

Restoring the Value of Work

A \$12 minimum wage will strengthen Maine's economy and enable working Mainers to make ends meet

Introduction

Mainers are working harder than ever, have less to show for it, and struggle from paycheck to paycheck to make ends meet. Their wages are stagnant. Many cannot afford to purchase health care, send themselves or their children to college, or save for retirement. Nearly 50,000 Mainers work more than one job to support their families.¹ One of every three Maine families falls below 200 percent of the federal poverty line, unable to pay for their basic needs.² Over 145,000 Maine workers—more than a fourth of the state's workforce—work in low-wage jobs.³

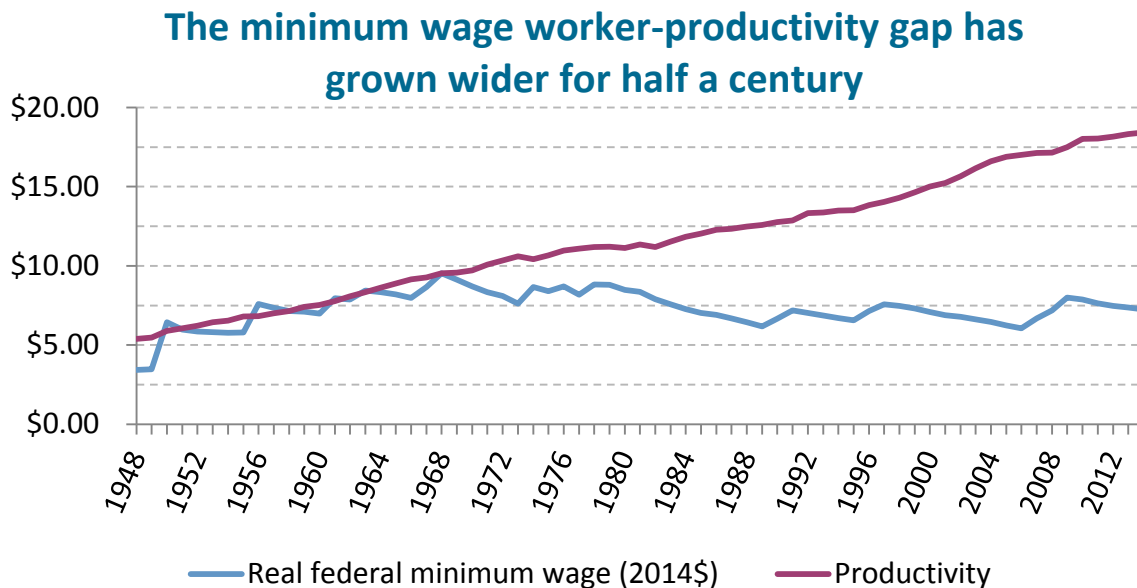
As Mainers go to the polls in November 2016, to consider a ballot initiative to raise the state minimum wage for both tipped and non-tipped workers, the Maine Center for Economic Policy (MECEP) examines the potential immediate and long-term impacts that a minimum wage increase in Maine will have on improving earnings, worker productivity, quality of life, and long-term economic outcomes.

The Maine Center for Economic Policy finds that a \$12 minimum wage will increase worker earnings, boost spending in the local economy, improve business productivity, enhance children's' prospects, and reduce the need for public assistance. It will have a positive impact on workers, businesses, and Maine families, strengthening Maine's economy.

Minimum Wage Lags Productivity

The minimum wage is one of the oldest and most important worker protections. It helps to ensure that low-wage workers accrue the benefits of their labor and earn enough to afford food, housing, and other basic necessities. First established nationally in the U.S. in 1938, the minimum wage kept pace with worker productivity⁴ for nearly four decades, ensuring that standards of living for low-wage workers increased as the economy grew. However, as Figure 1 shows, this link between productivity and wages has been broken for the past 50 years. Today's workers, who are more educated and more productive than ever before, no longer realize the full value of their contributions to our economy.

Figure 1: Minimum wage and total economic productivity



Source: Economic Policy Institute

The federal minimum wage has not changed since Congress raised it to \$7.25 per hour in 2009. In response, states and municipalities around the country are using their authority to increase the minimum wage to address stagnant wages and to better match the minimum wage to the local cost of living. Currently 29 states have a higher minimum wage than the federal minimum; 27 of them are higher than Maine.⁵ Thirty-nine localities around the country have adopted minimum wages above their state's minimum wage.⁶

Maine's minimum wage ballot initiative will increase wages for one in three Maine workers by nearly \$3,500 and boost the state's economy.

