ECONOMISTS IN SUPPORT OF A $15 U.S. MINIMUM WAGE AS OF 2020

We, the undersigned professional economists, favor an increase in the federal minimum wage to $15 an hour as of 2020. The federal minimum wage is presently $7.25, and was most recently increased in 2009. We also support intermediate increases over the current federal minimum between now and 2020, such as a first-step raise to $10.50 an hour as of 2016.

The real, inflation-adjusted, value of the federal minimum wage has fallen dramatically over time. The real value of the federal minimum wage peaked in 1968 at 10.85 an hour, 50 percent above the current level. Moreover, since 1968, average U.S. labor productivity has risen by roughly 140 percent. This means that, if the federal minimum wage had risen in step with both inflation and average labor productivity since 1968, the federal minimum wage today would be $26.00 an hour. (References for all data cited in this petition can be found here: http://www.peri.umass.edu/fileadmin/pdf/resources/Technical_Appendix_15_Minimum.pdf)

If a worker today is employed full time for a full 52-week year at a minimum wage job today, she or he is making $15,080. This is 21 percent below the official poverty line for a family of three. Raising the minimum wage to $15 an hour would deliver much needed living standard improvements to 76 million U.S. workers and their families. The average age for these workers is 36 years old and they have been in the labor force for an average of 17 years. Only 6 percent of the workers who would benefit from this minimum wage increase are teenagers; i.e., 94 percent are adults.

Numerous states and municipalities throughout the United States are already operating with minimum wage standards above the $7.25 federal minimum. Thus, 29 states plus Washington, DC maintain minimum wages between $7.50 and $9.50. These measures cover 61 percent of the U.S. population. The cities of Los Angeles, Seattle, and San Francisco have all established $15 minimum wage standards that, for all three cases, will be fully phased in as of 2021. A $13 minimum wage will be operating in Chicago as of 2019. Other cities, including New York and Washington, DC, are presently considering similar measures. The State of New York is also examining a $15 minimum wage proposal for the fast-food industry.

Opponents of minimum wage increases frequently argue that such measures will mean fewer employment opportunities for low-wage workers because businesses will be less willing to hire workers at the increased wage level. But the weight of evidence from the extensive professional literature has, for decades, consistently found that no significant effects on employment opportunities result when the minimum wage rises in reasonable increments. This is because the increases in overall business costs resulting from a minimum wage increase are, for the most part, modest.

We recognize that raising the federal minimum wage to $15 an hour as of 2020 would entail an increase that is significantly above the typical pattern with federal minimum wage increases. Nevertheless, through a well-designed four-year phase-in process, businesses will be able to absorb the cost increases through modest increases in prices and productivity as well as enabling low-wage workers to receive a slightly larger share of businesses’ total revenues. On average, even fast-food restaurants, which employ a disproportionate share of minimum wage workers, are likely to see their overall business costs increase by only about 2.8 percent per year.
through a four-year phase in to a $15 federal minimum wage by 2020. That means, for example, that McDonalds could cover fully half of the cost increase by raising the price of a Big Mac, on average, by 7 cents per year for four years—i.e. from $4.80 to $5.08. The remaining half of the adjustment could come through small productivity gains or a modestly more equal distribution of the increase in revenues generated by the U.S. economy’s overall rate of economic growth.

The economy overall will benefit from the gains in equality tied to the minimum wage increase and related policy initiatives. Greater equality means working people have more spending power, which in turn supports greater overall demand in the economy. Greater equality also means less money is available to flow into the types of hyper-speculative financial practices that led to the 2008-09 Wall Street crash and subsequent Great Recession.

Moreover, the overwhelming factor determining employment opportunities for low-wage workers is macroeconomic conditions—whether the economy is growing or in a recession. Thus, in 1968, when the U.S. minimum wage reached $10.85 in real dollars, the overall unemployment rate was 3.6 percent. By contrast, during the depths of the 1982 recession, the real value of the minimum wage had fallen to $8.22 while unemployment peaked at 10.8 percent.

In short, raising the federal minimum to $15 an hour by 2020 will be an effective means of improving living standards for low-wage workers and their families and will help stabilize the economy. The costs to other groups in society will be modest and readily absorbed.

