



COLORADO

June 21, 2012

Ellen Golombek, Executive Director
Colorado Department of Labor & Employment
633 17th Street, Suite 201
Denver, CO 80202-3660

Dear Director Golombek:

The National Federation of Independent Businesses/Colorado cannot endorse the actions or beliefs of the Colorado Pay Equity Commission. The commission has failed to consider current research completed by both private and governmental institutions, and this failure has led to many half truths and a very pro-union perspective. Bias and emotion has motivated the agenda. Colorado is missing the opportunity to provide its citizens with verified data that exhibits various variables used in compensation packages. Providing these variables leads both employers and employees to "pay equity" discussions that are constructive and informative, with the emphasis that personal choice is the main driver for an employee's "pay."

The U.S. Department of Labor released a report performed by CONSAD Research Corporation, *An Analysis of Reasons for the Disparity in Wages Between Men and Women*, January 12, 2009. The report includes such factors as occupation, education (including level of attainment and institution selectivity), human capital development, work experience, previous work experience, number of hours worked including part-time employment and overtime, negotiation skills, career interruptions, motherhood, industry, health insurance and other fringe benefits. The report states,

this study leads to the unambiguous conclusion that the differences in the compensation of men and women are the result of a multitude of factors and that the raw wage gap should not be used as the basis to justify corrective action. Indeed, there may be nothing to correct. The differences in raw wages may be almost entirely the result of the individual choices being made by both male and female workers.¹

Additionally, *The White House Report on the Status of Women*, released March, 2011, states: "The labor force participation rate of adult women (age 20 and older) was still significantly lower than that of adult men, 61 percent versus 75 percent in 2009. Moreover, on average, women at every educational level and at every age spend fewer weeks in the labor force than do men." Further into the document it states "Working women spend their days somewhat differently than do working men. In 2009, on the

¹ *An Analysis of Reasons for the Disparity in Wages Between Men and Women*, Prepared for U.S. Department of Labor by CONSAD Research Corporation, January 12, 2009, pg. 2.

days that they worked, employed married women age 25–54 spent less time in labor market work and work related activities than did employed married men in the same age group—7 hours and 40 minutes, compared to about 8 hours and 50 minutes.”² The difference is 5 hours per work week in a 40-hour week, which amounts to an 11% differential. Women therefore work 89% of the time that men work.”³ Further research is found on the BLS website, <http://www.bls.gov/iif/oshwc/foi/cfch0009.pdf>; here is a chart exhibiting that women worked 44% and men worked 56% of total hours worked in 2010.⁴ Before any other factors are taken into consideration, this one factor, number of hours worked, is one-half the loudly misstated 22% pay differential between men and women by the press and this commission.

Some very important recent data has been reported that shows the strength women have in the work place. One study resulted in the statement, “In 2008, single, childless women between ages 22 and 30 were earning more than their male counterparts in most U.S. cities, with incomes that were 8% greater on average.”⁵

Also, the U.S. Bureau of Labor Statistics has other research supporting the fact that the percent of wives who earn more than their husbands has increased substantially in the last twenty years. For married-couple families in which the wife, but not necessarily the husband, had earnings from work, this percentage rose from 23.7% to 34.5% for the years 1987 through 2008. For married-couple families in which both the wife and husband had earnings from work, the percent of wives who earn more than their husbands rose 17.8% in 1987 to 26.6% in 2008.⁶

Warren Farrell, former board member of National Organization for Women, published a book in 2005 titled *Why Men Earn More*. This is a concise analysis supported by studies researched by both private and government entities. The book is an excellent resource for anyone, male or female, looking to increase their earning power. A few points discussed include: higher pay can require working the worst shifts during the worst hours; putting yourself at risk performing hazardous work increases pay (i.e., over the road truck drivers vs. receptionists); choosing a subfield within a profession (intellectual property attorneys vs. family law and probate); people who work more hours get paid more; people who get paid more have more years of recent, uninterrupted service with their current employer; people who are willing to relocate, especially to “undesirable” places, are people who are paid more; people who are willing to travel are paid more; people who are paid more are willing to accept more responsibilities and new work although their title may remain the same, and; people who are paid more

² *Women in America: Indicators of Social Economic Well-Being*, March, 2011, Prepared by the U. S. Department of Commerce, Economics and Statistics Administration and Executive Office of the President, Office of Management and Budget, In cooperation with Bureau of Justice Statistics, Bureau of Labor Statistics, Census Bureau, National Center for Education Statistics, National Center for Health Statistics, National Center for Science and Engineering Statistics, for White House Council on Women and Girls p. 28.

³ Ibid.

⁴ SOURCE: US Department of Labor, Bureau of Labor Statistics, Current Population Survey, and Census of Fatal Occupational Injuries, 2012, pg, 10.

⁵ WSJ, *Young Women’s Pay Exceeds Male Peers* by Conor Dougherty, September 1, 2010.

⁶ *Women in the Labor Force: A Databook* (2010 Edition)

begin with higher career goals. These factors exemplify the importance of the individual choices each person makes in their "pay."

The commission has ignored the points above and many others that have been brought to their attention since the inception of this commission. Small business has been shut out because of its refusal to accept misleading and inaccurate information that is driven by emotion and unions. Small business in Colorado includes 532,106 small employers in 2006, representing 97.8% of the state's employers and 51.7% of its private-sector employment. To break this down further, in 2002 there were 135,220 woman-owned small businesses, 63,149 equally male/female owned, 7,066 African-American owned, 24,054 Hispanic owned, and 10,910 Asian owned.⁷ This is not a group to be ignored. It should be noted here that large business employers have not even been involved in this discussion as their representative left shortly after the formation of the commission and a new representative has never been named. The combination of small business employers and large business employers being ignored is unjustified and inexcusable.

In conclusion, the above research is a very small sampling of data available that discredits the general belief that there is pay inequity when all variables are taken into account. The single most important factor in one's compensation package is his/her own individual choices.

Sincerely,



A. F. (Tony) Gagliardi
NFIB Colorado State Director



Patricia A. Kurgan
NFIB Colorado Member

CC: Alan Salazar, Chief Strategy Officer/ Director of Policy and Research
Office of Governor John W. Hickenlooper - State of Colorado

⁷ <http://archive.sba.gov/advo/research/profiles/08co.pdf>