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TESTIMONY OF TREASURER DEBORAH B. GOLDBERG

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Chairman Wolf, Chairman Scibak, and distinguished members of the Committee – thank you for the opportunity to testify in support on this important piece of legislation, “An Act to Establish Pay Equity,” bills H.1733 and S.983, that bring us closer to achieving pay equity in the Commonwealth.

I would also like to thank Senator Jehlen, the lead Senate Sponsor, and Representative Livingstone, the lead House sponsor, for your leadership in taking on this issue.

Before I offer brief testimony this afternoon, I must acknowledge the countless advocates and legislators, as well as business leaders and employees, who have helped to bring this economic issue to the forefront of our public dialogue across the state.

Today in Massachusetts, women earn just 82 cents on the dollar. African-American women – 61 cents. And Latina women – 50 cents. These numbers have real, damaging consequences on both our people and our economy.

The wage gap prevents us from reaching our full potential because wage equality is not just a woman’s issue, it is a family issue and an economic issue that affects the health and well-being of our entire state. When women are not paid the full wages they deserve – the wages they have *earned* – household income, consumer spending, and economic growth suffers.

That is why I am proud to support “An Act to Establish Pay Equity,” legislation that addresses the central causes of the wage gap by focusing on three key solutions.

First, this legislation clarifies the true meaning of like or comparable work and prevents the potential to overlook or misuse this terminology. It uses specific language to outline the definition of pay discrimination based on gender, utilizing clear comprehensible language that is essential to creating an effective enforceable law.

Second, this legislation establishes new standards to promote and protect pay transparency, which is essential to establishing wage equality. Without it, employees do not have access to the data and information they need to know whether their wages are fair and equal to their co-workers.

Third, this bill creates a more open and honest dialogue between employers that advertise jobs and the employees they hire. It requires employers to publish the minimum salary that the job pays and prevents those businesses from paying less when the applicant is hired.

Each of these provisions provides tangible, concrete actions we can implement to close the wage gap within our state. I applaud those who helped craft this legislation.

As important as this bill is to closing the wage gap, we must acknowledge that legislation alone is not sufficient to eliminate it. Government cannot address *every* aspect of *every* problem in our society. Nor should it. That is precisely why we will need continued support, enthusiasm, and engagement from private employers across the state.

Just last Friday through our new Office of Economic Empowerment, we launched our first roundtable discussion with business leaders to hear directly from them about the policies and practices they are adopting to achieve wage equality. We were impressed by the concrete steps many have taken, which are transferable across the state and the nation. They know that pay equity is not merely an admirable social goal but an economic necessity.

As a former businesswoman, I know that treating our colleagues, our customers, and our community fairly is not only the right thing to do, but also the only way to survive in a competitive marketplace. I believe that paying workers their fair share is essential to developing a more committed productive workforce. It boosts talent retention and continuity and lowers the costs of staff turnover, new training, and lost productivity.

As your treasurer, I pledged that my office would lead on wage equality from day one. And we have.

We began work with our Human Resource professionals reviewing our pay structure and are in the process of developing a new job classification system and evaluating whether possible pay discrepancies exist.

Earlier this year at the state pension fund, which owns stock in nearly 9,000 companies, we revised our proxy voting guidelines. Using our voice as a shareholder to influence corporate governance policies, I proposed, and the Pension Reserves Investment Management (PRIM) Board adopted, a new statement of principle urging companies to lead on wage equality. We recommended both equal pay for like or comparable work *and* open access to salary information, along with compensation principles.

Last month, we instituted a new parental leave policy that provides up to 12 weeks of paid leave for new parents, both men and women. By instituting this policy in the Treasurer's Office and at

PRIM, we are creating a culture that treats families with dignity and respect: ensuring that no one loses wages they deserve as they take time off to care for and raise their children.

The challenge of closing the wage gap will require all of us to work collaboratively – not only to pass this legislation but also to forge new partnerships across agencies and industries. I am confident that with the continued support of so many distinguished leaders on this Committee and in this room, we can make our Commonwealth a national leader in that effort.

For these reasons, I respectfully request that the Committee release bills H.1733 and S.983 with a favorable report.

Before I conclude my remarks, I would also like to offer my support for S.1007, “Resolutions to Encourage Equitable and Diverse Gender Representation on the Boards and Companies in the Commonwealth,” sponsored by Senator Spilka.

These resolutions include important recommendations urging companies to significantly increase the number of women directors by 2018.

At PRIM, through our new proxy voting guidelines, we will not vote for a board unless 25 percent of the board is composed of a combination of women and minorities.

Incorporating diversity of backgrounds and viewpoints is a better decision-making process and therefore more profitable business model. Companies cannot maximize sales and profits unless they effectively target all customers. I believe board diversity is a critical ingredient to protect the value of the pension fund’s investments.

Lastly, I would also like to offer my support for a separate piece of legislation, “An Act Establishing the Massachusetts Pregnant Workers Fairness Act,” bill H.1769.

Sponsored by Representative Story, this legislation establishes important protections for pregnant workers. It requires employers to provide reasonable accommodations related to an employee’s pregnancy or child birth. It also prevents employers from inquiring about the pregnancy or childbirth of a prospective job applicant before she is hired.

My rationale for supporting this legislation is simple. Right here in our Commonwealth – in the 21st century – we should not force women to choose between earning a paycheck to provide for their family and maintaining a healthy pregnancy. This legislation recognizes a fundamental issue of fairness. It provides workers with the dignity and protections they deserve. Furthermore, it is an investment in the wellness, retention, and morale of a company’s workforce. These are key principles that help boost productivity and reduce turnover. In other words, this is a sound business practice.

I respectfully request that the Committee release bill H.1769 with a favorable report.

Thank you for the privilege of testifying today. I look forward to working together, and I would be happy to answer any questions you may have.