Maine's Minimum Wage

Maine's minimum wage is \$7.50 per hour.

Maine's legislature first set a broad based state minimum wage in 1959 and has periodically adjusted it since. However, the legislature has not increased the state minimum wage for nearly a decade. Because the state's minimum wage does not automatically increase with the cost of living, today's minimum wage has less purchasing power than it did in 1968.⁷

In recent years, two of Maine's largest cities, Portland and Bangor, have passed wage ordinances that increase the minimum wage in these municipalities. This year, Portland's minimum wage increased to \$10.10 an hour, and Bangor's minimum wage is set to increase to \$9.75 an hour by 2019.

Subminimum Wage in Maine

Maine is one of 43 states with a subminimum wage for tipped employees. Employers in these states are permitted to pay a lower wage to employees who receive tips, provided the employees' combined wages and tips equal or exceed the regular minimum wage. At the federal level, the subminimum wage has remained at \$2.13 since 1991. Maine's subminimum wage is set at 50 percent of the state minimum wage (currently \$3.75, 50 percent of the state's \$7.50 wage).

Workers paid the subminimum wage are concentrated in the restaurant industry; however, some workers in salons, casinos, hotels, and airports are also paid a subminimum wage. In Maine, 8 in 10 of these workers are women.⁸ The median wage for workers paid a subminimum wage is \$10.22 per hour compared to \$16.48 for all workers.⁹ Because of their low rate of pay, tipped workers are nearly twice as likely to live in poverty as other workers and 46 percent of tipped workers rely on public assistance to help their families get by.¹⁰

Increasing the subminimum wage in Maine will ensure a more stable income base for tipped workers and significantly increase earnings, allowing tipped workers to more reliably pay for bills, child care, and other basic needs. A multi-state study of two decades of data shows that increasing the tipped minimum wage is associated with a significant increase in the average wage of full service restaurant employees.¹¹ A higher subminimum wage will bring median wages for tipped employees closer to the median wage of all workers and reduce the potential for wage theft for service workers.¹²

Maine's 2016 Minimum Wage Ballot Initiative

This November, Maine voters will consider a ballot initiative to raise the state minimum wage incrementally to \$12 an hour by 2020 and gradually increase the subminimum wage for tipped workers until it equals the minimum wage for non-tipped workers by 2026. After 2020, the minimum wage will increase annually by the rate of inflation.

If voters approve the initiative, Maine will join 26 states that have increased their minimum wage since 2014, including 15 states and D.C. that automatically adjust their minimum wage to inflation and eight states that are either eliminating or do not have a lower minimum wage for tipped employees.

Increasing the Minimum Wage Will Boost Maine's Economy Benefiting Workers, Businesses, and Families

Raising the minimum wage through passage of the ballot initiative will improve earnings for Maine workers, enhance businesses operations, and boost our economy as a whole. It will also have a positive impact on quality of life for Maine families, especially the long-term life prospects for children.

A Raise for 1 in 3 Maine Workers

The ballot initiative will impact earnings for two groups of Mainers. The first group is directly affected workers who make at or near the current minimum wage. The second group is indirectly affected workers in higher skilled positions who make slightly higher than the new minimum wage. For this group, wages rise as employers adjust pay ladders to maintain competitive wage structures.¹³ In total, 32.8 percent of Maine workers will receive a raise.

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Earnings Will Increase

As the increase to \$12 phases in, the ballot initiative will affect more workers each year. In the first year of implementation, the ballot initiative will increase wages for 103,000 Maine workers by an average of \$1,303 a year and increase total wages for affected workers by \$134 million dollars. By 2020, the ballot initiative will increase wages for 181,000 Maine workers (32.8 percent of the workforce) by an average of \$3,485 a year and increase total wages for affected workers by over \$630 million a year.

