

## Testimony Supporting HB 5291: *An Act Increasing the Minimum Wage*

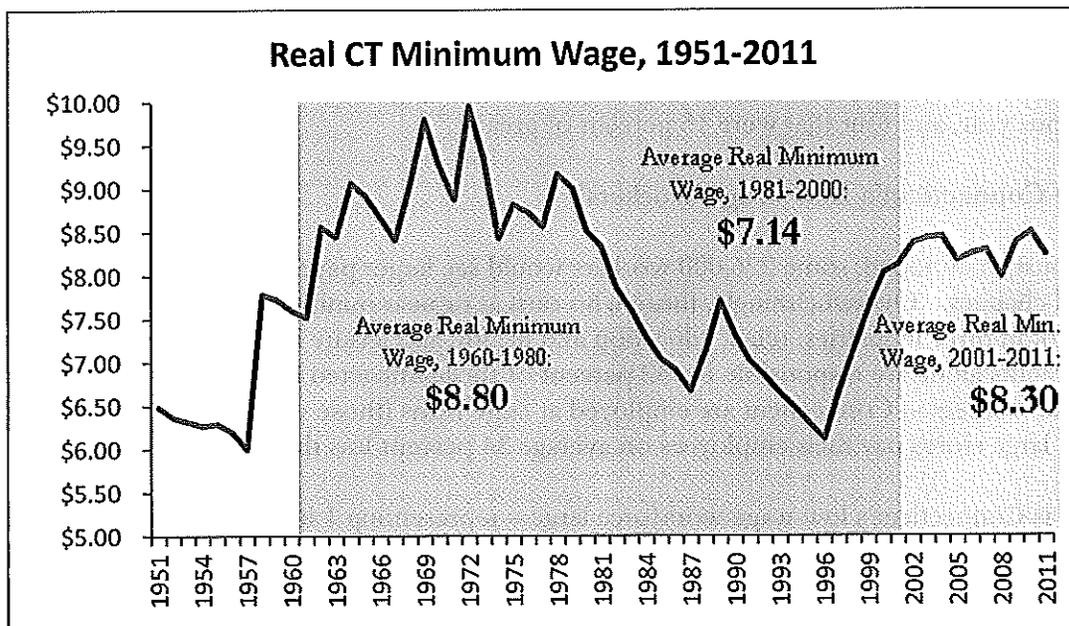
Jamey Bell, J.D.  
Labor and Public Employees Committee  
February 28, 2012

Senator Prague, Representative Zalaski, Senator Guglielmo, Representative Rigby, and distinguished members of the Committee:

My name is Jamey Bell, Executive Director of Connecticut Voices for Children, a research-based public education and advocacy organization that works statewide to promote the well-being of Connecticut's children, youth, and families. I am here today to testify in favor of HB 5291, *An Act Increasing the Minimum Wage*. Connecticut Voices applauds the committee's continued leadership on this important issue. **We strongly support both components of the proposal before the Committee today: raising the minimum wage to \$9.75/hour, and indexing the minimum wage to the rate of inflation.**

Today, over 100,000 workers make so little at or about the minimum wage that they could not pull a family of three out of poverty if they worked full time, 52/weeks a year. And at \$8.25/hour the minimum wage buys less now than it did 50 years ago – the 1962 rate, then \$1.15/hour, would have been worth \$8.57/hour in today's economy.<sup>1</sup>

After peaking in real dollars at \$9.96/hour in 1972, the minimum wage has lagged far behind the rate of inflation and economic growth in Connecticut. Between 1981 and 2000, the minimum wage averaged only \$7.14/hour in real dollars, bottoming out at \$6.12/hour in 1996. Thanks to repeated legislative action, the minimum wage regained some ground – but at an average of \$8.30/hour between 2001 and 2011, has still not regained the value it held through the 1960s and 1970s.<sup>2</sup>



While the minimum wage has declined or stagnated for the past three decades, other wage earners have seen an *increase* in real dollars. Since 1979, median wage earners in Connecticut have seen their wages increase by 21 percent. Over the same time period, those in the top 10 percent of the wage scale have enjoyed a 46 percent increase in real dollars – meanwhile, the minimum wage has decreased in value by 9 percent.<sup>3</sup> **In sum, the state’s minimum wage has declined relative to the middle and upper tiers of the wage scale, and to the cost of living in Connecticut. Not only do minimum wage earners have farther to climb to reach the middle class, they are poorer in the meantime.**

### **Raising and Indexing the Minimum Wage: A Common Sense Solution**

We strongly support the Committee’s proposal to both raise the minimum wage to \$9.75/hour by 2013 and to index the minimum wage to inflation. Connecticut must ensure its minimum wage keeps up with the cost of living and an increasingly stratified labor market.

Raising the minimum wage to \$9.75 would impact a total of 226,000 workers in Connecticut – 151,000 would see an immediate pay bump, and an additional 75,000 would see their wages increase as employer pay scales shift upward to reflect the new minimum wage.<sup>4</sup> While this increase would not catch up to 40 years of growth on the rest of the wage scale, it would still be a significant boost for our state’s lowest-wage workers.

