

POST-RETIREMENT TSUNAMI:

Trends in Representation and Pay Equity in CT State Government

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INTRODUCTION

The State of Connecticut's public-sector workforce faced a potentially transformational moment in the wake of a 2022 retirement surge. Retirement-eligible Connecticut state employees were incentivized to retire by June 30, 2022, or else be subject to a change in pension calculations and health benefits.

This change encouraged a "retirement tsunami," a wave of retirements approximately two times greater than the state has experienced in the last decade (4,146 people retired January through July 2022). On one hand, this event had the potential to compromise state operations with the loss of experience and institutional knowledge, but it also provided a time-sensitive opportunity for state leaders to strategize about how to build a modernized adaptable and more diverse workforce reflective of the constituents it serves.

Prior to the retirement surge, The Office of the State Comptroller (OSC) and the University of Connecticut School of Public Policy (Uconn SPP) collaborated to conduct an analysis of the state's executive branch workforce, *The Future of Pay Equity & Representation in Connecticut's Executive Branch*. The analysis revealed that in the most senior roles in state government the state had strong representation by gender and by Black and White employees. That report also revealed, however, that the state had representation imbalances and pay inequities in certain fields and occupations, including protective services, technology and engineering roles where women and minorities were underrepresented and, in some cases, paid less on average when compared to their colleagues.

Since that initial report and the retirement surge, all state agencies have been recruiting to fill vacancies left by these retirements. Approximately 5,423 people have entered state service in the last three years. This report seeks to provide an updated analysis on representation and pay equity across this new cohort and provide agency leaders with information that can help inform their recruitment strategies on an individualized basis.

This report examines both executive and non-executive branches this time with the goal of:

- 1. Providing state leaders and policymakers with the latest snapshot of representation and pay equity among new hires (those hired in the last three years). Trends involving new employees provide a sense of Connecticut's representation trajectory as an employer.
- 2. Providing high-level policy recommendations to ensure ongoing data analysis, strategic recruitment and accountability by leaders across state government.

As detailed in this report, Connecticut's new-hire demographic and pay data indicates that the state is repeating the representation patterns of the past, both good and bad. It shows that inequities in representation and pay worsen among non-executive branch agencies, and that Hispanic employees continue to be underrepresented and underpaid across most agencies when compared to their colleagues. White and Asian state employees, on average, outearn Black and Hispanic employees at most agencies – and the state continues to struggle in recruiting women and minorities in certain occupations.

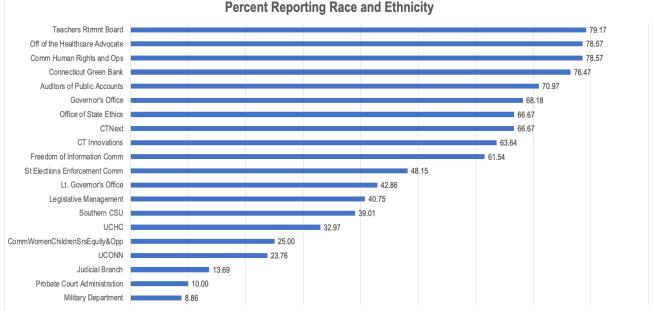
While this report does not diagnose the cause of the problem, it provides recommendations for agency leaders to conduct individualized analyses and to develop strategic diversity and recruitment plans that address their own agency's unique needs and challenges.

DATA

This report relies on data extracted from Core-CT in December 2023. It includes data on 26,682 fulltime state employees (full time defined as working at least 20 hours or more). The analysis focuses on the largest agencies, with 100 or more employees.

As in our previous reports, the availability and quality of state employee demographic data varies from agency to agency. Gender data availability is high at 99%. However, race and ethnicity data is available for approximately 84% statewide. While all state employees are paid through the state's CoreCT platform, there are branches and agencies that maintain most of their employee data outside of CoreCT. These agencies and branches include Judicial, Legislative Management and University of Connecticut and University of Connecticut Health Center.

The chart below illustrates the agencies with the lowest rates of data available on race and ethnicity in CoreCT.



