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Wolf Administration Renews Call for Legislative Action on Raising Pennsylvania's Minimum Wage, Ending Exploitation of Workers

Pittsburgh, PA – Pennsylvania Department of Labor & Industry (L&I) Secretary Jennifer Berrier today joined lawmakers and employees of Bar Marco in downtown Pittsburgh to call for an end to the exploitation of workers currently allowed by the commonwealth's embarrassingly low minimum wage of \$7.25 an hour, and to highlight <u>Governor Wolf's minimum wage proposal</u> that stands to benefit thousands of Pennsylvanians and their families.

"Right now, Pennsylvania's minimum wage allows for the legal exploitation of workers," said Berrier. "The lowest-paid Pennsylvanians are compensated for their hard work with poverty-level pay – a measly \$7.25 an hour, where the minimum wage has sat untouched for more than a decade. It is a wage far below the threshold that we as Pennsylvanians should be endorsing as fair, so we are renewing our call for the General Assembly to finally stand up for workers and take action on raising Pennsylvania's minimum wage."

Governor Tom Wolf's plan proposes raising Pennsylvania's minimum wage to \$12 per hour by July 1, 2022, with a pathway to \$15 per hour by 2028. The proposal will help workers recover the purchasing power lost since the minimum wage was set at \$7.25 per hour to match the federal minimum wage more than a decade ago. According to the Keystone Research Center, if the minimum wage had kept pace with productivity growth since the late 1960s, it would be more than \$24 per hour today in Pennsylvania.

During today's event, Berrier joined lawmakers for a tour of Bar Marco's Penn Avenue building and spoke with the owner about the company's commitment to its workers. Representatives from ROC United PA, an advocacy group for service industry employees dedicated to building worker power, were on site to highlight the fact that while many workers are paid \$7.25 per hour, most restaurant and service industry employees are actually guaranteed substantially less. Employees in certain positions receive a minimum wage of only \$2.83 per hour and are dependent upon tips for the remainder of their income.

"In the case of the service industry, many still don't realize just how many of us can be stuck living paycheck to paycheck for long stretches of time with no real protections or support from our employers," said Bar Marco general manager Andrew Heffner. "Having my employer choose to give me a livable wage with benefits has been a huge change in my life both for financial stability but also in my ability to consider this a longer-term job and career rather than a placeholder."

"Tipped restaurant workers live in poverty at twice the rate of the overall workforce in Pennsylvania," said Bobbi Linskens, organizer of ROC United PA's Pittsburgh region. "According to ROC's Pennsylvania State of Tipped Workers report, replacing the subminimum

tipped wage with a universal wage of \$15 per hour would result in a total economic stimulus of nearly \$3.5 billion for Pennsylvania."

Thirty states, including all of Pennsylvania's neighbors, have a higher minimum wage than \$7.25 an hour. Polls show the public strongly supports increasing the minimum wage. Over the past two decades, there have been ballot referendums to raise the minimum wage in 20 states, most recently in Florida – every one has passed. It is estimated that approximately 42% of the U.S. workforce will earn at least \$15 an hour by 2026.

"Tipped minimum wage is beyond poverty and it's shameful that we allow any business to pay Pennsylvania workers such a meager wage," said Rep. Emily Kinkead. "Workers in this state – and across our nation – deserve to be paid a living wage, have safe working conditions, and be treated fairly by their employers. At this point, it's obvious that a free market is not enough to secure these fundamental rights for employees in our state. It now falls on organized labor and state legislators to stand up for working families in Pennsylvania – and I am eager to continue fighting to support workers across every industry. It's far past time to raise our minimum wage."

If the legislature were to take action to increase Pennsylvania's minimum wage, more than 618,400 women would get a direct pay increase – nearly 21% of all women working in the commonwealth. With most low-paying jobs held by women in Pennsylvania, the current minimum wage only promises to further worsen the gender pay gap.

Legislative action on Governor Wolf's proposal would also directly benefit 26.2% of persons of color, including:

- 31.9% of Hispanic workers
- 26.3% of Black (non-Hispanic) workers
- 15.7% Asian (non-Hispanic) workers
- 25.8% of other races/ethnicities

For more information, you can visit <u>www.dli.pa.gov</u>, or follow us on <u>Facebook</u>, <u>Twitter</u>, and LinkedIn.

Video and photos from today's event will be available on PAcast.com.

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