



## **Busting the Myths about Low Wage Work**

Underpaid and stretched to the limit, approximately 1 million workers across our state make less than \$15 an hour. Despite the myths, of those making less than \$15 an hour, most are adults, working full time and barely making ends meet. The RaiseNJ coalition supports Assembly Bill 4687, which would provide all workers - regardless of background or employment - a \$15 minimum wage by 2023.

**Raising the wage sets working families up for generational success<sup>1</sup>:** According to a report by New Jersey Policy Perspective, more than 1 in 4 workers in the state would receive a pay increase, and over a quarter of them are parents. In all, more than 458,000 children have at least one parent who would benefit.

**Nearly all NJ workers who would benefit are adults and many are working full-time<sup>1,2</sup>:** 92% of the affected workers are adults 20 years old or older and 42% are adults over the age of 40. The majority of affected workers are also currently working full time, with 61% working 35 hours a week or more; and an additional 26% working between 20 and 34 hours a week. Only 13% are working part time jobs at less than 20 hours a week.

**Increasing the minimum wage would alleviate income gender and race income disparities<sup>1,2</sup>:** People of color and women make up a disproportionate number of workers making below \$15 an hour. A majority of people of color, 56%, and nearly half of women, 54%, make less than \$15 an hour.

**The food and drink service industry is not the only sector that would benefit<sup>1</sup>:** The top five industries with the largest percentage of low wage earners are: retail, health care, food and drink service, administration and waste management, and manufacturing.

**Despite detractors, raising wages has not triggered inflation<sup>3</sup>:** According to a report by the Evans School of Public Policy & Governance, the survey of Seattle employers a year after implementation found "little or no evidence" of price increases in Seattle relative to other areas.

**Jobs have not fled localities that have passed a \$15 minimum wage:** A report by the National Employment Law Project demonstrated that businesses have not fled localities that have passed laws phasing in a \$15 minimum wage. In San Jose and San Francisco, for example, jobs in the restaurant industry grew faster after the minimum wage was increased than they did in surrounding cities and counties that did not raise wages. Seattle region's unemployment rate hit an eight-year low of 3.6 percent in August 2015, significantly lower than the state unemployment rate of 5.3 percent.<sup>4</sup>

**Farms will not suffer because they are required to pay their workers the minimum wage<sup>5</sup>:** A memo prepared by Professor Michael Reich of U.C. Berkeley's Center on Wage and Employment Dynamics indicates that, while agricultural workers stand to realize a 20% increase in annual income, the effects on agricultural employers will be "extremely small." Over several years, this will translate to "price increases of less than three cents a year" for the average consumer, as agricultural employers pass their price increases onto their clients.

**The impact of raising the wage would be felt broadly across NJ<sup>1</sup>:** Directly or indirectly raising the wages of 1.2 million workers creates the potential for a massive local economic stimulus when they purchase goods, retain their homes, and care for their families. Furthermore, as these workers reduce their reliance on public assistance, the State will realize significant savings as it relates to the \$726 million it currently spends on programs that assist working families, including Medicaid, the Children's Health Insurance Program (CHIP) and Temporary Assistance for Needy Families (TANF).

<sup>1</sup> New Jersey Policy Perspective. [A \\$15 Minimum Wage Would Help Over 1 Million Workers and Boost New Jersey's Economy](#). Feb 2018.

<sup>2</sup> New Jersey Policy Perspective. [Raising the Minimum Wage to \\$15 by 2024 Would Boost the Pay of 1.2 Million New Jerseyans](#). May 2017

<sup>3</sup> Evans School of Public Policy and Governance. [Effect on prices minimal one year after Seattle's \\$15 minimum wage law implementation](#). April 2016.

<sup>4</sup> National Employment Law Project. [City Minimum Wage Laws: Recent Trends and Economic Evidence](#). April 2016.

<sup>5</sup> Reich, Michael. *The Effects of Minimum Wage on New Jersey Agriculture*. February 2018.