EXECUTIVE SUMMARY

“[M]ost people living in poverty in Connecticut are just like me – hard-working moms just trying to get by and raise our kids. We shouldn’t have to work so hard but be paid so little that even the idea of being able to afford our groceries and our own apartment is just a far-fetched dream.”

- Melody Robitaille, minimum wage worker (Testimony given at Connecticut Low Wage Employer Advisory Board public hearing, March 22, 2016)

The Connecticut Low Wage Employer Advisory Board (“the Board”) spent the past ten months, as charged by P.A. 15-5, Sec. 485, studying the circumstances, issues, and effects related to low-wage work in the state of Connecticut. The Board submits this Report and Recommendation, as required by statute, to present its findings and recommendations.

2016 Focus: The Connecticut Minimum Wage

The Board first convened in January 2016, and during its first three months began its work by hearing testimony from policy experts, researchers, and members of the public during four working meetings and two public hearings. In April 2016, the Board made a decision to focus its 2016 work on the question of whether Connecticut should raise its minimum wage. The Board made its decision for two reasons: first, in response to the testimony of dozens of members of the public who directly asked the Board to recommend raising the minimum wage to $15 and, second, because constraints of time and resources meant that, in its first year, the Board realistically needed to choose a focus for its work. The Board makes a recommendation on the minimum wage as a first step, recognizing that the minimum wage is one of several policies that can help low-income working families achieve economic stability and security. The Board anticipates studying and addressing other issues related to low-wage work in the future.

Testimony Heard by the Board

From April to November 2016, the Board heard and considered a wide range of additional personal testimony, academic research and studies, data, and other materials related to the question of raising the minimum wage, including those both supporting and opposing the concept of a $15 minimum wage. Nearly 300 members of the public attended the Board’s three public hearings. Nearly all who presented testimony were low-wage workers earning less than $15 per hour: child care providers, fast food workers, agricultural workers, home care workers providing care for disabled and elderly individuals, security guards, industrial laundry workers, and others.

The workers who testified repeatedly and consistently described their incomes as too low for them to make ends meet. Many explained that they work two or more jobs yet still struggle to pay their rent and other bills, to feed their families, and to obtain needed education and training.
Out of the more than 80 individuals who presented testimony, two – a business owner and a home health agency executive – did not support raising the minimum wage to $15.

The Board’s Recommendation: Connecticut Should Raise Its Minimum Wage to $15, Phased In Gradually Over Several Years

The Board recommends that the Connecticut minimum wage be increased to $15 per hour, phased in gradually over several years to allow businesses the opportunity to anticipate the changes and adjust. While the precise time frame should be determined by the legislature, one scenario that the Board considers reasonable and appropriate is to follow the path of the New York minimum wage for Westchester County and Long Island. This approach would increase the minimum wage by $1 each year, reaching $15 on January 1, 2022. After reaching $15, the Connecticut minimum wage should be indexed and adjusted on an annual basis with respect to some measure of inflation. The Board’s recommendation is based broadly on the following conclusions and principles:

- A “basic economic security” income, “self-sufficiency” income, or “living wage” in Connecticut – an income adequate to support a worker’s basic needs at a modest standard of living – requires in almost all cases a minimum wage higher than $15 per hour.
- The current projected raise in the minimum wage to $10.10 in 2017, while a positive step, is insufficient to allow Connecticut’s low-wage workers to live with minimal security or dignity.
- The weight of credible economic research found that raising the minimum wage – and raising the minimum wage to $15 specifically – will have a small net positive effect on the economy broadly. It has benefits across the economic spectrum and in many different categories – not only for workers and their families but also for businesses, taxpayers, and government.
- The basic and historic purpose of the Connecticut minimum wage law is “to require the payment of fair and just wages.”
- From a moral perspective, those in our society who work full-time should not live in poverty.

Raising the minimum wage to $15 over the next several years would boost the incomes of hundreds of thousands of Connecticut families, bringing many benefits to its residents, taxpayers, and businesses. It would help address the strikingly high levels of poverty and income inequality, in a state with the second-highest income inequality in the nation. It would help ensure that Connecticut’s low-wage earners -- who are disproportionately female, Black, and Latino, who are largely adults (with an average age in their mid-30s), and a majority of whom are the primary earners in their households -- can support themselves and their families. And it would help to curtail the state’s spending on public assistance programs for low-wage working families, allowing resources to be directed to other important public needs.

The Board heard and considered a broad range of arguments and studies on the economic impact of a $15 minimum wage, including those that raised concerns about the effects on employment levels. Much of the recent, credible economic research – and that which the Board finds compelling – indicates that raising the minimum wage would likely have a small net positive
effect on Connecticut employment levels, in addition to bringing significant benefits for workers on the lower rungs of the economic spectrum, for the state and its taxpayers, and for businesses. The Board finds compelling the studies and perspectives that present a balanced approach, looking at all of the effects – including both benefits and costs – and rejects those that claim that raising the minimum wage would, on balance, be detrimental to the economy, the state, businesses, and workers.

The Board’s recommendation to raise the minimum wage specifically to $15 reflects not only the direct request by many members of the public but also the fact that $15 has become the minimum wage focus nationally. A $15 minimum wage has passed or is currently under consideration in many different states and localities, including Connecticut’s neighbors of New York and New Jersey. The $15 level also reflects an informal consensus among economists that $15 is what is economically achievable even if it does not reach the level of meeting families’ needs for economic security and self-sufficiency.