

The METROWEST DAILY NEWS

Minimum wage rises to \$9 per hour in Massachusetts



The state minimum wage increases to \$9 per hour today, the first of three increases between now and 2017. The state minimum wage increases to \$9 per hour today, the first of three increases between now and 2017. The change is expected to help low-income workers like Framingham's Steven Marshall, who works part time for the South Middlesex Opportunity Council. Daily News Staff Photo / Allan Jung

By Jim Haddadin and Gerry Tuoti, Daily News Staff

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FRAMINGHAM - For low-income workers like Steven Marshall, raising the state's minimum wage will result in more than just a small pay increase.

Marshall, a part-time worker at the South Middlesex Opportunity Council, said for many people who are working in low-wage jobs, a hike in the minimum wage could mean the difference between putting food on the table or going hungry until the next paycheck arrives.

Marshall works 25 hours per week at “The Place,” a drop-in center in Framingham run by SMOC, and is studying to become a drug and alcohol counselor.

Even with the \$9-per-hour income he receives, Marshall said he struggles to keep up with his bills. When money runs out, Marshall said he turns to local food pantries for assistance, and many of the families who turn to SMOC for help are in the same position, he said.

“A lot of people are struggling right now, and a little bit of a raise would help out,” he said.

Beginning today, help will arrive for minimum wage workers in Massachusetts in the form of a small raise. With the start of the new year, the state’s minimum wage increased from \$8 an hour to \$9. It’s the first incremental step toward a new \$11-per-hour minimum wage that takes effect in 2017.

The change is expected to directly benefit tens of thousands of Massachusetts workers like Marshall over the next two years. Economists predict it will also lift wages for a range of low-income workers who are surviving near the poverty line.

“On balance, the minimum wage increase was the right policy decision to make,” said Michael Goodman, executive director of the Public Policy Center at UMass Dartmouth. “There’s been a considerable period of time where wages have been stagnant, especially for low-wage workers.” The Massachusetts minimum wage was last raised in 2008, when it went from \$7.50 an hour to \$8. The federal minimum wage is \$7.25.

Several states have future increases on the books. California will have a \$10 minimum wage effective 2016, Connecticut’s will rise to \$10.10 by 2017 and Vermont’s will jump to \$10.50 by 2018. There are 24 states that default to the federal minimum wage, including six with no state minimum wage and 18 with minimum wages at or below the federal level.

“There will be both a positive impact and negative impact, but I think the overall impact on the state economy will be a small net positive,” Goodman said. “When you’re putting more money in lower-income households, you can be sure that money will be spent in the real economy.”

The Massachusetts Budget and Policy Center estimates there are now 473,000 Massachusetts workers who earn less than the \$11 minimum wage that will go into effect in 2017.

Jon Hurst, president of the Retailers Association of Massachusetts, expects some businesses to suffer.

“I think you have to look at it in a global sense of what this cost increase means in combination with other increases in the cost of doing business in Massachusetts,” he said.

The recent passage of the ballot amendment requiring employers to provide earned sick time for employees is another contributing factor, he explained.

“The minimum wage is going up when customers are not spending any more money, and that means costs are going up,” he said. “All these things combined at a time when sales are not increasing means something’s got to give.”

The result, he predicts, could be wage freezes, reductions in benefits, layoffs or even retailers going out of business. But Goodman said the minimum wage increase makes sense for Massachusetts.

“We’re a higher cost-of-living state, and we’re not likely to be the lowest cost-of-living state anytime soon,” he said. “I think minimum wages across the nation have been stagnant for many years, and what we are seeing now is minimum wages catching up to inflation.”

In MetroWest, the wage increase is expected to help some 25,000 workers, said Jerry Desilets, SMOC's director of policy, planning and community relations. Desilets said he hopes the state will follow up with additional job-training programs in the future.

“What we realize is that for people to stabilize their lives and move forward, one of the most important elements for them is having a good job, and a good job means one which pays them enough to help them survive economically in this region,” Desilets said. “This is an important element of that.”

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