



**Testimony in Support of House Bill 7694**  
**House Labor Committee**  
**Submitted by Douglas Hall, Ph.D.**  
**March 31, 2016**

Chairman Shekarchi, Vice-Chair Palangio, and Members of the House Committee on Labor, thank you for considering H7694, **An Act Relating To Labor And Labor Relations— FAIR PAY ACT**, a bill that the Economic Progress Institute supports.

This legislation takes important steps to address persistent wage differentials based on gender. Figure 1 shows the historic trendline tracking median women’s wages as a percentage of men’s median wages, between 1979 and 2014. If the trend between ’79 and ’14 were projected forward, as women ‘close the gap’ to men’s wages, we see that women’s median wages would not be equal to men’s median wages until the year 2038.

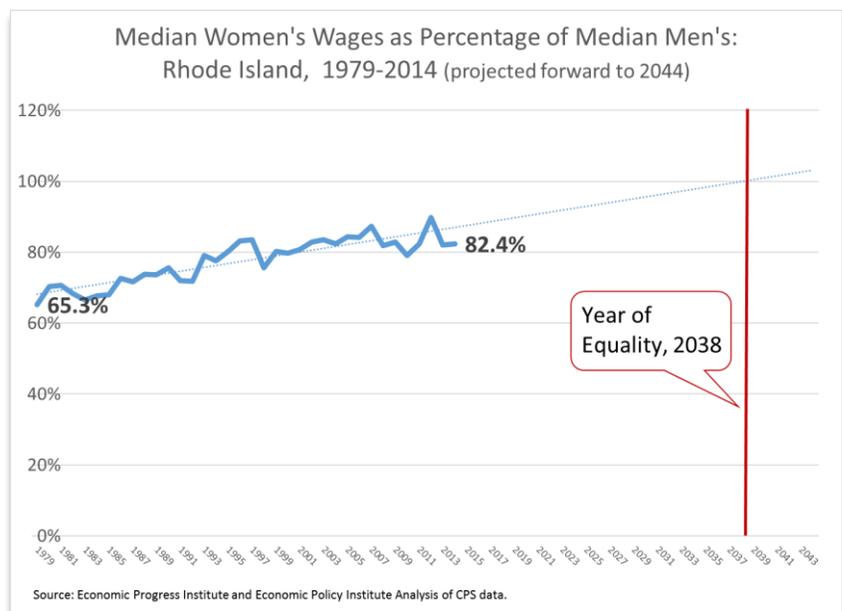


Figure 1

While this legislation will be helpful, other measures being considered by this committee will also have a beneficial impact. We know, for example, that increasing Rhode Island’s

minimum wage to \$11.00 would affect more than one in four (26 percent) women in the workforce, compared to just 17 percent of men in the workforce.

In trying to build an economy that works for all Rhode Islanders and to reverse the trend from higher wage to lower wage jobs that has characterized the period since the Great Recession, we must attract higher skill jobs that pay well, ensure that existing jobs in Rhode Island are family-supporting, while providing the Rhode Island workforce with the education and training necessary to fully engage in the economy.

It is important to understand that many of the forces that have suppressed wages for women over the past three-plus decades have also been eating away at the wages of men. The Economic Policy Institute has recently unveiled a twelve point Women’s Economic Agenda, aimed at improving economic security for women in the workforce, and their families. They note that:

[c]losing the gender wage gap is absolutely essential to helping women achieve economic security. But to bring genuine economic security to American women and their families, we must do more. In particular, we must reverse the decades-long trend of stagnant wages for the vast majority of workers. Indeed, at the same time the gender wage gap has persisted, hourly wage growth for the vast majority of workers has stalled, as the benefits of increased productivity have accrued to those at the top. This is the result of intentional policy decisions that have eroded the leverage of the vast majority of workers to secure higher wages.<sup>i</sup>

The prevalent tendency for those at the top end of the wage spectrum to benefit to a much greater extent than those at the bottom can be seen in Figure 2.

Until we see sustained wage growth for both women and men in the workforce, too many Rhode Island families will continue to struggle. Because this bill is a step in the right direction, we urge you to pass it out of committee.

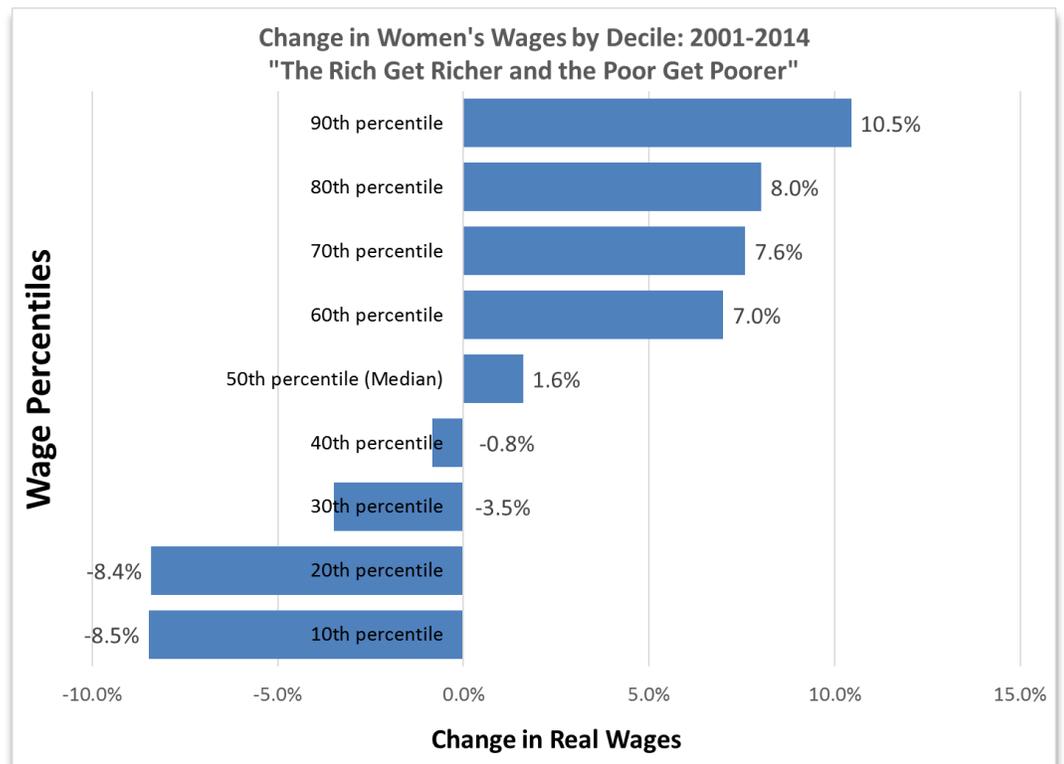


Figure 2: Change in Rhode Island women's wages, 2001-2014.

<sup>i</sup> Alyssa Davis and Elise Gould, “Closing the Pay Gap and Beyond”, Economic Policy Institute, 2015. <http://www.epi.org/publication/closing-the-pay-gap-and-beyond/>.