



**CONNECTICUT
CENTER FOR A
NEW ECONOMY**

March 3, 2016

To Senator Edwin A. Gomes, Representative Peter A. Tercyak and
Members of the General Assembly Committee on Labor and Public
Employees:

The Connecticut Center for a New Economy supports **House Bill 5370**,
AN ACT CONCERNING THE MINIMUM FAIR WAGE.

We support H.B. 5370 with one caveat; it does not raise the Connecticut minimum wage high enough or soon enough. Too many Connecticut households endure extreme poverty. 130,808 households, or nearly one in ten households have incomes below \$15,000. 18% of Connecticut households, nearly one in five, have incomes below \$25,000. There are persistent racial disparities in earnings as well. The per capita income for Hispanic and Latino people in Connecticut is \$19,644 per year, lower than the current minimum wage of \$19,968 per year. The median household income for African American and Black families in Connecticut is only 60% of that for white households and the median for Hispanic and Latino households is only 52% of the white household median. African American, Black, Hispanic and Latino workers are more than twice as likely as white workers to hold service jobs, with the lowest wages of any sector. (Source: U.S. Census ACS 2014)

According to the Permanent Commission on the Status of Women's 2015 Self-Sufficiency Standard, the \$15 minimum wage proposed by H.B. 5370 for 2022 is not nearly enough for a worker with only one child to get by *this year*, anywhere in Connecticut. In Hartford, found by the PCSW to be more affordable than the rest of Connecticut, it takes \$22.14 an hour currently for a parent and one child to meet basic needs. In Bridgeport that same parent/child family needs hourly earnings of \$25.64 already and in New Britain they need \$26.40.

Keeping the minimum wage so far below the level workers need to get by raises the cost of many state services, such as food, housing, health care and child care supports. H.B. 5370 is not bold or transformative for our state economy. It does not go far enough to solve racial disparities or to move Connecticut out of its first place ranking among states for income inequality (Economic Policy Institute, 2012). But it is a strong, necessary move in the right direction.

Submitted by Renae Reese, Executive Director, CCNE, 860-280-7320,
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The Connecticut Center for a New Economy (CCNE) promotes economic, social and racial justice for Connecticut's unemployed and working people.