

**Testimony of Cary Brown, Executive Director of the Vermont Commission on Women  
House Committee on General, Housing, and Military Affairs  
April 4, 2018**

**RE: S.40, an act relating to increasing the minimum wage**

Good morning. My name is Cary Brown and I am the Executive Director of the Vermont Commission on Women. The Vermont Commission on Women supports legislation, policies, programs, and initiatives that promote a livable income for Vermonters. More specifically, the Commission supports efforts to increase the minimum wage as one strategy to this end. The Commission has been working for pay equity and economic security for women in Vermont for over 50 years, and I'm pleased to be able to share some information with you today about the connection between these issues and the minimum wage.

Women in Vermont are currently in a more precarious financial situation than men. Raising the minimum wage any amount would in many ways have a disproportionate impact on women, and raising women's earnings would have an additional positive impact on Vermont and its economy.

Women's economic situation in Vermont is precarious:

- The median annual wage for all women in Vermont, full- and part-time workers, is just \$15.03 an hour.<sup>1</sup>
- 43% of women who work full-time in Vermont aren't making enough money to cover their basic needs. But if we look at both full- and part-time workers, 57% of women don't make enough to cover their basic needs. Among single mothers with one child, 86% don't make enough, and for single mothers with 2 or more children, 92% of them aren't making enough money to make ends meet.<sup>2</sup> It's worth noting that in all of these categories, the wage required to meet basic needs is higher than \$15/hour.

Raising the minimum wage would have a disproportionate impact on women in Vermont:

- More women than men are working in minimum wage jobs. In Vermont, it's projected that 56% of workers making \$15 an hour in 2022 will be women.<sup>3</sup>
- 48% of women in Vermont who are currently making minimum wage are over 40, compared to 32% of men.<sup>4</sup>
- Wages rise more for women than for men when the minimum wage goes up. In states that raised their minimum wage in 2015 all low-wage workers saw wages rise, but women's even more than men's: women in the lowest income bracket saw their wages rise 5.2% in states with

<sup>1</sup> U.S. Census Bureau, Public Use Microdata Sample; American Community Survey 5 Year Data Release (2009-2013)

<sup>2</sup> U.S. Census Bureau, Public Use Microdata Sample; American Community Survey 5 Year Data Release (2009-2013)

<sup>3</sup> [http://www.leg.state.vt.us/jfo/issue\\_briefs\\_and\\_memos/Memo%20-%20Minimum%20Wage%20Review%200417%20revised.pdf](http://www.leg.state.vt.us/jfo/issue_briefs_and_memos/Memo%20-%20Minimum%20Wage%20Review%200417%20revised.pdf)

<sup>4</sup> [http://www.leg.state.vt.us/jfo/issue\\_briefs\\_and\\_memos/Memo%20-%20Minimum%20Wage%20Review%200417%20revised.pdf](http://www.leg.state.vt.us/jfo/issue_briefs_and_memos/Memo%20-%20Minimum%20Wage%20Review%200417%20revised.pdf)

a legislated increase, compared to 4.7% for men (and in states with an indexed increase, women's wages rose 3.9%, compared to 3.6% for men)<sup>5</sup>

- A higher minimum wage is linked to smaller pay gaps between men and women. A study conducted by the National Women's Law Center found that states with higher minimum wages have lower gender wage gaps. Raising the minimum wage would particularly help women of color, who face larger wage gaps than white women and who are even more likely to earn the minimum wage.<sup>6</sup>
- In Vermont, women working full-time are 1.3 times as likely as men to earn less than \$10.10 an hour (17% of women compared to 13% of men) – if we include part-time workers, that percentage rises to 28% of all women in Vermont making less than \$10.10/hour (27% of white women, and 33% of women of color)<sup>7</sup>
- Women in Vermont are over twice as likely as men to work in part-time jobs. A full 25% of women work part-time.<sup>8</sup> Part-time work is much more likely to pay minimum wage; nationally, part-time workers are paid minimum wage at a rate 3 and a half times that of full-time workers.<sup>9</sup>
- In their Minimum Wage Analysis in 2014, the Vermont Joint Fiscal Office warned that a minimum wage increase could push families over benefit cliffs and ultimately reduce their available resources.<sup>10</sup> Single parents are among those who would be hardest hit by this “benefits cliff,” and women are disproportionately represented in this population.

Raising women's earnings would have a positive impact on Vermont and its economy:

- Closing the wage gap would reduce the poverty rate in Vermont by 57% and the increase in wages for working women would equal one billion dollars, equivalent to 3.3% of the state's GDP.<sup>11</sup>
- Social Security Draws are based on earnings; higher wages would lead to Vermont workers receiving more benefits in retirement, and would help to reduce future gender disparities and alleviate financial insecurity for Vermont's seniors. (currently VT women receive ½ the social security draw compared to men, \$10k v. 20k).<sup>12</sup>
- The rate of women receiving public support income is twice that of men in Vermont.<sup>13</sup> Nationally, among workers earning less than \$12.16 per hour, every \$1 increase in hourly wages reduces the likelihood of receiving means-tested public assistance by 3.1 percent.<sup>14</sup>

<sup>5</sup> Economic Policy Institute analysis of EPI Minimum Wage Tracker and Current Population Survey Outgoing Rotation Group microdata:

<http://www.epi.org/publication/wages-grew-more-for-low-wage-workers-in-states-that-raised-their-minimum-wage-in-2015/>

<sup>6</sup> [https://nwlc.org/wp-content/uploads/2015/08/higher\\_state\\_minimum\\_wages\\_promote\\_fair\\_pay\\_for\\_women\\_may\\_2015.pdf](https://nwlc.org/wp-content/uploads/2015/08/higher_state_minimum_wages_promote_fair_pay_for_women_may_2015.pdf)

<sup>7</sup> U.S. Census Bureau, Public Use Microdata Sample; American Community Survey 5 Year Data Release (2009-2013)

<sup>8</sup> U.S. Census Current Population Survey 5 Year Average (2011-2015) - Adult Civilian Persons

<sup>9</sup> <https://www.bls.gov/opub/reports/minimum-wage/2015/home.htm>

<sup>10</sup> <http://www.leg.state.vt.us/ifo/reports/Memo%20Minimum%20Wage%20031314.pdf>

<sup>11</sup> Institute for Women's Policy Research fact sheet #R468, “Status of Women in the States,” 2016

<sup>12</sup> U.S. Census Current Population Survey 5 Year Average (2009-2013); restricted to persons 65 years and older

<sup>13</sup> U.S. Census Bureau, Public Use Microdata Sample; American Community Survey 5 Year Data Release (2009-2013)

<sup>14</sup> <http://www.epi.org/publication/wages-and-transfers/#epi-toc-8>