



**RAISE
THE
WAGE!**

Who Benefits:

Demographic Impact of a \$9.50 Minimum Wage

Minnesota 2020 assisted in the editing, design and release of this report on behalf of the Raise the Wage Coalition, a broad group of faith, labor, non-profit and service-based organizations calling for policy that raises the state's minimum wage to \$9.50 per hour by 2015.

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INTRODUCTION

Raising Minnesota's minimum wage to \$9.50 an hour is good public policy. It would boost the state's consumer economy by providing workers an additional \$470 million in increased spending power. This analysis examines the various groups of Minnesotans who would be impacted by a \$9.50 minimum wage.

Examining Minnesota employment data for workers whose wages are below \$9.50 (and those slightly above who would likely see a raise due to the "spillover effect"), Raise the Wage Coalition member JOBS NOW estimates that a \$9.50 an hour minimum wage would mean a raise for 357,000 Minnesotans.

Minnesota's working women would see a significant boost, as they comprise 57 percent of those likely impacted by a potential \$9.50 minimum wage. More than 200,000 women would gain a \$256 million annual purchasing power boost.

A \$9.50 minimum wage would also begin helping Minnesota address the growing poverty gap between white Minnesotans and people of color. More than 83,000 workers of color would see a raise, including 22 percent of black workers (23,548), 29 percent of Hispanic workers (30,337), and 17 percent of Asian workers (29,714).

A \$9.50 minimum wage increase would boost wealth by \$31 million for Minnesota's black community and by \$43 million for the Hispanic community, according to JOBS NOW findings.

The research also finds 77 percent of workers potentially impacted by a \$9.50 minimum wage are 20 years old and above, dispelling the myth that teenagers comprise the majority of those earning minimum wage.

Roughly 33 percent of workers who would see a wage increase (more than 100,000 people) are married or are parents. About 137,000 children would benefit from increased parental income.

Raising the wage is also important for Minnesota's broader workforce because its economic rebound has been heavily fueled by low-wage service sector jobs. Forty-five percent of all Minnesota's recent job openings are part-time, according to the Department of Employment and Economic Development's (DEED) latest jobs vacancy survey.

There's no evidence of an overall shift to high-skill occupations, JOBS NOW finds, based on DEED's data. Only 42 percent of job openings require education or training beyond high school—an even smaller share than four years ago when it was 44 percent. Similarly, only 25 percent of openings require a four-year degree, compared with four years ago when it was 29 percent.

Roughly 45 percent of workers who would benefit from the wage increase have at least some college education. Nearly 19 percent of all workers benefiting from a \$9.50 minimum wage have at least an Associate's Degree.

Raising the wage to \$9.50 would put Minnesotans at the bottom of the pay scale back on par with 1960s inflation-adjusted wage levels. Had the federal minimum wage maintained its purchasing power since 1968, it

would today be over \$10.70 an hour, or \$22,256 a year for a full-time worker, according to the US Bureau of Labor Statistics. Furthermore, had minimum wage kept pace with average productivity gains, as it did in the decades leading up to the 1960s, it would today be about \$22.00 an hour.

Instead it has stagnated and is nowhere near enough to even meet basic living standards in Minnesota. JOBS NOW Cost of Living research shows that in a Minnesota family of four with two full-time working parents and two children, each parent needs to earn at least \$14 an hour to meet even basic needs.

Raise the Wage Coalition urges the Minnesota Legislature to act on policy that raises the state's minimum wage to \$9.50 an hour early in the 2014 legislative session.

