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ALTOONA, WI - Wisconsin governor candidate Mike McCabe today put forward a plan for yearly increases in the state's minimum wage that take into account differences in the cost of living across the state, with the earnings floor reaching $15 an hour once fully phased in after five years.

After that, the wage would be adjusted for inflation each year to keep pace with the cost of living.

Turning the minimum wage into a living wage will have ripple effects up and down the wage scale, also boosting wages for those currently earning above the minimum. Putting more money in the pockets of workers will stoke consumer demand and stimulate the economy.



"Wisconsin's goal should be nothing less than an economy where if you work you won't be poor," McCabe said, noting that Wisconsin currently leads the nation in shrinkage of the middle class. "Low wages are a killer for our economy. They suppress consumer demand and inhibit sales."

A key feature of McCabe's proposal is regional flexibility that recognizes the cost of living is higher in some parts of the state than in others, with the new minimum wage pegged to the average wage in each of Wisconsin's 20 metropolitan and nonmetropolitan areas recognized by the U.S. Department of Labor's Bureau of Labor Statistics. The most recent BLS figures show average wages for the state's metro and nonmetro areas range from just over $18 per hour to nearly $26.50 per hour.

In the first year, McCabe's plan raises Wisconsin's minimum wage from the current $7.25 per hour to $9.50 per hour to put Wisconsin's wage on a par with neighboring states.

The second year, the wage floor goes up to $10.50 per hour or 55% of the area average, whichever is less. Based on current BLS figures, the wage would be around $9.90 per hour in Wisconsin's lowest wage area.

In the third year, the minimum wage is raised to the lower of $12 per hour or 60% of the area average, generating an earnings floor of roughly $10.80 per hour in the state's lowest wage area.

The fourth year, the wage is boosted to $13.50 per hour or 65% of the area average. The minimum in the lowest wage area would be about $11.70 per hour.

In year five, Wisconsin's minimum wage goes to $15 an hour or two-thirds of the area average, with yearly adjustments for inflation thereafter. In the lowest wage area, the earnings floor would be in the vicinity of $12.10 per hour based on current BLS figures.

Under McCabe's plan, employers are allowed to pay employees 17 years of age or younger 85% of the new minimum wage.