

The Commonwealth of Massachusetts MASSACHUSETTS SENATE

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Minimum wage raised to \$11 by 2017

The Massachusetts Legislature has voted to boost the state's minimum wage to \$11 per hour by 2017, increasing it by \$1 dollar per year starting in 2015.

"At the current level of \$8 an hour, full-time employees only make \$16,640 a year," said state Sen. Mike Barrett, D-Lexington, Vice Chair of the Committee on Labor and Workforce Development. "The minimum wage shouldn't enable you to get rich, but if you're putting in forty or fifty hours a week it should enable you to avoid being poor."

The poverty rate in Massachusetts has increased by 20 percent since 2006; the child poverty rate has spiked by 25 percent. Poverty is linked to negative health effects and lower academic performance; the school dropout rate for low-income families is 4.5 times higher than for others.

The state minimum wage hasn't increased since 2008. The bill just passed by the Legislature, a compromise between the House and Senate, takes the Senate's approach of setting the minimum wage to \$11 per hour, rather than \$10.50 proposed by the House. The agreement, however, doesn't adopt a Senate plan to peg the minimum wage to inflation.

According to the Massachusetts Budget and Policy Center, the increase to \$11 per hour will benefit roughly 600,000 workers, over 85% of whom are above the age of twenty. Nearly one in four is a parent. Barrett adds that "Dollars in the pockets of low-wage workers are likely to be spent locally -- buying groceries and paying rent."

The bill raises hourly wages for tipped workers, such as waiters, from \$2.63 to \$3.75. It also makes reforms to the state's unemployment insurance system. For example, employers will see a three-year freeze in rates.

Once signed by the governor, Massachusetts will be on track to have the highest minimum wage of any state in the country. "For our high-cost-of-living state, this is a step forward," Barrett said.

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