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The Growing Movement for \$15

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About NELP

For more than 45 years, the National Employment Law Project has worked to restore the promise of economic opportunity for working families across America. In partnership with grassroots and national allies, NELP promotes policies to create good jobs, enforce hard-won workplace rights, and help unemployed workers regain their economic footing. For more information, visit us at www.nelp.org.

Executive Summary

During 2012 and 2013, fast-food workers walked off their jobs, first in New York, then nationwide, in what was one of the first mass-scale labor actions in the United States in most adults' lifetimes. The workers' message was they simply cannot survive on their meager paychecks. They called on the nation's fast-food chains to raise their pay to \$15 per hour, and to sit down with them as a union to work together to improve their jobs and the industry.

In the intervening two years, the fight for \$15 has grown from a rallying cry to a diverse movement. Retail workers for Walmart and other chains, home care and child-care workers, convenience-store and dollar-store workers, adjunct university faculty and others have joined strikes to demand a raise to \$15 per hour—just over \$31,000 for a full-time employee.

The call for a \$15 wage has also palpably shifted the national conversation around income inequality and created momentum for much more meaningful action to raise the minimum wage. As a result, over the past two years, the levels of proposed minimum wage increases across the nation have jumped markedly. Growing numbers of cities are approving \$15 minimum wages. At the state level, New York approved the first state \$15 minimum wage for fast-food workers, and New York and California now appear poised to adopt the first statewide \$15 minimum wages for all workers in 2016. And nationally, growing numbers of congressional progressives and candidates are backing legislation to phase the federal minimum wage up to \$15.

The \$15 movement is making great strides in winning the hearts and minds of the average American, as illustrated by recent polls showing strong and growing public support for \$15 minimum wage rates; the wave of successful policy campaigns raising minimum wages at the state and local levels; and the spread of campaigns calling for \$15 wages.

More broadly, since November 2012, the grassroots momentum generated by the \$15 movement has helped to push through dozens of state and local minimum wage policies, raising wages for millions of workers.¹ It has spurred some of our nation's largest low-wage employers, including Walmart, McDonald's, T.J. Maxx,

and the Gap, to announce modest pay increases for their lowest-paid workers. And it has led growing numbers of leading companies, from Aetna to Facebook to Amalgamated Bank, to raise pay scales for their employees and/or contracted workers to the \$15 level.

As the movement for \$15 continues to gain momentum, the potential benefits for the U.S. workforce and economy are significant. This report provides wage and demographic figures on the substantial swath of the U.S. workforce that today earns less than \$15 per hour, profiles notable recent victories in the \$15 movement, and offers action recommendations for federal, state, and local policymakers and private-sector leaders.

In **Part 1** of this report, we look at the portion of the U.S. workforce that currently earns less than \$15 per hour in the United States. Our findings include the following:

- **Forty-two (42) percent of U.S. workers make less than \$15 per hour.**
- **Women and people of color are overrepresented in jobs paying less than a \$15 wage.** Female workers account for 54.7 percent of those making less than \$15 per hour while making up less than half of the overall U.S. workforce (48.3 percent). African Americans make up about 12 percent of the total workforce, and they account for 15 percent of the sub-\$15-wage workforce. Similarly, Latinos constitute 16.5 percent of the workforce, but account for almost 23 percent of workers making less than \$15 per hour.
- **More than half of African-American workers and close to 60 percent of Latino workers make less than \$15.**
- **About half (46.4 percent) of workers making less than \$15 per hour are ages 35 and older.**
- **Cashiers and retail salespersons are the two occupations that represent the greatest number of workers making less than \$15 per hour.** Almost three million people working as cashiers and two million people working as retail salespersons fall in that category.
- **Food preparation and serving occupations have the greatest concentration of workers making less**

than a \$15 wage. Other occupation groups in which such jobs are concentrated include farming, fishing, and forestry; personal care and service; building and grounds cleaning and maintenance; healthcare support; sales; and transportation and moving. In these occupations, more than 50 percent of workers make less than \$15 per hour.

- **Six out of the ten largest occupations with median wages less than \$15 also rank among the occupations projected to add the most jobs in coming years.** These are retail salespersons; combined food preparation and serving workers, including fast food; laborers and freight, stock, and material movers, hand; janitors and cleaners, except maids and house-keeping cleaners; nursing assistants; and personal care aides.
- **The top industries for sub-\$15 work are food services and drinking places, private households, agriculture, personal and laundry services, hotel/motel accommodation, retail trade, and administrative and support services.** In these industries, more than 60 percent of workers make less than \$15 per hour.

In **Part 2**, we take a closer look at the largest front-line occupations in six industries—restaurants/bars, retail, child care, auto manufacturing, home care, and hotels—and find the following:

- Even after accounting for tips, more than four out of five (83.8 percent) front-line workers in all food service and drinking places make less than a \$15 wage.
- **The overwhelming majority—96 percent—of fast-food workers make less than \$15 an hour.**
- **Four out of five workers in both retail and hotel/motel accommodation** front-line occupations make less than \$15 per hour.
- Automotive manufacturing jobs have long been seen as well paid, but we find that **about half of front-line automotive manufacturing workers make below \$15.**
- Almost 90 percent of people working in home care and child care make less than \$15 per hour.
- **Front-line, low-wage jobs in these industries are predominately filled by women.** A majority of workers in

these occupations—more than 70 percent of front-line workers in fast food, 74 percent in hotel/motel accommodation, and 53 percent in retail—are female.

- **Although front-line retail jobs are often seen as jobs held by young people, almost half of workers in these occupations are age 35 or older.**
- **Unionization rates are low—ranging from about 2 to 10 percent—for front-line workers in these industries, with the exception of auto manufacturing, in which more than one in four workers are union.**

In **Part 3**, we review recent economic analysis of \$15 wages, profile the experiences of localities and employers that are transitioning to that level, and give an overview of recent and current \$15 wage policy campaigns. We find the following:

- Cost-of-living analyses show that, **just about everywhere in the United States, a single low-wage worker needs \$15 an hour to cover basic living costs**—and that in higher-cost states and regions, workers supporting families need much more.²
- Both economic analysis and the experiences of localities and employers that have raised wages significantly suggest that pay in the affected jobs can be upgraded to \$15—with far-reaching benefits for America’s workers. For example, **more than 200 economists** have advised that “raising the federal minimum to \$15 an hour by 2020 will be an effective means of improving living standards for low-wage workers and their families and will help stabilize the economy.”³
- **State-of-the-art economic modeling** of the impact a \$15 wage on employers and jobs—conducted by University of California researchers under contract with the City of Los Angeles—finds that the measure would raise pay for approximately 41 percent of the workforce by an average of \$4,800 per worker per year, and have very little adverse impact on employment levels.⁴
- **Los Angeles, Seattle, San Francisco, and other cities have all adopted \$15 minimum wages; New York approved the first state-level \$15 wage for fast-food workers; New York and California**

appear likely to enact the first statewide \$15 minimum wages in 2016; and more cities and states, including Washington, D.C. and Massachusetts (for fast-food and retail workers in large stores), are proposing to follow their lead.

- **Private-sector employers**, such as insurance giant Aetna, Facebook, Amalgamated Bank, the university-affiliated hospital Johns Hopkins Medicine, and academic institutions such as the University of Rochester, the University of California, and Duquesne University, **have also raised base pay to \$15 per hour or more for their workers and/or their contractors.**

Finally, in **Part 4**, we offer concrete recommendations for action by federal, state, and local policymakers, and private-sector leaders seeking to continue shifting our economy back toward better-paying jobs. Those recommendations include the following:

- **Having more cities follow the lead of Los Angeles, San Francisco, and Seattle** by raising the minimum wage to \$15 at the local level, with phase-ins appropriate for their local costs of living and economies.
- **Helping the \$15 movement jump to the state level**, with New York and California leading the way, by adopting the nation's first statewide \$15 minimum wages.

- **Building support for a phased-in \$15 federal minimum wage**, as proposed by S. 1831/H.R. 3164.⁵
- Adopting \$15 minimum wages for **key low-wage industries** such as fast food, large retail, hotels, caregiving, property services, and airport workers, as several cities and two states (New York for fast-food workers and Massachusetts for Medicaid-funded home care workers) have done.
- **Issuing executive orders** or enacting wage laws raising the minimum wage to \$15 for businesses receiving taxpayer-funded contracts or subsidies. A growing number of mayors are taking such action, and President Obama should do the same by issuing a “model employer” executive order, as called for by the Good Jobs Nation campaign, encouraging the federal government to do business with contractors that pay their employees at least \$15 per hour and provide stable, quality jobs.⁶
- **Raising wages for low-paid city, state, or federal employees** to \$15, as growing numbers of public bodies are doing.
- **Raising private-sector pay scales to \$15**, as employers large and small have done.

For a regularly updated overview of the \$15 movement, including recent policy wins and current campaigns and proposals, visit <http://raisetheminimumwage.org/pages/movement-for-15>.

1 Who Makes Less Than \$15 per Hour in the United States?

A \$15 hourly wage generates annual earnings of \$31,200 for a full-time, year-round worker. While this represents a relatively modest pay rate, our analysis shows that a sizeable portion of U.S. workers earns less than this amount. In this section of the report, we take a look at which U.S. workers make less than \$15 per hour and what kinds of jobs they have. We analyze data from the Current Population Survey (CPS) and the Occupational Employment Statistics survey (OES), two of the main government surveys providing information on wages, hours, and earnings for U.S. workers (see Technical Appendix for details on data and methods). Our analysis includes both workers who are paid on an hourly basis and those paid salaries. For non-hourly workers, we use an hourly wage variable that is calculated using reported hours and weeks worked. (In other words, a worker who is paid at an hourly rate of \$15 and a full-time year-round worker who earns an annual salary of \$31,200 are understood to have equivalent earnings.) Our findings include the following:

- **Forty-two (42) percent of U.S. workers make less than \$15 per hour.**
- **Women and people of color are overrepresented in jobs paying less than a \$15 wage.** Female workers account for 54.7 percent of those making less than \$15 per hour while making up less than half of the overall U.S. workforce (48.3 percent). African Americans make up about 12 percent of the total workforce, and they account for 15 percent of the sub-\$15-wage workforce. Similarly, Latinos constitute 16.5 percent of the workforce, but account for almost 23 percent of workers making less than \$15 per hour.
- **More than half of African-American workers and close to 60 percent of Latino workers make less than \$15.**
- **About half (46.4 percent) of workers making less than \$15 per hour are ages 35 and older.**
- **Two states—Arkansas and Mississippi—have median wages of less than \$15 per hour.** Four other states—Tennessee, Montana, Kentucky, and South Dakota—have \$15 median wages.
- **Cashiers and retail salespersons are the two occupations that represent the greatest number**

of workers making less than \$15 per hour. Almost three million people working as cashiers and two million people working as retail salespersons fall in that category.