KEY FINDINGS: REPRESENTATION

Representation matters for many reasons, but we often focus on two: a business and a justice reason. The justice reason rests on the assumption that everyone should have the opportunity to enter public service and serve in all opportunities that exist in the public sector. Narrowly defined, the justice requirement is satisfied when barriers are removed and discrimination is eliminated. However, the mere removal of barriers and curbing of employment discrimination could be

measured by looking at the resulting workforce. If everyone has an equal chance of being selected into public employment, the workforce should resemble the population it serves. The lack of representative public organizations could be explained by discrimination, employment barriers, applicant pool mismatch or many other things. However, representation numbers are a mere examination of whether having an equal chance of being selected into public service has resulted in a representative public administration. The authors of this report are not naïve to the fact that there are many factors that contribute to under-representation and that discrimination is just one of the possible reasons. The hope is that under-representation would result in a diagnosis of the reasons that resulted in such state. Is it inadequate outreach to prospective employees? Is it a labor pool problem? Is it discrimination at the hiring stage? Is it a retention problem?

The business reason for studying representation is supported by the principle that a representative administration is better equipped to understand the needs of the public it serves and is better able to design policies and deliver services to these populations. Representation then becomes a pre-requisite for effective design and delivery of public services.

It is also important to look at newer employment trends in State agencies vis-à-vis the entire workforce to ensure that diagnosed problems are not a result of legacy issues. New hire data also help us establish whether representation issues are a matter of time. If new hire data mirror representation in the population, then time will likely resolve representation issues. They essentially indicate that the representation train has left the station, is on the correct tracks and moving in the right direction. However, if new hire data reveal a perpetuation of current under-representation trends, then the train is not even heading in the right direction and it would be hard to argue that it will ever get us to a state of representation that mirrors the population demographics.

This current report again compares Connecticut state employee representation to the <u>most recent</u> <u>U.S. Census data</u> on the state's full residential population in order to see whether state workers reflect the population they serve.

In the absence of a single statewide classification system that organizes job classes uniformly across all state agencies (as the federal government and many other states do), this report evaluates gender-racial representation and pay equity by agency, Equal Employee Opportunity categories and unions.

State government workforce as a whole. The charts below show high-level details across the entire state government workforce compared to the state's full residential population. These tables compare new hires (those hired within the last three years) to those hired longer than three years ago. Blue indicates the population is at or above the statewide census. Red indicates underrepresentation.

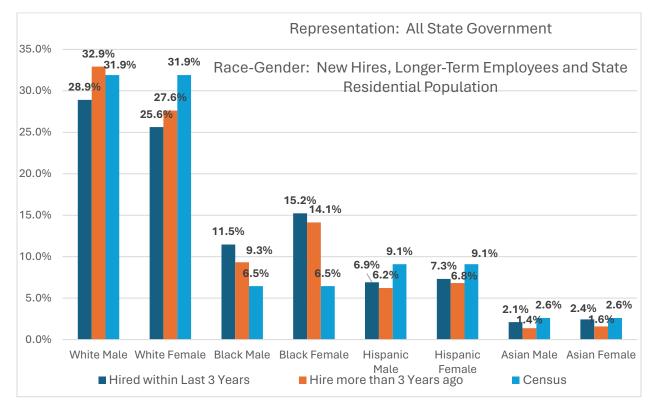
From a high-level perspective, longer-term employees have strongest representation by White men and Black men and women with all other categories falling below residential population demographics. For new hires, Black and Asian men and women have the strongest representation as all other categories fall below statewide figures.

STATE EMPLOYEES: NEW HIRES	CENSUS	MALE	FEMALE	TOTAL	+/- From Census
White/not Hispanic or Latino	63.9%	28.9%	25.6%	54.5%	-9.4%

