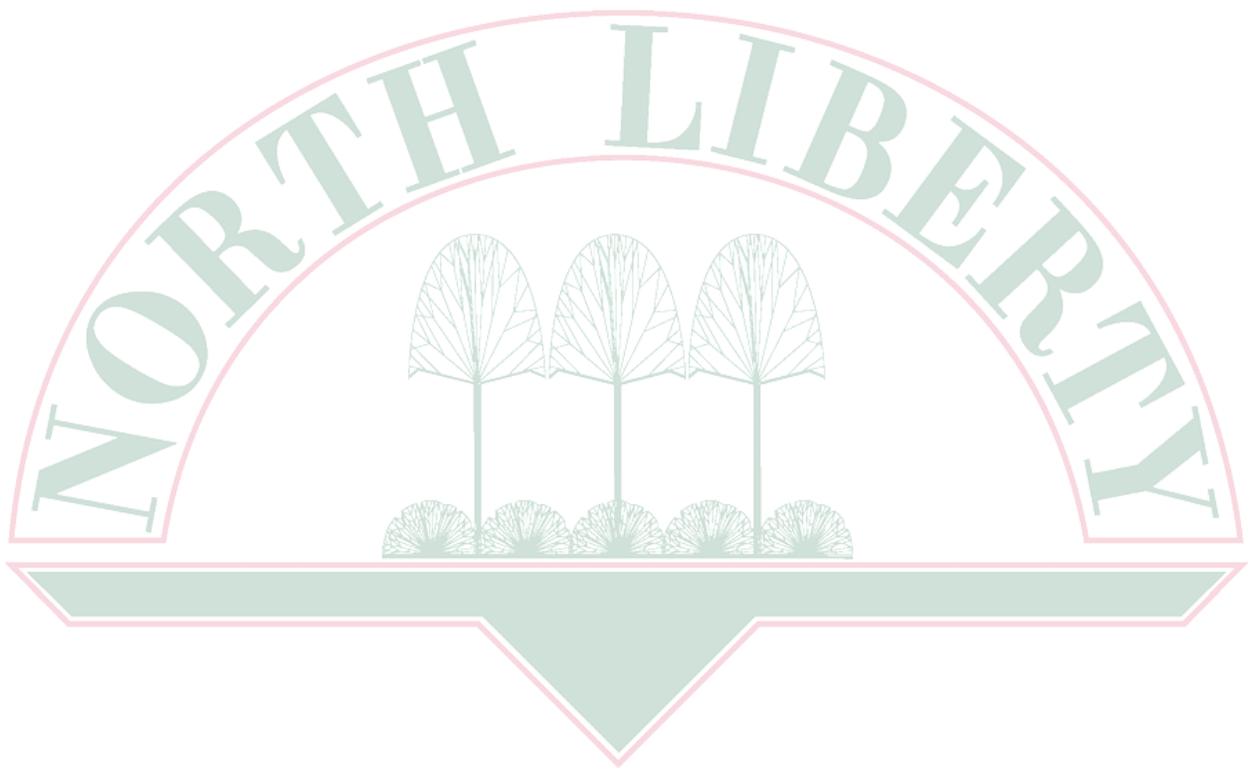


# Minimum Wage





# The Iowa Policy Project

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October 19, 2016

To: Members of the North Liberty City Council

Come January, many low-wage workers throughout Johnson County will receive the final 95-cent increase in their hourly wage resulting from the county minimum wage ordinance passed in 2015. As the North Liberty City Council debates whether to roll back this wage increase for those working within the city limits, they should keep in mind the economic impacts of the county law.

Contrary to perceptions that minimum wage workers are just teen-agers working part time, over 40 percent of the workers in Johnson County currently making less than \$10.10 work full time, almost 80 percent are over age 20, and over one in five are parents. Even at \$10.10, the minimum wage will not be enough to support even a single person working full time, at a basic, bare-bones standard of living in Johnson County. Such a person would need to earn \$12 or \$13 an hour to be self-sufficient. For families with children, the self-sufficiency wage in this county is even higher, over \$22 for a single parent. (See our *Cost of Living in Iowa* report.)

Having a single minimum wage throughout Johnson County, which is all one labor market, makes good sense. Certainly it would be best if the Legislature acted on a statewide minimum wage increase. But it makes no sense to complain that a county minimum creates a patchwork across the state, which is not a single labor market, and then to create an actual patchwork within the county by local ordinance.

In assessing the impact on local businesses, it is important to put the wage increase in perspective. Retail businesses (grocery stores, gas stations, and all other retail) account for a large share of low-wage employment. But labor costs in the retail sector average just 10% to 13% of total sales. This means that the 10% increase in the minimum wage (from \$9.15 to \$10.10) could be covered by about a 1% increase in prices. Even considering the full increase from \$7.25 to \$10.10, the entire cost could be covered by a 4 to 5 percent increase in prices. This is the most it could be, in a case where all workers in a retail business make just the minimum wage.

The majority of North Liberty residents work in Iowa City or Coralville, where they will be earning at least \$10.10 come January. They will be bringing home larger paychecks, and spending much of that increase locally. This boost in local spending at restaurants and retail establishments will be enjoyed by North Liberty businesses, helping to offset any increase in labor costs for their low-wage workers or to cover the small increase in prices that may be needed.

The boost in local spending is a major reason why research has consistently shown that minimum wage increases have little or no effect on overall employment. Studies of neighboring counties, separated by a state line, with differing state minimum wages, have shown that the county with the higher minimum wage suffers no discernible job loss.

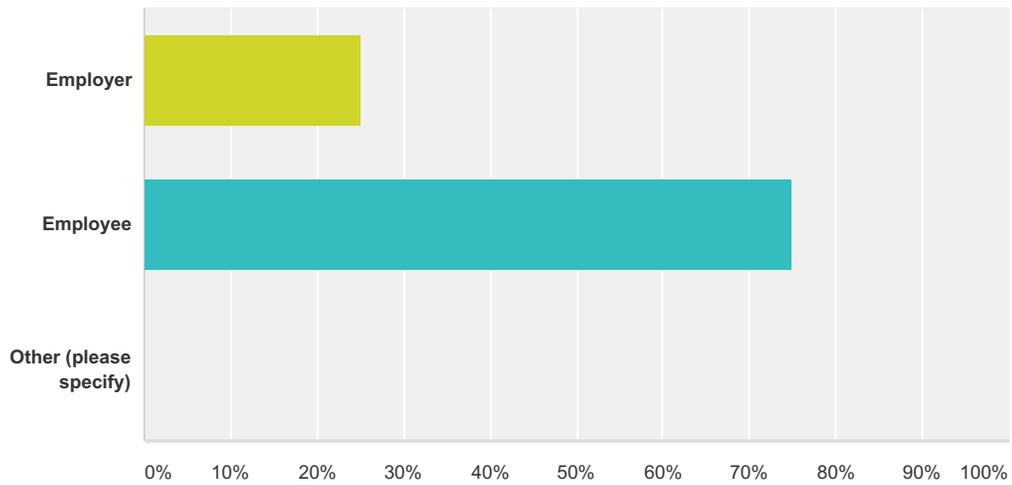
I hope you will take these points into consideration. More information on the impacts of a Johnson County minimum wage, and a discussion of the research on employment effects, can be found in the reports I prepared earlier on proposed minimum wages in Johnson, Linn and Polk Counties, which can be found on the Iowa Policy Project web site: <http://www.iowapolicyproject.org/2015Research/150930-minwage-JC-bgd.html>

