

House Bill 28 – Equal Pay & Minimum Wage

REPRESENTATIVE GERAN TARR

Top 5 Myths About Minimum Wage

- ▶ Myth 1 - History of Minimum Wage
 - ▶ Myth 2 - Who is the Minimum Wage Worker?
 - ▶ Myth 3 - Increasing Wages Harms the Economy
 - ▶ Myth 4 – Has to be One Size Fits All
 - ▶ Myth 5 – Leads to Job Loss
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- ▶ Moving towards evolution of a system

2019 Minimum Wage in Alaska

- ▶ 2014 Ballot Initiative raised minimum wage from \$7.75 to \$8.75 on January 1, 2015, then again to \$9.75 per hour on January 1, 2016
 - ▶ Added an annual inflation adjustment to remain \$1.00 higher than federal minimum wage
 - ▶ Tips do not count toward minimum wage
- ▶ Passed by 69% of the vote

| Year | Amount |
|------|--------|
| 2015 | 8.75 |
| 2016 | 9.75 |
| 2017 | 9.80 |
| 2018 | 9.84 |
| 2019 | 9.89 |

Myth 1 - History of Minimum Wage

- ▶ 1938 – President Roosevelt signs the Fair Labor Standards Act establishing minimum wage of 25 cents an hour to maintain a

“ minimum standard of living necessary for health, efficiency, and general well-being.”

Minimum Wage Increases Over the Years

October 1938 (FDR): \$0.25/hr
(\$4.15/hr in 2014 dollars)

October 1939 (FDR): \$0.30/hr
(\$5.05/hr)

October 1945 (Truman): \$0.40/hr
(\$5.20/hr)

January 1950 (Truman): \$0.75/hr
(\$7.29/hr)

March 1956 (Eisenhower): \$1/hr
(\$8.61/hr)

**September 1961
(Kennedy):** \$1.16/hr (\$8.97/hr)

**September 1963
(Kennedy):** \$1.25/hr (\$9.56/hr)

February 1967 (Johnson): \$1.40/hr
(\$9.80/hr)

February 1968 (Johnson): \$1.60/hr
(\$10.75/hr)

May 1974 (Nixon): \$2/hr (\$9.49/hr)

January 1975 (Ford): \$2.10/hr
(\$9.13/hr)

January 1976 (Ford): \$2.30/hr
(\$9.47/hr)

January 1978 (Carter): \$2.65
(\$9.51/hr)

January 1979 (Carter): \$2.90/hr
(\$9.34/hr)

January 1980 (Carter): \$3.10/hr
(\$8.80/hr)

January 1981 (Carter): \$3.35/hr
(\$8.62/hr)

April 1990 (Bush): \$3.80/hr
(\$6.82/hr)

April 1991 (Bush): \$4.25/hr
(\$7.30/hr)

October 1996 (Clinton): \$4.75/hr
(\$7.08/hr)

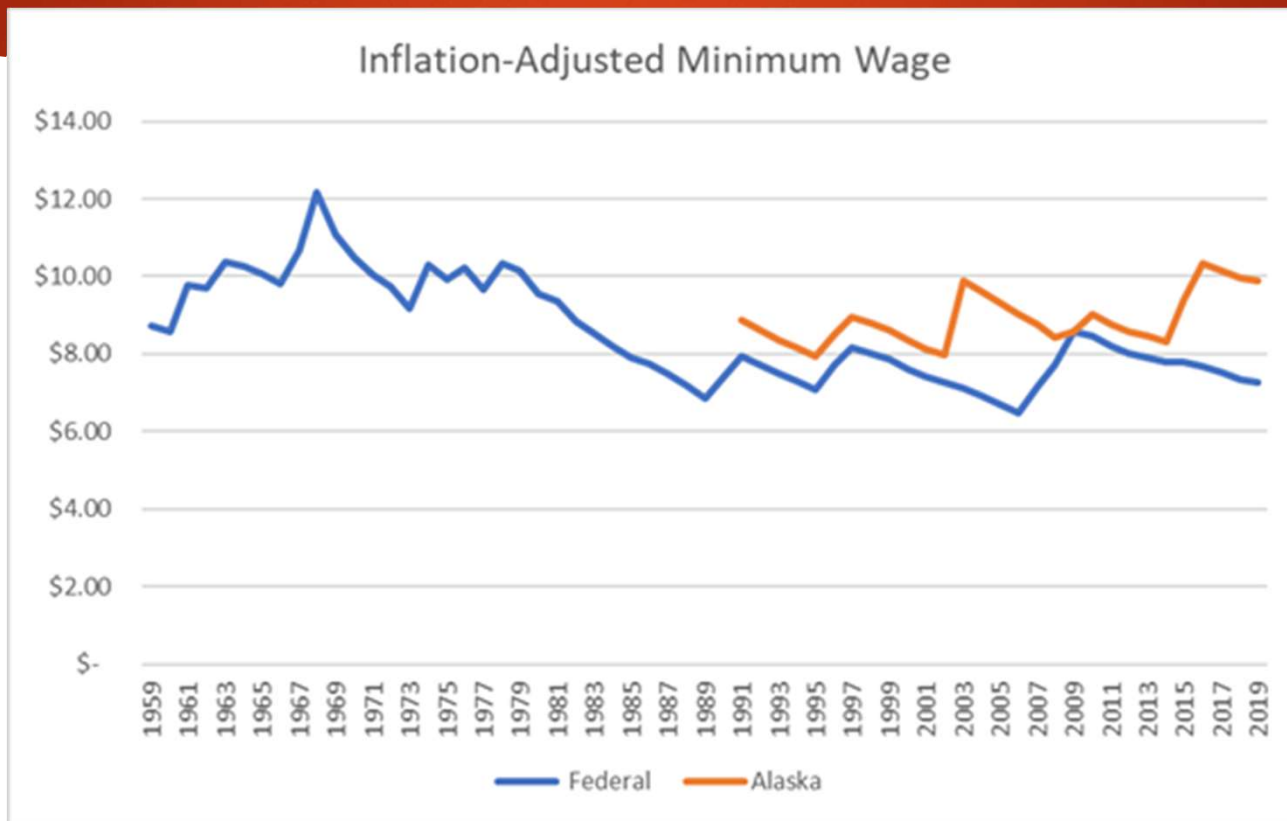
September 1997 (Clinton): \$5.15/hr
(\$7.51/hr)

