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Sunset Review of Pay Equity Commission

Testimony to Senate Business, Labor & Technology Committee

By Sarah Freeman

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Thank you for the opportunity to submit this testimony to the committee.

My name is Sarah Freeman and I am a policy analyst at the Bell Policy Center. The Bell is a non-partisan, non-profit research and advocacy organization founded on progressive values and dedicated to making Colorado a state of opportunity for all.

The Bell Policy Center has supported past efforts to create the Colorado Pay Equity Commission (PEC). Rich Jones, the Bell's Director of Policy and Research, served as a member of the 2007 Pay Equity Commission, which was created within the Colorado Department of Labor and Employment. Keeping with this trend, the Bell supports DORA's suggestion to renew the PEC beyond 2015. The PEC has been assigned the nearly impossible task of eliminating a long-standing pay gap with few resources. It is a task that we believe must be continued if Colorado is to stand out as a great state for employees and employers alike.

We believe that all Coloradans deserve a fair shot at success. The work of this commission is part of providing that fair shot. A report published by the PEC in 2008 found that a Colorado woman earned approximately 79 cents of every dollar earned annually by a Colorado man.¹ Women of color earned even less, while men of color fell in between. While we recognize that the pay gap is affected by a host of factors outside of race or gender, research suggests that even when controlling for variables such as work experience, job segregation or educational attainment, the gap still exists.²

While gender is usually the central focus of the pay inequity discussion, pay gaps also exist among different racial groups. Non-white families earned half of what white families earned in 1989.³ Today, that number is closer to 65 percent. While substantial data on racial pay gaps is still lacking in Colorado, we believe that it should remain an important piece of the conversation.

We believe that decreasing the pay gap could have significant impacts for hard-working Coloradans throughout the state. In the report released by the PEC, it cited pay equity as a poverty-reduction and economic-development tool and as a tool for relieving stress-related

health problems. In conjunction, this could result in significant savings for the state. Colorado estimates suggest that savings through lower Medicaid and CHP+ spending could result in savings of up to \$11.4 million annually. Additionally, if full-time, year-round female workers were paid at parity, they would generate between \$3.6 billion and \$11.6 billion dollars annually, providing new stimulus to the Colorado economy.⁴

But workers and taxpayers are not the only beneficiaries of greater pay equity. The PEC's 2008 report found that flexibility in the workplace lessened pay inequity while simultaneously providing benefits to the employer.⁵ First, employers that offer flexible scheduling and pay equity have a leg up in what they can offer in non-financial incentives when hiring. Additionally, both workers and managers who operate within flexible schedules report higher productivity and job satisfaction. Furthermore, studies suggest flexibility decreases turnover, saving employers money and productivity.⁶

All of these benefits will be achieved only through the continuation of the PEC's work. Already, it has created a user-friendly fact sheet on best practices that make pay parity more attainable for any organization. It also released a strategic marketing campaign and partnered with a media outlet to extend its reach. It continues to research what other states are doing and has developed a partnership with CSU to create a framework for the state of Colorado, all with very few resources.

Overall, the Bell Policy Center would like to continue to see the PEC work to reduce pay inequity Colorado. This is an important issue for all Coloradans, and we must continue to focus our efforts on the most effective strategies in closing the gap. A national organization, the Institute for Women's Policy Research, believes that at our current trajectory, the wage gap will not close until 2058.⁷ The hard-working people of Colorado deserve pay equity sooner than that.

We support continuation of the Colorado Pay Equity Commission. Thank you for allowing us to submit our testimony today.

¹ Fulfilling the Promise, Closing the Pay Gap for Women and Minorities in Colorado, Pay Equity Commission, March 2008.

² Dinovitzer, Ronit, University of Toronto and American Bar Foundation; Reichman, Nancy, University of Denver; and Sterling, Joyce, University of Denver, The Differential Valuation of Women's Work: A New Look at the Gender Gap in Lawyers' Incomes, December 2009.

³ Racial Inequality, Inequality.org, A Project of the Institute for Policy Studies, accessed Jan. 20, 2015.

⁴ Fulfilling the Promise, Closing the Pay Gap for Women and Minorities in Colorado, Pay Equity Commission, and March 2008.

⁵ Ibid.

⁶ Levin-Epstein, Jodie, Responsive Workplaces, The business case for employment that values fairness and families, Center for Law and Social Policy, March 5, 2007.

⁷ Hayes, Jeff, Gender Wage Gap Projected to Close in Year 2058: Most Women Working Today Will Not See Equal Pay During Their Working Lives, Institute for Women's Policy Research, September 2013.