

Connecticut Commission on
Women, Children *and* Seniors



CWCS

**Testimony of
Christine Palm
Commission on Women, Children and Seniors
Submitted to the
Labor and Public Employees Committee
January 31, 2017**

Re: H.B. 5210: AN ACT CONCERNING VARIOUS PAY EQUITY AND FAIRNESS MATTERS

Senators Gomes and Miner, Representative Porter, ranking members, and distinguished members of the Labor and Public Employees Committee: my name is Christine Palm, and this is my first time testifying as Communications and Women's Policy Analyst for the Legislature's Commission on Women, Children and Seniors. Thank you for this opportunity to provide testimony to express the Commission's strong support of H.B. 5210.

Two years ago, the General Assembly passed Governor's Bill No. 6850, which created more transparency concerning wages in the enlightened belief that it's hard to know if you are the victim of discrimination if you cannot ascertain how your own wages compare with other workers with comparable skills and experience.

H.B. 5210 takes pay equity even further. Because gender-based wage discrimination often begins with a young woman's first job, the disparity only widens with each subsequent job, if her wages are based on previous employment. Simply put, it takes some fancy footwork to catch up when you start off on the wrong foot, and are out of step with your peers. And this disparity early in a woman's career only compounds over time, which is why women aged 20-24 experience a relatively small gap (but a gap none-the-less at about 92% of a man's salary) but by the time they reach 55-64 years of age, that gap has widened to 76%.¹ This is, of course, especially pernicious as a woman nears retirement age. So, in prohibiting employers from asking applicants how much they currently make, H.B. 5210 helps nip this discriminatory process in the bud.

One of the great things about being in public service is the transparency about our wages: we work for the taxpayers, and so the taxpayers can find out, with very little effort, how much we make. This is one reason why in government, women's wages tend to come much closer to men's wages than they do in the private sector. But in the absence of such transparency, there is often little incentive for private companies to pay women the same as they do men.

Here's where the second notable aspect of H.B. 5210 comes in: it encourages companies to self-regulate by doing a voluntary audit of wage practices. By permitting employers to demonstrate that,

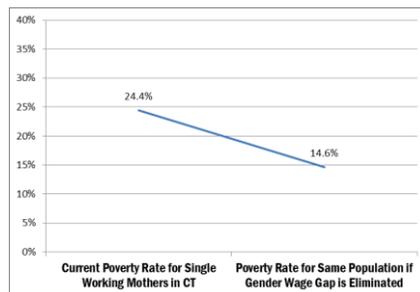
¹ Bureau of Labor Statistics <https://www.bls.gov/opub/reports/womens-earnings/archive/highlights-of-womens-earnings-in-2014.pdf>

within three years before a gender-based wage discrimination lawsuit has begun, the employer completed a good-faith audit of its pay practices and has made progress remedying the discrimination, this bill will encourage companies to self-regulate to the good of all.

Pay equity isn't only a moral business practice, it's a smart one, too. As a driver of the economy, women suffering wage loss have less discretionary income to spend on goods and services. So in this time of widespread economic upheaval, pay equity would add an estimated of \$447.6 billion to the U.S. economy. (This is equal to 2.9% of 2012 GDP)²

Pay equity's effect on poverty is just as dramatic. The current poverty rate for *all* working women in Connecticut is 5.5%.³ If working women earned the same as comparable men, the poverty rate would drop to 2.4%. The effect on *single* working mothers is even greater. In Connecticut, nearly a quarter of single working mothers are below the poverty rate (24.4%). If they earned the same as comparable men, their poverty rate would drop to 14.6%.⁴

It's not hard to see why pay equity is especially critical for women of color; Latinas earn, on average, just 47 cents to the white male dollar, and African American women in Connecticut earn about 60 cents.



In closing, I'd like to say a word about how Connecticut fares nationally. We are consistently in the top five states by a range of metrics gauging the quality of life for women. The Commission on Women, Children and Seniors would like our state to stay in this top tier, where we belong. (See attached chart.) It cannot be ignored that the tenor of the times are such that women's rights are being abrogated daily.

Our state has a chance to become a leader in enacting meaningful pay equity legislation, and in so doing, send a message to our own residents, and the rest of the nation, that this state cares about gender equity, fair play and smart economics. Thank you.

