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Before the Senate Labor and Industry Committee
Regarding Minimum Wage

Harrisburg, Pennsylvania
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Chairwoman Baker, Chairwoman Tartaglione, members of the Senate Labor and Industry Committee, I would like to thank you for the opportunity to testify today regarding raising the minimum wage in Pennsylvania.

Governor Wolf's plan for Pennsylvania calls for jobs that pay, schools that teach and government that works. Central to this plan are several reforms included in Governor Wolf's budget proposal that seek to improve economic development and create good-paying, middle class jobs. Included in the proposal is the need to raise Pennsylvania's minimum wage.

Pennsylvania's minimum wage was last raised on July 24, 2009, by the federal Fair Labor Standards Act. Pennsylvania last raised the rate by legislation in 2006.

Currently, 29 states have minimum wages higher than $7.25, including all of Pennsylvania's neighboring states. It's time Pennsylvania stepped up to support our workers whose wages have not kept pace with the higher cost of goods and services.

Specifically, Governor Wolf's proposal includes raising the minimum from $7.25 to $10.10 an hour. Raising the minimum wage helps rebuild the middle class. When wages are increased for minimum wage workers, workers earning just above the minimum wage ($7.25 - $10.10) also will see a wage increase. This increase would benefit nearly one million (994,400) hard-working Pennsylvanians, including those making the current minimum wage, as well as those earning up to and including $10.10 an hour.

In 2013, the annual income for an individual in Pennsylvania earning minimum wage ($7.25) was $15,080 or 99.6 percent of the 2013 Federal Poverty Threshold for a two-person household ($15,542); the first time since 2006 when that worker earned less than the poverty threshold. If the minimum wage remains unchanged at $7.25 in 2015, the earnings of an individual working full-time at that wage almost certainly will remain below the Federal Poverty Threshold for a two-person household.

A full-time, year-round worker earning the proposed new minimum wage of $10.10 would earn $21,008 per year. This would put the worker's earnings above the 2014 federal poverty threshold for a family of three ($18,853). If you increase this amount by 2 percent per year to account for inflation from 2014 through 2016 (when the $10.10 minimum would go into effect), then the poverty threshold for a family of three would be $19,615, so the full-time annual equivalent of the minimum wage would still be above the threshold.

For a single mother with two children who works 40 hours per week, a $10.10 minimum wage would lift her family above the poverty line for a household of three. This change is not just good economic policy, it is commonsense.

When we raise the minimum wage not only do employees see a benefit, so do employers. Businesses benefit because workers receiving higher wages have more disposable income and business that pay higher wages attract employees.

The bottom line is that we need to do better for Pennsylvania's workers. Governor Wolf, Acting Secretary Manderino, and I strongly believe that no person who works full-time should live in poverty—it harms our families and costs more money over the long-term. The governor's budget strengthens working families and helps businesses grow and create jobs. We are confident that cutting the corporate net income tax, finally phasing out the capitol stock and franchise tax, lowering property taxes for the middle class, and raising our minimum wage will create a better standard of living for citizens across the Commonwealth.

In closing, again I would like to thank Chairwoman Baker, Chairwoman Tartaglione and all of the members of the Senate Labor and Industry Committee. The time is now for Pennsylvania to raise its minimum wage and to make Pennsylvania a state that supports its workers with jobs that pay.

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