

Testimony to the New York State Department of Labor

Gender Wage Gap Hearing

Date: June 26, 2017

Good afternoon. My name is Camille Emeagwali, Director of Programs at The New York Women's Foundation, the largest women's fund in the United States.

The New York Women's Foundation has 30 years of experience investing in women-led, community-based solutions that promote the economic security, safety, and health of the most vulnerable women in New York City. As such, we hope to use today's platform to amplify the voices of our grantee partners that have done the critical work of identifying the specific causes of the gender wage gap and the solutions to close that gap for women in New York City.

First, I would like to thank Governor Andrew Cuomo, Lieutenant Governor Kathy Hochul and State Labor Commissioner Roberta Reardon for inviting us to give testimony at today's hearing. We applaud the Department of Labor for prioritizing the gender wage gap in New York State. Governor Cuomo's past achievements - including the Women's Equality Act and Executive Orders #161 and #162 - are great building blocks to move us closer to achieving pay equity for women. Although New York has the smallest wage gap of any state in the country, we commend the Governor, the Lieutenant Governor, and Labor Commissioner for continuing to work towards solutions to close the gap. We too believe this issue is vitally important to ensure the economic security of women and families in New York City.

The Specific Causes of The Gender Pay Gap

In recent years, The Foundation has examined the issue of the gender wage gap. In New York, women earn only 87.6 percent of what men do, according to "The Economic Status of Women in New York State," an analysis commissioned this past fall by The New York Women's Foundation in partnership with The Institute for Women's Policy Research (IWPR). The report estimates that while progressing at the current rate, the same since 1960, the state's gender and racial wage gap will not close until the year 2049. Overall, the report found that women earn less than their male counterparts, are more likely to live in poverty, and are less likely to own businesses. And, there are significant disparities across racial and ethnic groups; with women of color fairing far worse than white men and women.

The New York Women's Foundation also developed an issue brief last year entitled, "Addressing the Economic Security & Well Being of Low-Income Mothers in NYC." It showed that in New York City, single, childless women under age 35 earn **96 cents** for every dollar earned by men, whereas women ages 35 to 65 who are likely to have children and more

caregiving responsibilities, earn only **78 cents** on the dollar. Research shows that this 'caregiving penalty' affects all working women, but that it affects low-wage female workers most acutely and severely, with each new child bringing a pay penalty of 15 percent, compared to 4 percent for higher-wage mothers. **The demands of caregiving push women out of the workforce during their prime earning years.** In the short-term, it prevents women from meeting their families' basic needs around shelter, food and healthcare, forcing them to depend on public assistance. In the long run, it jeopardizes their long-term earning potential, asset building, and subsequent social security payments in old age, thus perpetuating the cycle of intergenerational poverty.

Last year, the Foundation released a publication entitled, *Voices From the Field: Blueprint for Investing in Girls Ages 0-8*, which highlights the fact that NYC's low-income black, Latina and immigrant mothers/grandmothers are often **the sole or main wage earners for their families.** In addition to the wage gap, low-wage working mothers can count on very few of the supports and protections that all working mothers need to manage their multiple, frequently conflicting responsibilities. They are minimally-paid for their efforts. Their employers generally **demand work schedules that are both too unpredictable to allow for reliable childcare arrangements and too rigid to accommodate the occasional family emergency.** And – perhaps most challenging of all – they have extremely limited options and supports available to manage their children's care while they are on the job. Further, New York's publicly-supported childcare services were never intended – nor adequately funded – to reach all the hard-working low-wage mothers who need them. **While many low-income families are eligible for childcare subsidies in NYC, only 1 in 4 families receive them due to a shortage of available slots and qualified centers.** In a context where women - and especially women of color - are not paid the same as men for the same job, these additional barriers create challenges to workforce participation and quality of life for NYC families.

We can also point to other reasons for the wage gap, including:

- **Low levels of formal education and training.**
 - About 1 in 4 women in female-headed households in NYC drop out of high school and 31 percent had a high school diploma, placing them at huge disadvantage for achieving well-paying jobs.
- **Difficulty accessing living wage, sustainable career paths.**
 - Many women are employed in low-paying retail and service sector jobs with limited opportunities for advancement, such as Health Aides and Cashiers with median earnings at \$21,450 and \$20,030 respectively; more than 25 percent do not have health insurance, paid sick leave or pensions.