  
Peter Fisher

Research Director

### Q1 Are you a employee or employer?

Answered: 223 Skipped: 0

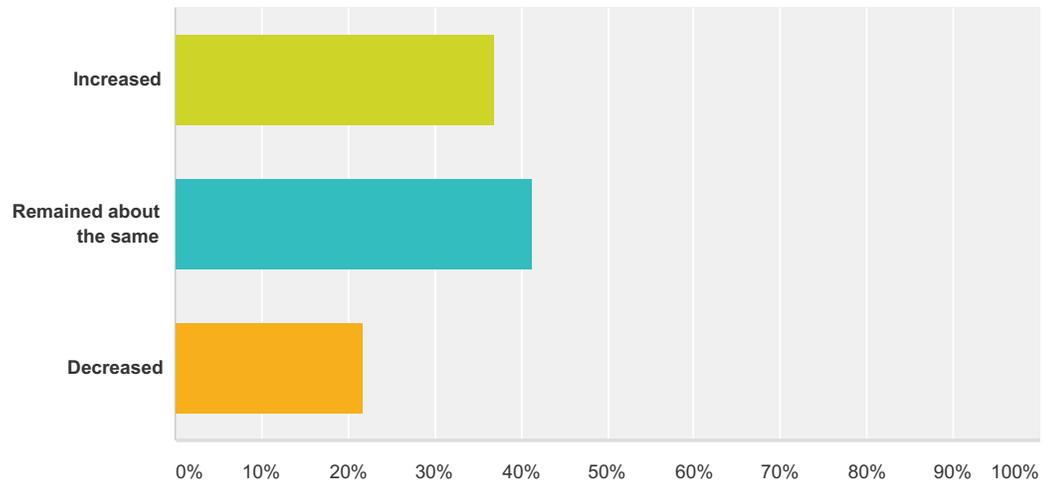


Answer Choices	Responses	Count
Employer	25.11%	56
Employee	74.89%	167
Other (please specify)	0.00%	0
<b>Total</b>		<b>223</b>

# Employer responses

## Q2 Have your profits increased, remained about the same or decreased in the past 12 months?

Answered: 46 Skipped: 10



Answer Choices	Responses
Increased	36.96% 17
Remained about the same	41.30% 19
Decreased	21.74% 10
<b>Total</b>	<b>46</b>

### Q3 In your estimation, what factors contributed to these changes?

Answered: 20 Skipped: 36

#### Increased

- Beginning our second year in business, we are better known
- Improved economy, continue improvements to the business.
- New location, more visible from main traffic
- the economy
- Large investment by ownership to increase customers and revenue
- Price increase and end of 965 construction
- Increased amount in revenue while we experienced a decrease in expenses.
- Our quality service.
- Start up in August...only one direction from nothing.

#### Remained about the same

- Competition & Regulatory factors
- Lack of qualified staff
- Company restrictions

#### Decreased

- Obama
- increased competition
- wage cost increase and still some construction
- industry is changing
- [Large ag equipment company] is our biggest customer and our reduced profits are significantly impacted by the ag trough.
- Having to absorb 2 increases in minimum wage
- More competition, stop lights in more favorable locations and none at mine.
- Minimum wage increase. Increased competition. Consumer spending habits

