



Minimum Wage

Legislative Issue Brief
2015 General Assembly Session

Our Vision

A world where people of all faiths cooperate to create compassionate communities that are just, peaceful, equitable and sustainable.

Our Mission

To empower Virginians to create social justice for all by advocating for systemic change.

Our Work

We unite people of faith in Virginia. Through partnerships with other statewide non-profit advocacy organizations and our own grassroots networks, we empower faithful advocates to:

- LEARN -
about the issues
challenging our communities

- PRAY -
for guidance and
discernment

- ACT -
to make Virginia a more just
and compassionate
Commonwealth.

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Over the past 30 years, the income disparity between the wealthy and the poor has grown, with those in poverty taking home less and less money each year. Since the start of the recession in 2007, this trend has further accelerated across the nation. By 2012, the Commonwealth posted the largest gap ever between the richest and poorest Virginians. People who work hard should be able to afford to live with dignity. Raising the minimum wage to \$10.10 over three years would help narrow the wage gap and offer a fair starting point for working families. In Virginia, six in ten minimum wage workers are women and many are raising children.

A higher minimum wage helps keep families out of poverty and, by extension, helps reduce the demand on government programs like Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) that provide food and income assistance for low-income families. Increasing the wage rewards work and decreases the need for public assistance, making it an important choice for Virginia. Raising the wage does not hurt business; in fact, many larger businesses (Costco, Gap, IKEA and Whole Foods Market) already offer higher wages.¹ Businesses do well when their employees' wages foster dedication and decrease turnover.

The Facts

- Currently, a full-time worker making the minimum wage earns just \$15,080 a year. This falls below poverty guidelines for families of two or more.²
- Over 80% of minimum wage workers are 20 years or older and are 35 years old on average and over 40% of low-wage workers have at least some college education.³
- More than a third of minimum wage workers (39.1%) are married, and over a quarter (26%) are parents.⁴ 21 million children would benefit from an increase in at least one parent's income.⁵
- Increasing the minimum wage would put more money in the pockets of workers, who will then spend on things like housing, food, and gas. This boost in demand for goods and services will help funnel money back to businesses large and small. It is anticipated that a \$10.10 minimum wage would funnel \$32.6 billion back into the economy and create 140,000 jobs.⁶
- Studies have shown that minimum wage increases do not cause job losses.⁷
- A minimum wage increase to \$10.10 would, in Virginia, reduce taxpayer-funded Supplemental Nutrition Assistance Program (SNAP) expenditures by more than \$105 million, with a 12.10 to 13.70 percent decrease in enrollment.⁸ Better wages enable families to be more self-sustainable and incentivizes work over government assistance.
- Small business owners already acknowledge the benefits of higher wages, which is why 85% of them pay employees above the minimum wage.⁹
- A higher minimum wage would raise prices by less than 2%.¹⁰
- Wages are not keeping pace with increased productivity. If the minimum wage kept up with increases in worker productivity, the minimum wage would be over \$18 an hour.¹¹
- The minimum wage has not kept pace with inflation. In 1968, the federal minimum wage was \$1.60 an hour. Today's minimum wage of \$7.25 an hour is 31% lower in value than the minimum wage in 1968. Had it kept up with inflation, it would more than \$10.50 today.¹²

1 <http://www.businessforfairminimumwage.org/news/0089/business-owners-welcome-minimum-wage-increase>,
<http://thinkprogress.org/economy/2014/02/19/3306841/gap-raising-minimum-wage-10/> and <http://thinkprogress.org/economy/2014/06/26/3453504/ikea-minimum-wage/>

2 <http://aspe.hhs.gov/poverty/13poverty.cfm#thresholds>

3 <http://aspe.hhs.gov/hsp/09/lowwageworkers/rb.pdf>

4 <http://aspe.hhs.gov/hsp/09/lowwageworkers/rb.pdf>

5 <http://www.epi.org/publication/snapshot-federal-minimum-wage/>

6 <http://www.epi.org/publication/bp357-federal-minimum-wage-increase/>

7 <http://www.epi.org/publication/bp357-federal-minimum-wage-increase/>

8 According to the Center for American Progress (<http://interactives.americanprogress.org/projects/2014/minwage/index.html>)

9 <http://www.smallbusinessmajority.org/small-business-research/minimum-wage/>.

10 <http://www.raisetheminimumwage.com/pages/job-loss>

11 <http://www.help.senate.gov/imo/media/doc/Dube1.pdf>

12 <http://www.mlpp.org/wp-content/uploads/2014/02/Raising-Minimum-Wage.pdf>



Minimum Wage Talking Points

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Meeting with your legislator

- **Explain** your perspective on minimum wage.
- **Share** a story how a minimum wage increase would benefit people in your congregation or community.
- **Advocate** using the talking points below, for how increasing the minimum wage would benefit all Virginians. Present 3-5 data points from the list below that you find most persuasive.
- **Ask** that your representative take action on the policy issue and ask for a commitment.

The case for increasing the minimum wage

- *All people deserve to be able to support themselves and their families*
 - Working full-time at the current minimum wage (\$7.25), someone supporting a family of 3, has an income \$4,000 below the poverty line. Raising the minimum wage to \$10.10 would boost that family above the poverty line, to \$19,777 per year.
 - Raising the minimum wage to \$10.10 over three years would help narrow the wage gap and offer a fair starting point for working families.
 - In Virginia, six in ten minimum wage workers are women and many are raising children.
- *Implementing a living wage makes sense for the Virginia economy*
 - Studies have shown that minimum wage increases do not cause job losses. In fact, more than half of states that raised the minimum wage during periods of high unemployment saw the unemployment rate decrease over the next 12 months.
 - Businesses can afford to pay a living wage. Small business owners already acknowledge the benefits of higher wages, which is why 85% of them pay employees above the minimum wage. Larger businesses like Costco and Whole Foods also use higher wages to improve employee morale.
 - Increasing the minimum wage would put more money in the pockets of workers and increase demand for goods and services. This would increase employment and improve the economy.
- *A higher minimum wage leads to reduced government spending*
 - A minimum wage increase to \$10.10 would, in Virginia, reduce taxpayer-funded Supplemental Nutrition Assistance Program (SNAP) expenditures by more than \$105 million, with a 12.1% to 13.7% percent decrease in enrollment. Better wages enable families to be more self-sustainable and incentivizes work over government assistance.
 - Tell a story that illustrates your message and the impact of the issue. Ideally, use an example from your experience or your community.

The Ask

[As a person of faith,] I consider it a moral obligation to ensure that all people are justly rewarded for their work.

Senator/Delegate _____, I ask you to support raising Virginia's minimum wage to \$10.10 by 2017.