Ideas for Closing the Gender Pay Gap.

The Foundation has funded and partnered with countless community-led organizations that

have worked incredibly hard for many years to close the gender wage gap. There are signs of progress--policy changes that will level the gender and racial wage gap due in great measure to the work of advocates such as A Better Balance, the New York Paid Leave Coalition, and PowHer NY.

We respectfully request that the Governor focus on the following short-term and long-term solutions to close the gender pay gap in New York State:

1. Advance What Works: Ensure the Implementation of Laws That Protect the Rights of Women at Work

In recent years, gender equity advocates have successfully fought for laws that protect and support women's rights in the workplace. We know that when women have predictable schedules, are given the flexibility to take care of family and loved ones while also making a living wage, it increases their long-term earnings further closing the gender wage gap. Last month, the "Fair Workweek" package of bills became law in New York City, and it will tackle abusive scheduling practices to ensure that predictable schedules and predictable paychecks for fast food and retail workers in New York City will be soon be rights, not privileges.

In 2016, the Mayor of New York City signed an executive order that will eliminate salary history as a requirement when a person applies for a job with the City. This policy change will help break the cycle of wage discrimination and close the wage gap, because salary history is often used a tool for setting wages, and thus can perpetuate the inequitable pay scale that women face with each successive job. We encourage the Governor to sign similar legislation at the state level.

As part of New York State's 2016-2017 budget approval process, Governor Andrew Cuomo signed two pieces of legislation affecting employers: 1) A minimum wage increase and 12 weeks paid family leave. Statewide, the \$15 minimum wage, will lift the earnings of more than 2.3 million New Yorkers, more than half of whom are women. 2) The paid family leave policy, the most comprehensive in the nation, will help workers maintain financial stability while caring for a new child or sick relative

On the federal front, the U.S. Equal Employment Opportunity Commission, in cooperation with the Department of Labor, now offers a tool to help root out unlawful pay discrimination by collecting compensation data by gender, race and ethnicity from businesses with 100 or more employees. On the federal, state and local levels, there must be better enforcement of equal employment opportunity laws; policies that address a lack of work/family supports; improved access to educational opportunities—especially for women of color; career guidance for women on the earnings potential of different fields of study and occupations; and incentives for female entrepreneurs and business owners.

2. Create pathways to higher paying jobs in high-growth, high-demand sectors.

In order to be paid a living wage, and ultimately close the wage gap, we urge you to deepen your investment in building women's economic security. Assist women to complete high school, pursue higher education, and receive quality adult education and English as a Second Language instruction.

It is also important to increase women's access to middle skill and living wage employment opportunities. In order to move women toward full economic security and participation in New York City, workforce development training programs will need to focus on jobs in high demand fields that have the potential for higher wages and earnings over time and that have clear pathways for advancement. There is an urgent need to create targeted workforce development programs and initiatives in the City focused on women, particularly low-income single mothers, and in communities with high levels of unemployment such as the South Bronx, East Harlem and East New York.

3. Support women's stability and prosperity in the workplace.

First and foremost, **expand access to high quality childcare and early childhood education for low-income children.** These programs and initiatives should also take into consideration the caretaking demands of women and the supports that will be necessary to move families forward while training and education occur. **Pass legislation to expand worker control of schedules.** Unpredictable work schedules are a leading cause of economic instability for low-wage workers, especially those with children, as they undermine a mother's ability to count on steady income, secure consistent and quality childcare, and engage in secondary education opportunities needed to gain better employment. One of our grantee partners, *A Better Balance*, is leading the way in passing legislation in New York City that addresses abusive scheduling practices.

To conclude, The New York Women's Foundation wants to be a strong partner with the Governor, the Lt. Governor, the New York State Department of Labor, and community-led organizations to create an equitable and just future for women and their families in New York City by closing the gender wage gap. Collaborating with philanthropy and community-led organizations is essential to better understanding the nuances and complexities of this issue as these organizations are closer to the ground and armed with the tailored solutions needed, including approaches that consider racial and ethnic justice lens, in addition to gender and class. Ultimately, to end the gender and racial wage gap, we must place the same socioeconomic value on the work done by women as the work done by men.

Thank you for this opportunity to testify.

Respectfully submitted:



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