## Q4 How many employees do you have in North Liberty?

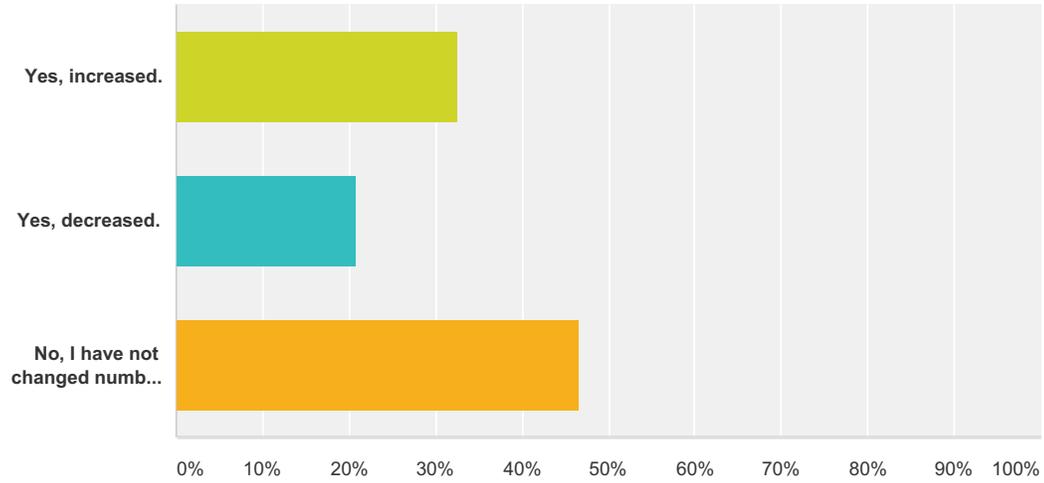
Answered: 43 Skipped: 180

#	Responses	Date
1	2.0	10/22/2016 9:36 PM
2	2.0	10/22/2016 8:25 PM
3	5.0	10/22/2016 3:18 PM
4	15.0	10/22/2016 1:58 PM
5	35.0	10/22/2016 1:36 PM
6	15.0	10/22/2016 9:38 AM
7	12.0	10/22/2016 9:21 AM
8	9.0	10/21/2016 4:25 PM
9	2.0	10/21/2016 10:49 AM
10	6.0	10/20/2016 5:01 PM
11	0.0	10/20/2016 5:00 PM
12	82.0	10/20/2016 1:15 PM
13	25.0	10/20/2016 9:40 AM
14	0.0	10/19/2016 3:57 PM
15	3.0	10/18/2016 3:57 PM
16	37.0	10/18/2016 2:20 PM
17	0.0	10/18/2016 1:22 PM
18	1.0	10/18/2016 12:54 PM
19	2.0	10/18/2016 7:08 AM
20	10.0	10/18/2016 6:31 AM
21	33.0	10/17/2016 3:12 PM
22	3.0	10/17/2016 2:48 PM
23	6.0	10/17/2016 2:32 PM
24	3.0	10/17/2016 12:19 PM
25	4.0	10/17/2016 12:12 PM
26	8.0	10/17/2016 11:36 AM
27	9.0	10/17/2016 11:27 AM
28	5.0	10/17/2016 10:54 AM
29	6.0	10/17/2016 10:46 AM
30	3.0	10/17/2016 9:57 AM
31	28.0	10/17/2016 9:29 AM
32	15.0	10/17/2016 8:51 AM
33	4.0	10/17/2016 8:23 AM
34	7.0	10/17/2016 8:14 AM

35	5.0	10/16/2016 1:53 PM
36	1.0	10/16/2016 1:22 PM
37	25.0	10/16/2016 12:15 PM
38	15.0	10/16/2016 12:06 PM
39	8.0	10/14/2016 10:15 PM
40	1.0	10/14/2016 10:07 AM
41	15.0	10/14/2016 9:11 AM
42	1.0	10/14/2016 9:00 AM
43	15.0	10/14/2016 8:16 AM

### Q5 Have you reduced or increased your number of employee in the past 12 months?

Answered: 43 Skipped: 13



Answer Choices	Responses
Yes, increased.	32.56% 14
Yes, decreased.	20.93% 9
No, I have not changed number of employees in the past 12 months.	46.51% 20
<b>Total</b>	<b>43</b>

## Q6 In your estimation, what has contributed to these changes?

Answered: 19 Skipped: 37

No

- Business volume increase has led to no additional hiring due to increased wage cost of current staffing model.
- Company restrictions

Yes, increased

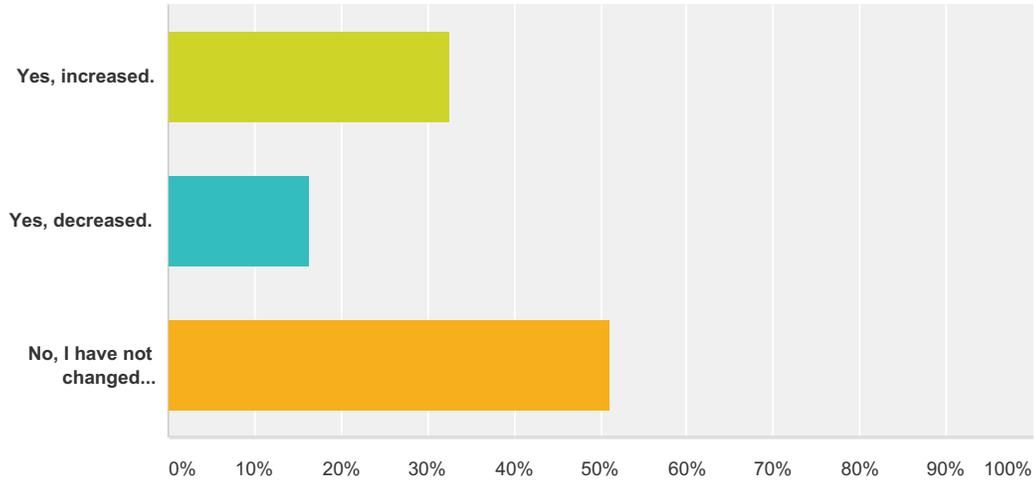
- more services offered
- More people in the area.
- Increase of business activity
- more work
- increased marketing and investment
- Increase in positions needed.
- Start up. Including myself.
- Growth of our business, added attraction
- growing population, more residents receiving our services

Yes, decreased

- Obama
- payroll cost due to wage increase and I did not raise my prices as people said I would do more business do to people having more to spend.no such luck here.
- lower sales & profits
- Ag economy
- Loss of sales
- Declining sales
- Unemployment rates lack of qualified applicants
- Attrition

### Q7 Have you reduced or increased an employee's work hours in the past 12 months?

Answered: 43 Skipped: 13



Answer Choices	Responses
Yes, increased.	32.56% 14
Yes, decreased.	16.28% 7
No, I have not changed employee work hours in the past 12 months.	51.16% 22
<b>Total</b>	<b>43</b>

## Q8 In your estimation, what has contributed to these changes?

Answered: 15 Skipped: 41

No

No additional comments

Yes, increased

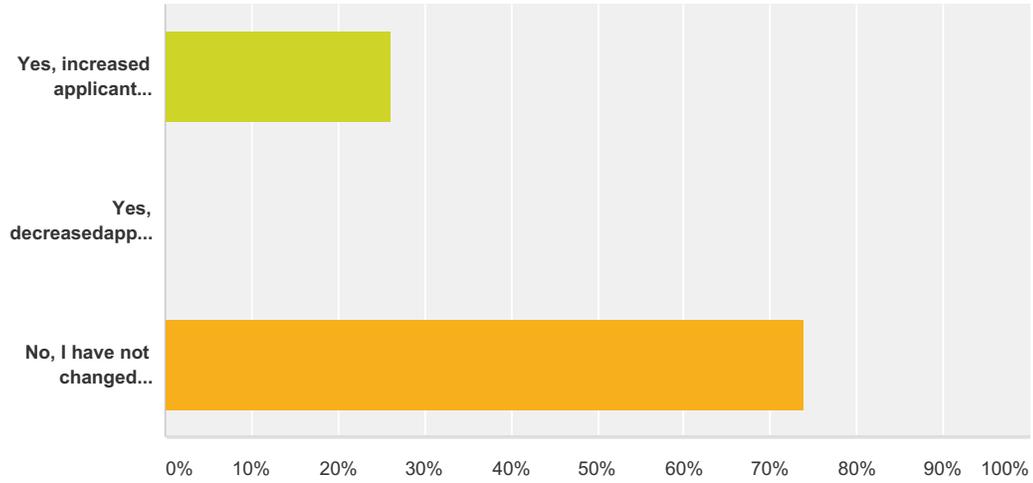
- the increased sales. needed to work OT to get product built and shipped
- Our quality service.
- customer demand
- Obama
- Better business with more flow of people living in the area.
- same as before
- Increase in work load
- Added attraction made longer hours
- More services to provide

Yes, decreased

- Minimum wage increase
- Higher wages, so trimmed employees on duty in non peak hours
- Rate of pay required.
- to reduce payroll cost
- Same
- Declining sales

### Q9 Have you seen a change in the demographics, such as age or race, of applicants to your business in the past 12 months?

