

# PAY EQUITY IN CONNECTICUT

## QUICK FACTS

### *Women, especially women of color, in CT earn significantly less than men.*

- On average, women in Connecticut are paid \$0.83 for every dollar paid to men.
- The wage gap is greater for women of color: African American women in CT are paid 57 cents, Latina women 47 cents, and Asian women 80 cents for every dollar paid to white, non-Hispanic men.
- If current trends continue, women in CT will not receive equal pay until the year 2058.
- Nationally, Hispanic women will wait until 2224 and Black women will wait until 2119 for equal pay.
- New research suggests that by looking at 15-year career trajectories of all men and all women over time, the wage gap is actually closer to 51 cents, which suggests the gender wage gap is actually significantly larger.

### *The wage gap adds up over time.*

- The gender wage gap begins immediately after college: one year after graduation, women earn an unexplained 7% less than their male peers. The gap then follows women throughout their careers, which negatively impacts women's ability to save for retirement and reduces women's social security benefits.
- Lower wages mean women need to save for retirement longer and cannot retire at 65. They also reach retirement with fewer assets than men.
- On average, women in CT lose \$529,160 over the course of a 40-year career due to the gender wage gap. White women in CT lose \$637,280, Black women lose \$1,212,480, Latinas lose \$1,488,800 and Asian women lose \$552,840 due to the gender wage gap.

### *Women's earnings are critical to economic growth.*

- More than 170,000 households in Connecticut are headed by women. About 24% of these households have incomes that are below the poverty level. By eliminating the pay gap, these female-headed households would have access to much-needed income to sustain their households.
- In Connecticut, 5.5% of working women live in poverty. If the gender wage gap did not exist, this number would drop to as low as 2.4%. The current poverty rate for single working mothers in CT is 24.4%. This number would drop to 14.6% if they received pay equal to their male counterparts.
- If women received equal pay, the United States economy would produce additional income of \$512.6 billion, which represents 2.8% of 2016's gross domestic product (GDP).

## POLICY RECOMMENDATION

### *To continue to combat the gender wage gap in CT, legislation should:*

- Raise the minimum wage to **\$15 an hour**, which will help close the wage gap by increasing pay for those workers who are at the bottom of the spectrum. Research from the Economic Policy Institute indicates that by increasing the federal minimum wage to \$15 an hour by 2024 would give one-third of all working women a pay increase, including 37% of women of color.
- Require employers to pay their employees **equal wages** for comparable work, or work that requires similar skill, effort, responsibility, and that is performed under similar working conditions.
- Encourage employers to **regularly examine** their pay practices through self-audits and take necessary steps to remedy any pay discrepancies.

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