

An \$11 Minimum Wage for All Arkansans: Raising the Quality of Life for 300,000 Workers in All 75 Arkansas Counties

This November, Arkansas voters will decide whether to increase the state's minimum wage to \$11 by 2021. Someone currently working full-time for minimum wage in the state earns only \$340 per week.¹ If Issue 5 passes, approximately 300,000 workers across the state will see their incomes rise. That represents nearly 1 out of 4 workers in Arkansas. This fact sheet presents the first county-by-county analysis of who will benefit from increasing Arkansas' minimum wage to \$11 by 2021. Across all 75 of Arkansas' counties, regardless of population size and density, approximately 300,000 workers will benefit from a minimum wage increase.

If Issue 5 succeeds, Arkansas will join the more than 20 states that have raised their minimum wage since 2012. The appendix includes a chart estimating how many workers in each Arkansas county will benefit.

Workers in Every Single Arkansas County—Nearly 1 in 4 Working Arkansans in Total—Would Benefit From an \$11 Minimum Wage

A higher minimum wage would allow workers across Arkansas to cope with the rising cost of basic necessities, such as housing, food, transportation, and healthcare. Even in Arkansas' smallest county, Calhoun County,² a single adult needs to make \$33,403 per year to afford a modest standard of living,³ though the yearly income for a full-time worker (40 hours a week) at the current \$8.50 minimum wage⁴ is only \$17,680. See the Appendix for a complete list of counties and estimated number of workers affected.

As Table 1 shows, **workers who would benefit from Issue 5 represent nearly a quarter of all working Arkansans.** By 2021, each worker directly affected will earn an average of \$1,040 more annually and wages will increase by an estimated average of \$1,520 when taking into account both directly and indirectly affected workers.⁵ The additional income would not only help working families throughout the state, it would also benefit small businesses and Arkansas' broader economy. Research shows that higher wages lead to increased spending, which, in turn, has the effect of boosting the demand for goods and services⁶ and keeping money circulating in the economy—creating a virtuous cycle that benefits a broad constituency.⁷

Table 1. Arkansas Counties That Would Benefit From a Higher Minimum Wage

	Number of counties	Number of Workers	Average Pay Increase Per Employee (Directly and Indirectly Affected)
All Arkansas counties that would benefit	75	300,000	\$1,520
Share of total	100%	24.8%	

Source: NELP analysis of data from the Bureau of Labor Statistics' 2016 Quarterly Census of Employment and Wages (QCEW), Arkansas Advocates for Children and Families, the Census Bureau's 2016 Current Population Survey Outgoing Rotation Groups (CPS ORG) and the CBO's Economic Projections (June 2017).

In 26 Counties, Issue 5 Will Raise Wages for More than 30 Percent of Workers, Largely in Arkansas' Small Towns and Rural Areas

A NELP analysis shows that if voters approve the initiative, **300,000 workers, living in each of Arkansas' 75 counties will see the benefits of a higher wage.** Examining data from the Bureau of Labor Statistics and Arkansas Advocates for Children & Families, this analysis also found that Issue 5 would increase wages for at least 30 percent of each county's workers in 26 counties.⁸ All of these counties lie outside of Little Rock, Fort Smith, and Fayetteville. See Table 2 for a breakdown of Arkansas counties where at least 30 percent of workers will see their wages increase through Issue 5.

Table 2. Counties in Arkansas Where at Least 30 Percent of Workers Will See a Wage Increase Through Issue 5

County	Percentage of area workers impacted	County	Percentage of area workers impacted
Newton County	37.8%	Polk County	32.0%
Searcy County	36.4%	Yell County	31.8%
Montgomery County	35.7%	Dallas County	31.7%
Stone County	34.6%	Cleveland County	31.2%
Fulton County	33.8%	Chicot County	31.2%
Carroll County	33.5%	Logan County	31.1%
Scott County	33.5%	Phillips County	30.7%
Marion County	33.3%	Cleburne County	30.6%

Table 2. Counties in Arkansas Where at Least 30 Percent of Workers Will See a Wage Increase Through Issue 5

Clay County	33.2%	Johnson County	30.4%
Sharp County	33.0%	Lawrence County	30.4%
Pike County	32.7%	Howard County	30.4%
Monroe County	32.6%	Sevier County	30.4%
Randolph County	32.1%	Izard County	30.2%

Source: NELP analysis of data from the Bureau of Labor Statistics' 2016 Quarterly Census of Employment and Wages (QCEW), the Arkansas Advocates for Families and Children and the Current Population Survey. For more details on methodology, see Endnote 8.

