



Committee on Labor and Public Employees

Public Testimony of the CT Women's Education and Legal Fund (CWEALF)

H.B. 5591: *An Act Concerning Pay Equity in the Workforce*; H.B. 5370: *An Act Increasing the Minimum Fair Wage*; S.B. 13: *An Act Concerning the Minimum Fair Wage*

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H.B. 5591: An Act Concerning Pay Equity in the Workforce

The Connecticut Women's Education and Legal Fund (CWEALF) is a statewide non-profit organization dedicated to empowering women, girls, and their families to achieve equal opportunities in their personal and professional lives. For 43 years, CWEALF has served as a leading advocate for policies that combat workplace discrimination and improve the financial security of women in Connecticut, including the development of solutions to reduce our state's gender wage gap. CWEALF urges your support for H.B. 5591: An Act Concerning Pay Equity in the Workforce.

Nationally, women are the co- or primary breadwinners in close to two thirds of families with children, yet they earn, on average, significantly less than men no matter their occupation.¹ In Connecticut, women are currently paid 83 cents to every dollar paid to a man. This inequity is significantly larger for women of color: African American women are paid 59 cents, Latinas are paid 48 cents and Asian women are paid 80 cents for every dollar paid to white, non-Hispanic men.² On average, women working full-time in our state lose a combined total of \$5.5 billion due to the wage gap.³ Lost wages mean women and their families have less money to spend on basic goods and household items; expenses that drive the larger economy and spur economic growth.

The gender wage gap persists regardless of industry or education level and exists within occupations. Research attributes 62 percent of the wage gap to industry or occupational differences; differences in education; and factors such as location, race and unionization. Thirty eight percent of the gap is unaccounted for and may only be explained by factors such as unconscious bias and discrimination, which continue to curtail a woman's earnings.⁴ Pay discrimination begins early in a woman's career: a report by the AAUW found that one year after college graduation, women earned 82 percent of what their male counterparts earned.⁵

¹ Commission on Women, Children and Seniors. 2016. Gender-Based Wage Gap in Connecticut. Retrieved from: <https://ctcwcs.files.wordpress.com/2017/01/wage-gap.pdf>.

² National Partnership for Women and Families. (2016). Connecticut Women and the Wage Gap. Retrieved from: <http://www.nationalpartnership.org/research-library/workplace-fairness/fair-pay/4-2016-ct-wage-gap.pdf>

³ See note 2.

⁴ See note 2.

⁵ AAUW. 2017. The Simple Truth About the Gender Pay Gap. Retrieved from: <http://www.aauw.org/resource/the-simple-truth-about-the-gender-pay-gap/>

In 2013, CWEALF served on Governor Malloy's Gender Wage Gap Task Force and applauded the passage of P.A. 15-196, an initiative to encourage workers to discuss salary and pay discrepancies in the workplace. House Bill No. 5591 continues this progress by requiring employers to provide equal pay to employees in the same workplace who perform comparable duties. Providing equal pay for comparable work is a major step towards closing the wage gap. Although federal and state laws prohibit gender based wage discrimination, they allow for differences in salaries between occupations. Equal pay for comparable work is a standard based on skill, effort and responsibility.

Last week, CWEALF testified in support of H.B. 5210: An Act Concerning Various Pay Equity and Fairness Measures, which builds on previous efforts to combat pay discrimination by prohibiting employers from inquiring about a potential hire's salary history. CWEALF supports H.B. 5591 today with the expectation it will include the language of H.B. 5210 in regards to the use of salary histories, a practice that contributes to gender and racial wage gaps. In an interview, if a potential employee is asked how much she made in her previous position, the employer may start her at a higher salary proportionate to her past job but lower than the salary range that exists for the potential position. An employee's salary history cannot be the sole basis for an employer's defense that a salary differential is based on a legitimate, nondiscriminatory reason.

In August 2016, Massachusetts became the first state in the nation to pass a comprehensive pay equity bill, which not only prevents pay discrimination for comparable work based on gender, but also prohibits employers from requiring applicants to provide their salary history before a formal job offer. New York City also passed similar legislation last fall. H.B. 5210 is a key opportunity for Connecticut to demonstrate our leadership on equal pay as a competitive advantage and to keep workers in our state.

