

Testimony in Support of LD 799, “An Act to Report Gender Wage Gaps.”

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Good Morning, Senator Tipping, Representative Roeder, and members of the Joint Standing Committee on Labor. My name is James Myall, I am a policy analyst at the Maine Center for Economic Policy, and I’m here before you to testify in support of LD 799, “An Act to Report Gender Wage Gaps.” MECEP supports LD 799 as a way to bring transparency to discrimination in the labor market and to improve employment outcomes for women in Maine.

The concept of the gender “wage gap” is well-established in economics. It represents the difference between the typical wages earned by men and women, and despite decades of anti-discrimination legislation, it has been stubbornly difficult to close. The results vary by how you choose to measure it, but by one commonly-used measure, women in Maine working full-time, year-round, earned only 85 cents for every dollar earned by men.¹ Those gaps are even larger for women of color and immigrants, who face additional barriers in the labor market.²

The wage gap is the result of many factors. Some of it is what we would think of as outright discrimination – deliberately paying someone less, or passing someone over for a promotion because they are a woman. But more often, it’s the result of less obvious factors, such as an employer’s leave policies or culture around salary negotiation. Society-wide factors such as child care affordability or expectations for care work also play a role.

In order to help tackle the gender wage gap, several countries³ have taken actions like those proposed in LD 799 to require large companies to calculate and disclose their own gender wage gap. This has several benefits – it provides employers with an opportunity to look at the situation in their company and to reassess their policies; it provides members of

¹ National Women’s Law Center, *Gender Pay Gap by State*, 2023. <https://nwlc.org/resource/wage-gap-state-by-state/>

² James Myall, “State of Working Maine 2024,” *Maine Center for Economic Policy*. Oct 23, 2024. <https://www.mecep.org/jobs-and-income/state-of-working-maine-2024/>

³ “Reporting Gender Pay Gaps in OECD Countries: Guidance For Pay Transparency Implementation, Monitoring And Reform.” *Organization for Economic Cooperation and Development*. 2023. https://www.oecd.org/content/dam/oecd/en/publications/reports/2023/06/reporting-gender-pay-gaps-in-oecd-countries_82110f1a/ea13aa68-en.pdf

the public with information on which companies are taking the problem most seriously; and it helps you as policymakers to understand the scale of the issue.

LD 799 would require the largest employers in Maine to annually collect and report some basic information on their employees. The reporting requirements are designed to dovetail with those already required by the federal Equal Employment Opportunity Commission's annual report by private-sector employers, though LD 799 covers fewer employers than the EEOC's reporting requirements.

In fact, Maine employers have already collected and submitted a version of this information for the EEOC in 2017 and 2018, when the federal agency briefly included it in its reporting requirements.⁴ The proposal in LD 799 is more modest than the EEOC's prior provisions because it does not require calculating wages at different position levels or by race.

Two of the 21 developed countries which currently require annual pay gap reporting, and publish the results online, are the United Kingdom⁵ and Canada.⁶ I've included example reports from those countries as an attachment to my testimony.

Studies have shown that wage gap reporting requirements such as those in LD 799 do help to reduce the size of the gender pay gap.⁷ They can also be a recruitment tool for companies that work to reduce the size of the wage gap. Research shows women are more likely to apply to these companies⁸

LD 799 would help lawmakers and employers make the changes they need to close the gender wage gap and ensure equal opportunities for women in Maine's workforce. By improving outcomes for women, it will also boost Maine's long-term economic outlook and ensure widely shared prosperity.

Thank you for your attention. I'm happy to answer any questions.

⁴ "EEOC Releases Data Dashboard for 2017 & 2018 Pay Data Collection." *US Equal Employment Opportunity Commission*. March 12, 2024. <https://www.eeoc.gov/newsroom/eeoc-releases-data-dashboard-2017-2018-pay-data-collection>

