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Still Working Well: Report Challenges Claim that Minimum Wage is Responsible for State Economic Problems

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For immediate release

Washington's Minimum Wage Helps Low-Wage Workers

Critics of Washington's minimum wage law have repeatedly pointed to the state's relatively high minimum wage as a cause of the state's high unemployment rate. Job growth trends do not support these claims, according to a report released this month by the Economic Opportunity Institute (EOI), a non-profit public policy institute.

The report, "[Still Working Well: Washington's Minimum Wage and the Beginnings of Economic Recovery](#)," demonstrates that occupations with the most minimum wage jobs are growing. There are now more restaurant jobs in Washington than before the recession, and employment in nursing and residential care facilities has increased 9% from 1999 to 2003. Although hotel and retail trade jobs have not recovered as fully as restaurant jobs from the effects of recession, 2003 employment levels were above 2002 levels. Washington had 2,000 more retail trade jobs in November 2003 than in November 2002, and 1,000 more accommodation jobs.

High-wage jobs, on the other hand, have steadily decreased. Over the past two years, Washington has suffered the highest rate of manufacturing job loss in the nation. Durable goods manufacturing jobs in the state started a steady decline in 1998, and dropped 32% from 1998 to 2003.

The report relies on data from Washington State Employment Security.

"It is simply not true that keeping the minimum wage strong is creating our unemployment problems," said EOI Policy Director Marilyn Watkins, Ph.D. "Minimum wage cost of living increases do protect the buying power of our lowest paid workers and that helps support businesses in all our communities."

Nationally, 8 of the 11 states that had a minimum wage above the federal level in 2003 did better at job creation than the United States as a whole, including Washington state.

Washington's minimum wage is \$7.16 per hour as of January 1, 2004, or almost \$15,000 annually for full-time work. The federal minimum wage level has stayed at \$5.15 per hour since 1997, losing nearly 20% of its buying power over the past six years. Most workers who earn minimum wage or close to it are in low-income families, three-quarters (3/4) are adults, and one-third (1/3) have children.

For a copy of the eight-page report, go to www.eoionline.org/MinimumWage/MW-Report2004.pdf.

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