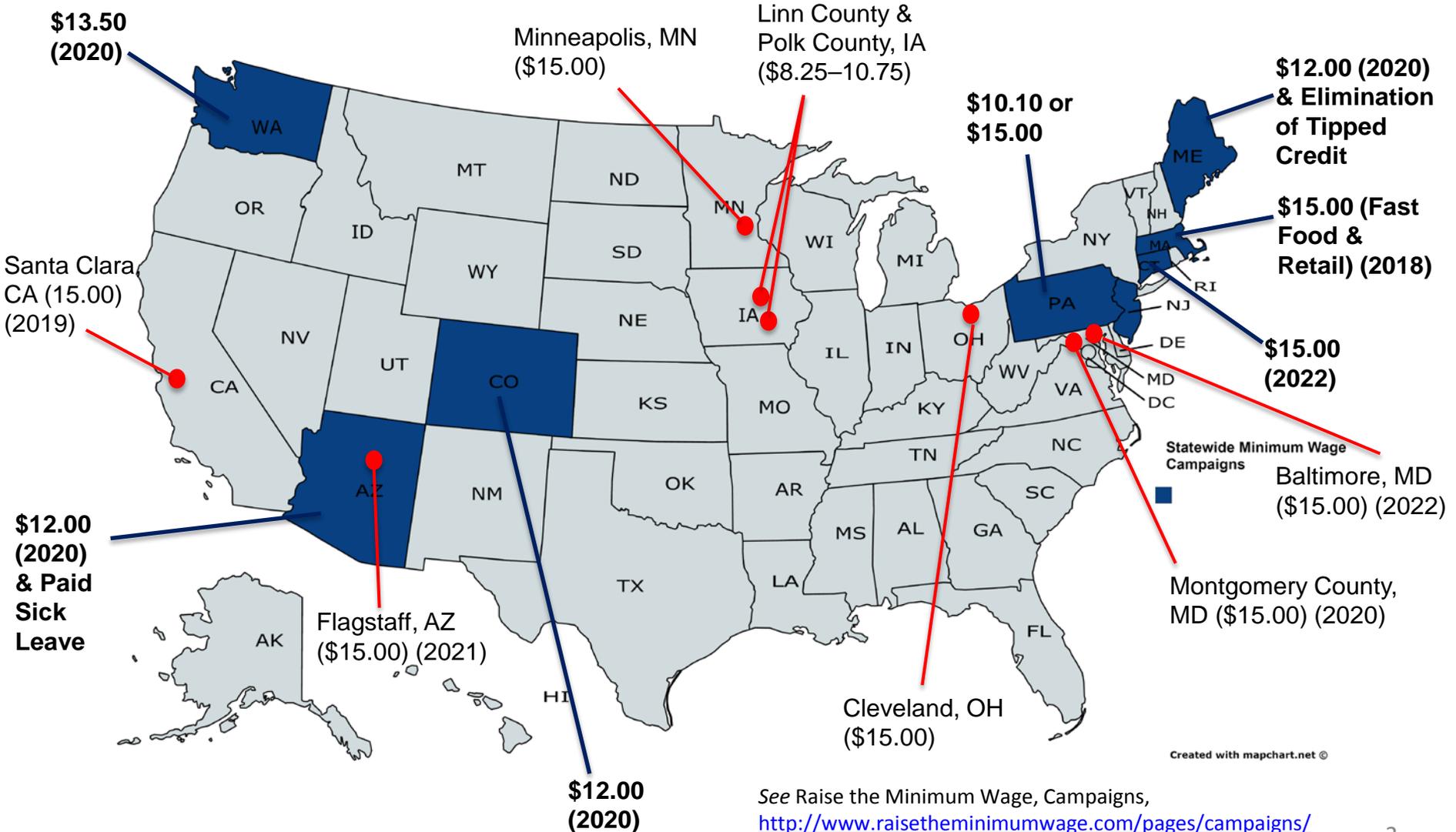




# Raise the Minimum Wage

September 19, 2016

# 2016 Minimum Wage Campaigns



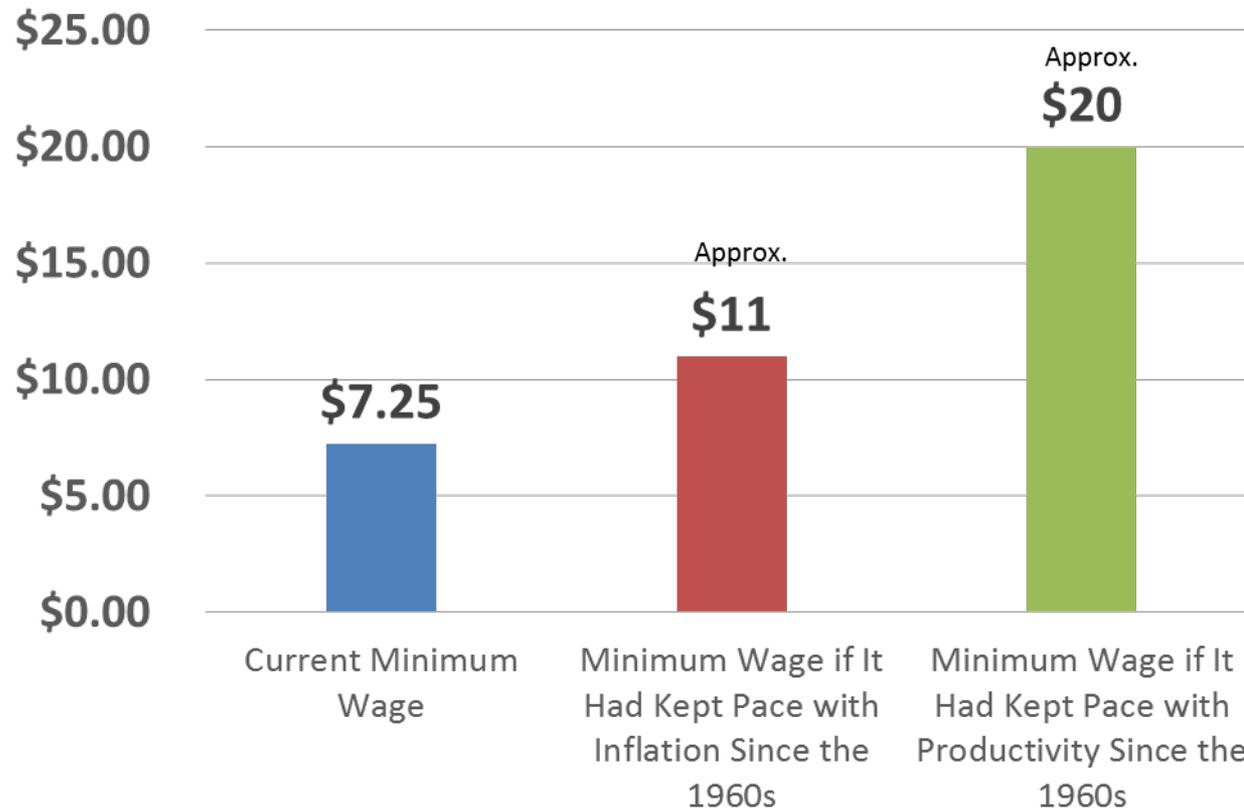
See Raise the Minimum Wage, Campaigns,  
<http://www.raisetheminimumwage.com/pages/campaigns/>  
 (last viewed Sept. 15, 2016)

# The Fight for \$15: Impact

- **Since Nov. 2012, nearly 17 million workers have earned wage increases.**
- **Nearly 10 million workers will receive gradual raises to \$15 per hour.**
- **Since 2012, over 50 states and cities have raised their minimum wage.**

National Employment Law Project, Fight for \$15 Impact Report: Raises for 17 Million Workers, 10 Million Going to \$15 (April 2016), *available at* <http://www.nelp.org/content/uploads/NELP-Fact-Sheet-Fight-for-15-Impact-Report.pdf>.

# The Federal Minimum Wage



See United States Department of Labor (“USDOL”), Minimum Wage, <http://www.dol.gov/general/topic/wages/minimumwage#doltopics> (current minimum wage is \$7.25); USDOL, Minimum Wage Mythbusters, <http://www.dol.gov/featured/minimum-wage/mythbuster> (noting that the minimum wage’s buying power would be nearly \$11 today based on its 1960s buying power); Center for Economic and Policy Research, *The Minimum Wage Is Too Damn Low* (Mar. 2012), <https://cepr.net/documents/publications/min-wage1-2012-03.pdf> (noting that the minimum wage would be over \$20 if it had kept up with productivity).

