

Kentucky Wage RAISE COALITION

www.raisethewageky.org

HARD WORK DESERVES FAIR PAY SUPPORT HB 305 TO RAISE KENTUCKY'S MINIMUM WAGE

You can't live on \$5.15 an hour

\$5.15 per hour is \$206 for a 40 hour work week and \$10,712 per year before taxes, which is \$5,400 below the poverty line for a family of 3. A single mother cannot provide for the necessities of life on that amount of money, including housing, food, transportation, clothing, utilities, medicine, medical care, and taxes. When their family income falls short, parents are faced with few alternatives to provide for the basic needs of a dignified life.

Legislation is necessary to help Kentuckians

Moderate increases in the minimum wage can help lift the earnings of many poor working families, and providing more security for families and children. The minimum wage increase can help reduce dependence on government assistance programs.

What the bill does

- 1) Increases minimum wage from \$5.15 to \$7.00 an hour on the effective date of the Act;
- 2) Calls for annual adjustments for inflation;
- 3) Increases the KY minimum wage to the federal minimum wage rate if such rate exceeds the state minimum wage rate; and
- 4) Eliminates the tip wage. Seven states have no tip credit and 23 states provide a larger tip credit than Kentucky.

Facts

The federal minimum wage—\$5.15 per hour—has not been raised since 1997.

In Kentucky:

- ✓ 275,000 workers would benefit from a raise to \$7.00, 126,000 directly because their wages fall below \$7.00 and another 149,000 who would see a raise with the spillover effect;
- ✓ 83% of the workers slated for a raise are 20 years and older;
- ✓ Workers who see wage increases are:
 - ◆ female (60%),
 - ◆ fulltime workers (55%),
 - ◆ married (37%), and
 - ◆ parents (24%).

Under the state minimum wage proposal:

- ✓ 117,000 children live in families with a parent slated for a raise
 - ✓ 58% of the earnings in a family with children come from a worker slated for a raise
- In 46% of families with children who have a worker slated for a raise, all the family earnings come from the workers slated for a raise

Source: Economic Policy Institute analysis of 2005 Current Population Survey data on Kentucky workforce, prepared for Kentucky Youth Advocates.

Since 1997, the District of Columbia and 30 states have raised the minimum wage

Over half the people in the U. S. live in states with a minimum wage higher than the federal rate of \$5.15

Alaska (\$7.15)	Iowa (\$6.20 on 4/1/07)	North Carolina (\$6.15 Jan. 2007)
Arizona (\$6.75 in 2007)*	Maine (\$6.75 on 10/1/06)	Ohio (\$6.85 in 2007)*
Arkansas (\$6.25 effective 10/1/06)	Maryland (\$6.15)	Oregon (\$7.50)*
California (\$6.75)	Massachusetts (\$6.75)	Pennsylvania (\$7.15 in July 2007)
Colorado (\$6.85 in 2007)*	Michigan (\$6.95 effective 10/1/06)	Rhode Island (\$7.40, Jan. 2007))
Connecticut (\$7.40)	Minnesota (\$6.15)	Vermont (\$7.25)
Delaware (\$6.15)	Missouri (\$6.50 in 2007)*	Washington (\$7.63)*
District of Columbia (\$7.00)	Montana (\$6.15 in 2007)*	West Virginia (\$6.55 in 2007)
Florida(\$6.40)*	Nevada (\$6.15 in 2007)*	Wisconsin (\$6.50)
Hawaii (\$6.75)	New Jersey (\$7.15 on 10/1/06)	
Illinois (\$6.50)	New York (\$6.75)	