Re: H.B. 5210 and Family and Medical Leave

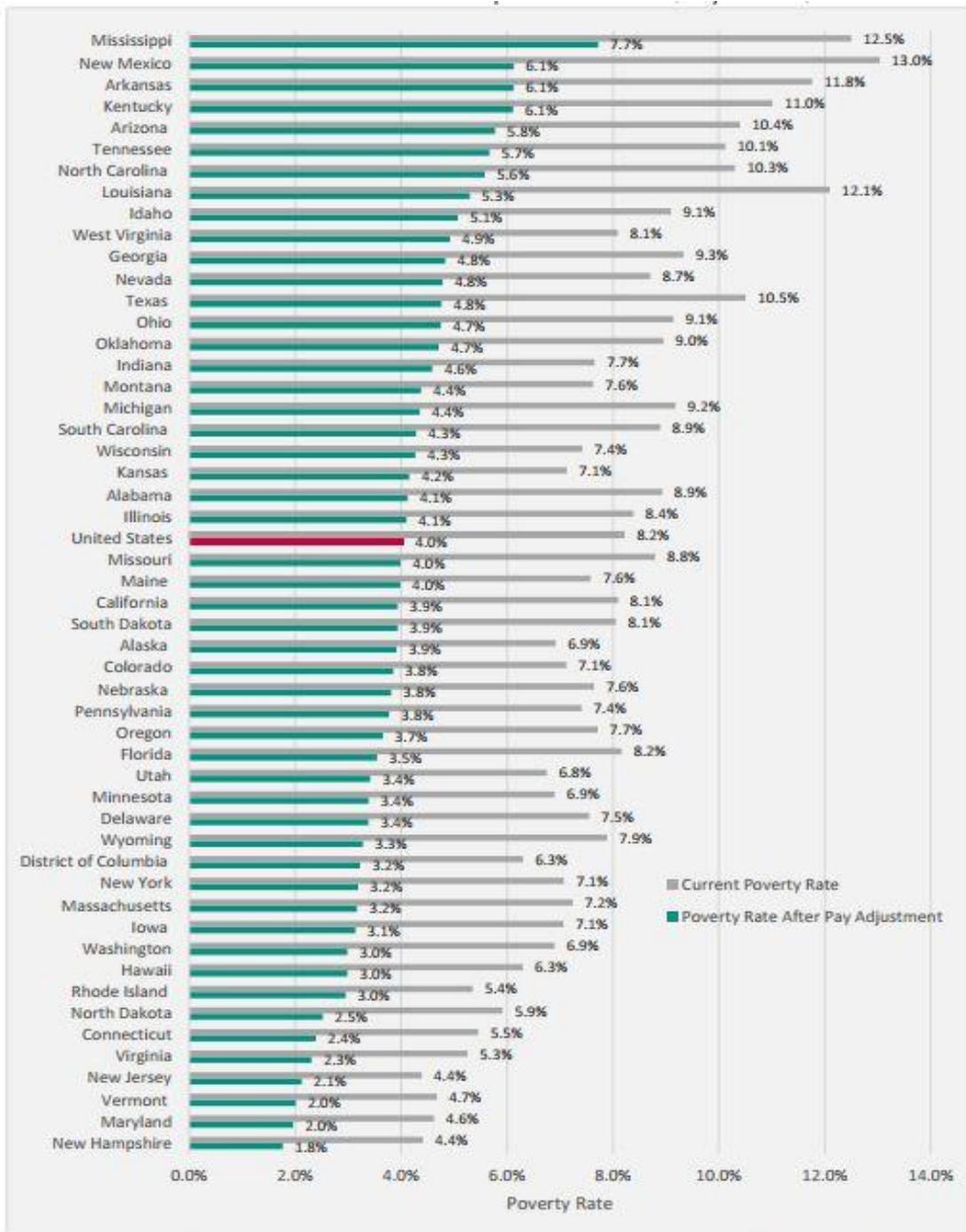
As the General Assembly considers legislation concerning paid family and medical leave, it's worth noting that H.B. 5210 will protect seniority pay differentials from being reduced if a worker needs to take time off to care for herself or a loved one, including birth or adoption of a child. Women remain the primary caregivers in most families and as such, are more likely to suffer wage loss, as well as career advancement, because of unpaid leave. The CWCS applauds the fact that this bill would not allow such leave to diminish wages earned because of seniority.

² <http://www.iwpr.org/press-room/press-releases/equal-pay-for-working-women-would-boost-the-economy#sthash.zbET0PPO.dpuf>

³ http://statusofwomendata.org/app/uploads/2016/02/SWS-Equal-Pay-and-Poverty_final.pdf

⁴ Ibid.

Current poverty rate and estimated rate if all working women earned the same as comparable men, by state, 2014 (Source: Institute for Women's Policy Research, calculations based on Current Population Survey Annual Social and Economic supplements based on Flood, et al, 2013-2015, for calendar years 2012-2014.)



Source: IWPR calculations based on the Current Population Survey Annual Social and Economic supplements based on Flood et al., 2013-2015 (for calendar years 2012-2014). Integrated Public Use Microdata Series. Version 4.0.