

Testimony in Support of LD 1703 “An Act to Amend the Maine Equal Pay Law by Prohibiting Pay Discrimination Based on Race”

Dear Senator Tipping, Representative Roeder, and members of the Joint Standing Committee on Labor and Housing. My name is James Myall. I’m an economic policy analyst at the Maine Center for Economic Policy, and I’m writing to you in support of LD 1703, “An Act to Amend the Maine Equal Pay Law by Prohibiting Pay Discrimination Based on Race.” MECEP supports LD 1703 because it will help to improve the wages of Black, Latino, Asian, and Indigenous Mainers in our state, who are currently underpaid for a variety of reasons, including outright discrimination. LD 1703 will send a message that this discrimination is clearly unacceptable and help close the racial earnings gap.

Pay discrimination on the basis of race or ethnicity is already illegal under federal law,ⁱ however, having this prohibition laid out explicitly in state law would send a message to employers that the state takes this form of discrimination seriously and it will not be tolerated. Inclusion in state law will also give the Maine Department of Labor explicit authority to pursue offenders rather than relying on federal investigations.

And despite the long-standing prohibition against this practice in federal law, it appears that some level of discrimination still occurs. For MECEP’s *State of Working Maine 2020* report, we examined the average wages of Mainers from different racial and ethnic groups with similar education levels.ⁱⁱ We found that at every education level, Mainers of color earned substantially less than their white counterparts. We found that if the wages for Mainers of Color were equivalent to those of white Mainers, their earnings would be a full \$214 million extra every year.

Table 1: Median hourly wages by race and education in Maine, 2010-2019

	White	Latino	Black, US-born	Black, born elsewhere	American Indian	Asian
All	\$18.37	\$15.28	\$13.52	\$12.43	\$15.21	\$18.35
High school diploma or below	\$14.91	\$12.28	\$12.18	\$12.09	\$12.43	\$12.69
Some college (including associate’s)	\$16.83	\$15.00	\$13.10	\$12.03	\$15.15	\$15.27
Bachelor’s or higher degree	\$25.99	\$23.65	\$23.93	\$19.47	\$20.14	\$30.05

Source: MECEP analysis of US Census Bureau, Current Population Survey, ORG 2010-2019 120-month pooled data. Adjusted for inflation and minimum wage increases.

There are many factors that contribute to this disparity, which the report examines in more detail, but they include lack of occupational segregation; lower social capital for some isolated racial groups; discrimination in the criminal justice system which reduces employment opportunities; and disparities in educational access due to financial burden. Yet discrimination remains at least partly a factor in the low earnings and lack of employment opportunities for non-white Mainers.

It can be difficult to pinpoint the precise extent of discrimination and the impact it has on wages for people of color. Nonetheless, all signs point to continued racial discrimination in the workplace playing a role in lower earnings for people of color.ⁱⁱⁱ Academic studies which have examined the “racial wage gap” consistently find some portion of the wage gap which cannot be explained by education, skill, experience, or occupation, suggesting the persistence of some kind of discrimination. And personal experiences corroborate this. Nationally, Black Americans are five times as likely as white Americans, and Latinos are four times as likely, to report being treated unfairly regarding hiring, pay, or a promotion in the past year.^{iv}

LD 1703 will not solve the problem of the racial wage gap alone, but it will help us to make progress towards a more equitable labor market for people of color. It will help us live up to the promise that all Mainers deserve to be paid fairly for the work they do, and to be free from discrimination based on race or ethnicity. I urge you to vote “ought to pass” on the legislation.

Thank you for the opportunity to testify. I’m happy to answer any questions you may have and can be reached at jmyall@mecep.org

Notes

ⁱ Title VII of the Civil Rights Act of 1964 <https://www.eeoc.gov/statutes/title-vii-civil-rights-act-1964>

ⁱⁱ <https://www.mecep.org/maines-economy/report-state-of-working-maine-2020> table 3

ⁱⁱⁱ For a summary see <https://www.epi.org/unequalpower/publications/understanding-black-white-disparities-in-labor-market-outcomes>

^{iv} <https://www.pewresearch.org/short-reads/2016/07/01/racial-gender-wage-gaps-persist-in-u-s-despite-some-progress/>