- **Food preparation and serving occupations have the greatest concentration of workers making less than a \$15 wage.** Other occupation groups in which such jobs are concentrated include farming, fishing, and forestry; personal care and service; building and grounds cleaning and maintenance; healthcare support; sales; and transportation and moving. In these occupations, more than 50 percent of workers make less than \$15 per hour.
- **Six out of the ten largest occupations with median wages less than \$15 also rank among the occupations projected to add the most jobs in coming years.** These are retail salespersons; combined food preparation and serving workers, including fast food; laborers and freight, stock, and material movers, hand; janitors and cleaners, except maids and housekeeping cleaners; nursing assistants; and personal care aides.
- **The top industries for sub-\$15 work are food services and drinking places, private households, agriculture, personal and laundry services, hotel/motel accommodation, retail trade, and administrative and support services.** In these industries, more than 60 percent of workers make less than \$15 per hour.

Demographics

Almost half of U.S. workers (42.4 percent) make less than \$15 per hour. Workers within certain demographic groups are more likely to be working in this low-wage category than are workers in other groups. As Figure 1.1 shows, more than half of African-American workers and close to 60 percent of Latino workers make less than \$15.

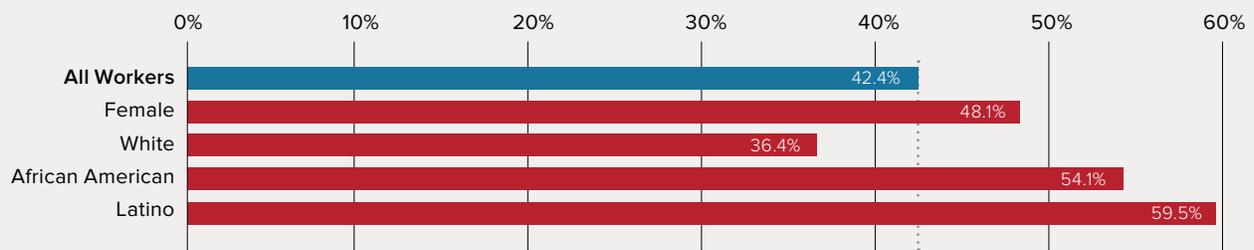
Female workers are overrepresented in the sub-\$15-wage workforce, accounting for 55 percent of those making less than \$15 per hour while making up less than half of the overall U.S. workforce. African Americans also hold a disproportionate number of sub-\$15-wage jobs. While they make up about 12 percent

of the total workforce, they account for 15 percent of the sub-\$15-wage workforce. Similarly, Latinos constitute 16.5 percent of the workforce, but account for almost 23.2 percent of workers making less than \$15 per hour. White workers make up 65 percent of the workforce and

55 percent of workers making less than \$15 per hour.

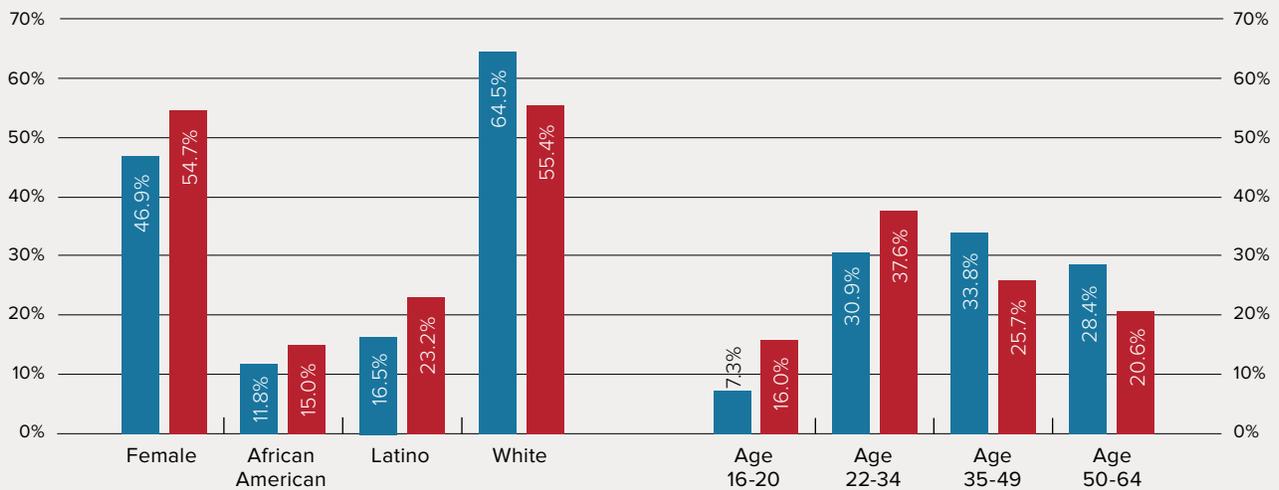
The concentration of workers making less than \$15 differs across states. Table B.1 in Appendix B shows the share of workers in each state who make less than \$15 per hour. Arkansas and Mississippi had the largest

Figure 1.1. Ratio of workers making less than \$15 wage within each demographic group



Source: NELP calculations from Current Population Survey Merged Outgoing Rotation Group files 2012-2014.

Figure 1.2. & 1.3. Share of workers in U.S. workforce and sub-\$15-wage workforce, by demographic group



■ As % of U.S. workers ■ As % of <\$15

Source: NELP calculations from Current Population Survey Merged Outgoing Rotation Group files 2012-2014.

shares of workers earning less than a \$15 wage, each with about half of all workers in this category.

The distribution of workers making less than \$15 per hour across occupation and industry

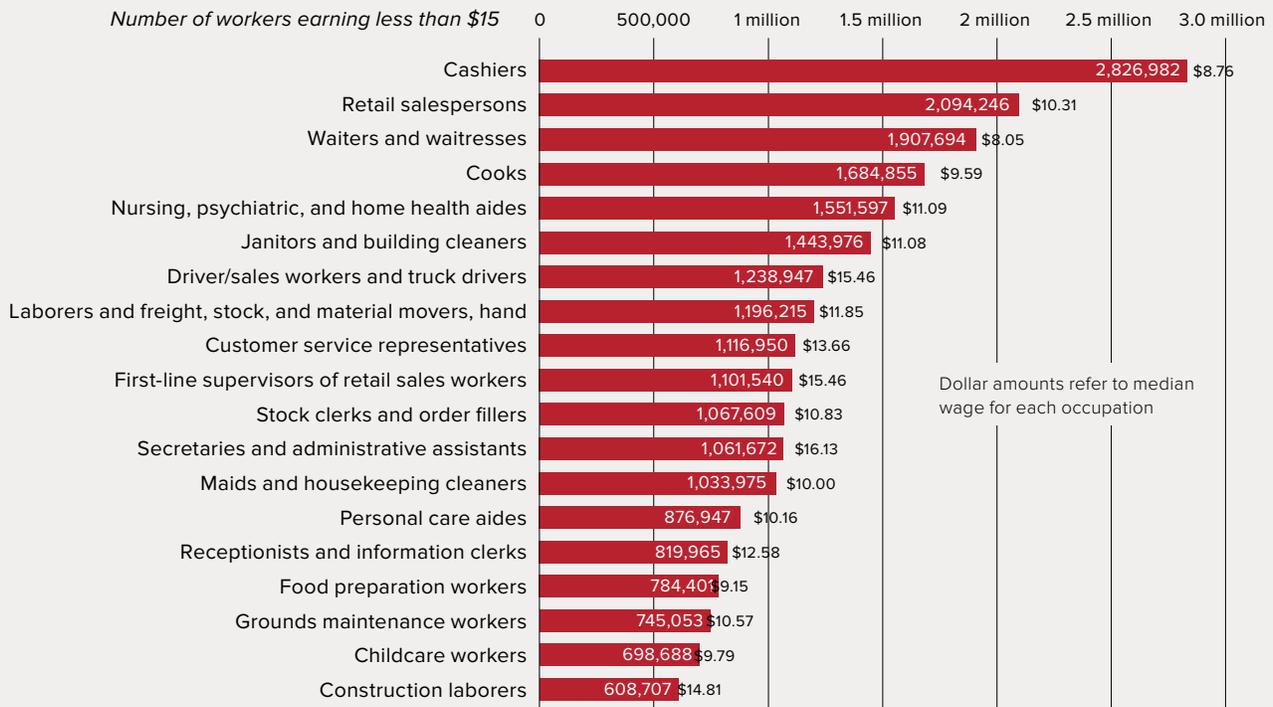
Certain occupations and industries have particularly high concentrations of sub-\$15-wage jobs. (An occupation refers to a specific task or set of tasks, while an industry refers to the type of firm for which a person works. A single occupation may be present in a range of industries. For example, the retail; food and drinking places; and arts, entertainment and recreation industries all employ cashiers.) While in general, people working in similar occupations earn similar wages, this isn't always the case. Production occupations, for example, can vary widely in compensation depending on what is being manufactured.

In what follows, we first look at the distribution of jobs paying less than \$15 by individual occupations, then by occupation groups (as classified by the Census), then by industries. Figure 1.4 ranks individual detailed occupations by the number of people earning less than \$15 in those occupations, while Table 1.1 shows the share of sub-\$15-wage workers in broad occupation groups. Table 1.2 ranks industries by the number of workers making less than \$15 per hour.

With more than 2.8 million workers making less than \$15, the category of cashiers tops the list of occupations with the most workers at that wage level (See Figure 1.4). The occupations with the next-largest number of workers meeting this criterion are retail salespersons and waiters and waitresses.

In Table 1.1, we show groups of occupations ranked by the percentage of workers making less than \$15 per

Figure 1.4. Occupations with the most workers earning less than \$15



Source: NELP calculations from Current Population Survey Merged Outgoing Rotation Group files 2012-2014.

Note: Wages used in calculation do not include overtime, tips or commission.

Table 1.1. Occupation groups with largest shares of workers earning less than \$15 per hour

Occupation group	% Earning <\$15	Median wage
1. Food preparation and serving-related occupations	88.3%	\$9.00
2. Farming, fishing, and forestry occupations	83.8%	\$10.00
3. Personal care and service occupations	77.9%	\$10.35
4. Building and grounds cleaning and maintenance occupations	75.2%	\$10.80
5. Healthcare support occupations	72.0%	\$12.00
6. Sales and related occupations	58.1%	\$12.65
7. Transportation and material moving occupations	54.9%	\$14.00
8. Production occupations	49.6%	\$15.00
9. Office and administrative support occupations	49.2%	\$15.00

Source: NELP calculations from Current Population Survey Merged Outgoing Rotation Group files 2012-2014.

hour. Food preparation and serving-related occupations have the largest share (88.3 percent) of workers earning less than a \$15 wage. Workers making less than \$15 are also concentrated in farming, fishing, and forestry occupations (83.8 percent), personal care and service occupations (77.9 percent), building and grounds cleaning and maintenance occupations (75.2 percent), and healthcare support occupations (72 percent).

Table 1.2 shows the industries ranked by the number of workers making less than \$15 per hour. Retail trade, food services and drinking places, and health care services rank the highest, followed by educational services, administrative and support services, and construction.