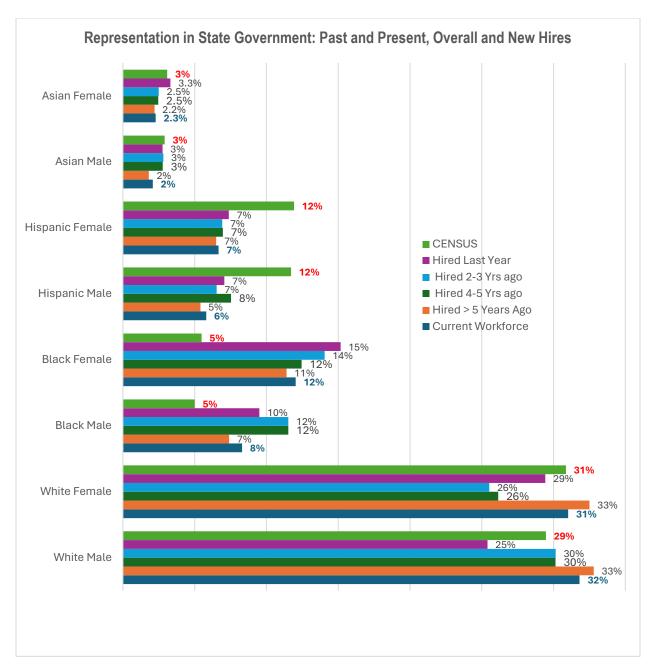
Black/African American	12.9%	11.5%	15.2%	26.7%	+13.8%
Asian	5.2%	2.1%	2.4%	4.5%	7%
Hispanic or Latino	18.2%	6.9%	7.3%	14.2%	-4%

STATE EMPLOYEES: HIRED MORE THAN 3 YEARS AGO	CENSUS	MALE	FEMALE	TOTAL	+/- From Census
White/not Hispanic of Latino	63.9%	32.9%	27.6%	60.5%	-3.4%
Black/African American	12.9%	9.3%	14.1%	23.4%	+10.5%
Asian	5.2%	1.4%	1.6%	3%	-2.2%
Hispanic or Latino	18.2%	6.2%	6.8%	13%	-5.2%

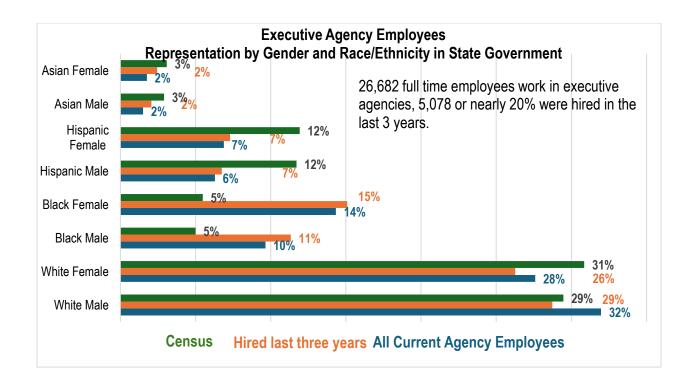
Despite minor fluctuations between new hires and longer-serving employees, representation patterns – whether involving overrepresentation or underrepresentation – largely repeat when viewed from a high-level vantage point. The chart below illustrates that the only categories of employees with higher representation than the Census are Black men and women (for both new and tenured employees) and White men hired more than three years ago.



The following chart represents the figures for all employees, and those hired in the last three years.



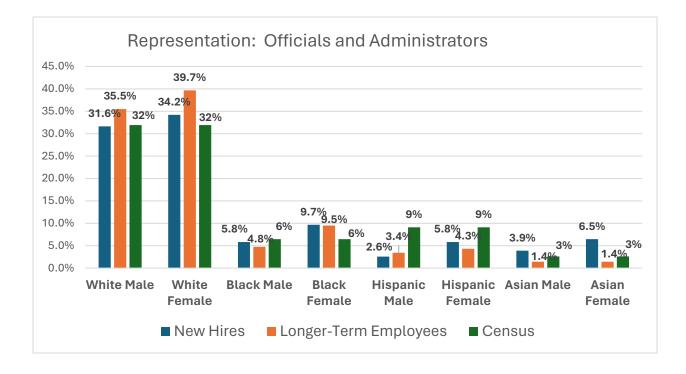
The picture changes from executive to non-executive agencies. We want to note here that the executive agency data is complete while the data for non-executive data varies in completeness due to non-executive agencies' reporting less data on ethnicity and race of their employees in the State's Core system.



