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OPINION

A New Fix to Close the Gender Pay Gap

Don't peg new wages to old ones

BY MARTHA BURK

Tuesday, April 4 was Equal Pay Day. Never heard of it? If you're a working woman or someone who cares about the working women in your life, you need to study up.



Equal Pay Day is the day in any given year when women working full-time, year-round catch up to men's earnings from the previous year.

Let's say the average man made \$35,000 last year, from Jan. 1 to Dec. 31. The average woman working the same amount of time made \$27,300. It will take her until April 4 of this year to amass the same earnings the guy made by the end of last year. So Equal Pay Day is April 4 this year.

But there's more.

Broken down by race, African-American women won't meet the benchmark

until August. Native American women must wait until September. And Latino women will lag even further — until November.

Pay discrimination based on sex has been illegal since the Equal Pay Act was passed way back in 1963. Still, the pay gap remains at 22 cents on the dollar for full-time, year-round work, and it hasn't moved in over a decade. At that pace the gap won't close until 2059, according to the Institute for Women's Policy Research.

Meanwhile, employers who discriminate against their women workers can just sit back and dare them to sue. Go ahead and hire a lawyer, the bullies seem to say. Drag us through the courts for a dozen years — if we don't fire you first. (Retaliation is illegal too, but who's watching?)

There are a number of reasons for the pay gap that don't have anything to do with qualifications or education. One is historical discrimination.

For most of our history, it was legal to pay women less for the same job — employers were even allowed

to advertise that fact. Another reason is that employers historically undervalue "women's jobs," like providing day care and nursing, as compared to "men's jobs," like dog pound attending and auto repair.

Another problem is lack of transparency. Employers aren't required to disclose their workers' pay, and in many workplaces it's against the rules to talk about it with co-workers. So women can't find out what they're making compared to men on the same job.

But in a bizarre twist on the "don't ask, don't tell" rules that shield employers, it's customary for companies to ask for salary history and use that information to set wages for new hires.

For job seekers who've been earning less than their counterparts and working below market rates — primarily women — pegging new wages to old ones maintains the discriminatory practice. Wage gaps that begin early can follow workers all their working lives.

There's a growing bipartisan consensus that a simple change in the hiring process — prohibiting employers

from asking job seekers how much they're currently paid — can make a real difference in closing the gender wage gap. Instead, salary offers should be based on the market value of the position and the candidate's credentials, not their current salary.

To date, two states (Massachusetts and New York) and four cities (New York, Philadelphia, New Orleans, and Pittsburgh) have passed legislation along these lines. The bills differ in that some apply only to public employers in the jurisdiction, while others apply to all employers, public and private.

With no prospects in sight for the federal government to do anything to close the gender pay gap, innovation by states and cities is welcome news. If more follow suit, maybe we won't have to wait until 2059 to finally stop marking (Un)Equal Pay Day.

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Support for the Creation of a Public Bank

Embracing socially responsible values

BY JUSTIN A. ELARDO

Mayor Wheeler recently announced that the city of Portland, in protest of Wells Fargo's financial involvement with the Dakota Access Pipeline, will pursue other, more socially responsible, banking alternatives. While a number of local alternatives might fit the mayor's criteria for social responsibility, there is another solution that the city of Portland could pursue, the creation of its own Public Bank.

To the uninitiated the concept of a public bank sometimes creates concerns that the government intends on getting into the business of banking. Those concerns are misplaced. The term public, in public banking, is a statement of whom the bank will be serving, not who will be responsible for operating the public bank.

Today, in the United States, the state of North Dakota has its own public bank. The Bank of North Dakota (BND) is a privately run, for profit, financial institution that has been in operation since 1919. The state utilizes the homegrown institution for its banking needs and, in turn, the public bank

engages in borrowing and lending practices designed to promote economic benefits within the state of North Dakota. The BND mission also explicitly prohibits the bank from being harmful to other financial institutions operating with the state.

One way in which the public bank fulfills its mission is by financing state infrastructure projects. Rather than utilizing a Wall Street bank to underwrite projects, North Dakota borrows directly from the Bank of North Dakota with the BND collecting interest on the loans. After deducting operating expenses and profit, the public bank then returns a portion of the interest income back to North Dakota State Treasury. In effect, the public bank allows the state to borrow at very low interest rates.

Imagine a banking structure in Portland that is similar to the Bank of North Dakota. The mission of a Portland Public Bank could be designed to encourage the socially responsible values that Portlanders hold so dear.

There are several areas in which a public bank in Portland could deploy financial capital. A Bank of Portland could provide the city with low cost/low interest loans for things such as local infrastructure (roads). Taken further, a Bank of Portland could also

encourage socially responsible lending within our community by lending for the construction of low-income housing and/or environmentally conscious construction projects, support for local community development banks, as well as bond financing for Portland Public Schools and so much more. The possibilities are abundant and real.

Thankfully the notion of Bank of Portland is not a pie-in-the-sky fairy tale. Right now there is an organization known as the Portland Public Banking

Alliance (PPBA) that is advocating for the city to join a growing nationwide movement and create its own public bank. Currently the group is trying to convince the city to finance a feasibility study. If interested please consider contacting the organization, Mayor Wheeler's office, Portland Treasurer Jennifer Cooperman, as well as the individual members of the Portland City Council.

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