

States not waiting for feds to raise minimum wage

By William Selway & Jim Efstathiou Jr., Bloomberg

President Obama is pushing to raise the U.S. minimum wage higher than \$7.25 an hour – the rate it's been for four years.

Half of the U.S. population won't have to wait: They live in places where the bottom rate is already higher than that.

Twenty-one states and Washington, D.C., have raised the lowest legal hourly wage above the rate set by Congress, with New Jersey voters joining the list last week and campaigns under way to do the same in at least five other states.

It marks a shift of power to state and local officials, who have seized control from a deadlocked Congress that's under pressure not to raise costs from the U.S. Chamber of Commerce and National Restaurant Association, whose members include Yum! Brands Inc., the operator of the Taco Bell and Kentucky Fried Chicken chains.

"It would be best if you could just raise the minimum wage in Congress and in one fell swoop lift the income of millions of low-paid workers," said Dean Baker, the co-director of the Center for Economic and Policy Research, a Washington-based group that tracks inequality and poverty issues. "But if that avenue is blocked – and it appears to be – it only makes sense for those looking to increase it to turn to the state and local level."

The changes are pushing up costs for retailers, fast-food chains and other service-industry businesses that say higher wages cut into hiring, profits and expansion. Congress hasn't passed an increase in the minimum wage – which was first set at 25 cents in 1938 – since 2007, when it approved an increase

that brought the level to \$7.25 an hour by 2009.

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