

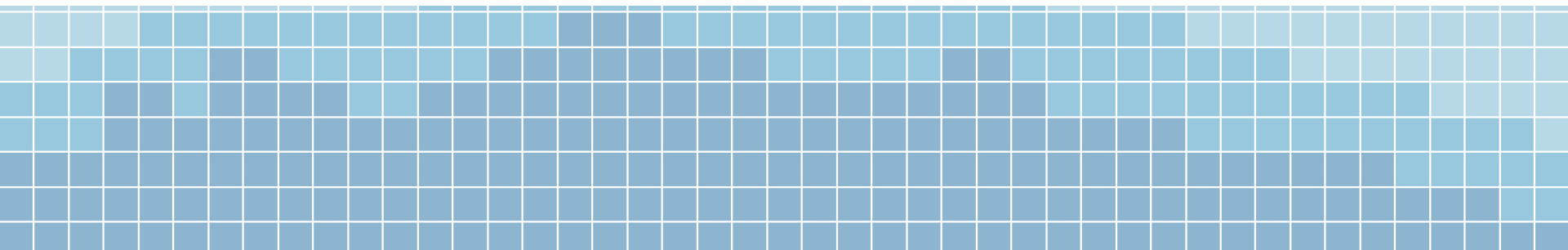
Building Opportunity: *Policy Solutions for Low-Wage Working Families*

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August 2017



About NJPP

- New Jersey Policy Perspective advances policies that promote economic justice and shared prosperity
- “Think and do tank”: Research and analysis + advocacy and campaigns = Policy change
- Founded in 1997; has helped secure crucial changes for working families: paid family leave, an expanded state EITC & a higher state minimum wage

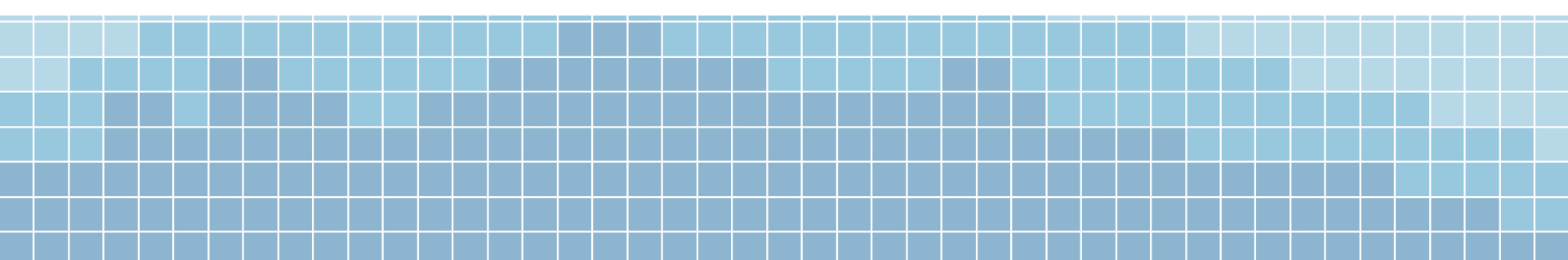


Today's Low Wages Don't Give Working Families a Real Shot



Today's Low Wages Don't Give Working Families a Real Shot

- *Wages haven't kept up with a growing economy*
- *This stagnation has been major factor driving growth of gaps between the very wealthy and everyone else*