Table 1: Cumulative impacts on affected Maine workers and earnings

Maine's Minimum Wage Ballot Initiative Will Give 181,000 Mainers a Raise by the End of the Decade				
	2017	2018	2019	2020
Total Affected Workers	103,000	130,000	153,000	181,000
Average Cumulative Annual Earnings Increase	\$1,303	\$2,416	\$3,127	\$3,485

Source: MECEP/EPI analysis of American Community Survey microdata, 2014

Note: dollar amounts in 2020 dollars

Wages Will Increase for Mainers Who Need It Most

The minimum wage initiative will raise wages for Mainers who struggle the most to get by. The initiative will raise wages for working poor Mainers who are educated, working full-time, and more likely to be minority workers. The appendix contains our full analysis of demographic impacts of the ballot initiative.

Maine workers who will benefit most from a minimum wage increase currently live in poverty or near poverty. They are between the ages of 20-39 or over 55, work full-time, and possess education beyond high school.

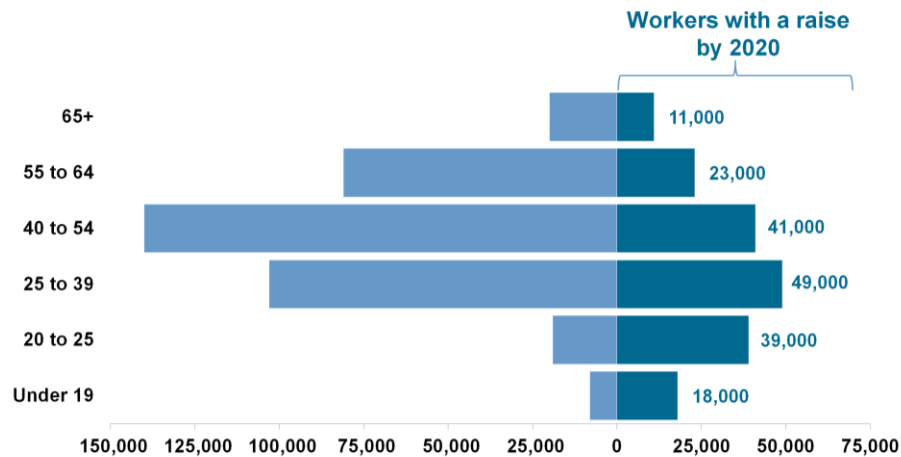
90 Percent of Workers Who Will Benefit are Over Age 20

By 2020, over 90 percent of workers the wage increase affects will be aged 20 and older, half between 20 and 39. A minimum wage increase will counteract the trend of lower wages for younger workers in Maine,¹⁴ encouraging young families to stay and attracting new people to live and work in the state. This is important for revitalizing the state's economy for all Mainers, given the state's aging, shrinking workforce.

The minimum wage increase is also important for working seniors. Wage income makes up a substantial portion of senior income in Maine—nearly 60 percent.¹⁵ The minimum wage increase will result in wage increases for nearly one in three working seniors. This not only improves the immediate incomes of seniors, but will also improve their social security benefits as social security is based on lifetime earnings.

Figure 2: Affected Maine Workers by Age, 2020

9 out of 10 workers who will receive a raise are age 20 or older



Source: EPI analysis of American Community Survey microdata, 2014

Men and Women Workers Benefit Nearly Equally

The minimum wage increase will affect 29 percent of both male and female workers in Maine. In many states, minimum wage increases provide more of a boost to women's wages. In Maine, the minimum wage increase will primarily affect workers in retail trade and the restaurant industry—sectors that employ more men than women. Health care and social service workers, the majority of whom are women, will also benefit from increased wages, contributing to a statistically-even gender split in the affected population.

1 in 3 are Minority Workers

One in three minority workers in Maine will receive a raise. Approximately 34 percent of all minority workers in Maine will receive an increase by 2020 compared to 29 percent of white workers. Reliable state-level employment data by race and ethnicity is sparse, but national trends suggest that people of color are overrepresented in low-wage industries like the hospitality sector (especially restaurant workers) and somewhat more likely to work in the retail and health care sectors.¹⁶

Most are Full-time Workers

Nearly two out of three Maine workers who will benefit from increasing the minimum wage work full-time. The other 38 percent are part-time workers, many of whom cannot find full-time work.¹⁷ Increasing wages for this group will help reduce the financial burden born by workers in seasonal and part-time industries.

The Majority Have Education Beyond High School

Workers who will benefit from the minimum wage initiative span all levels of educational achievement. Of the workers who will get a raise, over half has education beyond high school and 15.7 percent are college graduates.