Table 1.2. Industries with the most workers earning less than \$15 per hour

Industry	% Earning <\$15	Median wage	Number earning <\$15
Retail trade	64.3%	\$12.00	9,154,364
Food services and drinking places	85.3%	\$9.00	7,060,948
Health care services, except hospitals	46.7%	\$15.46	4,102,837
Educational services	30.8%	\$19.84	3,692,583
Administrative and support services	62.3%	\$12.37	2,804,212
Construction	33.6%	\$18.04	2,267,696
Transportation and warehousing	37.0%	\$17.53	2,000,652
Hospitals	26.6%	\$22.00	1,598,111
Public administration	23.4%	\$22.20	1,490,715
Social assistance	57.9%	\$13.21	1,434,751
Arts, entertainment, and recreation	59.3%	\$12.50	1,416,391
Professional and technical services	17.5%	\$26.77	1,341,904
Wholesale trade	35.0%	\$18.29	1,088,304
Personal and laundry services	71.0%	\$11.30	1,074,261
Finance	24.7%	\$22.62	974,650
Food manufacturing	55.8%	\$14.02	895,816
Accommodation	66.9%	\$11.50	895,073
Agriculture	75.4%	\$10.16	777,301
Repair and maintenance	46.4%	\$15.24	688,878
Membership associations and organizations	38.9%	\$17.46	644,430
Real estate	38.0%	\$17.53	612,855
Private households	80.9%	\$10.16	556,493
Transportation equipment manufacturing	26.1%	\$21.05	549,908
Insurance	22.3%	\$22.00	500,015
Primary metals and fabricated metal products	33.3%	\$17.78	494,825

Source: NELP calculations from Current Population Survey Merged Outgoing Rotation Group files 2012-2014. Notes: All wages reported in 2014 dollars.

2 A Closer Look at Front-Line Occupations in Six Key Industries

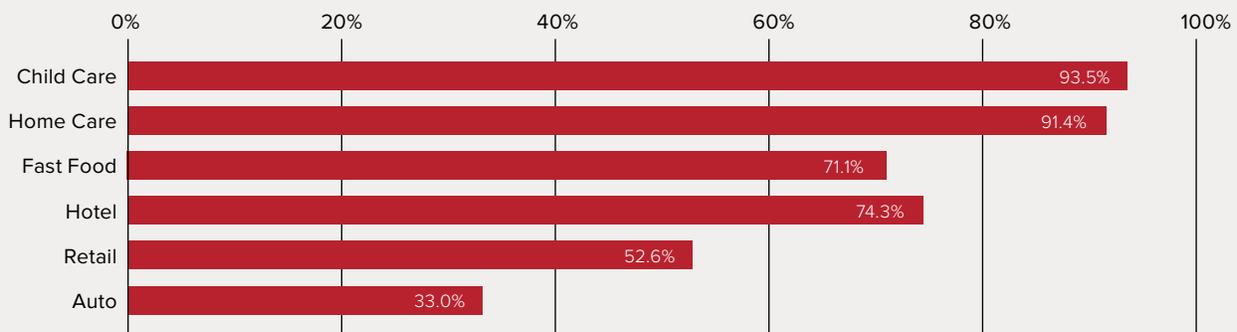
Our analysis to this point provides a broad overview of the distribution of the sub-\$15-wage workforce in the United States. But in order to gain a more precise understanding of wage levels for specific kinds of workers, we must take a closer look at groups of low-wage occupations within industries. In what follows, we focus on the following six industries: food services and drinking places (including fast food), retail, home care, automotive manufacturing, child care, and hotel/motel accommodation. We identify the largest, non-managerial occupations in these industries and define workers in these occupations as “front-line” workers in these industries.

In addition to wages, we look at unionization rates for front-line workers in these six industries, all of which have seen active union organizing campaigns in recent years. Union membership in the United States reached its peak in 1954, when 34.8 percent of all U.S. wage and salary workers belonged to unions.⁷ As of 2014, however, only 11.1 percent of the workforce belonged to unions, down from 20.1 percent in 1983.⁸

For the largest front-line occupations in restaurants/bars, retail, child care, auto manufacturing, home care, and hotel/motel accommodation, our findings include the following:

- Even after accounting for tips, more than four out of five (83.8 percent) front-line workers in all food service and drinking places make less than a \$15 wage.
- **The overwhelming majority—96 percent—of fast-food workers make less than \$15 an hour.**
- Likewise, four out of five workers in both retail and hotel/motel accommodation front-line occupations make less than \$15 per hour.
- Automotive manufacturing jobs have long been seen as well paid, but we find that **about half of front-line automotive manufacturing workers make below \$15.**
- Almost 90 percent of people working in home care and child care make less than \$15 per hour.
- **Front-line, low-wage jobs in these industries are predominately filled by women.** A majority of workers in these occupations—more than 70 percent of front-line workers in fast food, 74 percent in hotel/motel accommodation, and 53 percent in retail—are female.
- **Although front-line retail jobs are often seen as jobs held by young people, almost half of workers in these occupations are age 35 or older.**
- **Unionization rates are low—ranging from about 2 to 10 percent—for front-line workers in all six industries, with the exception of auto manufacturing, in which more than one in four workers are union.**

Figure 2.1. Share of jobs in front-line occupations filled by women, by industry



Source: NELP calculations from Current Population Survey Merged Outgoing Rotation Group files 2012-2014.

Food services and drinking places

According to the Bureau of Labor Statistics, 10.6 million people in the United States worked in the food services and drinking places industry in 2014.⁹ As we show above, this industry has the highest concentration of workers making less than \$15 per hour of any industry.

The largest non-managerial occupations in food services and drinking places are the following: wait staff, cooks, cashiers, food preparation workers, other preparation and serving-related workers, bartenders, hosts, chefs, and dishwashers. Table 2.1 shows earnings figures for these occupations; cashiers are the lowest paid, followed by dishwashers and food preparation workers. Less than two percent of front-line workers in this industry are unionized.

Even when accounting for tips, more than four out of five front-line restaurant workers make less than a \$15 wage. (Available data on tips combine earnings from tips, overtime, and commission. For restaurant workers, it is reasonable to assume that these figures primarily reflect earnings from tips.) Our findings show that while tips do provide some additional earnings—especially for wait staff and bartenders—hourly earnings are still low, even for these workers. Seventy-eight percent of wait staff and 65 percent of bartenders make less than \$15 per hour, including tips.

Table 2.1 Hourly earnings and unionization rates for front-line workers in all food service and drinking places, by occupation

	<\$15	<\$15 with tips	Median wage	Median wage with tips	Union
All front-line occupations	91.6%	83.8%	\$8.53	\$9.31	1.7%
Waiters and waitresses	92.5%	77.9%	\$8.00	\$10.00	
Cooks	91.2%	88.0%	\$9.26	\$9.56	
Cashiers	95.9%	93.7%	\$8.25	\$8.28	
Food preparation workers	94.1%	90.4%	\$9.00	\$9.18	
Other preparation and serving-related workers	94.8%	88.4%	\$8.28	\$8.80	
Bartenders	84.1%	64.7%	\$8.50	\$12.01	
Hosts and hostesses, restaurant, lounge, and coffee shop	66.1%	61.5%	\$12.24	\$12.94	
Chefs and head cooks	95.4%	89.8%	\$8.28	\$9.00	
Dishwashers	94.9%	92.5%	\$8.67	\$8.80	

Source: NELP calculations from Current Population Survey Merged Outgoing Rotation Group files 2012-2014. Notes: All wages reported in 2014 dollars. Available data on tips combine earnings from tips, overtime, and commission. The union column refers to the share of workers that are either members of a union or covered by a union contract.

Fast food

While wages are low throughout the restaurant industry, fast-food workers' wages rank the lowest. Table 2.2 reports earnings for the following fast-food-related occupations: cashiers, combined food preparation and serving workers, and counter attendants. The overwhelming majority—95 percent—make less than \$15 per hour. As a result, many workers rely on public assistance to make ends meet. A recent study showed that more than half of families of front-line fast-food workers are enrolled in public assistance programs; the

cost of public assistance to families of workers in the fast-food industry is nearly \$7 billion a year.¹⁰

As Table 2.3 shows, female workers, workers of color, and young workers are highly concentrated in front-line occupations at food service and drinking places, and even more so in fast-food jobs. Seventy-one percent of fast-food workers and 53 percent of all front-line workers at food service and drinking places are women. Twenty-one percent of fast-food workers and 12 percent of all front-line workers at food service and drinking places are African American.

Table 2.2. Hourly earnings and unionization rates for workers in fast food

	<\$15	Median wage	Union
All front-line occupations	95.9%	\$8.25	1.7%
Cashiers	95.6%	\$8.25	
Combined food preparation and serving workers	96.1%	\$8.15	
Counter attendants	96.9%	\$8.16	

Source: NELP calculations from Current Population Survey Merged Outgoing Rotation Group files 2012-2014. Note: All wages reported in 2014 dollars.

Table 2.3. Demographic characteristics of front-line workers in food service and drinking places

	Female	African American	Latino	White	Age 16-21	Age 22-34	Age 35-49	Age 50-64
All food services and drinking places	53.3%	12.0%	27.3%	52.6%	32.2%	40.0%	18.5%	9.2%
Fast food	71.1%	21.4%	26.2%	44.7%	54.4%	29.5%	11.0%	5.1%

Source: NELP calculations from Current Population Survey Merged Outgoing Rotation Group files 2012-2014.

Worker Profile: Dana Wittman, Subway, Kansas City, Missouri



Dana Wittman is a 38-year-old employee of Subway in Kansas City, Missouri. She has been working food preparation jobs for 20 years. Prior to working at Subway, she worked at Pizza Hut. At her current job at Subway, she makes an

hourly wage of \$8.75, taking home about \$720 each month. As a “sandwich artist,” she is responsible for greeting customers, making sandwiches, ringing customers up,

and keeping the store clean. In order to make ends meet, Dana skips meals and relies on payment plans for her rent and utility bills. Wittman says, “Winning \$15 and a union would mean I could finally support myself. I would feel like I was actually living my life, not just surviving. My fridge would be fully stocked and I would never have to skip meals.” Wittman has been on strike three times since she joined the \$15 movement a year ago. “I got involved because I was tired of living paycheck to paycheck and not being able to pay my bills. I knew if I didn’t stand up and fight, no one was going to do it for me.”

Worker Profile: Albina Ardon, McDonald's, Los Angeles, California



Albina Ardon has been working for McDonald's in Los Angeles for nearly 10 years. As a cashier and a crew member, she makes \$9.05 per hour. Her husband also works at McDonald's. They

have two children, a five-year-old son and a seven-year-old daughter. Ardon describes the difficulty in covering her expenses with both bread-winners in their family working at McDonald's: "My checks go toward rent, and [we try to cover] lights, phone, gas, transportation, and food on his checks, [but] it's hard." Like many other fast-food workers, they receive public assistance in the form of food stamps and Medicaid. Ardon highlights the shifts at her

workplace that have resulted from the \$15 movement: "Being part of this campaign has changed things at my store in a major way. Before the union, we rarely if ever received our 10 minute breaks or our checks on time. Since we have held actions and gone on strike, we have gotten our breaks and the owner has apologized publicly when our checks were late." After being arrested for civil disobedience as part of

"Since we have held actions and gone on strike, we have gotten our breaks and the owner has apologized publicly when our checks were late."

the campaign, Ardon says she felt proud. "It made me hopeful for the future. My son and daughter could see that I can make a difference for their lives and speak up for them."

