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Governor Wolf Proposes Minimum Wage Plan to Boost Paychecks of One Million Workers

Harrisburg, PA – Governor Tom Wolf today proposed to raise Pennsylvania’s minimum wage to \$12 an hour. The boost in pay for one million workers would enable tens of thousands of people to work their way off of public assistance, saving taxpayers hundreds of millions of dollars and growing the economy for everyone.

“Pennsylvania must be a place where hard work is rewarded. But our minimum wage hasn’t changed in a decade and too many hardworking people are struggling to get by,” said Governor Wolf. “Raising the minimum wage lets people afford the basics, like food, rent and transportation.

“It also lets people work their way off of public assistance rather than having taxpayers subsidizing employers that are paying poverty wages. One fair wage saves tax dollars, grows the middle class and creates new customers for businesses, which benefits all of us.”

Pennsylvania’s minimum wage has been stuck at \$7.25 an hour since 2009. Over the decade, 29 states, including all of our neighboring states, have raised the wage floor for their workers.

The governor’s proposal raises the wage to \$12 an hour on July 1, 2019 with gradual 50 cent increases until reaching \$15 an hour in 2025. New Jersey recently became the fourth state on a pathway to a \$15 minimum wage.

When workers are paid fairly, fewer people will need public assistance. At \$12 an hour, nearly 17,000 adults will leave Medicaid next year and another 51,000 the following year.

A portion of the savings will be re-invested to provide at least a \$12 minimum wage for workers providing Department of Human Services-supported childcare and home care for seniors and people with disabilities.

With workers earning more and leaving the public safety net, taxpayers will save \$36 million in Medicaid costs next year and \$119 million the following year. The savings are achieved without raising taxes or increasing the size of government.

“These workers and their families would earn an additional \$9.1 billion over the next five years, money that they will spend in their communities in support of businesses,” said Sen. Christine M. Tartaglione. “This new prosperity would benefit people from all walks of life – all ages, all races, all religions, and both women and men. It would help workers in our major cities, those who live in the suburbs, and our rural workforce. “

“I help seniors stay in their homes instead of going into a nursing home,” Stephanie Williams, a home care worker said. “It’s important work, but I only make \$10.50 an hour and have to rely on friends to be able to pay my bills. Raising the minimum wage would mean I wouldn’t struggle just to survive anymore.”

Governor Wolf also wants the state to transition to one fair minimum wage for all workers, as tipped workers are currently forced to survive on only \$2.83 an hour plus tips. Tipping would continue, but workers, typically women, would not have to rely solely on consumers. Tipped workers are twice as likely to live in poverty compared with the overall workforce, and nearly half rely on public assistance. Pennsylvania’s tipped wage has been unchanged for 21 years, while seven other states have eliminated the subminimal wage for tipped workers.

“Tipped workers are not making enough, and in some cases, they have to endure harassment or worse, so they can make a livable wage,” said Governor Wolf. “This is a moral failing. These workers deserve a fair wage and they’ve waited long enough. I’m tired of standing by and watching tipped workers get cast aside because we’ve been afraid to speak the truth.”

“I’m honored to link arms with the Governor, my colleagues and civic and religious groups to raise the minimum wage,” said Rep. Patty Kim. “We can’t ignore the million low-wage workers in Pennsylvania that are working hard but come up short every month. They’re not living paycheck to paycheck but rather half of a paycheck to half of a paycheck. My bill will eventually raise the minimum wage to \$15 per hour.”

Last year the governor put a similar plan into action for state workers. In June, he signed an executive order raising the minimum wage for employers under his jurisdiction to \$12 an hour on July 1, 2018. The wage will gradually rise to \$15 an hour in 2025.

“We have seen from the states that surround Pennsylvania that raising the minimum wage to a livable wage for hardworking persons is the right thing to do,” said Sen. Art Haywood. “Pennsylvanians will be able to afford rent, food, medicine, and be pulled out of poverty. Raising the minimum wage will create jobs from the big increase in spending.”

NOTE: Video, audio, and photos from the event will be available for download in an email from the Pennsylvania Internet News Service (PINS). To register for PINS emails contact cms@pacast.com.

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