

# LIVING WAGE AS A HUMAN RIGHT

15 REASONS TO RAISE THE WAGE IN INDIANA

ROBERT H. MCKINNEY SCHOOL OF LAW

BY DEREK THOMAS

INDIANA INSTITUTE FOR WORKING FAMILIES

SEE: [15 Reasons to Raise Indiana's Minimum Wage in 2015](#)

# #1 - OUTDATED

- In no county does the federal minimum wage of \$7.25 support a single adult.\*
- The low is Vermilion County at \$7.97.
- The high is \$11.21 in Hamilton County.
- The statewide weighted (for population) median is \$9.26.

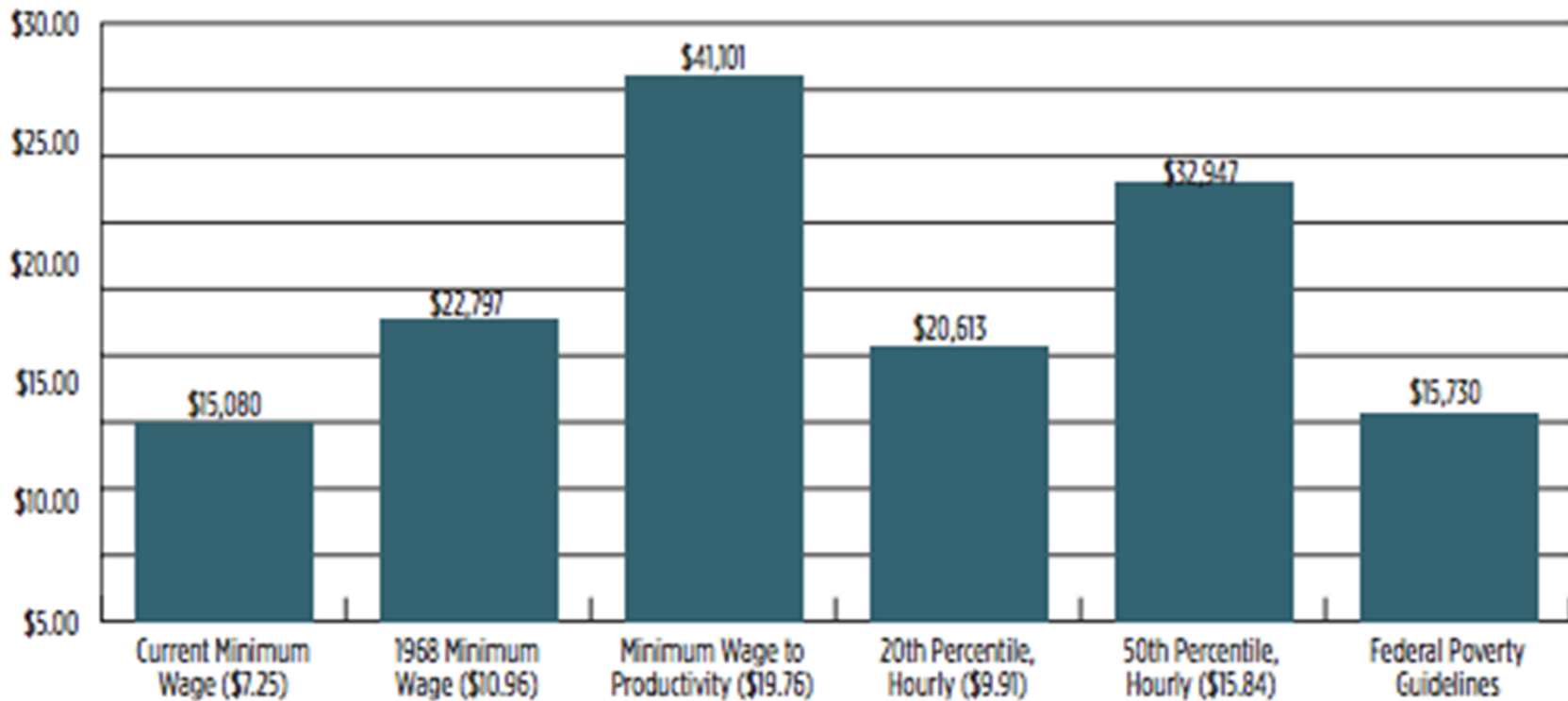
\*Source: Inflation adjusted data from our Self-Sufficiency Standard.

