

MA AFL-CIO

Legislative Fact Sheet



Working People Need a Raise

An Act to Improve the Commonwealth's Economy With a Strong Minimum Wage and a Strong Tipped Minimum Wage

H.2365, filed by Representative Dan Donahue &

S.1004, filed by Senator Ken Donnelly

Why Living Wages Matter

Our state's economy works best when all working people are able to meet their basic needs through access to well-paying jobs. A full-time worker in Massachusetts earning the current minimum wage of \$11 an hour makes only \$22,880 a year. A minimum wage earner would have to work 94 hours every week in order to afford a two-bedroom apartment.

Many workers earning the minimum wage are forced to work three or more jobs to piece together enough money to pay for groceries, housing, heating and other basic needs. No one who works full time should be paid so little that they cannot make ends meet.

This legislation would raise the state's minimum wage by \$1 each year over four years until it is \$15 an hour in 2021. The minimum wage would then be adjusted each year to rise along with increases in the cost of living. It would also increase the sub-minimum wage for tipped workers, currently \$3.75 an hour, over 8 years until it is equal to the regular minimum wage.

Why We Need a \$15 Minimum Wage for All Workers

- » Making sure every working person earns a living wage will help our state's workers, businesses, and economy. A living wage will provide stability to low-wage employees, allowing them to support themselves and their families.
- » Increasing the minimum wage to \$15 by 2021 would raise the wages of roughly 947,000 workers, or 29% of the state's workforce. Of the workers who would be affected, 91 percent of workers are over 20 years old, 56 percent are women, and 57 percent work full-time. Workers who are paid low wages include highly skilled professions, like nursing assistants, childcare providers and paramedics.
- » The sub-minimum wage for tipped workers leaves servers at diners, pubs and pancake houses, hairdressers, car wash staff, airport wheelchair and parking attendants, valets and others facing financial uncertainty, making them vulnerable to harassment and discrimination. We should join the eight states, including California, Minnesota, and Maine, that have eliminated the sub-minimum wage for tipped workers without seeing any harm to restaurants or a reduction in tipping.
- » For employers, higher wages mean more efficient workers and less employee turnover, helping them save money on recruiting and retaining workers. When workers have more money in their pockets, they spend it in their neighborhoods, helping local businesses grow and create more jobs. As the Massachusetts minimum wage has risen over the past three years, the state's economy has added more than 150,000 jobs, and unemployment is at its lowest rate since before the Great Recession.

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