

Labor and Public Employees Committee

JOINT FAVORABLE REPORT

Bill No.: SB-15

Title: AN ACT CONCERNING FAIR AND EQUAL PAY FOR EQUAL WORK.

Vote Date: 3/20/2018

Vote Action: Joint Favorable Substitute

PH Date: 3/8/2018

File No.:

***Disclaimer:** The following Joint Favorable Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

SPONSORS OF BILL:

Sen. Martin M. Looney, 11th Dist.

Sen. Bob Duff, 25th Dist.

Rep. Joe Aresimowicz, 30th Dist.

Rep. Matthew Ritter, 1st Dist.

REASONS FOR BILL:

Men and women are being paid different rates for the same job.

****Substitute Language (LCO #2937):** *makes technical and conforming changes.*

RESPONSE FROM ADMINISTRATION/AGENCY:

James. M. Albis, Representative, Deputy Majority Leader: We have legally recognized equality when it comes to outlawing segregation, discrimination and extending voting rights. The rational next step is pay equality, which will set an example for the rest of the nation on how much we value the efforts and contributions of women in the workplace.

Tanya Hughes, Executive Director, Commission on Human Rights and Opportunities:

It is a well-known and well-documented fact that women face widespread pay disparities in workplaces nationwide. This bill would prohibit prospective employers from inquiring about the wage and salary history from an applicant before any offer with wage information has been made or accepted. This is a critical step in reducing the pay gap.

Scott Jackson, Commissioner, Department of Labor: Employees should be paid according to their know-how and skill, not their gender or race. The demands of a particular job and the

value of that position is does not depend on the amount an applicant was previously paid. Equal pay for equal work is a matter of fairness that we should all strive to achieve.

Themis Klarides, Representative, State of Connecticut: This bill continues work started three years ago. It solves the main cause of pay inequity, which is being saddled with one's wage history forever. It strikes a better balance between the needs and interests of both employees and employers. This is a work in progress and will likely evolve as it makes its way through the legislature. She is anxious to work with everyone to craft a solution that is truly equitable and fair.

Kevin Lembo, State Comptroller, State of Connecticut: The median annual earnings for women is \$40,742 and \$51,212 for men. Should the pace of change for the annual earnings ratio continue at the same rate it has since 1960, men and women will not reach pay equality until 2059. There are a number of factors that contribute to wage disparities and this bill takes the necessary next step in achieving parity.

Martin. M. Looney, Senator, President Pro Tempore, State of Connecticut: Sen. Looney cited past efforts to combat this issue and the wage gap. This legislation would be key to dropping the poverty rate of single working mothers, which is 22.4%, and help families who rely on two-parent incomes as well as households headed by women. It would help provide a better economic future for the state and its residents.

Dannel P. Malloy, Governor, State of Connecticut: In his testimony, Gov. Malloy encouraged employers to base their salaries on the qualifications of an applicant, the demands of a given job and the value of that position in the marketplace rather than how much someone was previously paid. It would prevent unintended pay discrimination during the hiring process and help close the wage gap. A fair workplace means people should be valued for their work and compensated in a fair manner.

Marilyn Moore, Senator, State of Connecticut: Testifying on several bill, Sen. Moore asked that her support be added for this bill. In her experience as legislative aide for Senator Gomes and Chair of Human Services, she has heard testimonies of hundreds of people who deserve a safe workplace and fair wages.

Kim Rose, Representative, State of Connecticut: Women who are recent college graduates are earning an unexplained 7% less than their male counterparts. This stems from employers asking potential employees about salary history. Unintentionally, an employer may perpetuate gender discrimination if they base current salary on a previous salary reflective of gender discrimination. Women are often forced to carry this discrimination throughout their careers with no way to break the pattern. Even in WWII, women replacing men in factories and performed the same duties were paid about 53% less.

Derek Slap, Representative, State of Connecticut: If employers were to price the position instead of the person, inequities from the past would erode. As public awareness increases, folks are realizing the wage gab impacts everyone. The cost of inaction makes our state less competitive. Experts predict that if the current trend continues, women in CT will have to wait 50 years to be paid fairly. This is unacceptable.

Michael Winkler, Representative, State of Connecticut: Pay equity is not difficult to rank by comparing the criteria, knowledge, skills, mental demands, accountability and working conditions of similar jobs. Jobs with similar scores should receive the same pay. Even with the same job titles, predominately female positions were paid lower rates than those of those who were primarily male. The rate of progress in this area over the years is unacceptable. Now is the time for pay equity.

NATURE AND SOURCES OF SUPPORT:

Nora Duncan, State Director, AARP: This bill is very important for older job seekers in a competitive market where their previous salary can work against them and potentially favor younger workers with less established work and salary histories. It will reduce the risk of age discrimination and promote pay equality.

