

## Fast Facts: Raising the Minimum Wage Would Boost New Jersey's Working Men and Women

### *Inadequate wage floor keeps many workers in poverty*

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In 2013 New Jerseyans overwhelmingly voted to raise the state's minimum wage to \$8.25 an hour and tie the wage floor to future increases in the cost of living. The increase was a big victory for New Jersey's low-wage workers, but the current minimum wage of \$8.38 an hour – or \$17,430 a year if a resident works 40 hours a week every week of the year – still doesn't cut it in high-cost New Jersey.

- The hourly wage needed for a single adult full-time worker to afford basic needs in New Jersey is *at least* **\$13.78**, or \$28,662 a year – more than one and a half times higher than the current minimum wage.<sup>1</sup>
- In other words, a New Jerseyan working at minimum wage needs to work *at least* **66 hours a week** just to avoid destitution and earn enough just to afford basic needs. If that working man or woman also had a spouse and two young children, the adults in the household would need to work at least **146 hours a week** at minimum wage *just to get by*.
- In order to have a more stable household budget, a single adult New Jersey minimum wage worker would need to work at least **94 hours a week** – and a family with two young children would need have adults working at least **259 hours a week**, or nearly six and a half 40-hour workweeks split between two people.
- New Jersey's low wage floor isn't nearly enough for workers to even afford housing in this high-cost state. A Garden State resident would need to work at least 120 hours a week to a 2-bedroom apartment at fair market rent, according to the National Low Income Housing Coalition. In 7 of New Jersey's counties, the number of hours required would be even higher.<sup>2</sup>
- An economy reliant on low-wage work harms not only workers and their families, but all of us. Unlike the vast majority of American businesses, low-wage employers have for years happily shifted “normal” business costs like health care and full wages to the

American taxpayer. The hidden cost of low-wage work in New Jersey – paid for by taxpayers through public assistance and safety net programs to individuals in working families – is estimated at **\$3.3 billion a year**. While the lion's share is paid by all of the nation's taxpayers, with federal program costs coming in at \$2.6 billion, state taxpayers are chipping in **\$726 million** – a cost that is significantly *underestimated*, since it does not take into account the state's share of the Earned Income Tax Credit, which boosts the take-home pay of working families who aren't paid enough to make ends meet.<sup>3</sup>

## Many Workers Would Benefit from a Higher Minimum Wage

Raising New Jersey's minimum wage to \$15 an hour would **directly boost the take-home pay of 1 in 3, or 36 percent, of Garden State workers**.<sup>4</sup>

New Jersey's low-wage workers, on the whole, are older and more educated than ever before, due to ongoing shifts in the nature of low-wage work.

An estimated 724,000 New Jerseyans earn less than \$11.05 an hour.<sup>5</sup> Of these workers:

- **87 percent** are adults (20 years old and older).
- **56 percent** work full-time (35 hours a week or more). An additional 29 percent work between 20 and 35 hours a week, leaving a small minority – 15 percent – who are working in part-time jobs less than 20 hours a week.
- **Close to half (44 percent)** have attended or graduated from college
- **About 1 in 4 (23 percent)** are parents, raising about **288,000 children**.

## Endnotes

<sup>1</sup> United Way of Northern New Jersey, *ALICE New Jersey: Study of Financial Hardship*.  
[http://www.unitedwaynnj.org/documents/14UW%20ALICE%20Report\\_NJ\\_Lowres\\_10.24.15.pdf](http://www.unitedwaynnj.org/documents/14UW%20ALICE%20Report_NJ_Lowres_10.24.15.pdf)

<sup>2</sup> National Low Income Housing Coalition, *Out of Reach 2015*.

[http://nlihc.org/sites/default/files/oor/OOR\\_2015\\_FULL.pdf](http://nlihc.org/sites/default/files/oor/OOR_2015_FULL.pdf)

<sup>3</sup> UC Berkeley Center for Labor Research and Education, *The High Public Cost of Low Wages*.  
<http://laborcenter.berkeley.edu/pdf/2015/the-high-public-cost-of-low-wages.pdf>

<sup>4</sup> National Employment Law Project, *The Growing Movement for \$15*.

<http://www.nelp.org/content/uploads/Growing-Movement-for-15-Dollars.pdf>

<sup>5</sup> New Jersey Policy Perspective, *Increasing the Minimum Wage to \$10.10: A Win-Win for New Jersey*.  
<http://www.njpp.org/reports/increasing-the-minimum-wage-to-10-10-a-win-win-for-new-jersey>