

The Living Wage in Iowa: the effects on families and businesses.

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### Abstract

This paper explores the cost of living in Iowa. The paper looks at nine communities throughout Iowa, both urban and rural, in calculating the cost of living in Iowa. This calculation is then used to determine what an average Iowan would need to be paid per hour to make a “living wage.”

The paper then explores the effect of raising wages on businesses through looking at companies that currently pay minimum wage, companies that pay more than minimum wage but instead pay a “living wage”, and through a survey of the attitudes of small businesses in the nine Iowa communities.

The Living Wage in Iowa:  
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**The Issue**

Currently there is debate going on at the local and national level related to raising the federal and state minimum wage. The President of the United States would like to raise the federal minimum wage to \$10.10 per hour over a three-year period. Similarly, Iowa House Democrats recently introduced a bill to raise the state minimum wage to \$10.10 per hour by January 2016 (Bulman, 2014). Proponents and opponents of raising the minimum wage vehemently defend their position as either a way that will bring people out of poverty and boost the economy or as a way to kill small business and raise the unemployment rate.

From the outset, it seems there is no middle ground to the debate. Since Iowa is one of the lucky states that have a relatively low and stable unemployment rate, we decided to assess the possibility of raising the minimum wage and what affect that would have on families and businesses. We took a multi-factorial approach to the problem. First, we needed to figure out the cost of living in both rural and urban Iowa. Next, we assessed just how far the current minimum wage will go for the average Iowan. Then we looked at the research related to the effect of raising the minimum wage in the United States on both families and businesses. Finally, we surveyed small businesses in nine different urban and rural Iowa communities to get their view on the effect of raising the minimum wage.

**The History of Minimum Wage Laws in the United States**

The United States first introduced minimum wage laws in 1912 in Massachusetts (NPR Staff, 2012). About a quarter century later the United States instituted a minimum wage standard of 25 cents per hour in 1930 (NPR Staff, 2012). Until the 1970s, the minimum wage was

increased every couple of years. In the early 1970s sentiment towards minimum wage laws changed and the minimum wage has since dropped approximately 25% in value as compared to its 1968 value of \$10 per hour (NPR Staff, 2012).

### **Current Wage Standard in Iowa**

The state of Iowa's current minimum wage is \$7.25 per hour (U.S. Department of Labor, 2014). If an Iowan worked forty hours per week at the current minimum wage, they would make approximately \$15,080 before taxes. However, the minimum wage requirements do not apply to all employers ("Your rights under," 2009). An Iowa employer must meet the minimum wage requirements if they gross more than \$300,000 or are a "named enterprise" ("Your rights under," 2009). A "named enterprise" includes

public agencies; hospitals and residential care facilities for the sick, elderly, mentally or physically handicapped or gifted children; schools and preschools; public transportation subject to state or local regulation; most daycares; and employers engaged in construction, laundry and dry cleaning. Certain in-home daycares with five or fewer children and with only one employee, or whose only employees are members of that individual's immediate family, are excluded from the minimum wage law. Some types of employers are not required to comply with the Minimum Wage Law, such as certain employers in agriculture, certain summer camps, and others ("Iowa division of," N.D.).

However, if an employee makes tips as part of their compensation, an employer only needs to pay the employee \$4.35 an hour if the employee receives more than \$30.00 a month in tips ("Your rights under," 2009). Also, employers in Iowa are allowed to pay their employees an

initial employment rate of \$6.35 per hour for the first ninety (90) calendar days of employment ("Your rights under," 2009).

Individuals who make minimum wage may however qualify for the Earned Income Tax Credit to help offset the cost of living. If a single Iowan's adjusted gross income, which is an individual's gross income minus adjustments to income, is greater than \$14,340 they do not qualify for the Earned Income Tax Credit ("Earned income tax," 2014). For tax year 2013, the federal Internal Revenue Service ("IRS") set guidelines for the Earned Income Tax credit. A taxpayer can qualify for the credit if both their earned income and adjusted gross income are less than:

- \$14,340 (\$19,680 married filing jointly) with no qualifying children;
- \$37,870 (\$43,210 married filing jointly) with one qualifying child;
- \$43,038 (\$48,378 married filing jointly) with two qualifying children;
- \$46,227 (\$51,567 married filing jointly) with three or more qualifying children.

("Earned income tax," 2014). However, just because a taxpayer qualifies for a credit, it does not mean that they will receive the full amount of the credit. For tax year 2013, the IRS set the following guidelines for amount of the credit the taxpayer can receive:

- \$2 to \$487 with no qualifying children;
- \$9 to \$3,250 with one qualifying child;
- \$10 to \$5,372 with two qualifying children;
- \$11 to \$6,044 with three or more qualifying children.

("Earned income tax," 2014). The average Earned Income Tax credit last year was \$2,300 ("Earned income tax," 2014).

### **Who Actually Makes Minimum Wage**

There are a lot of myths regarding the age of the average minimum wage worker. The U.S. Bureau of Labor Statistics recently reported that approximately half of the individuals who earned the federal minimum wage or less in 2013 in the United States were teenagers (ages 16-19) (U.S. Bureau of Labor Statistics, 2014). However, studies that report that the average minimum wage worker is a teenager do not take into account states that pay more than the federal minimum wage (Cooper & Essrow, 2013). For example, the state minimum wage in Missouri is \$7.50 per hour (Davidson, 2013). This 25-cent per hour difference means that certain studies do not take into account those individuals who make the state's minimum wage in their review of the average minimum wage worker. In 2013, the Economic Policy Institute ("EPI") did a survey of the average minimum wage worker and found that as many as nineteen (19) states' had state-level minimum wage workers that were excluded from the Bureau of Labor Statistics report (Cooper & Essrow, 2013).

EPI surveyed who is the average minimum-wage worker and who would benefit from an increase in the minimum wage. EPI reviewed employment data across the United States and calculated who would benefit from an increase in minimum wage by looking at individuals who make less than \$10.10 per hour. Their results showed that 88% of affected workers in the United States are at least 20 years old, and of that 88%, at least one-third is 40 years old (Cooper & Essrow, 2013). In fact, the EPI estimated that the stereotypical individual who would benefit from an increase in the federal minimum wage from \$7.25 to \$10.10 per hour would be a female

“in her early thirties, [who] works full-time, and may have a family to support” (Cooper & Essrow, 2013).

EPI also looked into whether or not affected workers have children; work full-time; or went to college. The institute found that nearly half of affected workers have some college experience (Cooper & Essrow, 2013). They also found that a little over half of affected workers work full-time, meaning more than 35 hours per week (Cooper & Essrow, 2013). Finally, EPI found that 28% of affected workers have children (Cooper & Essrow, 2013). EPI’s review reveals that many minimum-wage workers are independent and are not teenagers who can rely on their parents for housing, food, and other support.

Not only are most low-wage earners not teenagers, they are also not employed by small businesses. The National Employment Law Project (“NELP”) used the Bureau of Labor Statistics data to figure out what types of companies are primarily employing minimum-wage workers (National Employment Law Project, 2012). According to NELP large corporations (companies with over 100 employees) employ two-thirds of minimum-wage workers in the United States (National Employment Law Project, 2012). The top three largest employers of minimum wage workers were Wal-Mart, Yum! Brands, and McDonalds (National Employment Law Project, 2012).

