

THE BENEFITS OF Increasing the Minimum Wage in Wyoming



In 2018, the Economic Policy Institute ranked Wyoming among the top five income-unequal states in the US, with Teton County leading the list as the most unequal county in the nation.¹ The wealthiest 1% of people in Wyoming make 31 times more than all other earners in the state.² And while income fell by 2% for most Wyomingites between 2009 and 2013, income increased by 55% for the wealthiest 1%.³ According to the Wyoming Cost of Living Index, Wyoming's cost of living continues to rise across the state.⁴

What is the purpose of a minimum wage?

President Roosevelt signed the federal minimum wage into law as part of the Fair Labor Standards Act of 1938.⁵ At that time, in the throes of the Great Depression, the stated purpose was simple: to keep America's workers out of poverty and stimulate the economy by increasing consumer purchasing power.⁶

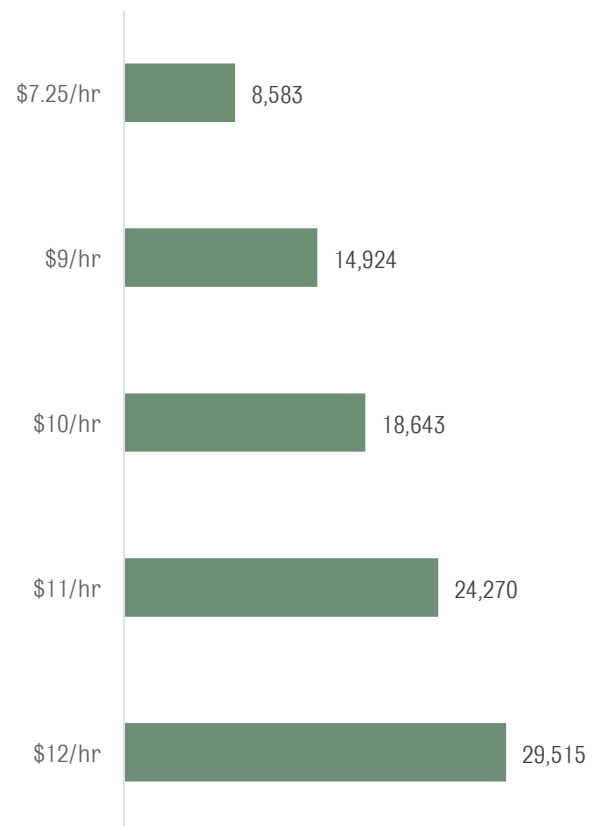
In the intervening 80 years, there have been many arguments about the purpose of a minimum wage. It should provide a base rate of fair pay. It should be sufficient to provide for a person's basic needs, namely: food, shelter, clothing, education, and healthcare.⁷ And most recently, it should be a living wage, an amount that allows an adult with one dependent to have a comfortable standard of living.⁸ The minimum wage was never intended to serve as a starter wage or a wage solely for those who have the benefit of a

supplementary income. Yet, the current minimum wages of \$5.15 in Wyoming and of \$7.27 for federal work are so low as to encourage that belief.

Wyoming's low-wage workers

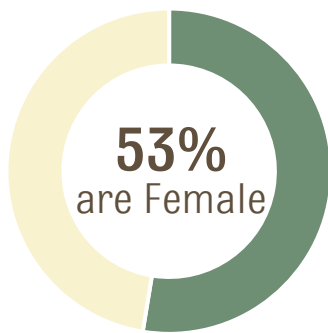
More than 175,000 Wyomingites work full-time in the Equality State.⁹ Most are paid a living wage; however, approximately 43,750 Wyomingites, or more than one-quarter of the full-time work force, are low-wage earners, meaning they earn less than \$15 per hour.¹⁰ Even raising the minimum wage to \$12.00 per hour would directly impact the lives of these Wyoming workers and their families.¹¹

Number of Wyomingites who Would Benefit from an Increased Minimum Wage



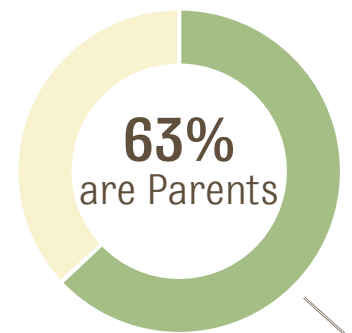
Source: WYSAC analysis of IPUMS USA microdata 2019 5-year estimates.

