

Labor & Public Employees Committee

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

S.B. 15: *An Act Concerning Fair and Equal Pay for Equal Work* and

H.B. 5386: *An Act Concerning Various Pay Equity and Fairness Matters*

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The Connecticut Women's Education and Legal Fund (CWEALF) is a statewide nonprofit that advocates for and empowers women and girls in Connecticut, especially those who are underserved or marginalized. For nearly 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.

We urge the Committee to support S.B. 15: *An Act Concerning Fair and Equal Pay for Equal Work* and H.B. 5386: *An Act Concerning Various Pay Equity and Fairness Matters*.

Nationally, women are the co- or main 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 79 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 help 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

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

³ 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>.

⁴ See note 3.

found that one year after college graduation, women earned 82 percent of what their male counterparts earned.⁵

In 2013, CWEALF served on Governor Malloy's Gender Wage Gap Task Force and subsequently 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. 5386 considerably strengthens Connecticut's stance on pay equity and builds on previous efforts to combat pay discrimination by prohibiting employers from inquiring about a potential hire's salary history.

The practice of setting pay based on a worker's past salary exacerbates gender and racial wage gaps: by inquiring about an applicant's salary history, employers unknowingly continue a cycle of lower earnings that may have begun with just one discriminatory pay decision much earlier in an applicant's career.

In an interview, if a potential employee has to answer how much they made at their previous job, the employer may start them at a higher salary proportionate to their 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.

The use of salary histories in the hiring process forces women, especially women of color, to carry pay discrimination with them from job to job. Women also continue to shoulder the majority of family caregiving responsibilities and are more likely to reduce their hours or leave the workforce entirely to care for their children or other family members. The use of salary history therefore harms women who seek to re-enter the workforce if their last salary no longer reflects their current qualifications.

In 2017, 42 states introduced pay equity legislation similar to H.B. 5386. In addition to several municipalities across the country, Massachusetts, Delaware, Oregon and California have passed legislation that prohibits the use of salary history in the hiring process. Removing the salary history question has also become common practice among large corporations, including Amazon, Facebook, and Google. House Bill No. 5386 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 House Bill No. 5386 is a step forward to end 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, increasing access to comprehensive healthcare, raising the minimum wage, and expanding sexual harassment trainings and protections in workplaces across the state.

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/>

⁶ See note 1.

CWEALF urges the Committee to support H.B. 5396 and looks forward to continuing to work with lawmakers on both sides of the aisle to pass this important legislation this year.