

\$15 Minimum Wage Means Real Gains for Workers

Blog Post

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A raise is a raise. And if the legislature raises the minimum wage to \$15 an hour, over half a million Oregon workers will see bigger paychecks — extra money that will help their families get ahead.

Some opponents of raising the minimum wage cite the so-called “benefits cliff” as reason the legislature should do nothing. They use the sad fact that relatively few workers would lose more in public benefits than they would gain from the wage increase as an excuse to keep the minimum wage frozen at below poverty levels.

The problem that some workers lose more in public benefits than they gain in their monthly paychecks, however, pales in comparison to the gains that Oregon workers as a whole would experience from the legislature raising the minimum wage to \$15.

It is true that for a small number of low-income working families an increase in hourly wage levels (or an increase in hours worked) can result in less net income each month. Why is it a small number? Because it includes only those who have children in child care who are poor enough and lucky enough to be receiving state-subsidized child care. That program, for which there is a waiting list, serves only about 9,000 families each month.

The vast majority of the more than 500,000 or so workers who would benefit directly from the legislature raising the minimum wage to \$15 an hour don't have child care expenses. And even among workers those with children, many don't benefit from state-subsidized child care. That program helps only about 10 percent of all kids in child care.

To use a worker with child care costs who is lucky enough to be in the state child care subsidy program as the typical person affected by a minimum wage increase — as today's *Oregonian* headline did — is grossly misleading.

That's not to say that the benefits cliff is not a problem. It's a problem, but one that exists whether or not the legislature raises the minimum wage. A loss of benefits can occur when employers have people work more hours or choose to give raises. Do those who beat the benefits cliff drum in opposition to raising the minimum wage also urge low-wage employers to hold down the hours for their employees and not raise their wages? I doubt it.

To fix the benefits cliff problem the legislature must bolster the child care subsidy program. When families work more hours or earn a wage increase, they should truly get ahead, not fall backwards. Lawmakers need to put more money into the program, both to better phase out the benefit to eliminate the cliff and to help more working families struggling under the weight of child care expenses.



Those problems, however, are no excuse for the legislature to delay boosting to the minimum wage to \$15. Governor Kitzhaber and others in the business community have called on Oregon to reduce childhood poverty. Raising the minimum wage to \$15 is the most assured way to accomplish that goal.

Too many working families are in a deep economic hole because employers don't pay them enough for their work. Raising the minimum wage to \$15 will do just what lawmakers want it to do: put more money in the pockets of a large number of working Oregon families.

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