



The District's Dime

Going Beyond the Budget Book

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Minimum Wage and Paid Sick Days First Vote Tomorrow!

By Elissa Silverman

Tomorrow, the DC Council will take a first vote on two important bills: one proposes to raise DC's minimum wage from \$8.25 an hour to \$11.50 an hour by 2016 and to give a yearly cost-of-living increase thereafter; the other gives tipped restaurant workers paid sick days and allows all workers to accrue sick time from the first day on the job. A majority of councilmembers have expressed support for both bills, and we look forward to their votes in favor tomorrow.

The increase in the minimum wage is consistent with the recommendations of leading economists, including a number who have signed onto a letter to the Council in support of the bill. Their review of numerous studies finds that that prior federal and state minimum wage increases affecting up to 15 percent of workers had positive impacts on income without negative side effects.

The bill being considered tomorrow is part of regional effort with Montgomery and Prince George's Counties in Maryland. The Maryland bills extended the implementation time for the \$11.50 minimum wage by one year, to 2017. However, it is worth noting that under current law DC's minimum wage is \$1 an hour higher than in Maryland, and the gap between DC and the two counties will be smaller than that. In 2016, DC's minimum wage will reach \$11.50, and the Maryland counties will be at \$10.75. In 2017, the DC minimum wage will equal \$11.50 plus inflation – or probably close to \$11.75 – while the Maryland counties will be at \$11.50. Because these are narrower than the current difference, it is reasonable for the District to stick with full implementation by mid-2016.

The Council's bill is strong on indexing for cost of living, a practice that has been adopted by 11 states. This allows the wage to keep pace with inflation and keeps increases predictable at a moderate and steady growth rate. That's why the DC Chamber came out in support of raising the wage with indexing. Plus, it means that we don't have to have another large debate anytime soon about how to set the wage!

One component DCFPI hopes the Council will reconsider is a raise in the tipped wage. At the committee vote, Ward 3 Councilmember Mary Cheh proposed an amendment that would raise the minimum wage for tipped workers to 50 percent of the base minimum wage. The amendment did not pass, meaning the adopted bill keeps the tipped worker minimum wage at \$2.77, although several members said they were sympathetic to tipped workers and would be open to more information about the issue.

DC's current wage for tipped workers is held flat \$2.77 an hour, with workers under the law guaranteed to make the minimum wage through what's known as the "tip credit." The federal minimum wage for tipped workers at times has been set at 60 percent of the full minimum wage, and seven states currently require tipped workers to be paid the full minimum wage.

The tipped wage was put into place to provide stable income for workers who rely on gratuities, which can fluctuate depending on the type of establishment you work for, the times you work, and various other factors, including the weather. The median wage for DC workers who identify themselves as waiters and waitresses was \$9.23 per hour in 2012, including both tips and hourly pay, according to the Bureau of Labor Statistics. In other words, 50 percent of servers make more than \$9.23 and 50 percent make less. The mean income, which is the average of all servers including those who might make up to [\\$72 an hour at Black Salt](#), is \$13.08.

The District's Dime looks forward to writing about a unanimous vote on both paid sick days and the minimum wage on Wednesday!