

Raising Michigan's Minimum Wage Will Help Many Workers and Their Families

THE MINIMUM WAGE JUST ROSE TO \$9.25 IN JANUARY 2018. WHY DO WE NEED TO RAISE IT AGAIN?

The minimum wage rose to \$9.25 as the final step in a legislated increase that began in 2014, but a cost of living increase is needed for future years. If the minimum wage stays at \$9.25 moving forward, it will decrease in value each year due to inflation. When Michigan's minimum wage becomes stagnant, such as it did for most of the 1980s and several times since then, workers' wages lose value and are able to purchase less than what they could purchase with a regular, annual adjustment (see chart). To avoid this, the proposal to raise the minimum wage to \$12 by 2022 also includes an annual increase each year after that for inflation.

When We Don't Raise the Minimum Wage, Its Value Decreases and Workers Suffer



Source: Calculated using the Bureau of Labor Statistics Consumer Price Index Inflation Calculator

WORKERS RAISING CHILDREN HAVE AN ESPECIALLY DIFFICULT TIME IF THEY EARN MINIMUM WAGE.



Fair Market Rent for a Two-Bedroom Dwelling in Metro Areas (As a percent of current minimum wage—\$9.25)

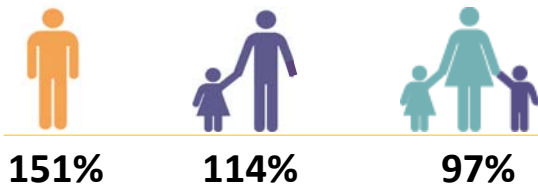
Ann Arbor: 69%	Grand Rapids-Wyoming: 55%
Barry County: 49%	Holland-Grand Haven: 52%
Cass County: 50%	Jackson: 48%
Detroit-Warren-Livonia: 59%	Kalamazoo-Portage: 51%
Flint: 49%	Lansing-East Lansing: 53%



Nearly 1/4 of workers (246,800) who would benefit from the proposed increase are parents raising children.

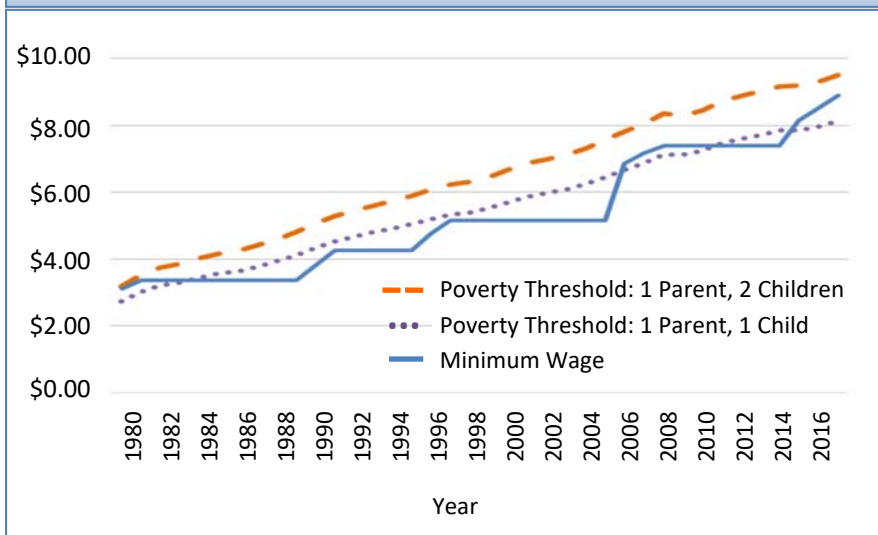
Current Minimum Wage Barely Brings a Family Out of Poverty (At \$9.25, a full-time worker earns \$19,240 year-round.)

Percent of 2017 Poverty Threshold



When we do not raise the minimum wage regularly, people whose earnings are at or just barely above that level have a difficult time getting out of poverty. The poverty threshold (the amount of income needed in order to not be considered officially poor) rises each year with inflation, so when the minimum wage remains flat, workers with children earning that wage fall further and further into poverty. The chart below shows how this happened during the 1980s when the minimum wage remained at \$3.35 for nine years, and then again in the early 2000s when it remained at \$5.15. The minimum wage proposal includes an annual increase each year to keep up with the cost of living and prevent minimum wage earners from falling far below the poverty line.

When We Don't Raise the Minimum Wage, Single Parents and Their Children Fall Below the Poverty Line



Sources: U.S. Census Bureau (Poverty Thresholds); U.S. Department of Housing and Urban Development (2018 Fair Market Rents), Economic Policy Institute analysis of Current Population Survey outgoing rotation group microdata (Parent Facts)