



The Iowa Policy Project

20 E Market St. • Iowa City, Iowa 52245 • (319) 338-0773
www.iowapolicyproject.org

FOR RELEASE 10:15 A.M. TUESDAY, AUG. 11, 2015

CONTACT: MIKE OWEN, (319) 338-0773, mikeowen@iowapolicyproject.org

IPP News

Wide benefits seen in county minimum wages in Iowa

In Linn, Johnson, \$15 wage would boost combined 43,000 workers

IOWA CITY, Iowa (Aug. 11, 2015) — As Congress and the state Legislature have forced Iowans to wait almost eight years for action, a new report projects benefits to 19,300 workers in Johnson County and 24,300 in Linn County if a \$15 minimum wage were adopted locally.

“We need to pay attention to why this matters to families and communities — and when we do, it’s easy to see why communities in other states are passing local minimum wage laws. They know it’s needed, and they’re tired of waiting,” said Peter Fisher, research director of the nonpartisan Iowa Policy Project and author of the new report.

Fisher, using information provided by the Economic Policy Institute, noted the majority of workers benefiting would be full-time workers over age 20, and many would have families. Much of their increased pay would be spent in local retail and service establishments, boosting the local economy.

“The workers and families benefiting from a minimum wage increase are not those typically portrayed by opponents who want to dismiss the importance of this issue to low-income working families,” Fisher said.

The report found that with a gradual, five-year increase in the minimum wage to \$15 per hour in Johnson and Linn counties:

- Of those who would benefit from the higher wage in Johnson County, 59 percent are women, 58 percent work full time, and nearly a third are over age 40, while only 14 percent are under 20. In Linn County, 54 percent are women, 60 percent are full-time workers, and 41 percent are over age 40.
- Almost all workers in the two counties who are now living below the poverty line would see a wage increase.
- A higher minimum wage would put money in the pockets of low-wage workers and boost spending in the local economy, which in turn would lead to additional local retail and service jobs.

The report is available on the Iowa Policy Project website, www.iowapolicyproject.org.

Iowa’s minimum wage of \$7.25 took effect in January 2008, and the federal wage followed at that level in July 2009. Twenty-nine states have a minimum wage higher than \$7.25, including all of Iowa’s neighbors except Wisconsin.

The Iowa Senate passed an \$8.75 wage this year, but the issue did not come to a vote in the House. Governor Branstad has not supported a minimum wage increase.

“While worker productivity has nearly doubled since 1968, the real value of the minimum wage has fallen 25 percent,” Fisher said.

Recently, Johnson County officials signaled their intent to push for a \$10.10 minimum wage to be phased in by 2017, and a public forum is scheduled on the issue for Wednesday at 6 p.m. at the Johnson County Health and Human Services Building in Iowa City.

“There’s a wide range in what counties and cities around the country are proposing,” Fisher said. “Most of the cities and counties that have adopted a local minimum wage have set the wage above \$10 per hour, many at \$15, and most have indexed the wage to inflation.

“We know from our ‘Cost of Living in Iowa’ research that \$15 is closer to the idea of a living wage, so we thought it would be worth knowing what kind of impacts that would have in a couple of major Iowa counties. And it would still fall short for most families in Johnson and Linn counties. Iowans need work supports such as food, energy and child care assistance to fill the gaps in household budgets.”

While no locality in Iowa has yet taken the step of passing a county or city minimum, 24 cities and counties across the country now have a higher minimum wage than the federal.

“The list will keep growing,” Fisher said. “Campaigns to raise the minimum wage are planned or underway in at least 10 cities right now.”

Studies of moderate increases in the minimum wage have found no discernible effect on jobs, the report noted. Even with an increase to \$15, the resulting boost in local spending, reduced employee turnover and hiring costs, and the ability of employers to make other adjustments will likely minimize effects on employment.

The Iowa Policy Project is a nonpartisan, nonprofit public policy research organization based in Iowa City. Reports are available at www.iowapolicyproject.org.

#