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TESTIMONY IN SUPPORT LEGISLATION TO SUPPORT WORKING FAMILIES

TO: Connecticut Labor Committee
FROM: Elizabeth Ben-Ishai, Senior Policy Analyst, Center for Law and Social Policy
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My name is Elizabeth Ben-Ishai. I am a senior policy analyst at the Center for Law and Social Policy (CLASP). CLASP is a national organization that works to improve the lives of low income people by developing and advocating for federal, state, and local policies that strengthen families and create pathways to education and work. CLASP strongly supports proposed legislation in Connecticut to expand paid sick days coverage, create fair and predictable scheduling protections, and establish a paid family and medical leave insurance program. We support the complete elimination of the tipped sub-minimum wage. These provisions are good for workers, families, and Connecticut's economy.

When Connecticut became the first state in the country to pass a paid sick days law in 2011, it not only established a critical labor protection, it also paved the way for more jurisdictions to create such standards. At present, more than 20 jurisdictions, including three states, have enacted paid sick days laws thanks in good measure to the leadership role that your state has played on this issue. Today, much more is known about the effects of these laws on communities and the economy – including Connecticut's economy. Over 250,000 workers in Connecticut have benefited from the law. Moreover, since the law's passage, economic growth in the state has flourished. A 2014 study of the effects of Connecticut's current law conducted by the Center for Economic Policy Research found that nearly 90 percent of employers rely on cost-free methods to cover the work of sick employees. Nearly two-thirds of Connecticut employers say the new law has led to no change or a small increase of less than two percent in overall costs. Finally, a year and half after paid sick days went into effect in Connecticut, more than three-quarters of employers reported that they support the law.

However, although the law has been a boon for workers and businesses, too many are unable to enjoy its benefits. The current law covers only employers with 50 or more employees and applies only to a limited number of industries. Moreover, a lengthy waiting period calculated in hours makes it particularly difficult for part-time employees to use the sick time they have earned. Proposed legislation to expand and improve the current sick days law would enable not only employees, but also their employers, to reap the benefits of paid leave, which include improved retention and decreased turnover, increased morale, and reduced health risks due to employees coming to work ill.

While sick days help workers and their families experiencing short-term illnesses like the flu, some life events and conditions require more time away from work. That's why the proposed paid family and medical leave legislation is an essential companion to the state's existing sick days protection. When workers welcome a new child, must care for a seriously ill family member, or experience their own serious illnesses, they need adequate time, and they need wage replacement. Currently, only some workers are covered by the federal Family and Medical Leave Act, but even for those who are covered, paid leave is entirely at employers' discretion – and it is rare. This bill would create a system modeled on existing state programs in California, New Jersey, and Rhode Island, which have been in existence for 10 years, five years, and one year, respectively.

As with sick days, plenty of evidence suggests that such a program would be good for employees and employers. Paid leave enables mothers to breastfeed longer, establish important bonds, and ensure proper vaccinations and early medical care. When seriously ill children have their parents with them in the hospital, they recover more quickly. And workers with time to properly recover from major illnesses are likely to do so more quickly and fully. For employers, the proposed pooled trust fund system would create a program financed entirely by employees' payroll contributions. As a result, many smaller employers who in the past may have struggled financially to compensate their employees during longer leaves will be able to offer a benefit that might otherwise have been out of reach; this levels the playing field for such employers as they compete for the best talent. Employers in California have experienced few negative effects of their state's paid family leave program, which is funded in the same manner as what is proposed in Connecticut, with nine out of ten reporting either positive or no noticeable effects on productivity, profitability, turnover, and employee morale.

In addition to leave, workers need stability and predictability in their schedules in order to both do their jobs and manage other aspects of their lives, whether caregiving, school, second jobs, or other obligations. That's why fair scheduling legislation is so critical to improving the lives of working people, particularly lower-wage workers. Nationally, 41 percent of early career workers in hourly jobs receive one week or less advance notice of their schedules, and three-quarters see their hours fluctuate from week to week. Such unpredictability makes arranging child care, building skills through education and training, or simply making ends meet virtually impossible. Around the country, the movement for fair schedules is building rapidly, with a growing number of employers acknowledging the importance of smart and fair scheduling practices for employee retention and business productivity. CLASP is pleased that the Connecticut legislature is considering taking steps to address volatile schedules.

Like fair scheduling, eliminating the tip credit is essential for workers' stability. Tips are a fluctuating source of income. Restaurant workers need a fair base wage to ensure that they can put food on the table for not just their customers, but also their own families. At present, 34,000 servers and other tipped restaurant and hotel workers in Connecticut are only guaranteed a base wage of \$5.78 per hour. The evidence is clear that tipped workers are in particularly dire straits: they are twice as likely to live in poverty as non-tipped workers and twice as likely to rely on food stamps as the rest of the U.S. workforce. Moreover, nearly 70 percent of tipped restaurant workers are women. Eliminating the tipped sub-minimum wage will help address the gender pay gap. As tipped workers struggle to get by, the Connecticut restaurant industry is thriving. CLASP urges the Connecticut legislature to pass a law that will completely eliminate the tip credit and provide one fair minimum wage to all workers.

While the economy is recovering, many lower-wage workers are still struggling in jobs that do not afford them the protections they need. This comprehensive package of legislation offers Connecticut an opportunity to improve job quality for the state's workforce. When workers have more job stability, they have more money to spend. As a result, the local economy will thrive at the same time that families and the community do better. CLASP strongly urges legislators to support expanded paid sick days, paid family and medical leave insurance, fair schedules, and the elimination of the tip credit.

Sincerely,

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