**Press release**

For immediate release

Contact: Amy Hanauer, 216.375.9274



**Minimum wage increase will raise wages of 277,000 Ohioans, boost consumer spending by $36 million**

|  |
| --- |
| **Table 1: States with increases sometime in 2015, sorted by wage** |
| **State** | **Minimum Wage in 2015** |
| District of Columbia | $10.50 |
| Washington | $9.47 |
| Oregon | $9.25 |
| Connecticut | $9.15 |
| Vermont | $9.15 |
| California | $9.00 |
| Massachusetts | $9.00 |
| Minnesota | $9.00 |
| New York | $9.00[[1]](#footnote-1) |
| Rhode Island | $9.00 |
| Alaska | $8.75 |
| South Dakota | $8.50 |
| New Jersey | $8.38 |
| Delaware | $8.25 |
| Illinois | $8.25 |
| Maryland | $8.25 |
| Nevada | $8.25[[2]](#footnote-2) |
| Colorado | $8.23 |
| Michigan | $8.15 |
| **Ohio** | **$8.10** |
| Arizona | $8.05 |
| Florida | $8.05 |
| Montana | $8.05 |
| Nebraska | $8.00 |
| West Virginia | $8.00 |
| Hawaii | $7.75 |
| Missouri | $7.65 |
| Arkansas | $7.50 |
| Maine | $7.50 |
| New Mexico | $7.50 |
| **Source:** National Conference of State Legislatures, state websites  |

*NOTE: This release was updated 12/29/2014 to reflect recalculated numbers. The initial release 12/23/2014 included incorrect figures provided by the Economic Policy Institute pertaining to the number of workers affected and the economic impact.*

Ohio’s minimum wage will increase by 15 cents to $8.10 per hour on January 1, giving a raise to an estimated 277,000 low-wage workers here. The minimum wage for tipped workers in Ohio will rise by 7 cents to $4.05 per hour. The minimum wage raise will spark a $36.3 million increase in economic growth, because of the increased consumer spending, according to an [analysis](http://www.epi.org/blog/20-states-raise-their-minimum-wages-while-the-federal-minimum-continues-to-erode/) of Census data by the nonpartisan Economic Policy Institute. The increase is the result of a state constitutional amendment approved in 2006 that provides annual rate adjustments to keep pace with the rising cost of living.

 “Ohio voters did a terrific thing for workers and the economy when we passed a higher minimum wage and indexed it to inflation in 2006,” said Amy Hanauer, Executive Director of Policy Matters Ohio, a non-partisan organization that studies Ohio’s economy. “In fact, as cities and states around the country raise their wages above both the national and the Ohio level, it’s time for Ohio to boost its wage above the $8.10 level.”

Twenty other states will also raise their minimum wage by January 1 – Alaska, Arizona, Arkansas, Colorado, Connecticut, Florida, Hawaii, Maryland, Massachusetts, Missouri, Montana, Nebraska, New Jersey, New York, Oregon, Rhode Island, South Dakota, Vermont, Washington and West Virginia – giving a raise to 3.2 million workers nationwide. This will generate $838 million in new economic growth as workers spend their increased earnings on food, housing, and other necessities. The economic boost will jump to at least $1.1 billion later in 2015 once increases in Delaware ($8.25 on June 1), Minnesota ($9.00 on August 1) and Nevada (to be determined) are taken into account.

“The boost scheduled for January 1 is meaningful and will help Ohio workers, but nineteen states will soon have minimum wages higher than that in Ohio,” Hanauer said (see table 1, previous page). “It’s time for Ohio to update our policy to better reflect our economic reality. While $8.10 an hour is better than $7.95, people still can’t live on that wage.”

New job growth in Ohio is concentrated in low-wage industries such as retail and food services. Nationally, a plurality (43 percent) of new jobs created from the start of the recovery through July 2014 have been in low-wage industries, which employ 2.3 million more workers today than at the start of the recession. In Ohio, nine of the twelve most common occupations pay less than $10 an hour and would benefit from a minimum wage above the $8.10 level.

The most [rigorous economic research](http://www.raisetheminimumwage.com/pages/job-loss) over the past 20 years shows that raising the minimum wage boosts worker pay without causing job losses. A recent [study](http://www.cepr.net/documents/publications/min-wage-2013-02.pdf) by the Center for Economic and Policy Research reviews the past two decades of research on minimum wage and employment, concluding “the weight of the evidence points to little or no effect of minimum wage increases on job growth.”

**Sources:** Economic Policy Institute analysis of Current Population Survey microdata and National Conference of State Legislatures

1. Effective December 31, 2015. [↑](#footnote-ref-1)
2. Will increase further, to a yet-to-be-determined amount on July 1, 2015. [↑](#footnote-ref-2)