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<http://www.wfcourier.com/articles/2007/01/14/columnists/guest_column/be332fd9f3f84bb586257261004a1996.txt>

A Higher Minimum Wage: Dollars and Sense for Iowa

By Elaine Ditsler

As the new Congress takes up work on the minimum wage, Iowa legislators can assure quality control in what emerges for our state's working families.

A higher state minimum wage, indexed to inflation and unattached to other legislation, can provide an overdue pay raise to thousands and save us from these redundant debates in the future. While a tiny, but well-organized opposition seeks to blur the minimum wage debate (Dennis Clayson, "Reasons are clear why the minimum wage is unethical," Jan. 7), the facts speak clearly.

For example, the most common critique of raising the minimum wage is that it will not help the poor, but rather only wealthy teen-agers who earn exactly \$5.15 (the current minimum wage). This illogical and misleading argument conveniently overlooks all workers earning \$6 and \$7 per hour who also benefit from a minimum wage increase to \$7.25. In addition, it excludes the workers earning \$8, \$9 and \$10 per hour who also receive a pay raise as companies adjust their internal pay structure.

The fact is 257,000 working Iowans receive a pay raise when the minimum wage is increased to \$7.25, and three-fourths of these workers are over the age 20, more than four in 10 work full time, and one in five is a parent.

Add to that another 94,000 children plus the spouses who benefit from the extra household income, and the benefits of a minimum wage increase become clearer.

The income of the low-wage workers who benefit from a higher minimum wage makes up, on average, half of their entire household income. An increase in their pay is certainly meaningful for their families.

Minimum wage laws reflect the traditional values that Americans hold toward work: If you work hard and play by the rules, you should be able to support yourself and your family.

State minimum wages above \$5.15

Effective Jan. 1, 2007

Alaska	\$7.15
Arizona*	\$6.75
Arkansas	\$6.25
California	\$7.50
Colorado*	\$6.85
Connecticut	\$7.65
Delaware	\$6.65
D.C.	\$7.00
Florida*	\$6.67
Hawaii	\$7.25
Illinois	\$6.50
Maine	\$6.75
Maryland	\$6.15
Massachusetts	\$7.50
Michigan	\$6.95
Minnesota	\$6.15
Missouri*	\$6.50
Montana*	\$6.15
Nevada*	\$6.15
New Jersey	\$7.15
New York	\$7.15
North Carolina	\$6.15
Ohio*	\$6.85
Oregon*	\$7.80
Pennsylvania	\$6.25
Rhode Island	\$7.40
Vermont*	\$7.25
Washington*	\$7.93
Wisconsin	\$6.50

* Adjusted yearly for inflation

In this spirit, the minimum wage acts as a wage floor for labor markets while still allowing companies the freedom to set wages at any level above the minimum wage.

Steady increases in the minimum wage in the 1950s, '60s and '70s contributed to steady increases in the average wage and shared prosperity. Since 1981, however, the federal minimum wage has increased only twice and has remained at its current level of \$5.15 for nearly a decade. Meanwhile, wages have stagnated and low-wage work has turned into low-wage careers.

As speculation ensues over the outcome of negotiations at the federal level, Iowa needs to assert itself by joining the 28 other states that have a state minimum wage higher than \$5.15. If the federal government also increases the minimum wage, the higher of the state and federal wage will apply.

One area where Iowa legislators could improve over any new federal law would be by indexing the state minimum wage to inflation. Indexing has three main advantages: It protects the future value of the minimum wage from the eroding effects of inflation, allows future legislative sessions to focus attention in other areas, and provides employers with a measure of predictability.

The minimum wage is at its lowest value in more than 50 years and is clearly due for an increase.

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