## #2 – WAGE EROSION

- When comparing the value of the minimum wage today with the minimum wage in 1968 and inflating it to 2012 dollars, the 1968 minimum wage would equate to \$10.96 in 2014 dollars.
- Because the value of the minimum wage has been left to erode due to inflation, more workers are earning poverty wages.

# #2 – CONTINUED...

**FIGURE 3-5: Annualized Value of 2014 and 1968 Minimum Wage (in 2014 Dollars)**



Source: U.S. Department of Health and Human Services, 2014 Poverty Guidelines; UC Berkeley Labor Center, FDI GDP analysis

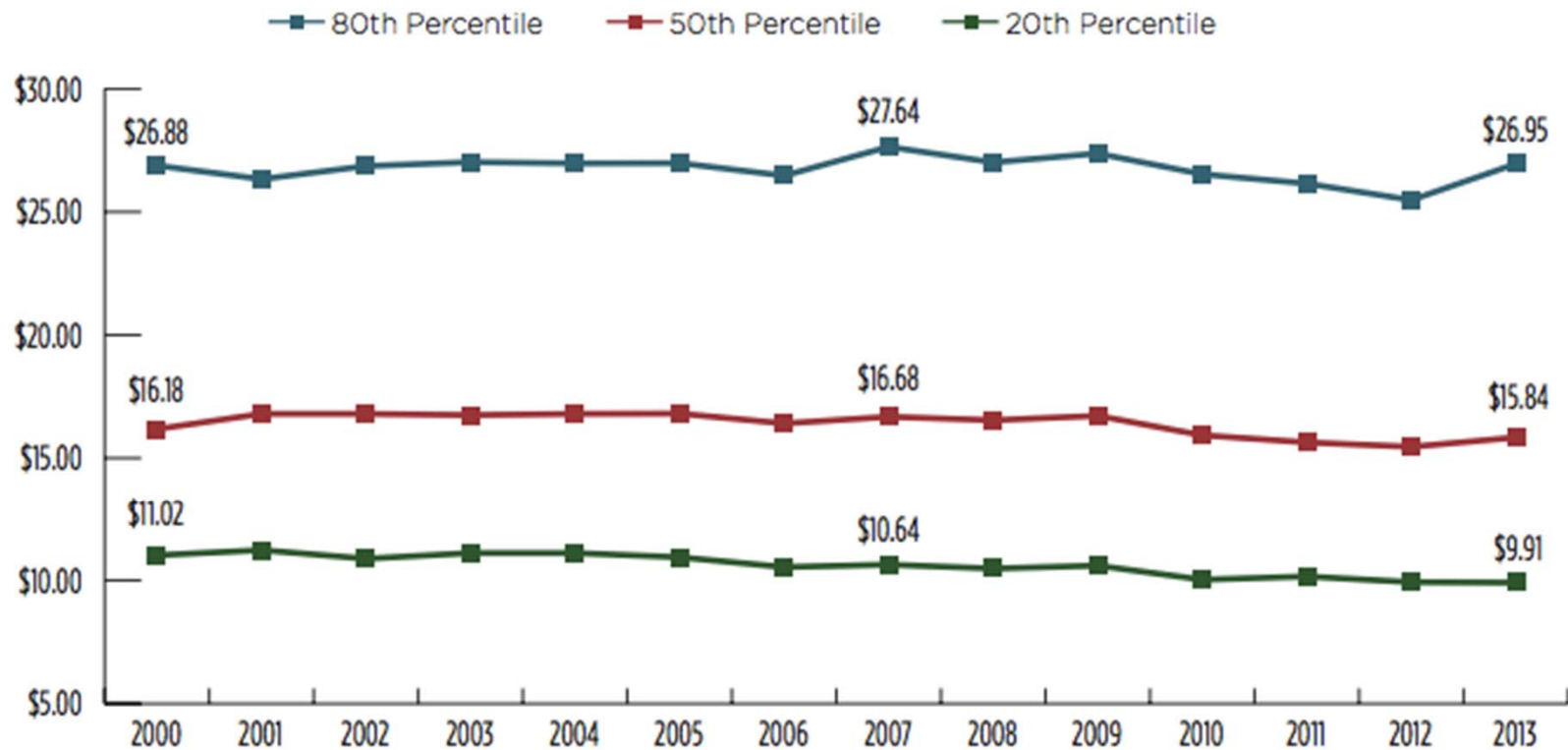
\*Source: Status of Working Families, 2015 Report

