
SENATE BILL 5551

State of Washington

59th Legislature

2005 Regular Session

By Senators Hargrove, Hewitt, Schoesler, Mulliken, Parlette and Oke

Read first time 01/27/2005. Referred to Committee on Labor, Commerce, Research & Development.

1 AN ACT Relating to studying the minimum wage in Washington state;
2 and creating new sections.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature finds that Initiative 688,
5 passed by the people in 1998, provides for a minimum wage and automatic
6 increases in the minimum wage based on increases in the consumer price
7 index. Increases in the minimum wage have occurred annually since
8 adoption of the initiative.

9 The legislature further finds that the level of Washington's
10 minimum wage and the increases provided by the initiative are subjects
11 of debate and controversy. Employers and employees dispute the
12 positive and negative effects of the minimum wage, the role that the
13 minimum wage plays in the creation or loss of jobs, and the effect of
14 the minimum wage on Washington's economy.

15 NEW SECTION. **Sec. 2.** The Washington state institute of public
16 policy, in consultation with the employment security department, shall
17 conduct a study to address the issues impacted by the minimum wage and
18 its annual increases in Washington state. The study should address:

- 1 (1) The impact of the minimum wage on job creation and job loss,
2 from 1990 to the present;
- 3 (2) The role of the minimum wage in maintaining the purchasing
4 power of low-income workers in comparison to other workers;
- 5 (3) Wage compression resulting from increases in the minimum wage;
- 6 (4) Demographic analysis of persons earning eight dollars and
7 thirty-five cents per hour or less, including race, ethnicity, gender,
8 marital status, and family size;
- 9 (5) The extent to which the minimum wage is paid in various
10 industries and occupations in Washington, including the number of total
11 jobs available in those industries over the past seven years and an
12 analysis of any causal relation between increases in the minimum wage
13 and fluctuations in those job numbers;
- 14 (6) Differences in economic activity attributed to the minimum wage
15 increases in comparison with similar activity in Oregon, Idaho, and
16 other states similar in economic size and industrial base to
17 Washington;
- 18 (7) Economic activity and wage progression in industries with large
19 numbers of low-wage workers compared to wages paid in manufacturing,
20 high tech, and other moderate and high-income fields in Washington;
- 21 (8) The impact of the minimum wage on state unemployment, including
22 a comparison of state and federal unemployment rates from 1970 to the
23 present; and
- 24 (9) A summary of the actions taken by other states regarding their
25 minimum wage laws over the last five years.

26 NEW SECTION. **Sec. 3.** The Washington state institute of public
27 policy must report its findings to the legislature by December 1, 2005.

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