



COLORADO'S EQUAL PAY FOR EQUAL WORK ACT IS CLOSING THE GENDER PAY GAP: METHODOLOGY

The Women's Foundation of Colorado contracted with Colorado economist [Max Tejera](#) to analyze the impact of the [Equal Pay for Equal Work Act \(EPEWA\)](#). In Tejera's study to evaluate the impact of EPEWA on the gender wage gap in Colorado a [difference-in-difference](#) method, often referred to as a [natural experiment](#), was used. The study used disaggregated data from the [Current Population Survey \(CPS\)](#), the most readily available data on the U.S. labor market.

The study considered three states (Colorado, [Washington](#), and [California](#)) as treatment groups as these states enacted similar pay transparency laws at the state level with over six months of data at the time of the study. The study considered the remaining 47 states and DC as a control group without transparency. To evaluate the before vs. after effects of EPEWA, the study defined a pre-law period of January 2010 – December 2020 and a post-law period of January 2021 – January 2024. It used a linear regression to find (with statistical certainty) the average difference of [weekly earnings](#) between men and women before and after EPEWA. It compared this change between the treatment and control group before and after EPEWA.

The study considered only respondents that were of prime working age, worked full-time, made above a state's minimum wage, and less than 150,000 per year (incomes above this level are not disclosed by the CPS due to privacy). This group represents approximately the middle 60% of the U.S. income distribution. It applied controls for age, race, and education.

To determine if this change was due to a decline in the earnings of men in Colorado, the same analysis was repeated excluding all women. The study found no statistically significant decline in Colorado men's earnings relative to men's earnings in the control group.

A presentation of the study with data as of December 2023 and an industry control can viewed [here](#).