When looking at the 50 companies that employ the most low-wage workers, the vast majority are profitable and have been profitable since the recession of 2008 (National Employment Law Project, 2012). Over half of the 50 large companies are earning higher profits and have a “higher operating margin now than before the recession” (National Employment Law Project, 2012). This increase in profits and revenues has not been shared with the minimum wage employee but instead has been shared with top-level executives and shareholders.

According to NELP, in FY 2011 the three largest employers of minimum-wage workers paid their highest paid executive anywhere from \$2,037-\$10,206 per hour (National Employment Law Project, 2012). These companies also returned to shareholders (in the form of dividends and buybacks) approximately \$1,401-\$8,104 per worker (National Employment Law Project, 2012). While corporations have a duty to their shareholders, there is room to possibly increase the wages of the minimum-wage employees while still earning a profit for shareholders and executives.

### **Our Calculated Living Wage in Iowa**

In order to calculate the current livable wage in Iowa, we looked at nine cities throughout Iowa and found pertinent information from the MIT Livable Wage Calculator, the Economic Policy Institute's Family Budget Calculator of 2013, and the Iowa Policy Project (Glasmeier & Massachusetts Institute of Technology, 2014; Economic Policy Institute, 2013; Fisher & French, 2014). In order to capture the livable wage for typical Americans, we looked at cost of living numbers for a single adult and for a four-person family unit (consisting of two adults and two kids). After looking at multiple sources, we discovered that the average Iowan needs to make at least \$19.63 per hour to earn a livable wage (Glasmeier & Massachusetts Institute of Technology, 2014; Economic Policy Institute, 2013; Fisher & French, 2014). See Appendix 1 for further details on the numbers related to cost of living by county.

#### **MIT Livable Wage Calculator**

We first looked at the MIT data on the average income of a single adult and of a four-person family in Iowa. MIT organizes their data in a calculator called the "livable wage calculator" which provides a minimum estimate of the cost of living for low-income families in America (Glasmeier & Massachusetts Institute of Technology, 2014). The living wage



represented by the calculator takes into account the hourly rate that individuals must earn to support themselves if they work 2,080 hours per year.

The MIT livable wage calculator was particularly useful in that it took into account food, child care, medical, housing, transportation costs when developing the annual income before taxes. In determining the cost of living, the calculator uses food averages from the U.S. Department of Agriculture Economic Research Service; childcare costs from the National Association of Child Care Resource and Referral Agencies; healthcare costs from the Consumer Expenditure Survey and the Medical Expenditure Panel Survey; housing costs from the Fair Market Rents published by the U.S. Department of Housing and Urban Development; and transportation costs and other necessities from the 2010 Consumer Expenditure Survey (Glasmeier & Massachusetts Institute of Technology, 2014). Taxes were included as an estimate from federal payroll taxes and from federal and state income taxes for FY 2011. From the MIT formula, we found that the annual income needed to provide the basics for living, before taxes, for a single adult and a four-person family in Iowa was \$17,316 and \$38,474 respectively (Glasmeier & Massachusetts Institute of Technology, 2014).

### **The Economic Policy Institute**

The Economic Policy Institute also publishes the average national income for a four-person family unit consisting of two adults and two kids. Their budget calculator looked at each county's cost for rent, food, childcare, transportation, healthcare, other items of necessity, and taxes (Economic Policy Institute, 2013). Several Federal data reports and national averages were used as a basis for the values in the EPI calculator.

EPI's rent cost was based on the Department of Housing and Urban Development (HUD) Fair Market Rates (FMRs) that normally are used for calculating Federal housing assistance

funding. The FMR data is based on results from the American Communities Survey (ACS), conducted every five years, and is the 40th percentile of rent cost for all units within a municipality. For rural areas, where data was not available, rent costs were substituted with the average rent price for the given geographic area by the EPI authors. The term “rent” included cost of habitation plus all utilities other than communication services (Economic Policy Institute, 2013).

Food costs in the EPI calculator were based on the USDA’s “Low-Cost Plan”, one of four diet plans that were presented for nutritious diets. The plan has families and individuals buy their food at local grocery stores and prepare each meal at home, with prices of food based on national averages for June 2012. Other meal plans are significantly more expensive due to allocation for dining at restaurants, choice of organic-specific foods, or high-cost products depending on availability.

Childcare cost estimates stem from the January 2012 State Child Care Resource and Referral Network survey, with information collected from all 50 states. Childcare starts with assuming a four-year-old is the first child in daycare, and for families of four costs are the sum of 4-year-old’s childcare plus the cost of one school-age child (kindergarten through high school senior). A four-year-old’s care was calculated as full time during weekdays, whereas a school-aged child’s cost was estimated assuming services are only provided before and after school, without including the summer vacation months.

Transportation cost numbers are synthesized from data collected in the Federal Highway Administration’s 2009 Household Travel Survey (NHTS) and the IRS Announcement 2011-116. Total annual miles driven and the purpose of each trip was considered, including travel to work, grocery stores, schools, and healthcare services. This calculation was then reduced by declaring

certain trips to be social or recreational in nature, and thus the total was multiplied by the percent of trips that were non-social (i.e. necessary). Automobile costs were determined from the IRS publication data, which allocated 55.5 cents per mile driven at the time of this publication.

Healthcare costs were based on total insurance premiums and total out-of-pocket costs. The benchmark insurance plan cost used in the calculator was the cost of an employer-sponsored insurance plan. Total premium costs were chosen over employee contributions as the cost of an employer-sponsored plan serves as a typical benchmark for the standard of health insurance costs. Out-of-pocket costs were from the MEPS Household Component, using the regional breakdown of costs for both adults and children.

The “other necessities” took into account costs that are necessary for a “reasonably safe and comfortable, but modest, standard of living,” that do not meet the above categorical definitions (Economic Policy Institute, 2013). This estimate includes costs for apparel, entertainment, personal care products and services, reading, education, and miscellaneous items. From EPI’s statistics, we calculated that the average annual income needed to cover the basic cost of living in the nine cities was \$43,030 (Economic Policy Institute, 2013).

### **The Iowa Policy Project**

The Iowa Policy Project (“IPP”) is a nonpartisan, nonprofit organization that is focused on promoting public policy that “fosters economic opportunity while safeguarding the health and well-being of Iowa’s people and the environment” (Fisher & French, 2014). The IPP is in the process of releasing a multi-part analysis of the cost of living in Iowa. Currently, they have published part I of their analysis which looks at the basic budget of Iowa families (Fisher & French, 2014).

In their research, the IPP looked at the cost of living in Iowa, by county, for single Iowans, single parent families with one and two children, as well as two-parent families with one and two children. From their research, IPP then calculated what the working individuals in each family would need to make per hour to supply the basics for the family. IPP included only what was necessary to survive in Iowa which included “allowances for rent, utilities, food prepared at home, child care, health care, transportation, clothing, and other household necessities” (Fisher & French, 2014). They did not include in their budget “savings, loan payments, education expenses, any entertainment or vacation, or meals outside the home” (Fisher & French, 2014).

