



Workforce

MINIMUM WAGE HIKE WOULD BOOST OHIO WORKERS

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Ohio's workers have been losing ground for decades. While the Ohio economy has grown more than 65 percent in a generation, workers in the bottom 30 percent lost about 40 cents per hour since 1979. When wages fail to keep pace with growth, our value that hard work leads to success and stability is shaken. The harm ripples out across the economy. As more families at the bottom are squeezed, and unable to cover basic needs, the consumer demand that drives our system slows down. Ohio needs better policy to repair this breakdown. A robust minimum wage is a crucial first step.

Ohio's minimum wage is just \$8.15 an hour. That's \$3,500 below the poverty level for a family of three (\$20,420), with full-time hours for the whole year. Tipped workers in Ohio earn a meager \$4.08 per hour this year, just half the state minimum, leaving many of these predominantly female workers in poverty. Moreover, many low-wage workers do not have the benefit of stable, predictable hours, much less a full-time schedule.

Who gains from a \$15 minimum wage?

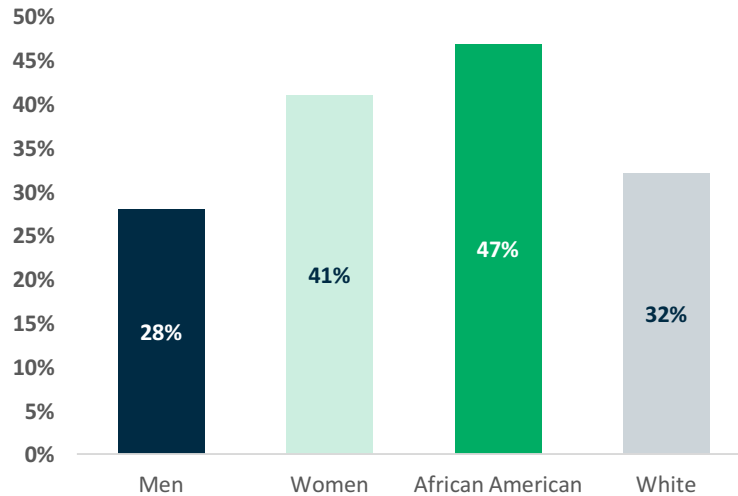
- 1.8 million Ohio workers
- 41 percent of working women and 28 percent of working men
- Black and white workers, and the raise would narrow the pay gap
- More than 700,000 Ohio children have at least one parent who would get a raise
- 88 percent are adults and 85 percent have finished high school

Policy Matters Ohio examined how gradually raising the minimum wage to \$15 an hour by 2025, would affect Ohio workers and families. The results are dramatic and powerful: a \$15 minimum wage would lift children out of poverty, reduce inequality, reduce dependency on safety nets under threat in state and federal budgets, and ensure all Ohioans who work for a living are able to make it. Raising the minimum wage to \$15 by 2025 would mean a raise for 1.8 million Ohio workers.

Most low-income Ohioans work and those who do not are predominantly elderly or disabled. The Working Poor Families Project found that nearly half of Ohio families living in poverty and 70 percent of those under 200 percent of the level (\$40,840 for a family of three) have at least one adult who is working. Raising the minimum wage will have far reaching benefits across Ohio.

Figure 1

Demographics of those who benefit from \$15 wage



Source: Policy Matters Ohio analysis of Current Population Survey, CEPR data extract.

Policy recommendations:

Policy Matters identified three policies Ohio should implement today to lift workers out of poverty and give the state economy a boost:

- Raise the minimum wage to \$15 per hour by 2025. Set the minimum wage at \$12 per hour in 2019, then increase in six equal \$.50 steps to \$15.
- Eliminate the sub-minimum wage for tipped workers.
- Retain the index to inflation so the wage will not lose value over time.

Ohio should pass a phased-in \$15 per hour minimum wage for the state. Advocates have considered putting a referendum on the ballot to raise Ohio’s wage in 2018. Doing so would be good policy. A fair and robust minimum wage is a vital tool to reduce poverty, fight growing inequality, and ensure that all Ohio workers can build the foundations they need to thrive. It’s time to pass a \$15 living minimum wage for Ohio.