

Time to Give North Carolinians a Raise!



2019-2020 Legislative Session

We support raising the minimum wage to \$15 an hour phased in over a period of time, then tying the minimum wage to inflation. We support increasing the tipped wage, now at \$2.13 to the same, though with a longer phase-in period. We also support extending minimum wage protection to all state employees, to agricultural workers, and to domestic workers. Learn more at www.RaisingWagesNC.org.

What We Know

- The minimum wage in North Carolina is \$7.25 an hour (or \$15,080 a year), the same as the federal minimum wage.
- That's \$1,000 less than the federal poverty level for a family of one adult and one child.
- It's \$20,000 less than what it would take to truly make ends meet, according to the NC Justice Center's Living Income Standard for a family of one adult one child.¹
- Due to inflation, the real value of the current minimum wage is lower than in 1968.
- The \$1.60/hour minimum wage of 1968 would've amounted to at least \$11.64 an hour now, adjusted for inflation.

A Clear Need

- An estimated 1.3 million people would benefit from raising the minimum wage to even just \$12 an hour—that's a third of our state's total workforce. More than half are women.²
- The ripple effect of raising the wage floor would give a boost to the many hundreds of thousands of working people making just above the minimum wage.
- Because most low wage workers are women, increasing the minimum wage would also help close the gender wage gap.

Popular Support

- A poll by Public Policy Polling indicates that 72% of North Carolina voters support increasing the minimum wage.³
- Our citizens deserve better and most of them want better.
- Most states, including several in the South, have passed minimum wages above the federal level.
- Large numbers of cities and counties around the country have also raised their minimum wages, although state law prohibits localities from doing the same here.

Opposition Arguments Don't Hold Water

- While most people support raising the minimum wage, opponents usually rely on two erroneous arguments, one about who makes the minimum and the other about the cost of raising it.
- First, only 1 in 10 people who would benefit from raising the minimum wage in North Carolina are teenagers, according to a report by the Economic Policy Institute.⁴
- In fact, of those who would benefit, more than a third are 40 or older, more than a third have children, and 6 in 10 are working full-time.⁵
- Second, economists have repeatedly found that raising the minimum does NOT result in widespread job loss or hurt the economy.⁶
- In fact, states that have increased their minimum wages have seen better economic performance, lower unemployment rates, and higher job creation rates than those states that have not, according to recent studies by economists.⁷
- Low-wage workers are spending their raises, boosting business sales, and creating more jobs.⁸
- What's more, higher wages give working people the freedom to live without public assistance—that's good for workers and taxpayers.

A Winning Strategy for Lawmakers

- The need to raise the minimum wage is clear, the popular support for doing so is there, and the arguments against doing it don't hold water.
- Gradually raising the minimum wage to \$15 would add billions of dollars in consumer spending power.
- Raising the wage would increase tax revenue without raising taxes and allow tax dollars currently spent subsidizing the poverty-pay of low-wage employers to be used for other purposes.

Endnotes:

1. Kennedy, Brian and Sirota, Alexandra. (2016). A Standard Worthy of North Carolina Workers. The 2016 Living Income Standard for 100 Counties. NC Justice Center.
2. Analysis by the Economic Policy Institute. STATE TABLES: Characteristics of workers who would be affected by increasing the federal minimum wage to \$12 by July 2020.
3. New Battleground Poll: Control of Senate Could Hinge on Candidates' Positions on Minimum Wage.
4. Analysis by the Economic Policy Institute. (2015). STATE TABLES: Characteristics of workers who would be affected by increasing the federal minimum wage to \$12 by July 2020.
5. Ibid
6. Dale Belman and Paul J. Wolfson. (2015). What does the minimum wage do? Upjohn Institute Press, which reviewed more than 200 studies on the minimum wage to reach this conclusion.
7. Arindrajit Dube, T. William Lester, and Michael Reich. (2010). Minimum Wage Effects Across State Borders: Estimates Using Contiguous Counties. Review of Economics and Statistics 2010 92:4, 945-964.
8. Dale Belman and Paul J. Wolfson. (2015). What does the minimum wage do? Upjohn Institute Press