# Declining Wages and Rising Inequality

- From 2000–2012, wages were flat or declined for the bottom 70% of the U.S. workforce.<sup>1</sup>
- 42% of U.S. workers earn under \$15.<sup>2</sup>
- >55% of workers earning under \$15 are women.<sup>2</sup>
- Workers earning under \$15 are disproportionately people of color.<sup>2</sup>
- Home care workers have seen their real wages (adjusted for inflation) decline by 5 percent over the past decade.<sup>3</sup>

1. Heidi Shierholz & Lawrence Mishel, Economic Policy Institute, *A Decade of Flat Wages: The Key Barrier to Shared Prosperity and a Rising Middle Class* (Aug. 2013), <http://www.epi.org/publication/a-decade-of-flat-wages-the-key-barrier-to-shared-prosperity-and-a-rising-middle-class/>; 2. Irene Tung et al., *The Growing Movement for \$15* (Nov. 2015), <http://www.nelp.org/content/uploads/Growing-Movement-for-15-Dollars.pdf>; 3. Paraprofessional Healthcare Institute (PHI), *Paying the Price: How Poverty Wages Undermine Home Care in America* (Feb. 2015), available at <http://phinational.org/sites/phinational.org/files/research-report/paying-the-price.pdf>.

# Declining Wages and Rising Inequality

- In 2012, the top 10% of earners took more than half of the country's total income.<sup>1</sup>
- In 2012, the top 1% of earners took more than one-fifth of total income.<sup>2</sup>
- In 2014, corporate profits were at their highest level in 85 years, and employee compensation was at the lowest level in 65 years.<sup>3</sup>

# Raising the Minimum Wage: 3 Key Arguments



#1. Direct  
Raise in  
Wages

#3.  
Economic  
Research

#2.  
Consumer  
Spending

# Raising the Minimum Wage: A Powerful Tool for Workforce Development

## • Decreased Turnover

- Low-wage industries are plagued by high turnover rates.
- Turnover rates in the restaurants-and-accommodations sector, for example, exceed 60 percent per year, according to the National Restaurant Association.<sup>1</sup>
- For home health aides, the turnover rates are 40–65 percent per year.<sup>2</sup>
- It costs an employer “about one-fifth of a worker’s annual salary to replace that worker regardless of the salary paid on the income spectrum.”<sup>3</sup>
- Turnover costs the home care sector about \$6 billion annually.<sup>4</sup>

1. National Restaurant Ass’n, *Economist’s Notebook: Hospitality employee turnover rose slightly in 2013 (Mar. 2014)*, available at <http://www.restaurant.org/News-Research/News/Economist-s-Notebook-Hospitality-employee-turnover>; 2. Sarah Portlock, “Help Wanted (a Lot): Home-Health Aides: Fast-Growing Industry Experiences High Turnover Amid Low Pay and Demanding Duties,” *Wall Street Journal*, Aug. 22, 2014, available at <http://www.wsj.com/articles/help-wanted-a-lot-home-health-aides-1408721457>; 3. Washington Center for Equitable Growth, *Working by the hour: The economic consequences of unpredictable scheduling practices* (Sept. 6, 2016), available at <http://equitablegrowth.org/research-analysis/working-by-the-hour-the-economic-consequences-of-unpredictable-scheduling-practices/>; 4. Paraprofessional Healthcare Institute (PHI), *Paying the Price: How Poverty Wages Undermine Home Care in America* (Feb. 2015) at 14, available at <http://phinational.org/sites/phinational.org/files/research-report/paying-the-price.pdf>.

# Raising the Minimum Wage: A Powerful Tool for Workforce Development

## • Increased Loyalty & Productivity

- A minimum wage increase “gives new incentives to employers to undertake additional productivity-improving practices.”<sup>1</sup>
- There exists “[a] strong theoretical and empirical basis . . . for the idea that wages set above the competitive market rate can induce workers to work harder, either to ensure that they keep their job or in reciprocity for higher wages.”*Id.*
- A Harvard Business Review articles noted, for example, that Costco “gets one of the most loyal and productive workforces in all of retailing, and, probably not coincidentally, the lowest shrinkage (employee theft) figures in the industry.”<sup>2</sup>

1. John Schmitt, Center for Economic and Policy Research, Why Does the Minimum Wage Have No Discernible Effect on Employment? (Feb. 2013) at 12, *available at* <http://cepr.net/documents/publications/min-wage-2013-02.pdf>; 2. Wayne F. Cascio, Harvard Business Review, The High Cost of Low Wages (Dec. 2006), *available at* <https://hbr.org/2006/12/the-high-cost-of-low-wages>.

# Raising the Minimum Wage: Resources

- Raise the Minimum Wage website:  
<http://www.raisetheminimumwage.com>
- NELP: <http://nelp.org>
- Economic Policy Institute:  
<http://www.epi.org/research/minimum-wage/>
- U.S. Department of Labor:  
<https://www.dol.gov/general/topic/wages/minimumwage#doltopics>

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