Common Cents

NHFPI's Budget Blog

Purchasing Power of Minimum Wage in Manchester 15th Lowest in U.S.

March 27, 2014

It isn't often that Manchester is thought of alongside the sunny beaches of Waikiki.

Yet, a new analysis conducted by Governing Magazine finds that the Queen City, like Honolulu, has among the lowest minimum wages of any city in the country when it comes to real purchasing power. Based on an index developed by the Council for Community and Economic Research to compare the cost of living among urban centers, Governing calculates that the $7.25 per hour that minimum wage workers earn in Manchester would allow them to purchase just $6.01 worth of goods and services relative to other cities. In other words, the minimum wage doesn't put nearly as many groceries in the cabinet or shirts in the drawer in Manchester as it does in other cities.

In fact, Governing performed this calculation for 308 other metropolitan areas across the country and found that Manchester's cost-adjusted minimum was the 15th lowest in the United States. The only communities to fare worse were in Hawaii (Honolulu, Hilo), New York (Manhattan, Brooklyn, Queens), California (Orange County, Oakland), Alaska (Fairbanks, Kodiak, Juneau), or along the I-95 corridor (Boston, Philadelphia, DC and its Maryland suburbs).

As Governing suggests, many of these localities – as well as the states in which they are located – are taking steps to address these disparities and raising their own minimum wages in the face of Congressional inaction.

Within New England, Connecticut lawmakers just this week adopted a minimum wage of $10.10 per hour, while Massachusetts legislators continue to weigh proposals that would bring the Bay State's minimum to $10.50 per hour or higher.

Here in New Hampshire, the Senate will soon consider a measure to bring New Hampshire's minimum to $9.00 per hour by 2016. An increase in New Hampshire's minimum wage will benefit 76,000 workers living in Manchester and other communities across the state.