In addition, the state should ensure the minimum wage reflects economic realities by indexing the wage to inflation. As previously stated, failing to index has led to a minimum wage that is shrinking in real terms. Indexing the minimum wage to inflation would ensure that as the economy regains momentum, minimum wage workers receive pay increases commensurate with upticks in the economy and corresponding increases in the cost of living.

Further, indexing, which ten states already have, would relieve business owners of the unpredictability of repeated legislative minimum wage increases – the wage was raised by legislative action nine times in the last 11 years. With indexing, Connecticut’s employers would have a guarantee that the minimum wage would not be subject to spikes that outpace the rate of inflation. Indeed, since 1950 there have been ten statutory minimum wage hikes greater than 10 percent over the previous year, and four that were 15 percent or greater.<sup>5</sup>

### **Who Are Connecticut’s Low-Wage Workers?**

As previously mentioned, some 226,000 workers would see larger paychecks as a result of the proposed changes. Overwhelmingly, those who earn at or near minimum wage and would receive raises work in three industries: retail, education and health, and leisure and hospitality. Retail establishments alone are responsible for 32 percent of those impacted by a minimum wage hike. Most retail workers in Connecticut are employed at large firms (those with 500 or more employees), but these large stores pay their employees on average 34 percent less than smaller shops.<sup>6</sup>

Not only is Connecticut’s low-wage workforce large – representing 1 in 7 workers statewide – it is growing. The Department of Labor projects that the three occupations with the most job openings between 2008 and 2018 – cashiers, waiters and waitresses, and retail salespersons – are also those most likely to pay at or near minimum wage.<sup>7</sup> What’s more, there are 10 large occupations for which

at least a quarter of workers earn wages below \$9.75/hour, a list dominated by retail, foodservice, personal care, and janitorial positions.<sup>8</sup> These occupations account for 33.7 percent of the state's workforce, and many are among the fastest-growing job sectors in Connecticut.

Importantly, a higher minimum wage would not disproportionately benefit teenagers working part-time jobs. In Connecticut, over 82 percent of the workers affected are aged 20 or older, and 74% work at least 20 hours/week.<sup>9</sup> A minimum wage increase, however, would benefit women. Although women comprise only 49 percent of the overall workforce, they make up more than 56 percent of those who would gain from a minimum wage increase.

### **What Would Raising and Indexing Mean for the Economy?**

Aside from providing a boost for low-wage workers, raising the minimum wage would also stimulate the state's economy and create jobs. Increasing the take-home pay of thousands of workers would inject millions of dollars into the communities where minimum-wage earners live and work, fueling the day-to-day economic activity that is the lifeblood of local businesses. Accordingly, the EPI analysis projects that a two-stage, \$1.50/hour increase would create or support more than 1,500 jobs in Connecticut by boosting demand on Main Street.<sup>10</sup> Highlighting the importance of increasing demand, a recent survey by the Connecticut Business and Industry Association (CBIA) found that over 7 in 10 business owners saw sales or production demand as the most important factor affecting the performance of their company; only 4 percent cited wage costs.<sup>11</sup> Raising the minimum wage would drive demand and create jobs.

In sum, restoring the minimum wage and indexing it to inflation would boost living standards and improve opportunity for hard-working minimum wage earners and their families. It would make minimum wage work pay again, and give truth to the notion that if you work hard, you should earn enough to be middle class, or at least enough to work your way into the middle class. Restoring the value of the minimum wage would allow it to once again act as a stepping stone, rather than quicksand, for hard-working families.

Thank you for the opportunity to testify today. For further information, Voices has released a full-length issue brief on raising and indexing Connecticut's minimum wage that provides in-depth analysis of these points. The brief is attached to this testimony, and is also available on our website, [www.ctkidslink.org](http://www.ctkidslink.org).

I look forward to your questions.

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<sup>1</sup> CT Voices analysis of Connecticut Department of Labor and U.S. Bureau of Labor Statistics data.

<sup>2</sup> *Id.*

<sup>3</sup> Economic Policy Institute analysis of U.S. Census Bureau Current Population Survey (CPS) data.

<sup>4</sup> *Id.*

<sup>5</sup> Connecticut Voices analysis of Connecticut Department of Labor and U.S. Bureau of Labor Statistics data.

<sup>6</sup> Connecticut Voices analysis of U.S. Census Bureau, 2007 Survey of Business Owners data.

<sup>7</sup> Connecticut Department of Labor, *Connecticut Occupations with the Most Openings*, [http://www1.ctdol.state.ct.us/lmi/hotnot\\_resultsPFV.asp?intPFV=1&intMeasure=2&intEdLevel=1](http://www1.ctdol.state.ct.us/lmi/hotnot_resultsPFV.asp?intPFV=1&intMeasure=2&intEdLevel=1).

<sup>8</sup> Connecticut Voices analysis of U.S. Census Bureau, 2007 Survey of Business Owners data.

<sup>9</sup> *Id.*, at 3 above.

<sup>10</sup> *Id.* GDP and job figures utilize a national model to estimate the GDP impact of workers' increased earnings. The total state stimulus may be lower than this because workers in each state will not necessarily spend all of their increased earnings in state. However, most of the increased earnings will be spent in state, and thus most of the jobs created will be in state. Jobs numbers assume one new job at full-time employment requires \$115,000 in additional GDP.

