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HAWAII NEWS

Minimum wage increase in Hawaii gaining momentum

By [Dan Nakaso](#) • Jan. 2, 2022

State House Speaker Scott Saiki said he plans to introduce a bill to boost Hawaii's minimum wage from \$10.10 an hour to eventually \$18 an hour.

Details are still being worked out, and Saiki told the Honolulu Star-Advertiser he does not yet know how high the minimum wage would increase in the first year or how long it would take to get to \$18 an hour.

His plan follows a plea to state legislators Wednesday from the Hawaii State AFL-CIO labor umbrella organization saying that Hawaii's minimum wage is really worth only \$4.98 when adjusted for inflation.

"Drastic measures need to be taken to reduce the outflow of Hawai'i's workers who are lured away to cities with significantly lower costs of housing, utilities, transportation and health care ...," Randy Perreira, president of the state AFL-CIO, wrote to legislators. "The \$18 wage is above the \$17.15 per hour survival budget for a single senior, and below the stability budget of \$25.49 per hour for a single adult. ... Many of our union workers are not in low-wage occupations; however, we are committed to advocating for all Hawai'i's workers to earn a living wage."

Hawaii's minimum wage last increased in 2018. The timing could be right for the upcoming legislative session, with the economy continuing to outperform forecasts, every House and Senate seat up for election in 2022, Gov. David Ige proposing a \$1 billion infusion into the state's Rainy Day Fund, and following nearly two years of efforts to help isle businesses, especially small businesses.

Saiki, a Democrat whose district includes Downtown, Kakaako and McCully, said the House and Senate along with Ige were poised to approve it in January 2020 before COVID-19 hit and most of the state's economy was virtually shut down.

"It was a difficult decision," he said. "We felt the timing was not the best when we saw restaurants closing and small businesses were having a hard time."

Sherry Menor-McNamara, president and CEO of the Chamber of Commerce Hawaii, said the business group has been talking to legislative leaders about how high and how fast to increase the minimum wage and whether there should be exceptions for some businesses, depending on their size and other factors, including whether employees are eligible for tips.

Tax credits also could be a possibility to offset increasing the minimum wage, Menor-McNamara said.

"In the past we have supported increases but in the last session businesses were still recovering from the pandemic," she said. "Looking forward, challenges continue with omicron. But the Chamber intends to work with legislators on some sort of minimum wage proposal, at least on an incremental basis."

"With a workforce shortage and price increases, we don't know what's ahead of us. But we recognize the challenges of working families and the need to address the cost of living."

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California became the first state to require a \$15-an-hour minimum wage for businesses with more than 25 employees, effective Saturday. A number of other locations across the country have already reached the \$15 threshold.

More than 20 other states increased their minimum wages starting this year to amounts of less than \$15, and a handful of states have no state-level minimum wage law, meaning they rely on the federal minimum wage of \$7.25 per hour.

The Associated Press contributed to this report.



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