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# Obama's proposed minimum wage of \$10.10 would help a million Florida workers

January 12, 2014 | By William E. Gibson, Washington Bureau

WASHINGTON — Can you get by in Florida on earnings of \$7.93 an hour?

Florida's minimum wage rose by 14 cents on Jan. 1, which makes it 68 cents higher than the federal minimum wage of \$7.25 but still leaves hundreds of thousands of workers in the state hovering near the poverty line.

Now President Barack Obama wants to give them and millions of others across the country a raise to \$10.10 an hour by 2016 through a gradual increase in the federal minimum wage. More than a million Florida workers would benefit because they now make less than \$10.10 an hour, according to the Economic Policy Institute.

"I would be so, so happy," said Wilna Destin, 39, who makes \$9.02 an hour as a housekeeper at a Walt Disney World hotel. She and her husband, a kitchen worker who also makes \$9.02, say the extra dollar would improve their lot as they raise two children.

"If I got, like, \$10 an hour, I would be able to live in a better neighborhood," she said. "And my children could go to a better school."

The impact would be especially significant in Florida, which has the second-largest number of people making minimum wage after Texas, mostly because of the large numbers of workers in hotels, restaurants and other service industries.

Obama's proposal, part of a pitch to confront income inequality, revives a long-contentious debate about the minimum wage and its impact on jobs.

Proponents say it would not only bolster the working poor but indirectly benefit those who make more than the minimum wage by putting upward pressure on the salary scale.

"Workers need multiple jobs just to survive," said Pablo De Leon, senior field representative in Florida for the AFL-CIO. "A worker making minimum wage is still close to poverty level. And we are a consumer economy. For it to thrive, it's good to inject revenue [higher wages] so the workers can go out and spend it."

But critics say the minimum wage discourages hiring and dries up some entry-level jobs, which give inexperienced workers a chance to gain skills that lead to better-paying employment.

"First of all, \$10.10 is not the American dream. That's not what people want to arrive at," U.S. Sen. Marco Rubio, R-Fla., said last week. "And in fact, there's evidence that by raising the minimum wage, it could hurt job creation in some sectors."

Rubio called for other ways to help workers, such as replacing the earned-income tax credits that now go to low-income families with a federal supplement in their paychecks.

Obama, who last year called for an increase in the federal minimum wage to \$9 an hour, now plans to rally public support behind a bill in the U.S. Senate that would gradually boost it to \$10.10 over the next two years. Its chances of passage are slim in the sharply divided Congress, however, setting up a national debate likely to play out in this year's congressional campaigns.

Florida's 14-cent raise on Jan. 1 came automatically, keyed to a slight increase in inflation. Wages for tipped workers also rose 14 cents, to \$4.91 an hour.

Researchers at Florida International University who study the work force say a rising minimum wage tends to nudge up pay scales for all low-income workers, and creates more jobs by stimulating the economy.

"Within two to six months, people who earn between \$10 and \$15 an hour would also see the spillover effect of having increased wages. It's not automatic, but it does happen," said Ali Bustamante, research associate at FIU.

"Some people who are earning minimum wage would be laid off," he said. "But when people have higher

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incomes, they are spending more. They are going to be stimulating the economy. When you look at the net benefit, it actually outweighs the employment loss, and in the long run the jobs created outnumber the jobs lost."

Worker advocates say they aren't worried about losing jobs now that tourism is surging and Florida's economy is recovering.

"There are so many rooms to be cleaned, meals to be made and guests to be served that there's going to be hiring in Florida regardless of whether wages are \$8, \$9 or \$10 an hour," said Jeremy Cruz-Haicken, president of a local union that represents 13,000 Disney hospitality workers.

Employers are divided on the merits of raising the minimum wage. Some say hiring will be determined by larger factors, such as the need to meet consumer demands for products or services.

"It would be a shock to a percentage of employers," said Dennis Battistella, who runs an apprenticeship program and is director of work force development for the South Florida Manufacturers Association, an industry group in Pompano Beach. "But companies already are stretched [for manpower]. Numerous companies over the next year are going to have to break the bank and hire some more people."

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