Vermont Workers Win Nation’s Highest Minimum Wage as State Legislature Raises Wage Floor to $10.50 per Hour

In the face of Congressional gridlock, record number of states and cities across the country continue to take action to raise the minimum wage

Montpelier, VT – Just over one week after the city of Seattle announced a historic plan to raise its minimum wage to $15 per hour, the Vermont state legislature voted on Sunday to adopt the highest statewide wage floor in the country, approving a bill to gradually increase the minimum wage to $10.50 per hour by 2018.

Prompted by Congressional gridlock, which has left the federal minimum wage stuck at $7.25 per hour for nearly five years, a record number of states and cities have taken action this year to raise pay for low-wage workers. Vermont now joins Connecticut, Maryland, and Hawaii – which all voted in recent months to raise their minimum wage to $10.10 per hour – along with Minnesota, West Virginia, and Delaware in passing legislation this year to raise the minimum wage.

Vermont’s minimum wage is currently indexed to rise each year with inflation – a key policy reform that 11 other states, as well as the District of Columbia, have already adopted to preserve the real purchasing power of the minimum wage as the cost of living rises each year. This bill makes Vermont the first of these states to return, after adopting annual inflation indexing, to pass a minimum wage increase that will raise the real value of the wage floor above its current level.

“Vermont’s lawmakers deserve praise for leading the nation in guaranteeing a fair wage for workers in the state,” said Christine Owens, executive director of the National Employment Law Project. “While this bill is a major victory for Vermont’s lowest-paid workers, it’s also an important reminder for Congress of the pressing need to ensure that all Americans are paid a decent wage, particularly as new job growth remains concentrated in low-paying industries like fast-food and retail.”

As the Senate GOP continues to block a vote on federal legislation to raise the minimum wage to $10.10 per hour, three former Republican presidential candidates – Gov. Mitt Romney (MA), Sen. Rick Santorum (PA), and Gov. Tim Pawlenty (MN) – have come out this year in support of raising the minimum wage, expressing concern about the consequences of continued GOP opposition ahead of the midterm elections. Their comments echo statements made by conservative commentator Bill O’Reilly earlier this year, who called for raising the federal minimum wage to $10.10 per hour, stating that, “the GOP needs to stop working against working people...$10 bucks an hour should be the law of the land.”

A number of CEOs, along with small businesses across the country, have now started to raise their minimum pay to $10 per hour, citing the economic benefits of higher wages as a key component of a competitive business model. Earlier this year, The Gap announced it would raise its base pay in the U.S. to $10 per hour,
joining small food service businesses like the Minneapolis-based Punch Pizza. A February 2014 poll found that 57 percent of small business owners in the U.S. support raising the minimum wage to $10.10 per hour and indexing it to rise each year with the cost of living.

Other states currently considering legislation to raise the minimum wage include Massachusetts – where the House approved a bill earlier this year to raise the minimum wage to $10.50 per hour after the Senate approved a measure to raise it to $11 per hour – and Illinois, where a proposal introduced in the House and Senate this year would raise the minimum wage to $10.65 per hour. Measures to raise the minimum wage are also expected to appear on the ballot this November in a number of states across the country, including South Dakota, Alaska, Arkansas, and Nebraska.

A growing number of localities have also raised their minimum wages significantly above the federal and state level. In addition to the recent proposal for $15 per hour announced in Seattle, other cities and counties that have enacted higher minimum wages in recent years include San Francisco ($10.74 per hour), Santa Fe ($10.66 per hour), San Jose ($10.15 per hour), Washington, DC ($11.50 by 2016), Montgomery County, MD ($11.50 by 2017), Prince George’s County, MD ($11.50 by 2017), and SeaTac, WA ($15 for certain occupations).

Other cities that are pursuing higher minimum wages include Chicago ($15 per hour for large employers), Richmond, CA ($12.30 per hour), San Francisco ($15 per hour), New York City, San Diego, Oakland, Portland, ME, and Las Cruces, NM, to name a few.

The most rigorous economic research over the past 20 years shows that raising the minimum wage boosts worker pay without causing job losses – even in regions where the economy is weak or unemployment is high. A recent study by the Center for Economic and Policy Research reviews the past two decades of research and concludes that raising the minimum wage had no adverse impact on employment.

*The National Employment Law Project is a non-partisan, not-for-profit organization that conducts research and advocates on issues affecting low-wage and unemployed workers. For more about NELP, visit [www.nelp.org](http://www.nelp.org) or [www.raisetheminimumwage.org](http://www.raisetheminimumwage.org).*

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