



The League of Women Voters of Delaware

POSITION STATEMENT: We support an Increased Minimum Wage

The League of Women Voters of Delaware supports a **minimum wage of up to \$10.25 adopted in at least two steps, indexing future increases to inflation, and raising the minimum wage for tipped workers beyond its current level of \$2.23 per hour.** The LWVDE Board adopted this position based on an LWVUS policy on Meeting Human Needs which 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?” published by the Delaware Housing Coalition documents the extreme need of many of our state’s citizens for shelter. For example:

- An estimated 59% of Delaware renters cannot afford a two-bedroom apartment in their county.
- “Eight of the ten top growth occupations (2002-2020) in Delaware do not pay a median wage adequate to rent a two-bedroom unit in any county.”
- The real value of the *federal* minimum wage fell roughly 30% since 1968. If the minimum wage had increased at the same rate as inflation, it would now be equal to \$10.55 per hour.”
- **“Reductions in poverty correlate historically with real increases in the minimum wage.**

According to USA Today (February 20, 2015), Delaware’s \$7.75 per hour minimum wage was tied with Alaska and Hawaii as the 5th lowest in the nation, after Arkansas, Maine and New Mexico (\$7.50) and Missouri (\$7.65). When our minimum wage goes up to \$8.25 in June, we will compare favorably with Arizona (\$8.05), Colorado (\$8.23), Florida (\$8.05), Maryland (\$8.00) and Ohio (\$8.10), tying us with Illinois and Nevada as 12th lowest.

Delaware’s Low Wage, Service Industry Task Force co-chaired by Sen. Robert Marshall and Rep. Michael Mulrooney, has recommended boosting the state’s minimum wage by \$2 to \$10.25 an hour in two years. The Task Force also 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 at this time, we note that the report suggested it “could save the state big money in Medicaid and other social programs.”

A few task force members opposed the recommendations in a minority report, concerned that it would reduce the number of jobs available, the number of hours worked, and reduce take-home pay for workers. However, news that Walmart and Target have raised their minimum wage to \$10 an hour by 2016 documents that at least two major retailers believe that paying their workers more will pay off. One analyst suggested that happier workers will improve customer engagement, and more welcoming stores could help increase sales.

The League of Women Voters is concerned especially with this statement from the DHC “Who Can Afford” document **“Declining upward mobility and growing political and economic inequality perpetuate harmful social conditions that threaten to undermine civil society....”**