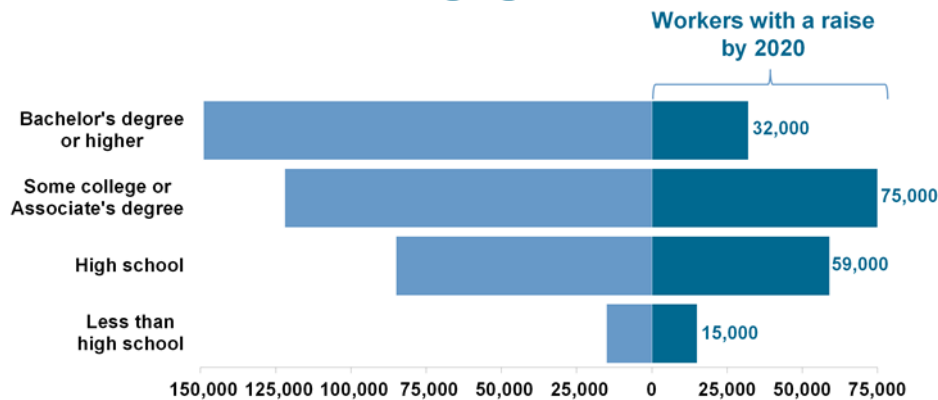
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Nearly Two-thirds are Working Poor

The initiative will raise wages for 64 percent of Maine workers living in households in poverty and 60 percent of Maine workers living in households near poverty. An individual working a year-round, full-time job at minimum wage earns just \$15,600—less than the federal poverty level for a family of two.¹⁸

Figure 3: Workers Affected by Minimum Wage Initiative by Education Level, 2020

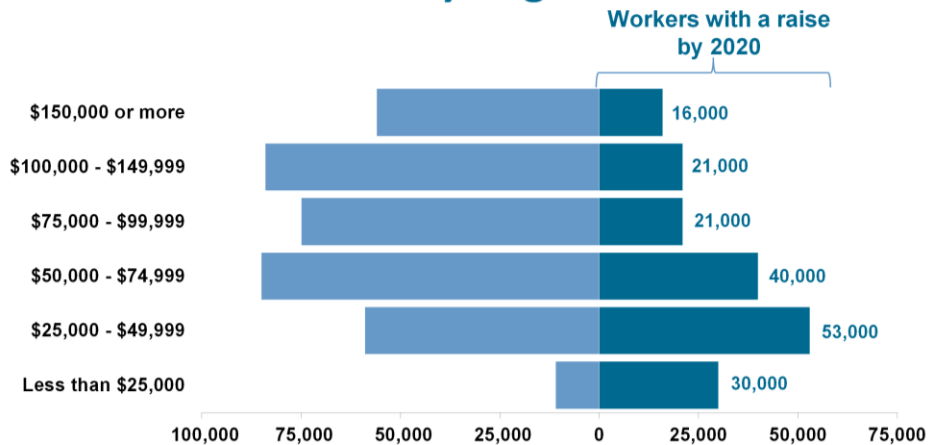
More than half of workers who will receive a raise have education beyond high school, 1 in 6 are college graduates



Source: EPI analysis of American Community Survey microdata, 2014

Figure 4: Workers Affected by Minimum Wage Initiative by Income Group, 2020

Workers in low income families are most likely to get a raise



Source: EPI analysis of American Community Survey microdata, 2014

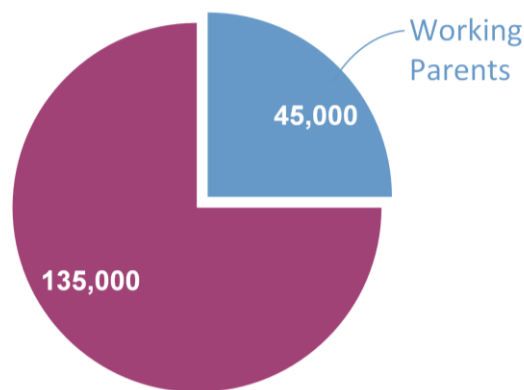
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One in Four Supports a Child

One in four workers the ballot initiative will affect supports a child. Research shows that household income strongly affects child cognitive ability, school performance,¹⁹ and adult earnings later in life.²⁰ Children in poverty struggle to learn when they are hungry, lack school supplies, or don't have access to a computer. Increased wages for working parents will help Maine kids get off to a better start and be more successful as adults.