Retail

Employing more than 1 in 10 people in the U.S. workforce, the retail sector plays a vital role in the U.S. economy¹¹ and retail sales rates serve as a closely watched indicator of the country's economic well-being. In 2014, more people in the United States worked as retail salespeople than in any other occupation, and the Bureau of Labor Statistics projects that the retail industry will be one of the leading producers of new jobs in the coming period.¹² Our study focuses on the four-largest non-managerial occupations in the retail trade; these include jobs typically associated with retailing, such as cashiers and salespersons, as well as back-of-the-house occupations such as stock clerks, laborers, and movers.

As Table 2.4 shows, almost 80 percent of these front-line workers make less than a \$15 wage, and only five percent are unionized. Table 2.5 shows that although front-line retail workers tend to be younger than the U.S. workforce overall, almost half are age 35 or older. As with many other low-wage occupations, women and

people of color are disproportionately represented.

In early 2015, several large retailers, such as Walmart, Target, and T.J. Maxx, announced their decisions to raise wages for their workers, with the new base-wage levels ranging between \$9 and \$10. While these raises represent an improvement, the new hourly pay rates still only amount to about \$20,000 in annual earnings for full-time, year-round employees. Moreover, low wages in retail are compounded by less-than-full-time hours and unpredictable schedules; retail workers report higher rates of involuntary part-time than many other industries.¹³ Although wages in this sector are low on average, there are notable examples of large and profitable retail companies, such as Costco, that pay higher rates. The starting wage at Costco is \$11.50 per hour, and the average wage is \$21 per hour; the retailer attributes its higher wages to lower employee turnover and higher customer satisfaction. Research has shown that Costco's sales per employee are almost double those of Sam's Club, Costco's low-wage competitor.¹⁴

Table 2.4. Hourly earnings and unionization rates of front-line retail workers, by occupation

	<\$15	Median wage	Union
All front-line occupations	79.9%	\$9.94	5.0%
Retail Salespersons	71.2%	\$10.35	
Cashiers	90.3%	\$9.00	
Stock clerks and order fillers	83.7%	\$10.10	
Laborers and freight, stock, and material movers, hand	80.2%	\$10.00	

Source: NELP calculations from Current Population Survey Merged Outgoing Rotation Group files 2012-2014. Note: All wages reported in 2014 dollars.

Table 2.5. Demographic characteristics of front-line workers in retail

Female	African American	Latino	White	Age 16-21	Age 22-34	Age 35-49	Age 50-64
52.6%	14.6%	17.9%	60.6%	23.8%	35.3%	20.7%	20.2%

Source: NELP calculations from Current Population Survey Merged Outgoing Rotation Group files 2012-2014.

Worker Profile: Fatmata Jabbie, Walmart, Northern Virginia



Fatmata Jabbie works as a cashier at a Walmart in Northern Virginia, earning \$8.40 per hour. Although she has asked her supervisors for full-time hours, her schedule remains inconsistent and often includes fewer hours than she needs. Some weeks she works 36 or 26 hours, while other weeks she works as few as 18 hours; her take-home pay is usually less than \$200 each week. Her unpredictable schedule also makes it difficult to arrange childcare for her four-year-old son and one-year-old daughter, or pursue an education for herself. Jabbie can't afford health care and pays out of pocket at the emergency room when necessary. She relies on food stamps, subsidized housing, and publicly subsidized childcare.

Home care

The home care workforce encompasses workers in two main occupations: home health aides and personal care aides. Both assist older adults or people with disabilities at their homes with personal care (assistance with eating, dressing, bathing, and toileting) and household services (meal preparation, shopping, light cleaning, and transportation). The number of home care jobs in the United States is projected to grow five times faster than jobs in all other occupations. About two million people currently work in home care, and the country will need an additional one million new home care workers by 2022.¹⁵

Our analysis shows that almost 90 percent of home care workers make less than \$15 per hour. Slightly over 10 percent are unionized (See Table 2.6). The home care workforce is overwhelmingly female (91 percent); one in three workers is African American, and one in five is Latino/a. Home care workers are slightly older than the

U.S. workforce as a whole, with 35 percent of workers age 50 or older.

Low wages for home care workers have profound implications beyond the workers and their families, driving alarmingly high turnover and burnout, jeopardizing critical services, and straining the home care system just as more and more Americans come to rely on its services.¹⁶ Several states and cities have recognized that raising wages for workers employed in such publicly funded programs also saves public funds by easing workers' reliance on public benefits and stemming the tremendous financial and human cost of recruiting and retraining what has been a constantly churning workforce. They have passed reforms such as New York's Wage Parity Act, which raised compensation for Medicaid-funded home care workers to \$14 per hour in wages and benefits.

Table 2.6. Hourly earnings and unionization rates of front-line home care workers

	<\$15	Median wage	Union
Home care workers	88.6%	\$10.00	10.6%

Source: NELP calculations from Current Population Survey Merged Outgoing Rotation Group files 2012-2014. Note: All wages reported in 2014 dollars.

Table 2.7. Demographic characteristics of front-line workers in home care

Female	African American	Latino	White	Age 16-21	Age 22-34	Age 35-49	Age 50-64
91.4%	33.5%	20.3%	38.9%	4.6%	30.5%	30.0%	35.0%

Source: NELP calculations from Current Population Survey Merged Outgoing Rotation Group files 2012-2014.

Auto manufacturing

For much of the 20th century, motor-vehicle manufacturing jobs anchored the blue-collar middle-class in the United States, paying wages that were higher than those earned by most private-sector workers. In recent decades, however, real (inflation-adjusted) wages have declined in the automotive sector, with a sharp acceleration after the collapse of the U.S. economy in 2008. Since then, U.S. auto production has rebounded, from a low of 5.7 million vehicles in 2009 to 11.1 million vehicles in 2013.¹⁷ Foreign and domestic companies have added 350,000 new jobs at their U.S. auto assembly and parts plants since 2009.¹⁸ With expanded production, the industry has seen steady increase to capital returns; several major automotive parts suppliers recently each completed over \$1 billion in share repurchases.¹⁹ However, average wages in the sector have continued to decline. Between 2003 and 2013, the real wage for

auto parts workers fell by 13.7 percent. As NELP’s past research has shown, during the recovery, many of the well-paying jobs that were lost during the crisis were replaced by lower-wage jobs, often non-union, outsourced, and/or staffed via employment agencies.²⁰

Almost three-quarters of a million people worked in automobile parts and assembly manufacturing in 2014. Our analysis includes workers from the largest production occupation category, “miscellaneous assemblers and fabricators.” As Table 2.8 shows, almost half these workers make below \$15, and slightly more than one in four are unionized. Auto workers are largely white (58.3 percent) or African American (28.4 percent), and male (67 percent). A majority—about three in five—are age 35 or older.

Table 2.8 Hourly earnings and unionization rates for front-line auto-manufacturing workers

	<\$15	Median wage	Union
Miscellaneous assemblers and fabricators	45.6%	\$15.30	28.7%

Source: NELP calculations from Current Population Survey Merged Outgoing Rotation Group files 2012-2014. Note: All wages reported in 2014 dollars.

Table 2.9. Demographic characteristics of front-line auto-manufacturing workers

Female	African American	Latino	White	Age 16-21	Age 22-34	Age 35-49	Age 50-64
33.0%	28.4%	7.8%	58.3%	3.9%	36.1%	35.8%	24.0%

Source: NELP calculations from Current Population Survey Merged Outgoing Rotation Group files 2012-2014.

Worker Profile: Letasha Irby, Lear Corporation, Selma, Alabama



“A lot has happened this year in Selma, Alabama, where I’ve worked for nine years at a plant that manufactures foam seat cushions for Hyundai. Tens of thousands of people came to

Selma to celebrate the 50th anniversary of Bloody Sunday and remember our town’s role in passing the Voting Rights Act, and millions more Americans learned the story by watching the award-winning movie *Selma*. When Oprah Winfrey came to town on Martin Luther King’s birthday, I listened to her speak from the steps of City Hall as she urged us to never forget how people had fought bravely 50 years ago to make a better life possible for so many today.

“But the fact is, the struggles in Selma are not just a thing of the past.

“Today, about 42 percent of people living in Selma are below the poverty line. The median income is half the average for Alabama as a whole—about \$22,500 a year. The vast majority of Selma residents—80 percent—are African American.

“I have two children—a 10-year-old boy and a four-year old little girl. I struggle to raise them on \$12.00 an hour—the same wage that most workers in my

plant make. On \$12.00 an hour, we can’t afford our own house. My kids and I share my mother’s house. I can’t save for college on \$12.00 an hour. On \$12.00 an hour, all I can do is pay the bills.

“When you make this little, the only way to earn enough money to provide for your family is to work all the overtime you can. At my plant, often you don’t have a choice. Lear operates six or sometimes even seven days a week, and it’s not unusual for a worker in the plant to work 60 or more hours a week. That’s a lot of time away from your kids. When I have to work those kinds of hours, it’s a constant juggling act. We shouldn’t have to choose between earning enough money to provide for our families, and having the time to actually be there for them.

“Even with all this, many people say a job at our plant is one of the best in town. But I know things can be better. I can appreciate what people went through many years ago when they fought for civil rights and voting rights. Now we’re fighting for workers’ rights. Since my co-workers and I started joining together to form our union, we’ve seen wages go up by almost \$1.00. That’s a start, but we have a long way left to go. For our parents and grandparents, a good manufacturing job—especially in auto—was a ticket to the middle class. Why should my generation of workers be any different?”

Child care

There are more than 800,000 child-care workers in the United States today, employed at child-care centers, pre-schools, family day cares, and in private households as “nannies.”²¹ Child-care wages in the United States have historically been low, and have failed to increase even as public understanding of the importance of quality early-childhood care and education has deepened. Many child-care providers employed in private households are excluded from coverage of labor protections, including federal minimum wage and overtime law, occupational health and safety protections, and the right to organize unions. In order to make ends

meet, child-care providers often rely on various forms of public assistance such as Medicaid, food stamps, and the earned income tax credit. A recent estimate suggests that some 46 percent of child-care workers rely on some form of public assistance and that the annual public cost of that assistance-program participation is \$1.3 billion.²²

As Table 2.10 shows, 85 percent of child-care workers make less than \$15 per hour. About six percent are union. The workforce is overwhelmingly female (93.5 percent). Fifty-nine percent are white, almost 15 percent are African American, and 21 percent are Latino/a.

Table 2.10. Hourly earnings and unionization rates of front-line child-care workers

	<\$15	Median wage	Union
Child-care workers	85.1%	\$9.83	5.7%

Source: NELP calculations from Current Population Survey Merged Outgoing Rotation Group files 2012-2014. Note: All wages reported in 2014 dollars.