Without action, the gender wage gap in our state is not expected to close until 2061.⁶ H. B. 5591 and H.B. 5210 both create a significant path toward ending the gender wage gap in our state. However, CWEALF recommends that lawmakers continue to consider additional protections and policies that achieve economic security for women and families in our state. This includes the passage and implementation of a comprehensive system of paid family and medical leave, the improvement of our state's paid sick days law, making childcare affordable for working women and families, and increasing access for women to reproductive healthcare services.

H.B. No. 6208, An Act Increasing The Minimum Fair Wage and S.B. 13: An Act Concerning the Minimum Fair Wage

CWEALF also urges the Committee to support H.B. No. 5370, An Act Increasing the Minimum Fair Wage and S.B. No. 13: An Act Concerning the Minimum Fair Wage. H.B. 5370 and S.B. 13 will gradually raise Connecticut's minimum wage from \$10.10 to \$15.00 on

⁶ See note 1.

January 1, 2022. This legislation follows the recommendations of the Connecticut Low Wage Advisory Board and provides businesses the time to adjust to the change in statute.

In Connecticut, our minimum wage is far below what is needed to meet a family's basic financial needs.⁷ The Basic Economic Security Tables (BEST) calculate that a working adult in Connecticut without children who does not receive benefits requires \$43,392 annually or \$20.55 per hour to be financially secure. This number increases significantly when adding children: for a family of two with one adult and one child age 0-3, the standard for basic economic security rises to \$68,964 annually, or \$32.65 per hour.⁸

The Economic Policy Institute estimates that 20 percent of the workforce – or 336,000 workers – currently earn less than \$15 per hour. Additional research by the Federal Reserve Bank found that the percentage of workers earning less than \$15 is now the majority - or 53% of all workers – in the City of Hartford.⁹ Workers earning less than \$15 per hour are disproportionately female and people of color. Statewide, 33.7 percent of female workers, 43.1 percent of Black workers, and 52.6 percent of Latino workers earn less than \$15.¹⁰

The gender wage gap between women and men exacerbates the disproportionate impact our state's insufficient minimum wage has on women in the workforce. As mentioned in our testimony in support of H.B. 6695, women in our state are paid, on average, significantly less than their male counterparts. In Connecticut, nearly 172,000 households are headed by women, about 23% of which (or 39,347 households) have incomes that fall below the poverty level.¹¹ Increasing our state minimum wage to \$15 will provide significant relief to these families.

Though a \$15 minimum wage will still fall short of a wage to support full-time workers in Connecticut to meet their basic needs without public assistance, it will provide significant benefits to families and will grow the state economy. Many economists agree that increasing the minimum wage improves the economy, as workers can spend more on goods and services that they were unable to before. More dollars can circulate in the local economy, and affected employees may have less need to rely on government assistance for housing, food or health care insurance.

Higher wages are good for businesses because they help employers retain employees and reduce turnover, which translates to lower hiring expenses and improved productivity. A minimum wage increase in Connecticut would help more workers be able to afford to work and live in the state, which has the second highest cost of living in the U.S., according to the Economic Policy Institute.¹²

⁷ The Self Sufficiency Standard for Connecticut, 2015. Prepared for the CT Permanent Commission on the Status of Women. Retrieved from: <https://ctwocs.files.wordpress.com/2016/06/the-self-sufficiency-standard-for-connecticut-2015.pdf>.

⁸ CT Low Wage Employer Advisory Board: Report and Recommendation, 2016.

⁹ See note 2.

¹⁰ See note 2.

¹¹ Connecticut Women and the Wage Gap, 2016, National Partnership for Women and Families. Retrieved from: <http://www.nationalpartnership.org/research-library/workplace-fairness/fair-pay/4-2016-ct-wage-gap.pdf>.

¹² Economic Policy Institute (EPI), "It's Time to Raise the Minimum Wage" (April 2015)

Fifty-eight percent of workers who would directly benefit from an increase in the state minimum wage to \$15 are women.¹³ Raising the minimum wage is one step towards closing the gender wage gap in our state and creating a more equitable workforce. CWEALF urges lawmakers to support H.B. 5591, H.B. 6208 and S.B. 13 to improve the living standard and quality of life of the tens of thousands of Connecticut workers, especially women and women of color who earn less than their male counterparts. Supportive workplace policies such as pay equity and an increase in the minimum wage help employers retain employees and build a stronger state economy.

¹³ See note 3.