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# POLICY MATTERS OHIO

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## **\$6.85 minimum wage ballot proposal would help 719,000 Ohio workers Federal level at lowest point in more than fifty years; twenty states now higher**

While this month's legislative move to make the federal minimum wage of \$5.15 apply to more Ohio workers could provide modest relief to some 92,000 workers, 719,000 Ohio workers could be much more dramatically assisted by the proposal currently being circulated as a ballot initiative for November 2006, according to a new analysis by Policy Matters Ohio, a non-profit policy research institute.

*Who needs a raise? Potential impact of a higher Ohio minimum wage* finds that the proposal to raise Ohio's minimum wage to \$6.85 by 2007 would provide an average 80 cent hourly raise to the 297,000 workers who currently make less than \$6.85 per hour. For an additional 423,000 workers, the study estimates an average raise of about 26 cents. In all, 14 percent of Ohio workers are likely to get a raise under the proposal.

The proposal would put Ohio's wage about in the middle among the twenty states that have set minimum wages above the federal (counting Washington, DC as a state and counting Michigan where the governor is expected to soon sign a legislatively-approved increase). The federal minimum wage of \$5.15 an hour now has less purchasing power than at any time in more than fifty years. Other findings include:

- ◆ About three quarters of those affected (74 percent) are age 20 or older.
- ◆ The vast majority (79%) work at least 20 hours a week; 43 percent work full time.
- ◆ 253,000 Ohio children have a parent who would see a raise under this proposal.
- ◆ Families with workers who would see a raise rely on those workers for more than half of the families' weekly earnings, on average.
- ◆ In 38 percent of affected households, these workers provide the entire family weekly earnings
- ◆ More than half of affected workers (51 percent) come from the bottom forty percent of the earnings spectrum, earning less than \$737 a week on average. This bottom forty percent currently earns less than 16 percent of total wage and salary earnings, but would get more than half of the wage increases resulting from the \$6.85 wage level.
- ◆ Most (58 percent) are women but men also benefit.
- ◆ Fourteen percent of white workers and 15 percent of black workers would get a raise.

"For 68 years the minimum wage has been part of the structure of an economy that works for all of us," said Amy Hanauer, report author and Policy Matters Executive Director. "We've let that wage wither to its lowest real level in more than fifty years. Restoring the minimum wage would again send the message that Ohio wants to value work and protect those who play by the rules."

*Policy Matters Ohio is a non-profit, non-partisan policy research institute, on the web at [www.policymattersohio.org](http://www.policymattersohio.org).*

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