Candace Augustus, Janitor, Sikorsky and Cook in the Bridgeport School System: Having worked at Walmart, which has no union and an 'open door' policy, she personally knows what it is like to going into a job interview without knowing what the pay will be. Preventing bosses from asking about previous salaries would help stop the injustice of women making only 79 cents for every dollar earned by a man at the same job.

Paula Bacolini, Glastonbury Resident: Ms. Bacolini supports equal pay for equal work. Women have been underpaid for years in all employment areas and this need to be stop.

Luke A. Bronin, Mayor, Hartford, CT: Women in Connecticut earn significantly less than their co-workers and women of color earn dramatically less. This bill would put reasonable rules in place to prevent wage discrimination, such as allowing employees to voluntarily discuss their pay and would also prevent employers from inquiring about salary history.

Lara Da Costa and Bonnie Odiorne, Brazilian Worker Center, Inc., Member SEIU: Her testimony supported this bill as well as HB 5386, HB5388 and HB5043. All workers deserve the same protection.

Dallas C. Dodge, Vice President and Counsel , Insurance Association of Connecticut. Although they support pay equity, they are concerned that this bill could inadvertently stop companies from paying more - not less - to candidates for positions in sales positions. As drafted, companies would be prevented from using past sales-based compensation to assess the quality of job applicants. In many cases, this could make it more difficult for prospective employees to take advantage of successful prior sales histories. This can be corrected through a simple technical amendment changing the definition of 'salary' to include any objective measure of the applicant's productivity such as revenue, sales or other production reports.

Brenna Doyle, Deputy Director, NARAL, Pro-Choice, Connecticut: Equal pay is not only an important factor in ensuring economic stability for women, it is also crucial to achieving reproductive freedom. Reproductive healthcare, including abortion care, can be costly and the cost of raising a child is even higher. When women are financially disadvantaged by pay inequity, these costs are often unsustainable.

Maratha Duque, Janitor, New Britain Court House, Member of SEIU: As an analyst at a credit union in Colombia where she was born, she knows what it is like to go into a job interview without knowing what will be offered. In Connecticut, women still make only .79 for every dollar a man makes at the same job. This difference can continue since job offers are tailored to fit this discriminatory history. This bill helps stop this injustice by prohibiting inquiries that could have a women making less money.

Susan Eastwood, Board Member, Permanent Commission on the Status of Women in Connecticut: Women are the only majority that has consistently been treated as a minority and as second-class citizens. This injustice affects not only women, but every man and child who has a woman in their lives. This bill levels the playing field for women and strengthens their negotiating power. It creates standards to measure comparable work, such as skill, responsibility and working conditions and restricts employers from asking candidates about salary history.

Michele Evermore, SEIU 199, New England: Before addressing gender pay equity, we should center on workers who are most hurt by pay disparities. The racial disparity is far greater than gender disparity and the combination of both racial and gender inequality means women of color are dramatically more harmed by their pay gap. If the original pay is even a little bit lower than your colleagues', and over 20 years you get a smaller annual raise, the end result is a giant pay gap over the years. Connecticut should be a beacon for equality and fairness. We can do better than this.

Joelle Fishman, Connecticut Communist Party, USA: In Connecticut, more than half of all mothers and 81% of Black mothers are key family bread winners. Their families and communities are deeply impacted by the pay gap, minimum wage and responsibilities for family and medical care. Instead of getting stuck into "trickle down" austerity measures that actually widen disparities, these structural changes must be made to benefit all sectors of their economy.

Eric Giede, Counsel, CBIA: The intent of this bill is to bolster protections related to gender equality by prohibiting employers from inquiring about prospective employee wage histories, but sometimes such questions have a defensible reason. They may be trying to determine if the salary they are able to offer is competitive in the marketplace or they may be trying to get a sense of the full compensation package an applicant is currently receiving in order to lure them from another company. In these cases, the information is not being used against the applicant.

Madeline Granato, Policy Manager, CWEALF: Women working full-time in our state lose a combined total of \$5.5 billion due to the wage gap. This means there is less money to spend on basic goods and household items which are expenses that help drive the larger economy and spur economic growth. Regardless of education levels, location, race and unionization, these gaps exist and can only be explained by factors such as unconscious bias and discrimination. This bill is a step forward toward ending the gender gap.

Beth Kerrigan, Deputy Mayor, West Hartford: She told several stories of her own experiences of pay discrimination based on gender, including a conciliation agreement for a suit she filed against Islip Speedway for not letting her race motocross because she was female. It was a simple slam dunk case: simple discrimination. One set of rules for males and

another for females. When hired as a future General Manager, she discovered that a male hired at the same time with the same degree from the same college and the same job, had a different salary. Discrimination still exists. When she was in grade school and told she couldn't deliver the local newspaper because "it was a boy's job" it was not ok....but it was accepted as ok. It is unconstitutional discrimination. We should not always rely on the courts to bring justice and equality for all.