<sup>11</sup> Connecticut Business and Industry Association, *Fourth Quarter Economic Survey 2011*, <http://cbia.com/govaff/pdf/2012/4q2011.pdf>.

**CONNECTICUT  
VOICES  
FOR CHILDREN**



**Raising and Indexing  
Connecticut's Minimum Wage:  
Making Work Pay for All, for Good**

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**February 2012**

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# Raising and Indexing Connecticut's Minimum Wage: Making Work Pay for All, for Good

February 2012

In Connecticut, it is an article of faith that if you work hard, you should earn enough to be middle class, or at least enough to pull your family into the middle class. Yet today, over 100,000 Connecticut workers make so little at or near minimum wage that they could not even pull a family of four out of poverty if they worked full time, 52 weeks/year. At \$8.25/hour, the minimum wage buys less now than it did 50 years ago.

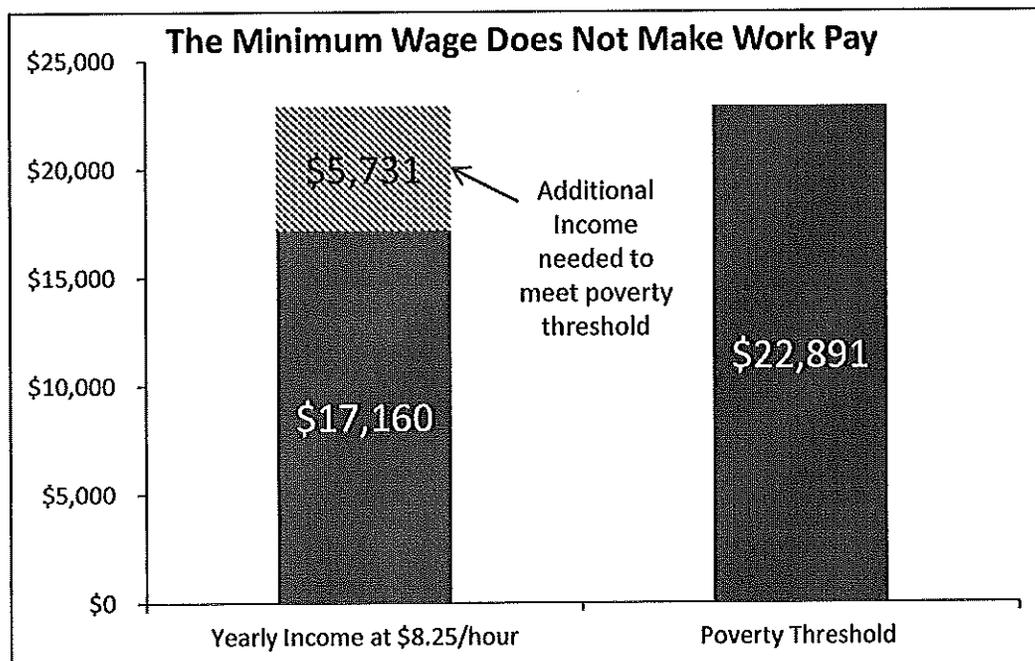
Meanwhile, the next rung on the ladder has grown farther out of reach. While minimum wage workers' earnings have declined, everyone else's have risen. Gone are the days when you could start out sweeping the factory floor – and end up managing it. Today you'll need education outside the workplace to move up, and so will your children. Of course, education costs money and time, which minimum wage earners have in short supply. For them to have a shot at the middle class, we must increase the minimum wage.

Moreover, if we increased the wage to what it was worth 40 years ago (about \$9.75) and indexed it to inflation so it does not erode again, we would put money in the hands of those most likely to spend it, spurring demand for goods and services and helping local businesses hire. We would give employers predictability over future wages, and we would ensure decent pay for workers in the state's fastest growing job sectors, which are also among those most likely to pay minimum wage.

## The Current Minimum Wage Does Not Make Work Pay

Consider a family with a single father and three children. If our father works 40 hours/week, 52 weeks/year at minimum wage, his earned income, before taxes and transfers, will amount to \$17,160. This falls well short of the federal poverty threshold for a family of four, which stood at \$22,891 in 2011.<sup>1</sup> In order just to lift his family out of poverty, our father would have to work another 17 weeks at the current minimum wage.

