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WORKERS IN 18 STATES GET MINIMUM-WAGE INCREASES

By David Harrison
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The new year will bring higher minimum wages in 18 states and almost two dozen municipalities, continuing a recent trend of steady pay increases for the lowest-paid workers.

In some cases, the increases represent one of several steps in a multiyear process to slowly raise the minimum wage. Arizona, for instance, will see its pay floor rise 50 cents on Jan. 1, followed by another 50 cents in 2019 and \$1 in 2020, part of a four-year process to boost the base salary for workers who don't work for tips to \$12 an hour by 2020. Voters approved a measure in 2016 to raise the minimum wage in four steps.

In Washington, where voters also backed a ballot measure in 2016, the minimum wage will rise to \$11.50 an hour from \$11 in 2018, one of several steps to boost it to \$13.50 an hour by 2020.

Other states, such as Florida, Minnesota and Ohio, will see the minimum wage rise simply because it is indexed to inflation.

Two more states, Maryland and Oregon, are set to boost minimum wages on July 1, 2018.

A higher minimum wage has been churning political debate in state capitols and city halls as **advocates and labor unions argue** the \$7.25 an hour federal wage is insufficient, while others say higher minimum wages **will lead to lost jobs**. Congress last raised the minimum wage in 2009 and did not index it to inflation, eroding its buying power over time.

Minimum wage increases have been enacted in both Democratic-leaning and Republican-leaning states, in some cases through ballot measures. To advocates, that's a sign of bipartisan popular support for higher minimum wages. Opponents of minimum wage increases say the successful ballot measures simply reflect well-funded campaigns **by labor unions**.

The increases have provoked a backlash in some places, with local officials **blocking or slowing** the pace of pay raises. In St. Louis, the minimum wage fell by \$2.30 in August after state lawmakers **mandated** that municipalities abide by the state's minimum-wage standard.

The minimum-wage increases come at a time when the labor market is exceptionally tight and employers are struggling to find workers. The unemployment rate, **4.1 percent in November**, is at a 17-year low and employers have slowly started to offer higher pay to entice new workers. Wages have been picking up and were up 2.5 percent in November from a year ago. But that still represents slower wage growth than before the recession.

Some large employers, such as Target Corp. and Wal Mart Stores Inc. have **announced company-wide increases** in minimum wages in recent years.

Michael Saltsman, managing director of the right-leaning Employment Policies Institute, said underlying economic strength makes a national minimum wage increase unnecessary.

“That dynamic is a positive one and proof of why federal minimum wage increases are unnecessary because people aren’t waiting on the federal government to give them a raise,” he said.

David Cooper, senior economic analyst at the left-leaning Economic Policy Institute, said the wage increases that employers are offering have not been enough to substantially raise the living standards of the country’s lowest-paid workers.

“Absent a minimum-wage increase most workers in the last decade have had trouble seeing their wages rise,” he said. “They haven’t had another mechanism to boost their wages.”

The flurry of minimum-wage changes has given economists opportunity to study the effects of raising pay, with sometimes contradictory results. One study, released in June by a team of economists at the University of California, Berkeley, found that a 2016 increase from \$11 to \$13 in Seattle resulted in higher pay and no jobs lost. The study focused on food-service workers.

A week later, a separate study by a University of Washington team found that the higher minimum wage reduced the number of hours for lower-wage jobs, resulting in a drop in monthly income for workers.