

# THE WALL STREET JOURNAL.

## U.S. MINIMUM-WAGE EMPLOYEES MUST WORK 50 HOURS A WEEK TO ESCAPE POVERTY, OECD SAYS

By Eric Morath  
May 6, 2015

Minimum-wage employees in the U.S. need to work three times as many hours a week to lift their families out of poverty compared with counterparts in the U.K., says a study released Wednesday by the Organization for Economic Cooperation and Development.

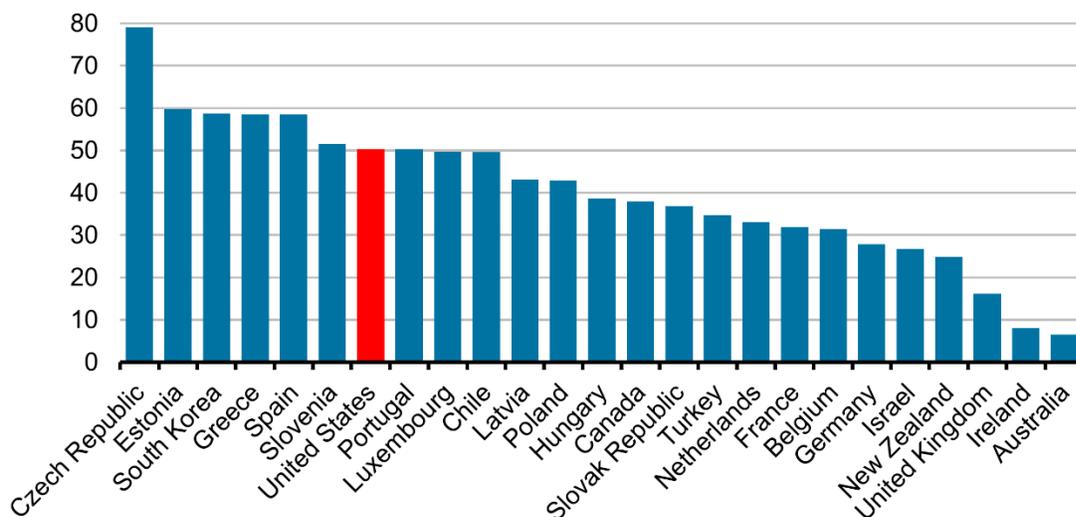
A single parent of two children would need to work 50 hours a week at a minimum-wage job in the U.S. to earn 50 percent of the nation's net median household income, the organization's international equivalent for the poverty line. A similar worker in the U.K. would only need to work 16 hours to rise above the poverty threshold, the OECD said.

The federal minimum wage in the U.S. is \$7.25 an hour. The U.K. minimum wage rate is 6.50 pound, or about \$9.92 an hour. The OECD measure takes into account not only the minimum rate, but also taxes that a worker would need to pay and social assistance for which the family would qualify.

Of the 25 OECD countries for which data was available, U.S. minimum-wage workers tied for the seventh-longest week needed to escape poverty.

### Long Week

Hours a week a minimum-wage worker with two children would need to work to earn 50% of their country's median household income, a common gauge for the poverty line



Source: Organization for Economic Cooperation and Development | WSJ.com

It was hardest for minimum-wage workers in the Czech Republic to earn their way out of poverty. They would need to work 79 hours a week. Estonia, at 60 hours, and South Korea, at 59, followed.

In those countries, "the working hours required to escape poverty on a minimum wage are unrealistic for lone parents in particular," the study said. "They would need better income support, or wages significantly above the minimum wage to work their way out of poverty."

Australia, at six hours, and Ireland, at eight, had the shortest work-weeks needed to exceed the poverty threshold. The low figures reflect the substantial welfare benefits available to qualifying families.