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At a Glance: Jobs, Workers & the Economy

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FOCUS: SEATTLE

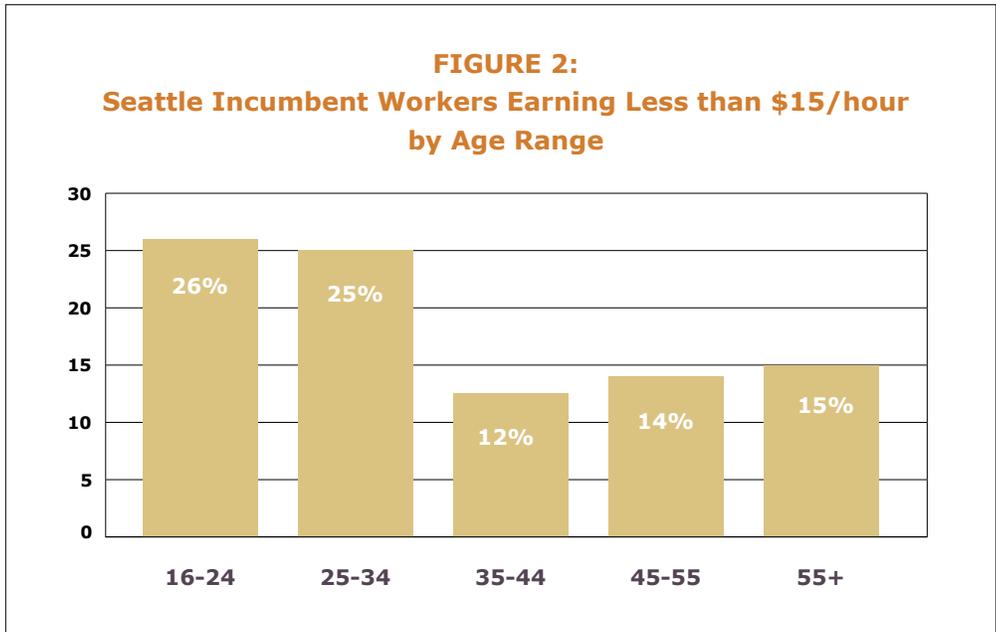
Seattle’s Workforce & the Impacts of a \$15 Minimum Wage

As the Obama Administration pushes for a higher national minimum wage, so too do many within the Emerald City. While the president advocates for a \$10.10 per hour minimum wage nationally, Seattle’s newly elected mayor, Ed Murray, seeks to invoke a progressive \$15 per hour minimum wage increase for city employees. Murray has also

created an advisory committee tasked with generating recommendations for raising Seattle’s minimum wage for all workers in the private sector by May of this year.ⁱ The mayor’s initiative raises the question: who would be most impacted by a minimum wage increase to \$15 per hour in Seattle?

Figure 1 portrays the share of Seattle’s workforce who are lower wage earners – that is, earning between \$9.32 and \$14.99 per hour.ⁱⁱ As of 2012, there are 354,639 wage and salaried employees in Seattle. Of those, approximately 19 percent (66,502) are lower-wage workers.ⁱⁱⁱ

Figure 2 identifies the age demographics of Seattle’s low-wage workforce. Youth are



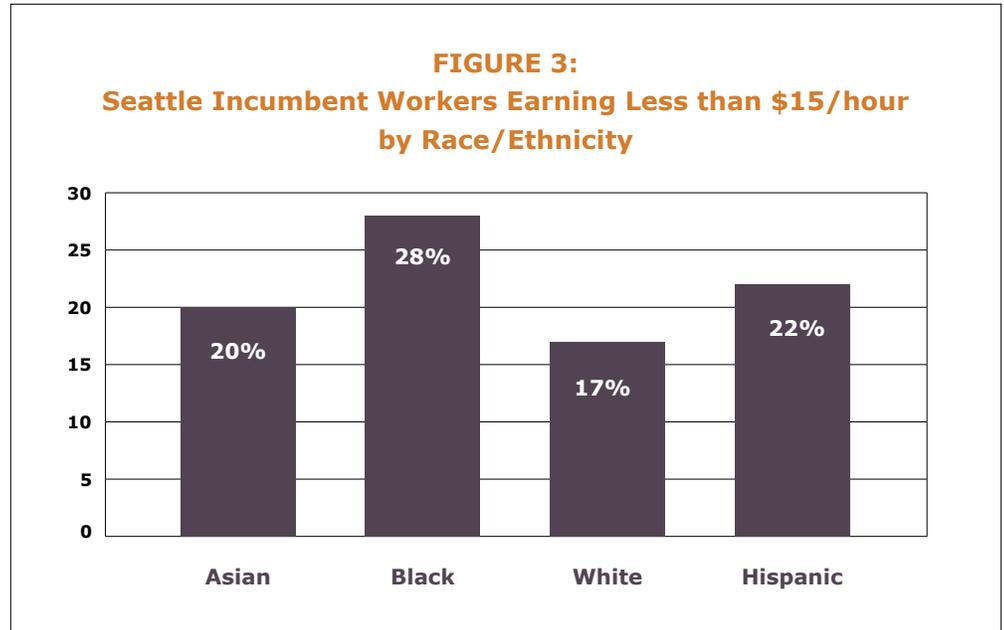
disproportionately represented within the \$9.32 to \$14.99 wage range. There are roughly 44,000 workers between the ages of 16 and 24 in Seattle and 26 percent of them make below \$15 per hour. Additionally, there are over 120,000 workers in the 25 to 34 age range and 25 percent of them are earning below \$15 per hour. Conversely, lower-wage workers comprise just 15 percent or less of all other age categories.

Seattle's lower-wage workforce is also disproportionately comprised of people of color, as demonstrated by **Figure 3**.

Within Seattle's black workforce, consisting of approximately 22,000 workers – the smallest in comparison to other groups – 28 percent of workers make less than \$15 per hour. Similarly, the city's Hispanic workforce is relatively small, consisting of slightly more than 24,000 workers

with a relatively high percentage of workers (22 percent) earning below \$15 per hour. Seattle's white workforce is by far the largest and only 17 percent of the more than 242,000 workers earn less than \$15 per hour.

Ultimately, raising Seattle's minimum wage to \$15 per hour would directly affect 19 percent of the city's workforce. While the broader economic impacts of a \$15 minimum wage remain unclear, the impact would be significant for individuals within Seattle's workforce – in particular minorities and youth - striving to move out of poverty and into living wages.



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- i. Emily Jane Fox, "The state of the minimum wage," *CNN Money*, January 28, 2014, <http://money.cnn.com/2014/01/28/news/economy/minimum-wage-state-of-the-union/>
 - ii. Categorizing lower-wage workers as earning between \$9.32 and \$14.99 per hour identifies those who would be impacted by a \$15 per hour increase in Seattle's minimum wage.
 - iii. The 2012 American Community Survey 1-year Public Use Microdata Sample was used to calculate hourly wage estimates for Seattle's workforce. Hourly wage was calculated from the usual hours worked and annual income variables. The data was filtered to represent the population that works for wages, is not self-employed, and does not live in group quarters.

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About Seattle Jobs Initiative

Seattle Jobs Initiative creates opportunities for students, workers and business to succeed by helping education and job training programs meet the demands of a new economy. We find and apply solutions for people to gain the skills they need for good jobs that create prosperity for all in today's marketplace.

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