

Senate Committee on Health Education Labor and Pensions (HELP)  
Roundtable on Women's Economic Issues  
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Testimony of Lori Pelletier  
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Good morning, my name is Lori Pelletier, and I am president of the Connecticut AFL-CIO. As a woman in the labor movement, I know 6.5 million women stand with me everyday. We're the largest working women's organization in the country.

I want to focus on the importance of unions and collective bargaining for the economic security of women. I also want to explain why we in the labor movement are among the strongest supporters of labor standards like the minimum wage and paid sick days and the Family and Medical Leave Act (FMLA), and why we believe so strongly in the funding the agencies that enforce our labor standards.

There has been a lot of attention given lately to the growth of economic inequality and the stagnation of workers' wages since the late 1970s. One important reason why wages have stagnated is that the percentage of workers who belong to unions is a lot lower now than it was then. The decline of unions has had a bigger impact on men's pay than on women's, but it also had a big impact on women. About one-fifth of the growth of wage inequality among women workers from 1973 to 2007 was because of the decline of unions.

Unions today continue to be critical to the economic security of working women and their families, who still face an uphill battle in the workplace. What we are seeing in Connecticut is more and more jobs moving offshore and being replaced with lower paid jobs without benefits, and this puts women's economic security at risk.

When women are protected by a mutually agreed upon collective bargaining agreement, it gives them an important weapon to combat the undermining of their economic security. Collective bargaining raises women's wages by 12.9%, and the union difference is even higher for African-American women, Latina women, and women who have immigrated recently.

The union difference is especially pronounced for women who have less formal education, and for women workers in low-wage industries. In the retail food industry, where women workers are now the majority, unionized women workers earn 31% more than their non-union counterparts.

Collective bargaining is one of the best solutions for gender discrimination because a union contract sets standard rates for different positions. As a result, the gender pay gap for workers covered by a union contract is much smaller – 91 cents on the dollar – than for non-union workers. As women become the majority of the workforce, it is even more important for them to join together collectively to protect themselves and their families.

Collective bargaining also gives women workers more economic security by increasing their chances of having employer-provided health insurance and pension benefits. The share of women workers who have employer-provided health insurance is 18.4 percentage points higher for union women, and the share of women workers who have an employer-provided retirement plan is 22.8 percentage points higher.

Two other ways that collective bargaining helps union workers are paid family leave and short-term disability benefits. Union workers are more likely than non-union workers to have both.

Finally, collective bargaining levels the playing field when it comes to training and opportunities for advancement. When employers offer training programs, often one big issue is whether child care and elder care will be available for workers who want to participate. Without this training, women workers may be put in the position of not being qualified for a promotion, which hurts them and their families. But the availability of child care and elder care is the kind of thing you can negotiate collectively through the union.

I've seen the same kind of productive and fruitful bargaining when it comes to implementation of legislation passed by Congress. Take for example the Family and Medical Leave Act, the FMLA. When it came time to implement the FMLA, collective bargaining made things so much simpler for the workers, for management, for everybody. When we hit bumps in the road, we were able to smooth them out through the union. And when it came time to educating our members about how the new law worked, well, that's one of the things the union does best. Everybody benefits from that.

Speaking of which, I want to say just a few words about labor standards legislation. We believe legislation and collective bargaining go hand in hand. One of the best ways for unions to protect our members is by working with our representatives to pass legislation. We in the labor movement have always been among the strongest supporters of increasing the minimum wage, paid sick days, and paid family and medical leave, and we always will be.

In Connecticut we were the first state in the country to pass legislation requiring paid sick days. That would not have happened without the labor movement. Our members are not the main beneficiaries, but we understand that everybody does better when everybody does better.

In the Connecticut General Assembly, we also have a task force working on paid family and medical leave. The FMLA was a giant step forward, but too many workers can't afford to take FMLA leave.

We in the labor movement strongly support an increase in the federal minimum wage to \$10.10. We understand that women are over-represented in low-wage occupations. Almost a quarter of women workers would benefit from an increase in the minimum wage, and that more than half the workers who would benefit are women.

We also understand the importance of raising the minimum wage for tipped workers, such as restaurant servers, bartenders, and hairstylists, which has not been raised since 1991. Almost three quarters of tipped workers are women. Tipped workers are paid 40% less than other workers, on average, and they are twice as likely to be poor.

I hear people the business community complain about these labor standards and demand less regulation because they say the "free market" will take care of things. But what that boils down to in reality is a lower paid, less safe, and a more exploitable workforce. It's the role of government to ensure that people are protected and are not treated like the property of the business owner.

By claiming "government doesn't work" and then gutting the budget of enforcement and protection agencies because they represent "big government," they are making sure government doesn't work as

well as it should. They are rendering these agencies powerless. Employers in Connecticut know that the chance of an OSHA audit are very low, and an inspection by a state DOL wage and hour investigator is not likely to happen.

So I just want to put in a good word for the funding of enforcement agencies. You know, when Congress passed the Fair Labor Standards Act (FLSA) in 1938, there was one wage and hour investigator for every 11,000 workers. By 2007, there was only one investigator for every 164,000 workers. In 1980 there were about 50% more investigators per employee than there are today.

One way for workers to be protected in the workplace is when the employer is responsible and treats people with dignity and respect. But in my experience this is often not the case. That's why collective bargaining and legislation and enforcement are so important for women workers.