Signers (Institutional listing for identification purposes only):

1. Randy Albelda, Ph.D., University of Massachusetts, Boston
2. Lluis Rodriguez Algans, CNT Trade Union
3. Peter Arno, Ph.D., University of Massachusetts-Amherst and Lehman College, City University of New York
4. Michael Ash, Ph.D., University of Massachusetts-Amherst
5. M.V. Lee Badget, Ph.D., University of Massachusetts-Amherst
6. Brook K. Baker, J.D., Northeastern University School of Law
7. Nesecan Balkan, Ph.D., Hamilton College
8. Avraham Baranes, Ph.D., Rollins College
9. David Barkin, Ph.D., Universidad Autonoma Metropolitana-Xochimilco
10. Deepankar Basu, Ph.D., University of Massachusetts-Amherst
11. Lourdes Beneria, Ph.D., Cornell University
12. Peter H. Bent, University of Massachusetts-Amherst and University of Oxford
13. Cyrus Bina, Ph.D., University of Minnesota
15. Marc Blecher, Ph.D., Oberlin College
16. Eileen Boris, Ph.D., University of California-Santa Barbara
17. Howard Botwinick, Ph.D., State University of New York-Cortland
18. Roger Even Bove, Ph.D., West Chester University
19. James K. Boyce, Ph.D., University of Massachusetts-Amherst
20. Michael Brün, Ph.D., Illinois State University
21. Robert Buchele, Ph.D., Smith College
22. Antonio Callari, Ph.D., Franklin and Marshall College
23. Al Campbell, Ph.D., University of Utah
24. Jim Campen, Ph.D., University of Massachusetts, Boston
25. Michael Carter, Ph.D., University of Massachusetts, Lowell
26. Scott Carter, Ph.D., The University of Tulsa
27. Shouvik Chakraborty, Ph.D., University of Massachusetts-Amherst
28. John Chasse, Ph.D., State University of New York, Brockport
29. Ying Chen, University of Massachusetts-Amherst
30. Robert Chernomas, Ph.D., University of Manitoba
31. Kimberly Christensen, Ph.D., Sarah Lawrence College
32. Alan B. Ciblis, Ph.D., Universidad Nacional de General Sarmiento
33. Peter Cole, Ph.D., Western Illinois University
34. Bruce E. Collier, Ph.D., Association for Social Economics
35. James Crotty, Ph.D., University of Massachusetts-Amherst
36. Stephen Cullenberg, Ph.D., University of California, Riverside
37. Jane D’Arista, Political Economy Research Institute
38. Flavia Dantas, Ph.D., SUNY - Cortland
39. Paul Davidson, Ph.D., University of Tennessee
40. Erik Dean, Ph.D., Portland Community College
41. Carmen Diana Deere, Ph.D., University of Florida
42. George DeMartino, Ph.D., University of Denver
43. Gregory DeFreitas, Ph.D., Hofstra University
44. Alan Derickson, Ph.D., Pennsylvania State University
45. James G. Devine, Ph.D., Loyola Marymount University
46. G. William Domhoff, Ph.D., University of California, Santa Cruz
47. Peter Dreier, Ph.D., Occidental College
48. Thomas L. Dublin, Ph.D., State University of New York, Binghampton
49. Gary Dymski, Ph.D., Leeds University Business School
50. Peter Dorman, Ph.D., Evergreen State College
51. Veronika V. Eberharter, Ph.D., University of Innsbruck
52. Barry Eldin, Ph.D., McGill University
53. Gerald Epstein, Ph.D, University of Massachusetts-Amherst
54. Rudy Fichtenbaum, Ph.D., Wright State University
55. Deborah M. Figart, Ph.D., Stockton University
56. Alfredo Saad Filho, Ph.D., University of London
57. Andrew M. Fischer, Ph.D., Institute of Social Studies of Erasmus University Rotterdam
58. Sean Flaherty, Ph.D., Franklin & Marshall College
59. Nancy Folbre, Ph.D., University of Massachusetts-Amherst
60. Gerald Friedman, Ph.D., University of Massachusetts-Amherst
61. Kevin Furey, , Chemeketa Community College
62. James K. Galbraith, Ph.D., University of Texas-Austin
63. John Luke Gallup, Ph.D., Portland State University
64. Ina Ganguli, Ph.D., University of Massachusetts-Amherst
65. Jorge Garcia-Arias, Ph.D., University of Leon
66. Heidi Garrett-Peltier, Ph.D., University of Massachusetts-Amherst
67. Barbara Garson
68. Armağan Gezici, Ph.D., Keene State College
69. G. Reza Ghorashi, Ph.D., Stockton University
70. Helen Lachs Ginsburg, Ph.D., Brooklyn College, City University of New York