Figure 5: Share of Affected Workers by Parental Status, 2020

Working parents make up 1 in 4 workers who will benefit



Source: EPI analysis of American Community Survey microdata, 2014

Gains for Maine Businesses

Research shows that the net benefits to businesses from increasing the minimum wage outweigh the costs. When workers earn more, employee productivity and efficiency increase thereby reducing business costs. They can also afford to buy more products and services in their local economy increasing revenues for businesses. As a result, minimum wage increases have not triggered widespread job loss and, in some instances, have actually engendered employment gains.

Reduced Job Turnover Means Lower Replacement Costs

Because voluntary and involuntary turnover is high in lower wage work, it is costly for businesses.²¹ For example, the restaurant industry nationally has averaged a 70 percent yearly turnover rate over the last decade compared to a 41 percent turnover rate for all industries combined.²² One study estimates that the total employee replacement cost for positions paying less than \$30,000 a year averages 16 percent of the positions' annual wages.²³ Using this estimate, a full-time, minimum-wage position in Maine that pays \$15,600 a year costs an employer approximately \$2,500 every time the position turns over. This figure accounts for the time businesses must dedicate to recruiting and training new workers, and lost productivity due to job vacancies and the lower productivity of new, inexperienced workers.

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As wages increase, employees stay in positions longer, employers spend less on employee replenishment costs, and their investment in worker training offers greater returns. Research on the San Francisco minimum wage increase showed significant increases in restaurant employee tenure, especially in fast food restaurants, which also experienced a rise in the proportion of full-time workers.²⁴

Improved Productivity Means Greater Efficiency and More Satisfied Customers

Raising the minimum wage will make it more cost-effective for Maine employers to invest in training low-wage employees to improve productivity and expand the skill set of employees, who employers can now expect to work for them longer. Higher wages also increase worker performance, morale, and customer service and lower employee absenteeism and decrease worker grievances.²⁵ These lead to improved productivity, increased workplace efficiency, higher customer satisfaction, and lower operational and labor costs.

Restaurants in San Francisco experienced an increase in employee tenure after city officials implemented a minimum wage increase.

Increased Sales and Stable Prices Means Higher Profits

Once fully phased-in, the minimum wage ballot initiative will increase earnings for low-wage Mainers by \$630 million each year.²⁶ These are the same households that are most likely to spend those additional earnings in the local economy, increasing sales for Maine businesses.²⁷

Greater demand for goods and services will more than offset any impact that raising the minimum wage may have on prices of goods and services. In fact, available data suggest that price increases have been minimal at worst and nonexistent at best. For example, a San Francisco study found that restaurants only passed along a small increase in meal prices, and did not suffer any decline in sales after that city's minimum wage increase.²⁸ Preliminary survey data from Seattle businesses following a citywide minimum wage increase do not suggest any price increases.²⁹

An analysis of New York's minimum wage increase puts the potential impact on prices in perspective. The study estimates that prices will increase by only 0.14 percent each year as a \$15 minimum wage phases in over five years.³⁰ By the end of the phase-in period, the minimum wage increase can be expected to raise the price of a \$6.00 sandwich to \$6.04 and a weekly \$300 child care cost will increase by approximately \$2.11.

The other business benefits of raising the minimum wage—reduced turnover and increased productivity—combined with the increased buying power of almost one in three Maine workers will ultimately result in increased sales for Maine businesses, strengthening the state's overall economy at the same time.

Improved Productivity Offsets Increased Labor Costs

Businesses with low-wage employees generally do not resort to layoffs when faced with minimum wage increases. Instead, affected businesses absorb higher labor costs through associated savings in employee turnover, greater productivity, and small price increases. Research on employment effects from minimum wage increases shows that even businesses with high proportions of low-wage employees tend to be able to

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absorb higher labor costs without resorting to layoffs.³¹ Based on analysis and outcomes from minimum wage increases around the country, Maine is unlikely to experience a net loss of jobs from the minimum wage increase.³²

Lasting Benefits for Maine Families and Children

Raising wages will have lasting benefits for Maine families and children. Low wages, especially for workers living in poverty, lead to poorer health for them and their families.³³ Children in low-income families have lower school achievement and higher delinquency rates,³⁴ and such families are more likely to apply for public assistance programs and rely on them for longer periods.³⁵ The minimum wage initiative is a proven transformative and cost-effective way to address many of these challenges.