Table 2.11. Demographic characteristics of child-care workers

Female	African American	Latino	White	Age 16-21	Age 22-34	Age 35-49	Age 50-64
93.5%	14.9%	21.4%	58.4%	26.0%	30.1%	23.2%	20.7%

Source: NELP calculations from Current Population Survey Merged Outgoing Rotation Group files 2012-2014.

Worker Profile: Kendra Liddell, Seattle, Washington



Kendra Liddell lives in Seattle, Washington and currently earns \$11 per hour working at a child-care center caring for children ages one to five. She started at the center two years ago, first teaching in pre-K classrooms and now working in all of the classrooms with all age groups. Earning low wages has meant that Liddell struggles to take care of bills each month and to pay for basic necessities such as food and

toiletries for her family. She has a five-year-old son, for whom she can't afford to pay for activities like going to a baseball game or trips to the zoo. Liddell believes that her supervisors at the child-care center are doing their best to support her and her co-workers, but she has joined with other workers to call for union representation because she believes a union would give them a greater voice to fight for more resources and support. According to Liddell, such resources would not only allow child-care workers to make ends meet, but also to improve the quality of the care they are able to provide.

Hotel/motel accommodation

The hotel business in the United States is booming, with record profits in recent years and 2014 seeing the highest levels of rooms booked ever.²³ One industry analyst recently noted, “We have not seen...such strong and sustained profit growth in the 78 years [this firm] has been tracking the U.S. lodging industry.”²⁴ Although hotel profits are soaring and room occupancy rates are at all-time highs, wages for front-line staff remain low. We look at hourly earnings for the four-largest

non-managerial occupations: maids and housekeepers; hotel, motel and resort desk clerks; waiters and waitresses; and janitors and building cleaners. We find that more than 8 out of 10 workers in front-line occupations make less than \$15 per hour. Less than 1 in 10 are unionized. Three out of four workers are female. More than one in three workers is Latino/a, and about one in five is African American. More than half of front-line hotel/motel workers are over the age of 35.

2.12. Hourly earnings and unionization rates for front-line hotel workers

	<\$15	Median wage	Union
All front-line occupations	83.5%	\$10.00	9.5%
Maids and housekeeping cleaners	86.8%	\$9.44	
Hotel, motel, and resort desk clerks	78.9%	\$10.14	
Waiters and waitresses	85.6%	\$9.18	
Janitors and building cleaners	72.9%	\$11.25	

Source: NELP calculations from Current Population Survey Merged Outgoing Rotation Group files 2012-2014. Note: All wages reported in 2014 dollars.

2.13. Demographic characteristics of front-line hotel workers

Female	African American	Latino	White	Age 16-21	Age 22-34	Age 35-49	Age 50-64
74.3%	18.6%	36.4%	34.0%	8.1%	33.6%	33.2%	25.1%

Source: NELP calculations from Current Population Survey Merged Outgoing Rotation Group files 2012-2014.

3 \$15 Wage Policies: Economic Research and Case Studies

In just three years since its inception, the \$15 movement has had far-reaching results. With workers, employers, and policymakers across the country joining in, it has spurred policymakers and activists to propose larger minimum wage increases than ever before, led to a growing number of city and state \$15 wage increases and related policies, and inspired a growing number of businesses to raise pay for their workforces. Workers across the country have won pay increases through a variety of methods: ballot initiatives, ordinances approved by local officials, collective bargaining, executive orders or wage orders, and voluntary changes to employers' pay scales.

The most significant policy results have been the wave of action in major U.S. cities and some states to adopt minimum wages of up to \$15, and the introduction of a federal bill to raise the nation's wage floor to that same level. All of this began in November 2013 in SeaTac, Washington, when voters approved a ballot initiative to increase the minimum wage to \$15 for workers in travel and tourism industry jobs associated with the SeaTac International Airport. The SeaTac action, in turn, sparked a campaign in neighboring Seattle for the nation's first citywide \$15 minimum wage, which its city council unanimously approved in June 2014. A few months later, San Francisco became the third and largest city to approve a \$15 minimum wage in November 2014, when 77 percent of city voters backed a ballot measure raising pay for 23 percent of the city's workforce. In June 2015, Los Angeles became the largest U.S. locality to approve a \$15 minimum wage, which will deliver raises to approximately 41 percent of its workforce, followed by Los Angeles County in July 2015.

In September 2015, New York State became the first state to raise the wage to \$15 when the state labor commissioner approved a wage order raising fast-food worker pay to \$15 by 2018 in New York City, and by 2021 statewide. As of this writing, the \$15 movement is in the process of jumping fully to the state level as New York State and California consider the first statewide \$15 minimum wages. Other localities, such as Washington, D.C, are proposing to join the ranks of \$15 minimum wage cities, and Massachusetts is holding hearings on a \$15 state minimum wage for fast-food and retail workers at large stores.

In some jurisdictions, policy action has taken other forms. Cities such as Syracuse, New York; Greensboro, North Carolina; and Portland, Oregon have adopted laws or policies raising pay to \$15 for city employees and/or employees of city contractors. New York City Mayor Bill de Blasio issued an executive order raising pay and benefits to \$15 for employers operating at city-subsidized economic development projects. And Massachusetts Governor Charlie Baker negotiated a \$15 minimum wage for Medicaid-funded home care workers in the state.

A wider range of public bodies and institutions, from the Los Angeles Unified School District to Multnomah County, Oregon to Baltimore's Johns Hopkins Hospital have raised wages for low-paid employees to \$15 through collective bargaining agreements. And in the private sector, major employers like Aetna have announced that they are raising their pay scales—a step that boosts wages for 5,700 at the insurance giant alone, where minimum pay is now \$16 per hour.

Tables 3.2 and 3.3 list existing laws and campaigns currently underway in cities and states for minimum wage rates of around \$15. And Table 3.4 lists employers who have voluntarily increased their base pay to \$15 or more.

The public strongly backs this trend toward more significant wage increases of up to \$15. A January 2015 poll by Hart Research Associates, commissioned by NELP, found that nearly two in three voters (63 percent) support raising the federal minimum wage to \$15 per hour by 2020²⁵—including a solid majority of Independents (61 percent) and two in five Republicans (40 percent).²⁶ This support includes a majority (56 percent) of Americans living in states that voted for Mitt Romney in the 2012 elections, and strong margins in all regions of the country: 73 percent in the Northeast, 60 percent in the South, and 61 percent each in the Midwest and West.

Another national poll of low-wage workers who are paid less than \$15 per hour found that 75 percent support a \$15 wage floor and a union. The poll, which was commissioned by NELP and released by Victoria Research in October 2015, found that support was particularly strong in the South (77 percent) and among both men (73 percent) and women (76 percent).²⁷

Local polls show similar results. In California, an August 2015 survey of public opinion by Field Research Corporation found 68 percent support for a state minimum wage of \$15 by 2021.²⁸ And in New York, two polls conducted by different pollsters at different times—a September 2015 Quinnipiac University poll and an October 2015 Siena College poll—both found 62 percent statewide support for a \$15 minimum wage in the state.²⁹

Economic research and modeling demonstrate the need for and feasibility of \$15 wage floors

Economic research shows that low-wage workers need at least \$15 per hour to meet basic needs, and that

low-paying jobs can be manageably transitioned to \$15 wages.

Cost-of-living analyses show that, just about everywhere in the United States, a single low-wage worker will need approximately \$15 per hour—and in most states and cities a good deal more—by the early 2020s to cover basic living costs. And workers supporting families need more still. For example, by 2020, the basic-needs wage for single individuals in cities like Houston and Buffalo will be about \$15 per hour, while in higher-cost cities like Washington, D.C., the basic-needs wage is already well above \$15 today and will be an estimated \$22.80 by 2020. Single parents raising just one child will need to earn a much higher wage: \$26.95

Table 3.1. Basic-needs wage for selected cities, 2014-2020 (Metropolitan Statistical Areas, or MSA), by household type³⁰

City (MSA)	Household	2014	2015	2016	2017	2018	2019	2020
Bakersfield, CA	Single Adult	\$14.07	\$14.35	\$14.64	\$14.93	\$15.23	\$15.53	\$15.84
	With 1 Child	\$22.68	\$23.13	\$23.59	\$24.07	\$24.55	\$25.04	\$25.54
Phoenix, AZ	Single Adult	\$13.55	\$13.82	\$14.10	\$14.38	\$14.67	\$14.96	\$15.26
	With 1 Child	\$23.12	\$23.58	\$24.06	\$24.54	\$25.03	\$25.53	\$26.04
Colorado Springs, CO	Single Adult	\$12.93	\$13.19	\$13.45	\$13.72	\$14.00	\$14.28	\$14.56
	With 1 Child	\$23.93	\$24.41	\$24.90	\$25.40	\$25.91	\$26.42	\$26.95
Houston, TX	Single Adult	\$13.37	\$13.63	\$13.91	\$14.18	\$14.47	\$14.76	\$15.05
	With 1 Child	\$21.79	\$22.23	\$22.67	\$23.13	\$23.59	\$24.06	\$24.54
Minneapolis, MN	Single Adult	\$13.09	\$13.35	\$13.62	\$13.89	\$14.17	\$14.45	\$14.74
	With 1 Child	\$25.73	\$26.24	\$26.76	\$27.30	\$27.85	\$28.40	\$28.97
Chicago, IL	Single Adult	\$15.06	\$15.37	\$15.67	\$15.99	\$16.31	\$16.63	\$16.96
	With 1 Child	\$25.37	\$25.88	\$26.40	\$26.93	\$27.46	\$28.01	\$28.57
Buffalo, NY	Single Adult	\$13.48	\$13.75	\$14.03	\$14.31	\$14.60	\$14.89	\$15.19
	With 1 Child	\$24.85	\$25.35	\$25.86	\$26.37	\$26.90	\$27.44	\$27.99
Baltimore, MD	Single Adult	\$16.34	\$16.67	\$17.00	\$17.34	\$17.69	\$18.04	\$18.41
	With 1 Child	\$28.43	\$29.00	\$29.58	\$30.17	\$30.77	\$31.39	\$32.02
Washington, DC	Single Adult	\$20.25	\$20.65	\$21.07	\$21.49	\$21.92	\$22.36	\$22.80
	With 1 Child	\$37.82	\$38.58	\$39.35	\$40.14	\$40.94	\$41.76	\$42.60

hourly in Colorado Springs, \$28.97 in Minneapolis, and \$42.60 in the District of Columbia (see Table 3.1).

There is also growing support among economists for phasing minimum wages up to \$15. More than 200 economists, including leading researchers at the University of Massachusetts, have endorsed a \$15 federal minimum wage by 2020, finding that raising the minimum to \$15 an hour “will be an effective means of improving living standards for low-wage workers and their families and will help stabilize the economy. The costs to other groups in society will be modest and readily absorbed.”³¹

The bulk of rigorous research on the minimum wage over the past two decades shows that the federal, state, and local wage increases that have been examined have had little adverse effect on employment levels. This is best illustrated by “meta-studies” that survey and aggregate the findings of scores of studies of the impacts of higher minimum wages. The two leading meta-studies—by economists Hristos Doucouliagos and T.D. Stanley (2009) and Dale Belman and Paul Wolfson (2014)—show that the vast majority of recent studies find minimum wage increases have little to no effect on employment levels or job growth.³²

Newly passed \$15 laws in cities like Seattle, San Francisco, and Los Angeles, however, raise wages more than previous policies analyzed in the meta-studies. And because these laws have not been fully phased in, no empirical analyses have yet been possible. However, economists have developed models for analyzing their impact—models that show the benefits of such substantially higher wages.