Figure 1



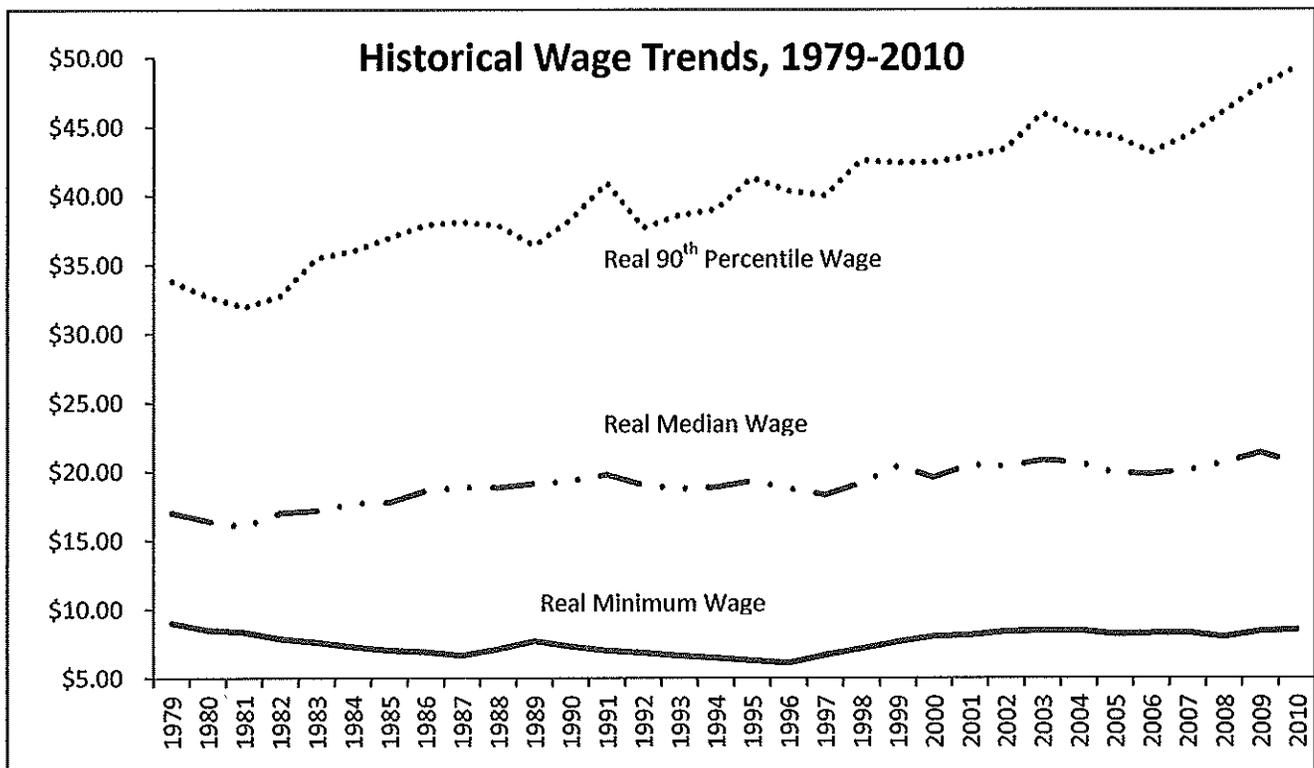
## Minimum Wage Earners Left Behind

Over the past three decades, the Connecticut minimum wage has increased 17 times – each increase the result of legislative action.<sup>2</sup> In nominal dollars, the wage increased 184 percent, from \$2.91 in 1979 to \$8.25 today. However, after adjusting for inflation, the minimum wage has decreased 9 percent. In real dollars, the minimum wage was worth more in 1979: \$2.91/hour then would amount to \$9.02/hour today.<sup>3</sup> Had it kept pace with the rising cost of living, our family of four would have realized an additional \$1,600 in earned income.

While minimum wage workers have seen their real wages decline since 1979, most other workers in Connecticut have enjoyed a rise in real wages. Adjusted for inflation, the state's median wage has increased 21 percent over the past three decades. At the same time, those in the top 10 percent of wage-earners enjoyed a 46 percent increase in real dollars – more than a 50 percentage-point rise over those at the low end of the pay scale.<sup>4</sup>

In sum, the state's minimum wage – although raised repeatedly since 1979 – has declined relative to the middle and upper tiers of the wage scale, and to the cost of living in Connecticut. Not only do minimum wage earners have farther to climb to reach the middle class, they are poorer in the meantime.

Figure 2



Source: CT Voices and Economic Policy Institute analysis of U.S. Census Current Population Survey (CPS) data

## Who Are Connecticut's Low-Wage Workers?

Overwhelmingly, those who earn at or near minimum wage work in three industries: retail, education and health, and leisure and hospitality employ over 70 percent of the low-wage workforce. About 32 percent are employed in retail – the largest single employer of near-minimum wage workers. In addition, 21 percent are employed in the education and health sector, with another 20 percent employed in leisure and hospitality.<sup>5</sup>

According to a recent analysis by the Economic Policy Institute (EPI) in Washington, D.C., increasing the minimum wage to \$9.75/hour in two 75-cent increments would boost the incomes of some 226,000 workers in Connecticut.<sup>6</sup> Nearly 151,000 would see a direct pay increase as a result of minimum wage increases, since the new rate would exceed their currently hourly pay. An additional 75,000 workers earning within a dollar of \$9.75 would see larger paychecks as pay scales adjust upward to reflect the new minimum wage.<sup>7</sup> Altogether, those who would be both directly and indirectly affected by the two-step increase represent one in seven Connecticut workers.