Maine Families Economic Security Will Improve

A ‘living wage’ covers the basic costs of living including food, housing, transportation, health care, child care and other necessities that provide for financial independence and well-being and avoids the negative impacts of poverty. Massachusetts Institute of Technology (MIT) researchers generate a “living wage calculator” that estimates how much workers must make to provide these basic necessities for themselves and their families. Once phased in, the proposed ballot initiative achieves or comes close to achieving a living wage for childless adults, and will bring thousands of Maine parents closer to earning a living wage for themselves and their families.

Improved Health Means Greater Workforce Participation

Study after study strongly links income with health outcomes for individuals and families. Low-income adults have higher rates of mental and physical disease and live shorter lives than higher income adults.³⁶ Studies of long-term data have shown that erosion of the value of the minimum wage explains 10 percent of the obesity rate since the 1970s.³⁷ One in four low-income adults with insurance report foregoing health care due to high deductibles and co-pays, and uninsured adults are even more likely to forego health care for financial reasons.³⁸

The health benefits of increasing wages for low-income adult workers are especially important for Maine. Maine has an aging workforce and low rate of labor force participation. Health factors are the primary reason for labor force non-participation among working-age adults. In 2014, 45 percent of Mainers aged 20-64 who were out of the labor force, a total of 73,000 people, cited illness or disability as the reason they were not able to work. Among men of the same age, the proportion rises to 60 percent.³⁹ Improving the financial capacity of low-wage workers to obtain preventative care for themselves and their families will help keep Mainers in the workforce and help address shortages in Maine’s workforce.

Higher Wages Reduces the Need for Public Assistance for Working Mainers

In Maine, 27 percent of workers receive public assistance either directly, or through a family member.⁴⁰ Stagnant wages and lack of advancement opportunities for low-wage workers mean that many Mainers remain on public assistance to make ends meet even after they obtain full-time work. Programs like Temporary Assistance to Needy Families, Earned Income Tax Credit, Child Tax Credit, Women, Infants, and

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Children Nutrition Program, food stamps, heating assistance, housing vouchers, and Medicaid are intended to help low-income families maintain a modest standard of living so they can stay in the workforce and ultimately transition to financial independence. Public assistance programs will be more successful as a ladder to financial self-sufficiency if low-wage workers earn a higher wage.

Raising the minimum wage will decrease the percent of working Mainer's receiving public assistance by nearly 7 percentage points.

An EPI study revealed that for every dollar increase in hourly wages for workers making less than \$12.16 an hour, the percentage of workers using public assistance falls by 3.1 percentage points and federal spending decreases by approximately \$5.2 billion.⁴¹

The ballot initiative will increase affected Maine workers' wages an average of \$2.21 an hour by 2020.⁴² Extrapolating on EPI's analysis, increasing Maine's minimum wage to \$12 an hour would decrease the percentage of Maine workers relying on public assistance by approximately 6.9 percentage points, allowing the state to target limited resources toward transitioning more Mainers into full-time work, better serving Mainers and their families who are unable to work, and saving taxpayer funds.

Higher Wages Can be Transformative for Children

Restoring the value of the minimum wage will increase earnings for low-wage workers and narrow the opportunity gaps for their children.

A \$3,000 increase in income for a low-income household with a young child corresponds with a 17 percent increase in that child's lifetime earnings.

The slowly eroding value of the minimum wage has contributed to a widening gap between the working poor and the middle class.⁴³ Nationally since 1975, household earnings have declined for the poorest third of children.⁴⁴ The harm to children this income disparity causes is significant.

Poverty early in a child's life, when important brain development occurs, can have lasting consequences on that child's health, educational success, and lifetime earnings. Research shows that a \$3,000 increase in income for households earning less than \$25,000 a year with a child in the home age five or under corresponds with a 17 percent increase in that child's lifetime earnings.⁴⁵ Young children living in low-income households reap significant developmental benefits from modest increases in household income like those provided by increasing Maine's minimum wage.

Conclusion

Raising Maine’s minimum wage will increase wages for nearly one-third of Maine workers and avoid harmful impacts on employment and businesses. The ballot initiative will address wage inequality and help young families get off to a good start. It will add \$630 million to the paychecks of low-wage workers, stimulate demand for business goods and services, and reduce working Mainers’ reliance on public assistance. The initiative will have positive immediate and long-term impacts on Maine’s economy and raise the quality of life across the state.