A Growing Number of Jurisdictions Are Enacting Minimum Wage Increases, Reflecting Continued Concerns With Low Wages and Support for Bold Change

With job growth skewed towards low-paying occupations over the past decade, there has been growing national momentum for action to raise the minimum wage. Although the U.S. median household income is slowly climbing from the depths of the Great Recession,⁹ hourly wages continue to stay flat or decline for most of the labor force, even amidst the economic recovery and a full employment economy. The worsening prospects and opportunities for low-wage workers have prompted a growing number of cities, counties, and states to enact higher minimum wage rates for their residents, often with overwhelming support from voters.¹⁰

More than 25 years of extensive economic research overwhelmingly concludes that states can increase their minimum wage without reducing employment. Sophisticated recent research and the actual experiences of U.S. states and cities show that increases are manageable for employers and have extensive benefits in increased productivity, lower turnover, and even higher earnings.¹¹

The trend in localities and states pushing for higher minimum wage rates is likely to continue as wages decline or stagnate, inequality worsens or remains high, and Congress fails to take bold action to ensure that hard-working individuals can make ends meet.

Conclusion

Raising the minimum wage is one of main tools that states and cities across the country are using to help working families overcome decades of stagnating wages and the rising cost of basic necessities. There is no part of Arkansas where workers and families can afford the basics, save, and achieve some economic security under the state's current \$8.50 minimum wage. Issue 5 would bring a much-needed wage increase to nearly 1 in 4 workers in Arkansas, directly affecting every county in the state.

Appendix 1: Workers in every Arkansas county would benefit from a \$11 minimum wage by 2021

State/County	Total affected	Total workforce	As % of total workforce	County	Total affected	Total workforce	As % of total workforce
Arkansas	300,272	1,160,225	24.8%	Drew County	1,904	6,684	28.5%
Arkansas County	2,566	10,321	24.9%	Faulkner County	10,618	41,988	25.3%
Ashley County	1,653	6,922	23.9%	Franklin County	1,278	4,662	27.4%
Baxter County	4,394	15,228	28.9%	Fulton County	644	1,904	33.8%
Benton County	23,272	119,556	19.5%	Garland County	10,550	37,918	27.8%
Boone County	3,913	14,514	27%	Grant County	1,079	4,134	26.1%
Bradley County	1,145	3,849	29.8%	Greene County	4,339	16,012	27.1%
Calhoun County	585	2,873	20.4%	Hempstead County	2,320	8,157	28.4%
Carroll County	3,770	11,266	33.5%	Hot Spring County	2,473	8,841	28.0%
Chicot County	1,055	3,376	31.2%	Howard County	2,209	7,275	30.4%
Clark County	2,726	9,490	28.7%	Independence County	4,362	16,057	27.2%
Clay County	1,156	3,478	33.2%	Izard County	986	3,269	30.2%
Cleburne County	2,086	6,828	30.6%	Jackson County	1,528	5,544	27.6%
Cleveland County	314	1,004	31.2%	Jefferson County	7,387	29,446	25.1%
Columbia County	2,154	8,412	25.6%	Johnson County	2,734	8,992	30.4%
Conway County	1,862	6,916	26.9%	Lafayette County	368	1,260	29.2%
Craighead County	13,249	50,702	26.1%	Lawrence County	1,278	4,204	30.4%
Crawford County	5,700	20,293	28.1%	Lee County	614	2,054	29.9%
Crittenden County	4,718	17,210	27.4%	Lincoln County	887	2,984	29.7%
Cross County	1,535	5,204	29.5%	Little River County	742	3,622	20.5%
Dallas County	937	2,959	31.7%	Logan County	1,796	5,775	31.1%
Desha County	1,385	4,773	29.0%	Lonoke County	4,209	14,632	28.8%

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State/County	Total affected	Total workforce	Percentage of total workforce	County	Total affected	Total workforce	Percentage of total workforce
Madison County	965	3,307	29.2%	Scott County	1,071	3,199	33.5%
Marion County	1,324	3,977	33.3%	Searcy County	592	1,625	36.4%
Miller County	3,463	13,506	25.6%	Sebastian County	16,781	69,177	24.3%
Mississippi County	4,345	18,755	23.2%	Sevier County	1,549	5,103	30.4%
Monroe County	729	2,231	32.6%	Sharp County	1,322	4,007	33.0%
Montgomery County	514	1,441	35.7%	St. Francis County	2,340	8,273	28.3%
Nevada County	698	2,567	27.2%	Stone County	921	2,661	34.6%
Newton County	436	1,153	37.8%	Union County	4,074	18,533	22.0%
Ouachita County	2,167	7,380	29.4%	Van Buren County	1,025	3,728	27.5%
Perry County	382	1,278	29.8%	Washington County	24,308	107,503	22.6%
Phillips County	1,752	5,698	30.7%	White County	6,817	25,026	27.2%
Pike County	845	2,583	32.7%	Woodruff County	533	1,854	28.8%
Poinsett County	1,509	5,454	27.7%	Yell County	2,133	6,715	31.8%
Polk County	1,949	6,084	32.0%				
Pope County	6,872	27,268	25.2%				
Prairie County	462	1,547	29.8%				
Pulaski County	55,387	258,092	21.5%				
Randolph County	1,633	5,079	32.1%				
Saline County	6,891	24,498	28.1%				

Source: NELP analysis of data from the Bureau of Labor Statistics' 2016 Quarterly Census of Employment and Wages (QCEW), the Arkansas Advocates for Children and Families, and the Census Bureau's 2016 Current Population Survey Outgoing Rotation Groups (CPS ORG).