*9 states indexed to inflation

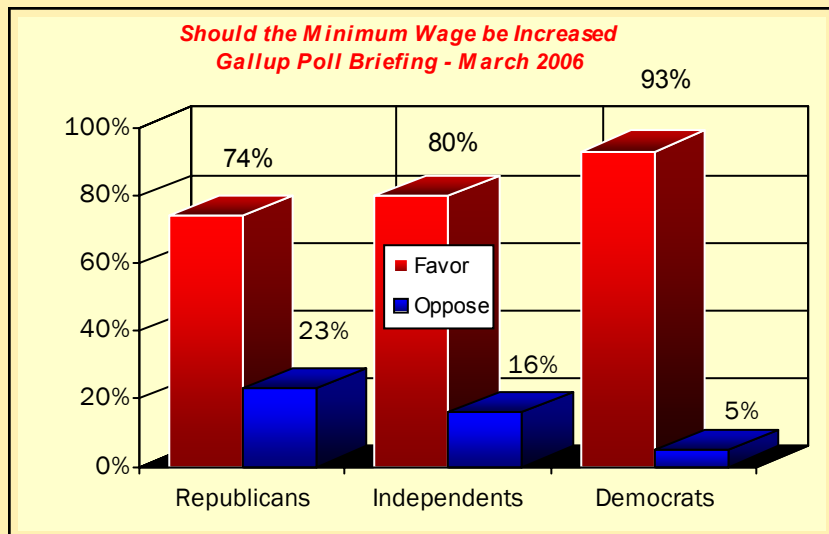
Catholic Conference of KY • KY Youth Advocates • KY Council of Churches • KY Domestic Violence Association
Homeless and Housing Coalition of KY • Coalition for the Homeless • KY Jobs With Justice • Kentuckians for the Commonwealth
KY Alliance Against Racist and Political Repression • KY Economic Justice Alliance • Sisters of Charity of Nazareth
Association for Community Organizations for Reform Now • KY Association for Community Action • KY Mental Health Coalition
Business and Professional Women/River City • Community Farm Alliance • Lexington Living Wage Campaign • Women in Transition
KY Education Association (KEA) • Jefferson County Teachers Association • Dare To Care Food Bank • AFL-CIO
AARP KY • The Religious Society of Friends (Quakers) in KY

The public supports minimum wage increase

There is substantial public support for increasing the minimum wage. In a November 2005 Gallup Poll, 83% of Americans said they favored increasing the minimum wage. Only 14% oppose an increase. The Gallup Poll Briefing (March 2006 pp. 8-9). Few policies are more widely supported by the public.

Public support for increase is nonpartisan

There is broad, *nonpartisan* support for raising the minimum wage. 74% of Republicans; 80% of Independents, and 93% of Democrats favor an increase in the minimum wage. 79% of those making more than \$75,000 favor an increase. *The Gallup Poll Briefing* (March 2006 p. 8).



Kentucky Business Leaders Favor Increase in Minimum Wage

"I think it is time to raise the minimum wage because it hasn't increased in 10 years and it will help more working families afford the products that our businesses produce. Kentucky has fallen behind as 22 other states, including North Carolina, Arkansas, and Florida have acted to address the issue. Six more states are looking to act in November with ballot initiatives. As a small business, the increase in minimum wage will not stop me from being able to compete but it will help thousands of low income Kentuckians earn more to be able to provide for themselves and their families."

Russ Hensley, Owner
Hensley-Elam and Associates, Lexington

Small business owners are supportive

"Surprisingly, a new Wells Fargo-Gallup Small Business Index poll, conducted March 1, 2006, finds significant support among small business owners for increasing the minimum wage...Forty-six percent of small business owners say they believe the minimum wage should be increased while 34% believe it should remain where it is now.... Not long ago, one could reasonably assume that the 'minimum wage' was an issue of major importance to America's small business owners. The Wells Fargo-Gallup poll suggests this is no longer the case." *The Gallup Poll Briefing* (May 2006 pp. 29-30).

Economists support minimum wage increase

In October 2006, 650 economists, including 5 Nobel Prize winners, called for a minimum wage increase. "We believe that a modest increase in the minimum wage would improve the well-being of low-wage workers and would not have the adverse effects that critics have claimed." According to these economists, a phased in raise of the wage to \$7.25 "falls well within the range of options where the benefits to the labor market, workers, and the overall economy would be positive." The economists agree with the view of a 1999 Council of Economic Advisors Economic report: "modest increases in the minimum wage have had very little or no effect on employment." The economists said, "While controversy about the precise employment effects of the minimum wage continues, research has shown that most of the beneficiaries are adults, most are female, and the vast majority are members of low-income working families."

Job loss predictions did not occur

Washington: *The prediction:* A two-step increase in the minimum wage to \$5.70 in 1999 and \$6.50 in 2000 would cost over 7,431 jobs. *The reality:* Jobs increased by 2.1 percent in 1999 and another 1.8 percent in 2000.

California: *The prediction:* California would lose 25,000 jobs as a result of an increase in the minimum wage to \$5.75 in 1998. *The reality:* The state added 899,000 jobs over the following two years and outperformed the U.S. economy.

Oregon: *The prediction:* The 1998-1999 Oregon minimum wage increase to \$6.50 would cost 5,400 jobs. *The reality:* Oregon has had twice the rate of job growth as the rest of the country.

A JOB should keep you out of poverty NOT keep you in it!!!