Moreover, Connecticut's ranks of minimum wage earners are likely to grow over the course of this decade. The state Department of Labor projects that the three occupations with the most job openings between 2008 and 2018 – cashiers, waiters and waitresses, and retail salespersons – are also those most likely to pay at or near minimum wage.<sup>8</sup> As figure 3 below illustrates, there are 10 large occupations in which at least a quarter of workers earn wages below \$9.75/hour, a list dominated by retail, foodservice, personal care, and janitorial positions. These occupations account for 33.7 percent of the state's workforce, and many are among the fastest-growing job sectors in Connecticut.<sup>9</sup>

**Figure 3**

Large Occupations Where At Least 1 in 4 Workers Earn Less Than \$9.75/hour		
Occupation	# of Jobs	25th Percentile Wage
Food Preparation and Serving Related Occupations	122,370	\$8.80
Food Preparation Workers	13,460	\$9.33
Combined Food Preparation and Serving Workers Including Fast Food	21,760	\$8.69
Waiters and Waitresses	26,110	\$8.50
Janitors and Cleaners Except Maids and Housekeeping Cleaners	30,040	\$9.63
Personal Care and Service Occupations	52,760	\$9.16
Sales and Related Occupations	161,680	\$9.39
Cashiers	40,770	\$8.79
Retail Salespersons	49,670	\$9.08
Stock Clerks and Order Fillers	19,820	\$9.12
<b>Total for These 10 Occupations:</b>		<b>538,440</b>
<b>Total for All Occupations in CT:</b>		<b>1,598,640</b>
Note: Large occupations are those in which at least 10,000 people are employed.		

Source: CT Voices Analysis of U.S. Bureau of Labor Statistics, May 2010 Occupational Employment Statistics data

### Snapshot: The Retail Industry and Minimum Wage in Three Charts

An increase in Connecticut's minimum wage would benefit retail workers especially. The retail sector is by far the largest employer of those earning less than \$9.75/hour, employing nearly a third of the workers who would benefit directly from a minimum wage increase.<sup>10</sup> Overwhelmingly, Connecticut retail is dominated by small to mid-size establishments: businesses employing between one and 499 people make up 96 percent of retail firms in the state (see figure 4 below).<sup>11</sup>

However, large retail employers – those with 500 or more employees, large chains particularly – are responsible for more than 57 percent of retail employees (see figure 5 below).<sup>12</sup> And on average, these businesses pay their employees 34 percent less than do small and mid-size retail firms: in 2007, the average employee at a big retail establishment took home over \$11,000 less than her counterpart at a smaller store (see figure 6 below).<sup>13</sup> Connecticut's largest retail employers are not pulling their weight. On average, they're paying lower wages than smaller companies in the industry. A higher minimum wage would ensure that these large companies do more to support their workers and communities.

Figure 4

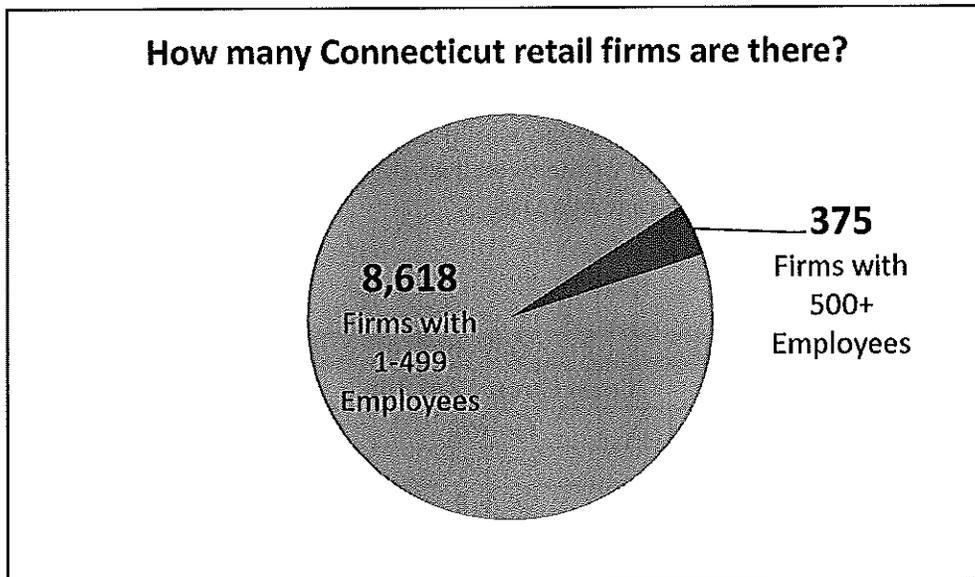
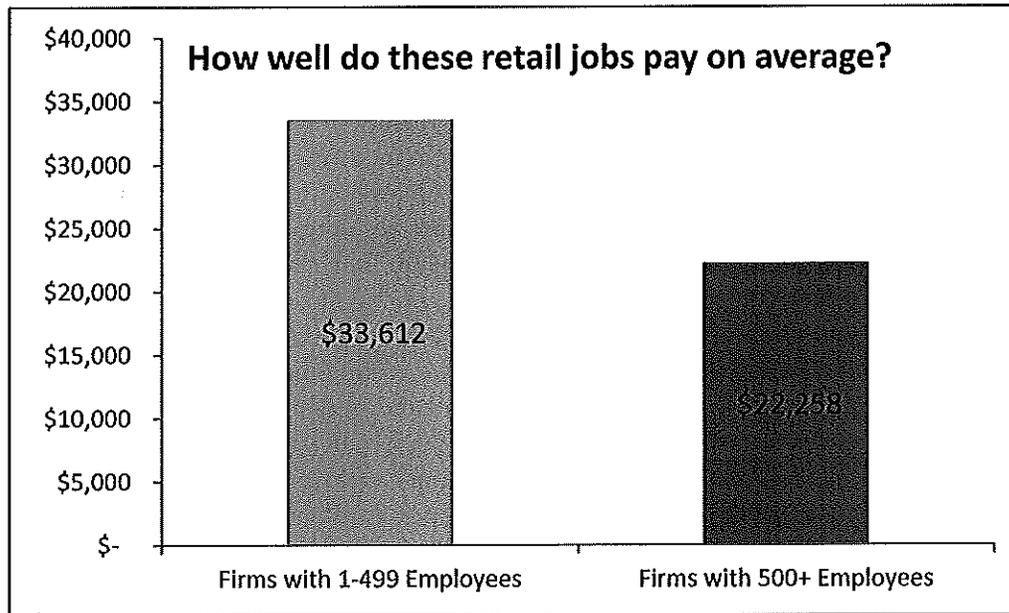