The IPP found a “substantial” increase in the cost of living in all areas from 2011 when they did their last analysis of the cost of living (Fisher & French, 2014). The group calculated that the median wage necessary to cover basic needs in Iowa is \$15.33 per hour and has a range from \$13.07-\$28.11 per hour depending upon the size of the family and the number of individuals working (Fisher & French, 2014). Future parts of the *Cost of Living in Iowa* report will address how many Iowa families fall below the cost of living wage.

### **Effects of Raising the Minimum Wage**

There are many policy groups, researchers, and government entities that have looked into the effect of raising the federal minimum wage. We focused on the more recent results from two national: the Economic Policy Institute and the Congressional Budget Office.

#### **Economic Policy Institute Report**

The Economic Policy Institute first analyzed the impact of the proposed \$9.80 federal minimum wage in comparison to the current \$7.25 federal minimum wage. The EPI looked at the three proposals: “Federal Minimum Wage Act of 2012,” “Rebuild America Act,” and “Catching Up to 1968 Act of 2012” (Economic Policy Institute, 2013). Based on the Census

Bureau data, EPI's findings concluded that the three bills poorly target the low-income families they are intended to help.

Later, in December of 2013, EPI released an analysis of the Fair Minimum Wage Act of 2013 that raises the federal minimum wage in three increments of \$0.95, raising it to \$10.10 per hour (Economic Policy Institute, 2013). The analysis included the adaption of the proposals in California, Connecticut, New Jersey, New York, and Rhode Island. EPI's analysis concluded that raising the federal minimum wage to \$10.10 by 2016 allows millions of Americans to live within their means as well as boost the U.S. GDP by nearly \$22 billion (Economic Policy Institute, 2013). Overall, the original proposal of raising the minimum wage provides immediate benefits to affected workers and ultimately benefits the U.S. economy with increased consumer spending.

### **Congressional Budget Office Report**

The Congressional Budget Office (CBO) also released a report in February of 2014 describing the expected effects of a minimum wage increase on employment and family income. The CBO looked at the effect of raising the minimum wage to \$9.00 and \$10.10 per hour (CBO, 2014). Each hypothetical minimum wage increase is achieved using a step approach, which allows time for budget adjustments and changes within human resources departments (CBO, 2014).

The \$10.10 option has a larger impact on both the number of individuals who will see an increase in wages as well as a reduction in total employment amongst minimum wage job sector(s) (CBO, 2014). Specifically, a wage of \$10.10 per hour would raise the incomes for 16.5 million workers with the cost of an estimated 500,000 jobs (ranging from a "slight decrease" to a potential loss of 1 million workers) (CBO, 2014). The \$9 per hour option is a compromise

option proposed to bridge the gap between the various political parties, leading to a lower number of improved wages and a subsequent smaller reduction in total employment.

Specifically, \$9 wages would benefit 7.6 million workers, costing an estimated 100,000 positions (ranging from a “small decrease” to 200,000 jobs according to the report) (CBO, 2014).

The CBO’s estimates are based on a national set of data, and would likely be unevenly distributed by industry due to elasticity of demand for some products or sectors. The reduction in overall total employment would include seasonal and temporary jobs, and thus the benefit to individuals seems to outweigh the cost to jobs for both minimum wage options. The probability of each estimate occurring was listed at 66% (CBO, 2014). The increased wages results in a \$2 billion increase in overall real income across all workers, and a \$5 billion increase for families whose income is below the current federal poverty level (CBO, 2014). Real income would possibly decrease for the top earning families with income six times the poverty level or more by 0.4% annually (CBO, 2014).

### **Survey Results**

Providing a living wage to Iowans impacts both individuals and businesses. We surveyed small businesses in Iowa to try to gather their attitudes regarding what is a sustainable livable wage that also maintains their business. In performing this survey we focused on small businesses in both urban and rural Iowa. The urban cities surveyed were Des Moines, Bettendorf, Davenport, and Sioux City while the rural cities surveyed were Le Mars, Perry, Leon, Clarion, and Carroll. The businesses surveyed were from a variety of industries: Automotive, Construction, Beauty, Restaurants, Agriculture, Florists, Cleaning Services, Retail Shops, Fitness, Daycares, and Painters. See Appendix 2 for the survey questions and possible responses.

The initial survey questions consisted of basic questions related to business longevity, location, and the number of full and part time employees. We were able to obtain a healthy mix of responses with the range of years in operation from six months to sixty years. There was also a wide range of business sizes with anywhere from one to twenty full time employees, zero to six part time employees, and many with fluctuating workforces with seasonal employment on an as needed basis.

The next set of questions in the survey attempted to obtain the business's perception of the cost of living and the ability to pay a livable wage. These questions started by asking whether the business actually classified their business as a small business, if they considered the minimum wage in its current state as a livable wage, and if their business could withstand a \$15 or \$20 per hour minimum wage. Nearly all respondents agreed that they would be categorized as a small business even without the federal government's definition with 12% agreeing and 88% strongly agreeing.

When the businesses were asked if they agreed with the statement that the current minimum wage is a livable wage, 76% did not agree with the statement. The remaining 24% responded with the answer of "no opinion." When asked if their business could withstand a \$15 per hour wage or a \$20 per hour wage, nearly two-thirds of respondents disagreed. Only 12% of respondents felt that they might be able to sustain a \$15 per hour or \$20 per hour wage.

The final portion of the survey asked questions related to the cost of business, how compensation is decided, and what types of benefits employers provide to employees. From these questions we were hoping for a description of outside costs associated with hiring part time employees. The businesses were generally guarded with their answers to these questions. The

list of additional expenses for employment were varied, they included FICA, Medicare/Social Security, Worker's Compensation, Vacation Days, Training Periods, and in some very limited cases insurance.

One respondent, an exterior painter that only employed himself and sometimes one other employee, accrued a workers compensation insurance bill of \$3000 for one season (May – October). He expressed that such an expense takes a lot of houses to make up, but some clients require that he have this insurance to bid on jobs in the first place. This made him reluctant to hire additional help. The business owner was even considering sub-contracting for work and requiring employees to carry their own insurance. This was not something that was noted by others in the survey.

There were however, several businesses that discussed currently using commission based wages. Other business discussed moving to a commission-based wage, so they could avoid legal issues related to wages. This would in essence force people to be their own boss, as increased sales and overall performance at an individual level would directly decide their compensation.

Another question asked of respondents was what they take into consideration in deciding to hire more employees or to have layoffs. The thought of how much the business would need to make in order to offset the cost of an employee was the number one consideration. If minimum wage increases changed sales prices enough that businesses would no longer be competitive, then respondents indicated they would not hire. This question led some respondents to comment on how the lack of benefits for part-time or even full-time employees in small businesses is sometimes compensated by flexibility. Many of the respondents considered part-time employees as having the benefit of flexibility in their scheduling which would allow for employees to work



more than one job or to avoid some daycare costs depending on what hours the job requires. New trends in employment, such as working from home, telecommuting, and “flextime” scheduling require future study to see how they could benefit the average worker or reduce the cost of living by negating commuting and daycare costs.

