

It's Time to Raise the Minimum Wage

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This week Senator Kathleen Vinehout writes about raising the minimum wage in Wisconsin.

MADISON - “What is Wisconsin going to do about the minimum wage?” the woman asked at a recent town hall meeting. Increasing the minimum wage has been on the minds of many Wisconsinites.

As I travel, I hear many stories from working families who are struggling to make ends meet. Low wage workers fall further and further behind and are more dependent on the state’s cash strapped social safety net programs.

There is a step the state can take that would make an immediate impact: we could raise the minimum wage.

In 1913, Wisconsin became one of the first states to enact a minimum wage law. The purpose was to help lift workers out of poverty and to stimulate the economy. Unfortunately, since that time, increases to the minimum wage have not kept pace with the rising cost of living. Since the 1970’s the real value of the minimum wage has been plummeting. The real life consequences impact many of our hardworking neighbors.

According to the Wisconsin Council on Children and Families (WCCF) the typical household in Wisconsin earned \$4,500 less in 2012 than in 2008.

The Council also reported the poverty rate in Wisconsin has increased; with one out of six children now living in poverty. In 2012, a total of 737,000 people lived in poverty. As the Council noted, "If poverty were a city, it would be Wisconsin's largest city."

The National Low Income Housing Coalition reported in 2012, a minimum wage worker in Wisconsin would have to work a total of 79 hours to afford a 2-bedroom apartment at Fair Market Rent.

Raising the minimum wage would put more money in the pockets of working families. Those workers would spend their extra earnings to provide for their families. The additional household spending benefits businesses in our communities.

Studies show that states with minimum wages higher than the federal floor had stronger job growth than in states that kept the lower federal level. In a 2006 study, the Fiscal Policy Institute found states that raised the minimum wage had more rapid small business and overall retail growth than states with the lower federal minimum wage.

Reports from employers cited additional benefits of a wage increase - higher productivity, decreased turnover, lower recruiting and training costs, decreased absenteeism, and increased worker morale.

For the past several sessions, my colleague Sen. Bob Wirth has been a tireless advocate for boosting the state's minimum wage. This year, Senators Wirth and Harris introduced legislation that would increase the minimum wage from \$7.25 to \$7.60 per hour and tie future raises to an increase in inflation. I joined my colleagues as a co-author of Senate Bill 4.

Raising the minimum wage and indexing it to inflation should not be a partisan or controversial idea. Other states around the nation - New Jersey, Arizona, Colorado, Michigan, Missouri, Montana, Nevada, Ohio, Florida, and Washington – put the issue on the ballot and all received overwhelming approval.

Similarly, indexing provisions have been enacted in eleven states, from all parts of the country and all along the political spectrum.

A poll conducted by the non-partisan Pew Center indicates that over 80% of Americans favor a higher minimum wage. Americans understand that increasing the minimum wage would provide greater stability to working families and an infusion of spending that will benefit the economy.

The Center on Wisconsin Strategy estimates that raising our minimum wage to \$7.60 per hour would benefit at least 316,000 working people in our state. While I support this modest increase I recognize it falls short of what the minimum wage should be if it kept pace with inflation.

If we really want to lift people out of poverty and reward them for their hard work, let make steps to raise the minimum wage to \$10.60 per hour. According to The Bureau of Labor Statistics that \$10.60 an hour would take us back in real dollars to the minimum wage of 1968.

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