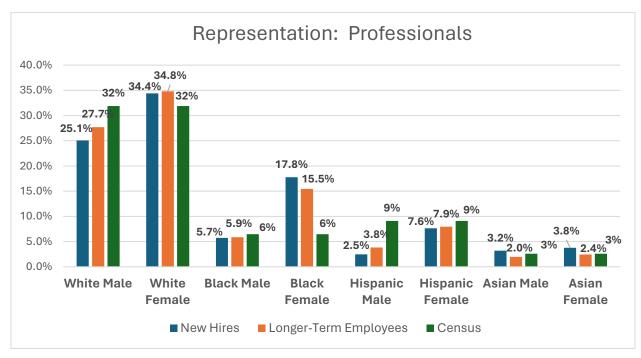
As past reports revealed, the high-level view is significantly different than when you focus on specific jobs, agencies and Equal Employment Opportunity (EEO) categories. Most state employees are classified into eight different EEO categories, including:

- Officials and Administrators: Occupations include agency heads and other top leadership roles
- Professionals: Occupations include attorneys, scientists, engineers and accountants
- Technicians: Occupations include laboratory, dental, pharmacy and radiology technicians
- **Protective Service**: Occupations include state police, fire, correctional and environmental and recreation supervisors
- **Paraprofessionals**: Occupations include paralegals, research assistants, human resources assistants, nurse's aides and child services assistants
- Administrative Support: Occupations include administrative assistants, secretaries, clerks, data entry and procession and dispatchers
- Skilled Craft: Occupations include HVAC workers, welders, mail services employees and cooks
- **Service Maintenance**: Occupations include building superintendents, transportation maintenance crews, agricultural workers and custodians

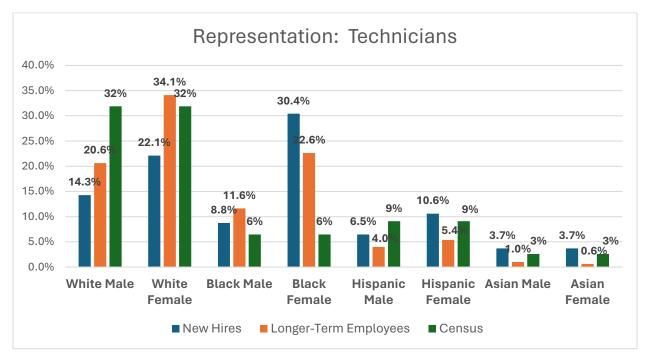
Officials and Administrators. At the highest level of state government in agency leadership roles, White, Black and Asian females have the highest representation above the state residential population as a benchmark. The most underrepresented are Hispanic employees, particularly Hispanic males, a disparity that worsens among new hires.



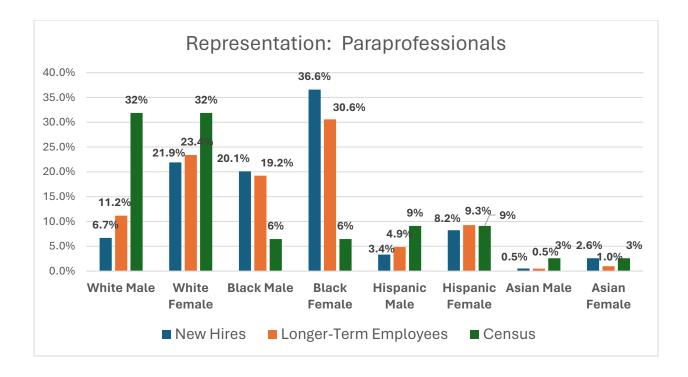
Professionals. In professional roles in state government, new hires continue to follow similar patterns to longer-term employees. Black women have the most significant representation above the state residential population, while Hispanic men and White men (particularly among new hires) are most underrepresented compared to census figures. For instance, while Hispanic males make up close to 9% of the population, only 2.5% of new hired professionals were Hispanic males.



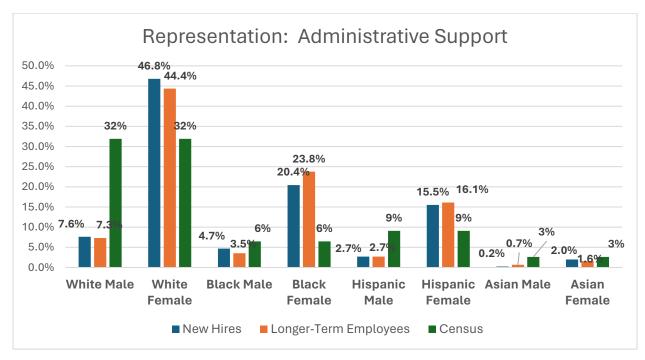
Technicians. Representation by White men and women are on a significant decline below the statewide residential representation, particularly among new hires, in technician roles. Black women have the highest representation, and high representation by both Black and Hispanic women is increasing among new hires.



