

# NEW JERSEY STATE AFL-CIO

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October 22, 2012

Dear Members of the Senate Labor Committee:

## **Statement in Support of SCR-1 (Sweeney / Ruiz) – Raises the Minimum Wage**

The New Jersey State AFL-CIO is proud that legislative leaders in both houses of the New Jersey Legislature - Senate President Steve Sweeney and Assembly Speaker Sheila Oliver, are passionate advocates of raising the state's minimum wage. In a high cost of living state such as ours, it is quite obvious that our current minimum wage is inadequate and needs to be corrected for the benefit of low income workers.

The State AFL-CIO's goal on this issue is a simple one – we support the most comprehensive, long term solution possible. To achieve this goal, a COLA must be included. The reasons for a COLA are basic – it's a permanent "fix" for low income workers due to the continuous erosion by inflation and it removes politics from the minimum wage issue in the future. It is our belief that low income workers should not suffer due to the volatility of the partisan environment inherent to our policy making process.

This volatility and political influence concerning the minimum wage has been on full display since the last time the minimum wage was acted on in New Jersey. During the 2005 legislative debate, the COLA was removed from the legislation and was replaced with a five member Minimum Wage Advisory Commission, comprised of two labor representatives, two business representatives and the Commissioner of Labor. Conceptually, this Commission was charged with the task of researching approximately a dozen specific statistical indexes and then based on the outcome of that statistical analysis, issued a recommendation to the legislature.

The New Jersey State AFL-CIO had a representative on that commission since its inception, and to absolutely no one's surprise, regardless of the statistical research presented that clearly established that the minimum wage was inadequate, each and every year the Commission met, a 3-2 vote was cast. When a Democrat was Governor, the recommendation was 3-2 to raise the minimum wage and include a COLA and when a Republican became Governor, the recommendation was 3-2 to not raise the minimum wage and not include a COLA.

The constitutional amendment before you today removes politics from the equation and remedies this issue once and for all on behalf of low income workers.

At its core, raising the minimum wage is an anti-poverty measure. New Jersey's growing poverty statistics are startling and raising the minimum wage would be a strong first step toward addressing this problem. According to the Census Bureau, from 2007 – 2011, 63,322 children and 33,202 families in New Jersey have fallen into poverty, an increase of 28% and 24% respectively. The costs of health care, education, food, gas, electricity, and transportation are all escalating drastically, while the minimum wage is held at poverty level wages. This needs to change.

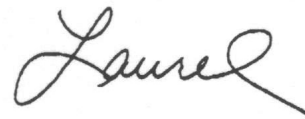
Finally, it should be noted that there is precedent for achieving a COLA via voter referendum and via constitutional amendment. COLA's have been passed in 10 states, with 9 of those states accomplishing this via ballot initiative. Four of those nine were via Constitutional Amendment. Those states were Florida in 2004 and Nevada, Ohio and Colorado in 2006.

In closing, the New Jersey State AFL-CIO believes that with honest work should come dignity and we have the opportunity to take a significant step forward toward in obtaining that for New Jersey's low income workers by passing this Constitutional Amendment.

Sincerely,



Charles Wowkanech  
President



Laurel Brennan  
Secretary-Treasurer

CW:LB:jn  
OPEIU:153