THE DATA

FIGURE 1: AFFECTED WORKERS BY GENDER

Data from JOBS NOW

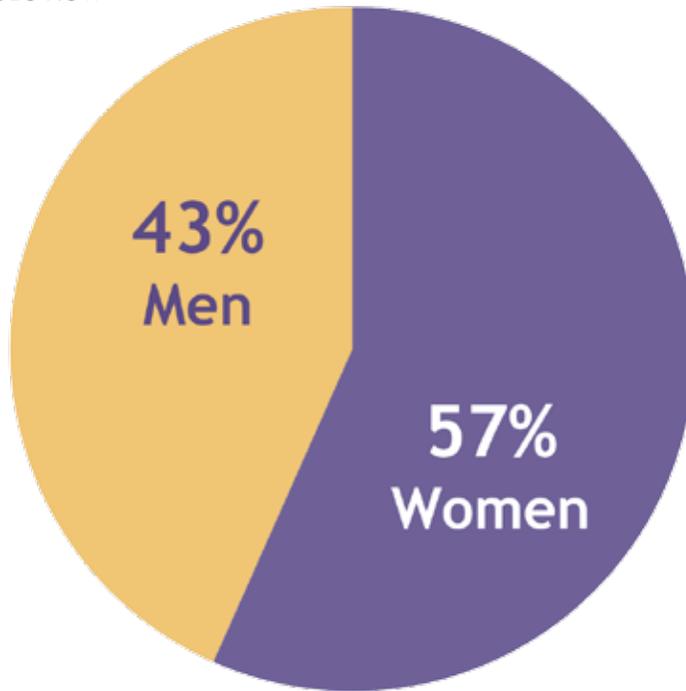


FIGURE 2: WEALTH BUILDING EFFECT BY GENDER & RACE

Data from JOBS NOW

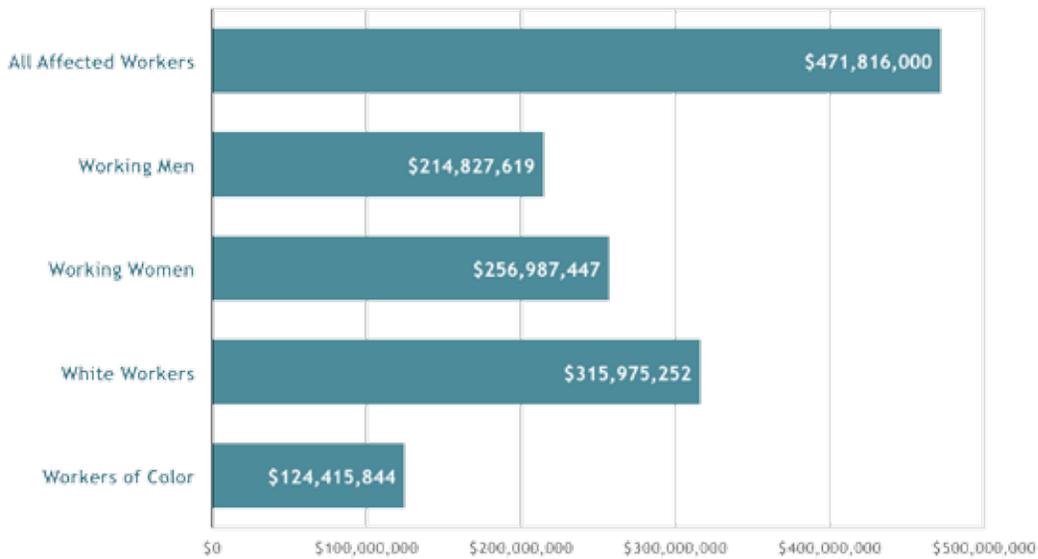


FIGURE 3: MINORITY WEALTH BUILDING EFFECT BY RACE

Data from JOBS NOW



FIGURE 4: AFFECTED ADULT AND TEEN WORKERS