From the economic and policy perspectives, Maine’s ballot initiative to raise the minimum wage to \$12 an hour by 2020 makes sense. Ensuring that more hardworking Mainers earn enough to make ends meet is also the fair thing, the right thing to do. The minimum wage ballot initiative will restore the value of hard work and is a wise investment in Maine’s future.

Acknowledgments

About MECEP

The Maine Center for Economic Policy (MECEP) provides citizens, policy-makers, advocates, and media with credible and rigorous economic analysis that advances economic justice and prosperity for all Maine people. MECEP is an independent, nonpartisan organization founded in 1994.

About the Author

Sarah Austin is MECEP’s policy lead on tax and budget issues and is a skilled policy researcher and analyst. She holds a master’s of public affairs from the University of Wisconsin-Madison’s La Follette School of Public Affairs and a bachelor’s of science in environmental policy from Maine’s Unity College.

Research Support

MECEP partnered with the Economic Policy Institute (EPI), a national nonpartisan think tank, to estimate the impact the ballot initiative will have on earnings and to understand the demographic characteristics of Maine workers who will receive a raise under the proposed minimum wage increase. MECEP expects to continue to analyze any changes that Maine’s minimum wage may have and document their impacts.

Funders

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Appendix: Cumulative Impacts by 2020⁴⁶

	Estimated workforce	Directly affected	Indirectly affected	Total affected	Average share of total household income earned by affected workers [†]	Affected workers that are sole providers of household income [†]	Cumulative Average change in annual wages [∅]
Total	552,000	133,000	48,000	181,000	48.9%	50,000	\$3,485

Sex

Female	280,000	66,000	28,000	93,000	48.3%	24,000	\$3,237
Male	272,000	67,000	20,000	88,000	49.5%	26,000	\$3,746

Age

Teens	26,000	16,000	2,000	18,000	12.7%	1,000	\$3,011
20 or older	526,000	117,000	47,000	163,000	52.8%	49,000	\$3,537
Under 25	84,000	50,000	7,000	57,000	41.9%	18,000	\$3,877
25 to 39	152,000	33,000	15,000	49,000	60.2%	18,000	\$3,341
40 to 54	181,000	27,000	14,000	41,000	53.6%	10,000	\$3,594
55 to 64	104,000	14,000	9,000	23,000	44.8%	3,000	\$3,191
65+	31,000	8,000	3,000	11,000	26.7%	0	\$2,295

Race/Ethnicity

White	520,000	124,000	45,000	169,000	48.7%	46,000	\$3,470
Other	32,000	9,000	3,000	12,000	51.5%	4,000	\$3,691

Industries with more than 20,000 Affected Workers

Retail	82,000	34,000	8,000	42,000	48.9%	11,000	\$3,619
Healthcare and Social Assistance	96,000	20,000	11,000	30,000	54.3%	9,000	\$3,613
Restaurant	39,000	19,000	2,000	21,000	42.3%	6,000	\$3,592

Education

Less than high school	30,000	13,000	2,000	15,000	30.7%	2,000	\$3,598
High school	144,000	44,000	15,000	59,000	50.7%	17,000	\$3,334
Some college	138,000	43,000	16,000	59,000	49.2%	17,000	\$3,363
Associate's degree	59,000	10,000	7,000	16,000	49.6%	3,000	\$3,757
Bachelor's degree or higher	181,000	23,000	9,000	32,000	53.2%	11,000	\$3,798

Note: due to rounding, some totals may not correspond to the sum of separate figures

[†]'household income' includes earning of all workers within a one residence including roommates

[∅]wages presented as 2020 nominal values

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Cumulative Impacts by 2020

	Estimated workforce	Directly affected	Indirectly affected	Total affected	Average share of total household income earned by affected workers [†]	Affected workers that are sole providers of household income [†]	Cumulative Average change in annual wages [◇]
Total	552,000	133,000	48,000	181,000	48.9%	50,000	\$3,485

Poverty Status

In Poverty	31,000	19,000	2,000	22,000	81.9%	13,000	\$4,526
Near Poverty*	76,000	39,000	11,000	50,000	70.26	22,000	\$3,989

