



The Iowa Policy Project

20 E. Market St. • Iowa City, Iowa 52245 • (319) 338-0773
www.iowapolicyproject.org

FOR IMMEDIATE RELEASE WEDNESDAY, AUG. 15, 2012

Note: Full EPI report may be found at this link: <http://www.epi.org/publication/ib341-raising-federal-minimum-wage/>

CONTACT: Mike Owen, (319) 338-0773, ipp@lcom.net

Minimum Wage Boost: Help for 330,000 Iowans New Analysis Cites Direct, Indirect Benefits at \$9.80/Hour

IOWA CITY, Iowa (August 15, 2012) — An estimated 332,000 Iowans would see direct or indirect benefits from an increase in the minimum wage from \$7.25 to \$9.80 per hour by July 2014, according to a new analysis.

The Economic Policy Institute, a nonpartisan public policy research organization in Washington, this week released a report — found at www.epi.org — that examined the state-by-state impacts of an increase in the national minimum wage.

“Low-wage workers in Iowa have been waiting for an increase longer than most — 4½ years and counting,” said David Osterberg, executive director of the nonpartisan Iowa Policy Project.

“Iowa moved to the current \$7.25 minimum wage in January 2008. It was another year and a half before the national law changed, and it’s time for an increase. The longer we delay an increase in the minimum wage, the more \$7.25 drops in value.”

According to the report, about 225,000 workers in an Iowa workforce of over 1.4 million would be directly affected by an increase in the minimum hourly wage from \$7.25 to \$9.80 by July 2014, and another 106,800 indirectly. The total wage increase is estimated at \$419 million a year.

Other key points for Iowa:

- Of workers affected, 55 percent are women.
- Over 4 of 5 workers affected — 81 percent — are age 20 or over.
- Almost half — 46 percent — work full time (35 hours or more per week).
- Almost 1 in 4 workers affected — 23 percent — have children.

The report’s authors said the increase to \$9.80, which has been introduced in the Senate by Senator Tom Harkin, D-Iowa, and the House by Rep. George Miller, D-California, would benefit more than just low-wage workers.

“Raising the minimum wage would help workers still reeling from the effects of the recession and would provide a much-needed boost for the economy,” authors Doug Hall and David Cooper wrote.

— m o r e —

“The resulting impact on the overall economy would be demonstrably positive, as minimum-wage workers would spend their new earnings immediately, generating a positive impact on GDP and related modest employment growth.”

The authors said that over the phase-in for the increase, the economy (GDP) nationally would increase by about \$25 billion, creating a net increase of about 100,000 jobs.

The Iowa Policy Project is a nonpartisan, nonprofit public policy research and analysis organization based in Iowa City. IPP reports are at www.iowapolicyproject.org.

#