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**Increasing the Minimum Wage in Kentucky**

Minimum wage increase to $10.10 an hour would benefit 1 in 4 Kentucky workers and 22% of the state’s children.

Those who would benefit are primarily adults (particularly women), full-time workers and families that rely on the income to make ends meet, not teenagers.

- 88% of those who benefit are at least 20 years old.
- 51% are at least 30 years old.
- More are over 55 years old (11.7%) than are teenagers (11.3%).
- 54% work full time (at least 35 hours).
- Average affected worker earns 55% of family income; average affected parent earns 64%.

The value of the minimum wage has eroded over time and not kept up with growth in economic productivity.

- If minimum wage had kept up with inflation since the 1960s, it would be over $10/hour rather than $7.25.
- If minimum wage had kept up with the growth in productivity, it would be $18.30/hour.
- Minimum wage is not enough to keep a family of two with one full-time worker out of poverty.

Real wages for Kentucky workers at the bottom have been declining for the last decade.

- The share of Kentucky workers making wages below the poverty line for a family of four grew from 26% to 33% between 2001 and 2012.
- 46% of Kentucky’s fast food workers are paid so poorly that they are eligible for public assistance programs.

Studies show minimum wage does not harm employment, and in the current economy can provide a modest economic boost.

- Employers have multiple channels of adjustment to respond--not just eliminating jobs, including:
  - Cost savings from lower employee turnover.
  - Improvements in organizational efficiency.
  - Reductions in wages of higher earners.

- In current labor market conditions, raising minimum wage could have net positive impact; Economic Policy Institute study estimates increase to $10.10 would create 1,400 jobs at full realization in Kentucky and add $421 million in GDP over 3 years it is being implemented.

21 states have a higher minimum wage than the federal minimum, including Missouri and Ohio.

*The Kentucky Center for Economic Policy is a non-partisan initiative that conducts research, analysis and education on important policy issues facing the Commonwealth. Launched in 2011, the Center is a project of the Mountain Association for Community Economic Development (MACED) and is a member of the Working Poor Families Project, a national initiative funded by the Annie E. Casey, Ford, Joyce and Kresge foundations that advances state policies in the areas of education and skills training for adults; economic development; and income and work supports. For more information, please visit KCEP’s website at [www.kypolicy.org](http://www.kypolicy.org).*