's City Club of New York**. "To this day, we remain staunchly committed to reducing income inequality and ensuring equal opportunity for all. Prohibiting employers from requesting salary history will go a

long way towards breaking the cycle of pay inequality, particularly for women and people of color, and we applaud the Mayor and New York City for enforcing this important law."

If you or someone you know believes they are the victim of salary history discrimination or any other type of employment discrimination under the NYC Human Rights Law, call the Commission's Infoline at 718-722-3131. Reports may also be filed anonymously and reported on the Commission's website.

For more information, please visit NYC.gov/SalaryHistoryNYC.

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