The American Low-Wage Workforce Has Changed Dramatically

1979

2017

27%

Share that are teenagers

10%

32

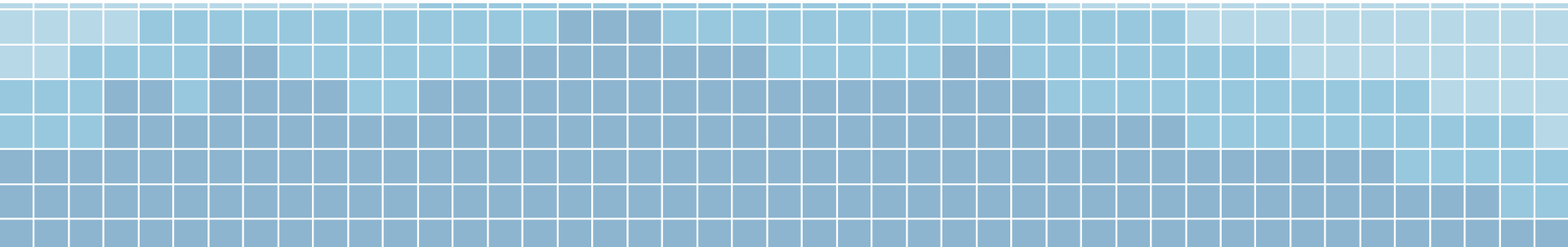
Average age

36

25%

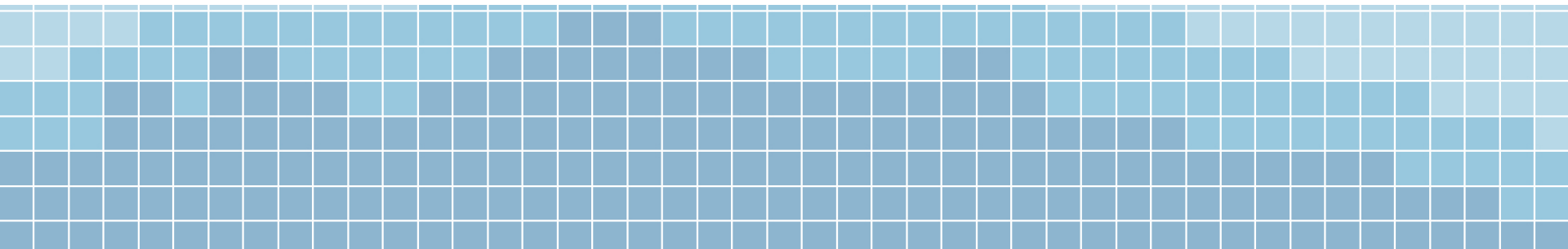
**Share that have attended or
graduated from college**

47%

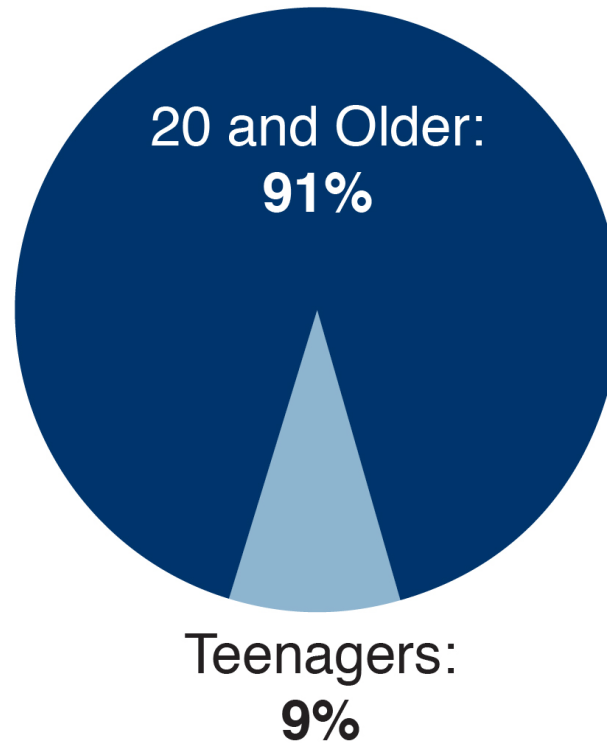


Who Are New Jersey's Low-Wage Workers?

