

A photograph of the Seattle skyline at dusk, featuring the Space Needle and various skyscrapers. The image is framed by a large white graphic element on the left side of the slide.

\$15 Minimum Wage in Seattle

Alaska House State Affairs Committee
Andrew Beane, Vice President, SEIU 775
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Overview of Seattle Minimum Wage

- Coalition of businesses, unions, community organizations reached a compromise
- Minimum Wage Ordinance passed in 2014
- Phase-in through 2021
- Varying wages for large and small businesses

Seattle's Minimum Wage

	Small Employers (500 or Fewer Employees)		Large Employers (501 or More Employees)	
	Does the employer pay towards the individual employee's medical benefits and/or does the employee earn tips?		Does the employer pay towards the employee's medical benefits?	
	YES	NO	YES	NO
2015	\$10.00	\$11.00	\$11.00	\$11.00
2016	\$10.50	\$12.00	\$12.50	\$13.00
2017	\$11.00	\$13.00	\$13.50	\$15.00
2018	\$11.50	\$14.00	\$15.00	\$15.45
2019	\$12.00	\$15.00	*\$16.00	
2020	\$13.50	\$15.75		
2021	\$15.00	See minimum wage for large employers		

Dire Predictions about the Minimum Wage

- Tom Douglas, operator of 15 high-end restaurants in Seattle, predicted that the proposed minimum wage would cause the city to “lose maybe a quarter of the restaurants in town.”
 - North American Association of Subway Franchises said, “This ordinance means that franchises cannot compete in the Seattle marketplace and many franchise small businesses will cease to exist.”
 - Andrew Friedman, proprietor of Liberty Bar, said, “Local independent businesses will close, many of your neighbors will be out of work.”
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The Reality:

Seattle's Booming Economy

- Forbes ranked Seattle #1 “Best Place for Business” in 2018
- Unemployment in Seattle going down
 - In 2019, Seattle unemployment 3.3%, compared to 3.8% nationally
- Economy in Seattle growing
 - From 2014-2019, average annual job growth of 2.7% and income growth of 4.7%
- In 2019, Seattle 3rd in the nation for small business growth



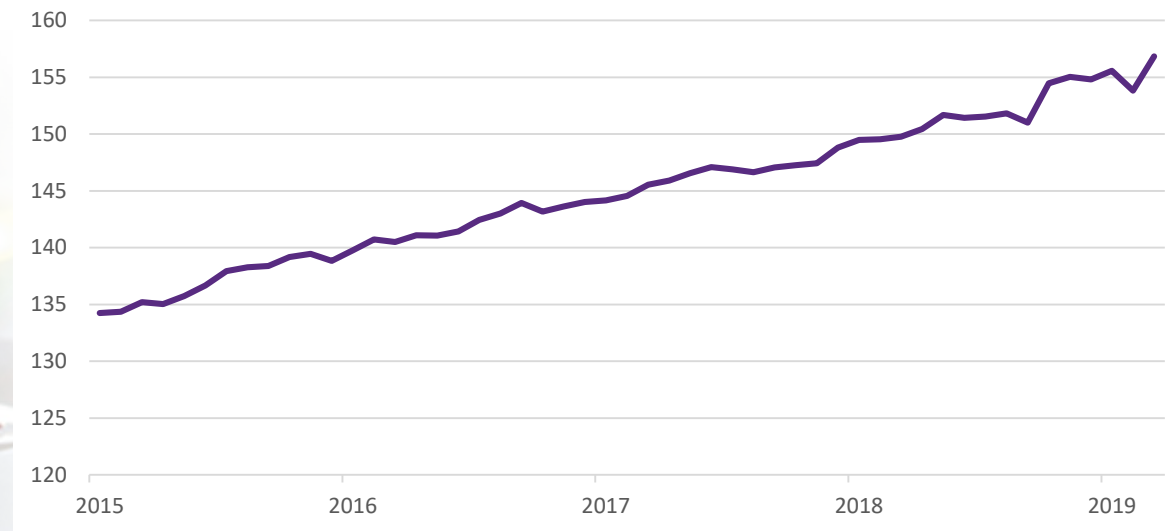
Restaurant Industry Growing; Prices Stable

