

PO BOX 004
TRENTON, NJ 08625

Contact: Kelley Heck
609-777-2600

RELEASE: April 12, 2005

Codey Signs Bill Raising New Jersey's Minimum Wage

(NEW BUNSWICK)—Acting Governor Richard J. Codey today signed bill S-2065/A-3781 into law, raising New Jersey's hourly minimum wage to \$7.15 over the next two years. The bill also creates a permanent New Jersey Minimum Wage Advisory Commission to annually evaluate the state's minimum wage.

"For too many of our citizens, what a family earns is insufficient to keep pace with the high cost of living," said Codey. "It is wrong that a person who works full-time to provide for their family should have to live below the poverty level. This shouldn't happen anywhere in America, and it shouldn't happen here in New Jersey."

"Today, we are going to help change that by raising the minimum wage, and making sure that an honest day's work is rewarded with an honest day's pay. This action is long overdue. Our hard working families deserve the dignity of a living wage, and our state deserves nothing less," the governor said.

"The signing of this legislation marks the beginning of a new era for New Jersey's workers," said Senator Sweeney, (D-Gloucester, Salem and Cumberland) the primary sponsor of the bill in the Senate. "Working families want the chance to live self-sufficiently, without needing governmental support to make ends meet, and this legislation will help them do just that."

"This is a tremendous victory for New Jersey's working families," said Assembly Speaker Albio Sires (D-Hudson), the prime sponsor of the Assembly's minimum wage bill. "It's time New Jersey again took ranks among the vanguard of states that ensure sufficient wages for a full day's work. The state with the second highest per capita rate of earning certainly can more than afford to get its minimum wage back in step with reality."

Today's bill signing took place at One Stop Training Center in New Brunswick. Joining Codey for the event was Senator Stephen M. Sweeney, Assemblymen Michael Panter, Robert Gordon and Joseph Vas, Department of Labor and Workforce Development Commissioner Thomas Carver, New Brunswick Mayor James Cahill, Middlesex County Freeholder Director David Crabel, Freeholder Blanquita Valenti and New Jersey State AFL-CIO President Charles Wowkanech.

New Jersey was once a minimum wage leader when the state raised the level to \$5.05 in 1992. In 1999, it was raised to \$5.15 to comply with the federal rate. However since that

time, inflation and the state's high cost of living have reduced the purchasing power of the minimum wage, and made it increasingly difficult for low wage earners to provide even the most basic necessities for their families.

The federal poverty guideline for a family of four is \$18,850. At \$5.15 an hour, a minimum wage worker who works full-time earns about \$10,300 a year or roughly \$8,500 short of the poverty line.

Under the bill, New Jersey's minimum wage will increase twice over the next two years. First, it will go to \$6.15 per hour on October 1, 2005, and then \$7.15 per hour on October 1, 2006. This will directly benefit over 200,000 workers.

"Raising the minimum wage has been long overdue," said Commissioner of Labor and Workforce Development Thomas D. Carver. "Thanks to the leadership of Acting Governor Codey and the legislature, New Jersey's working families can now earn a decent wage."

The bill also calls for the creation of a permanent New Jersey Minimum Wage Advisory Commission. The commission will evaluate the adequacy of the minimum wage and annually report its findings and recommendations to the governor and the legislature. The first report will be due no later than December 2007, and subsequent reports will follow at one-year intervals thereafter.

The commission shall consist of five members: the Commissioner of Labor and Workforce Development, ex-officio and four members appointed by the Governor. Two members shall be nominated by business organizations and two by the State AFL-CIO. Members will be appointed to a four-year term and serve without compensation.

As Senate President, Codey joined with Senators Sweeney and Joseph F. Vitale as primary sponsors of the bill. Other primary sponsors included Assembly members Albio Sires, Michael Panter, Robert Gordon, Linda R. Greenstein, Joseph V. Egan, Wilfredo Caraballo, Craig A. Stanley, and Joseph Vas.

"The signing of this measure will allow more New Jerseyans the chance to become self-sufficient," said Senator Vitale, (D-Middlesex). "This measure will bring more New Jerseyans closer to the "American Dream" of making decent wages, owning a home and sending their children to college - that's really all anyone wants."

"Anyone who works 40 hours a week, 52 weeks a year in a high per-capita income state like New Jersey should not be forced to live in poverty," said Assemblyman Michael Panter (D-Monmouth). "An insufficient minimum wage demeans the value of work and is destructive to the human spirit."

"New Jersey's cost of living is 32.6 percent higher than the national average," said Assemblyman Robert Gordon (D-Bergen). "It's essential that New Jersey workers have the resources to survive and prosper in this state. Boosting the minimum wage increases promises to boost productivity and strengthen our overall economy."

“New Jersey’s minimum wage earners provide critical services that we depend upon daily,” said Assemblywoman Linda Greenstein (D-Mercer). “Increases in the minimum wage exert upward pressure on workers making just above the minimum wage, thus raising the living standards of a substantial portion of the entire workforce.

“The main effect of a minimum wage increase is simple: it takes money from an employer who could pay more and still earn a profit and puts it into the pockets of the lowest wage workers,” said Assemblyman Joseph V. Egan (D-Middlesex), chairman of the Assembly Labor Committee.

“This additional income will have an uplifting effect by helping to sustain economic growth.”

“The extremely large and growing numbers of low-wage workers are unable to afford prevailing market-rate rents in New Jersey with many households struggling to keep up with escalating rents,” said Assemblyman Joseph Vas (D-Middlesex). “For minimum wage earners, the basic necessities of life constitute their weekly budgets.”

“New Jersey’s lowest paid workers deserve a raise,” said Assemblyman Wilfredo Caraballo (D-Essex). “New Jersey’s economy is strong and our lowest wage workers deserve to share in this success.”

“History shows that raising the minimum wage has not had a negative impact on jobs, economic growth or inflation,” said Assemblyman Craig Stanley (D-Essex).