

Increasing Missouri's Minimum Wage Would Help Working Families & Boost the State's Economy

Raising the minimum wage is a proven strategy to help working families make ends meet and spread prosperity by lifting more Missourians above poverty and into the middle class.

- Although across Missouri wages are slowly recovering from the recession, too many Missourians still struggle to get by in low wage jobs.
- Nearly 100,000 full-time, full-year workers in Missouri live below or near the poverty line - making less than \$26,000 annually to support a family of three.¹
- Far more live paycheck to paycheck, just one unexpected car repair or medical bill away from poverty.

Increasing Missouri's Minimum Wage to \$12 Per Hour Would:

Give a Much-Needed Raise to Nearly 1 in 4 Missouri Workers.

By 2023, 677,000 Missouri workers will see increased earnings as a result of a \$12 minimum wage. Workers whose wages are raised in order to meet the new minimum wage will see an extra \$2,400 in pay each year upon full implementation.² (See Table 1)

Help Nearly 1 in 5 Missouri Kids.

Over 1 in 4 workers impacted by the minimum wage increase are parents who are raising nearly 266,000 Missouri kids.³

Inject Over \$1 billion in New Wages Into Missouri's Economy.

This increase in wages would have ripple effects that benefit all Missourians as low wage workers are likely to spend their earnings in local communities. These dollars then increase demand for the products and services provided by flow in and out of local businesses, boosting job growth and the economy.⁴

Allow Missouri to Invest an Additional \$72 Million Annually in Services That Help Our Communities Thrive.

This additional revenue is enough to pay for the salaries of nearly 1,500 Missouri teachers or to provide childcare for over 13,000 additional children, both of which would go far to support Missouri's current and future workforce.⁵ (See Table 2)

Raising the Minimum Wage Would Help a Wide Range of Missourians Striving for the Middle Class

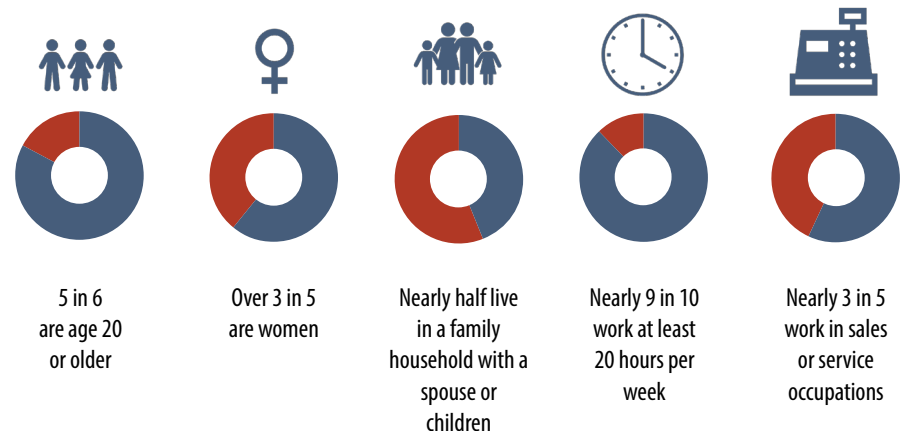


TABLE 1
Estimated Effects of Increasing Missouri’s Minimum Wage to \$12 an Hour
Based on Increased Wages of Directly & Indirectly Affected Workers

		<u>DIRECTLY AFFECTED WORKERS</u>			<u>INDIRECTLY AFFECTED WORKERS</u>			<u>ALL AFFECTED WORKERS</u>		
		<i>Increase in Annual Wages</i>			<i>Increase in Annual Wages</i>					
Minimum Wage Schedule		Workers Affected	Per Worker	Total	Workers Affected	Per Worker	Total	Workers Affected	%	Total Wages
1/1/2018	\$7.85	-	-	-	-	-	-	-	-	-
1/1/2019	\$8.60	64,000	\$682	\$43,690,600	267,000	\$272	\$72,631,011	331,000	12.0%	\$116,322,000
1/1/2020	\$9.45	169,000	\$945	\$159,826,815	227,000	\$297	\$66,174,737	397,000	14.3%	\$226,002,000
1/1/2021	\$10.30	282,000	\$1,233	\$348,241,045	250,000	\$246	\$58,938,042	533,000	19.1%	\$407,179,000
1/1/2022	\$11.15	316,000	\$1,833	\$578,626,503	280,000	\$361	\$93,701,142	596,000	21.3%	\$672,328,000
1/1/2023	\$12.00	363,000	\$2,411	\$874,709,917	314,000	\$450	\$130,579,294	677,000	24.0%	\$1,005,289,000

Workers whose wages rise in order to meet the new minimum wage rate.

Workers whose wage rate just above the new minimum wage (between the new minimum wage and the new minimum wage plus the dollar amount of the increase in the previous year’s minimum wage). These workers will receive a raise as employer pay scales are adjusted upward to reflect the new minimum wage.

Source: EPI analysis of Current Population Survey Outgoing Rotation Group microdata (2016) and CBO Economic Projections (June 2017)

TABLE 2
Minimum Wage Increase Would Boost Revenue for State Services By Approximately \$72 Million Annually
Based on Increased Wages of Directly & Indirectly Affected Workers

	Direct	Indirect	Total
Individual Income Tax	\$43,735,496	\$6,528,968	\$50,264,464
Sales & Use Tax	\$18,478,247	\$2,758,489	\$21,236,736
Total	\$62,213,743	\$9,287,457	\$71,501,199

Source: MBP Analysis of EPI Data; Individual Income Tax calculation assumes personal income tax rate of 5%; Sales & Use Tax calculation assumes 50% of wage increase spent on items in sales tax base.

Notes

1. United States Census Bureau, 2017 American Community Survey 1-year Estimates
2. EPI analysis of Current Population Survey Outgoing Rotation Group microdata (2016) and CBO Economic Projections (June 2017).
3. *Ibid*
4. *Ibid*
5. Missouri Budget Project analysis of EPI data