Answered: 42 Skipped: 14



Answer Choices	Responses
Yes, increased applicant diversity.	26.19% 11
Yes, decreasedapplicant diversity.	0.00% 0
No, I have not changed applicant diversityin the past 12 months.	73.81% 31
<b>Total</b>	<b>42</b>

## Q10 In your estimation, what has contributed to these changes?

Answered: 11 Skipped: 45

No

- I do not have any employees
- Still continue to see more applicants from Cedar Rapids area- majority not with skill set or experience for positions
- Have not taken any applications in the last 12 months.
- Company guidelines

Yes, increased

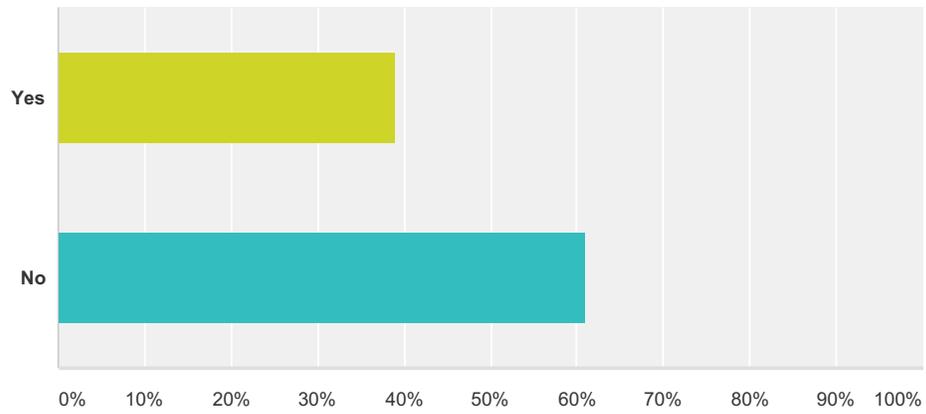
- Population
- Local population has no background in Automotive technology
- We have many French-speaking applicants from the Congo who speak little or no English.
- Not sure
- Imports from Chicago.
- More housing.

Yes, decreased

No additional comments

### Q11 Do you have employees currently earning the Johnson County minimum wage?

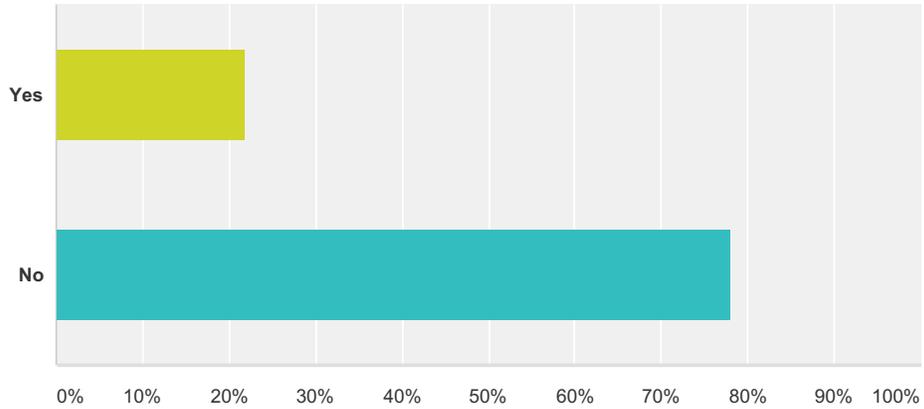
Answered: 41 Skipped: 15



Answer Choices	Responses	
Yes	39.02%	16
No	60.98%	25
<b>Total</b>		<b>41</b>

### Q12 Did the Johnson County minimum wage lead to wage increases for employees already above the minimum wage?

Answered: 41 Skipped: 15



Answer Choices	Responses	
Yes	21.95%	9
No	78.05%	32
<b>Total</b>		<b>41</b>

## Q13 What impacts, positive or negative, has the Johnson County Minimum Wage had on you?

Answered: 23 Skipped: 33

- No impact. We are well above minimum wage.
- None - I don't have any employees
- It has increased the cost of doing business, due to several of our vendors increasing prices...passing on the higher labor costs.
- none, our employees already made above that
- we are an engineering company, we pay more than min wage
- Narrowed the gap between minimum wage and our starting wage. Puts more demand on increasing wages for new employees.
- Positive- look at all controllable costs more closely Negative- reduction of hours, compromising customer service- increased financial stress looming increase in goods to be passed on to consumer- can not absorb final increase in January
- I would say it has caused a negative impact on my business
- For a small business it has hurt me.
- Higher labor cost. Harder time hiring and retaining employees
- no impacts. we were already hiring at a higher rate than the minimum.
- none
- Negative- Sold another company that was based more on min wage workers. Had to raise rates and pass on to customer to keep up with wage increases
- All of our employees are paid higher than the minimum wage, so it hasn't affected us directly.
- The wage increase made us look at paying employees fairly for the work they do, I think the wage increase is a great thing.
- None that I can tell. I was paying above the minimum wage earlier anyway.
- None yet, But It seems Like a lot. I will reduce the Value of the wages I am paying
- None. Our NL FTE employee count is 350. It wouldn't let me enter that on the earlier screen.
- Negative impact. All costs are increasing.
- Make most things more expensive.
- It has jumped our payroll by a huge amount. With out employees doing anything to improve their job performance. Now are capped at raises, so unable to give pay raises for work ethics. Anyone living in Johnson county can now get paid to do nothing. And I feel that businesses will have a huge turn over, because we can now longer allow time to train and get better. At the pay increase people need to be good from the start or we will need to rehire. Yet some people learn at a slower pace and they will be eliminated because of the new pay scale.
- It seem to be helping the communities by way of people being able to afford to shop.