71. Jonathan P. Goldstein, Ph.D., Bowdoin College
72. April Gordon, Winthrop University
73. Ilene Grabel, Ph.D., University of Denver
74. Jerry Gray, Ph.D., Willamette University
75. Josh Greenstein, Ph.D., Hobart and William Smith Colleges
76. Daphne Greenwood, Ph.D., University of Colorado-Colorado Springs
77. Winston Griffith, Ph.D., Howard University
78. Christopher Gunn, Ph.D., Hobart and William Smith Colleges
79. Robert Guttman, Ph.D., Hofstra University
80. Robin Hahnel, Ph.D., American University, Portland State University
81. Eric Hake, Ph.D., Catawba College
82. Martin Hart-Landsberg, Ph.D., Lewis and Clark College
83. James Heintz, Ph.D., University of Massachusetts-Amherst
84. Lisa Henderson, Ph.D., University of Massachusetts-Amherst
85. John F. Henry, Ph.D., University of Missouri-Kansas City
86. Arturo Hermann, Italian National Institute of Statistics
87. Joan Hoffman, Ph.D., John Jay College of Criminal Justice
88. Candace Howes, Ph.D., Connecticut College
89. Michael Hudson, Ph.D., University of Missouri, Kansas City
90. Dorene Isenberg, Ph.D., University of Redlands
91. Russell Janis, Ph.D., J.D., University of Massachusetts-Amherst
92. Tae-Hee Jo, Ph.D., State University of New York, Buffalo State
93. Laurie Johnson, Ph.D., New York University
94. Fadhel Kaboub, Ph.D., Denison University
95. Rebecca E. Karl, Ph.D., History Department, New York University
96. Mousa H. Kassis, Youngstown State University
97. Farida C. Khan, Ph.D., University of Wisconsin-Parkside
98. Mary C. King, Ph.D., Portland State University
99. Tim Koechlin, Ph.D., Vassar College
100. Harry Konstantinidis, Ph.D., University of Massachusetts Boston
101. David Laibman, Ph.D., Brooklyn College and Graduate School, City University of New York
102. Thomas Lambert, Ph.D., Northern Kentucky University
103. Margaret Levenstein, Ph.D., University of Michigan
104. Oren M. Levin-Waldman, Ph.D., Metropolitan College of New York
105. Ariana R. Levinson, Ph.D., University of Louisville
106. Victor D. Lippit, Ph.D., University of California, Riverside
107. Paul Lockard, Ph.D., Black Hawk College
108. Daniel MacDonald, Ph.D., California State University San Bernadino
109. Allan MacNeill, Ph.D., Webster University
110. Mark Maier, Ph.D., Glendale Community College
111. Arthur MacEwan, Ph.D., University of Massachusetts Boston
112. Ann Markusen, Ph.D., University of Minnesota
113. J.W. Mason, Ph.D., John Jay College, City University of New York; Roosevelt Institute
114. Patrick Mason, Ph.D., Florida State University
115. Peter Hans Matthews, Ph.D., Middlebury College
116. Peter B. Mayer, Ph.D., University of Louisville
117. Scott McConnell, Ph.D., Eastern Oregon University
118. Elaine McCrate, Ph.D., University of Vermont
119. Terrence McDonough, Ph.D., National University of Ireland Galway
120. Michael Meeropol, Ph.D., Western New England University
121. Martin Melkonian, Hofstra University
122. Dennis Merrill, Ph.D., University of Missouri-Kansas City
123. Thomas Michl, Ph.D., Colgate University
124. Marcelo Milan, Ph.D., Federal University of Rio Grande do Sul
125. William Milberg, Ph.D., New School for Social Research
126. John Miller, Ph.D., Wheaton College
127. Paul Morse, University of Massachusetts Lowell
128. Fred Moseley, Ph.D., Mount Holyoke College
129. Philip I. Moss, Ph.D., University of Massachusetts Lowell
130. Tracy Mott, Ph.D., University of Denver
131. Michael J. Murray, Ph.D., Bemidji State University
132. Ellen Mutari, Ph.D., Stockton University
133. Léonce Ndikumana, Ph.D., University of Massachusetts-Amherst
134. Don Negri, Ph.D., Willamette University
135. Julie A. Nelson, Ph.D., University of Massachusetts-Boston
136. Reynold F. Nesiba, Ph.D., Augustana College, Sioux Falls
137. Eric Nilsson, Ph.D., California State University, San Bernadino
138. Michael Nuwer, Ph.D., State University of New York, Potsdam
139. Erik Olsen, Ph.D., University of Missouri Kansas City