Figure 5



Figure 6



Source: CT Voices analysis of U.S. Census Bureau, 2007 Survey of Business Owners data

Importantly, a higher minimum wage would not disproportionately benefit teenagers working part-time jobs. In Connecticut, over 82 percent of the workers affected are aged 20 or older, and 74% work at least 20 hours/week.<sup>14</sup> A minimum wage increase, however, would benefit women, as figure 7 below shows. Although women comprise only 49 percent of the overall workforce, they make up more than 56 percent of those who would gain from a minimum wage increase.

Figure 7

Who Would Benefit from a Minimum Wage Increase?		
Total Count: 226,398 <sup>15</sup>		
Group	Count	% of Total Affected
Female	127,083	56.1
Male	99,315	43.9
Under 20	40,474	17.9
20 and Above	185,924	82.1
White	152,132	67.2
Black	24,400	10.8
Hispanic	38,649	17.1
Married parents	27,981	12.4
Single parents	19,508	8.6
Total Single	167,471	74.0
Total Married	58,927	26.0
Part time (<19 hours/wk)	58,954	26.0
Mid time (20-34 hours)	79,274	35.0
Full time (35+ hours)	88,171	39.0

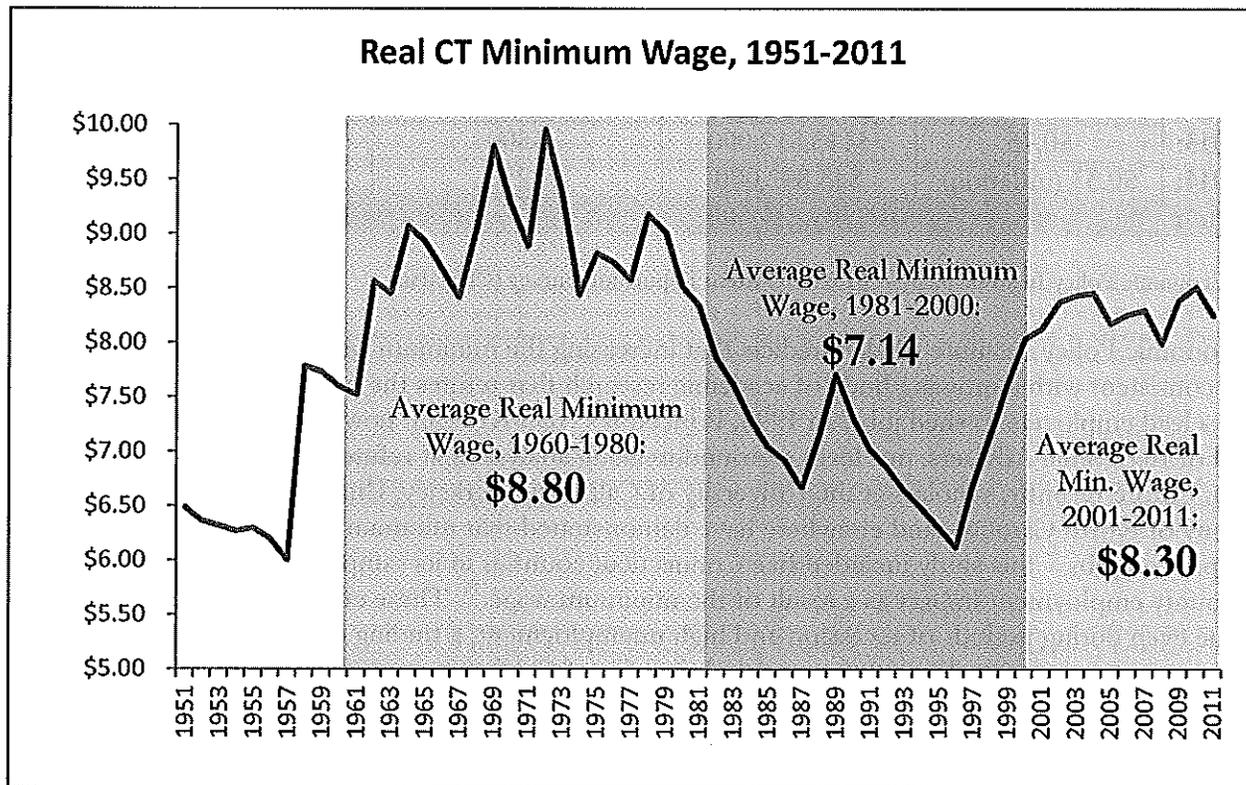
Source: Economic Policy Institute analysis of U.S. Census Bureau Current Population Survey (CPS) data