Under contract with the City of Los Angeles, researchers at the University of California, Berkeley developed a state-of-the-art model to estimate the employment impact of the city’s proposed \$15 minimum wage. They found that a \$15 minimum wage would raise pay for approximately 41 percent of the Los Angeles workforce, delivering an average raise of \$4,800 per worker per year (in 2014 dollars) and boosting workers’ spending by \$1.36 billion by 2017 and \$2.38 billion by 2019. On the employer and job-impact side, the analysis shows that, after being gradually phased in, the \$15 wage would have little impact on total employment, and business

operating costs would rise by just 0.9 percent by 2019.³³

Michael Reich, a University of California economist and one of the authors of the Los Angeles study, summarized in testimony before the Massachusetts legislature the substantial benefits of a \$15 minimum wage for low-wage workers, and the manageable costs, as follows: “We conclude that a \$15 minimum wage range mainly generates a substantial income increase to low-wage workers that is mainly paid for by a small increase in prices paid by consumers. The beneficiaries are primarily in lower income households, while the small costs are felt primarily by the larger number of middle- and higher-income households. Moreover, the minimum wage benefits will be concentrated in low-income neighborhoods and the costs will be felt disproportionately in more affluent neighborhoods.”³⁴

Similarly, economists Robert Pollin and Jeannette Wicks-Lim recently analyzed how employers in the fast-food industry—one of the major low-paying industries—would adjust to a \$15 wage.³⁵ They found that the costs of transitioning to this higher pay scale could be covered without any net reduction in fast-food employment, through a combination of four types of offsets: substantial savings from reduced employee turnover; moderate price adjustments; allocating a slightly larger share of projected industry sales growth (which averages 2.5 percent per year) to labor costs rather than profits; and redistributing a higher portion of overall revenues within firms to cover labor costs.³⁶

In cities that have adopted high minimum wages, predicted layoffs have not occurred

Reports from cities that have adopted significantly higher minimum wages in recent years have shown that higher wages have been manageable for businesses and have not led to layoffs or slowed job growth. In both San Jose and San Francisco, jobs in the restaurant industry grew faster after the minimum wage was increased, than they did in surrounding cities and counties that did not raise wages. In San Jose, The Wall Street Journal reported, “Fast-food hiring in the region accelerated once the higher wage was in place. By early [2014], the pace of employment gains in the San Jose area beat

the improvement in the entire state of California.³⁷ Similarly, in San Francisco, University of California researchers found that restaurant employment grew 17.7 percent, faster than in the other Bay Area counties.³⁸

The experience of SeaTac, Washington—the first city in the United States to transition to a \$15 minimum wage—is similar. In the run-up to the November 2013 elections, when the \$15 ballot question would be decided, some local businesses had predicted layoffs and expansion-plan cancellations, as the proposed wage increase would represent a 63 percent boost in the minimum wage and would not be phased in. However, a year after the higher wage was approved and implemented,³⁹ the Puget Sound Business Journal reported that the “[o]nce controversial \$15-an-hour minimum wage [is] now a shoulder shrug in SeaTac.”⁴⁰

SeaTac hotelier Scott Ostrander, owner of Cedarbrook Lodge and a leading opponent of the measure, had testified in 2013, “I am shaking here tonight because I am going to be forced to lay people off...I’m going to take away their livelihood...And what I’m going to have to do on January 1 [2014] is to eliminate jobs, reduce hours.”⁴¹ However, after the \$15 wage took effect, he instead went ahead with a \$16 million hotel expansion, adding 63 rooms and a spa, and expanding his workforce, rather than reducing it.⁴² Similarly, Roger McCracken, managing partner of MasterPark—another business opposed to the wage increase—warned he would be forced to replace workers with automation if the \$15 minimum wage was adopted. Instead, after the new minimum wage went into effect, he implemented a modest service surcharge of less than a dollar, did not cut jobs, and became known for advertising the new \$15 wage as a means of recruiting employees, explaining that layoffs would be “foolish.”⁴³

Seattle itself is now in the process of phasing in its \$15 minimum wage, and initial signs are positive. For example, the Seattle region’s unemployment rate hit an eight-year low of 3.6 percent in August 2015, significantly lower than the state unemployment rate of 5.3 percent.⁴⁴ And in a front-page story titled “Apocalypse Not: \$15 and the Cuts that Never Came,” the Puget Sound Business Journal reported on “The minimum wage meltdown that never happened,” explaining that

Seattle’s restaurant industry has continued to expand and thrive as the \$15 wage phases in.⁴⁵ King County, where Seattle is located, is well on its way to breaking last year’s record for the number of business permits issued to food service establishments.⁴⁶

Seattle business owners, who have previously and publicly opposed the \$15 minimum wage, are in the process of expanding operations. One of the leading opponents, restaurateur Tom Douglas, had predicted, “I don’t know that [a \$15 minimum wage] would put us out of business, but I would say we lose maybe a quarter of the restaurants downtown.”⁴⁷ “Douglas has now changed his mind about the law, saying he was ‘naive’ to think that restaurants would raise pay on their own,” reports the Puget Sound Business Journal. One of Douglas’s top chefs is quoted praising the \$15 minimum wage as “legitimiz[ing] cooking as a craft.” After the law began to phase in, Douglas launched a new restaurant, the latest addition to his more than one dozen restaurant empire, and invested half-a-million dollars in a new cooking school.⁴⁸ Many other Seattle restaurateurs have done likewise, expanding operations as Seattle’s restaurant industry has continued to boom.⁴⁹

The experiences of cities that have begun phasing in significantly higher minimum wages illustrate that, despite their reservations when minimum wage increases are proposed, businesses have generally found raising pay manageable, and predicted cut backs have not materialized.

Case Study: Johns Hopkins

In many small- and medium-sized cities with a significant higher education presence, universities and their affiliated institutions—in particular medical centers—are often the most powerful drivers of the local economy. Johns Hopkins University and the affiliated Johns Hopkins Medicine (JHM) in Baltimore is one such example. Collectively, Johns Hopkins–affiliated institutions employ more than 33,000 people in the city and account for nearly \$4 billion in economic activity.⁵⁰ Johns Hopkins Medicine itself is the largest single employer in the City of Baltimore and one of the State of Maryland’s largest private employers.⁵¹

So when 2,000 housekeepers, food service workers,

nurses assistants, and other caregivers at JHM’s Johns Hopkins Hospital—inspired by fast-food workers—went on strike for a \$15 wage in the spring of 2014, it was significant news not only in Baltimore but around the nation. The workers, members of SEIU 1199 United Healthcare Workers East, earned as little as \$10.71 per hour⁵² working for an institution that opened a \$1 billion medical complex in 2012 and provided its CEO over \$15 million in compensation in 2013.⁵³

Hospital employee Melvinna Alford, who cleans rooms, assists nurses, and transports patients, told the Baltimore Sun, “We just want to be able to take care of our families.”⁵⁴

After a three-day strike in April, a Mother’s Day march and rally attended by 3,500 Hopkins employees and supporters (including the actor Danny Glover),⁵⁵ the threat of another strike in late June, and the intervention of then Maryland Governor Martin O’Malley,⁵⁶ the hospital workers won a significant victory. The contract they signed in July 2014 will give every worker with 15 years’ experience a \$15 wage by 2017, and ensure that all workers employed in the unit will earn a least \$13 per hour by 2018.⁵⁷

Given Johns Hopkins’ massive presence and clout in the City of Baltimore, observers have predicted that the increase will not only impact wages at other local medical facilities but also effectively raise wages in the city as a whole.⁵⁸

The Hopkins victory—in the relatively small, post-industrial city of Baltimore—represents a major advance for a \$15 movement whose biggest wins thus far have been confined to big cities and the West Coast.

Case Study: Aetna

The growing \$15 movement has not only made significant progress through policy campaigns and collective bargaining—it has also inspired some large companies to re-think their pay scales.

In January 2015, Mark Bertolini, CEO of insurance giant Aetna, announced plans to boost the company’s minimum pay to \$16 per hour, giving 5,700 employees a pay increase of up to 33 percent.⁵⁹ Asked why he made the move, Bertolini echoed the demands of fast-food,

retail, and other workers who have protested low pay.

“Here we are a Fortune 50 company and we’re about to put these people into poverty, and I just didn’t think it was fair,” he told CNBC. In the interview, Bertolini indicated that many of Aetna’s workers are single mothers who have had to rely on food stamps and Medicaid because they could not afford Aetna’s health-care plans on their low wages.⁶⁰

Bertolini also cited the benefits to Aetna’s business. Employees impacted by the increase include those in customer service, claims administration, and billing—people who are “the face of the company to customers every day,” according to the company’s press release.⁶¹

“We’ve sort of destroyed business after business in this country by looking at spreadsheets with numbers we call truth,” Bertolini said. “Instead, let’s look at the potential benefits we could derive, hard and soft, as a result of this investment.”

Aetna’s pay is evidence both that big business can absorb such increases and that there is a significant benefit to business that comes from paying higher wages. It remains to be seen how many of Bertolini’s fellow Fortune 500 CEOs will get the message.

Case Study: Seattle Minimum Wage

More U.S. cities and counties than ever before—and even a growing number of states—are fighting poverty locally by raising the minimum wage. With eight localities acting in 2015 alone, today more than 28 cities and counties have adopted higher local minimum wages.⁶² And buoyed by the \$15 movement, more major cities are adopting higher minimum wages than ever before, demonstrating that it is feasible to transition local economies to significantly higher wages of up to \$15. Seattle is at the forefront of that movement as the first major city to have adopted a \$15 minimum wage. The effort actually began in SeaTac, a Seattle suburb that is home to the city’s airport. Like many airports across the country, workers at the Sea-Tac International Airport had seen their formerly well-paying jobs turn into low-wage ones, as airline companies increasingly contracted out their work. Alex Hoopes, an airport worker with 20 years of experience who earned \$21 per hour in

2005 as a baggage handler for Alaska Airlines, told the Seattle Post-Intelligencer that his pay fell to \$9.50 per hour working for a contractor.⁶³

A broad coalition, including SEIU 775, a local SEIU health-care union, led a ballot initiative campaign to establish a \$15 wage floor for airport and airport-related jobs. The organizing to pass the ballot initiative was deep and sustained. In a town with just 12,000 registered voters, volunteers knocked on doors 40,000 times.⁶⁴ By a narrow margin, the initiative passed—raising pay for nearly 6,000 airport, hotel, car rental, and other workers.⁶⁵

Lifted by the success of this initiative, the coalition proposed a \$15 wage for Seattle and helped make the proposal a centerpiece in the city’s 2014 mayoral race. The “\$15 question” was raised in almost every major candidate forum and event, prompting then-candidate Ed Murray to endorse the idea. The fast-food worker movement, which had elevated the debate on wages nationally and in Seattle, prompted a race to the top—with candidates eager to support the movement and the idea of a \$15 minimum wage. Once elected, Mayor Murray appointed a business-labor taskforce to figure out how the city could get to \$15 per hour. Appointing both David Rolf, the president of SEIU 775, and business leader Howard Wright, the founder of the Seattle Hospitality Group, Mayor Murray gave the taskforce four months to hammer out a proposal.⁶⁶ The taskforce settled on a compromise proposal that would phase in a \$15 minimum wage more slowly for smaller businesses than for larger ones, and would allow employers to count some portion of tips and health-care benefits in calculating the minimum wage—but only temporarily. With community groups and significant segments of the business community supporting the proposal, in June 2014, Seattle’s city council unanimously approved the taskforce proposal.