A Closer Look at Wyoming's Low-Wage Workers



12%
Hispanic

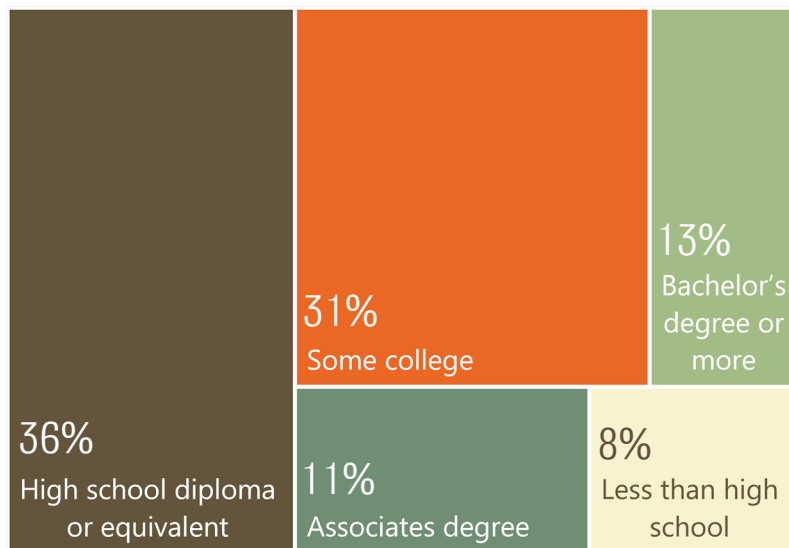
10%
People of Color



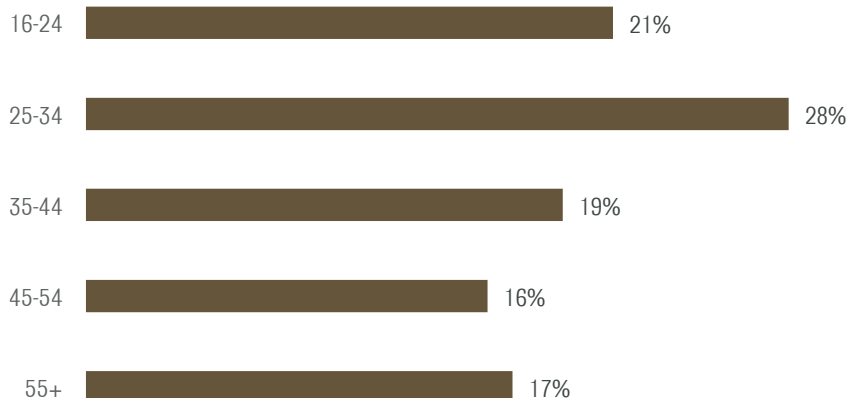
35%
of these parents
have one or
more children
under age 5



Most low-wage
workers have
a high school
diploma or
higher



More than half (52%) of low-wage workers are above the age of 35



Female low-wage workers are slightly older than male low-wage workers

Median Age

37 Women

33 Men

Source: WYSAC analysis of IPUMS USA microdata 2019 5-year estimates.

What are the benefits of raising the minimum wage?

The federal minimum wage has not increased since 2009. For workers earning minimum wage, this failure to account for inflation and to keep up with economic growth means an inability to afford the cost of living.¹² Raising the minimum wage would not only bring more Wyomingites closer to earning a living wage,¹³ but the economic and societal benefits resulting in the “Equality State” would include the following:

- Increased spending power for families to foster economic growth in Wyoming,^{14,15}
- Reduced taxpayer spending on public assistance programs in Wyoming,^{16,17}
- Higher worker morale and productivity,^{18,19}
- Reduced economic inequality for people of color, especially women,²⁰

Call to Action

- Increase the tipped minimum wage from \$2.13 per hour to \$6.85 per hour.
- Raise the Wyoming minimum wage (currently \$5.15 an hour) to \$12.00 per hour.
- Learn what your county’s livable wage is by exploring the self sufficiency calculator for Wyoming at <https://wywf.org/self-sufficiency-calculator/>.

Endnotes

- 1 Economic Policy Institute. (2016). Income inequality in the U.S. by state, metropolitan area, and county. <https://bit.ly/3ByP3Mt>
- 2 Economic Policy Institute. (2018). Income inequality in Wyoming. <https://bit.ly/3az4R63>
- 3 Economic Policy Institute. (2016). Income inequality in the U.S. by state, metropolitan area, and county. <https://bit.ly/3ByP3Mt>
- 4 Wyoming A&I, Economic Analysis Division. (2021). <http://eadv.state.wy.us/wcli/NewsRelease-4Q20.pdf>
- 5 National Employment Law Project. (2016). Raise the minimum wage. <https://bit.ly/2YKhus8>
- 6 National Employment Law Project. (n.d.). <https://bit.ly/3IBUSmR>
- 7 Corporate Finance Institute. (2021). <https://bit.ly/3avbdDw>
- 8 Investopedia. (2021). Living wage. <https://bit.ly/3DG1fLQ>
- 9 WYSAC analysis of IPUMS USA microdata 2019 5-year estimates. Full-time workers are defined as civilian, non-institutionalized, people ages 16 and older, who worked for wages, 35 hours per week or more for at least 50 weeks in the previous 12 months.
- 10 Low-wage workers are full-time/full-year workers who earn an hourly wage less than \$15.00/hr. The low-wage threshold is less than 2/3 of median wages for full-time/full-year male workers in Wyoming.
- 11 WYSAC analysis of IPUMS USA microdata 2019 5-year estimates
- 12 Economic Policy Institute. (2021). Raising the federal minimum wage to \$15 by 2025 would lift the pay of 32 million workers. <https://bit.ly/3AHGwWt>
- 13 BetterWyoming. (2019). Want to improve Wyoming’s economy? Raise the minimum wage — State of insecurity. <https://bit.ly/3oVKnRA>
- 14 Economic Policy Institute. (2012). How raising the federal minimum wage would help working families and give the economy a boost. <https://bit.ly/3IClnbX>
- 15 BetterWyoming. (2019). Want to improve Wyoming’s economy? Raise the minimum wage — State of insecurity. <https://bit.ly/3oVKnRA>
- 16 Economic Policy Institute. (2016). Balancing paychecks and public assistance. <https://bit.ly/3oR0DyR>
- 17 BetterWyoming. (2019). Want to improve Wyoming’s economy? Raise the minimum wage — State of insecurity. <https://bit.ly/3oVKnRA>
- 18 Emanuel, N. & Harrington, E. (2020). The payoffs of higher pay: Elasticities of productivity and labor supply with respect to wages. <https://bit.ly/3p0AgGL>
- 19 Congressional Budget Office. (2019). The effects of employment and family income of increasing the federal minimum wage. <https://bit.ly/3j0MP1g>
- 20 Economic Policy Institute. (2021). Raising the federal minimum wage to \$15 by 2025 would lift the pay of 32 million workers. <https://bit.ly/3AHGwWt>

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