

WOMEN & THE MINIMUM WAGE

Connecticut's current minimum wage of \$10.10 per hour is far below what is needed to meet a family's basic financial needs. The minimum wage in Connecticut is unsustainable for workers and prevents families across the state from reaching financial stability. Connecticut's current unlivable wage disproportionately impacts women and people of color, who are over-represented in low-wage jobs, and exacerbates the gender wage gap.

QUICK FACTS

Connecticut's current minimum wage is far below what's needed to make ends meet.

- According to the Basic Economic Security Tables (BEST), a working adult without children who does not receive employer benefits in Connecticut must earn **\$43,392** annually, or **\$20.55 per hour** to meet their financial needs - well above the current minimum wage.
- United Way's 2018 Asset Limited, Income Constrained, Employed (ALICE) Report indicates that Connecticut's statewide average Household Survival Budget for a single adult is \$22,656 per year. For a family with two adults and two children, this number rises to \$70,788. According to ALICE, to afford basic household necessities such as food, child care, and health care, both parents need to earn about **\$35.39 per hour**.

Lack of a livable minimum wage disproportionately affects women and people of color.

- Workers earning less than \$15 per hour in Connecticut are **disproportionately** women and people of color.
- Statewide, 33.7% of women workers, 43.1% of Black workers, and 52.6% of Latinx workers earn less than \$15.
- In Connecticut, more than **170,000 family households** are headed by women. About 24% of these families earn incomes below the poverty line.
- Research shows states with lower minimum wages also have **wider** gender wage gaps.
- Increasing the federal minimum wage to \$15 per hour by 2024 would increase wages for one-third of working women, including **37% of working women of color** (Economic Policy Institute, 2017).

Connecticut is falling behind the rest of New England.

- Maine's hourly wage will increase to \$12 by 2020, Rhode Island has increased its minimum wage to \$10.50, New York City's wage is \$15 an hour, and Massachusetts passed legislation last year to raise their hourly wage to \$15 per hour by 2023.
- 18 states have enacted indexing of their state minimum wages to increase incrementally as measured by the changes in the **Consumer Price Index (CPI)**. Indexing help ensures that low-wage workers can still afford the same amount of goods and services over the years.

Increasing the minimum wage is good for Connecticut's economy.

- Increasing the minimum wage to **\$15 an hour** would raise earnings for 27% of the workforce in CT, which would impact 445,000 working people.
- More than **30% of working women** in CT would earn more if the minimum wage is raised to \$15 an hour.
- Increasing minimum wage to \$15 would boost wages in CT by \$1,202,809,000.

POLICY RECOMMENDATION

CWEALF recommends legislation that models other New England states and incrementally increases the minimum wage to \$15 an hour. Legislation should also index the minimum wage to the CPI once it reaches \$15 per hour.

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