



PRESS RELEASE
DECEMBER 28, 2017

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Ohio minimum wage gets 15-cent inflation increase

Ohio's poorest workers will get a bump in pay next month when the state minimum wage rises 15 cents from \$8.15 per hour to \$8.30. About 146,000 Ohio workers who now earn less than \$8.30 will see a small raise as a result of the automatic adjustment; another 478,000 earning slightly more will likely get a bump too as employers adjust to maintain pay scales.

The adjustment, put in place in the 2006 minimum wage ballot initiative, will generate over \$106 million in wages. "This boost is good for Ohio's economy, since low-income earners are likely to spend their raises to cover the basics," said Michael Shields, researcher with Policy Matters Ohio.

The raise is really an inflation adjustment that acts as a safeguard to protect wages for the poorest earners from slipping backward. The federal minimum wage has fallen by a quarter since 1968 when it was worth about \$10.00 in today's dollars (\$9.68 in 2016, \$10.08 in 2017). Despite the inflation-adjustment since 2006, our state's low wage workers are working for less than their counterparts did a half century ago.

Since 1968, Ohio's economy has grown by more than two-thirds. Low and middle income workers have lost ground because that growth has been captured by the wealthiest. Policy Matters Ohio found this July that a \$15 per hour state minimum wage phased in by 2025 could boost the pay of about 1.8 million workers.

"Next week's raise will help poor working Ohioans, but \$8.30 per hour still leaves a full-time worker about \$3,000 short of the poverty line for a family of three," Shields said. "It's time for Ohio to pass a state-level thoughtfully phased-in \$15 per hour minimum wage."

Tipped workers will see a smaller raise of 7 cents per hour. Ohio still allows employers to pay a sub-minimum wage to workers who receive tips. The practice has come under increased scrutiny as the #MeToo movement sheds light on the prevalence of workplace sexual harassment. Research shows that tipped workers are twice as likely to experience harassment on the job.

This month, the Trump Administration approved a Department of Labor rule that would legalize tip theft by employers. That rule should be scrapped - but it's one more reason Ohio should stop tolerating sub-minimum wages and pass one fair wage.

"It's time to restore balance to an economy that has tilted toward the wealthiest for a generation," Shields said. "A living minimum wage is a critical first step."

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Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute.

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