



## **GUEST OPINION**

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### **State action on minimum wage long overdue**

**By Mike Owen**

The 2015 Iowa Legislature is leaving a legacy of inaction on issues critical to working families, highlighted by its refusal to raise the minimum wage.

As low wages drag down the economy, this failure to increase the minimum wage deals a blow to hundreds of thousands of Iowa families who would have benefited from an increase — and the Iowa businesses that would have benefited from their increased buying power.

Iowa's minimum wage has been outdated almost from the moment it took effect in 2008 at \$7.25 an hour, because it was not indexed to inflation. Prices rose; the wage stayed the same.

States next door and across the country have recognized that \$7.25 — also the federal minimum wage — is simply too low. All of Iowa's neighbors except Wisconsin are among 29 states that have raised their wage above the federal level. Yet neither Congress nor the Iowa House will even vote on it.

Despite political bottlenecks in Washington and Des Moines, widespread voter support for an increase bridges partisan divisions. A 2014 Iowa Poll showed 65 percent of Iowans support an increase, with nearly an even split among Republicans and strong support among Democrats and independents.

In last year's election, while Gov. Terry Branstad was winning a sixth term as governor of Iowa, neighboring Nebraska and South Dakota raised their state minimums by voter referendum. Cities are going higher — Seattle, San Francisco and Los Angeles are going to \$15 and Chicago to \$13.

Voters can see that poverty wages are at the root of a long list of problems ranging from growing inequality and unaffordable housing to strained safety net programs struggling to help families fill the gaps.

And plenty of data backs them up. Iowa Policy Project research shows that \$7.25 falls far short of what it takes to meet a bare-bones household budget without outside assistance.

In 2014, a single parent with two children in Iowa needed \$28.07 an hour to cover basic expenses without public supports for child care, food, energy and housing assistance. For a full-time working couple with two kids, each would have to make \$16.89 an hour. And those are at 2014 costs.

A substantial share of Iowa families would benefit from any of the minimum wage increases that have been proposed. Out of every 10 workers who would be affected by an increase, seven or more are over age 20, more than four work full time, two or more have children, and all are responsible for earning close to half or a majority of their family income.

For over a decade, IPP's State of Working Iowa and JobWatch reports have documented the long-term decline in jobs in higher wage sectors of the economy, showing that where job growth has occurred, it is generally in sectors where jobs pay less. This trend compounds wage disparities in our state.

The minimum wage was intended to establish a wage floor so people's hard work could support their families, and voters appear eager to support policies that once again restore that promise. To keep Iowa working families out of poverty, an increase — a substantial one — is long overdue.

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