## Raising and Indexing the Minimum Wage: A Common Sense Solution

Connecticut must ensure its minimum wage keeps up with the cost of living and an increasingly stratified labor market. As a first matter, the state should raise the minimum wage, in two 75-cent steps, to \$9.75/hour by 2013. This would restore the wage to its levels of 40 years ago and improve opportunity and security for more than 226,000 workers and their families.<sup>16</sup> Such an increase would not even begin to catch up for 40 years of growth on the rest of the wage scale, but it would be a major improvement nonetheless.

In addition, the state should ensure the minimum wage reflects economic realities into the future by indexing the wage to inflation. Figure 8 shows how not indexing produced a shrinking real minimum wage. Between 1960 and 1980, the average real minimum wage in Connecticut was \$8.80/hour. At its peak in 1972, the wage was worth \$9.96/hour in today's dollars. In the 20 years that followed, however, the wage shrunk in real terms: between 1981 and 2000, it was worth an average of \$7.14/hour, bottoming out in 1996 at a \$6.12/hour. Since then, as a result of legislative action, the rate has held relatively steady: from 2000 onward, the minimum wage has averaged \$8.30 in today's dollars, still below its peak of 40 years ago.<sup>17</sup>

Figure 8



Source: CT Voices analysis of CT Department of Labor and U.S. Bureau of Labor Statistics data..

Indexing the minimum wage to inflation would ensure that as the economy regains momentum, minimum wage workers receive pay increases commensurate with upticks in the economy and corresponding increases in the cost of living. Further, indexing, which ten states already have,<sup>18</sup> would relieve business owners of the unpredictability of repeated legislative minimum wage increases – the wage was raised by legislative action nine times in the last 11 years.<sup>19</sup> With indexing, Connecticut's employers would have a guarantee that the minimum wage would not be subject to spikes that outpace the rate of inflation. Indeed, since 1950 there have been ten statutory minimum wage hikes greater than 10 percent over the previous year, and four that were 15 percent or greater.<sup>20</sup>

## What Would Raising and Indexing Mean for the Economy?

Aside from providing a boost for low-wage workers, raising the minimum wage would also stimulate the state's economy and create jobs. Increasing the take-home pay of thousands of workers would inject millions of dollars into the communities where minimum-wage earners live and work, fueling the day-to-day economic activity that is the lifeblood of local businesses. Accordingly, the EPI analysis projects that a two-stage, \$1.50/hour increase would create or support more than 1,500 jobs in Connecticut by boosting demand on Main Street.<sup>21</sup> Highlighting the importance of increasing demand, a recent survey by the Connecticut Business and Industry Association (CBIA) found that over 7 in 10 business owners saw sales or production demand as the most important factor affecting the performance of their company; only 4 percent cited wage costs.<sup>22</sup> In short, raising the minimum wage would drive demand and create jobs.

Figure 9

Effects of Proposed Connecticut Minimum Wage Increase					
	Size of Increase	Increased Wages for Directly and Indirectly Affected	Average Individual Increase in Annual Income	GDP Impact	Full-Time Jobs Created or Supported <sup>23</sup>
2012:	\$0.75	\$122,412,000	\$750	\$77,487,063	670
2013:	\$0.75	\$113,512,000	\$500	\$71,853,066	630
2014:	\$0.33 (inflation)	\$43,892,000	\$250	\$27,783,647	240
<b>Total:</b>		<b>\$279,816,000</b>		<b>\$177,123,777</b>	<b>1,540</b>

Source: Economic Policy Institute analysis of 2011 Current Population Survey (CPS) data

The Economic Policy Institute model predicts that increasing the minimum wage would create jobs – a finding consistent with a growing body of academic research that refutes the old notion that minimum wage increases lead employers to shed jobs. In 1995, Princeton's Alan Krueger, now Chairman of the President's Council of Economic Advisers, put forth a groundbreaking analysis that refuted the old conventional wisdom.<sup>24</sup> More recently, scholars at the University of California-Berkeley, University of Massachusetts, University of North Carolina, and elsewhere have demonstrated that minimum wage increases have little, if any, impact on jobs – this study included five Connecticut counties in its sample, and found no negative cross-county employment impact as a result of the minimum wage.<sup>25</sup> These effects have been shown to hold true even during periods of recession and high unemployment, a finding that is particularly relevant to today's economic moment. Economists at the University of California examined the impact of minimum wage increases during recessions over the past two decades, and found that even the minimum wage increases that occurred during the Great Recession of 2007-2009 did not worsen unemployment, or slow employer rehiring.<sup>26</sup>

Whatever the impact on jobs, it is clear that the effect on take-home pay for 226,000 workers would be substantial – potentially thousands of dollars per year. Restoring the minimum wage and indexing it to inflation would boost living standards and improve opportunity for hard-working minimum wage earners and their families. It would make minimum wage work pay again, and give truth to the notion that if you work hard, you should earn enough to be middle class, or at least enough to work your way into the middle class. Restoring the value of the minimum wage would allow it to once again act as a stepping stone, rather than quicksand, for hard-working families.

