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\$7.50 Wage Recommended

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SANTA FE— A House committee voted Thursday to recommend passage of a bill to raise the state's minimum wage to \$7.50 an hour next January.

All five Democrats on the House Labor and Human Resources Committee voted for the bill. Two Republicans voted against it.

The committee heard more than three hours of testimony from dozens of witnesses. Some opponents warned that chile growers would move operations to Mexico, child care businesses and small grocers would close and nursing home operators would cut employees' benefits if the bill passed.

Supporters argued economic data do not show any meaningful job loss or business failures when minimum wages are increased and said the state had a moral obligation to raise low-wage workers' pay.

Witnesses pointed to Santa Fe's \$9.50-an-hour wage to argue for and against the bill.

The bill, sponsored by House Speaker Ben Lujan, D-Santa Fe, would raise the minimum wage from \$5.15 an hour Jan. 1 and would increase it automatically each year by the lesser of 3 percent or the rate of inflation. Local governments could set their own higher wage under Lujan's bill.

Lujan dismissed warnings of business failures, layoffs and reduced hiring, saying the same warnings were sounded every time the Legislature has increased the state's minimum wage. "I really see no downside," Lujan told the committee.

Greater Albuquerque Chamber of Commerce president Terri Cole said business lobbyists were realists and believed a minimum wage would pass this session. She asked the committee to back a bill similar to one offered by Sen. Ben Altamirano, D-Silver City, which would phase the increase in over three years.

Sayuri Yamada, lobbyist for the Association of Commerce and Industry, argued "Since a large portion of New Mexico is made up of small businesses and small towns, we feel a sudden increase in labor cost, plus taxes and insurance, would be harmful to business."

But Voices for Children economist Gerry Bradley said there would be "absolutely no impact on the economy." He added, "Even if business passes on the full cost to consumers, costs would go up only minimally, only 2 percent."

Labor Secretary Conroy Chino took no position on the bill, but he testified that 123,000 workers earn less than \$7.50 an hour today. More than 80 percent of them are older than 20, and 60 percent work full time. About half are in the retail trade or leisure and hospitality industries, Chino said.

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