Minimum wage resets to $10.45 January 1
Index holds wages steady for low-paid Ohioans despite historic inflation

Next month, Ohio’s minimum wage gets a 35-cent adjustment to $10.45 per hour to keep up with rising prices. The adjustment will benefit some 388,800 Ohioans. The Economic Policy Institute estimated that 150,700 Ohioans now paid less than $10.45 will see a direct wage increase from the index, and 238,100 currently paid a little more will get a likely boost as employers adjust pay scales. The change will help 154,500 women and 83,600 men. It will benefit 278,000 white workers, 65,500 Black workers, 21,600 Hispanic workers, 7,600 workers who are classified as Asian and 15,300 of those classed together as members of “other races.” Two-thirds of workers affected by the adjustment are over 20 years old and 269,200 Ohio children live in households that will benefit. The minimum wage for tipped workers will reset to $5.25, benefiting an estimated 97,700 Ohioans. Policy Matters Ohio economist Michael Shields issued the following statement:

“Next month’s adjustment is thanks to Ohio voters, who tied our state’s minimum wage to inflation when they raised it in 2006. That protects Ohio’s lowest-paid workers from losing buying power as prices rise. After a year in which inflation reached 40-year highs, this adjustment will protect wages for nearly half a million Ohio workers.

“If Congress had placed a similar inflation safeguard when it passed the highest minimum wage on record, way back in 1968, the federal minimum wage would be worth over $14 per hour today. Without it, the wage has been cut in half, and minimum-wage workers take home half the pay their grandparents did two generations ago.

“Even as bosses held wages down for decades, Ohioans got better at their jobs, producing more wealth in the state than ever before. From 1978 to 2021, productivity-per-worker rose 76% in Ohio, while wages for the middle worker rose just 4%, and the minimum wage lost ground overall until 2006 when Ohio voters stepped in.

“It’s time to restore that lost ground.

“Working people have made livable wages a cornerstone of union contract negotiations and organizing efforts throughout 2023, with significant victories by the United Auto Workers and Teamsters focused on wages and job security for part time, temporary and other workers locked into low “two-tier” pay scales. Those efforts help working people to claim more of their share of the wealth they create. Policy should reinforce them.

“Nearly 42% of Americans live in the 14 states and D.C. that have set a minimum wage of $15 or higher. More than a million Ohioans would benefit from a $15 minimum wage. Ohio voters may have the chance to vote on one in November. It’s time to pass a minimum wage that meets the cost of living and honors the value of work.”
Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute with offices in Cleveland and Columbus.