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A Policy Note: Who Benefits from a Minimum Wage Increase?

Contact: [John Burbank](#), Executive Director, Published October 1998

"While the summary and body of the study are useful for the propaganda purposes of the opponents to the minimum wage increase, the data in the appendices undermine their own arguments regarding who the minimum wage will benefit."

What the Employment Policies Institute Study Really Shows

Beneficiaries of a Minimum Wage Increase

David Macpherson produced a study entitled "The Effects of the Proposed 1999-2000 Washington Minimum Wage Increase" for the Employment Policies Institute. While the summary and body of the study are useful for the propaganda purposes of the opponents to the minimum wage increase, the data in the appendices undermine their own arguments regarding who the minimum wage will benefit.

The appendices show that:

- 71% of affected workers are 20 years or older
- The average age of an affected worker is 30.4 years
- Over 65% of affected workers have no more than 12 years of schooling
- Fewer than 30% of affected workers live with their parents
- Almost 40 percent (39.4%) of minimum wage workers are the sole source of income for their households.
- The median family income for a minimum wage worker is \$27,203.
- 54.4% of minimum wage workers live in households with incomes less than \$30,000
- The average hours worked per week for a minimum wage worker is 28.7
- 45.9 percent of minimum wage workers are fulltime employees
- Average number of weeks worked per year is 45.9% (out of a possible 52!)

This data indicate the minimum wage workers are generally low income adults who do not have the educational credentials to move up career ladders. These workers have a strong attachment to work and the workforce and working as hard as they can just to remain in a low income status. The data indicate that the minimum wage is a poverty-generating wage, not a step toward a livable standard of living.

Related Link(s)

- [EOI Economic Security Policy - Minimum Wage](#)

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