# #3 – LOW- TO MID-WAGE WORKERS EARNING LESS

- Real (inflation-adjusted) median hourly wages are down \$0.84 since 2007, and 20th percentile wages are down \$0.73.
- See [interactive data here](#).

# #3 CONTINUED...

**FIGURE 3-2: Hourly Wages, By Percentile, Indiana, 2000-2013  
(in 2013 Dollars)**



Source: Economic Policy Institute analysis of Current Population Survey data

\*Source: Status of Working Families, 2015 Report

# #4 – 637,000

- That's how many Hoosiers (23.4% of the workforce) would get a raise assuming a minimum wage of \$10.10 according to the Economic Policy Institute.
- This includes those affected directly (436,000 making less than \$10.10) and indirectly (201,000) making just above the minimum wage whose wages would be pushed up.

# #5 – \$1,000,000,000

- According to the same analysis, this large scale policy tool for working families would equal a cumulative raise of nearly one-billion dollars for Hoosiers.
- Like tax breaks for low- to middle-income workers, raising the minimum wage puts more money in the pockets of working families when they need it most



# #6 – QUALITY OF LIFE

- Local economies win when families with the highest propensity to spend are able to spend money to meet their basic needs.
- Standard and Poor's cites rising income disparity as “contributing to weaker tax revenue growth”, making it more difficult for state and local government to invest in education and infrastructure.

# #7 – INEQUALITY

- Reducing the erosion of wages would be a good step towards reducing inequity.
- The U.S. Conference of Mayors cited the “dramatic decline” in the value of the minimum wage in their recent ‘Income and Wage Gaps Across the U.S.’ report.

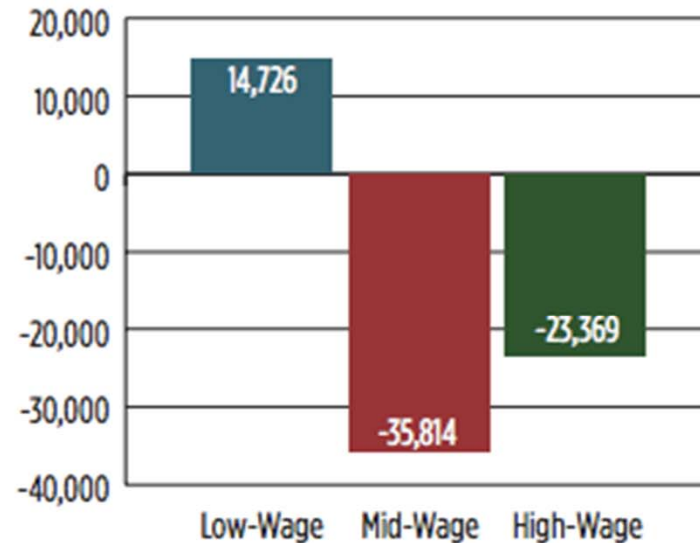
# #8 – IT'S NOT JUST FOR TEENS ANYMORE

- Contrary to common perception, less than a quarter of workers earning the minimum wage or close to it are teens; 56% are woman, 28% are raising families and 44% have at least some college education.
- According to the Brookings Institution, “the worker most likely to be affected by an increase in the minimum wage today is a woman in her 30’s working full-time, with a family to support.”