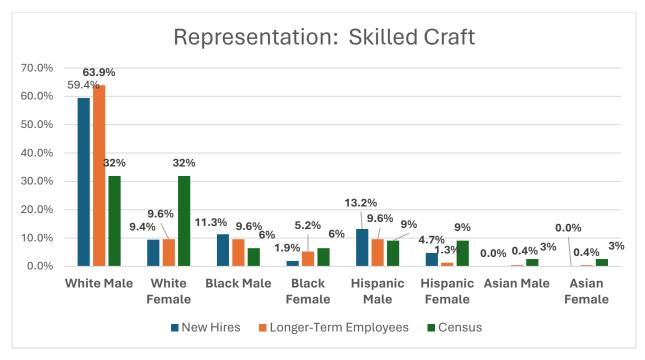
Paraprofessionals. Black men and women have the highest representation above census levels and White men and women the lowest representation below census among paraprofessionals. Those patterns are becoming more pronounced among new hires.

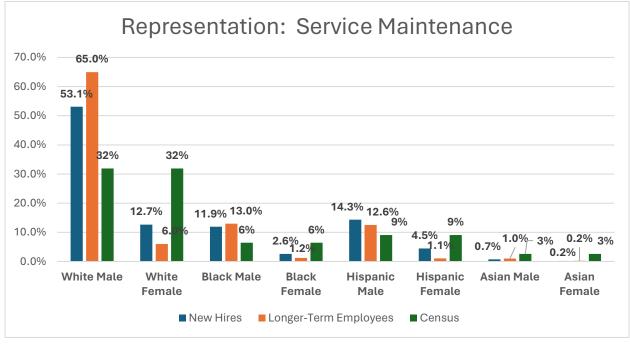


Administrative Support. Consistent with historical patterns, women – White, Black and Hispanic – have the most significant representation above census levels in administrative support roles. Men are underrepresented in every race category here.

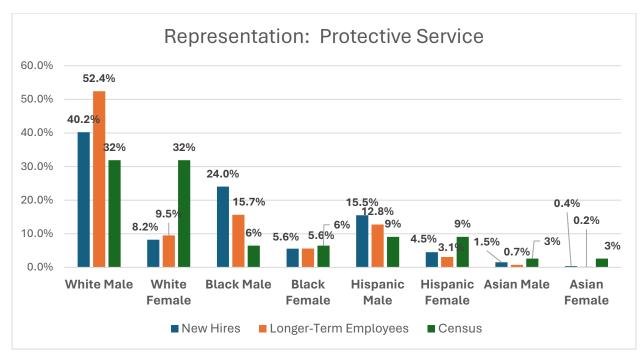


Skilled Craft and Service Maintenance. Skilled Craft and Service Maintenance have nearly identical representation, which repeats patterns from longer-term employees to new hires. White men significantly surpass the census level. Women are underrepresented, especially White women, across the board. These categories and Protective Service are the only categories where Hispanic male representation surpasses the state's residential benchmark.

