



March 28, 2006

# FACTS About Michigan's New Minimum Wage

*On March 28, 2006, Governor Granholm signed into law an increase in Michigan's minimum wage. Under the new law, the minimum wage will increase to \$7.40 an hour in three steps.*

## What is the new law?

- The new Michigan minimum wage is \$6.95 per hour and will take effect in October 2006. It is scheduled for an increase to \$7.15 in July 2007 and an increase to \$7.40 in July 2008.
- The minimum base rate for tipped workers remains at \$2.65 per hour, but these workers must have a combination of tips and hourly wages that add up to at least the minimum wage amount.

## The new minimum wage will benefit...

- Roughly 599,000 Michigan workers (14% of total workers). 242,000 will be directly affected while another 356,000 will be indirectly affected.
- 226,000 full-time workers (7% of total full-time workers).
- 446,000 workers aged 20 or over (11% of total workers aged 20 or over).

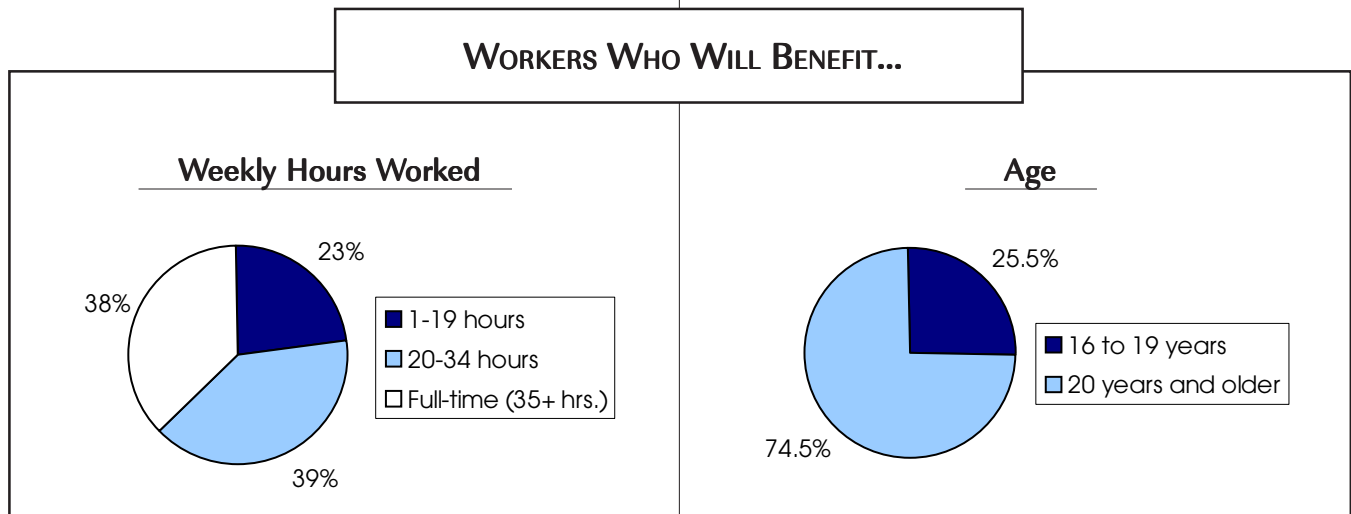
- 265,000 children (because a parent or guardian will get a raise).
- 239,000 service-sector workers, who will get an average raise of 9%.

## Of the workers who will benefit from the increase...

- 38% are full-time employees.
- 75% are 20 years old and over.
- 60% are female.
- 23% are parents.

## Of the families with children who will benefit...

- 44% of the families derive their entire family income from a worker (or workers) getting a raise due to the increase.



Prepared by Michigan League for Human Services.  
Source: Economic Policy Institute