



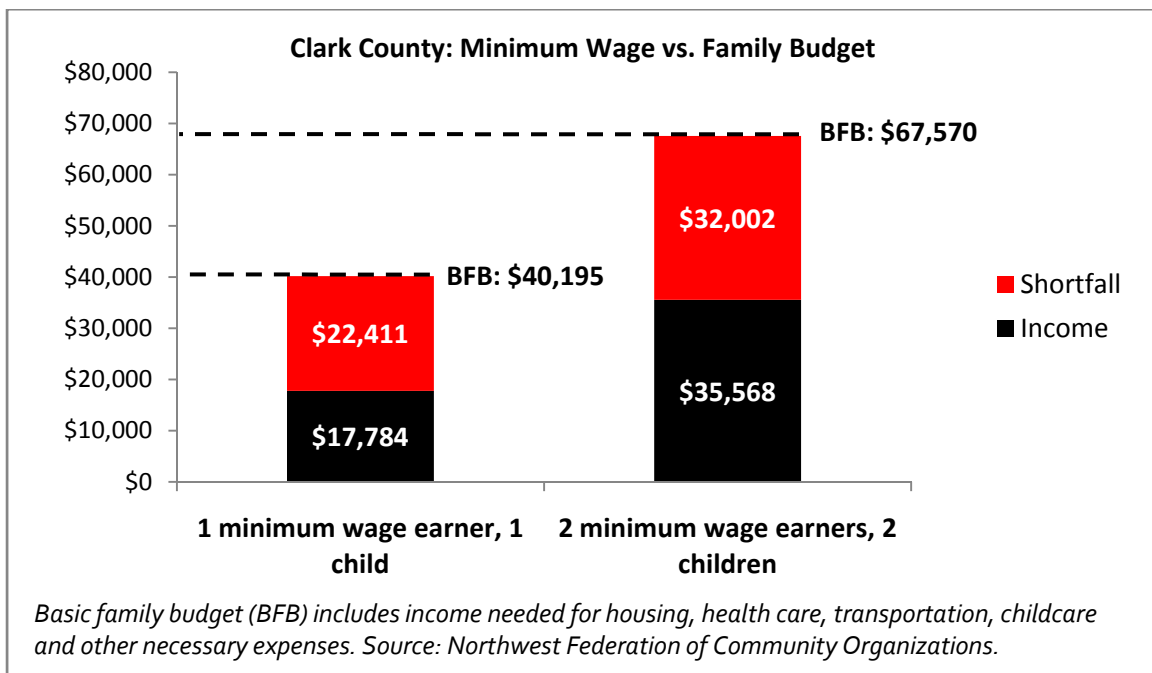
## Fact Sheet: Washington’s Minimum Wage

### SUMMARY

- Washington’s minimum wage will adjust to \$8.55 per hour on January 1, 2009. A full-time employee earning the minimum wage in Washington will earn \$17,784 per year – \$1,000 more than in 2008 and \$4,160 more than the federal minimum of \$6.55 in 27 other states.
- \$8.55 per hour in 2009 represents the same buying power minimum wage workers had in 2000 when Washington’s minimum wage was \$6.50. In comparable dollars, today’s minimum wage is actually lower than it was 40 years ago. In 1968, Washington’s minimum wage was \$1.60 per hour; if it had kept pace with inflation, it would be \$10.55 in 2009.
- Initiative 688, approved by voters in 1998, raised the minimum wage in steps to \$6.50 in 2000, then required an annual increase based on the cost of living index for urban wage and clerical workers (CPI-W). The 48 cent adjustment for 2009 reflects the relatively high rate of inflation (5.9%) between August 2007 and August 2008.
- In the Seattle metropolitan area the CPI-W was higher than the nation, at 6.2%. Basic necessities of the family budget, including food, rent, and transportation, also rose more than the overall inflation rate, according to the Bureau of Labor Statistics August report.<sup>i</sup>

### POVERTY

Even with the highest minimum wage in the nation, full-time minimum wage workers in Washington earn only just enough to stay above the federal poverty line – and far less than required for a family budget:



## **WORKFORCE/JOB GROWTH**

Over the past four years, with the nation's highest minimum wage, Washington has enjoyed much more robust job growth than most other states. With the onset of a severe national recession in 2008, Washington's economy continues to be much stronger than the nation's as a whole.<sup>ii</sup>

The most recent update from the Washington Employment Security Department (ESD) indicates that 6.2 percent of jobs – where a job is any employee-employer relationship during those three months – paid the minimum.<sup>iii</sup> Accommodation and food services are the single biggest employers of minimum wage workers in Washington.

Washington gained 6,000 jobs in that sector from July 2007 to July 2008, and saw a total increase of 13% from 2000-2008. According to the U.S. Department of Labor, half of all minimum wage workers nationwide are over 25 years of age.<sup>iv</sup>

## **OTHER STATES**

Washington was the first of now ten states to annually adjust its minimum wage for inflation, and one of 23 states with a minimum wage higher than the federal rate of \$6.55. Currently, more than half of the U.S. population lives in states that have passed minimum wages higher than the federal rate.

As of July 24, 2008, twenty-three states and the District of Columbia have enacted minimum wages higher than the federal level. Voters in ten of those states (AZ, CO, FL, MO, MT, NV, OH, OR, VT, WA) have also approved an automatic COLA:

<u>Approved</u>	<u>Minimum Wage as of January 2009</u>
1998	Washington: \$8.55/hour
2002	Oregon: \$8.40/hour
2005	Florida: \$7.21/hour (increases to federal minimum of \$7.25/hour July 24, 2009)
2006	Arizona: \$7.25/hour
	Colorado: \$7.28/hour
	Missouri: \$7.05/hour (increases to federal minimum of \$7.25/hour July 24, 2009)
	Montana: \$6.90/hour (increases to federal minimum of \$7.25/hour July 24, 2009)
	Nevada: \$6.85/hour (increases to federal minimum of \$7.25/hour July 24, 2009)
	Ohio: \$7.30/hour
	Vermont: \$8.06/hour

The current federal minimum wage of \$6.55 will increase to \$7.25/hour on July 24, 2009.

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<sup>i</sup> Malik Crawford, CPI Detailed Report-Aug. 2008, Bureau of Labor Statistics, <http://www.bls.gov/cpi/cpid0808.pdf>.

<sup>ii</sup> Marilyn Watkins and Cara Saunto, "The State of Working Washington 2008", Economic Opportunity Institute, [http://www.eoionline.org/state\\_economy/reports/StateOfWorkingWashington-Sep08.pdf](http://www.eoionline.org/state_economy/reports/StateOfWorkingWashington-Sep08.pdf).

<sup>iii</sup> Greg Weeks, "Minimum Wage Jobs: 2007 Update", Washington Labor Market Quarterly Review, April-June 2008, Washington State Employment Security Department, [http://www.workforceexplorer.com/admin/uploadedPublications/9117\\_2008\\_2Q\\_WLM\\_wex.pdf](http://www.workforceexplorer.com/admin/uploadedPublications/9117_2008_2Q_WLM_wex.pdf).

<sup>iv</sup> Economic Policy Institute analysis of 2006 Current Population Survey data, <http://www.epi.org/issueguides/minwage/table1.pdf>.