Hours Worked

Part time (< 19h)	40,000	19,000	3,000	22,000	14.5%	1,000	\$1,113
Mid time (20-34)	92,000	39,000	9,000	48,000	39.2%	10,000	\$3,276
Full time (35+)	419,000	74,000	36,000	110,000	60.1%	38,000	\$4,084

Household Income

Less than \$25,000	41,000	26,000	4,000	30,000	80.4%	16,000	\$4,150
\$25,000 - \$49,999	112,000	36,000	17,000	53,000	59.4%	16,000	\$3,464
\$50,000 - \$74,999	125,000	28,000	12,000	40,000	48.7%	12,000	\$4,262
\$75,000 - \$99,999	96,000	15,000	6,000	21,000	33.2%	3,000	\$2,961
\$100,000 - \$149,999	105,000	15,000	6,000	21,000	20.4%	2,000	\$3,503
\$150,000 or more	72,000	13,000	3,000	16,000	12.4%	1,000	\$3,525

Family Composition

Married, parent	143,000	19,000	9,000	28,000	35.3%	1,000	\$3,178
Single, parent	46,000	11,000	7,000	17,000	70.7%	7,000	\$3,335
Married, no children	137,000	21,000	12,000	32,000	32.0%	1,000	\$2,872
Single, no children	225,000	83,000	21,000	103,000	54.2%	41,000	\$3,817

Note: due to rounding, some totals may not correspond to the sum of separate figures

[†]'household income' includes earning of all workers within a one residence including roommates

[◇]wages presented as 2020 nominal values

*'Near Poverty' describes workers with household incomes between 100-200% of the Federal Poverty Level

End Notes

- ¹ U.S. Department of Labor, Bureau of Labor Statistics, Current Population Survey. *Monthly Labor Review*. *Multiple jobholdings in states in 2014*, August 2015. Available at: <http://www.bls.gov/opub/mlr/2015/article/multiple-jobholding-in-states-in-2014.htm>.
- ² Working Poor Families Project analysis of 2013 American Community Survey microdata. Retrieved from Working Poor Family Project's website: <http://www.workingpoorfamilies.org/wp-content/uploads/2012/03/Data-WPFP-2015-Chapter-1-from-PRB.xlsx>. See Table 1.A.2a.
- ³ Population Reference Bureau analysis of 2014 Basic Monthly Current Population Survey (CPS) for Working Poor Families Project. Retrieved from Working Poor Family Project's website: <http://www.workingpoorfamilies.org/wp-content/uploads/2012/03/Data-WPFP-2015-Chapter-4-from-PRB-April-edits.xlsx>. See Table 4.A.1a.
- ⁴ Productivity is a measure of the amount of goods and services produced by one hour of labor. Enhanced worker education and training and technological efficiencies increase productivity and make business more profitable.
- ⁵ National Employment Law Project, "City Minimum Wage Laws: Recent Trends and Economic Evidence". Available at: <http://www.nelp.org/content/uploads/City-Minimum-Wage-Laws-Recent-Trends-Economic-Evidence.pdf>.
- ⁶ Ibid.
- ⁷ MECEP analysis of U.S. Bureau of Labor Statistics and Maine Department of Labor data in *State of Working Maine 2013*, November 2013. Available at: http://www.mecep.org/wp-content/uploads/2013/11/State_of_Working_Maine_2013_full_report_11-25-2013_Joel_FINAL-3.pdf.
- ⁸ Analysis of American Community Survey (ACS) 2010-2014 five-year averages. Tipped workers defined as all workers in a set of predominately tipped occupations identified in: Allegretto, Sylvia and David Cooper. (2014). *Twenty-Three Years and Still Waiting for Change*, Retrieved from Economic Policy Institute's website: <http://www.epi.org/publication/waiting-for-change-tipped-minimum-wage/>.
- ⁹ A recent national audit by the Wage and Hour Division of the Department of Labor revealed violations by 83.8% of the nearly 9,000 full-service restaurants surveyed. While not all of the recorded infractions represent tip violations, the audit illustrates the prevalence of wage violations in the restaurant industry. Allegretto, Sylvia and David Cooper. (2014). *Twenty-Three Years and Still Waiting for Change*, Retrieved from Economic Policy Institute's website: <http://www.epi.org/publication/waiting-for-change-tipped-minimum-wage/>.
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