July 2007 (GW Bush): \$5.85/hr
(\$6.61/hr)

July 2008 (GW Bush): \$6.55/hr
(\$7.12/hr)

July 2009 (Obama): \$7.25/hr
(\$7.80/hr)

Wages and Inflation



Myth 2 – Who is the Minimum Wage Worker?

WHO'S HELPED BY RAISING THE MINIMUM WAGE?

WHAT PEOPLE THINK

Teenager

Works part time
after school

Lives with parents

Earning extra
spending money



THE REALITY

Average age:
35 years old

88% are not teens.
They're 20 or older

36% are
40 or older

56% are
women

28% have children

55% work
full time

On average, they
earn half of their
family's total income



Note: Statistics describe civilian workers, ages 16+, that would be affected by an increase in the federal minimum wage to \$10.10 over three years, as explained in *Raising the federal minimum wage to \$10.10 would give working families, and the overall economy, a much-needed boost*. The median age of affected workers is 31 years old. Visit epi.org/issues/minimum-wage for more details.

ECONOMIC POLICY INSTITUTE

Myth 3 – Raising Wages Hurts the Economy

- ▶ 18 other states increased minimum wages in 2019
- ▶ Eighteen states began the new year with higher minimum wages.
 - ▶ Eight states (Alaska, Florida, Minnesota, Montana, New Jersey, Ohio, South Dakota and Vermont) automatically increased their rates based on the cost of living
 - ▶ 10 states (Arizona, Arkansas, California, Colorado, Maine, Massachusetts, Missouri, New York, Rhode Island and Washington) increased their rates due to previously approved legislation or ballot initiatives.
 - ▶ Other states that will see rate increases during the 2019 calendar year include D.C., Delaware, Michigan and Oregon (NCSL)

Seattle has booming economy



The Seattle-area economy punches above its weight — and that’s a huge strength

May 3, 2019 at 6:00 am | Updated May 5, 2019 at 11:11 pm



A Washington state ferry passes a container ship in Elliott Bay... (Bettina Hansen / The Seattle Times) [More](#) ▾

By [Jon Talton](#)

Special to The Seattle Times

Newcomers — and there are many — might think that the Puget Sound region’s economy is so hot because of two Big Tech headquarters, along with the “legacy” power of Boeing.

Myth 4 – Has to be One Size Fits All

- ▶ Current Alaska Law has many exemptions
- ▶ Alaska Wage and Hour Act requirements do not apply to any individual employed as follows:
 - ▶ In agriculture
 - ▶ In domestic service (babysitting) in a private home
 - ▶ Youth under age 18 employed part-time for not more than 30 hours a week
 - ▶ A person licensed and employed by a guide or master guide

Myth 5- Leads to Job Loss

- ▶ Research does not support this
- ▶ Could be that fewer new jobs, but employees in those jobs are paid more
- ▶ Research on health care workers accounted for this and showed that increasing wages would lead to a reduction in poverty rates of 27%, not 50%
 - ▶ Demonstrating the difference between all workers getting \$15.00 and a reduced workforce getting \$15.00

Evolution of a System

Current

- ▶ Workers work full-time, but still qualify for benefits
- ▶ Workers depend on government funded programs for healthcare, childcare, and food

With Living Wages

- ▶ Workers work full-time and can afford to purchase healthcare, childcare, and food

Researchers estimate that if the federal minimum wage were raised from \$7.25 to \$10.10 per hour would save \$4.6 billion in food stamps



Questions?