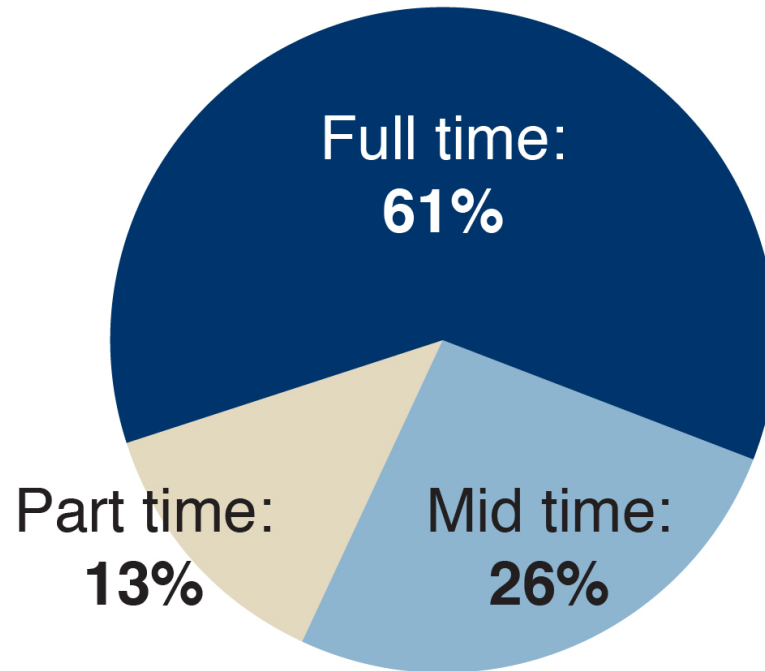
- *An estimated 1.2 million workers make less than \$12.46 an hour in New Jersey*
- *This is more than 1 in every 4 workers (28 percent)*



New Jersey's Low-Wage Workers Are Nearly All Adults

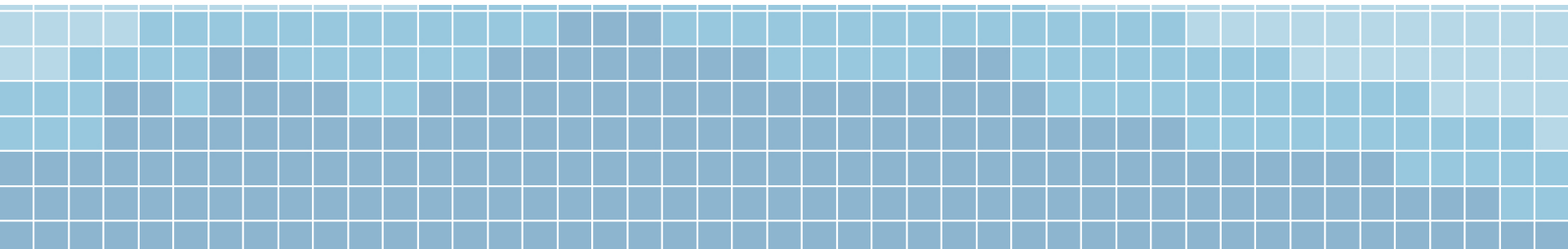


New Jersey's Low-Wage Workers Are Mostly Working Full-Time



Other Key Demographics of New Jersey's Low-Wage Workers

- Many (48%) have attended or graduated from college
- They are disproportionately women (54% vs. 47% of workforce)
- They are disproportionately people of color (56% vs. 46% of the workforce)
- Many (26%) are parents – low-wage workers are raising nearly half a million New Jersey children.
- Majority (52%) are found in 4 industries: Retail, Food & Drink Service, Health Care, and Education