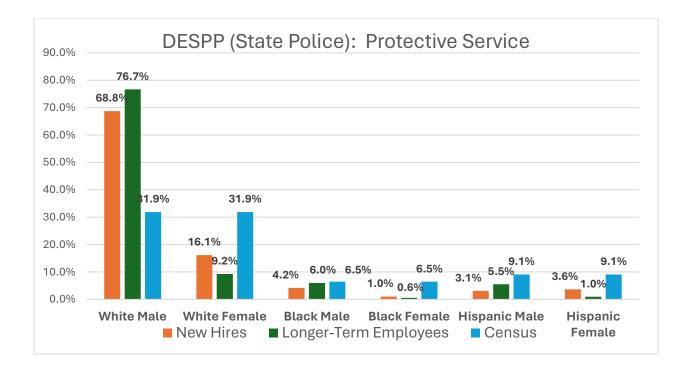


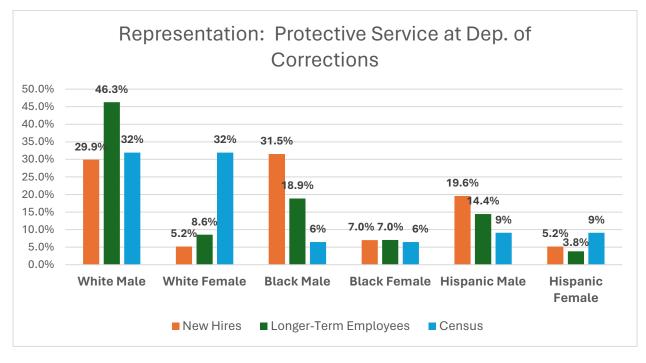


Protective Service (Statewide). When all Protective Service employees are viewed collectively (across agencies and divisions such as State Police and Department of Corrections), women fall below census benchmarks in every race category, while White, Black and Hispanic men exceed census levels. Representation fluctuates significantly, however, when you view agencies individually.



Protective Service (State Police compared to Corrections). When Protective Services employees at State Police (DESPP) and Corrections are viewed distinctly, Black and Hispanic males then fall below census representation at State Police (more so among new hires), and they significantly exceed census representation at DOC (Department of Corrections). Longerterm White male employees exceed statewide census levels in both occupations, though their levels start to decrease, especially so at DOC.

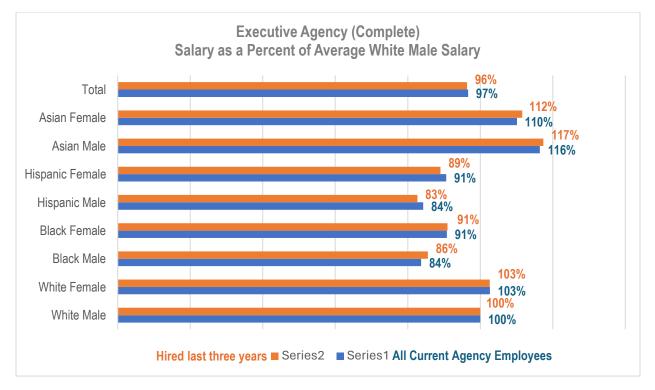




In any given agency, job class or EEO category, the reasons for overrepresentation or underrepresentation may differ according to the unique circumstances of those occupations or agency. Because of these unique circumstances, each agency should explore their own data and develop their own individualized strategies to address any imbalances. Appendix A allows most state agencies to view their data on an individualized basis.

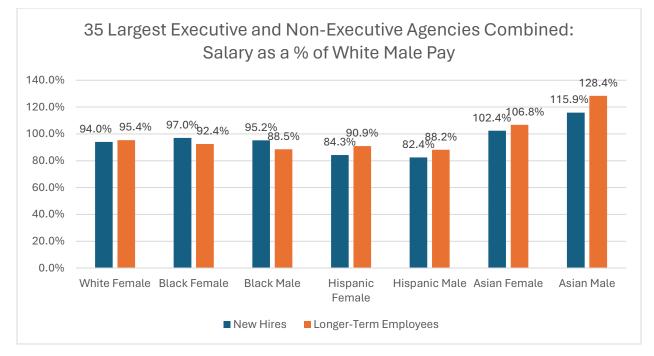
KEY FINDINGS: PAY EQUITY

Pay equity outcomes are directly intertwined with representation outcomes. When any race or gender is overrepresented in a higher-income occupation, average incomes are higher for that group of employees, just as the reverse is true. In evaluating pay equity, this analysis illustrates salaries of typically underrepresented minority employees to White male salary (Note: The average salary of any one category of employee can serve as the 100% benchmark, but the findings will be the same).

