



## Policy Symposium - Minimum Wage

### Overview

Our policy proposal is an increase in the state's minimum wage and then indexing it to inflation. The value of the minimum wage has been declining for over 40 years, falling 32% since 1968. The minimum wage has not kept pace with inflation, nor has it grown to reflect increases in worker productivity. The current minimum wage of \$7.25 an hour is insufficient to keep a working family out of poverty. Raising the minimum wage will restore its lost value and make it easier for working families to support themselves, while indexing it to inflation will prevent it from losing value in the future.

The WV House endorsed an increase in the federal minimum wage to \$9.00 an hour and two bills were introduced last session to raise the state's minimum wage, one to \$9.00 an hour (HB 3102) and one to \$9.50 an hour (HB 2953).. Legislation was introduced in Congress to raise the national minimum wage to \$10.10 an hour over three years.

19 states have a minimum wage higher than the federal minimum of \$7.25, ranging from \$7.35 to \$9.19. It is unlikely that the Legislature would support an increase making West Virginia one of the highest states, making a smaller increase to \$8.25-\$8.50 more likely.

### Cost

The cost of a minimum wage increase to the state is small. According to the fiscal notes prepared for the bills last session, an increase to \$9.00 an hour would cost the state \$659,256, while an increase to \$9.50 would cost \$1,573,103 including salaries, social security, workers compensation, and retirement contributions. The costs would likely be offset by increased tax collections through induced economic activity. Increasing the minimum wage to \$10.10 over three years would increase state GDP by \$228 million, or \$76 million per year. This translates into roughly \$3.4 million in increased state tax revenue.

### Allies

WVCBP, AFL-CIO, Alliance for Sustainable Families HCR 107, Expressing support for the President's proposal to increase the minimum wage to \$9 per hour from \$7.25 per hour passed the House 87-11. Legislation increasing the state's minimum wage (either HB 3102, HB 2953, or both) was sponsored by Delegates Skinner, Barrett, Lawrence, Marshall, Reynolds, Poore, Miley, Morgan, Fleischauer, Lynch, Young, Tomblin, Caputo, and Longstreth.

### Statistics

#### Raising the minimum wage to \$10.10 would benefit:

- 191,000 workers in WV
- 112,000 full time workers
- The parents of 97,000 children