Labor and Public Employees Committee
Public Testimony of the Connecticut Women’s Education and Legal Fund (CWEALF)
S.B. 353: AN ACT CONCERNING TIPPED CREDIT WORKERS AND INDEXING
Submitted by: Madeline Granato, Policy Director and Rachel Catanese, Policy Intern
March 5, 2020

The Connecticut Women’s Education and Legal Fund (CWEALF) is a statewide, nonprofit organization that advocates for and empowers women and girls in Connecticut, especially those who are underserved or marginalized. For forty-six years, CWEALF has been a leading advocate of policy solutions that enhance women’s economic security and promote gender equity in the workplace.

CWEALF urges the Committee to support Senate Bill No. 353: An Act Concerning Tipped Credit Workers and Indexing. This bill allows tipped employees to earn a fairer wage and prevent employers from paying their employees a non-livable wage.

In 2019 Connecticut passed legislation to gradually raise the minimum wage to $15 per hour by 2023 but delinked the tip credit from the full minimum wage. Senate Bill No. 353 will index the tipped minimum wage with the minimum wage and will allow both wages to increase consistently with inflation over time. Senate Bill No. 353 is a critical step to combat pay inequities for tipped workers, who are disproportionately women.

Tipped workers are already among the lowest-paid and most vulnerable workers in our economy. The weekly earnings of tipped workers are often uncertain due to unpredictable schedules and customer attendance in the restaurant business. Research also demonstrates that tipping is a discriminatory practice, as it benefits white service workers who often receive larger tips for the same quality services as black service workers.1

Additionally, ninety percent (90%) of women who work for tips in the restaurant industry report they experienced some form of sexual harassment or assault in the workplace.2 Workers often endure sexual harassment because reporting can jeopardize their ability to earn tips. Indexing wages for tipped workers will hinder the impacts of discriminatory tipping.

---

A minimum wage that does not provide the means to be financially secure specifically impacts women and exacerbates the gender pay gap. Seventy percent (70%) of the state’s 48,000 tipped workers are women - 19.5% of which are women of color.³ Sixty percent (60%) of the roughly 336,000 workers in Connecticut who currently earn less than $15.00 per hour are women.⁴

Connecticut United Way’s 2018 Asset Limited, Income Constrained, Employed (ALICE) Report 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 $11 per hour, a worker’s income amounts to just $22,880 annually.⁵ Senate Bill No. 353 will ensure tipped workers can take home as much earnings as possible to support themselves and their families.

CWEALF urges lawmakers to support Senate Bill No. 353 and protect tipped wage workers, the majority of whom are women and people of color, and their families across our state.

---