As the first city to adopt a plan to transition to a \$15 wage, Seattle set an example for the nation’s other major cities. Shortly after Seattle, in November 2014, San Francisco voters approved raising that city’s minimum wage to \$15 by 2018. In December 2014, under Mayor Rahm Emanuel, Chicago approved a \$13 minimum wage after the \$15 movement created significant

local pressure for strong wage action. In June 2015, Los Angeles became the largest city to approve a \$15 minimum wage for approximately 41 percent of its workforce, followed by Los Angeles County in July and New York State in September for fast-food workers. And other jurisdictions—such as Washington D.C. and New York State and California—are also considering \$15 proposals.

Case Study: New York State’s \$15 Fast-Food Minimum Wage

It was in New York State—the birthplace of the \$15 movement—that the push for \$15 minimum wages jumped to the state level, when a state wage board approved the nation’s first \$15 state minimum wage covering fast food industry workers. It all started in 2012, when 200 fast food workers from New York City walked off their jobs, making the case that they could not survive on \$7.25 (then the state’s minimum wage), that poverty wages were costing state taxpayers millions, and that the highly profitable multi-nationals that dominate their industry could afford to do much better. But those companies were slow to raise pay, and the Republican-controlled state senate continued to block action on raising the state’s minimum wage.

In May 2015, Governor Andrew Cuomo responded to calls for action by instructing his labor commissioner to convene a wage board to address fast-food worker wages. New York is one of a group of states with minimum wage systems that authorize the state labor commissioner to use a wage board to study worker conditions and order minimum wage increases where they find current wages are too low. Dating from the New Deal era, these wage boards were intended to take the minimum wage out of politics and allow wages to be set based on worker needs, not political horse-trading. The wage board appointed by New York’s labor commissioner held hearings across the state and received testimony from workers, employers, economists and other experts. Based on the testimony received, it recommended raising the minimum wage for employees at fast-food chains to \$15 by 2018 in New York City and 2021 statewide. The wage board’s recommendation, which was approved by the state labor commissioner

in September 2015, is now being implemented, with the first increase scheduled to take effect in 2016. What's more, the momentum from approving the \$15 increase for fast-food workers has led the state and Governor Cuomo to propose increasing the statewide wage to \$15 for workers in all industries—the likely next significant jump in the \$15 movement.

Case Study: Portland Public Workers

Cities have long been ground zero for the living wage movement, the site of numerous campaigns over the past two decades focused on ensuring that taxpayer dollars, which pay the salaries of city employees and subcontracted workers, fund decent jobs.

But even with all the successes of this movement, the recent approval of a \$15 wage for public workers in two separate jurisdictions in Oregon (Multnomah County and the City of Portland) is momentous.

Multnomah County was first. In November, 2014, AFSCME Local 88 reached an agreement with the county on a new contract that will lift the minimum wage for covered employees to \$15 by mid-2016.⁶⁷ Not content to stop there, AFSCME suggested that the county extend the \$15 minimum to all county workers, not just unionized ones—and in early December 2014 the county Board of Commissioners voted to do just that. The decision will impact nearly 400 city employees, in addition to the 150 unionized employees who

will see their wages rise to \$15, and makes Multnomah the first county and largest public employer in Oregon to adopt a \$15 wage.⁶⁸

In the City of Portland, the increase to \$15 came in February 2015 via a 5-0 vote by the city council to raise its minimum wage for full-time city workers and contracted workers.

The vote was the result of pressure by \$15 Now Portland, which has ties to activists in Seattle who orchestrated that city's campaign for a \$15 minimum wage, and the local Jobs with Justice chapter, which spearheaded the original version of the city's "Fair Wage Policy." The city's labor unions had also pushed the increase.

Most of the workers who will be affected are janitors, parking attendants, and security officers employed by contractors covered by the Fair Wage Policy. Left out were 1,800 seasonal and part-time Parks Bureau employees, but the council agreed to commission a study on extending the increase to these workers.

Inspired by and following on the heels of the victory in Seattle, the Multnomah and Portland measures have solidified the Pacific Northwest's role as the vanguard of the Fight for \$15. And more wins may be coming: a ballot initiative for a statewide \$15 minimum wage has been filed for the November 2015 election.

Table 3.2. Existing \$15 Minimum Wage Laws

Jurisdiction	Wage & Phase-In Year	Legislation or Initiative	Year Adopted	Status	Impact: Workers / Workforce %
New York State - Fast Food	\$15.00 (Dec. 2018 for NYC & July 2021 state-wide)	Administrative	2015	<i>Approved by the state wage board</i>	136,000
Massachusetts - Home Care	\$15.00 (2018)	Administrative	2015	<i>Agreement announced</i>	35,000
Los Angeles City (CA)	\$15.00 (2020)	L	2015	<i>Passed into law</i>	609,000 / 41%
Los Angeles County (CA)	\$15.00 (2020-21)	L	2015	<i>Passed into law</i>	
San Francisco (CA)	\$15.00 (2018)	I	2014	<i>Approved by the voters</i>	142,000 / 23%
Seattle (WA)	\$15.00 (2017-2021)	L	2014	<i>Passed into law</i>	102,000 / 23%
SeaTac (WA)	\$15.00 (2014)	I	2013	<i>Approved by the voters</i>	
Mountain View (CA)	\$15.00 (2018)	L	2015	<i>Passed into law</i>	
Emeryville (CA)	\$15.00 (2018)	L	2015	<i>Passed into law</i>	

Table 3.3. Current \$15 Minimum Wage Proposals

Jurisdiction	Wage & Phase-In Year	Legislation or Initiative	Status	Impact: Workers / Workforce %
Federal	\$15.00 (2020)	L	S.1831/H.R. 3164 introduced by Sen. Sanders & Rep. Ellison	
New York	\$15.00 (2021 state-wide, 2018 in NYC)	L	Gov. Andrew Cuomo has launched a campaign for a \$15 minimum wage in the legislature	3 million / 37%
California	"\$15.00 (2021) or \$15.00 (2020 > 25 EEs, 2021 < 25 EEs)"	I	Two separate \$15 initiatives filed for Nov. 2016 election. One simply raises the minimum wage, while the other also includes expansion of CA's paid sick days law	
Washington (DC)	\$15.00 (2020)	I	Proposed ballot initiative filed for Nov. 2016 election	
Massachusetts	\$15.00 (for fast food & big retail)	L	Legislation filed for \$15 for fast food and big retail, similar to New York increase	
Oregon	"\$13.50 or \$15.00 (2019)"	I	\$13.50 and \$15 ballot initiatives filed for Nov. 2016 election	
Missouri	\$15.00	I	Proposed ballot initiative filed for Nov. 2016 election	
Olympia (WA)	\$15.00	I	Proposed ballot initiative	
Sacramento (CA)	\$15.00	I	Proposed ballot initiative	
Davis (CA)	\$15.00	I	Proposed ballot initiative	
Pasadena (CA)	\$15.00	L	City Council recommendation	15,000 / 15%
Palo Alto (CA)	\$15.00 (2018)	L	Passed \$11 by 2016, but City Council recommends \$15 by 2018	
Various Los Angeles County Cities (eg., West Hollywood, Pasadena)	\$15.00	I or L	Proposed city council ordinance or ballot initiative	

Table 3.4. Employers Adopting \$15 Minimum Wages

Jurisdiction	Employer	Wage	Phase-In Year	Type of Policy	Number of Workers Affected
California	Facebook	\$15.00	2015	<i>Company Policy - Contractors</i>	Unknown
California	Google	\$15.00	2015	<i>Company Policy - Employees & Contractors</i>	Unknown
California	University of California	\$15.00	2017	<i>Company Policy - Employees & Contractors</i>	Unknown
Florida	First Green Bank	\$14.40 (\$30K/year)	2014	<i>Company Policy</i>	66
Florida	C1 Bank	\$15.00	2015	<i>Company Policy</i>	217
Florida	JM Family Enterprises	\$16.00	2015	<i>Company Policy</i>	1,000
Maryland	John Hopkins Hospital	\$15.00	2017	<i>Collective Bargaining Agreement</i>	2,000
Massachusetts	Lynn Community Health Center	\$15.00	2016	<i>Collective Bargaining Agreement</i>	140
Michigan	Moo Cluck Moo	\$15.00	2014	<i>Company Policy</i>	Unknown
Minnesota	Alina Health Hospitals	\$15.00	2017	<i>Collective Bargaining Agreement - Service Workers</i>	3,100
New York	University of Rochester	\$15.00	2017	<i>Collective Bargaining Agreement - Service Workers</i>	1,700
New York	Hudson River HealthCare (Long Island)	\$15.00	2015	<i>Company Policy</i>	900
North Carolina	City of Greensboro	\$15.00	2020	<i>City Ordinance</i>	245
Oregon	Ruby Receptionists	\$15.00	2015	<i>Company Policy</i>	150
Pennsylvania	Duquesne University	\$16.00	2015	<i>Company Policy</i>	168
Vermont	Ben & Jerry's	\$16.13	2013	<i>Company Policy</i>	Unknown
Washington	Seattle Central Co-Op Grocery Store	\$15.36	2015	<i>Collective Bargaining Agreement</i>	Unknown
Washington	University of Washington	\$15.00	2015	<i>Company Policy</i>	5,500
Various	Aetna	\$16.00	2015	<i>Company Policy</i>	5,700
Various	Amalgamated Bank	\$15.00	2015	<i>Collective Bargaining Agreement</i>	Unknown
Various	Endurance International Group	\$14.00	2015	<i>Company Policy</i>	1,500
Various	Nationwide Mutual Insurance Co.	\$15.00	2016	<i>Company Policy</i>	900

4 Action Recommendations

As cataloged in this report, the growing momentum and early achievements of the \$15 movement are giving rise to a diverse array of policy initiatives. Federal, state, and local policymakers and private-sector leaders, recognizing the benefits of shifting our economy back toward better-paying jobs, can contribute to this change through steps such as the following:

- 1. Having more cities follow the lead of Los Angeles, San Francisco, and Seattle by raising the minimum wage to \$15 at the local level.** The \$15 movement was born at the local level. With more and more cities across the United States moving to adopt local minimum wages, city-level action is one of the most promising avenues for bringing \$15 wages to more states. Starting with high-cost cities and regions, more cities should adopt \$15 minimum wages, with phase-ins appropriate for their local costs of living and economies.
- 2. Helping the \$15 movement jump to the state level with the nation's first statewide \$15 minimum wages.** The next step in nationalizing the \$15 movement is to translate it to the state level. On the heels of New York's adopting the nation's first state-level \$15 wage for the fast-food industry, Governor Andrew Cuomo is leading a campaign that is likely to make New York the first state to adopt a phased-in statewide \$15 minimum wage. Activists in California are also qualifying a ballot initiative for the 2016 election which, if approved by the voters—as polls suggest it would be—would extend a statewide \$15 minimum wage to California, the nation's largest economy. More states should follow New York and California's lead.
- 3. Building support for a phased-in \$15 federal minimum wage.** Five U.S. senators—Senators Sanders, Warren, Gillibrand, Brown, and Markey—and 44 members of the House are currently sponsoring legislation calling for a \$15 federal minimum wage, phased in over four years⁶⁹—a proposal that 200 economists have endorsed as sound economic policy.⁷⁰ Elected leaders, community groups and businesses should join this campaign and elevate

the federal \$15 proposal to make it a major issue in the upcoming election.