# Employee responses

## Q14 In what ZIP code do you reside?

Answered: 148 Skipped: 19

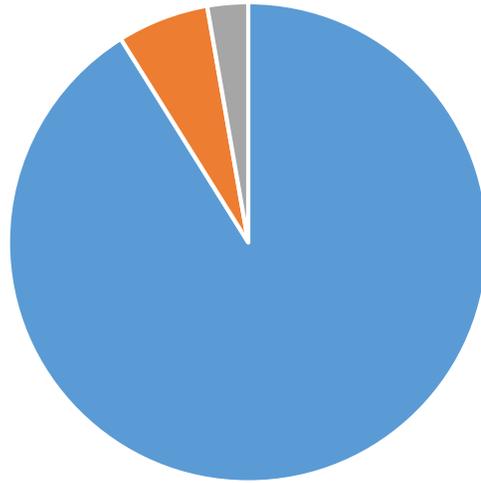
See page 3

## Q15 In what ZIP code do you work?

Answered: 148 Skipped: 19

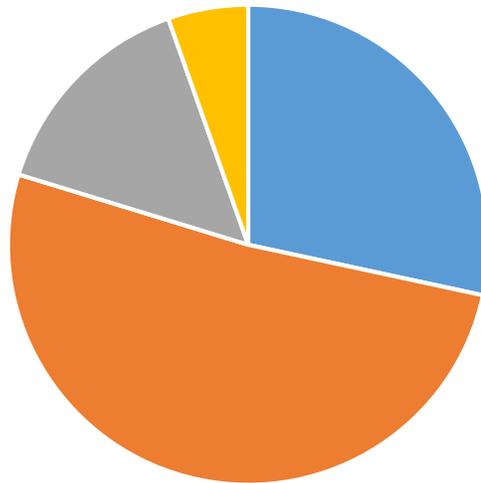
See page 3

Reside



■ 52317 ■ Other (Johnson) ■ Other (Linn)

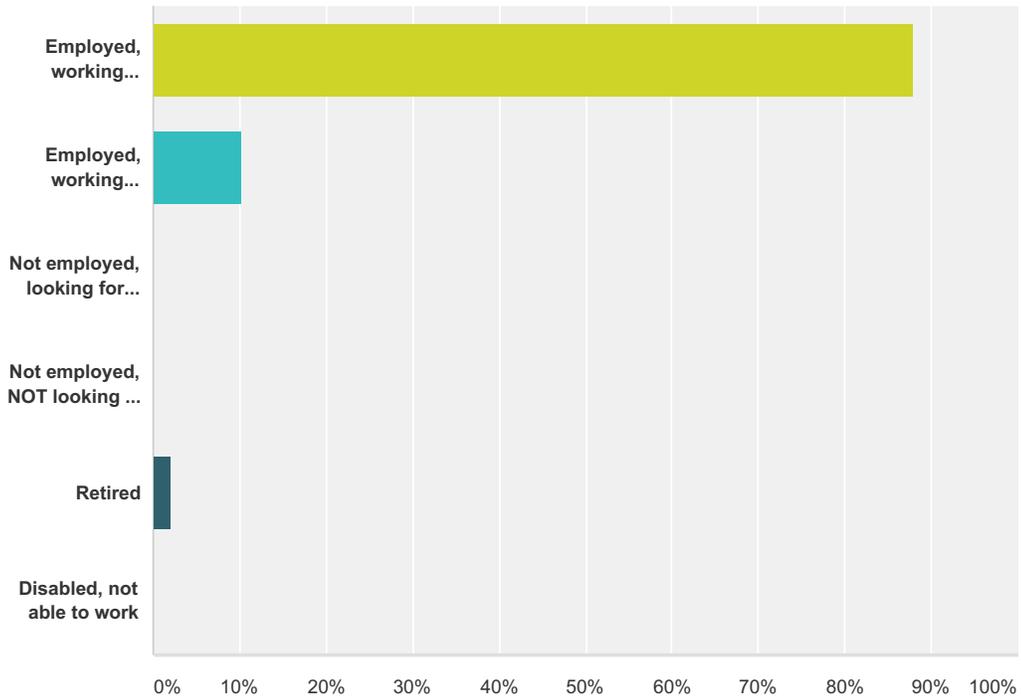
Work



■ 52317 ■ Other (Johnson) ■ Other (Linn) ■ Other (Other)

### Q16 Which of the following categories best describes your employment status?

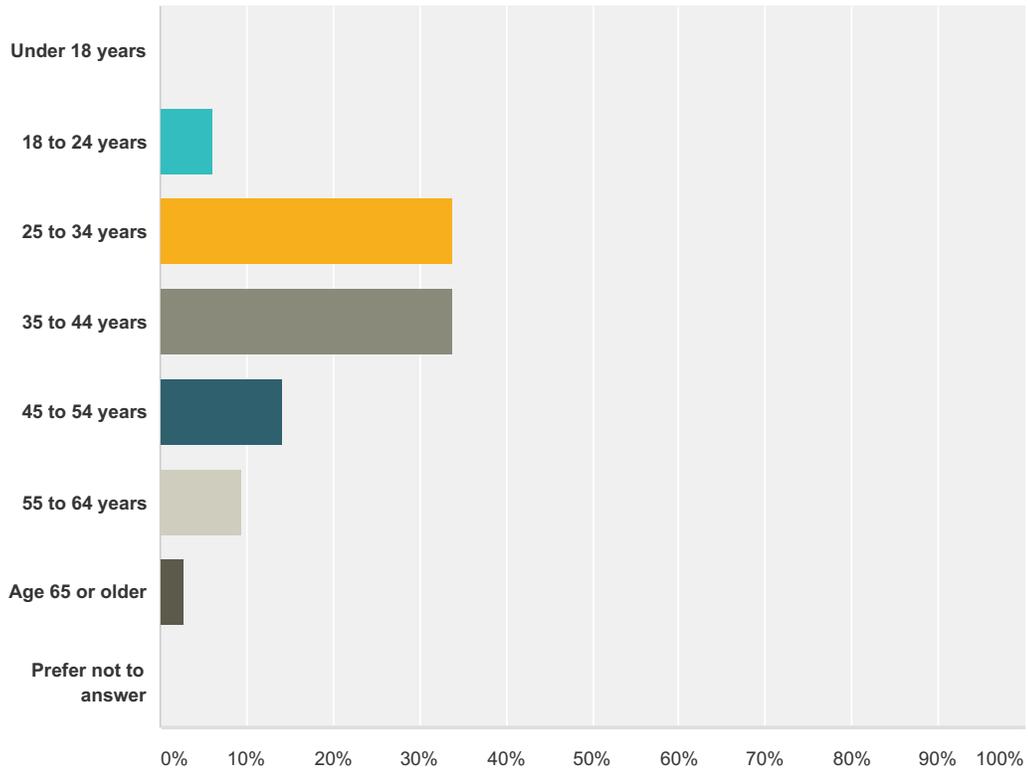
Answered: 148 Skipped: 19



Answer Choices	Responses	Count
Employed, working full-time	87.84%	130
Employed, working part-time	10.14%	15
Not employed, looking for work	0.00%	0
Not employed, NOT looking for work	0.00%	0
Retired	2.03%	3
Disabled, not able to work	0.00%	0
<b>Total</b>		<b>148</b>