Mary Lee Kiernan, President/CEO, YWCA, Greenwich: Efforts to encourage women and girls to join traditionally male-dominated fields such as science, technology, engineering and math will pay off, literally, with higher average wages than in industries traditionally dominated by women. The rest of the gender pay gap is caused by pay disparities between men and women who work in exactly the same occupation. Only among secondary school teachers do women earn slightly more than men. The largest gender pay gap is between surgeons and those employed in managerial occupations. Although illegal for a long time, gender discrimination is still the likely cause of the chronic gender wage gap in these occupations.

Alli McKeen, Wallingford Resident: In many cases, women are offered less pay than their male counterparts. Refusing to answer questions about pay history often results in not getting the job. The only reason a potential employer would need to know is in order to make an offer on what they perceive the employee will accept, not what her skills are worth on the market. Outlawing the question will enable women to negotiate a salary based on current skill marketability and not be held down by her history.

Deborah McKenna, Attorney, Hayber Law Firm, New Haven: With the proposed modifications, employers will now be prohibited from inquiring about a prospective employee's wage and salary history prior to an offer of employment. It will combat the wage disparities between men and women which have grown over time, particularly when an employer bases an employee's salary at a new job based on the salary earned in a previous position

Bernard G. Kokinchak, Southbury, Resident: Mr. Kokinchak submitted written testimony suggesting substitute language regarding practices of employers that are not mentioned in the bill. Included in his assessment are issues regarding individuals with disabilities, unequal assessments in personnel reviews by supervisors and reasons for gaps in employment history.

Julie Kushner, Director WAW Region 9A: Paying two people different amounts for the same work is unjustifiable. Using a worker's past salary information is just an excuse to pay less. This was wrong when she was a secretary 40 years ago and still wrong today. This bill, a meaningful step towards treating women workers fairly, is long overdue. It is just basic common sense.

Ned Lamont, Business owner: Equal pay for equal work would contribute to ending Connecticut's fiscal woes. Women employed full time lose a combined total of \$15 billion due to the wage gap. Paying all employees fairly is important to the culture of a company. When someone is treated unfairly, it impacts the morale across the workplace and reduces productivity.

Zak Leavy, Legislative Advocate, AFSCME, Council 4: The wage gap widens when information is disaggregated. Greater economic activity and increased spending power for all is achieved by addressing this gap.

Kaley Lentini, Legislative Counsel, American Civil Liberties Union of Connecticut: Although they support this bill, they feel the language in house bill 5386 is preferable and stronger. They oppose discrimination and barriers to women in male-dominated fields as well as the systemic undervaluing of work in fields dominated by women. Discrimination on the basis of race, ethnicity, national origin and religion are unfair employment practices that disproportionately harm women. The pay gap increases with age and exists across workers of all educational levels. Connecticut must take meaningful steps to eradicate this workplace discrimination against women.

Rick Melita, Director, Service Employees International Union (SEIU) CT State Council: Women are almost half of the workforce and often are the sole or co-breadwinner in half of American families with children. They receive more college and graduate degrees than men, yet on average, they continue to earn considerably less.

Carolos Moreno, CT State Director, Working Families Organization: Women and workers of color are hit especially hard by gaps in policies and the unfair practices of some employers. We must be a state that allows everyone to thrive.

Lori J. Pelletier, President, AFL-CIO: Gender-based pay inequity is not a relic of previous generations. Recent surveys found the problem is worse than believed and Connecticut's wage gap for women is even greater at 69 cents than the national average of 71 cents for every dollar earned by a man. The disparity is even greater for women of color. It exists for highly educated women and those who have attended some college but didn't complete a degree. Some earn less money than men who never attended college at all. Women with graduate degrees earn less than men with only a bachelor's degree and even in the same occupations; women are paid less, especially within high-salary management positions and finance occupations.

Permanent Commission on the Status of Women: Their testimony explained the impact of the wage gap in CT. If women earned the same as men, the poverty rate would be cut by more than half. Women's earnings in CT would increase by \$6.9 billion per year. This is the money of consumers, savers and owners of assets. Pay equality legislation should require employers to provide equal pay for 'comparable work, defined by substantially similar skill, effort and responsibility and performance under similar working conditions as opposed to 'equal work' as in our current law. This provision is not included in the bill. Pay inequity becomes a self-perpetuating problem when a woman's initial wage at a new job is based on previous wages. Massachusetts offers a good example of how to fix these problems.

Ann Pratt, Director, Citizen Action Group: Committed to putting people first and advancing to a more equitable and just society, their testimony said if the wage gap was eliminated, women would have enough money for approximately 81 more weeks of food for their families, 5 more months of mortgage and utility payments and nearly 10 more months of rent payments.

NATURE AND SOURCES OF OPPOSITION: NONE.

Reported by: Marie Knudsen

Date: March 28, 2018