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- <sup>1</sup> U.S. Census Bureau, 2011 Poverty Thresholds. <http://www.census.gov/hhes/www/poverty/data/threshld/>.
- <sup>2</sup> Connecticut Department of Labor, *History of Minimum Wage Rates*, <http://www.ctdol.state.ct.us/wgwkstnd/wage-hour/history.htm>. See also Conn. Gen. Stat. Sec. 31-58(j).
- <sup>3</sup> Connecticut Voices analysis of Connecticut Department of Labor and U.S. Bureau of Labor Statistics data.
- <sup>4</sup> Connecticut Voices and Economic Policy Institute analysis of U.S. Census Bureau Current Population (CPS) data.
- <sup>5</sup> Economic Policy Institute analysis of U.S. Census Bureau Current Population Survey (CPS) data.
- <sup>6</sup> *Id.*
- <sup>7</sup> *Id.*
- <sup>8</sup> Connecticut Department of Labor, *Connecticut Occupations with the Most Openings*, [http://www1.ctdol.state.ct.us/lmi/hotnot\\_resultsPFV.asp?intPFV=1&intMeasure=2&intEdLevel=1](http://www1.ctdol.state.ct.us/lmi/hotnot_resultsPFV.asp?intPFV=1&intMeasure=2&intEdLevel=1).
- <sup>9</sup> Connecticut Voices Analysis of U.S. Bureau of Labor Statistics, May 2010 Occupational Employment Statistics data.
- <sup>10</sup> Economic Policy Institute analysis of U.S. Census Bureau Current Population Survey (CPS) data.
- <sup>11</sup> Connecticut Voices analysis of U.S. Census Bureau, 2007 Survey of Business Owners data.
- <sup>12</sup> *Id.*
- <sup>13</sup> *Id.*
- <sup>14</sup> Economic Policy Institute analysis of U.S. Census Bureau Current Population Survey (CPS) data. Includes workers both directly and indirectly affected.
- <sup>15</sup> Count includes both directly and indirectly affected workers over the course of the two-step increase.
- <sup>16</sup> Includes both directly and indirectly affected workers over the two-year phase-in. Economic Policy Institute analysis of U.S. Census Bureau Current Population Survey (CPS) data.
- <sup>17</sup> Connecticut Voices analysis of Connecticut Department of Labor and U.S. Bureau of Labor Statistics data.
- <sup>18</sup> There are 10 states (AZ, CO, FL, MO, MT, NV, OH, OR, VT, and WA) that have minimum wages linked to a consumer price index. As a result of this linkage, the minimum wages in these states are normally increased each year, generally around January 1<sup>st</sup>. On January 1, 2012, eight of the ten states increased their respective minimum wages. The two exceptions were Missouri and Nevada. See <http://www.dol.gov/whd/minwage/america.htm>.
- <sup>19</sup> Connecticut Voices analysis of Connecticut Department of Labor historical minimum wage data.
- <sup>20</sup> *Id.*
- <sup>21</sup> Economic Policy Institute analysis of U.S. Census Bureau Current Population Survey (CPS) data. GDP and job figures utilize a national model to estimate the GDP impact of workers' increased earnings. The total state stimulus may be lower than this because workers in each state will not necessarily spend all of their increased earnings in state. However, most of the increased earnings will be spent in state, and thus most of the jobs created will be in state. Jobs numbers assume one new job at full-time employment requires \$115,000 in additional GDP.
- <sup>22</sup> Connecticut Business and Industry Association, *Fourth Quarter Economic Survey 2011*, <http://cbia.com/govaff/pdf/2012/4q2011.pdf>.
- <sup>23</sup> The increased economic activity from these additional wages adds not just jobs but also hours for people who already have jobs (Work hours for people with jobs also dropped in the downturn). Full-time employment accounts for that by taking the number of total hours added (including both hours from new jobs and hours for people who already have jobs) and dividing by 40, to get full-time-equivalent jobs added. Simply counting new payroll jobs misses the added hours for people with jobs.
- <sup>24</sup> David Card and Alan Krueger, *Myth and Measurement: The New Economics of the Minimum Wage*, Princeton University Press, 1995.
- <sup>25</sup> See, e.g., Dube et al., "Minimum Wage Effects across State Borders: Estimating Using Contiguous Counties," *Review of Economics and Statistics*, 92(4), 945-64, 2010.
- <sup>26</sup> See Allegretto, Dube, and Reich (2010): "Do Minimum Wages Really Reduce Teen Unemployment? Accounting for Heterogeneity and Selectivity in State Panel Data." <http://www.irlc.berkeley.edu/workingpapers/166-08.pdf>