140. Spencer J. Pack, Ph.D., Connecticut College
141. Aaron Pacitti, Ph.D., Siena College
142. Zhaochang Peng, Ph.D., Rollins College
143. Kenneth R. Peres, Ph.D., retired, Communications Workers of America
144. Joseph Persky, Ph.D., University of Illinois at Chicago
145. Karen Pfeifer, Ph.D., Smith College
146. Xuan Pham, Ph.D., Rockhurst University
147. Bruce Pietrykowski, Ph.D., University of Michigan-Dearborn
148. Frances Fox Piven, Ph.D., Graduate Center, City University of New York
149. Robert Pollin, Ph.D., University of Massachusetts-Amherst
150. Mary Louise Pratt, Ph.D., New York University
151. Paddy Quick, Ph.D., St. Francis College
152. Devin T. Rafferty, Ph.D., St. Peter's University
153. Laura Reed, Ph.D., University of Massachusetts, Amherst
154. Robert Reich, University of California Berkeley
155. Felipe Rezende, Ph.D., Hobart and William Smith Colleges
156. Carl Riskin, Ph.D., Queens College, City University of New York
157. Judith Robinson, Ph.D., Castleton State College
158. Sergio Romero, PhD, Department of Sociology, Boise State University
159. Andrew Ross, Ph.D., New York University
160. Robert J.S. Ross, Ph.D., Clark University
161. Mario Seccareccia, Ph.D., University of Ottawa
162. Malcolm Sawyer, Ph.D., University of Leeds
163. Matías Scaglione, Ph.D., University of Wisconsin-Madison
164. Helen Scharber, Ph.D., Hampshire College
165. Ted P. Schmidt, Ph.D., State University of New York, Buffalo State
166. Geoff Schneider, Ph.D., Bucknell University
167. Juliet B. Schor, Ph.D., Boston College
168. Elliot Selar, Ph.D., Columbia University
169. Carol Scotton, Ph.D., Knox College
170. Stephanie Seguino, Ph.D., University of Vermont
171. Alla Semenova, Ph.D., State University of New York - Potsdam
172. Anwar Shaikh, Ph.D., New School for Social Research
173. Howard Sherman, Ph.D., University of California, Riverside
174. Zoe Sherman, Ph.D., Merrimack College
175. Nathan Sivers-Boyce, Ph.D., Willamette University
176. Bryan Snyder, Bentley University
177. Peter Spiegler, Ph.D., University of Massachusetts-Amherst
178. Janet Spitz, Ph.D., The College of Saint Rose
179. Howard Stein, Ph.D., University of Michigan
180. Mary Huff Stevenson, Ph.D., University of Massachusetts Boston
181. Frank Thompson, Ph.D., University of Michigan
182. Chris Tilly, Ph.D., University of California, Los Angeles
183. Donald Tomaskovic-Devey, Ph.D., University of Massachusetts-Amherst
184. E. Ahmet Tonak, Ph.D., Istanbul Bilgi University, Turkey
185. Mayo C. Toruño, Ph.D., California State University, San Bernadino
186. Eric Tymoigne, Ph.D., Lewis & Clark College
187. Hendrik Van den Berg, Ph.D., University of Nebraska and Mount Holyoke College
188. William Van Lear, Ph.D., Belmont Abbey College
189. Irene van Staveren, Ph.D., Erasmus University Rotterdam
190. Roberto Veneziani, Ph.D., Queen Mary University of London
191. Eric Verhoogen, Ph.D., Columbia University
192. Matías Vernengo, Ph.D., Bucknell University
193. Stephen Viederman, Consultant
194. William T. Waller, Ph.D., Hobart and William Smith Colleges
195. John P. Watkins, Ph.D., Westminster College
196. John Weeks, Ph.D., University of London
197. Thomas Weisskopf, Ph.D., University of Michigan
198. Cathy Whiting, Ph.D., Willamette University
199. Jeannette Wicks-Lim, Ph.D., University of Massachusetts-Amherst
200. John Willoughby, Ph.D., American University
201. Tamar Diana Wilson, Ph.D., University of Missouri, St. Louis
202. Jon D. Wisman, Ph.D., American University
203. Judith Wittner, Ph.D., Loyola University
204. Michael Wolff, Ph.D., University of Massachusetts-Amherst
205. Martin Wolfson, Ph.D., University of Notre Dame
206. L. Randy Wray, Ph.D., Bard College and University of Missouri-Kansas City
207. Zhun Xu, Ph.D., Howard University
208. Ben Young, Ph.D., University of Missouri at Kansas City
209. June Zaccone, Ph.D., Hofstra University
210. David Zalewski, Ph.D., Providence College
211. Roland Zullo, Ph.D., University of Michigan