

The Virgin Islands Consortium

USVI Minimum Wage Goes Up To \$9.50 Per Hour On June 1

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ST. THOMAS -- Come June 1, the minimum wage in the U.S. Virgin Islands will rise from \$8.35 per hour to 9.50 per hour, Department of Labor reminded in a release today. The increase is made possible through legislation whose chief sponsor was Senator Jean Forde, which was [signed into law](#) by Governor Kenneth Mapp in March 2016.

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. Roughly 29 states, including California, Florida, New York and New Jersey have enacted legislation increasing their state's minimum wage. Studies have shown that increasing 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.”

The first increase from \$7.25 to \$8.35 took effect June of last year; the last increase -- from \$9.50 to \$10.50 -- will take effect in 2018, according to the law. 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 rose 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.