



## **GUEST OPINION**

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### **Reversing Iowa's low-wage legacy**

**By Mike Owen**

How long will Iowa's working families wait for a raise?

At \$7.25 now for 7-and-a-half years and counting, Iowa's minimum wage has steadily lost buying power and continues to fall far behind what families who count on it need to get by.

Iowa's minimum wage has been outdated almost from the moment it took effect in 2008 at \$7.25 an hour, because it was not indexed to inflation.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

Despite widespread voter support for an increase — an Iowa Poll showed 65 percent support for an increase a year ago — state lawmakers once again failed to act this year. The Iowa House refused to even consider it.

Other states aren't waiting. All of Iowa's neighbors except Wisconsin are among 29 states that have raised their wage above the federal \$7.25. In fact, neighboring voters in Nebraska and South Dakota raised their state minimums by referendum in a conservative-dominated 2014 election.

Cities also are seizing the issue — Seattle, San Francisco and Los Angeles are going to \$15 and Chicago to \$13.

Iowa Policy Project research shows that it takes a lot more than a full-time job at \$7.25, or even \$13 or \$15, for Iowa families to meet a bare-bones household budget without outside help.

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

This is a working family issue that goes far beyond simplistic and inaccurate stereotypes of those working at or near the minimum wage.

In Iowa, any of the increases that have been proposed would benefit a substantial share of Iowa workers; out of every 10, seven or more would be 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's total 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, while the job growth that has occurred has generally been in sectors where jobs pay less. This trend compounds wage disparities in our state.

The minimum wage is designed to establish a wage floor so people's hard work can support their families, but today that promise has failed. To keep Iowa families out of poverty, an increase — a substantial one — is long overdue.

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