

Floridians Should Vote Yes on Amendment 2 and Raise Wages for Workers

Florida Should Follow the Lead of the Seven States That Have Enacted Laws to Gradually Raise the Minimum Wage to \$15 an Hour

From the West Coast, to the East Coast, to the Midwest, seven states are currently leading the way to better economic security for their lowest paid workers by gradually raising their minimum wages to \$15 per hour. (See Table 1).

Much like Florida Amendment 2, these laws lift wages over several years, reaching \$15 between 2022 and 2025 for most workers. By approving Amendment 2, voters in Florida would adopt a very moderate proposal that raises the state’s minimum wage over a period of six years.

Table 1. States Raising Wages to \$15 per Hour vs. Florida and Federal Proposals¹

State	Wage Level Approved	Year Adopted
California	\$15 by 2022-2023	2016
Connecticut	\$15 by 2023	2019
Illinois	\$15 by 2025	2019
Maryland	\$15 by 2025 ²	2019
Massachusetts	\$15 by 2023	2018
New Jersey	\$15 by 2024 ³	2019
New York	\$15 by 2019-2021 (NYC & Long Island), path to \$15 Upstate	2016
Florida (Amendment 2)	\$15 by 2026	Vote to take place Nov 2020
2019 Federal Proposal	\$15 by 2025	Passed by House of Representatives

In Jurisdictions that Have Reached \$15, Studies Show that the Increases Raised the Earnings of Workers Without Affecting Employment

Contrary to conservative talking points, the prospect of job loss associated with raising the minimum wage is a red herring: All of the most rigorous research shows that raising wages helps workers without any meaningful negative impact on jobs.

In addition to the seven states that enacted legislation raising wage floors to \$15, over 40 cities and counties have adopted their own \$15 minimum wage ordinances. Some of those localities have already reached that wage rate, while others are still in the process of getting there.

Since some cities reached or will reach a \$15 minimum wage before the seven states will, economists have begun studying the effects of high wages on earnings and employment in those local jurisdictions. In general, they find that the local minimum wage policies raised the earnings of affected workers without affecting employment. (See bulleted list below).

- **Six early adopters of higher minimum wage laws:** In *The New Wave of Local Minimum Wage Policies: Evidence from Six Cities* (2018)⁴, economists from the University of California, Berkeley analyzed the effects of minimum wage increases on the food services industry—the largest low-paying sector where any negative effects on jobs would first appear—in six large cities: Chicago, District of Columbia, Oakland, San Francisco, San Jose, and Seattle. With the exception of Oakland, which adopted a \$12.25 wage floor, those cities were among the earliest adopters of \$15 minimum wage laws. Using state-of-the-art statistical methods to isolate causal effects of minimum wage increases, and verifying the accuracy of their findings by implementing robustness checks, the researchers found that:
 - Each 10 percent increase in the minimum wage raised the earnings of affected workers between 1.3 and 2.5 percent.
 - There were no significant or detectable disemployment effects (job loss).
 - *In other words, the enacted minimum wage policies in those six cities accomplished exactly what they had set out to accomplish: To raise the earnings of the lowest paid workers without causing job losses.*
- **New York City's experience:** In *New York City's \$15 Minimum Wage and Restaurant Employment and Earnings* (2019)⁵, researchers analyzed the economic effects of minimum wage increases between 2013 to 2018, which had been implemented as part of statewide minimum wage laws, and which had more than doubled New York City's minimum wage in the span of just five years. They found that during the period analyzed, the city's restaurant industry:
 - Experienced faster job growth than the overall private sector in the city.
 - Had faster growth in terms of jobs, wages, and the number of establishments than the national average.
 - Outperformed the restaurant industries of 12 of the largest cities in the country that had not raised their wage floors during the period in question.
 - Workers in the industry experienced robust wage gains between 15 percent and 30 percent.
 - The economic effects were positive, despite serious challenges, such as steeply rising real estate rents and prices, which significantly increased overhead costs in

the industry; the rising value of the dollar, which decreased the purchasing power of tourists from outside the U.S., who make up 12 percent of all local restaurant spending; and the rapid growth of food delivery apps, which charge high commissions and eat into restaurant profitability.

- Seattle’s experience:** In June 2017, as Seattle was implementing a \$15 minimum wage for most large employers, researchers from the University of California released a well-received study⁶, finding that *Seattle’s minimum wage, which ranged from \$10.50 to \$13 during the period analyzed, had raised pay for workers without any evidence of negative impact on jobs*. The University of California analysis employed a sound methodology, which had been extensively vetted and published in *ILR Review*, a leading peer-reviewed economics journal.⁷ Around the same time, a separate team of researchers from the University of Washington released a now discredited study showing negative effects—findings that they **essentially had to take back** just a year later, after **economists** found severe **flaws** with their methodology.

Workers Throughout Florida Need to Earn More than \$15 per Hour Today, Just to Afford the Basics; by 2026, They Will Need Substantially More

Throughout Florida, workers need to earn more than \$15 per hour *today* just to afford the basics. By 2026, they will need even more.

Analysis of the Economic Policy Institute’s **Family Budget Calculator** shows that single workers in **Duval County**—with one of the lowest costs of living in the state—currently need to earn \$16.12 per hour from a full-time job to make ends meet. By 2026, they will need to earn \$18.14. Single and married workers in the county, who are caring for at least one child, need to earn significantly more today; by 2026, they will need to earn a minimum of \$20.55. In **Palm Beach County**—which is among the most expensive counties in Florida—single workers need to earn \$19.25 today and will need an hourly wage of \$21.67 in 2026. Parents already need to earn a minimum of \$21.67 today and will need to earn at least \$24.39 by 2026. (See Table 3).

