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Center for Economic Development

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Testimony of Pamela Fendt

Metro Milwaukee Occupations Paying an Average Hourly Wage Below \$8.00 in 2003

1. Amusement and recreation attendants
2. Combined food preparation & serving workers, including fast food
3. Cooks, fast food
4. Counter attendants, cafeteria, food concession, and coffee shop
5. Dining room and cafeteria attendants and bartender helpers
6. Dishwashers
7. Ushers, lobby attendants, and ticket takers
8. Waiters and waitresses
9. Laundry and dry-cleaning workers

According to Occupational Employment Statistics data, there are approximately 37,000 jobs that have average hourly wages below \$8.00 in the metro Milwaukee area. This is roughly 5% of metro area employment.

Because many employers are already paying a higher “market wage,” it is doubtful that a legislative increase would hurt local businesses in any substantial way. It’s a small proportion of overall employment that would be affected, but in terms of what the increase would mean to those workers, it would mean a great deal. A 25% increase in the reward for their efforts to support themselves and their families.

Raising the minimum wage is especially important when considered in the context of local labor market realities. The four occupations that will offer the greatest number of job openings are: retail salespersons, cashiers, waiters and waitresses, and food preparers and servers (including fast food). These occupations will represent 3,000 to 4,000 job openings annually in the state.

Especially in the context of welfare reform and Milwaukee’s great need to connect unemployed residents of the central city to jobs, raising the City’s minimum wage is a good economic development policy choice.

TABLE 3

Affected workers by state after minimum wage increase to \$7.00 by April 2006*

UNITED STATES	5.9%	7,373	SOUTH		
NORTHEAST			<i>South Atlantic</i>		
<i>New England</i>			Delaware	**	**
Maine	**	**	Maryland	4.5%	112.6
New Hampshire	3.3%	20.5	Dist. of Columb	**	**
Vermont	***	***	Virginia	5.0%	166.7
Massachusetts	**	**	West Virginia	12.0%	82.1
Rhode Island	**	**	North Carolina	6.3%	226.5
Connecticut	***	***	South Carolina	8.4%	145.1
			Georgia	6.2%	233.6
<i>Middle Atlantic</i>			Florida	6.3%	430.8
New York	6.6%	531.3	<i>East South Central</i>		
New Jersey	4.6%	174.2	Kentucky	8.7%	148.9
Pennsylvania	6.5%	348.3	Tennessee	6.7%	161.9
			Alabama	9.4%	175.2
MIDWEST			Mississippi	10.7%	121.5
<i>East North Central</i>			<i>West South Central</i>		
Ohio	7.6%	395.7	Arkansas	11.4%	120.0
Indiana	6.4%	190.4	Louisiana	12.4%	212.8
Illinois***	6.2%	343.6	Oklahoma	9.6%	138.2
Michigan	5.7%	243.2	Texas	9.9%	911.6
Wisconsin	6.0%	158.5			
<i>West North Central</i>			WEST		
Minnesota	3.9%	97.6	<i>Mountain</i>		
Iowa	7.5%	103.9	Montana	11.6%	42.7
Missouri	6.1%	158.6	Idaho	10.0%	55.8
North Dakota	9.4%	27.5	Wyoming	10.3%	23.5
South Dakota	7.5%	28.9	Colorado	3.6%	74.0
Nebraska	7.9%	66.3	New Mexico	10.7%	80.9
Kansas	8.0%	97.6	Arizona	5.8%	125.4
			Utah	8.1%	84.2
			Nevada	5.6%	53.9
			<i>Pacific</i>		
			Washington	***	***
			Oregon	***	***
			California	2.7%	392.7
			Alaska	***	***
			Hawaii	**	**

*Assuming a phase-in with the final step enacted in April 2006.

**Insufficient sample size to estimate. In these cases, higher state minimum wages lessen the impact of a federal increase.

***Alaska, Connecticut, Oregon, Vermont, and Washington have or will have minimum wages above \$7.00 by 2005.

Source: EPI analysis of 2003 Current Population Survey data.

