For Immediate Release: March 26, 2014

Contact: Danny Massey, <u>Daniel@berlinrosen.com</u>, (646) 200-5323 Emma Stieglitz, emmaS@berlinrosen.com, (646) 200-5307

Connecticut Poised to Pass Nation's First \$10.10 Minimum Wage

In coming weeks, passage of similar wage increases expected in Maryland, Massachusetts, and Hawaii as states step ahead of Congress to boost pay for low-wage workers

Hartford, CT – The Connecticut General Assembly is expected to approve on Wednesday a proposal to raise the state's minimum wage to \$10.10 per hour, making Connecticut the first state in the country to follow President Obama's call for states and cities to move ahead of Congress and raise the minimum wage. In the coming weeks, similar proposals raising the minimum wage to \$10.10 per hour are expected to clear the state legislatures in Maryland, Massachusetts, and Hawaii, among other states.

"It's hard to overstate the significance of Connecticut passing a minimum wage increase to \$10.10 per hour – not only will this deliver a much-needed boost to workers and the state's economy, but it also provides an example for other states across the country to follow as Congress continues to drag its feet on passing a minimum wage increase at the federal level," said **Christine Owens, executive director of the National Employment Law Project**.

The Connecticut bill will boost pay for 227,000 workers in the state, roughly 15 percent of the state's workforce, according to an <u>analysis</u> of U.S. Census Bureau data by the Economic Policy Institute. Among the workers who will receive a pay raise, 88 percent are adults over the age of twenty, and 77 percent work more than 20 hours per week.

It remains unclear, however, if the legislature will address the minimum wage for tipped workers as part of the legislation expected to pass Wednesday. Until last year, the state's tipped minimum wage was set at 69 percent of the value of the regular minimum wage; however, when the legislature voted to raise the state's minimum wage to \$9.00 per hour last year, it froze the tipped minimum wage at \$5.69 per hour, allowing its value to drop to 63 percent of the regular minimum wage.

President Obama has called for raising the tipped minimum wage to at least 70 percent of the regular minimum wage, and a separate measure in the Connecticut legislature would adopt this standard by setting the state's tipped minimum wage at 70 percent of the regular minimum wage as well. On Wednesday, the White House released a <u>report</u> detailing the importance of raising the tipped minimum wage to 70 percent of the regular minimum wage as a key approach to narrowing the gender pay gap and boosting wages for women, who make up the vast majority of the tipped workforce.

Tipped workers have <u>more than double the poverty rate</u> of the workforce as a whole and are subject to unpredictable fluctuations in pay as their tips can fluctuate substantially from shift to shift and season to season.

Earlier this month, the Maryland House of Delegates approved a measure to raise the state's minimum wage to \$10.10 per hour, and the Maryland Senate is expected to take up the measure over the next week. In Hawaii, an

initial vote by the state Senate and House of Representatives approved measures earlier this month to raise the state's minimum wage to at least \$10 per hour; final legislation is expected to pass the legislature in April. And in Massachusetts, House Speaker Robert A. DeLeo announced this month a proposal to raise the minimum wage to \$10.50 per hour, following a bill approved by the Senate late last year that would raise the state's minimum wage to \$11 per hour.

Measures to raise the minimum wage are also expected to appear on the ballot this November in a number of states across the country, including South Dakota, Alaska, Michigan, and Arkansas.

A growing number of localities have also raised their minimum wages significantly above the federal and state level. Cities and counties that have enacted higher minimum wages in recent years include San Francisco (\$10.74 per hour), Santa Fe (\$10.66 per hour), San Jose (\$10.15 per hour), Washington, DC (\$11.50 by 2016), Montgomery County, MD (\$11.50 by 2017), Prince George's County, MD (\$11.50 by 2017), and SeaTac, WA (\$15 for certain occupations).

Chicago voters just overwhelmingly passed an advisory referendum to raise the minimum wage to \$15 per hour for the city's largest employers, and the Richmond, CA City Council just approved an increase to \$12.30 per hour. Other cities that are pursuing higher minimum wages include Seattle (\$15 per hour), San Francisco (\$15 per hour), New York City, San Diego, Oakland, Portland, ME, and Las Cruces, NM, to name a few.

The growing momentum to raise the minimum wage on the state and local level is spurred by broad levels of public support across the country. A February 2014 <u>poll</u> found that 57 percent of small business owners in the U.S. support raising the minimum wage to \$10.10 per hour and indexing it to rise each year with the cost of living, with a majority of respondents citing the economic benefits of higher wages as a basis for their support. Nationally, <u>69 percent</u> of Americans support raising the minimum wage to \$10.10 per hour, including 45 percent of Republicans, according to a March poll by Bloomberg news.

The most <u>rigorous economic research</u> over the past 20 years shows that raising the minimum wage boosts worker pay without causing job losses – even in regions where the economy is weak or unemployment is high. A recent <u>study</u> by the Center for Economic and Policy Research reviews the past two decades of research and concludes that raising the minimum wage had no adverse impact on employment.

The National Employment Law Project is a non-partisan, not-for-profit organization that conducts research and advocates on issues affecting low-wage and unemployed workers. For more about NELP, visit www.raisetheminimumwage.org.

###