# #8 CONTINUED...

**FIGURE 2-12: Net Change, Indiana, by Wage Group, 2007-2103**

■ HIGH-WAGE INDUSTRIES | More than \$26/hour | >\$54,080/year  
■ MID-WAGE INDUSTRIES | \$15 - \$26/hour | \$31,200 - \$54,080/year  
■ LOW-WAGE INDUSTRIES | Less than \$15/hour | <\$31,200/year



Source: Author analysis of Quarterly Census of Employment and Wages (QCEW)

\*Source: Status of Working Families, 2015 Report

# #8 CONTINUED...

**TABLE 3-1: Top Three Industries,  
by Total Jobs and  
Average Hourly Wage<sup>39</sup>**

INDUSTRY	# OF JOBS	AVG. HOURLY (2013)
Food services and drinking places	219,267	\$6.53
Administrative and support services	157,233	\$12.95
Transportation equipment manufacturing	130,542	\$28

Source: Author analysis of Current Employment Statistics (CES) survey

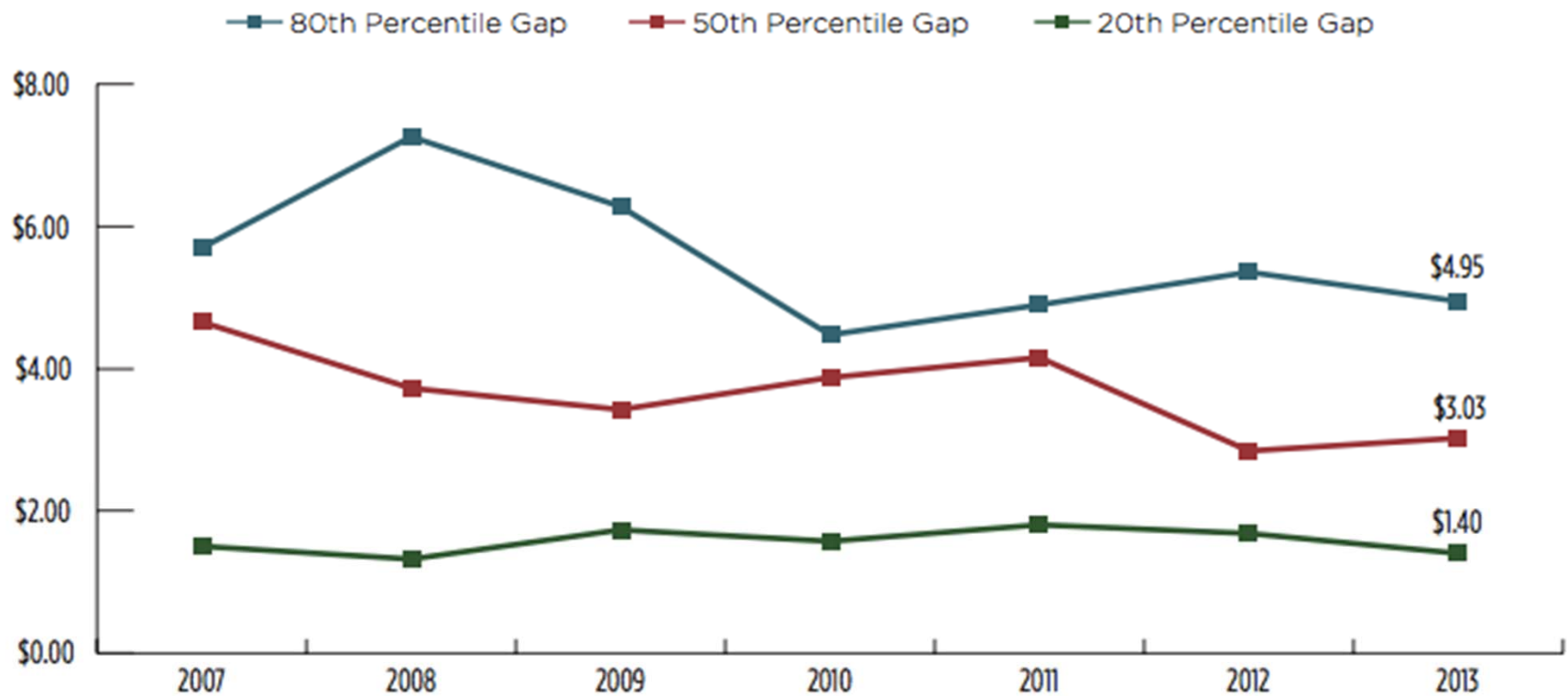
\*Source: Status of Working Families, 2015 Report

