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Committee on Labor and Public Employees

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

S.B. 2 and H.B. 5004: *An Act Increasing the Minimum Fair Wage*

H.B. 7191: *An Act Increasing the Minimum Wage*

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The Connecticut Women's Education and Legal Fund (CWEALF) is a statewide non-profit that advocates for and empowers women and girls in Connecticut, especially those who are underserved or marginalized. For forty-five years, CWEALF has advocated for policies that advance the economic security of women across our state and promote gender equity in the workplace.

CWEALF urges the Committee to support S.B. 2 and H.B. 5004: *An Act Increasing the Minimum Fair Wage* to incrementally raise the minimum wage in Connecticut to \$15.00 by Jan 1, 2022 and index the minimum wage to the Consumer Price Index beginning January 1, 2023. Both bills will also repeal the training wage from current state statute, a mechanism to pay new and young workers under the age of 18 less than the full minimum wage.

The current minimum wage in Connecticut is far below what is needed to meet a family's basic financial needs.¹ The Basic Economic Security Tables (BEST) calculate that, on average, a working adult in Connecticut without children who does not receive benefits must earn \$43,392 annually, or \$20.55 per hour, to achieve financial security.¹ 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.²

Connecticut United Way's 2018 Asset Limited, Income Constrained, Employed (ALICE) Report also indicates that Connecticut's statewide average Household Survival Budget for a family with two adults and two children is \$70,788. Under the state's current minimum wage of \$10.10 per hour, a worker's income amounts to just \$21,008 annually.³

A minimum wage that does not provide the means to be financially secure disproportionately impacts women and exacerbates the gender pay gap. Women currently make up nearly half of the Connecticut workforce and are a growing number of breadwinners to their families. However, they continue to earn significantly less than their male counterparts. Women in our state earn, on average, \$0.83 to every dollar paid to men.⁴ This discrepancy is significantly larger for women of color, who are overrepresented in the low-wage workforce. African American women earn \$0.57 and Latina women earn \$0.47 compared to every dollar earned by white, non-Hispanic men.⁵

In Connecticut, more than 170,000 family households are headed by women. Roughly 24% of those families, or 40,431 family households, have incomes that fall below the poverty level.⁷ Sixty percent (60%) of the roughly 336,000 workers in Connecticut who currently earn less than \$15.00 per hour

¹ "BEST Result" IWPR, www.basiceconomicsecurity.org/best/budget.aspx.

² See note 1.

³ "Connecticut Minimum Wage for 2017, 2018." *Federal and State Minimum Wage Rates for 2018*, Minimum-Wage.org, www.minimum-wage.org/connecticut

⁴ Connecticut National Women's Law Center, <https://nwlc.org/state/connecticut/>

⁵ National Women's Law Center. Retrieved from <https://nwlc.org/state/connecticut/>

are women.⁶ Incrementally raising the minimum wage to \$15.00 will provide essential relief to working women and their families. Research indicates that more than 37% of African American and Hispanic women would directly benefit from an increase in the minimum wage.

Raising the minimum wage will boost economic activity and increase much-needed revenue in our state. Workers who earn more have access to additional disposable income to put directly back into the local economy, support businesses, and pay more in sales tax. Research also shows that raising the minimum wage reduces recidivism rates, improves workers' mental health, and decreases rates of child neglect. Workers who earn more are also less reliant on safety net services such as SNAP, HUSKY, and childcare subsidies, which saves the state money in the long term.

While we support S.B. 2 and H.B. 5004, we have concerns about the proposal in H.B. 7191. House Bill No. 7191 more than doubles the impact of the subminimum wage training period for new hires and workers under the age of 18 by expanding the training period and reducing the subminimum wage rate from 85% of the full minimum wage to 75%. Under H.B. 7191, full-time workers could lose more than \$1,900 during the training period than as provided in current statute, a loss that workers who earn minimum wage simply cannot afford.

House Bill No. 7191's proposal to expand the subminimum training wage benefits fast food and retail chains with high-turnover staffing models. It also incentivizes employers to fire workers as they "age out" of the training wage period.

New or younger workers are not subject to different health and safety standards or different guidelines regarding worker's compensation or anti-discrimination. Similarly, Connecticut should not allow employers to pay new or younger workers a lower minimum wage.

Thousands of residents in Connecticut currently live without basic financial security and the means necessary to live healthy and productive lives. Connecticut is currently surrounded by states with higher minimum wages: New York and Massachusetts recently passed similar legislation to gradually raise the minimum wage to \$15 per hour. Vermont, Maine and Rhode Island already have a higher minimum wage than Connecticut's and are currently considering increases.

CWEALF strongly urges lawmakers to support S.B. 2 and H.B. 5004 to provide much needed relief to minimum wage workers, the majority of whom are women and people of color, and their families across our state.

⁶ Noonan, Ray, and Derek Thomas. *The State of Working Connecticut*. Connecticut Voices for the Children, Sept. 2016.