

Report Calls on N.J. to Raise and Index the Minimum Wage

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Brennan Center and Allies Call on N.J. to Raise and Index Minimum Wage

Trenton, New Jersey – The Brennan Center for Justice at NYU School of Law today joined with leading policy groups in New Jersey to call for key reforms in the state's minimum wage. Together with New Jersey Policy Perspective and the New Jersey Institute for Social Justice, the Brennan Center submitted a report, *The Adequacy of New Jersey's Minimum Wage*, to New Jersey's Minimum Wage Advisory Commission. In the coming months, the Commission will recommend wage reforms to the New Jersey legislature.

The report outlines the inadequacy of New Jersey's current \$7.15 minimum wage in this state with the nation's fourth highest cost of living. It recommends three key reforms to update the state wage law for today's economy:

- Restoring the minimum wage to approximately 50% of average wages in the state. This translates to approximately \$8.50 in 2007 dollars and was the level of our national minimum wage during

our great post-War decades of prosperity before it began to erode substantially.

- Adopting automatic annual cost-of-living increases or "indexing" to make sure that the minimum wage does not fall behind again in the future. As the report explains, "A minimum wage that does not go up is, in reality, a minimum wage that goes down." In 2006, seven states adopted indexing for their minimum wages, bringing the national total to ten.
- Adopting new safeguards for low-income tipped workers to protect them from being paid no wages at all and forced to work just for tips.

"New Jersey is one of the only states where, by law, the governor and the legislature are required to examine the adequacy of their minimum wage and recommend reforms," said Paul Sonn, co-director of the Brennan Center's Economic Justice Project. "This process gives the state an important opportunity to tackle long overdue changes to make the minimum wage meaningful once again for low-income New Jerseyans."

The recommendations in the report serve as a model for reforms that need to be made to federal wage laws too. A bill to increase the federal minimum wage is currently pending in Congress, but it leaves out key reforms outlined in the New Jersey report. Action by New Jersey and other states to fix their wage laws can help pave the way for more serious federal reform by Congress after 2008.

For a copy of the report, *The Adequacy of New Jersey's Minimum Wage*, [click here](#). For a statement from Professor Eileen Appelbaum of the Rutgers School of Management and Labor Relations endorsing the report's recommendations, [click here](#).

The Brennan Center works with federal, state and local policymakers to strengthen our nation's wage protections for low-income families. In 2006, the Center supported successful ballot initiative campaigns that

raised and indexed the minimum wage in six states. For more background on the Center's minimum wage advocacy, [click here](#).