

## TOP STORY

Tuesday, May 17, 2005

# States give minimum wage earners a boost

By Kathleen Murphy, Stateline.org Staff Writer

A growing number of states are refusing to wait for Congress to raise the minimum wage above the \$5.15 an hour set in 1997. This year, five state legislatures boosted their rates 30 cents to \$1, bringing to at least 16 the states with minimum wages above the federal level.

Connecticut and Hawaii this year approved their second hike above the federal minimum. A buck-an-hour minimum wage increase for Minnesota workers passed this month, and the new \$6.15 hourly wage will take effect Aug. 1. Acting New Jersey Gov. Richard Codey (D) signed a law in April to increase the minimum wage to \$7.15 an hour over the next two years.

While the Maryland Legislature sent Gov. Robert Ehrlich (R) a bill in April to raise the minimum wage to \$6.15 starting in January, the bill still awaits Ehrlich's signature or veto. However, it passed the state Senate by a veto-proof 30-16 vote. If it becomes law, Maryland would be the 17th state to push the minimum wage above the federally required level. Minimum wage hikes also took effect in January in five states: Illinois (from \$5.15 to \$6.50 per hour), New York (\$5.15 to \$6.00), Oregon (\$7.05 to \$7.25), Vermont (\$6.75 to \$7.00) and Washington (\$7.15 to \$7.35). For Oregon, Vermont and Washington, it was the second minimum wage increase above the federal rate.

Alaska, California, Delaware, Florida, Maine, Massachusetts, Rhode Island and the District of Columbia also have set higher minimum wages ranging from \$6.15 to \$7.35.

Wisconsin could be next. Wisconsin Gov. Jim Doyle (D) and the Republican-controlled Legislature hammered out a deal this month to raise the minimum wage to \$6.50 an hour in a two-step process starting June 1.

Nevada voters passed a \$1-an-hour minimum wage increase in November 2004, but state law requires the change to pass a second time in the next election before it becomes law.

Connecticut lawmakers passed their bill in April to increase the minimum wage from \$7.10 an hour to \$7.40 an hour next year and \$7.65 an hour in 2007. Gov. M. Jodi Rell (D) said she would sign it. Likewise, Hawaii's Legislature sent a bill May 6 to Gov. Linda Lingle (R) to raise the state's \$6.25 minimum wage an extra 50 cents on Jan. 1, 2006, and up to \$7.25 the following year. Lingle hasn't indicated whether she will sign the bill.

How much fast-food workers or sales clerks earn pits conservatives against progressives, employers against workers, and helps distinguish "red states" from "blue states."

Labor unions and other workers' advocates, who traditionally comprise the Democratic base, cheer efforts to raise the minimum wage. Businesses often argue that raising the wage increases costs and hurts workers and the economy in the long term.

Fourteen of the 16 states that so far have increased minimum wages above the federal level went to Democrat John Kerry in the November presidential election; only Florida and Alaska are red states with higher-than-federal minimum wages. Of the 19 states won by Kerry, only legislatures in Michigan, New Hampshire, Pennsylvania and Wisconsin have not passed a minimum wage hike. A final decision on raising the minimum wage in Maryland, a blue state, is pending. In New Hampshire, a House-passed increase to \$5.65 awaits Senate action.

State legislative action means 43 percent of Americans will live in jurisdictions with a minimum wage of \$6 or more starting this fall, according to the Center for Policy Alternatives, a group that works with a network of liberally oriented state legislators.

While states have led action on the minimum wage, the U.S. Senate rejected proposals to raise it in March. The Senate defeated a Democratic proposal to raise the minimum wage to \$7.25 over the next two years and a Republican alternative to raise it to \$6.25 over 18 months.

Supporters of a higher minimum wage, including labor unions, say a national increase is long past due.

"If you look at what you need to raise a family, minimum wage is not adequate," said Matthew Mayer, legislative director for ACORN (Association of Community Organizations for Reform Now), an organizer of wage campaigns. Earning \$5.15 an hour for a year without holidays or paid vacation means a worker takes home \$10,712 before taxes, below the 2005 national poverty threshold of \$12,830 for a two-person family in the contiguous states.

ACORN is launching campaigns in Michigan, Ohio and Arizona to raise the minimum wage through legislative action or ballot measures, and the group intends to use a successful effort in Florida as a model, Mayer said. The Sunshine State's increase took effect May 2 after 71 percent of voters approved the measure in November's election. Florida joined Oregon and Washington in adjusting the minimum wage each year to account for inflation, using data from the state's Consumer Price Index.

Opponents of minimum wage hikes, such as the National Restaurant Association, say raising the level would slow the creation of new jobs and have harmful economic effects on small businesses.

"We don't believe the minimum wage should be set higher than the market can bear," said Tom Foulkes, director of state relations for the National Restaurant Association. "We believe that a dramatic increase in labor costs in a recovering economy will mean fewer jobs for entry-level workers, especially in labor-intensive industries such as restaurants."

Lawmakers in at least 35 states have considered minimum wage hikes this year. A California bill would hike the minimum wage from \$6.75 an hour to \$7.25 in July 2006 and \$7.75 in July 2007.

Gov. Arnold Schwarzenegger (R) vetoed a similar proposal last year. The Rhode Island House OK'd a boost last week from \$6.75 an hour to \$7.25 an hour.

Contact Kathleen Murphy at [kmurphy@stateline.org](mailto:kmurphy@stateline.org)