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## The Real Choice in the Minimum Wage Debate

**By Elaine Ditsler**

The *Gazette's* editorial on the minimum wage (Nov. 30) offers Iowans a false choice. A modest increase in the minimum wage to \$7.25 can provide a meaningful pay raise to low-wage workers without harming the economy.

The old arguments against a minimum wage increase do not apply today. Most low-wage workers are in jobs that cannot be outsourced because they must be located where the market for their services exists, and neither can they be automated.

The vast majority of businesses will easily adjust to a minimum wage of \$7.25, and will even give a small pay raise to workers earning \$8, \$9 and \$10 per hour in order to maintain wage differentials within their staff. Economists refer to this as the “spillover” effect.

While the *Gazette* correctly points out that few workers are paid exactly \$5.15, the relevant statistic is the thousands of workers who are paid between \$5.15 and \$7.25, plus the workers who receive a pay raise from the spillover effect. Official U.S. Census data show a quarter of a million Iowa workers would benefit from an increase to \$7.25 and three-fourths of them are over age 20, more than four in 10 work full time, and one in five are parents.

The *Gazette* appears to suggest an exclusion for certain businesses that operate on “razor thin” profit margins. While this is a nice gesture, a minimum-wage law filled with exclusions will likely lead to inefficiencies and an uneven playing field based on arbitrary differences between businesses.

Let's remember that the federal minimum wage has not been increased in nearly 10 years. Iowa should join the majority of the states, including neighboring Illinois, Missouri, Minnesota and Wisconsin, in raising its own minimum wage.

Iowa should also consider regular adjustments to account for inflation. The costs of living and of business rise every year. Why should the minimum wage be held artificially low and shielded from inflation?

Illinois is increasing its minimum wage a second time, before Iowa has done so even once. Illinois Gov. Rod Blagojevich explains why: “Every so often, we get the chance to do something that directly and tangibly makes people's lives better.” It is time to make the lives of a quarter million Iowans better, too.

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