The last question of the survey elicited the most commentary from respondents. The respondents were told that our research showed a livable wage is most likely around \$20-22 per hour and we asked if their business could withstand that livable wage as a minimum wage. The answer was almost unanimously, “no.” Many respondents said it would end their business completely to increase wages over \$20 per hour, since their costs would be so high resulting in either raising prices so high that consumers may not stay loyal, or to layoff employees resulting in decreased customer service. The only business to answer yes was one that paid wages solely based on commission, so the minimum wage most likely had no bearing on their business.

Several respondents hypothesized that even larger business would struggle if they were forced to hire an employee at a livable wage. Some respondents were already upset over being forced to pay a minimum wage at all, since their business finances fluctuate and what can be accommodated at one time may not be possible the next. Many respondents discussed that when profits are high, they give more to employees because they want them to succeed and live comfortably, but naturally must reduce the trickle-down of profit to employees in times of recession and hardship.

One respondent brought up how they believed the lack of production in America, exacerbated by NAFTA, played a role in the dilemma since factories used to provide great wages and benefits; with globalization creating incentives to utilize cheap labor sources in under-

developed nations and ship goods to industrialized markets, the manufacturing class is disappearing from Iowa and the United States. Another respondent blamed the unions. Through our research we were not able to justify the union theory, but still noted it as a response.

This survey provided a window into the complexities of businesses in the state of Iowa. Although no definitive solutions to the minimum wage debate can be derived for all industries based upon one survey, the data does provide some feedback that is helpful when weighing the advantages and disadvantages of increasing the minimum wage. The costs of products and services, business viability, and the desired workforce must be considered when deciding whether or not the minimum wage can be increased to a livable wage.

### **Businesses That Currently Pay a Livable Wage**

Paying employees a livable wage benefits workers and can make companies more profitable. Workers with a livable wage can have higher morale and a stronger desire to see the company succeed, leading to superior customer service and sales. Companies like Costco and Trader Joe's pay their workers a higher wage than companies like Wal-Mart, while still remaining profitable.

According to Harold Meyerson in *Taking the 'service' out of the service sector*: "One lesson that emerges from the experience of low-end retailers is that putting workers in crummy, low-wage jobs tends to yield crummy service as well. McDonald's earnings haven't fallen, the Wall Street Journal reports, and a management webcast to franchise owners acknowledged that customer dissatisfaction is rising in part because 'service is broken'" (Meyerson, 2013). Meyerson adds, "some of the most successful retailers follow a different path....last year, Costco and Trader Joe's pa[id] their workers far more than many of their competitors, offer[ing] their

employees opportunities for promotion and enjoy[ed] markedly lower worker turnover and far higher sales per employee than their low-road counterparts” (Meyerson, 2013).

In fact, Meyerson found that sales per employee at Costco were nearly twice as much as Sam’s Club (Meyerson, 2013). This is one example of how paying employees less may not be an effective way to cut cost and boost profits. Costco and Trader Joe’s have enjoyed higher profit margins than Wal-Mart partially because they pay their workers more. Their workers in turn have more positive feelings toward their employers so they provide customers with better service, which can lead to better sales per employee.

According to Megan McArdle in *Why Wal-Mart Will Never Pay Like Costco*: “Many employers believe that one of the best ways to raise their profit margin is to cut labor costs. But companies like QuickTrip, the grocery-store chain Trader Joe’s, and Costco Wholesale are proving that the decision to offer low wages is a choice, not an economic necessity” (McArdle, 2013). There is a perception that you cannot provide low cost products and pay high wages. However, “all three are low-cost retailers, a sector that is traditionally known for relying on part-time, low-paid employees. Yet these companies have all found that the act of valuing workers can pay off in the form of increased sales and productivity” (McArdle, 2013).

### **National and Local Surveys on Raising the Minimum Wage**

Since raising the federal minimum wage has been an area of interest for politicians this year, there are many surveys and polls regarding the views of everyday people on raising the minimum wage. We looked at two recent national polls and one recent local poll: Washington Post/ABC, Quinnipiac University, and the Des Moines Register. See Appendices 3, 4, and 5 for further details on the poll results.

In early December 2013, the Washington Post/ABC conducted a poll of 1,005 adults that were selected by a random national sample (Fletcher & Craighill, 2013). The interviews were conducted on both landlines and cell-phone-only respondents (Fletcher & Craighill, 2013). The poll asked respondents four questions related to the wealth gap in America, the government's policies related to wealth, whether or not the respondent supports raising the federal minimum wage, and the appropriate federal minimum wage (Fletcher & Craighill, 2013). 61% of the respondents were in favor of raising the minimum wage.

Quinnipiac University conducted their poll on views of raising the minimum wage in January of 2014 and asked questions related to President Obama's job performance, the economy, raising the minimum wage, and the effect of raising the minimum wage on businesses (Malloy, 2014). The poll found that 71% of respondents support raising the minimum wage (Malloy, 2014). Furthermore, 33% of the respondents would like the minimum wage increased to \$10.10 per hour (Malloy, 2014). When it comes to the effect of raising the minimum wage on businesses respondents were concerned in saying it would "lead businesses to cut jobs, voters say 50 - 45 percent, with Republicans seeing job cuts 68 - 29 percent and Democrats saying no 65 - 29 percent, [while] Independent voters expect job cuts 51 - 45 percent" (Quinnipiac University, 2014).

The Des Moines Register polled 709 Iowa adults between February 23-26, 2014 and asked them one question related to raising the minimum wage: "Do you think the Iowa Legislature should or should not raise the minimum wage from its current \$7.25? (If should, ask:) What should it be raised to, over a period of three years—\$8 an hour, \$9 an hour, \$10 an hour, or \$15 an hour?" (Jacobs, 2014). Of the 709 respondents, 65% were in favor of raising the

minimum wage, 31% were not in favor of raising the minimum wage, and 4% were not sure (Jacobs, 2014).

In total, the nation and Iowans are in favor of raising the minimum wage. However, there is not agreement regarding what the minimum wage should be raised to. Since people want an increase in minimum wage but cannot agree on how much, a multi-faceted, graduated approach would probably work the best.

### **Going Forward**

The good news is that there is area where individuals on both sides of the issue agree. There is agreement that (1) increasing the minimum wage reduces poverty; and (2) the economic consequences are hard to predict with any certainty (Konczal, 2014). The bad news is that there is not a clear cut “correct path” for businesses, individuals, and the government to take. Moving forward, we recommend a multi-faceted approach that increases the minimum wage as part of a package deal. We would ideally recommend increasing the minimum wage to \$19.63 on a progressive 5-year track (approximately \$2.50 increase per year); after which the minimum wage would be indexed to inflation. We would also recommend increasing the parameters for other benefits like the Earned Income Tax Credit and the Supplemental Nutrition Assistance Program.

Funding for a higher minimum wage will be possible by the increased growth in the economy, especially as the affected families see an increase in overall pre-tax income that allows for increased spending in consumer markets. The Federal government will receive increased income from tax revenues, along with a similar advantage for state and local governments as well. The advantage of a higher wage seems to outweigh the potential job losses, especially

when considering the number of minimum wage earners who will no longer have to work two or more jobs to earn a meager income for themselves or their families.

