



## Lamont-Bysiewicz Transition Policy Committee Reporting Template

**Committee Name: Women**

**Co-Chairs: Marilyn Moore and Karen Jarmoc**

### Minimum Wage

- 1. How do you propose the Lamont Administration should prioritize the policy goals in this area, and on what timeframe?** Women comprise 60% of workers who are paid less than \$15 per hour in Connecticut. The Lamont Administration should **raise Connecticut's minimum wage to \$15 by January 1, 2023** by introducing and strongly advocating for legislation in the 2019 Session. Such legislation should also:
  - Index minimum wage to the Consumer Price Index (CPI) after reaching \$15/hour in order to automatically keep up with inflation.
  - Protect against further erosion of tipped wages by maintaining current 'tip credit' percentage.
- 2. Which goals are achievable in the first 100 days of the Administration?** Introduce legislation and include funding in the Administration's budget proposal.
- 3. Which goals will require legislation to move forward? Which items can be advanced through the actions of the Administration alone? What is the fiscal impact of these legislative or executive actions?** Raising the minimum wage will require legislation. There will be a fiscal impact of roughly \$4.5M FY20 and \$9.7M FY21 for the State due to state contracts and some direct state employment where workers are paid less than \$15/hour<sup>1</sup>. Many of these state-funded jobs are filled primarily by women, such as Care4Kids Family Child Care Providers, health care and human services private providers. There would also be a fiscal impact on municipalities who pay any employees at or close to minimum wage.
- 4. Are there specific challenges you can identify with regard to achieving the Lamont Administration's goals, and how would you suggest to address those?** Some misconceptions about the impact of increasing minimum wage continue to be repeated. The Lamont Administration should prepare to advocate and educate on: *Economy*: raising the minimum wage boosts incomes for low-paid workers without reducing overall employment or job growth<sup>2</sup> to any significant degree; *Jobs*: most minimum wage employers are service-sector businesses that are tied to a state because that is where their customers are—such as fast food, retail, and home health care services, for example; *Teenagers*: over 85% of those impacted by increase are in fact over the age of 20.<sup>3</sup>
- 5. How will implementation of policy in this area create jobs and spur economic growth?** Stimulate economic growth<sup>4</sup> by spurring local spending. Low-wage workers spend their dollars locally, but suppressing

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<sup>1</sup> Actual fiscal cost will depend on timing and amount of minimum wage increases. This estimate based on OFA's fiscal analyses of minimum wage bills in 2017, 2018 Sessions: <https://www.cga.ct.gov/2017/FN/2017HB-06208-R000023-FN.htm>, <https://www.cga.ct.gov/2018/FN/pdf/2018HB-05388-R000198-FN.pdf>. NOTE: Special Act 18-5 and 2018 state budget bill already allocated over \$21 million for FY19 to increase wages of certain employees who provide services to individuals with intellectual disabilities to a minimum of \$14.75 by January 1, 2019, so impact of future minimum wage increases will be lower than OFA 2017, 2018 analysis.

<sup>2</sup> National Employment Law Project: [www.nelp.org/wp-content/uploads/City-Minimum-Wage-Laws-Recent-Trends-Economic-Evidence.pdf](http://www.nelp.org/wp-content/uploads/City-Minimum-Wage-Laws-Recent-Trends-Economic-Evidence.pdf)

<sup>3</sup> Economic Policy Institute: [www.epi.org/files/2015/revised-minimum-wage-state-tables.pdf](http://www.epi.org/files/2015/revised-minimum-wage-state-tables.pdf)

<sup>4</sup> Economic Policy Institute: [www.epi.org/publication/ib341-raising-federal-minimum-wage/](http://www.epi.org/publication/ib341-raising-federal-minimum-wage/)

the minimum wage leads to lots of money leaving the state as big-box corporate profits. Make Connecticut a more attractive place to live for younger workers, which will help slow the exodus of <35-year old residents, contributing to local economic growth. Substantially reduce poverty in our urban centers and lead to [growth and vibrancy in our cities](#)<sup>5</sup> -- which will make Connecticut more attractive for employers, as we have heard from Aetna, GE, and Alexion.

6. **Are there opportunities for cost savings for CT state government in the context of implementing this policy?** Increasing the minimum wage will provide economic stability some individuals and families need to move up out of poverty and [decrease their need for state assistance or subsidies](#)<sup>6</sup>, such as Medicaid, SNAP (food stamps), housing and heating assistance -- allowing the state to save costs or to allocate funding to other areas.
7. **What examples of success from other states, countries, or the private sector in this policy area should the Administration study?** New York: Minimum wage will rise to \$15/hour in New York City by the end of 2018, and in downstate areas by the end of 2021, Massachusetts: \$15/hour by 2023, California: \$15/hour by 2023, Washington, DC: \$15/hour by 2020.
8. **Are there any other issues/considerations you would like to highlight with regard to this policy area?**

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<sup>5</sup> National Women's Law Center. <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2017/05/Raise-the-Wage-Act-Boosting-Womens-Pay-Checks.pdf>

<sup>6</sup> Economic Policy Institute: [www.epi.org/publication/wages-and-transfers/](http://www.epi.org/publication/wages-and-transfers/)