In no county does the federal minimum wage of $7.25 support a single adult.*

The low is Vermilion County at $7.97.

The high is $11.21 in Hamilton County.

The statewide weighted (for population) median is $9.26.

*Source: Inflation adjusted data from our Self-Sufficiency Standard.
#2 – WAGE EROSION

• When comparing the value of the minimum wage today with the minimum wage in 1968 and inflating it to 2012 dollars, the 1968 minimum wage would equate to $10.96 in 2014 dollars.

• Because the value of the minimum wage has been left to erode due to inflation, more workers are earning poverty wages.
#2 – CONTINUED…

#3 – LOW-TO MID-WAGE WORKERS EARNING LESS

- Real (inflation-adjusted) median hourly wages are down $0.84 since 2007, and 20th percentile wages are down $0.73.

- See interactive data here.
Figure 3-2: Hourly Wages, By Percentile, Indiana, 2000-2013 (in 2013 Dollars)


*Source: Status of Working Families, 2015 Report*
That’s how many Hoosiers (23.4% of the workforce) would get a raise assuming a minimum wage of $10.10 according to the Economic Policy Institute.

This includes those affected directly (436,000 making less than $10.10) and indirectly (201,000) making just above the minimum wage whose wages would be pushed up.
#5 – $1,000,000,000

- According to the **same analysis**, this large scale policy tool for working families would equal a cumulative raise of nearly one-billion dollars for Hoosiers.

- Like tax breaks for low- to middle-income workers, raising the minimum wage puts more money in the pockets of working families when they need it most.
Local economies win when families with the highest propensity to spend are able to spend money to meet their basic needs.

Standard and Poor's cites rising income disparity as “contributing to weaker tax revenue growth”, making it more difficult for state and local government to invest in education and infrastructure.
Reducing the erosion of wages would be a good step towards reducing inequity.

The U.S. Conference of Mayors cited the “dramatic decline” in the value of the minimum wage in their recent ‘Income and Wage Gaps Across the U.S.’ report.
#8 – IT’S NOT JUST FOR TEENS ANYMORE

• Contrary to common perception, less than a quarter of workers earning the minimum wage or close to it are teens; 56% are woman, 28% are raising families and 44% have at least some college education.

• According to the Brookings Institution, “the worker most likely to be affected by an increase in the minimum wage today is a woman in her 30’s working full-time, with a family to support.”
FIGURE 2-12: Net Change, Indiana, by Wage Group, 2007-2103

[Bar chart showing net change in employment by wage group: Low-Wage: -35,814, Mid-Wage: -23,369, High-Wage: 14,726.]

*Source: Author analysis of Quarterly Census of Employment and Wages (QCEW)*

*Source: Status of Working Families, 2015 Report*
**TABLE 3-1: Top Three Industries, by Total Jobs and Average Hourly Wage**

<table>
<thead>
<tr>
<th>INDUSTRY</th>
<th># OF JOBS</th>
<th>AVG. HOURLY (2013)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food services and drinking places</td>
<td>219,267</td>
<td>$6.53</td>
</tr>
<tr>
<td>Administrative and support services</td>
<td>157,233</td>
<td>$12.95</td>
</tr>
<tr>
<td>Transportation equipment manufacturing</td>
<td>130,542</td>
<td>$28</td>
</tr>
</tbody>
</table>

*Source: Author analysis of Current Employment Statistics (CES) survey*

*Source: Status of Working Families, 2015 Report*
#9 – GENDER GAP

- Women earn just $0.73 to their male counterpart in Indiana
  - 6th largest gender gap in the U.S.

- Because 2/3rds of minimum wage workers are women, raising the wage (and the tipped wage) is a good step towards equal pay.
FIGURE 3-3: Male/Female Hourly Wage Gap, by Percentile, Indiana, 2007-2013 (2013 Dollars)


*Source: Status of Working Families, 2015 Report*
#10 – FALLING BEHIND

- Measuring the ration of minimum wage to median wages is useful in determining the strength of the minimum wage. The average minimum-to-median wage ratio was 39 percent in Indiana in 2013 compared to 52 percent in 1979.

- According to OECD, among advanced nations, U.S. is near the bottom for minimum-relative-to-average wages of full-time workers – just better than Czech Republic and Estonia.
Minimum Wage to Median Wage Ratio by State, 2013

Hover over states for more information. Click a state to lock the selection. Click again to unlock.

Source: Washington Center for Equitable Growth
#11 – WORKING HARDER FOR LESS

• Working families have not shared in the gains of productivity. If the wage floor in Indiana were indexed to productivity, it would be more than $19/hour.

• From 2009 – 2012 alone, productivity increased by 4.5% for all occupations, while real median wages declined by 2.8%, according to the National Employment Law Project.
#12 – 24 YEARS WITHOUT A RAISE

- Waiters and Waitresses in Indiana make $2.13 per hour (29% of the minimum wage). The last time they saw a raise was almost a quarter-century ago (1991), even as this industry has seen strong growth.

- According to the National Women’s Law Center, gender gaps and poverty rates for tipped workers are smaller in states whose tipped minimum wage are equal to the minimum wage.
#13 – RACE TO THE BOTTOM

• **6.2%** of Indiana’s 1,731,000 hourly workers make at or below minimum wage. That’s an increase from 5.2% and a larger share than all neighbor states and the U.S. average of 4.3%.

• That’s 61,000 at minimum wage and 47,000 below minimum wage.
At $7.25/hour, one person working full-time (40 hours per week, 52 weeks per year) would earn just over $15,000 per year – so little that with one child, they would be below the federal poverty line.
*Source: Status of Working Families, 2015 Report*
In order to afford the Fair Market Rent for a two-bedroom apartment, a minimum wage earner must work 77 hours per week, 52 weeks per year. Increasing the minimum wage would help a family move closer to self-sufficiency.
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• Derek Thomas (dthomas@incap.org)