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Appendix 1

MIT Living Wage Calculator Results

Bettendorf; Scott County

Hourly Wages	1 Adult	1 Adult, 1 Child	1 Adult, 2 Children	1 Adult, 3 Children	2 Adults	2 Adults, 1 Child	2 Adults, 2 Children	2 Adults, 3 Children
Living Wage	\$8.37	\$18.88	\$24.50	\$31.11	\$13.62	\$17.12	\$18.58	\$21.50
Poverty Wage	\$5.21	\$7.00	\$8.80	\$10.60	\$7.00	\$8.80	\$10.60	\$12.40
Minimum Wage	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25

Typical Expenses

These figures show the individual expenses that went into the living wage estimate. Their values vary by family size, composition, and the current location.

Monthly Expenses	1 Adult	1 Adult, 1 Child	1 Adult, 2 Children	1 Adult, 3 Children	2 Adults	2 Adults, 1 Child	2 Adults, 2 Children	2 Adults, 3 Children
Food	\$242	\$357	\$536	\$749	\$444	\$553	\$713	\$904
Child Care	\$0	\$521	\$967	\$1,412	\$0	\$0	\$0	\$0
Medical	\$117	\$404	\$431	\$413	\$269	\$396	\$374	\$383
Housing	\$463	\$650	\$650	\$829	\$516	\$650	\$650	\$829
Transportation	\$306	\$595	\$686	\$736	\$595	\$686	\$736	\$748
Other	\$63	\$157	\$214	\$285	\$113	\$150	\$170	\$194
Required monthly income after taxes	\$1,191	\$2,684	\$3,484	\$4,424	\$1,937	\$2,435	\$2,643	\$3,058
Required annual income after taxes	\$14,292	\$32,208	\$41,808	\$53,088	\$23,244	\$29,220	\$31,716	\$36,696
Annual taxes	\$3,127	\$7,056	\$9,149	\$11,612	\$5,091	\$6,389	\$6,935	\$8,024
Required annual income before taxes	\$17,419	\$39,264	\$50,957	\$64,700	\$28,335	\$35,609	\$38,651	\$44,720

Carroll; Carroll County

Hourly Wages	1 Adult	1 Adult, 1 Child	1 Adult, 2 Children	1 Adult, 3 Children	2 Adults	2 Adults, 1 Child	2 Adults, 2 Children	2 Adults, 3 Children
Living Wage	\$7.67	\$18.26	\$23.88	\$29.96	\$12.97	\$16.50	\$17.97	\$20.35
Poverty Wage	\$5.21	\$7.00	\$8.80	\$10.60	\$7.00	\$8.80	\$10.60	\$12.40
Minimum Wage	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25

Typical Expenses

These figures show the individual expenses that went into the living wage estimate. Their values vary by family size, composition, and the current location.

Monthly Expenses	1 Adult	1 Adult, 1 Child	1 Adult, 2 Children	1 Adult, 3 Children	2 Adults	2 Adults, 1 Child	2 Adults, 2 Children	2 Adults, 3 Children
Food	\$242	\$357	\$536	\$749	\$444	\$553	\$713	\$904
Child Care	\$0	\$521	\$967	\$1,412	\$0	\$0	\$0	\$0
Medical	\$114	\$402	\$428	\$410	\$266	\$393	\$372	\$379
Housing	\$371	\$570	\$570	\$680	\$432	\$570	\$570	\$680
Transportation	\$306	\$595	\$686	\$736	\$595	\$686	\$736	\$748
Other	\$58	\$152	\$209	\$274	\$108	\$144	\$164	\$183
Required monthly income after taxes	\$1,091	\$2,597	\$3,396	\$4,261	\$1,845	\$2,346	\$2,555	\$2,894
Required annual income after taxes	\$13,092	\$31,164	\$40,752	\$51,132	\$22,140	\$28,152	\$30,660	\$34,728
Annual taxes	\$2,855	\$6,812	\$8,912	\$11,182	\$4,842	\$6,164	\$6,710	\$7,609
Required annual income before taxes	\$15,947	\$37,976	\$49,664	\$62,314	\$26,982	\$34,316	\$37,370	\$42,337

Clarion, Wright County

Hourly Wages	1 Adult	1 Adult, 1 Child	1 Adult, 2 Children	1 Adult, 3 Children	2 Adults	2 Adults, 1 Child	2 Adults, 2 Children	2 Adults, 3 Children
Living Wage	\$8.14	\$18.08	\$23.70	\$30.14	\$12.99	\$16.32	\$17.79	\$20.53
Poverty Wage	\$5.21	\$7.00	\$8.80	\$10.60	\$7.00	\$8.80	\$10.60	\$12.40
Minimum Wage	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25

Typical Expenses

These figures show the individual expenses that went into the living wage estimate. Their values vary by family size, composition, and the current location.

Monthly Expenses	1 Adult	1 Adult, 1 Child	1 Adult, 2 Children	1 Adult, 3 Children	2 Adults	2 Adults, 1 Child	2 Adults, 2 Children	2 Adults, 3 Children
Food	\$242	\$357	\$536	\$749	\$444	\$553	\$713	\$904
Child Care	\$0	\$521	\$967	\$1,412	\$0	\$0	\$0	\$0
Medical	\$116	\$401	\$427	\$410	\$266	\$392	\$371	\$380
Housing	\$433	\$547	\$547	\$703	\$434	\$547	\$547	\$703
Transportation	\$306	\$595	\$686	\$736	\$595	\$686	\$736	\$748
Other	\$61	\$151	\$207	\$276	\$108	\$143	\$163	\$185
Required monthly income after taxes	\$1,158	\$2,572	\$3,370	\$4,286	\$1,847	\$2,321	\$2,530	\$2,920
Required annual income after taxes	\$13,896	\$30,864	\$40,440	\$51,432	\$22,164	\$27,852	\$30,360	\$35,040
Annual taxes	\$3,043	\$6,742	\$8,853	\$11,250	\$4,850	\$6,093	\$6,641	\$7,664
Required annual income before taxes	\$16,939	\$37,606	\$49,293	\$62,682	\$27,014	\$33,945	\$37,001	\$42,704

Davenport; Scott County

Hourly Wages	1 Adult	1 Adult, 1 Child	1 Adult, 2 Children	1 Adult, 3 Children	2 Adults	2 Adults, 1 Child	2 Adults, 2 Children	2 Adults, 3 Children
Living Wage	\$8.37	\$18.88	\$24.50	\$31.11	\$13.62	\$17.12	\$18.58	\$21.50
Poverty Wage	\$5.21	\$7.00	\$8.80	\$10.60	\$7.00	\$8.80	\$10.60	\$12.40
Minimum Wage	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25

Typical Expenses

These figures show the individual expenses that went into the living wage estimate. Their values vary by family size, composition, and the current location.

