

Ballot Measure No. 3

An Act to Increase Alaska's Minimum Wage

STATEMENT IN SUPPORT

Under existing law, the minimum wage in Alaska is set at \$.50 over the federal minimum wage. Since the current federal minimum wage is \$7.25, Alaska's minimum wage is \$7.75 per hour. The \$.50 Alaska premium was established by the First Alaska Legislature in 1959, when the federal minimum wage was \$1.00 per hour.

The minimum wage is intended to assure "the maintenance on minimum standards of living necessary for the health, efficiency, and general well-being of workers" (Fair Labor Standards Act, 1938). No one can say Alaska's current minimum wage even comes close to doing this. A full-time, year-round worker making \$7.25 an hour earns only \$16,120 annually. This is \$8,600 below the federal poverty threshold for a family of three in Alaska (\$24,740) and \$13,700 below the federal poverty threshold for a family of four (\$29,820).

After having had the highest minimum wage in the nation for the first four decades after statehood, Alaska has fallen to 19th, behind even low-wage states such as Florida (\$7.93) and Arizona (\$7.90). Thirteen states provide for an annual cost-of-living adjustment to their minimum wage based on the Consumer Price Index (CPI). Washington (\$9.32) and Oregon (\$9.10) have the highest state minimum wages; the minimum wage in California will increase to \$10 in January 2016.

The measure proposed by Alaskans for a Fair Minimum Wage would raise the state minimum wage to approximately what it should have been by January 1, 2016 had the 2003 legislature not repealed a cost of living adjustment enacted with broad public support in 2002. The increase is phased in over two years (to \$8.75 January 1, 2015 and to \$9.75 January 1, 2016, with cost of living adjustment annually after that) to accommodate employers of low-wage workers in adjusting to the increase.

The initiative bill also reaffirms the long-standing ban on counting employee tips toward meeting an employer's obligation to pay the full minimum wage to tipped employees.

Studies have shown that over 75% of Alaskan workers earning minimum wage are adults. While critics claim that increasing the minimum wage has a negative impact on job opportunities for youth, studies have found the effect, if any, to be minor. In fact, under current Alaska law, which the proposed initiative would not change, workers under the age of 18 who work no more than 30 hours per week are exempted from the Alaska minimum wage and fall under the federal minimum wage law only.

In Alaska, approximately 30,000 workers at or near the minimum wage who would benefit from this measure are employed in seafood processing, hotels, restaurants and food service, child care, as cashiers and delivery drivers, and in other low-paying occupations.

Alaska Needs a Raise!

Ed Flanagan, Former Commissioner of Labor

Tom Cashen, Former Commissioner of Labor

Jim Sampson, Former Commissioner of Labor and Mayor of the Fairbanks North Star Borough

Alaskans for a Fair Minimum Wage

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The statement printed on this page is the opinion of the author(s) and is presented as submitted to the Division of Elections.