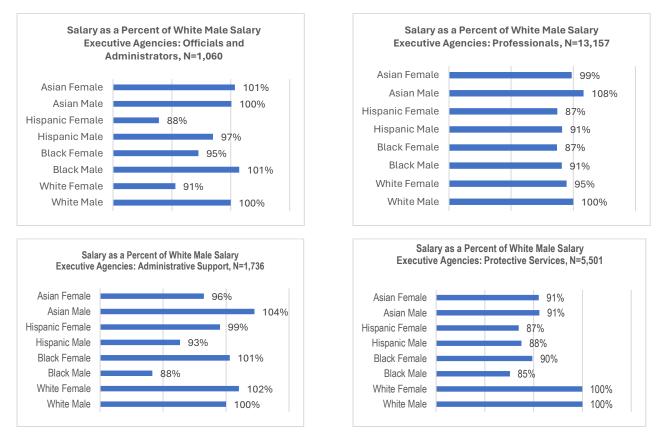


The chart below sets average White male pay at 100%, and then compares each race-gender category as a percentage of White male average pay. In Connecticut state government – when viewed as one collective workforce – Asian men and women are the highest earners when compared to their colleagues, followed next by White men. This is true for both longer-term employees and new hires, which means that current policies and practices are not overcoming the outcomes of past policies and practices.

Hispanic males are the lowest paid, especially for new hires, followed by newly hired Hispanic females and longer-term Black male employees.

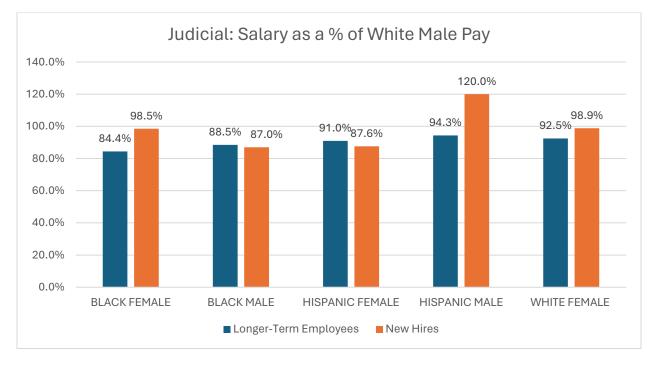


The following series of illustrations shows the pay equity by EEOC categories within all Executive Agencies (full time employees only).

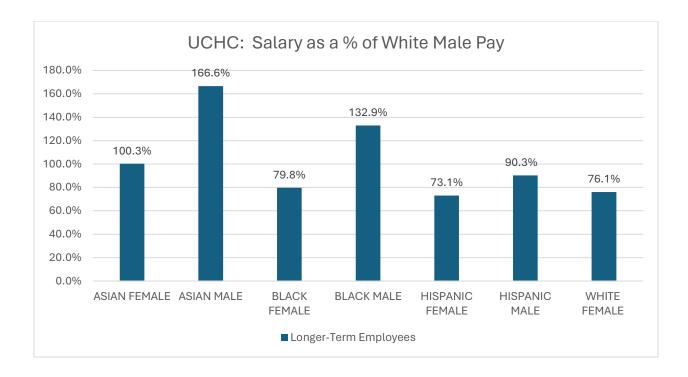


The following series of illustrations take a closer look at non-executive branches and agencies as standalones. One of the greatest challenges of conducting this analysis based on CoreCT data is that these branches and agencies – Judicial, Legislative Management, University of Connecticut (Uconn) and the University of Connecticut Health Center (UCHC) – pay their employees through CoreCT, but rely more on their own independent systems to manage other employee data. As a result, CoreCT has significant gender data, but far less so on race and ethnicity.

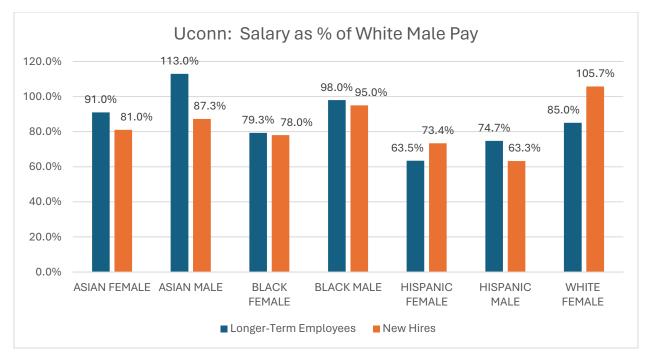
Judicial. Based on available data in CoreCT (which has only 13.9% of race and ethnicity data on Judicial employees), Judicial is an outlier for Hispanic males where new hires are actually the highest earners when compared to their colleagues, while longer-term Hispanic males (and every other race-gender category) fall below the average White male salary.