Monthly Expenses	1 Adult	1 Adult, 1 Child	1 Adult, 2 Children	1 Adult, 3 Children	2 Adults	2 Adults, 1 Child	2 Adults, 2 Children	2 Adults, 3 Children
Food	\$242	\$357	\$536	\$749	\$444	\$553	\$713	\$904
Child Care	\$0	\$521	\$967	\$1,412	\$0	\$0	\$0	\$0
Medical	\$117	\$404	\$431	\$413	\$269	\$396	\$374	\$383
Housing	\$463	\$650	\$650	\$829	\$516	\$650	\$650	\$829
Transportation	\$306	\$595	\$686	\$736	\$595	\$686	\$736	\$748
Other	\$63	\$157	\$214	\$285	\$113	\$150	\$170	\$194
Required monthly income after taxes	\$1,191	\$2,684	\$3,484	\$4,424	\$1,937	\$2,435	\$2,643	\$3,058
Required annual income after taxes	\$14,292	\$32,208	\$41,808	\$53,088	\$23,244	\$29,220	\$31,716	\$36,696
Annual taxes	\$3,127	\$7,056	\$9,149	\$11,612	\$5,091	\$6,389	\$6,935	\$8,024
Required annual income before taxes	\$17,419	\$39,264	\$50,957	\$64,700	\$28,335	\$35,609	\$38,651	\$44,720

Des Moines; Polk County

Hourly Wages	1 Adult	1 Adult, 1 Child	1 Adult, 2 Children	1 Adult, 3 Children	2 Adults	2 Adults, 1 Child	2 Adults, 2 Children	2 Adults, 3 Children
Living Wage	\$8.71	\$19.55	\$25.17	\$31.99	\$14.30	\$17.80	\$19.25	\$22.38
Poverty Wage	\$5.21	\$7.00	\$8.80	\$10.60	\$7.00	\$8.80	\$10.60	\$12.40
Minimum Wage	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25

Typical Expenses

These figures show the individual expenses that went into the living wage estimate. Their values vary by family size, composition, and the current location.

Monthly Expenses	1 Adult	1 Adult, 1 Child	1 Adult, 2 Children	1 Adult, 3 Children	2 Adults	2 Adults, 1 Child	2 Adults, 2 Children	2 Adults, 3 Children
Food	\$242	\$357	\$536	\$749	\$444	\$553	\$713	\$904
Child Care	\$0	\$521	\$967	\$1,412	\$0	\$0	\$0	\$0
Medical	\$119	\$408	\$434	\$416	\$272	\$399	\$376	\$386
Housing	\$506	\$737	\$737	\$944	\$604	\$737	\$737	\$944
Transportation	\$306	\$595	\$686	\$736	\$595	\$686	\$736	\$748
Other	\$65	\$163	\$220	\$293	\$119	\$155	\$176	\$202
Required monthly income after taxes	\$1,238	\$2,781	\$3,580	\$4,550	\$2,034	\$2,530	\$2,738	\$3,184
Required annual income after taxes	\$14,856	\$33,372	\$42,960	\$54,600	\$24,408	\$30,360	\$32,856	\$38,208
Annual taxes	\$3,252	\$7,293	\$9,402	\$11,941	\$5,344	\$6,654	\$7,187	\$8,351
Required annual income before taxes	\$18,108	\$40,665	\$52,362	\$66,541	\$29,752	\$37,014	\$40,043	\$46,559

Le Mars; Plymouth County

Hourly Wages	1 Adult	1 Adult, 1 Child	1 Adult, 2 Children	1 Adult, 3 Children	2 Adults	2 Adults, 1 Child	2 Adults, 2 Children	2 Adults, 3 Children
Living Wage	\$8.30	\$18.08	\$23.70	\$30.40	\$13.15	\$16.32	\$17.79	\$20.79
Poverty Wage	\$5.21	\$7.00	\$8.80	\$10.60	\$7.00	\$8.80	\$10.60	\$12.40
Minimum Wage	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25

Typical Expenses

These figures show the individual expenses that went into the living wage estimate. Their values vary by family size, composition, and the current location.

Monthly Expenses	1 Adult	1 Adult, 1 Child	1 Adult, 2 Children	1 Adult, 3 Children	2 Adults	2 Adults, 1 Child	2 Adults, 2 Children	2 Adults, 3 Children
Food	\$242	\$357	\$536	\$749	\$444	\$553	\$713	\$904
Child Care	\$0	\$521	\$967	\$1,412	\$0	\$0	\$0	\$0
Medical	\$117	\$401	\$427	\$411	\$267	\$392	\$371	\$381
Housing	\$453	\$547	\$547	\$737	\$455	\$547	\$547	\$737
Transportation	\$306	\$595	\$686	\$736	\$595	\$686	\$736	\$748
Other	\$62	\$151	\$207	\$278	\$110	\$143	\$163	\$187
Required monthly income after taxes	\$1,180	\$2,572	\$3,370	\$4,323	\$1,871	\$2,321	\$2,530	\$2,957
Required annual income after taxes	\$14,160	\$30,864	\$40,440	\$51,876	\$22,452	\$27,852	\$30,360	\$35,484
Annual taxes	\$3,099	\$6,742	\$8,853	\$11,351	\$4,900	\$6,093	\$6,641	\$7,764
Required annual income before taxes	\$17,259	\$37,606	\$49,293	\$63,227	\$27,352	\$33,945	\$37,001	\$43,248

Leon; Decatur County

Hourly Wages	1 Adult	1 Adult, 1 Child	1 Adult, 2 Children	1 Adult, 3 Children	2 Adults	2 Adults, 1 Child	2 Adults, 2 Children	2 Adults, 3 Children
Living Wage	\$7.69	\$18.08	\$23.70	\$29.86	\$12.85	\$16.32	\$17.79	\$20.25
Poverty Wage	\$5.21	\$7.00	\$8.80	\$10.60	\$7.00	\$8.80	\$10.60	\$12.40
Minimum Wage	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25

Typical Expenses

These figures show the individual expenses that went into the living wage estimate. Their values vary by family size, composition, and the current location.

Monthly Expenses	1 Adult	1 Adult, 1 Child	1 Adult, 2 Children	1 Adult, 3 Children	2 Adults	2 Adults, 1 Child	2 Adults, 2 Children	2 Adults, 3 Children
Food	\$242	\$357	\$536	\$749	\$444	\$553	\$713	\$904
Child Care	\$0	\$521	\$967	\$1,412	\$0	\$0	\$0	\$0
Medical	\$114	\$401	\$427	\$409	\$265	\$392	\$371	\$379
Housing	\$374	\$547	\$547	\$667	\$416	\$547	\$547	\$667
Transportation	\$306	\$595	\$686	\$736	\$595	\$686	\$736	\$748
Other	\$58	\$151	\$207	\$273	\$107	\$143	\$163	\$183
Required monthly income after taxes	\$1,094	\$2,572	\$3,370	\$4,246	\$1,827	\$2,321	\$2,530	\$2,881
Required annual income after taxes	\$13,128	\$30,864	\$40,440	\$50,952	\$21,924	\$27,852	\$30,360	\$34,572
Annual taxes	\$2,867	\$6,742	\$8,853	\$11,154	\$4,800	\$6,093	\$6,641	\$7,557
Required annual income before taxes	\$15,995	\$37,606	\$49,293	\$62,106	\$26,724	\$33,945	\$37,001	\$42,129

Perry; Dallas County

Hourly Wages	1 Adult	1 Adult, 1 Child	1 Adult, 2 Children	1 Adult, 3 Children	2 Adults	2 Adults, 1 Child	2 Adults, 2 Children	2 Adults, 3 Children
Living Wage	\$8.71	\$19.55	\$25.17	\$31.99	\$14.30	\$17.80	\$19.25	\$22.38
Poverty Wage	\$5.21	\$7.00	\$8.80	\$10.60	\$7.00	\$8.80	\$10.60	\$12.40
Minimum Wage	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25

Typical Expenses

These figures show the individual expenses that went into the living wage estimate. Their values vary by family size, composition, and the current location.

