

March 29, 2014

Kevin Pomeroy

There has been a lot of talk lately about making Alaska friendly for businesses. Motto's such as "open for business", "Investing in Alaska's Future" and "Make Alaska competitive." Shouldn't we also consider it time to make it friendly for workers? It is common knowledge that people with entry level jobs- who find more money in their pockets will spend that at local businesses.

According to the Economic Policy Institute, an economic think tank; "the average low-wage worker who would benefit from a minimum-wage increase is responsible for half of his or her family's income. And nearly one in five children has a parent who would benefit". While some of the minimum-wage earners are young workers looking for some spending money, the majority are adults working just to put food on the families' tables.

Up until the early 1980's, an annual minimum-wage income- after adjusting for inflation- was enough to keep a family of two above the poverty line. Today, at the current federal and state of Alaska minimum wage, working 40 hours per week, 52 weeks per year yields an annual income of only \$15,080. and \$16,120. respectively. This annual income is below the federal and state of Alaska poverty line for families of two or more. That's presuming the worker gets a full weeks' worth of work, with no weekdays off for an entire year. Sadly, many minimum wage workers are trying to make ends meet on part-time hours.

The Economic Policy Institute also published a report on December 19, 2013; in which it stated that "Over the past 45 years, the U.S. economy has vastly expanded, and productivity (our ability to produce goods and services for the same amount of work) has more than doubled. Yet the minimum-wage- our agreed upon standard for the minimum amount a worker in our society should be paid- has been left to stagnate and decline."

The National Employment Law Project, maintains that the decline in the purchasing power of the minimum wage has contributed to the growth of income inequality over the past three decades. Over the last 40 years, the real value of the federal minimum wage (as well as States indexed to the Federal minimum wage) has fallen by close to 30%. Even after the 2007-2009 federal increases, the minimum wage remains far too low to sustain working families.

State of Alaska Resident Hire report dated Jan. 2014, states that "the number of nonresident workers employed in Alaska is useful as an indicator of labor shortage in the state. This deficit of workers may be the result of many factors, including relatively low pay..." The amount of nonresident workers coming to Alaska to earn a wage has increased from 18.4% to 20.4% since 2004.

Currently there is an initiative on the ballot for the voters of this State to decide on. There are some in the Legislature who feel it might be their "civic duty" to introduce a bill very similar to the Initiative, just as back in 2001 with the passage of HB56. Yet what happened next was those "civic minded folks"

rushed back to Juneau as quickly as they could the following session; to rip out the cost of living provisions- freezing the minimum wage for 8 years.

Freezing the minimum wage for 8 years was certainly not the intent of 50,000 signatures backing the Initiative in 2001. Yet, after those "civic minded folks" got involved; that was how it played out.

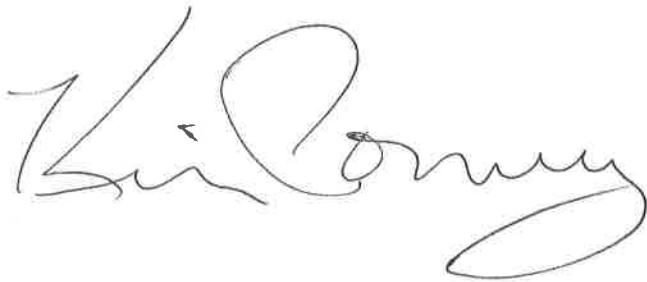
Some would say by "design".

I'm starting to get that "Deja vu" feeling. I'm starting to get the feeling that a couple of "civic minded folks" don't want to allow **this** Initiative on the ballot. I get the feeling they don't want it to be decided by the voters on August 19. I'm starting to get the feeling that there is a "by design" effort, by a couple of "civic minded folks".

Initiative's like this are passed by the people and can't be touched by the legislature, while statute's passed by the lawmakers can be changed at any time the Legislature wants to pass it.

It's pretty obvious to me what a couple of "civic minded folks" are trying to do.

My testimony here today, is to ask you to just leave it alone. Let the voters decide in August.

A handwritten signature in cursive script, reading "Liz Conmy". The signature is written in dark ink on a plain white background.