### Q17 What is your age?

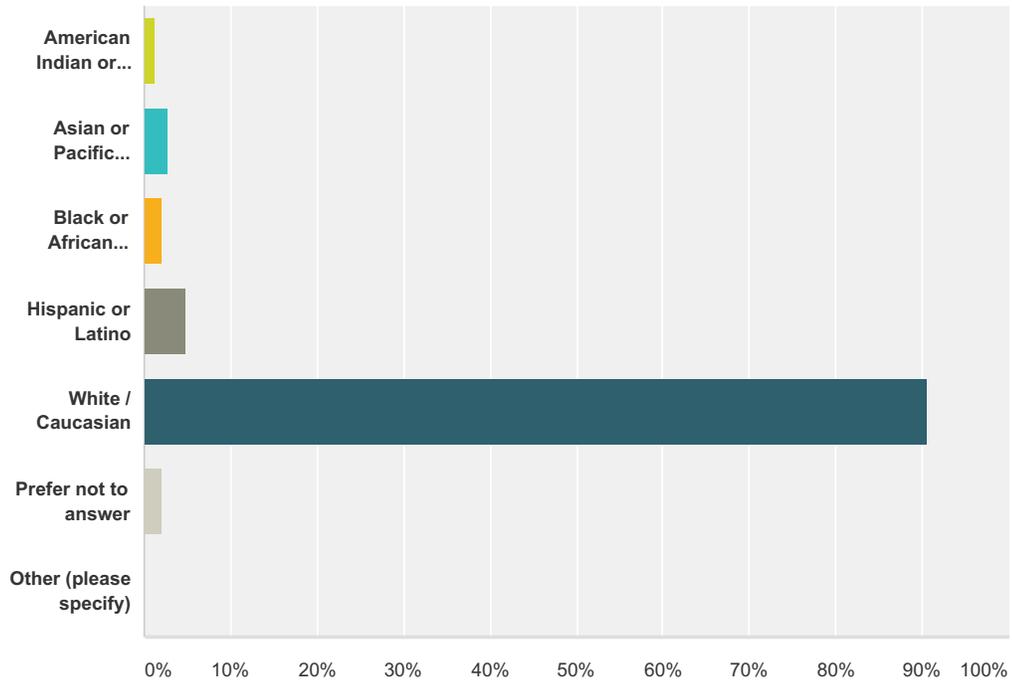
Answered: 148 Skipped: 19



Answer Choices	Responses
Under 18 years	0.00% 0
18 to 24 years	6.08% 9
25 to 34 years	33.78% 50
35 to 44 years	33.78% 50
45 to 54 years	14.19% 21
55 to 64 years	9.46% 14
Age 65 or older	2.70% 4
Prefer not to answer	0.00% 0
<b>Total</b>	<b>148</b>

### Q18 What is your ethnicity? (Please select all that apply.)

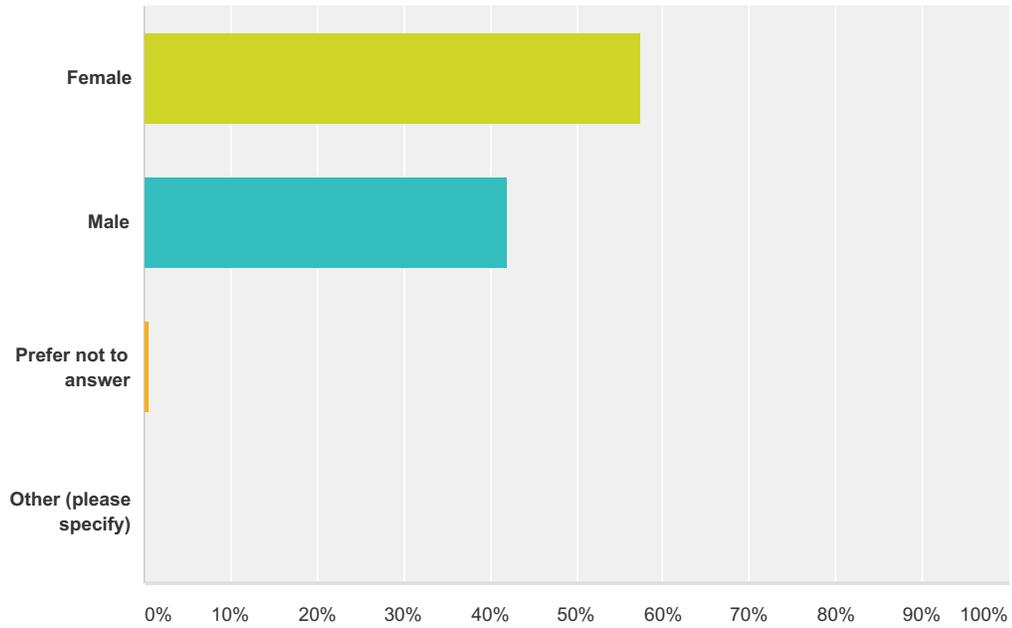
Answered: 148 Skipped: 19



Answer Choices	Responses
American Indian or Alaskan Native	1.35% 2
Asian or Pacific Islander	2.70% 4
Black or African American	2.03% 3
Hispanic or Latino	4.73% 7
White / Caucasian	90.54% 134
Prefer not to answer	2.03% 3
Other (please specify)	0.00% 0
<b>Total Respondents: 148</b>	

### Q19 What is your gender?

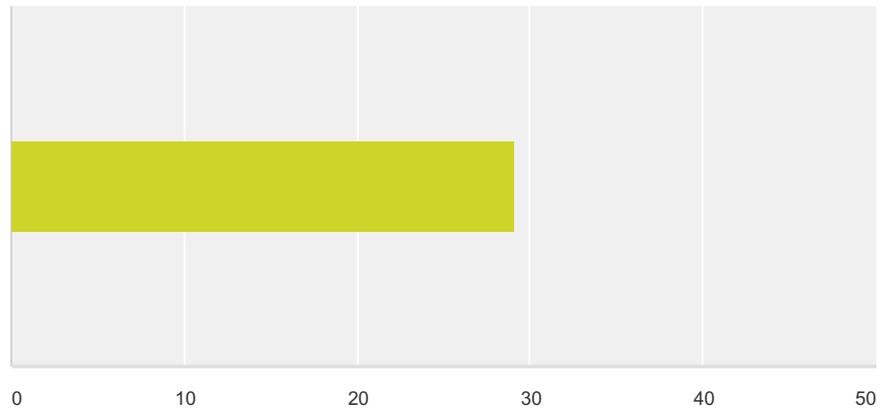
Answered: 148 Skipped: 19



Answer Choices	Responses	Count
Female	57.43%	85
Male	41.89%	62
Prefer not to answer	0.68%	1
Other (please specify)	0.00%	0
<b>Total</b>		<b>148</b>

