



## The League of Women Voters of Delaware Supports an Increased Minimum Wage (SB 10)

The League of Women Voters of Delaware supports an increase in the minimum wage from the current level of \$8.25 per hour to \$8.75 per hour, effective October 1, 2017 with additional increases of 50 cents per hour annually to \$10.25 in 2020 and adjusted annually thereafter based on the cost of living adjustment set by the federal Social Security Act. We also support raising the minimum wage for tipped workers beyond its current level of \$2.23 per hour.

Our position is based on an LWVUS policy that states: “Persons...whose earnings are inadequate... have the right to an income...adequate to meet basic needs for food, shelter and access to health care.”

While our support is based on our concern for all three of those needs, we focus here on the need for shelter. *Who Can Afford to Live in Delaware?*<sup>1</sup> published by the Delaware Housing Coalition in June 2016, documents the relationship between the extreme need of many of our state’s citizens for shelter and the need for an increased minimum wage. For example:

- A worker in Delaware must earn \$21.70 per hour to afford a typical two- bedroom apartment. Of the 50 states, this is the 12th highest two-bedroom housing wage.
- Of the 103,775 renter households in Delaware, 25,521 – or 25% - are “severely cost- burdened” - spending more than 50% of their income on housing.
- We are one of only 4 states where one-bedroom rent exceeds 100% of SSI in every part of the state.
- On average, a person with a disability receiving SSI pays 106% of their monthly income to rent an efficiency unit and 123% of their monthly income for a one-bedroom unit.
- There are 107,101 households at or below the poverty level in Delaware; that is 12% of the population, and 35,052 (17%) children under the age of 18 are living in poverty.
- Meanwhile, the average income of the top 1% is 16.2 times that of the bottom 99%.
- **Reductions in poverty correlate historically with real increases in the minimum wage.**
- **Declining upward mobility and growing political and economic inequality perpetuate harmful social conditions that undermine civil society....**

A Low Wage, Service Industry Task Force co-chaired by Sen. Robert Marshall and Rep. Michael Mulrooney a year or so ago, recommended a goal of a \$15 minimum wage, targeting higher minimum wages for certain sectors of the economy, and raising the minimum wage for tipped workers beyond the current \$2.23 per hour. Although we are not prepared to support a \$15 wage now, we note the report suggested that it “could save the state big money in Medicaid and other social programs.”<sup>2</sup> We believe these savings were not taken into account in the bill’s Fiscal Note.

**We urge speedy passage of SB 10.**

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<sup>1</sup> <http://housingforall.org/wp-content/uploads/2016/06/WhoCanAfford2016.pdf>

<sup>2</sup> <http://delawarebusinessnow.com/wp-content/uploads/2015/01/Low-Wage-Service-Workers-Task-Force-Final-Report-1-2015.pdf>