

Comments of Eric J. Karolak, Ph.D. CAE
CEO, Action for Children
Public Policy Committee Chair, Human Service Chamber of Franklin County

Public Hearing on
PAY EQUITY SOLUTIONS LEGISLATION
Columbus City Council, February 21, 2023

Good evening, Council President Hardin, Council Member Barroso de Padilla. Thank you for your leadership and for the opportunity to speak in favor of pay equity.

I'm Eric Karolak, CEO of Action for Children, which is Central Ohio's child care resource and referral agency, providing services to parents, caregivers, early childhood educators, and child care programs. Each year, Action for Children serves several hundred children in home visiting programs; provides professional development, training, and coaching to about 9,000 adults; and supports the nearly 1,200 licensed child care programs in Franklin and the six surrounding counties. Together, our programs reach more than 50,000 children in the region. Tonight, I'm also representing the 160-member Human Service Chamber of Franklin County where I am a member of the Board of Directors and Public Policy Committee Chair. (Please also consult the written testimony separately submitted by HSC staff for today's hearing.)

Our Story

Pay equity means compensating people the same way for the same work, regardless of race, gender, disability, sexual orientation, or other status. The Columbus Women's Commission has led the charge for pay equity locally, and in November 2017, Action for Children was one of the first employers to adopt the "Columbus Commitment" to pay equity. Knowing how race and gender discrimination have limited employment opportunities and depressed wages in the early childhood workforce, we took this commitment quite seriously, making it the foundation of our *Welcoming Workplace* initiative introduced in early 2018, which included the following:

- Living Wage – assuring no one earns less than \$15/hour

- Pay Equity – committing to examine organizational practices such as those surrounding hiring, which has resulted in the removal of questions about salary history and felonies from our employment application
- Paid Parental Leave – tested and expanded paid time off for parents now at 12 weeks, and soon to meet other family needs
- Enhanced Leave Donation – expanded leave sharing program to allow donations of accrued leave time to employees experiencing critical situations.

We did this on our own, with the encouragement of the Commission. Our experience shows what a modest but motivated employer can do in less than five years when it commits to creating a more fair, just, and equitable workplace and world. And we're just a non-profit with fewer than 100 employees.

Progress on achieving pay equity is not a one-time event. It's a commitment for the long haul. It requires ongoing attention, auditing of internal policies and practices, willingness to course correct or shift gears. The pay equity solutions legislation will make it more likely that Columbus will more quickly become America's Opportunity City.

Inequality was built. It will need to be unbuilt.

This pay equity solutions legislation is an important step in the right direction, setting a standard for all employers that includes not asking applicants for their salary histories nor soliciting for their credit score or credit history. These questions, this information, in effect creates a feedback loop that distorts the process of matching the best qualified applicant for the job at hand. Misogyny and White supremacy have together created biases and structures that have relegated women, and relegated Blacks, Latinos, and other minoritized groups, to overrepresentation in lower wage occupations, resulting in an earnings and wealth gap that may predispose these groups to rely on credit more than White men. When an employer obtains salary history and credit information – knows “your number” – they are seeing not the content of an applicant's character, nor the accounting of their skills and talents; they are seeing the accumulated results of decades of social and economic systems that favor men over

women, Whites over other races and ethnicities, and the affluent over all. To match the best people for the job, to get this right for Columbus, we must unbuild the systems of inequality that have plagued us and that threaten our future prosperity.

Unbuilding inequality will benefit us all.

We know this legislation will have a major effect on pay disparities. In the three years preceding the pandemic, 14 states banned the practice, and Boston University researchers found that these new laws generated substantial pay increases for Black (+13%) and female (+8%) candidates who took new jobs.

And, we know this legislation will have a positive effect on all applicants as a whole. Without that salary information, employers focused on relevant data when making offers on a somewhat more level playing field. The same researchers found that with employers barred from asking about salary history, workers who changed jobs saw their pay increase by 5 percent (+5%) more than comparable workers changing jobs in the absence of these employer standards, again with even larger benefits for women and Blacks. We can all move ahead.ⁱ

Thank you, and I am happy to answer questions.

ⁱ Bessen, James E. and Meng, Chen and Denk, Erich, Perpetuating Inequality: What Salary History Bans Reveal About Wages (June 2020). Available at SSRN: <https://ssrn.com/abstract=3628729> or <http://dx.doi.org/10.2139/ssrn.3628729>.