Data from JOBS NOW

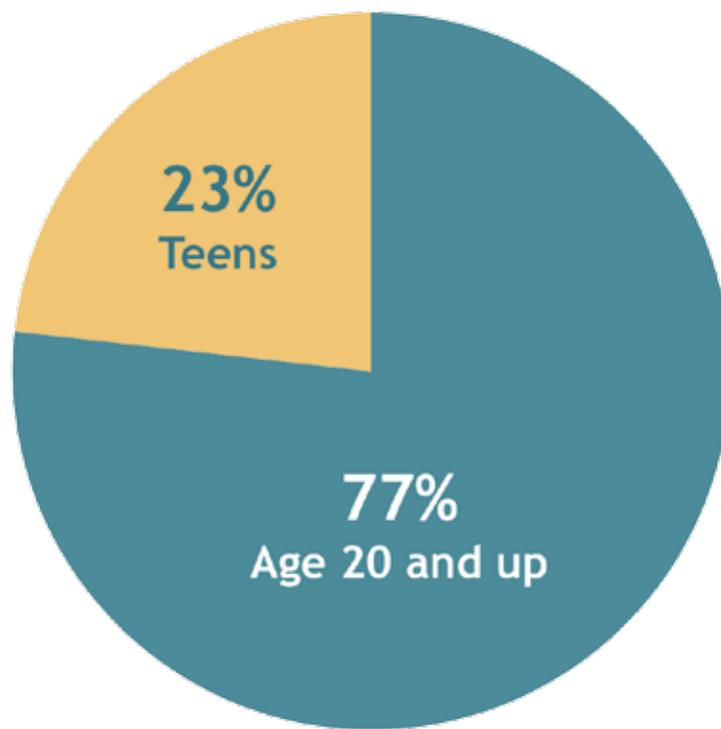


FIGURE 5: AFFECTED WORKERS BY MARITAL STATUS

Data from JOBS NOW

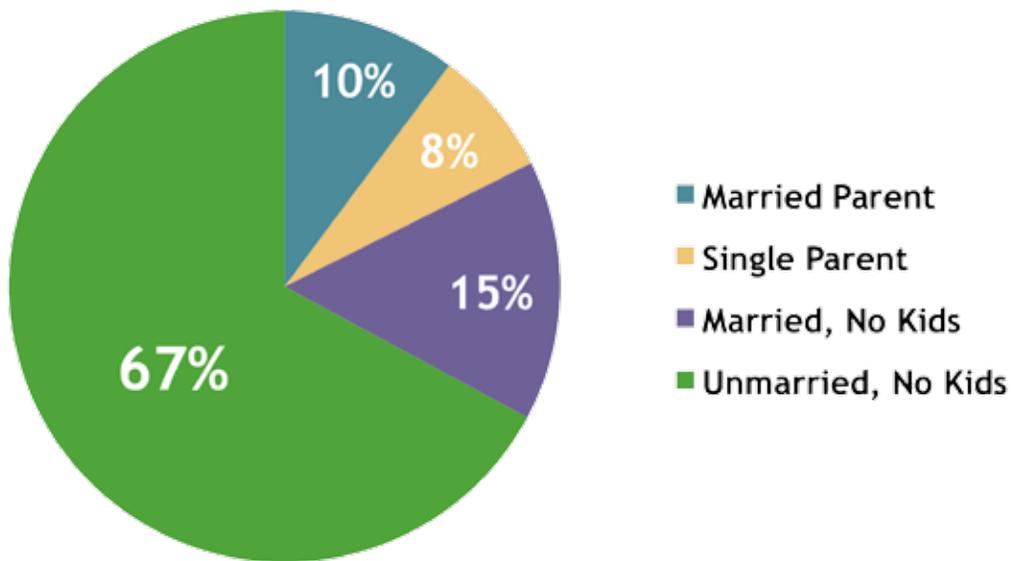
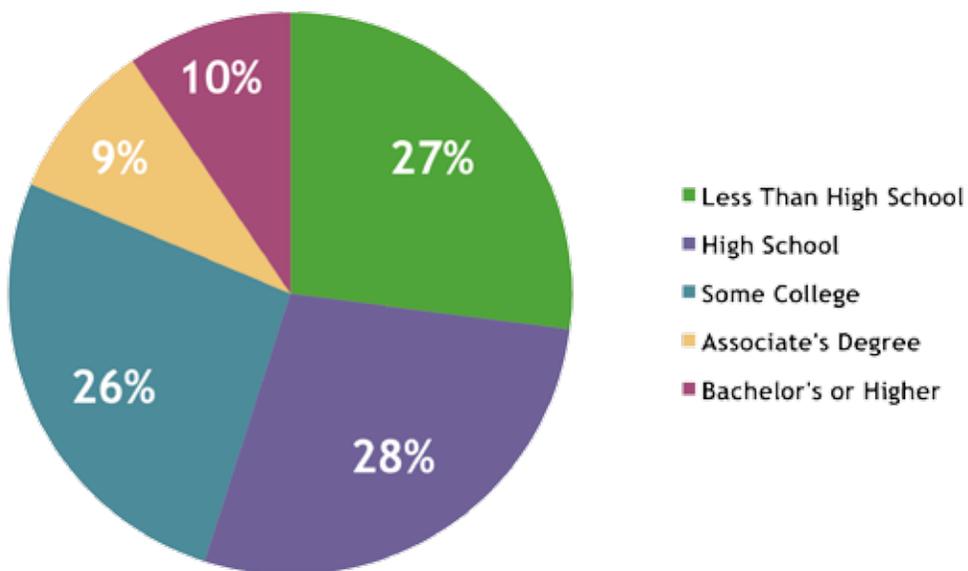


FIGURE 6: AFFECTED WORKERS BY EDUCATIONAL ATTAINMENT

Data from JOBS NOW



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\$9.50 BY 2015

