

# Minimum wage hike draws wide support

By TOM FAHEY

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CONCORD — A move to raise the minimum wage drew wide support in a public hearing yesterday, but the question of how employees who work for tips should be treated may prove sticky.

House Bill 514 would increase the state's current \$5.15 an hour minimum wage in two steps. It would go to \$6.50 an hour in September this year, and \$7.25 an hour in September 2008.

Gov. John Lynch has made the bill a priority. He cited a University of New Hampshire study showing the majority of minimum wage workers are older than 25 years old.

"These are men and women trying to make ends meet," he said. "They're trying to pay for the basics on a wage rate set 10 years ago." He noted that a study by Princeton economists showed minimum wage increases in other states have had no negative impact on employment.

"We should not wait for Congress to raise the federal minimum wage," he said. "We should to what is right for our families and for our state."

The bill's sponsor, Rep. Marjorie Smith, D-Durham, said the majority of minimum wage workers in the state are women.

Noting the state's current minimum was set in 1997, she said "it is long past time for New Hampshire to raise the minimum wage."

Co-sponsor Rep. Edward Butler, D-Hart's Location, agreed most who earn the minimum need a raise. But he worried about the pay hike it will give waitresses and others who earn tips. They commonly

earn more than \$10 an hour between tips and 45 percent of the minimum wage state law requires employers to pay them, he said.

He worried the bill could "increase pay for some of the highest paid workers in the industry." Not only would they get an hourly increase, but menu prices would likely rise, and tips would also go up because they are figured as a percentage of the total bill.

Michelline Dufort, president and CEO of the New Hampshire Lodging and Restaurant Association, said the time has probably come for a minimum wage hike. But she agreed with Butler that the bill needs fixing.

"It's a matter of making sure the intent of the bill goes to the people who need it the most," she said. "We prefer to see it help the workers at the back of the house," such as dishwashers and other help.

Labor Commissioner George Copadis supported the wage hike, saying "It's never too late to do the right thing ... This is a matter of fairness and equity." He said the state is far behind the region in what it pays workers on the bottom rung. In Connecticut the minimum is \$6.75, he said. In Maine, it's \$6.75. Others are Massachusetts \$7.50, Rhode Island \$7.40, and Vermont \$7.80.

States that have raised the minimum have better employment and business trends than those that have not, Copadis said.

Katie Merrow, executive director of the New Hampshire Women's Policy Institute, provided the committee with statistics showing 57 percent of the 12,860 full-time New Hampshire workers earning less than \$25,000 in 2004 were women.