

University of Wisconsin-Milwaukee

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*

NorthEast	UNITED STATES	59%	7,373	SOUTH		
Mayland				South Allansic		
Maine	NORTHEAST			Detaware	**	**
New Hampshire 33% 20.5 Viginia 5.9% 166.7 Vermont *** West Virginia 12.0% 82.1 Massachusetts **	New England			Maryland	4.5%	1126
Vermont	Mane	**	**	Dist. of Columb	**	*/#
Massachusetts Massachusett	New Hampshile	33%	20.5	Vigina	5.0%	166.7
Rinde Island	Vermont	安秀女	***	West Virginia	12.0%	82.1
Connecticut	Massachusetts	***	**	North Carolina	6.3%	228.5
### Provided Part	Fénode Island	***	**	South Carolina	8.4%	145.1
New York 8.6 % 531.3 East South Central New York 148.9 174.2 Kentucky 8.7 % 148.9 Pennsylvania 6.5 % 348.3 Tennessee 6.7 % 151.9 Alabama 9.4 % 175.2 Mississippi 10.7 % 121.5 East North Central	Connecticut	## With the	***	Georgia	6.2%	233.6
New York				Florida	6.3%	430.8
New Jersey	Madle Atlantic					
Pennsylvania	NewYork	6.6%	531.3	East South Cent	vai .	
MIDWEST East North Central Ohio 7.6% 395.7 West South Central Indiana 6.4% 180.4 Arkansas 11.4% 120.9 Illinois**** 6.2% 343.6 Louisiana 12.4% 212.8 Michigan 5.7% 243.2 Oklahoma 9.6% 138.2 Wisconsin 6.0% 158.5 Texas 9.9% 911.6 West North Central Minnesota 3.9% 97.6 Mountain 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 Wyoning 10.3% 23.5 South Dakota 7.5% 26.9 Colorado 3.6% 74.0 Nebraska 7.9% 66.3 New Mexico 10.7% 60.9 Kansas 8.0% 97.6 Arizona 5.8% 125.4 Utah 8.1% 84.2 Nevada 5.5% 53.9	New Jersey	4.6%	1742	Kentucky	8.7%	148.9
Mississippi 10,7% 121.5	Peratey kania	6.5%	3483	Temessee	6.7%	161.9
Description				Alabama	9.4%	175.2
Ohio 7.6% 395.7 West South Central Indiana 8.4% 190.4 Arkansas 11.4% 120.9 Illinois**** 6.2% 343.6 Louisiana 12.4% 212.8 Michigan 5.7% 243.2 Oklahoma 9.6% 138.2 Wisconsin 6.0% 158.5 Texas 9.9% 911.6 West North Central Minnesota 3.9% 97.6 Mountain 11.6% 42.7 Minnesota 3.9% 97.6 Mountain 11.6% 42.7 Missouri 6.1% 158.6 Idaho 10.0% 55.8 North Dekota 9.4% 27.5 Viyoming 18.3% 23.5 South Dekota 7.5% 26.9 Colorado 3.6% 74.0 Netraska 7.9% 86.3 New Mexico 10.7% 80.9 Kansas 8.0% 97.6 Arizona 5.8% 125.4 Utah 3.1% 84.2	MIDWEST			Mississopi	10.7%	121.5
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fowa 7.5% 103.9 Montana 11.6% 42.7 Missouri 61% 158.6 Idaho 10.0% 55.8 North Dekota 9.4% 27.5 Wyoming 10.3% 23.5 South Oakota 7.5% 26.9 Colorado 3.6% 74.0 Netraska 7.9% 96.3 New Mexico 10.7% 80.9 Kansas 8.0% 97.8 Arizona 5.6% 125.4 Utah 8.1% 84.2 Nevada 5.6% 53.9 Paditic Washington **** Calfornia 2.7% 392.7 Alaska ****	West North Central			WEST		
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North Dakota 9.4% 27.5 Wyoming 18.3% 23.5 South Dakota 7.5% 26.9 Colorado 3.8% 74.0 Nebraska 7.9% 66.3 New Mexico 10.7% 90.9 Kansas 8.0% 97.6 Arizona 5.8% 125.4 Utah 8.1% 84.2 Nevada 5.5% 53.9 Pacific Washington 0regon California 2.7% 392.7 Alaska	(gwa	7.5%	103.9	Montana	11.6%	42.7
South Dakota 7.5% 26.9 Colorado 3.8% 74.0 Nebraska 7.9% 86.3 New Mexico 10.7% 90.9 Kansas 8.0% 97.6 Arizona 5.6% 125.4 Utah 8.1% 84.2 Nevada 5.5% 53.9 Pacific Washington 7.9% 392.7 Alaska	Missouri	6.1%	158.6	idaho	10.0%	55.8
Netraska 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 5.5% 53.9 Padisc Washington **** California 2.7% 392.7 Alaska ****	North Dekota	9.4%	27.5	gnimoyW	10.3%	23.5
Karsas 8.0% 97.6 Arizona 5.8% 125.4 Utah 8.1% 84.2 Nevada 5.5% 53.9 PadRc Washington *** Oregon *** California 2.7% 392.7 Alaska ****	South Dakota	7.5%	26.9	Colorado	3.6%	74.0
Utah 8.1% 84.2 Nevada 5.5% 53.9 Padific Washington *** Oregon *** California 2.7% 392.7 Alaska ***	Nebraska	7.9%	66.3	New Mexico	10.7%	80.9
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Washington *** Oregon *** California 2.7% 392.7 Alaska ***				Nezaja	5.6%	53.9
Oregon *** 392.7 Alaska ***				Pacific		
California 2.7% 392.7 Alaska ***				Washington	***	4(4.4)
Alaska ***				Oregon	***	2020A
PS STATE				Castorna	2.7%	392.7
				Alaska	***	***
				Hemi	49	***