# #9 – GENDER GAP

- Women earn just \$0.73 to their male counterpart in Indiana
  - 6<sup>th</sup> largest gender gap in the U.S.
- Because 2/3rds of minimum wage workers are women, raising the wage (and the tipped wage) is a good step towards equal pay.

# #9 – CONTINUED...

**FIGURE 3-3: Male/Female Hourly Wage Gap, by Percentile, Indiana, 2007-2013 (2013 Dollars)**



Source: Economic Policy Institute analysis of Current Population Survey data

\*Source: Status of Working Families, 2015 Report

# #10 – FALLING BEHIND

- Measuring the ration of minimum wage to median wages is useful in determining the strength of the minimum wage. The average minimum-to-median wage ratio was 39 percent in Indiana in 2013 compared to 52 percent in 1979.
- According to OECD, among advanced nations, U.S. is near the bottom for minimum-relative-to-average wages of full-time workers – just better than Czech Republic and Estonia.

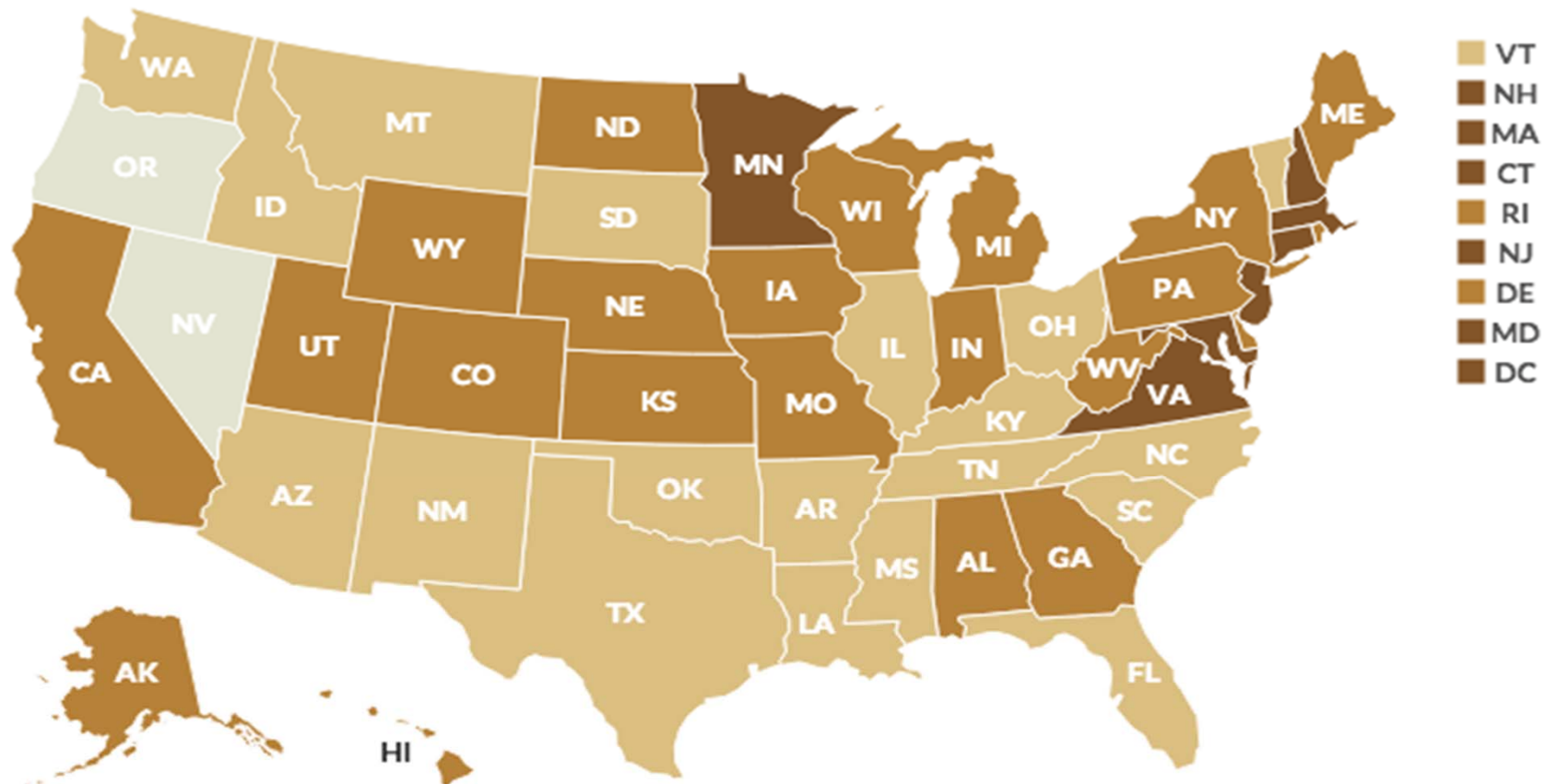


# #10 – CONTINUED...

## Minimum Wage to Median Wage Ratio by State, 2013

Hover over states for more information. Click a state to lock the selection. Click again to unlock.

34% and lower   35% - 40%   41% - 46%   47% - 52%   53% - 58%   59% - 64%   65% and greater



Source: Washington Center for Equitable Growth

# #11 – WORKING HARDER FOR LESS

- Working families have not shared in the gains of productivity. If the wage floor in Indiana were indexed to productivity, it would be more than \$19/hour.
- From 2009 – 2012 alone, productivity increased by 4.5% for all occupations, while real median wages declined by 2.8%, according to the National Employment Law Project.

# #12 – 24 YEARS WITHOUT A RAISE

- Waiters and Waitressed in Indiana make \$2.13 per hour (29% of the minimum wage). The last time they saw a raise was almost a quarter-century ago (1991), even as this industry has seen strong growth.
- According to the National Women's Law Center, gender gaps and poverty rates for tipped workers are smaller in states whose tipped minimum wage are equal to the minimum wage.

# #13 – RACE TO THE BOTTOM

- 6.2% of Indiana's 1,731,000 hourly workers make at or below minimum wage. That's an increase from 5.2% and a larger share than all neighbor states and the U.S. average of 4.3%.
- That's 61,000 at minimum wage and 47,000 below minimum wage.

