

Great Progress for Oregon Workers

Who Would be Affected by Raising the State Minimum Wage to \$15 by 2018?

Raising Oregon's minimum wage to \$15 per hour by 2018, a proposal currently before the legislature, would constitute great progress for Oregon working families.¹

Here are preliminary estimates of the impact of the proposed raise:²

Number of workers helped: By 2018, about 589,000 workers would likely see their wages rise directly as a result of the increase.³ At the same time, another 114,000 workers earning above \$15 would also likely see their wages increase indirectly as employers adjust overall pay ladders.

Total wages gains: As a group, workers benefiting directly and indirectly⁴ from the increase would gain about \$3.2 billion in additional wages during the three-year implementation period.

Workers' gains: The gains of particular workers due to raising the minimum wage to \$15 per hour would depend, of course, on their current hourly wage and number of hours worked. At the high end of the range, Oregonians currently earning the minimum wage of \$9.25 and working 35 hours per week would gain \$10,465 in yearly income, or \$872 per month, assuming their work hours stay the same.⁵

Families with children helped: About a third of all workers directly benefiting from the increase have children. Among all single-parent workers in the state, almost half (47 percent) would experience wage gains directly as a result of the minimum wage increase.

Age of workers helped: Among workers directly affected by the increase, about 93 percent would be 20 years or older. About three-quarters (74 percent) would be 25 years of age or older. About two out of five (39 percent) would be 40 years of age or older.

Gender of workers helped: Among workers directly affected by the increase, about 53 percent would be women and 47 percent would be men.

Full-time workers helped: About 61 percent of workers who would gain a raise would be full-time workers, defined as 35 hours or more worked per week. Another 30 percent of those helped would be workers working between 20 and 34 hours per week.

College-educated helped: Among those directly affected by the increase, about 55 percent would have at least some college education. About 16 percent would have a college degree or higher.

Endnotes

¹ HB 2009 would raise Oregon's minimum wage from the current \$9.25 to \$15 hour in three steps: \$11.50 in 2016, \$13.25 in 2017, and \$15 in 2018.

² Unless otherwise noted, these estimates come from analysis by the Economic Policy Institute of Current Population Survey, Outgoing Rotation Group public use microdata, 2013Q4-2014Q3.

³ Directly affected workers would see their wages rise because the new minimum wage rate would exceed their current hourly pay.

⁴ Indirectly affected workers are those whose wages are not far above the proposed new minimum wage. They would receive a raise as employers adjust pay scales upward in response to the new minimum wage.

⁵ OCPP analysis.