[&]quot;Assuming a phase-in-with the final step enacted in April 2006.

Sousce: EPI analysis of 2003 Clurest Population Survey data.

^{**}Insufficient sample size to estimate, in these cases, higher state minimum wages lessen the impact of a tederal increase.

²⁴⁴ Aliska, Connecticut, Oregon, Vermont, and Was kington have or will have minimum wages above \$7.00 by 2005.

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

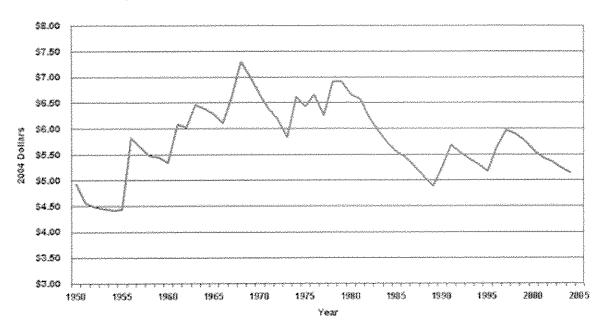
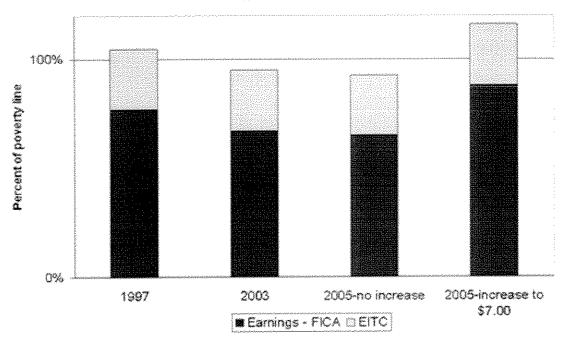


Figure 3: Minimum wage workers and the poverty threshold



Source: EPI analysis.



Executive Office

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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.

Chief Executive Officer Deborah Blanks



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,

Milgred Hyde-Demoze

Board Chair

Deborah Blanks

Chief Executive Officer