### Q20 Approximately, what is your current hourly wage?

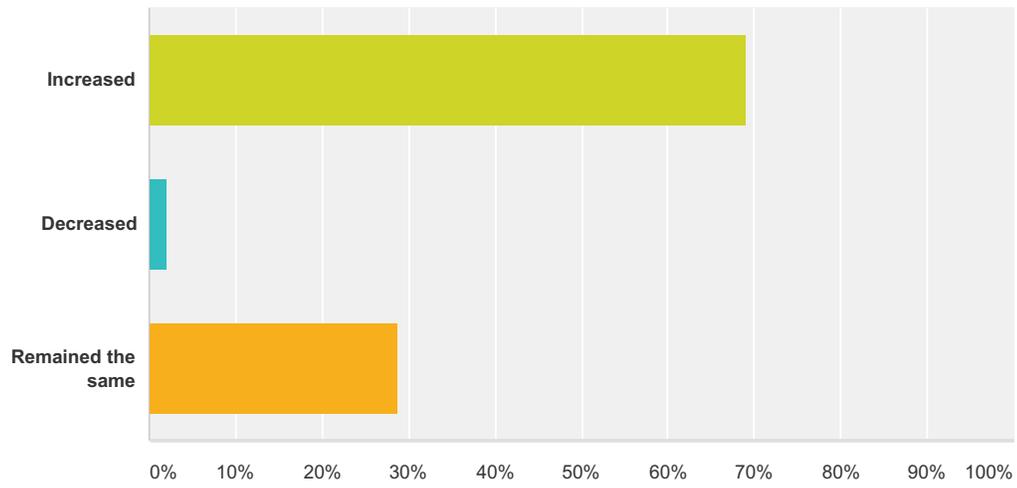
Answered: 133 Skipped: 34



Answer Choices	Average Number	Total Number	Responses
	29	3,875	133
<b>Total Respondents: 133</b>			

### Q21 Has your pay increased, decreased or remained the same in the past 12 months?

Answered: 142 Skipped: 25



Answer Choices	Responses
Increased	69.01% 98
Decreased	2.11% 3
Remained the same	28.87% 41
<b>Total</b>	<b>142</b>

### Q22 In your estimation, what has contributed to these changes?

Answered: 84 Skipped: 83

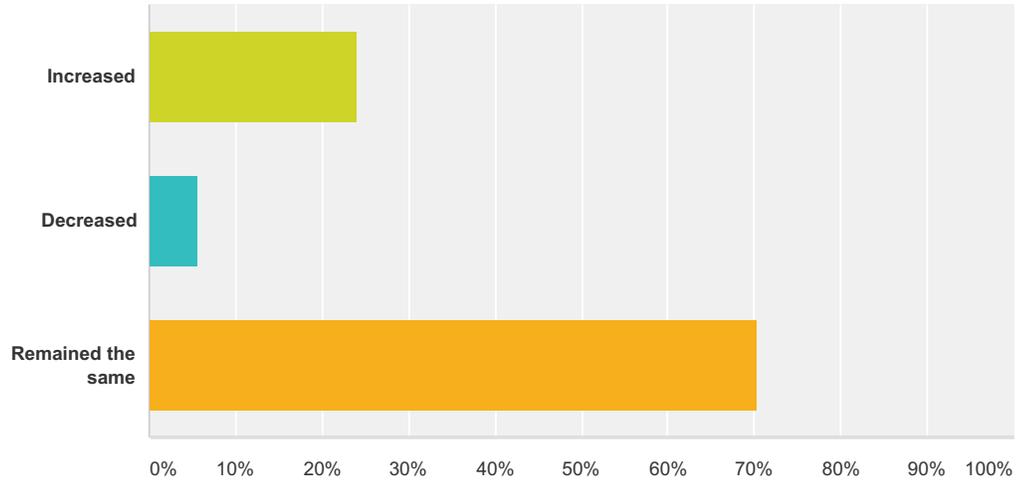
Increased

- Work ethic and loyalty
- Promoted
- Positive outcome of annual review at new employer
- Merit and increased responsibilities
- Company success
- New job
- CLA
- The county minimum wage ordinance
- New position within the company.
- annual raise at work
- Union CBA
- Economy
- Cost of living
- Annual raises
- Hard work and patience. Before that small raise, I was paid the the same for 1.5 years.
- Guaranteed raises by employer and agreements with union contracts
- Promotion
- Annual raise at work
- Employer budgets
- Annual review
- Time
- Yearly raise & position change
- Annual review
- Performance
- Market changes
- Cost of living increases.
- Annual pay increase
- Annual step & cost of living
- Contractual agreement between the Union and employer.
- Promotion
- Cost of living increase
- Cost of living & merit
- Position change
- the minimum wage increase from the county
- minimum wage increased
- raise in minimum wage
- More workload, repsonsibilities
- Cost of living raise, merit raise
- Longevity, Experience, Results, More business revenue and profit.
- Change in job description and duties
- more responsibilities
- Working hard attention to detail..advancement
- I am that dam good

- Cost of living.
  - Cost of living
  - Merit review
  - Increasing economic recovery
  - Growth within my field
  - Annual raise
  - Job time, with a yearly review
  - Job change
  - 2% merit increase
  - New job
  - % increase across the board
  - I received a promotion.
  - Change in job duties
  - Union representation
  - New position in the company
  - Part of a Union who does bargaining on my work classification's behalf
  - Annual raise
  - Work performance, time spent working at company
  - Cost of living
  - Economic growth.
  - Went back to school
  - Cost of living and performance increase
  - Working hard
  - Cost of living increase
  - Longevity
  - An annual review.
  - Change jobs
  - Career Progression and Good Performance
- Decreased
- Insurance
- Remained the same
- No changes
  - Increase in health insurance premiums for our company has eliminated any raises.
  - Healthcare is more expensive
  - Not enough competition for jobs
  - nothing
  - Wages are stagnating across the country and in Iowa, including at large employers like the university. We need to start increasing wages to bring them back in line with inflation and the cost of living.
  - good question, I need a raise, everything is going up
  - I have not been employed with the position for a full fiscal year (calendar year).
  - Ag economic conditions
  - No growth in economy
  - Company changed ownership - no increases.
  - Poor company to work for

