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## Vt. minimum wage won't rise next year, will remain at \$8.06

By [Louis Porter](#) Vermont Press Bureau - Published: October 20, 2009

MONTPELIER — The state's minimum wage will not go up next year, in spite of a 2005 law instituting an annual cost-of-living adjustment.

That's because the state's minimum wage cost-of-living adjustment (COLA) is based on the consumer price index increase from one August to the next. The CPI has actually declined 1.5 percent from September of 2008, so the state's minimum wage will remain at \$8.06 per hour. The federal minimum wage is \$7.25 per hour.

An adjustment to Vermont's minimum wage law this year stipulated that even when the price of consumer goods declines, the minimum wage does not.

"It is a tough one for folks earning minimum wage, I am sure, but it is also indicative of the times," said Patricia Moulton Powden, commissioner of the Vermont Department of Labor.

"It is the first time in a long time we have seen this phenomena" of a declining CPI, she said. And while it means that workers earning minimum wage — roughly 16,000 to 17,000 Vermonters — will not see an increase in pay, they will also not lose money. At the same time, employers may be able to forestall some difficult decisions they would face if wages increase, Moulton Powden said.

"The cost of living has fallen and the ability of employers to increase pay is limited by the recession," she said.

The minimum wage for tipped employees will also remain unchanged at about \$3.91 per hour. To qualify as tipped employees, workers must regularly receive more than \$120 a month in tips, and their total wages for each pay period must exceed \$8.06 per hour, or employers must make up the difference.

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Colin Robinson, director of the Vermont Livable Wage Campaign, said that Colorado, which also indexes its minimum wage to inflation, saw the bottom wage decline as the CPI dropped.

"We are really fortunate in Vermont to have the third highest minimum wage in the country," Robinson said. But that wage is still far below a livable wage and less than the federal minimum wage would be if it has kept pace with inflation since the 1970s.

"We are in a good spot relative to other places but we still have a long way to go," he said.