Monthly Expenses	1 Adult	1 Adult, 1 Child	1 Adult, 2 Children	1 Adult, 3 Children	2 Adults	2 Adults, 1 Child	2 Adults, 2 Children	2 Adults, 3 Children
Food	\$242	\$357	\$536	\$749	\$444	\$553	\$713	\$904
Child Care	\$0	\$521	\$967	\$1,412	\$0	\$0	\$0	\$0
Medical	\$119	\$408	\$434	\$416	\$272	\$399	\$376	\$386
Housing	\$506	\$737	\$737	\$944	\$604	\$737	\$737	\$944
Transportation	\$306	\$595	\$686	\$736	\$595	\$686	\$736	\$748
Other	\$65	\$163	\$220	\$293	\$119	\$155	\$176	\$202
Required monthly income after taxes	\$1,238	\$2,781	\$3,580	\$4,550	\$2,034	\$2,530	\$2,738	\$3,184
Required annual income after taxes	\$14,856	\$33,372	\$42,960	\$54,600	\$24,408	\$30,360	\$32,856	\$38,208
Annual taxes	\$3,252	\$7,293	\$9,402	\$11,941	\$5,344	\$6,654	\$7,187	\$8,351
Required annual income before taxes	\$18,108	\$40,665	\$52,362	\$66,541	\$29,752	\$37,014	\$40,043	\$46,559

Sioux City; Woodbury County

Hourly Wages	1 Adult	1 Adult, 1 Child	1 Adult, 2 Children	1 Adult, 3 Children	2 Adults	2 Adults, 1 Child	2 Adults, 2 Children	2 Adults, 3 Children
Living Wage	\$8.11	\$18.96	\$24.58	\$31.13	\$13.53	\$17.21	\$18.67	\$21.52
Poverty Wage	\$5.21	\$7.00	\$8.80	\$10.60	\$7.00	\$8.80	\$10.60	\$12.40
Minimum Wage	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25

Typical Expenses

These figures show the individual expenses that went into the living wage estimate. Their values vary by family size, composition, and the current location.

Monthly Expenses	1 Adult	1 Adult, 1 Child	1 Adult, 2 Children	1 Adult, 3 Children	2 Adults	2 Adults, 1 Child	2 Adults, 2 Children	2 Adults, 3 Children
Food	\$242	\$357	\$536	\$749	\$444	\$553	\$713	\$904
Child Care	\$0	\$521	\$967	\$1,412	\$0	\$0	\$0	\$0
Medical	\$116	\$405	\$432	\$413	\$268	\$397	\$374	\$383
Housing	\$429	\$661	\$661	\$832	\$504	\$661	\$661	\$832
Transportation	\$306	\$595	\$686	\$736	\$595	\$686	\$736	\$748
Other	\$61	\$158	\$215	\$285	\$113	\$150	\$171	\$194
Required monthly income after taxes	\$1,154	\$2,697	\$3,497	\$4,427	\$1,924	\$2,447	\$2,655	\$3,061
Required annual income after taxes	\$13,848	\$32,364	\$41,964	\$53,124	\$23,088	\$29,364	\$31,860	\$36,732
Annual taxes	\$3,027	\$7,077	\$9,171	\$11,624	\$5,053	\$6,423	\$6,967	\$8,036
Required annual income before taxes	\$16,875	\$39,441	\$51,135	\$64,748	\$28,141	\$35,787	\$38,827	\$44,768

## Appendix 2

## The Survey

Study Title: MPA 260 Keystone Experience Small Business Livable Wage Survey.

Investigator(s):

Drake University CBPA MPA Students: Tracie Behr, Molly Driscoll, Hans Erickson, Tanya Kaenkumchorn, and Jeffrey Pilz.

Faculty Advisor: Dr. Allen Zagoren

You are invited to participate in a research study that is being conducted by Drake University College of Business and Public Administration students who are obtaining their masters in public administration. The purpose of this research is to survey the opinions of small businesses related business costs and wages. 20 or more businesses will participate in the study, and each business's participation will last approximately 15 minutes. The study procedures include completion of a questionnaire/survey.

If you agree to take part in the study your business name will not appear in the final results. This research is confidential. Confidential means that the research records will include some information about your business, such as address. I will keep this information confidential by limiting individual's access to the research data and keeping it in a secure location. If a report of this study is published, or the results are presented at a professional conference, only group results will be stated, unless you have agreed otherwise. No individual names, personal names, or business names, will be used in any tallied or published data.

There are no foreseeable risks to participation in this study. Participation in this study is voluntary. You may choose not to participate, and you may withdraw at any time during the survey without any penalty to you. In addition, you may choose not to answer any questions with which you are not comfortable.

If you have any questions about the study procedures, you may contact Dr. Zagoren at (515) 271-4503. If you have any questions about the research study you can contact us at [LivingWageProject@gmail.com](mailto:LivingWageProject@gmail.com).

If you would like a copy of this survey, it can be sent to you for your records.

1. Name of Business (optional): \_\_\_\_\_.
2. Your Position (optional): \_\_\_\_\_.
3. How long has your business been in operation? \_\_\_\_\_.
4. What is the zip code of the business? \_\_\_\_\_.

5. What industry does your business serve?

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6. How many full-time employees do you currently employ?

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7. How many part-time employees do you currently employ?

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8. For the following questions, please respond with: (1) strongly disagree, (2) disagree, (3) no opinion, (4) agree, or (5) strongly agree.

a. **If the federal definition didn't exist, I would still consider myself a small business.** \_\_\_\_\_.

b. **Minimum wage is a livable wage.** \_\_\_\_\_.

c. **My business could sustain paying employees a livable wage of \$15/hr.**  
\_\_\_\_\_.

d. **My business could sustain paying employees a livable wage of \$20/hr.**  
\_\_\_\_\_.

9. Does your business offer benefits (insurance, paid time off, flexible scheduling, or retirement packages) to part-time employees?

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10. What is the minimum annual salary that you would consider to be a "livable wage" for a full-time employee in your city?

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11. What do you think is the average salary of a full-time employee in your city?

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12. What do you include in your “actual cost” of employing one full-time employee?

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13. What do you include in your “actual cost” of employing one part-time employee?

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14. What are budget considerations you take into account when making staffing hiring and firing decision?

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15. What benefits do you consider to be part of your employee’s compensation?

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16. Through our research we have focused on the livable wage of the average family in Iowa. We have found that generally, an hourly wage between \$20-22/hr would accommodate the cost of living in Iowa. Do you believe your business could continue to operate if the federal minimum wage was set at this “livable wage”?