- Seattle Times study of restaurants in 2017-2018
 - 652 restaurants opened, 156 closed
 - Net gain of 496 restaurants
 - University of Washington longitudinal study of food prices in local supermarkets
 - No significant evidence of price increases associated with the minimum wage ordinance
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- Food prep and service make up 66% of low-wage work in Seattle
- Steady increase in Seattle food service employment: 27,300 new food service jobs created in 2018

Job Growth in Food Service

Number of Seattle Employees in Food Service
(In Thousands)



What the Studies Say:

Study #1:

Workers Earn More and Keep their Jobs

- University of Washington study of low-wage workers in Seattle
 - Workers take home more money
 - Earnings increases were higher among more experienced workers
 - Workers are not losing their jobs
 - Workers experienced no significant decline in their likelihood of being employed
 - Workers are less likely to job hop
 - Minimum wage increase was associated with an 8% reduction in turnover rates

Study #2:

Food Service Workers Paid More

Berkeley study of Seattle food service and restaurant workers

- Wages increased, especially in businesses without tips
 - Biggest wage gains were in limited-service/fast food restaurants
- Workers are not losing their jobs
 - Employment remained stable, even in fast food franchises that predicted disemployment

Higher Minimum Wages Improve Race and Gender Equity

- Before the minimum wage ordinance in Seattle:
 - 40% of Black, API and Latino workers made < \$15, compared to 25% of white workers
 - 34% of women made < \$15, compared to 27% of men
- In states with low minimum wages, the gender pay gap is 25% wider
 - For example:

	State Minimum Wage	Pay a woman makes for every \$1 a man makes
Wyoming	\$7.25	\$0.64
New York	\$15.00	\$0.89

Higher Minimum Wages Improve Economic Equality and Prosperity

Higher minimum wages:

- Increase consumer spending and spur investment in the economy
 - Low-wage workers are more likely than others to spend extra earnings immediately on previously unaffordable goods and services
 - A \$2.55 increase in federal minimum wage would:
 - Increase earnings of low-wage workers by \$40 billion
 - Increase economic activity by \$25 billion
 - Generate 100,000 new jobs
- Reduce income inequality
 - For each \$1 increase in minimum wages, 0.3% of income redistributed from top to bottom quartiles

Cities and States Adopting \$15 Minimum Wage

CITIES

- Flagstaff, AZ
- California cities: Belmont, Cupertino, El Cerrito, Los Angeles, Mountain View, Palo Alto, Redwood, Richmond, San Francisco, San Jose, San Mateo, Santa Clara, Sunnyvale
- Minnesota cities: Minneapolis, St. Paul
- New York cities: Greensboro, New York City, Syracuse
- Greensboro, NC
- Portland, OR
- Pittsburgh, PA
- SeaTac, WA

STATES

- California
- Massachusetts
- New Jersey
- New York
- Washington, D.C.

PROPOSED FEDERAL LEGISLATION

- Raise the Wage Act



Companies Adopting \$15/Hour Minimum Wage

- Ben & Jerry's: \$16.92
- J.P. Morgan Chase & Co: \$16.40
- Aetna: \$16
- Amazon: \$15 for 350,000 full-time, part-time, temporary and seasonal employees
- Charter Communications: \$15
- Costco: \$15 for 245,000 employees in U.S. and Canada
- Facebook: \$15 for contractors
- Nationwide Mutual Insurance: \$15
- University of California: \$15
- Walt Disney theme parks: \$15



Erin, barista for Compass Group:

Erin lives 30 minutes outside Seattle to afford rent and struggled to pay bills. Since the minimum wage increase, she can pay bills and afford occasional date nights.

Anthony, print shop attendant at Starbucks HQ:

Before the minimum wage ordinance, he moved in with a friend to avoid homelessness. Now he can afford his own place.

Darryl, home care worker:

“Now I have more food at the end of the month, and I’m not trying to stretch those groceries for a week and a half. I’m feeding myself better.”

-Darryl

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