- 4. Adopting \$15 minimum wages for key low-wage industries such as fast food, large retail, hotels, caregiving, property services, and airport workers.** Growth in major low-paying industries has been driving our economy's tilt toward low-paying jobs. By paying so little, employers in these sectors are forcing taxpayers to pick up the cost of supporting their workforces; but they can afford to pay better. Airports such as SeaTac, LAX, SFO, San Jose, Oakland, and St. Louis have already shown that it is feasible to raise pay and benefits to \$15 or more. Los Angeles has raised wages for hotel workers to \$15.37. Washington, D.C. raised pay and benefits for security guards in large office buildings to \$16.71. New York raised wages and benefits for Medicaid-funded home care workers to \$14.09. Building on this momentum, this year New York raised its statewide minimum wage to \$15 for the fast-food industry, the Bay State agreed to a \$15 wage for the state's Medicaid-funded home care workers, and now Massachusetts is proposing to extend \$15 wages to the Commonwealth's fast-food and large retail employers.⁷¹ States and cities can join this movement by raising the minimum wage for key low-wage industries to \$15 or more.
- 5. Issuing executive orders or wage laws raising the minimum wage to \$15 for businesses receiving public contracts or subsidies.** Many cities, some states, and the federal government already make it a practice, under living wage or prevailing wage laws, to require employers receiving government contracts or economic development subsidies to pay higher minimum wages. Many of these city and state wage laws already require pay of \$15 or more, but others still do not or may set standards as low as \$10 per hour. Mayors, governors, and the federal government should adopt executive orders or wage laws⁶⁹ to raise pay for employers benefiting from taxpayer-funded contracts or subsidies to at least \$15 plus benefits. Building on his 2014 executive order requiring federal contractors to pay at

least \$10.10 per hour, President Obama should issue a “model employer” executive order, as called for by the Good Jobs Nation campaign, encouraging the federal government to do business with contractors that pay their employees at least \$15 per hour and provide stable, quality jobs.⁷²

6. Raising wages for low-paid city, state, or federal employees to \$15. Many state or city employees, such as school aides, human services workers, property service workers, and food service workers, perform vital public functions yet earn well under \$15 per hour. Through either executive action, or as part of negotiating collective bargaining agreements with public workers, mayors and governors can tackle this problem by raising pay for public workers to at least \$15, as the Los Angeles Unified School District, the City of Syracuse, and the City of Portland have done.

7. Raising private-sector pay scales to \$15.

Employers such as Aetna and the Johns Hopkins Hospital are leading the way for the private sector by acting to raise their minimum company pay scales to \$15 or more. They are finding that raising pay at the bottom helps retain a stable and motivated workforce, with significant productivity benefits for the company and the nation’s economy. Other private companies and major institutions should follow their example, creating momentum to raise standards in their industries and make a broader shift toward investing in better jobs.

For a regularly updated overview of the \$15 movement, including recent policy wins and current campaigns and proposals, visit <http://raisetheminimumwage.org/pages/movement-for-15>.

Appendix A: Technical Notes

Estimating the share of workers making less than \$15 per hour

The bulk of our analysis in this study uses data from the Current Population Survey (CPS), the primary government survey containing information on wages, hours, and unionization rates. The CPS is a monthly national survey of approximately 60,000 households that is representative of the U.S. non-institutional population aged 16 and older. We used the Current Population Survey Merged Outgoing Rotation Groups (CPS ORG) files made publicly available by the Center for Economic and Policy Research. In order to have a sample sufficiently large to analyze specific occupations and industries, our analysis combines data from the last three consecutive years available (2012-2014). We use wage variables in which all values have been converted to 2014 dollars.

Our sample includes private- and public-sector, hourly and salaried workers between the ages of 16 and 64. We exclude non-incorporated, self-employed workers. For non-hourly workers, hourly wages are calculated using reported hours worked. Unless otherwise noted, the figures we report are calculated from hourly earnings that do not include tips, overtime, and commission. Note that there is a tendency for workers to report hourly earnings in round numbers, which causes percentiles of the distribution to “clump” at whole-dollar values. Our analysis does not “smooth” wages to correct for this source of measurement error. For calculations involving wages, we only include respondents for whom wage data are available. For calculations involving occupations and industries, we only include respondents for whom occupation and industry data are available.

Demographic estimates

Racial/ethnic categories used in this analysis are mutually exclusive. “Latino” in our demographic tables refers to individuals who report that they belong to Spanish, Hispanic, or Latino categories. These respondents may also select more than one race. As such, the three racial/ethnic categories we report are white, non-Latino; African American, non-Latino; and Latino, any race. Percentages reported with regard to demographic and

wage variables are calculated using CPS-provided population weights.

Employment level estimates

We supplement our CPS analysis with analysis of data from the Occupational Employment Statistics survey, which is a Bureau of Labor Statistics establishment survey that provides more reliable estimates of employment levels than the CPS. The OES only reports wage levels at the following percentiles: 10th, 25th, 50th, 75th, and 90th. In order to estimate the minimum number of workers in each occupation, we identified the first reported percentile at which wages were below \$15 per hour. Note that the wage measure in the OES survey includes tips and commission but excludes overtime.

Estimating unionization rates

The CPS asks whether respondents are union members or covered by a union or employee association contract because it is possible to be represented by a labor union and to be covered by a collective bargaining agreement, but not be a member of that union. We define union workers as respondents who answer affirmatively to being a member of, or being represented by, a union at their current job.

Defining front-line occupations

Food service and drinking places includes workers classified in the Census two-digit detailed industry recode as “food service and drinking places” (46), and in the occupations listed in the Table 2.1 (Occupation codes 4110, 4000, 4020, 4030, 4040, 4050, 4130, 4140, 4150, 4720).

For simplicity, we combined the occupation categories “food prep and serving related, all other” (4050) and “combined food prep and serving” (4130) into a category we labeled “other preparation and serving-related workers.” We report on “combined food prep and serving” separately in Table 2.1, which reports figures on front-line fast-food workers.

For fast-food restaurants, we likewise include workers classified in the two-digit detailed industry recode

as “food service and drinking places” (46). Following previous studies, we used the following occupations as a proxy for fast-food workers as a whole: “combined food preparation and serving workers, including fast food” (4050), “counter attendants, cafeteria, food concession, and coffee shop” (4060) and “cashiers” (4720).

For retail, we included the largest occupations (4720, 4760, 5620, 9620) in the category “retail trade” (two-digit industry code 22).

For home care, we included workers classified in the “home health services” four-digit industry code (8170), who reported working in one of the following two occupations: “nursing, psychiatric, and home health aides” (3600) and “personal care aides” (4610).

For automobile manufacturing, we included workers classified in the category “motor vehicles and motor vehicle equipment manufacturing” (four-digit industry code 3570) as “miscellaneous assemblers and fabricators” (7750).

For child care, we included all workers in all industries who reported that their occupation was “child care worker” (4600).

For hotels, we included all workers in the category “accommodation” (four-digit industry code 8660), and the following largest non-managerial occupations: (4220) janitors and building cleaners; (4110) waiters and waitresses; (4230) maids and housekeeping; and (5300) hotel motel and resort desk clerks.

Appendix B: Tables and Figures

Table B.1. Estimates of workers making less than \$15 per hour, by state

State	<\$15	Median Wage
Arkansas	51.0%	\$14.71
Mississippi	50.5%	\$14.79
Tennessee	49.8%	\$15.00
Montana	49.8%	\$15.00
Kentucky	49.5%	\$15.00
South Dakota	49.0%	\$15.00
Idaho	48.4%	\$15.19
South Carolina	47.8%	\$15.30
Louisiana	47.7%	\$15.30
North Carolina	47.5%	\$15.42
Nevada	47.3%	\$15.30
Texas	47.0%	\$15.52
Alabama	46.7%	\$15.52
New Mexico	46.7%	\$15.52
Oklahoma	46.5%	\$15.42
Nebraska	46.2%	\$15.52
West Virginia	46.1%	\$15.81
Arizona	45.3%	\$15.92
Georgia	45.3%	\$16.00
Iowa	45.0%	\$15.91
Florida	45.0%	\$16.00
Kansas	45.0%	\$15.99
Utah	45.0%	\$16.00
Indiana	44.9%	\$15.71
Ohio	44.8%	\$15.87
Maine	44.4%	\$16.00
Michigan	44.1%	\$16.32
Missouri	43.6%	\$16.32
Wisconsin	41.8%	\$16.83
California	40.9%	\$17.35

Table B.1. Estimates of workers making less than \$15 per hour, by state (continued)

State	<\$15	Median Wage
Oregon	40.8%	\$17.02
Illinois	40.8%	\$17.34
Pennsylvania	40.6%	\$17.10
Hawaii	40.4%	\$17.16
North Dakota	39.8%	\$16.92
Delaware	39.8%	\$17.59
Rhode Island	39.4%	\$17.83
Vermont	39.1%	\$17.16
Wyoming	38.4%	\$17.50
New York	38.4%	\$18.25
Virginia	36.9%	\$18.95
Colorado	36.4%	\$18.48
Minnesota	36.1%	\$18.54
New Hampshire	36.0%	\$18.46
Washington State	35.9%	\$18.75
New Jersey	35.8%	\$19.61
Maryland	33.8%	\$19.90
Massachusetts	33.6%	\$20.09
Alaska	33.5%	\$19.02
Connecticut	33.4%	\$20.40
Washington DC	25.8%	\$24.73

Source: NELP calculations from Current Population Survey Merged Outgoing Rotation Group files 2012-2014.

Figure B. Largest occupations with median wages less than \$15 per hour



■ Fastest growing occupations

Source: NELP calculations from May 2014 OES; 2012 BLS Employment Projections. OES wage measures include tips and commission but not overtime.

* Asterisk denotes occupations in the top 30 of occupations projected to have the most net growth between 2012-2022.

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