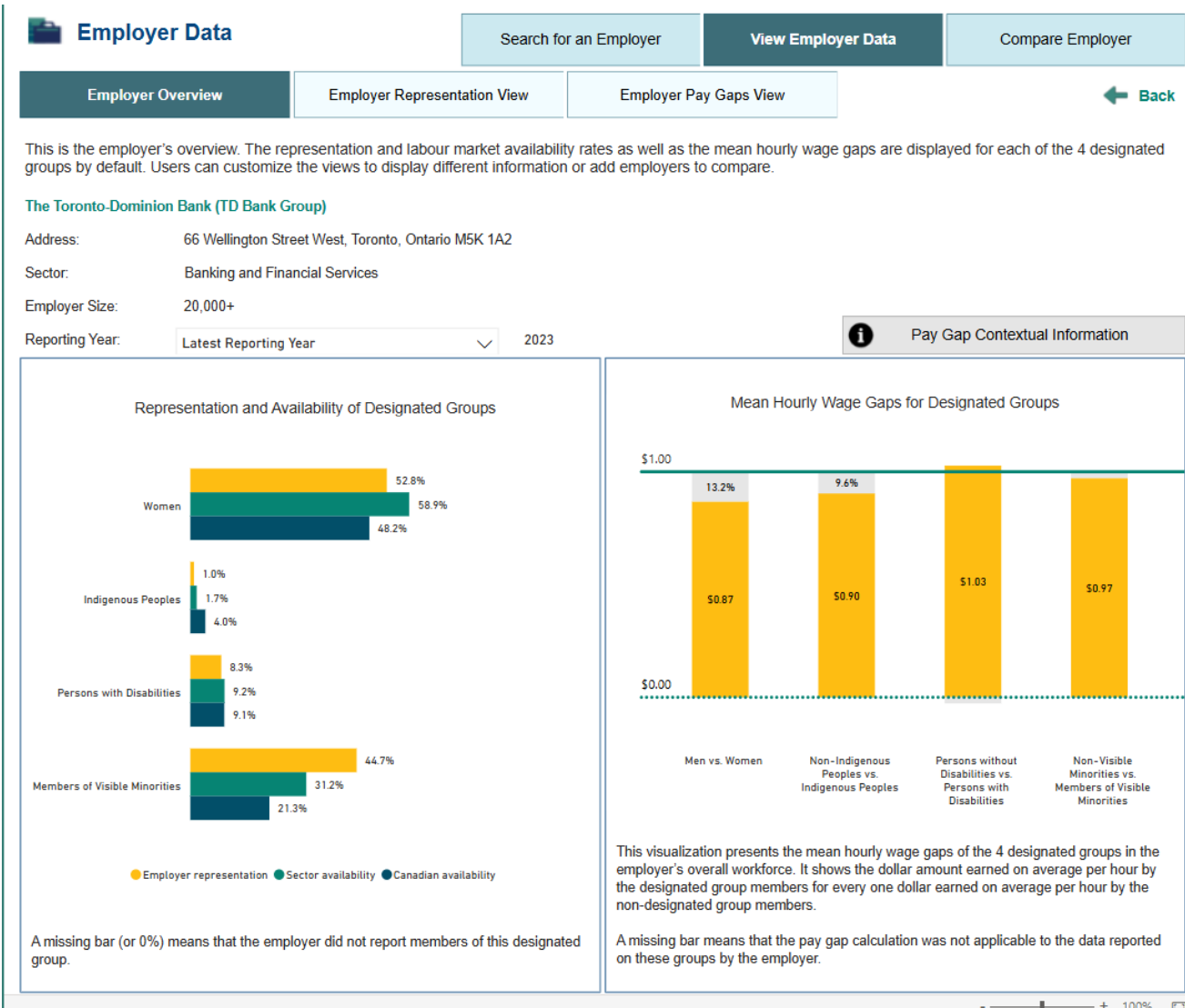
⁵ "Gender Pay Gap Service," *Gov.UK*. <https://gender-pay-gap.service.gov.uk/>

⁶ "Equi'Vision" *Government of Canada*. <https://equivision.services.gc.ca/?report=employer>

⁷ Melanie Jones, Ezgi Kaya, and Kerry L. Papps, "The Ongoing Impact of Gender Pay Gap Transparency Legislation." *IZA Institute of Labor Economics*. Dec 2022. <https://docs.iza.org/dp15817.pdf>

⁸ Jack Blundell, "Wage responses to gender pay gap reporting requirements." *Center for Economic Performance*. Discussion Paper No 1750. March 2021. <https://eprints.lse.ac.uk/114416/1/dp1750.pdf>

Example: Canada’s “Equi’Vision” tool



Example: United Kingdom Gender Pay Gap Service

CADBURY UK LIMITED

2023-24 Gender pay gap report

[Remove from comparison](#)

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1. Main gender pay gap figures

In this organisation:

- women earned 92p for every £1 that men earned (comparing median hourly pay)
- women made up 7.1% of employees in the highest paid quarter, and 64.7% of employees in the lowest paid quarter
- 11.0% of women received bonus pay, compared with 2.0% of men
- women's bonus pay was 4.5% higher than men's (comparing median bonus pay)

2. Hourly pay

In this organisation:

- women's median hourly pay was 7.5% lower than men's – this means they earned 92p for every £1 that men earn when comparing median hourly pay



- women's mean (average) hourly pay was 6.8% lower than men's

► [Read more about median and mean](#)