

Minimum Wage

Frequently-asked questions



Q: Who is earning minimum wage in Washington?

- **Numbers:** 243,839 workers make less than \$10.00/hour or 8.2% of the entire workforce. More than half a million (551,303) workers' wages are below \$12.
- **Sex:** Women make up the majority (53%) of minimum wage earners.
- **Age:** 85% of minimum wage workers are over the age of 20; just 15% are teens.
- **Race/ethnicity:** More than half (54%) of minimum wage workers are white; 1 in 4 is Hispanic (26%).
- **Family structure:** More than half (57%) of minimum wage workers are not married and have no children; more than 1 in 4 (29%) are parents.
- **Industry:** More than half (52%) of minimum wage workers are in the retail and leisure/hospitality industries (largely food service).
- **Education:** Two of every three (64%) minimum wage workers have a high school diploma or some college.
- **Hours:** Half (50%) of minimum wage workers are employed full time.

[Source: EPI Analysis of Washington State demographic information from the Current Population Survey, Outgoing Rotation Group public use microdata from 2012Q4 through 2013Q3.](#)

Q: What is history of increasing the minimum wage in Washington?

A: Initiative 688, approved by voters in 1998, requires the state Department of Labor and Industries to make a cost-of-living adjustment to the minimum wage each year based on the federal Consumer Price Index for Urban Wage Earners and Clerical Workers. Initially, the initiative increased the minimum wage in two incremental annual steps. The first step was from \$4.90 to \$5.70 on Jan 1, 1999. The next was from \$5.70 to \$6.50 on Jan.1, 2000. Starting in 2001, the minimum wage was pegged to CPI-W.

Q: Why does the proposal stretch out an increase to \$12 over 3 years?

A: A recent "meta-study," a study of studies, on the impact of minimum wage increases at the federal, state and city levels found that gradual increases in the minimum wage have little impact on employment. By increasing over a few years, we help ensure that businesses are not adversely affected.

[Source: http://www.cepr.net/index.php/publications/reports/why-does-the-minimum-wage-have-no-discernible-effect-on-employment](http://www.cepr.net/index.php/publications/reports/why-does-the-minimum-wage-have-no-discernible-effect-on-employment)

Q: Won't this proposal lead to job-losses because our businesses will be less competitive, especially those in border towns?

A: A minimum wage study by economists at the University of Massachusetts, University of North Carolina, and University of California, compared employment data among every pair of neighboring U.S. counties that straddle a state border and had differing minimum wage levels at any time

between 1990 and 2006, and found that minimum wage increases did not cost jobs. A companion study published in April 2011 found that these results hold true even during periods of recession and high unemployment.

Washington's own history with the minimum wage seems to support this. In 1999, when our minimum wage was increased by 55 cents, employment in restaurants and hospitality in Washington grew by 6,400 jobs, and overall employment grew by 54,000 jobs. In 2000, the minimum wage increased another 70 cents, hospitality employment grew by another 4,700 jobs, and overall employment grew by 63,000 jobs.

Source: <http://www.irle.berkeley.edu/workingpapers/157-07.pdf>; <http://www.irle.berkeley.edu/workingpapers/166-08.pdf> and <http://www.eoionline.org/blog/low-wage-workers-deserve-a-higher-state-minimum>

Q: Does increasing the minimum wage actually help workers and reduce poverty?

A: A 2013 survey by the University of Chicago's Booth School of Business found that leading economists agreed by a nearly 4 to 1 margin that the benefits of raising and indexing the minimum wage outweigh the costs. Even economists who disagree on many aspects of the benefits or perceived harms of increasing the minimum wage have published studies whose data shows that increasing the minimum wage reduces poverty.

Source: http://www.igmcchicago.org/igmc-economic-experts-panel/poll-results?SurveyID=SV_br0IEq5a9E77NMV and <http://www.washingtonpost.com/blogs/wonkblog/wp/2014/01/04/economists-agree-raising-the-minimum-wage-reduces-poverty/>

Q: Are there any other positive economic impacts to increasing the minimum wage?

A: Many economists recognize that low-wage workers are likely to spend any extra earnings immediately on previously unaffordable basic needs and services. A 2009 Goldman Sachs report confirms that increasing the income of people with lower wages has a proportionately larger stimulating effect on the economy than increasing the income of those on high incomes. Low-earners tend to spend more of their increased income than those with much higher incomes, because those on low-incomes have more essential spending needs to be met by any income increases. Such spending by the over 500,000 workers in Washington State currently earning less than \$12 will support local businesses throughout the state.

Source: <http://www.theglobeandmail.com/report-on-business/the-wealthy-spend-less-than-you-think/article4289018>

Q: Isn't this just a liberal, Democratic idea?

A: Hardly. Conservatives like Bill O'Reilly, Phyllis Schlafly, and Ron Unz have been cited recently as supporting an increase in the minimum wage.

Ron Unz "supports raising California's minimum wage from \$8 to \$12 by 2016 and has submitted the language for a current ballot measure that would do just that.

And 62 current GOP US Representatives and Senators voted to increase the minimum wage under Bush: <http://www.thenation.com/blog/178055/6-conservatives-who-support-raising-minimum-wage#>
