

PATTY H. KIM, MEMBER
103RD LEGISLATIVE DISTRICT
G01 IRVIS OFFICE BUILDING
P.O. BOX 202103
HARRISBURG, PENNSYLVANIA 17120-2103
(717) 783-9342
FAX: (717) 787-8957
8 SOUTH FRONT STREET
STEELTON, PENNSYLVANIA 17113-2319
(717) 986-1673
FAX: (717) 986-1677



House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

COMMITTEES

CONSUMER AFFAIRS
HUMAN SERVICES
LOCAL GOVERNMENT
URBAN AFFAIRS
SUBCOMMITTEE CHAIR ON CITIES, THIRD
CLASS

CAUCUSES

WOMEN'S CAUCUS
PA LEGISLATIVE BLACK CAUCUS
LGBT EQUALITY
ARTS AND CULTURE
EARLY CHILDHOOD EDUCATION

MEMORANDUM

TO: All Members of the House of Representatives
FROM: Representative Patty Kim
DATE: January 22, 2015
SUBJECT: Raising Pennsylvania's Minimum Wage

In the near future, I plan to re-introduce legislation – HB 1896 – from the 2013-14 Legislative Session which, in addition to increasing Pennsylvania's minimum wage for all workers, will also include a cost of living increase to ensure our minimum wage keeps up with our economy's ever-changing rate of inflation. My proposal will make necessary improvements to enforcement provisions by increasing penalties to ensure compliance with the Minimum Wage Act. Finally, my legislation will restore authority of local officials to enact ordinances necessary to keep pace with local wages.

Nearly fourteen percent of Pennsylvanians were living in poverty in 2012, according to the United States Census Bureau. The gap between rich and poor continues to widen and the middle class is shrinking at an alarming rate. Now is the time to start making Pennsylvania's working families our top priority.

If enacted, my legislation would raise Pennsylvania's minimum wage from \$7.25 per hour to the following:

- Nine dollars (\$9.00) an hour beginning on January 1, 2016, or 6 months after enactment, whichever comes later; and
- Ten dollars and ten cents (\$10.10) an hour beginning 1 year after enactment.

As of January 1, 2015, 29 states and the District of Columbia have minimum wages above the federal minimum wage rate of \$7.25. Currently, a full-time minimum wage worker in Pennsylvania earns just \$15,080 a year – less than the national poverty level for a family of three (\$19,790).

The real value of the minimum wage has generally declined since 1968, meaning the buying power of minimum wage workers is not less than it was decades ago. If the minimum wage had kept pace with inflation since its high in 1968, it would now be above \$10.00 an hour.

Therefore, a reasonable increase in the minimum wage to \$10.10 per hour would lift thousands of families out of poverty and off the welfare rolls. Contrary to critics' claims that most minimum wage workers are students and young people, the facts are that the average age of a minimum wage employee is 35 years old, and 88 percent of minimum wage employees are age 20 or older.

Raising the minimum wage is not just a workers issue; it is a women's issue. More than 60 percent of Pennsylvania's minimum wage earners are women. My proposal would help an estimated 855,000 minimum-wage workers in Pennsylvania, including 514,000 women. Raising the minimum wage is also good for business. As countless economists have reported, raising wages has proven to reduce employee turnover and increase company productivity, all while allowing employers to enjoy a level playing field without having to face a competitive disadvantage for providing a reasonable living wage.

A 2010 study published in the Review of Economics and Statistics found that minimum wage increases have not resulted in significant job losses. In fact, an increase could lead to the creation of more jobs, as raising wages increases the amount of money in the hands of consumers and in turn, boosts demand for goods and services. Furthermore, a report by the Economic Policy Institute shows that raising the minimum wage to \$10.10 would result in nearly \$2 billion in total wage increases for workers in Pennsylvania.

My legislation will help struggling families pay their bills, put more money in their pockets, and provide a much-needed boost to our lagging economy and our overall economy. Please join me and the entire House Democratic Leadership Team in co-sponsoring this important legislation.