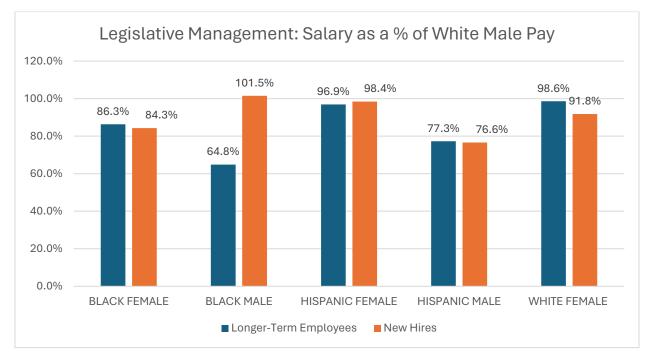


UConn Health (UCHC). At University of Connecticut Health Center, Asian men and women are the highest paid for both new hired and longer-term employees. There have been significant pay gaps for longer-term Black and Hispanic men and women, as well as White women, in every race-gender category – except for Hispanic males. There are not enough new hires reporting race, ethnicity and gender in Core-CT for us to compare new hire pay data to overall UConn Health employee population. Core-CT has approximately 32.97% of race and ethnicity data on UCHC employees.



University of Connecticut. Compared to any other branch, newly hired Hispanic men and longerterm Hispanic women have the greatest pay disparity. Longer-term Asian men and newly hired White women are the highest earners. However, there is only 23.76% of data available on race and ethnicity for UConn employees.





Legislative Management. Based on the available data through CoreCT, Black males have both the greatest pay disparity among longer-term employees (64.8% average salary when compared to White males), but are also the only category that out earn all categories among new hires.

When comparing new hires to longer-term employees, in some cases pay disparities improve and in some cases they worsen. For example, among new hires, pay disparity for Hispanic men and women worsen by at least 6%, and for White women by 1.4%.

For Black men and women the pay disparities diminish by 5-7% among new hires.

Agency by Agency. Pay gaps fluctuate significantly from occupation to occupation and agency to agency. Attached to this report are agency-by-agency data for all of the largest 35 agencies included in the pay equity analysis above. This individualized data can help agencies conduct their own further individualized analysis and inform their own policies on a case-by-case basis. Attached to this report is an appendix (Appendix A) with agency-by-agency breakouts of their representation and pay equity data.

RECOMMENDATIONS/CONCLUSION

In the 2021 report, the OSC and UConn analysis warned about a trend that new hiring practices were not adequate to correct historic representation issues. They also alerted State decision makers to the once-in-a-lifetime opportunity to replace a large portion of State employees. This opportunity to replace more than 5,000 employees in three years offered the State the prospect of making a big dent in the overall representation of the workforce,

In the wake of a historic retirement surge and subsequent hiring efforts that remain ongoing, state agencies enacted new policies and strategies in an effort to recruit the best workforce possible. The outcomes of those efforts, however, have often resulted in diversity patterns that repeat the state's previous representation and pay equity trends.

A great deal of work has continued (and is continuing) to evaluate the state's policies, including a recent report by the Connecticut General Assembly's Commission on Racial Equity in Public Health, "*Dismantling Structural Racism Within Connecticut State Government*."

This latest analysis by the Office of the State Comptroller and the University of Connecticut's School of Public Policy, considering thousands that have been hired in the wake of a retirement surge, help to reinforce the following recommendations:

- 1. We encourage the Department of Administrative Services (DAS), which has worked tirelessly to develop new recruitment strategies over the past few years, to conduct a related analysis on the diversity of statewide candidate pools. Is state employee representation reflective of the candidate pools at their starting point? Or are qualified diverse candidates being disqualified along the way? This analysis of their data could help inform whether diverse candidates are even entering the application process at all.
- 2. This report again shows that, while gender data quality is high, available race and ethnicity data is lacking in CoreCT. The state should consider efforts to encourage agencies to update their data in the system and to update it on a regular frequency.
- 3. Consistent with prior reports, we recommend that the state establish a statewide Diversity Equity and Inclusion role. There are various proposals under consideration by the legislature and reportedly under development by the administration. Whatever the structure of this initiative, we recommend that it ensure that it establishes a mechanism for agency-by-agency DEI strategic plans that are individualized to the needs and uniqueness of each agency.

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