
For Immediate Release

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New Minimum Wage Boosts Wages for 95,000 Workers in West Virginia

About 12.5 percent of West Virginia's workforce will benefit from an increase in the federal minimum wage from \$6.55 to \$7.25 per hour on July 24, 2009. Of the 95,000 workers impacted by the wage hike, 63,000 will be directly affected by the increase and 32,000 workers will see an increase due to "spillover effects."¹ This is according to recent analysis conducted by the **Economic Policy Institute** in Washington, D.C. and released by the **West Virginia Center on Budget and Policy (WV CBP)**.

"The increase will significantly boost the pay of low-income workers in the state who have seen their wages declined over the last three decades," said Ted Boettner, Executive Director of the WVCBP. When adjusted for inflation, wages for the bottom 10 percent of earners have decline by 14 percent from \$8.10 per hour in 1979 to \$7.09 in 2008.

West Virginia is one of 31 states that will be affected by the increased minimum wage. Nineteen other states already have minimum wages at or about \$7.25. "The increase will not just help workers and their families, but will also help boost local economies during the recession. The Economic Policy Institute estimates an increase in consumer spending of \$5.5 billion over the next year as a result of the minimum wage increase.

"The increase is especially helpful for disadvantaged workers who are struggling the hardest to make ends meet," said Rick Wilson, who is a board member of the WV CBP and director of the American Friends Service Committee's WV Economic Justice Project. "Those who stand to gain the most are women, single mothers, African Americans and Hispanics, those with just a high school degree, and part-time workers."

(more)

¹ Directly affected workers earn an hourly wage between the state's current minimum wage and \$7.25. Indirectly affected workers are those earning between \$7.25 and \$7.95 (the size of the minimum wage increase.)

Studies of previous minimum wage increases have found no significant impact on job losses. Employers are often able to compensate for the increase through increased productivity, reduced turnover and absenteeism, and higher worker morale. The minimum was first enacted during the Great Depression as a means of setting a base level for employee compensation.

While an increased minimum wage provides benefits for many West Virginians, it is only part of an overall strategy needed to reduce poverty. Other effective means of reducing and preventing include the federal Earned Income Tax Credit and similar state credits (which West Virginia currently does not have), the Child Tax Credit, health coverage and access to education and job training.

For more information see EPI's Minimum Wage Issue Guide:

http://www.epi.org/publications/entry/issue_guide_on_minimum_wage/

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The West Virginia Center on Budget and Policy is a policy research organization that is nonpartisan, nonprofit, and statewide. It focuses on how policy decisions affect all West Virginians, especially low- and moderate-income families.

Established in 1989, the West Virginia Economic Justice Project of the American Friends Service Committee works statewide on issues affecting low-income and working families.

The Economic Policy Institute, a nonprofit Washington D.C. think tank, was created in 1986 to broaden the discussion about economic policy to include the interests of low- and middle-income workers.
