

The Virgin Islands Consortium

Minimum Wage Increase To \$8.35 Takes Effect In U.S. Virgin Islands

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ST. CROIX -- As of today, the minimum wage in the U.S. Virgin Islands has risen from \$7.25 to \$8.35, thanks to a bill authored by Senator Jean Forde and [signed into law](#) by Governor Kenneth Mapp in March.

According to the Fair Labor Standards Act, state governments have the right to set a higher minimum wage than the current federal minimum wage rate. To date, 29 states including California, Florida, New York and New Jersey have enacted legislation increasing their state's minimum wage. Studies have shown that increasing of the minimum wage does not have a negative effect on small business, as some have claimed, and in fact contributes to an increase in the overall health of local economies.

"This is a tremendous victory for working people, as the plain fact is that the minimum wage of \$7.25 is simply not enough to live on," said Mr. Forde when the bill was signed into law. "It is heartbreaking to see people going out and working hard every day, only to find that their paychecks cannot meet even their most basic needs."

After this year's increase, another increase of \$9.50 will take effect on June 1, 2017, and another increase to \$10.50 on January 1, 2018 — so as to not shock businesses set to absorb the added cost. Additionally, the tourist service industry and restaurant workers who are tipped employees must be compensated at a rate of not less than 40 percent of the prevailing minimum wage.

Federal minimum wages have not been increased since 2010, while the cost of living has seen a sharp uptick throughout the country, particularly here in the Virgin Islands where the cost of electricity alone has risen by 11 percent between the years of 2010 through 2015.

"Adjusting the minimum wage to take into account the increases in the cost of living, especially around such basic necessities as food, rent, and clothing, will go a long way to eliminating the "working poor" in our community and improving the overall quality of life for all of our residents," said Governor Mapp.

"While this step is not the answer to all of our economic development and opportunity needs, it is a significant step in the right direction," he added.