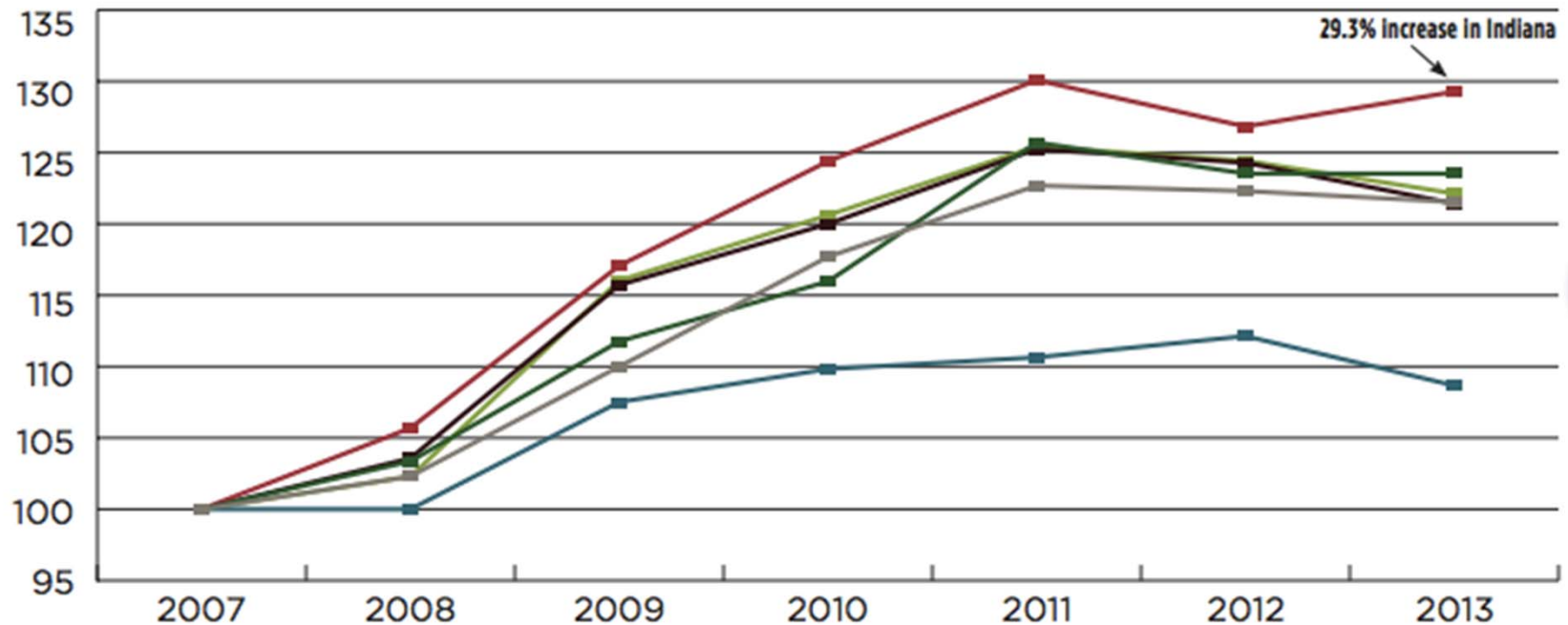
# #14 – WORKING FULL TIME IN POVERTY

- At \$7.25/hour, one person working full-time (40 hours per week, 52 weeks per year) would earn just over \$15,000 per year – so little that with one child, they would be below the federal poverty line.

# #14 – CONTINUED...

**FIGURE 1-1: Changes in Poverty Rates, 2007-2013** (current rate in parentheses)<sup>2</sup>

—■— U.S. (15.8) —■— Indiana (15.9) —■— Illinois (14.7) —■— Ohio (16.0) —■— Michigan (17.0) —■— Kentucky (18.8)



Source: Economic Policy Institute Analysis of American Community Survey Data (indexed, January 2007=100)

\*Source: Status of Working Families, 2015 Report

# #15 – SELF-SUFFICIENCY

- In order to afford the Fair Market Rent for a two-bedroom apartment, a minimum wage earner must work 77 hours per week, 52 weeks per year. Increasing the minimum wage would help a family move closer to self-sufficiency.

# CONTACT

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- Working Families Blog: [iiwf.blogspot.com/](http://iiwf.blogspot.com/)
- Derek Thomas ([dthomas@incap.org](mailto:dthomas@incap.org))