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## Appendix 3

## Washington Post/ABC Poll Results

**Q: Do you think the federal government should or should not pursue policies that try to reduce the gap between wealthy and less well-off Americans?**

**57%—SHOULD PURSUE POLICIES**

**37%—SHOULD NOT PURSUE POLICIES**

**6%—*No opinion***

**Q: Do you think federal government policies currently do more to favor (less well-off Americans) or more to favor (the wealthy)?**

**26%—Favor less well-off Americans**

**64%—Favor the wealthy**

**5%— (VOL) Treats them equally**

**5%—No opinion**

**Q: Some people say (the minimum wage should be raised to help low-income workers get by.)**

**Others say (raising the minimum wage will lead some businesses to cut jobs.) Given these arguments, do you support or oppose raising the minimum wage?**

**66%—SUPPORT**

**31%—OPPOSE**

**3%—*No opinion***

**Q: The minimum wage in this country is now seven dollars and 25 cents an hour. What do you think it should be?**

**2%—No minimum wage**

**13%—\$7.25 or less**

**34%—\$7.26 to \$9**

**25%—\$9.01 to \$10**

**18%—More than \$10**

Appendix 4

Quinnipiac University Poll Results

20. Would you support or oppose raising the national minimum wage, which is now \$7.25 an hour?

	Tot	Rep	Dem	Ind	Men	Wom	Wht	Blk	Hsp
Support	71%	52%	93%	69%	65%	76%	68%	91%	74%
Oppose	27	45	6	28	33	21	29	8	26
DK/NA	3	3	1	3	2	3	3	1	-

  

	POLITICAL PHILSPHY			ANNUAL	HSOLD	INC	AGE IN YRS.....			
	Lib	Mod	Con	<50K	50-100	>100K	18-29	30-49	50-64	65+
Support	92%	80%	49%	78%	63%	66%	67%	70%	70%	76%
Oppose	5	17	48	20	34	31	29	27	29	22
DK/NA	2	2	2	2	3	3	4	3	2	2

TREND: Would you support or oppose raising the national minimum wage, which is now \$7.25 an hour?

	Jan 08 2014	Dec 10 2013
Support	71	69
Oppose	27	27
DK/NA	3	4

21. (If support q20) Do you think that the minimum wage should be \$10.10 an hour, should be less than \$10.10 an hour, or should be more than \$10.10 an hour? (\* Subgroup size less than 75, additional caution should be taken when interpreting findings of this group because of the large margin of error)

	SUPPORTS INCREASE Q20.....									
	Tot	Rep	Dem	Ind	Men	Wom	Wht	Blk	Hsp*	
Exactly \$10.10	47%	49%	46%	49%	42%	50%	46%	53%	46%	
Less than \$10.10	25	35	15	29	30	22	29	11	23	
More than \$10.10	26	14	37	20	27	26	23	36	32	
DK/NA	2	1	2	2	2	2	2	-	-	

  

	POLITICAL PHILSPHY			ANNUAL	HSOLD	INC	AGE IN YRS.....			
	Lib	Mod	Con	<50K	50-100	>100K	18-29*	30-49	50-64	65+
Exactly \$10.10	50%	49%	42%	48%	49%	45%	60%	46%	44%	43%
Less than \$10.10	13	28	37	25	25	27	23	25	26	26
More than \$10.10	36	22	21	27	22	26	14	28	29	28
DK/NA	2	2	1	1	4	1	3	1	1	3

TREND: (If support) Do you think that the minimum wage should be \$10.10 an hour, should be less than \$10.10 an hour, or should be more than \$10.10 an hour?

	SUPPORTS INCREASE	
	Jan 08 2014	Dec 10 2013
Exactly \$10.10	47	42
Less than \$10.10	25	23
More than \$10.10	26	32
DK/NA	2	3

21a. (COMBINED Q20 & Q21) Would you support or oppose raising the national minimum wage, which is now \$7.25 an hour? IF SUPPORT: Do you think that the minimum wage should be \$10.10 an hour, should be less than \$10.10 an hour, or should be more than \$10.10 an hour?

	Tot	Rep	Dem	Ind	Men	Wom	Wht	Blk	Hsp
Increase to \$10.10	33%	26%	43%	34%	27%	38%	31%	48%	34%
Increase < \$10.10	18	18	14	20	19	17	20	10	17
Increase > \$10.10	18	7	34	14	17	20	15	33	23
Oppose increase	27	45	6	28	33	21	29	8	26
DK/NA	4	3	3	4	3	5	4	1	-

  

	POLITICAL PHILSPHY			ANNUAL HSHOLD INC			AGE IN YRS.....			
	Lib	Mod	Con	<50K	50-100	>100K	18-29	30-49	50-64	65+
Increase to \$10.10	46%	39%	21%	37%	31%	30%	40%	32%	31%	32%
Increase < \$10.10	12	22	18	19	16	18	15	18	18	20
Increase > \$10.10	33	17	10	21	14	17	9	19	20	22
Oppose increase	5	17	48	20	34	31	29	27	29	22
DK/NA	4	4	3	3	6	4	6	4	3	4

TREND: (COMBINED) Would you support or oppose raising the national minimum wage, which is now \$7.25 an hour? IF SUPPORT: Do you think that the minimum wage should be \$10.10 an hour, should be less than \$10.10 an hour, or should be more than \$10.10 an hour?

	Jan 08 2014	Dec 10 2013
Increase to \$10.10	33	29
Increase < \$10.10	18	16
Increase > \$10.10	18	22
Oppose increase	27	27
DK/NA	4	6

22. Do you think raising the minimum wage will lead businesses to cut jobs or don't you think so?

	Tot	Rep	Dem	Ind	Men	Wom	Wht	Blk	Hsp
Yes	50%	68%	29%	51%	53%	48%	52%	37%	50%
No	45	29	65	45	44	47	43	59	47
DK/NA	4	3	6	5	4	5	4	4	3

  

	POLITICAL PHILSPHY			ANNUAL HSHOLD INC			AGE IN YRS.....			
	Lib	Mod	Con	<50K	50-100	>100K	18-29	30-49	50-64	65+
Yes	33%	44%	65%	47%	55%	50%	49%	54%	50%	48%
No	62	50	32	48	41	47	49	43	44	46
DK/NA	5	5	3	5	4	3	2	3	5	6

## Appendix 5

## Des Moines Register Poll Results

**THE IOWA POLL**

SELZER & COMPANY  
703 Iowa adults  
Margin of error:  $\pm 3.7$  percentage points

Study #2095  
February 23-26, 2014  
Weighted by age, sex, and congressional district

**Poll Questions**

Do you think the Iowa Legislature should or should not raise the minimum wage from its current \$7.25 an hour?  
**(If should, ask:)** What should it be raised to, over a period of three years—\$8 an hour, \$9 an hour, \$10 an hour, or \$15 an hour or more?

- 9 Should, \$8 an hour
- 18 Should, \$9 an hour
- 30 Should \$10 an hour
- 8 Should, \$15 an hour or more
- 31 No, should not raise
- 4 Not sure

**About the poll**

The Iowa Poll, conducted Feb. 23-26 for The Des Moines Register by Selzer & Co. of Des Moines, is based on interviews with 703 Iowans ages 18 or older. Interviewers contacted households with randomly selected landline and cell phone numbers. Responses were adjusted by age, sex, and congressional district to reflect the general population based on recent Census data.

Questions based on the sample of 703 Iowa adults have a maximum margin of error of plus or minus 3.7 percentage points. This means that if this survey were repeated using the same questions and the same methodology, 19 times out of 20, the findings would not vary from the percentages shown here by more than plus or minus 3.7 percentage points. Results based on smaller samples of respondents—such as by gender or age—have a larger margin of error.

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