Endnotes

1. Based on a 40-hour workweek at the current Arkansas minimum wage of \$8.50 per hour. Arkansas Department of Labor, Minimum Wage and Overtime, <https://www.labor.arkansas.gov/minimum-wage-and-overtime> (last viewed Oct. 11, 2018).
2. Calhoun County has the smallest population by county in Arkansas. See U.S. Census, QuickFacts, Calhoun County, Arkansas, <https://www.census.gov/quickfacts/calhouncountyar-kansas> (last viewed Oct. 11, 2018).
3. Economic Policy Institute, "Family Budget Calculator," <https://www.epi.org/resources/budget/> (last visited Oct. 11, 2018).
4. Arkansas Department of Labor, Minimum Wage and Overtime, <https://www.labor.arkansas.gov/minimum-wage-and-overtime> (last viewed Oct. 11, 2018).
5. Arkansas Advocates for Children & Families, An Arkansas Minimum Wage Increase: How It Works And How It Would Benefit Arkansans And The State (Sept. 2018) at 6, http://www.aradvocates.org/wp-content/uploads/AACF.miniwage.webfinal.rev_9.17.18.pdf.
6. See, e.g., Patrick Reimherr, U.S. Department of Labor: Blog, "Higher Wages, a Stronger Bottom Line and Job Growth," (Aug. 1, 2014), <https://blog.dol.gov/2014/08/01/higher-wages-a-stronger-bottom-line-and-job-growth>.
7. See, e.g., International Labour Organization, Can Minimum Wages Help Rebalance the Economy? (Aug. 12, 2013), http://www.ilo.org/newyork/voices-at-work/WCMS_219658/index.htm.
8. NELP analysis of data from the Bureau of Labor Statistics' 2016 Quarterly Census of Employment and Wages (QCEW), the Arkansas Advocates for Family and Children, e and the Current Population Survey. Estimates are not reported for any counties in which private sector wage data are unavailable in the QCEW. Statewide figure provided by the Economic Policy Institute (EPI). State and county estimates of affected workers include both directly and indirectly affected workers. Indirectly affected workers have a wage rate just above the new minimum wage (between the new minimum wage and the new minimum wage plus the dollar amount of the increase in the previous year's minimum wage). They will receive a raise as employer pay scales are adjusted upward to reflect the new minimum wage. Indirectly affected workers include workers projected to make less than \$11.00 per hour in 2021. For this analysis, we assume that nominal wage growth will total 2.5 percent in each year. The projected share and number of affected workers in each county is based on the QCEW reported mean weekly wage and an assumed 74 percent ratio between the standard deviation and the reported mean. Projections of hourly wages based on work hours for workers in the lowest wage quintile as estimated by EPI in <https://www.epi.org/publication/trends-in-work-hours-and-labor-market-disconnection/>.
9. Elise Gould and Julia Wolfe, "Income Growth in 2016 is Strong, But Not As Strong As 2015 and More Uneven," *Working Economics Blog*, Sept. 12, 2017, <http://www.epi.org/blog/income-growth-in-2016-is-strong-but-not-as-strong-as-2015-and-more-uneven/>.
10. See, e.g., National Employment Law Project, Fight for \$15: Four Years, \$62 Billion (Dec. 2016), <https://www.nelp.org/wp-content/uploads/Fight-for-15-Four-Years-62-Billion-in-Raises.pdf>; National Employment Law Project, New Poll Shows Overwhelming Support for Major Minimum Wage Increase (Jan. 15, 2015), <https://nelp.org/wp-content/uploads/2015/03/PR-Federal-Minimum-Wage-Poll-Jan-2015.pdf>; National Employment Law Project, Minimum Wage a Big Winner on Election Day (Nov. 2016), <https://www.nelp.org/wp-content/uploads/Minimum-Wage-Wins-2016-Elections.pdf>.
11. Arindrajit Dube et al., "Minimum Wage Effects across State Borders: Estimates Using Contiguous Counties" *The Review of Economics and Statistics* (Nov. 2010), 92(4): 945-64. See also Doruk Cengiz et al., "The Effect of Minimum Wages on the Total Number of Jobs: Evidence from the United States Using a Bunching Estimator," *Society of Labor Economists* (Apr. 2017), <http://www.sole-jole.org/17722.pdf>. (Updated Dec. 2017 version can be accessed from the American Economic Association, <https://www.aeaweb.org/conference/2018/preliminary/1530>). Sylvia Allegretto et al., Center on Wage and Employment Dynamics, *The New Wave of Local Minimum Wage Policies: Evidence from Six Cities* (Sept. 6, 2018), <http://irle.berkeley.edu/the-new-wave-of-local-minimum-wage-policies-evidence-from-six-cities/>.

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