Figure 1: Real value of the federal minimum wage, 1950-2004

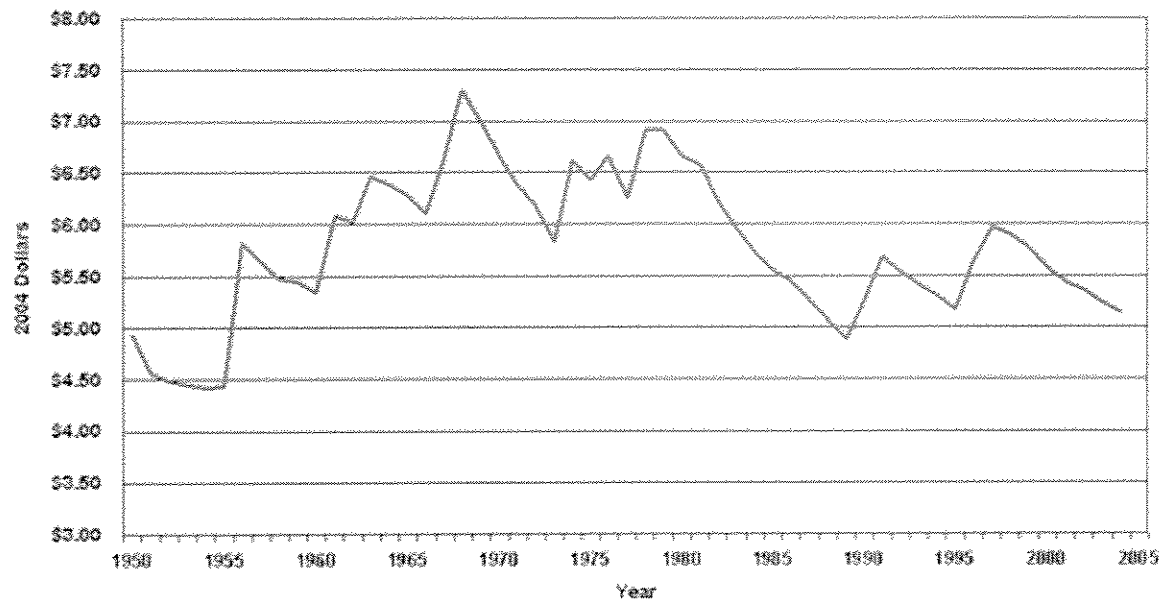
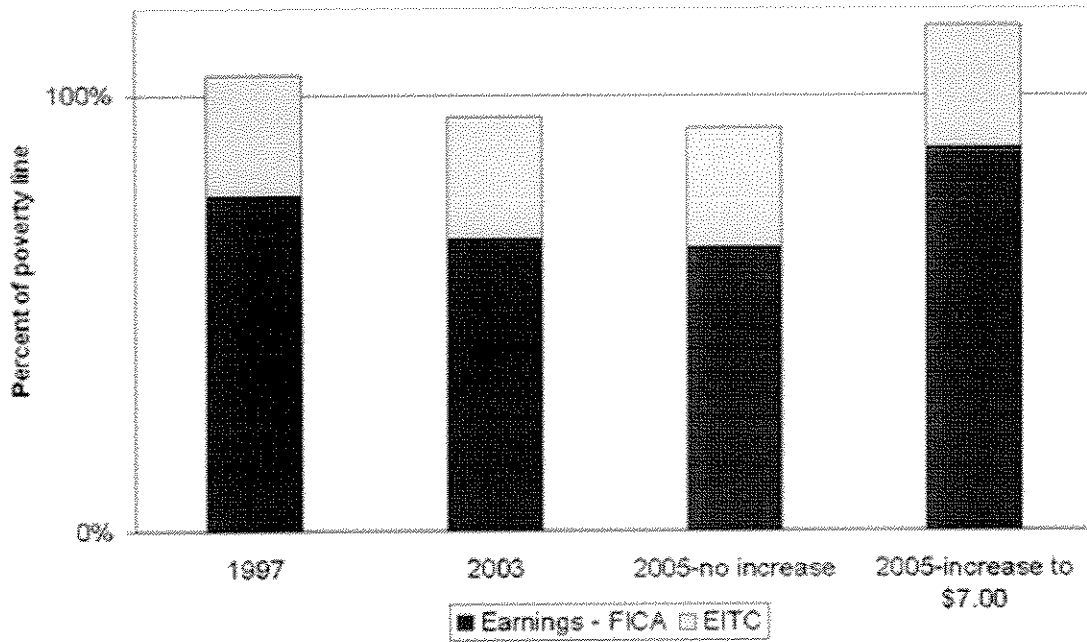


Figure 3: Minimum wage workers and the poverty threshold



Source: EPI analysis.

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Deborah Blanks

February 4, 2005

Alderman Ashanti Hamilton
City Hall
200 East Wells Street
Room 205
Milwaukee, WI 53202

Re: Minimum Wage Increase

Dear Alderman Hamilton:

The Social Development Commission's Board and Chief Executive Officer, on behalf of the clientele we serve, fully support a state-wide implemented minimum wage increase and have urged the Wisconsin legislature to re-visit the issue of an increase in the minimum wage.

Failing a state-wide effort to pass this increase, we will strongly support the City of Milwaukee's initiative to increase the city's minimum wage. This is in keeping with the Commission's mission statement: "Empowering Milwaukee County residents to move beyond poverty."

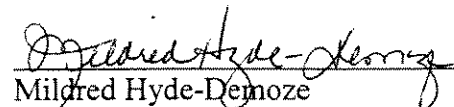
As the community action agency for Milwaukee County, The Social Development Commission is advocating for a measure of fairness that will impact the lives of the working poor residents in our community and throughout the state.

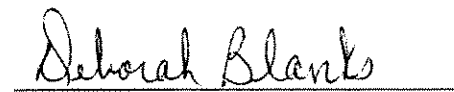
As you know, the minimum wage scale has not changed since 1997. However, cost of living expenses increase regularly; those working poor, living from day to day without a quarter to spare, are the people who must be considered as the state seeks to adopt this life-enhancing help-line for those who are willing and able to work.

A community that promotes the well-being of all its citizens is one that is stronger and richer. Why would we not want all of our citizens to succeed? An increase in the minimum wage benefits workers, helps strengthen families, the communities in which they live and the broader community of the state of Wisconsin.

Thank you for your consideration. If you would like to contact us, you may reach us at 414/906-2700.

Sincerely,


Mildred Hyde-Demoze
Board Chair


Deborah Blanks
Chief Executive Officer