County	Family Size ^a	2020	2022	2024	2026
Brevard	Single Adult	\$17.20	\$17.73	\$18.52	\$19.36
	1 Adult 1 Child	\$27.27	\$28.11	\$29.36	\$30.70
	2 Adults 2 Children	\$19.23	\$19.82	\$20.70	\$21.64
Broward	Single Adult	\$19.19	\$19.78	\$20.66	\$21.60
	1 Adult 1 Child	\$31.97	\$32.96	\$34.42	\$35.99
	2 Adults 2 Children	\$21.99	\$22.67	\$23.68	\$24.76
Duval	Single Adult	\$16.12	\$16.61	\$17.35	\$18.14

Table 3: Hourly wage needed to afford the basics in Selected Florida Counties					
County	Family Size ^a	2020	2022	2024	2026
	1 Adult 1 Child	\$25.49	\$26.27	\$27.44	\$28.69
	2 Adults 2 Children	\$18.26	\$18.82	\$19.66	\$20.55
Hillsborough	Single Adult	\$18.41	\$18.98	\$19.83	\$20.73
	1 Adult 1 Child	\$27.61	\$28.46	\$29.73	\$31.08
	2 Adults 2 Children	\$19.52	\$20.12	\$21.02	\$21.97
Lee	Single Adult	\$18.57	\$19.14	\$19.99	\$20.90
	1 Adult 1 Child	\$27.61	\$28.46	\$29.73	\$31.08
	2 Adults 2 Children	\$19.96	\$20.58	\$21.49	\$22.47
Miami-Dade	Single Adult	\$18.87	\$19.46	\$20.32	\$21.25
	1 Adult 1 Child	\$31.12	\$32.08	\$33.51	\$35.03
	2 Adults 2 Children	\$21.51	\$22.17	\$23.16	\$24.21
Orange	Single Adult	\$19.12	\$19.71	\$20.59	\$21.52
	1 Adult 1 Child	\$28.06	\$28.92	\$30.21	\$31.58
	2 Adults 2 Children	\$19.87	\$20.48	\$21.39	\$22.36
Palm Beach	Single Adult	\$19.25	\$19.84	\$20.72	\$21.67
	1 Adult 1 Child	\$31.57	\$32.54	\$33.99	\$35.54
	2 Adults 2 Children	\$21.67	\$22.34	\$23.33	\$24.39
Pinellas	Single Adult	\$17.97	\$18.53	\$19.35	\$20.23
	1 Adult 1 Child	\$27.27	\$28.11	\$29.36	\$30.69
	2 Adults 2 Children	\$19.52	\$20.12	\$21.02	\$21.97
Polk	Single Adult	\$17.31	\$17.85	\$18.64	\$19.49
	1 Adult 1 Child	\$25.33	\$26.11	\$27.27	\$28.52
	2 Adults 2 Children	\$17.98	\$18.53	\$19.36	\$20.24

NELP analysis of Economic Policy Institute's *Family Budget Calculator*. Original EPI estimates in 2017 dollars. NELP's inflation adjustments and projections use Bureau of Labor Statistics' CPI-U Current Series, and Congressional Budget Office's 10-Year Economic Projections supplemental data for *An Update to the Economic Outlook: 2020 to 2030* (July 2020). NELP estimates assume no median wage growth.

a. The "2 Adults 2 Children" category lists hourly wages per adult worker.

Endnotes

¹ National Employment Law Project, unpublished local minimum wage law tracker.

² Employers with 14 or fewer workers have until July 1, 2026 to reach a \$15 minimum wage. See H.B. 166, 2019 Reg. Sess. (Md. 2019). <http://mgaleg.maryland.gov/2019RS/bills/hb/hb0166e.pdf>.

³ Employers with 5 or fewer workers and seasonal businesses have until January 1, 2026 to reach a \$15 minimum wage, while agricultural employers have until January 1, 2027. See An Act raising the minimum wage, amending and supplementing P.L.1966, c.113, and supplementing P.L.1945, c.162 (C.54:10A-1 et seq.) and Title 54A of the New Jersey Statutes, N.J. Stat. §§ 32. (2019). https://www.njleg.state.nj.us/2018/Bills/AL19/32_.HTM.

⁴ Sylvia A. Allegretto, Anna Godoey, Carl Nadler and Michael Reich, *The New Wave of Local Minimum Wage Policies: Evidence from Six Cities*, Institute for Research on Labor and Employment, University of California, Berkeley, September 6, 2018, <https://irle.berkeley.edu/files/2018/09/The-New-Wave-of-Local-Minimum-Wage-Policies.pdf>.

⁵ Lina Moe, James Parrott and Yannet Lathrop, *New York City's \$15 Minimum Wage and Restaurant Employment and Earnings*, Center for New York City Affairs at The New School and the National Employment Law Project, August 2019, <http://www.centernyc.org/new-york-citys-15-minimum-wage>.

⁶ Michael Reich, Sylvia Allegretto and Anna Godoey, *Seattle's Minimum Wage Experience 2015-16*, Institute for Research on Labor and Employment, June 2017, <http://irle.berkeley.edu/files/2017/Seattles-Minimum-Wage-Experiences-2015-16.pdf>.

⁷ Sylvia A. Allegretto, Arindrajit Dube, Michael Reich and Ben Zipperer, "Credible Research Designs for Minimum Wage Studies: A Response to Neumark, Salas and Wascher," *ILR Review*, Vol. 70, No. 3 (May 2017): 559-592, <https://irle.berkeley.edu/files/2017/Credible-Research-Designs-for-Minimum-Wage-Studies.pdf>.

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