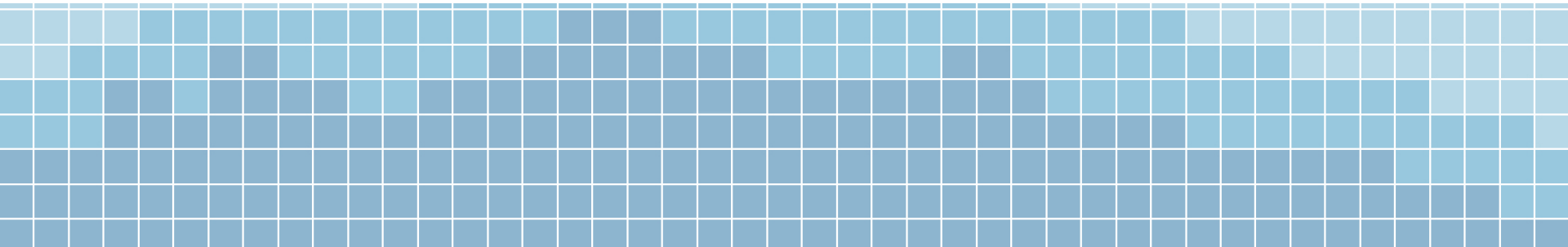


Policy Solution 1: Raise the Wage



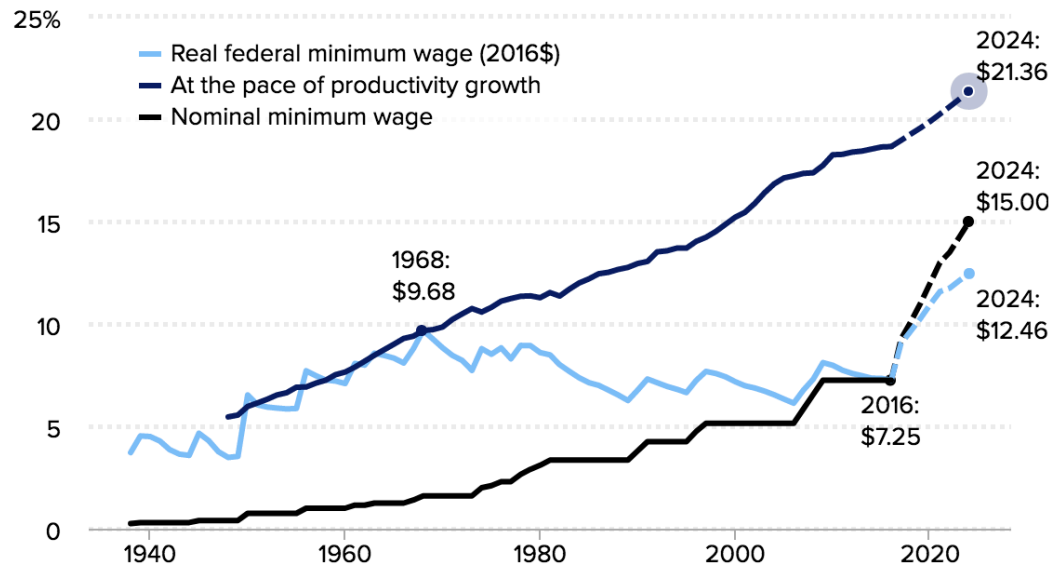
Policy Solution 1: Raise the Wage

- *Would boost take-home pay of millions*
- *New wages - \$4 billion in NJ alone – would ripple through local communities*



Policy Solution 1: Raise the Wage

Real and nominal value of the federal minimum wage, projected value under the Raise the Wage Act of 2017, and if it rose with total economy productivity, 1938–2016 and 2017–2024 (projected)



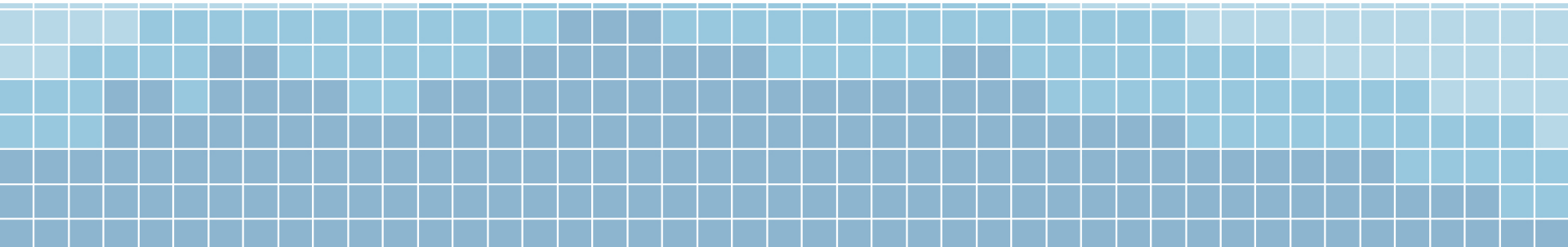
But What About Seattle?



