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Victory for Michigan's Working Families

Proposed Ballot Initiative Spurs Michigan Legislature to Raise Minimum Wage

LANSING – Governor Jennifer Granholm is expected to sign into law landmark legislation to raise the minimum wage for working people in Michigan who have been struggling to pay their bills and support their families. In the face of a grassroots ballot initiative which would give voters the opportunity to raise the minimum wage this November, the Michigan Legislature reversed direction and passed its first minimum wage increase in nine years. The wage hike will give Michigan one of the highest minimum wages in the nation, and make it the nineteenth state to raise its minimum wage as Congress continues to ignore the issue.

“We’re delighted that the legislature has finally stepped in to give working families a raise, but we wish it hadn’t taken the threat of direct democracy to make lawmakers do their jobs,” said Michael Waldman, executive director of the Brennan Center for Justice at New York University School of Law, a legal advocacy organization that advised the coalition in drafting the proposed ballot initiative to raise the state’s minimum wage. Under the new law, Michigan’s minimum wage will increase to \$6.95 per hour on October 1, 2006, and to \$7.40 by July of 2008.

The federal minimum wage would be worth over \$9.00 an hour if it had kept pace with inflation over the last 38 years. But both the federal minimum wage and Michigan’s have been \$5.15 since 1997. The Michigan Legislature has consistently refused to raise the minimum wage. Now, facing a widely popular ballot initiative that would enable voters to address the issue in the fall 2006 elections, the legislature finally acted.

Advocates are assessing whether to move ahead with the ballot initiative campaign, which is also backed by local unions and community groups including ACORN. While the approved increase raises Michigan’s minimum wage substantially, it omits other important protections from the ballot initiative, including annual cost-of-living increases to ensure that the minimum wage keeps up with inflation. “Michigan’s action is only a partial victory for working families,” explained Raj Nayak, associate counsel at the Brennan Center. “It places an unfair burden on working families, who should not have to ask for a raise year after year to keep up with the rising cost of living.” The ballot initiative would also give a raise to restaurant workers and others who earn tips—workers who receive no raise under the recent law.

In addition to Michigan, the Brennan Center is advising minimum wage ballot campaigns in other states—including Arizona, Arkansas, Colorado, Missouri, and Ohio—all of which would provide for inflation indexing. Faced with popular ballot initiatives, lawmakers in Ohio and Arkansas are also considering reversing direction and supporting a minimum wage hike.

For more information on the Michigan minimum wage increase and the national movement to raise the minimum wage, contact the Brennan Center’s Raj Nayak at 212-992-8639, cell 312-399-9904. The Brennan Center for Justice at New York University Law School provides technical and legal assistance to community coalitions and lawmakers promoting policy initiatives to help working families.

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