Kavet, Rockler & Associates, LLC
985 Grandview Road
Williamstown, Vermont 05679-9003 U.S.A.
Telephone: 802-433-1360
Fax: 866-433-1360
Cellular: 802-433-1111
E-Mail: tek@kavet.net
Website: www.kavetrockler.com

Memorandum

To: Sen. Michael Sirotkin, Chair, Minimum Wage Study Committee

From: Tom Kavet

CC: Joyce Manchester, Deb Brighton, Nic Rockler, Catherine Benham

Date: September 6, 2017

Re: Status Report: Requested Economic Impact Analysis in Support of Minimum Wage Options

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As requested, we are in the process of extending our prior economic impact analysis of a $15/hour minimum wage effective in 2022, with an additional analysis of a $12.50 minimum wage effective in 2021. In order to be consistent with the prior analysis for comparative purposes, and in order to have useable output no later than October 2nd, we will be using the same REMI model version, the same Department of Labor source data (2015), the same future inflation assumptions (Consensus 01-2017), and the same pooled 5-year ACS source data from Deb Brighton employed in the prior analysis.

Updates of both the Labor (to 2016) and ACS data using more recent inflation projections are possible, but would not allow the analysis to be completed prior to the next scheduled Committee meeting. Although we generally prefer to use the latest available data and forecast assumptions in such analyses, we do not believe using the prior modeling protocols would result in material differences in most economic metrics or be large enough to affect the policy considerations this analysis would inform.

We expect to have this analysis completed no later than October 2nd and will issue an extension of the prior written analysis contained in our memo of April 30, 2017 and be available to discuss this analysis with the Committee at the October 2nd meeting.