



Unitarian Universalist Legislative Ministry

A voice for justice, equality and compassion in New Jersey

Speaking out on Economic Justice

Policy Brief: Increasing the Minimum Wage and Linking to Annual Cost of Living Adjustment

Position: The Unitarian Universalist Legislative Ministry of New Jersey, representing members of the Unitarian Universalist communities of New Jersey, strongly supports both raising the minimum wage and linking that wage to increases in the cost of living.

Background

The New Jersey State Legislature has approved legislation (A2162) raising the minimum wage and linking it to annual increases in the cost of living (also known as the Cost of Living Adjustment, or COLA). The bill calls for an increase to \$8.50 per hour from the current \$7.25 per hour and an annual adjustment linked to any increase in COLA. The issue is particularly important given the high New Jersey cost of living. A family with two minimum wage 40 hours per week jobs cannot afford a market-rate apartment in New Jersey.

New Jersey minimum wage workers sorely need *both* this increase and the annual adjustment. The minimum wage has been the same since 2009 and matches the federal minimum wage. A full-time worker paid the minimum wage makes approximately \$15,000 per year, well below the federal poverty level of \$18,000 for a family of 3. Thus, it is impossible to escape the cycle of poverty at the current minimum wage. If the minimum wage is raised only to \$8.50 and then the cost of living goes up, workers will face the same problem next year. That problem will recur with each increase in the cost of living.

Adjusting the minimum wage and linking it to COLA will not only help the working poor directly, but it will also help boost the economy. These workers will put their money back into buying basic needs, such as food and clothing. As it stands now, an ever-increasing number of working poor rely on the food bank to meet their dietary needs. Instead of relying on subsidies to meet their needs, these very same people can support themselves and benefit the economy if they are paid a living wage for their labor.

Currently, there are 18 states and the District of Columbia that have set a minimum wage higher than the Federal Standard. Of those, only three have unemployment rates greater than New Jersey, namely, California, Nevada and Rhode Island. The

other 16 have lower unemployment rates than New Jersey. Ten of the 18 states tie the minimum wage into a cost of living index, and nine of those have unemployment rates below New Jersey. These data suggest that raising the minimum wage will not negatively impact employment levels.

As Unitarian Universalists, we believe in the inherent worth and dignity of every human being. Helping people work their way out of poverty is pivotal to economic justice. Therefore, we support both raising the minimum wage and linking that wage to increases in the cost of living.

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