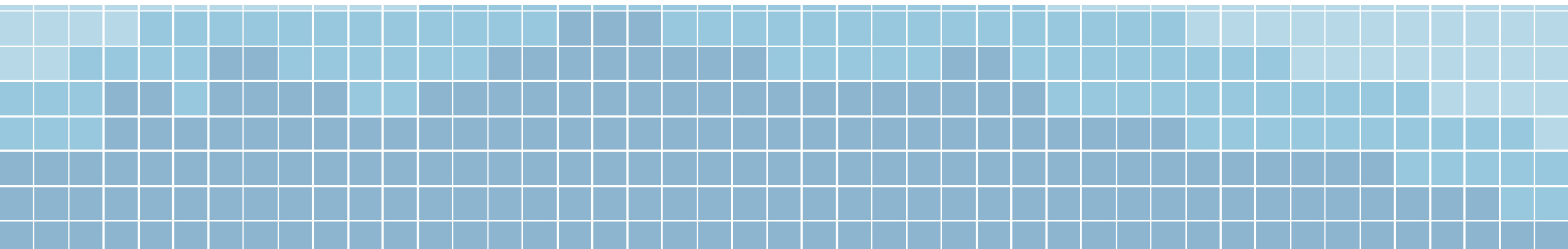
But What About Seattle?

- UW study: large job losses for low-wage workers after hikes

But:

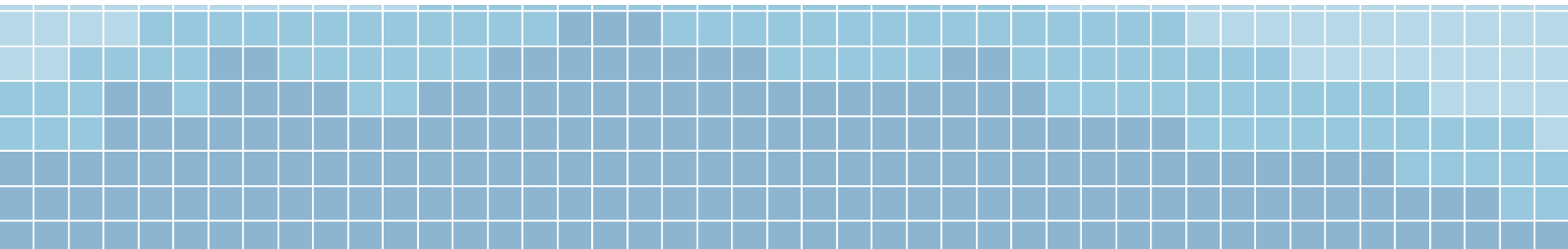
- Just one study with findings well outside the bounds of longstanding research consensus – even from critics
 - Excludes 40% of workers from its dataset
 - Irrelevant geographical comparisons for control group
 - Competing study from UC-Berkeley found no negative employment effect & did find significant wage gains
- 

Policy Solution 2: Expand the EITC



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- *Would ensure working adults without kids are not taxed into – or deeper into – poverty*
- *Could help between 343,000-504,000 NJ workers (7.3%-10.8% of workforce)*




Policy Solution 2: Expand the EITC

A single childless adult with poverty-level wages in 2016 (\$12,494) owes \$1,170 in income taxes and payroll taxes (employee share).

Current law

Under current law, she receives an EITC worth just \$184.


Federal taxes
push her **\$986**
into poverty.



Obama and Ryan proposals

Under nearly identical EITC expansions from President Obama and House Speaker Ryan, her EITC would rise to \$870.


Better, though
federal taxes
would still push
her **\$300** into
poverty.



Brown and Neal proposals

Under proposals from Sen. Sherrod Brown and Rep. Richard Neal, her EITC would rise to \$1,226, more than offsetting her federal tax liability.

After taxes, she
would be **\$56**
above the
poverty line.



Thanks!

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