



February 12, 2024

Chair Holvey, Vice Chairs Elmer and Sosa and Members of the Committee,

My name is Liz Marquez Gutierrez, I am the Policy Manager at PCUN, Oregon's Farmworker Union. At PCUN, we work to empower farmworkers and working Latinx families to improve their working conditions through community building, organizing, and policy advocacy. On behalf of our members, I am writing to share our concerns with HB 4050.

As a worker advocate we care deeply about adequately and fairly paying workers for their labor and we continue to even the playing field for historically and currently marginalized workers – workers of color, women, immigrants, workers with disabilities and more.

We have significant concerns about HB 4050 which would add “business necessity” as a factor for why an employer could pay workers differently. We fear that this bill will open the door for bonuses – or base compensation in general – to be driven by factors other than output, seniority, merit, location, travel, education, training, experience, or the stipulations of a collective bargaining agreement— all of which are already allowable under our Pay Equity law.

For example, under HB 4050 an employer could offer a “retention bonus” to a worker who got a new job offer at a different workplace. However, data shows that workers with more privilege – namely whiter and wealthier workers and those who are not caregivers – have more time and resources to look for other jobs. These systematic and implicit barriers to equal pay are exactly what Oregon's Equal Pay Act was designed to work to address.

This opening could have major consequences for Oregon workers since data substantiates that implicit bias has a significant impact on bonuses if gone unchecked. We also see this bear out in national data: research from HR software provider ADP found that women, on average, earn a 17 percent (\$15,000) lower salary than men. However, when factoring in the gender pay gap for bonus pay, the total earnings pay gap widens to 19 percent (\$18,500).¹ ADP has further found that an initial hiring bonus pay differential may seem minimal to start with, but compounds significantly over the course of a woman's career.²

Consequently, given the vagueness of the term “business necessity” and the broadness of the application of this factor across all pay differentials, we have significant concerns that HB 4050 would change what

¹ <https://www.adp.com/spark/articles/2018/09/the-gender-pay-gap-widens-as-women-earn-less-bonus-pay.aspx>

² <https://www.adp.com/spark/articles/2018/09/the-gender-pay-gap-widens-as-women-earn-less-bonus-pay.aspx>

is current unlawful discrimination into allowable pay differentials under the guise of “business necessity,” and stand to worsen the wage gap that we have worked so hard to address in Oregon.

Thank you for the opportunity to express our concerns with HB 4050. PCUN urges you to vote No on HB 4050.

Liz Marquez Gutierrez
Policy Manager
PCUN