### Q23 Have your work hours increased, decreased or remained the same in the past 12 months?

Answered: 142 Skipped: 25



Answer Choices	Responses	Count
Increased	23.94%	34
Decreased	5.63%	8
Remained the same	70.42%	100
<b>Total</b>		<b>142</b>

## Q24 In your estimation, what has contributed to these changes?

Answered: 43 Skipped: 124

### Increased

- Demand
- Short personnel and getting ready to roll out all new bottles and products at work for 2017
- Busy season
- More work, smaller staff
- New office manager, shares workload.
- Good work ethic
- Large work load and mandatory overtime
- More responsibilities
- Position change to management role
- Cost of living increase
- New job
- Years of service
- More responsibility
- New job, very small increase in hours
- Went from hourly to salaried, increased workload
- Floods and an increase in construction projects.
- More responsibility
- Management changes.
- More responsibilities requires more time.
- Larger workload, smaller team
- Turnover of employees
- More work less people to do work
- The company could care less about the employee. We are just a number all they want is money

### Decreased

- no business
- College
- I went part Time after having my third child
- Role change
- Semi retired
- Switch in jobs/hours
- Seasonal

### Remained the same

- New position
- Always steady workload
- It's part of our companies culture to not over work and have something close to a healthy work life balance
- Steady work orders
- Contract
- steady work
- Contracted hours
- Type of position I hold
- I'm salary, so my hours even themselves out whether I work less one week and more the next.
- There were no changes - still 40 hours/week.
- No change
- My choice
- I have not been employed in this position for a full fiscal year (calendar year).

## Q25 What impacts, positive or negative, has the Johnson County Minimum Wage had on you?

Answered: 118 Skipped: 49

- negative
- Has influenced employers to gradually raise the wages for my coworkers and me.
- None
- No impact
- N/A
- None
- None
- Work for an employee owned company, minimum wage hike raises wage for all deserving or not. Decreases profit and profit sharing.
- None
- no impact
- N/a.
- Negative
- None that I know of. My employer is based in Cedar Rapids, I just work remotely from home.
- None
- None.
- able to contribute to community
- Provides less value for people with secondary education. Minimum wage went up, but ours didn't and we paid for an education.
- None
- Harder to hire new quality employees
- None
- None
- None
- Negative, impacting clients. They cannot afford to pay employees. Clients will end up cutting hours.
- It has not had any impact.
- I feel it has increased the cost of services.
- None
- None.
- None.
- None
- None
- None that I'm aware of yet
- None...work in Linn County
- I work in linn county but I'm moving jobs to Johnson
- None
- None. When I worked in Jo co I made more than the minimum wage
- None although as a single homeowner earning only \$17/HR, it's rough
- None so far
- None
- None
- My day care center went up ~\$50 a month.
- Positive, thanks to the county I got a raise
- I see local employers struggling with how to keep current workers employed when they have to bring new employees in at the same or close to the same rate as someone that has been there for months or years.

- None
- None
- It increases the cost of living regardless of how much you make.
- None
- None as of now
- My in-laws have a small business that they will probably have to close soon because the minimum wage is more than their profits.

The kids that work for them are all under 18 and really aren't the ones that were intended to 'need' the higher wage and the work doesn't justify the increase. \$10/hour to stand around and ring people up? Ridiculous.

- It raises the cost for me to buy services and products in the local area. It also encourages me to shop more online. Raising the minimum wage removes competition and drives up costs while removing the incentive for people to raise their skill level. This is the wrong approach.

- None
- None, semi retired
- None
- I'm paying more for things, such as childcare, so I have less money now, even with a raise in my pay, than before the minimum wage change.

- None
- No impact on me personally
- None
- None
- Very little
- good, finally I got a raise
- I can pay my bills.
- The raise has helped me to pay my bills and lessened my financial stress.
- No impact.
- N/A

- The Johnson County Minimum Wage increase has helped justify and assert the wage I am current being paid. It helps turn my wage from looking out of place to being a standard, which should be the case for having a livable wage. Friends have also commented on the positive impacts on their lives, including actually being able to start a savings account or not having to choose between paying bills, buying food, and paying off student loans. Their stress reduction improves our relationship and their view on the community.

- None
- Probably pay more for some services, but have not noticed
- Increased costs in daycare.
- Consumer pricing went up in smaller businesses. Therefore saving money is easier buying online from nine local businesses.

Especially with online business like Amazon with free two day shipping.

- No impact
- Na
- None
- When I go out to eat or shop there seem to be happier and more skilled people working in the hourly jobs in this area
- None
- None that I've noticed.
- Positive
- Not many, as my degree and job time places me above the minimum wage, but I do not see increases in pay as the minimum wage continues to rise.

- I clicked wrong bottom as employee. But as employer it has it helped fill open positions and is a significant impact on business profitability. Wish it would help fill positions.

- NONE except making it so local businesses have to raise their prices to accommodate for paying a higher wage to their employees.
- None. I am salaried. I will pay more for services though due to the wage increase.
- None.
- None.
- None
- None

- Improving the lives of those around me who need it. Public funded projects I enjoy with my family will be more funded thanks to more income.

- None
- None

- I have not noticed any change personally but think it was a very good move.
- None
- Hasn't done anything for me
- None
- None
- No impact
- None directly
- None
- NA
- I don't agree w it. At some point the trickle effect will happen and jobs will be lost..nobody will pay 6.00fora McD's dbl cheese!

Those Jobs r for school kids that dont need a large min wage, not to support families! Hurts small businesses! Welfare programs offer schooling free....if people really want to support their families without subsidies, they can get a trade!

- Made products and services more expensive, so we go out less.
- None, I work for Feds.
- None
- Yes big impact, was able to buy more food for my family
- None
- The increase is starting to have a positive impact on many people I know, including students I teach, and working parents and their families. A small increase in wages makes a big difference in households struggling to support themselves.
- good but is not enough, I wanna see more money in my pocket for me and family
- The Johnson County Minimum Wage has only provided justification for my current wage. I have not been impacted negatively from these efforts to raise the minimum wage to more livable standards. I have seen positive effects on those I work closely with.
- None
- None
- none
- Cost of living is more expensive
- No impact
- No impact as I don't work in JoCo.
- Only higher prices when dining out.
- No noticeable change.
- Personally, the minimum wage does not directly impact my income potential, but I believe all of society benefits when all workers make a living wage - the economy, social welfare, health, education
- Unknown