

Impact of a \$15.00 Minimum Wage in Montgomery County, MD

July 8, 2016

Yannet Lathrop
Researcher and Policy Analyst

National Employment Law Project
2040 S Street NW
Washington, DC 20009

(202) 683-4813
ylathrop@nelp.org

Minimum Wage Impact and Poverty Rates

Minimum Wage Impact Estimates (Montgomery County):

- Workers who could benefit: **Up to 106,764**.¹
- Five main occupational groups impacted:²
 1. Sales and related occupations.
 2. Food preparation and serving related occupations.
 3. Building and grounds cleaning and maintenance occupation.
 4. Personal care and service occupations.
 5. Healthcare support occupations.

Median wages for tipped workers (Montgomery and Frederick counties):³

- Waiters and waitresses: \$9.06
- Bartenders: \$10.05
- All tipped workers: \$12.13

Poverty in Montgomery County and Maryland:⁴

- Montgomery County: 6.9% (overall); 8.4% (child).
- Maryland: 10.0% (overall); 13.2% (child).

Workers in Poverty (Maryland):⁵

- Total: 86,000.
- Female: 44,000.

The vast majority of low-wage workers are adults (Maryland):⁶

- 90% are over the age of 20.
- 47% have some college experience.

Other Facts (National):

- Low-wage jobs will make up 6 of the 10 occupations with the largest project growth over the next decade.⁷
- Unless the minimum wage is increased, larger shares of Montgomery County (and MD) workers and their families will struggle to make ends meet on these low-wage jobs.

¹ NELP's analysis of Bureau of Labor Statistics, *May 2015 Occupational Employment and Wage Estimates*, http://www.bls.gov/oes/current/oes_43524.htm; and U.S. Census Bureau, *QuickFacts*, Montgomery and Frederick counties, MD, <http://www.census.gov/quickfacts/table/PST045215/24.24021.24031>.

² Ibid. Bureau of Labor Statistics, *May 2015 Occupational Employment and Wage Estimates*.

³ Ibid.

⁴ U.S. Census Bureau, *5-Year American Community Survey (2010-2014)*, Selected Economic Characteristics http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_14_5YR_DP03&prodType=table.

⁵ U.S. Census Bureau and U.S. Bureau of Labor Statistics, *Current Population Survey, 2015 Annual Social and Economic Supplement*, <http://www.census.gov/cps/data/cpstablescreator.html>.

⁶ Economic Policy Institute, *State Tables: Characteristics of Workers Who Would be Affected by Increasing the Federal Minimum Wage to \$12 by July 2020*, May 7, 2015, <http://s2.epi.org/files/2015/revised-minimum-wage-state-tables.pdf>.

⁷ U.S. Department of Labor, Bureau of Labor Statistics, *Occupations with the Most Job Growth*, April 18, 2016, http://www.bls.gov/emp/ep_table_104.htm.

- When wages are too low, workers often have no choice but to rely on public assistance:
 - 73% of enrollments are from working families.⁸
 - Annual cost per Walmart store: \$900,000 - \$1.7 million.⁹
 - Annual cost of fast-food low wages: \$7 billion.¹⁰
 - Annual cost from 10 largest fast-food chains: \$3.9 billion.¹¹

- Higher wages are consistent with a profitable business model:¹²
 - Cost of turnover (fast-food): \$4,700 per employee.¹³
 - 89% of small businesses already pay more than minimum wage.¹⁴
 - 80% of business owners and executives at *companies of all sizes* support raising the minimum wage.¹⁵
 - 59% of *small businesses* support raising the minimum wage, and 77% of them already pay more than the required minimum.¹⁶

⁸ Sylvia Allegretto, Marc Doussard, Dave Graham-Squire, Ken Jacobs, Dan Thompson and Jeremy Thompson, *Fast Food, Poverty Wages: The Public Cost of Low-Wage Jobs in the Fast-Food Industry*, October 15, 2013, http://laborcenter.berkeley.edu/pdf/2013/fast_food_poverty_wages.pdf.

⁹ U.S. House Committee on Education and the Workforce, Democratic Staff, *The Low-Wage Drag on Our Economy: Wal-Mart's Low Wages and their Effect on Taxpayers and Economic Growth*, May 2013, <http://democrats.edworkforce.house.gov/sites/democrats.edworkforce.house.gov/files/documents/WalMartReport-May2013.pdf>.

¹⁰ Allegretto et al., op. cit.

¹¹ National Employment Law Project, *Super-Sizing Public Costs: How Low Wages at Top Fast-Food Chains Leave Taxpayers Footing the Bill*, October 2013, <http://www.nelp.org/content/uploads/2015/03/NELP-Super-Sizing-Public-Costs-Fast-Food-Report.pdf>.

¹² Zeynep Ton, "Why Good Jobs are Good for Retailers," *Harvard Business Review*, January-February 2012. Accessed July 17, 2015, <http://hbr.org/2012/01/why-good-jobs-are-good-for-retailers/ar/1>.

¹³ Robert Pollin and Jeannette Wicks-Lim, *A \$15 U.S. Minimum Wage: How the Fast-Food Industry Could Adjust Without Shedding Jobs*, University of Massachusetts Amherst, Political Economy Research Institute, Working Paper No. 373, January 2015, http://www.peri.umass.edu/fileadmin/pdf/working_papers/working_papers_351-400/WP373.pdf.

¹⁴ Small Business Majority, *Small Businesses Support Raising the Minimum Wage to \$12*, July 29, 2015, <http://www.smallbusinessmajority.org/small-business-research/downloads/072915-National-Minimum-Wage-Poll.pdf>.

¹⁵ Lydia DePillis, "Leaked Documents Show Strong Business Support for Raising the Minimum Wage," *The Washington Post*, April 4, 2016, <https://www.washingtonpost.com/news/wonk/wp/2016/04/04/leaked-documents-show-strong-business-support-for-raising-the-minimum-wage/>.

¹⁶ Kitty McConnell, "Small Business Owners in Favor of Raising Minimum Wage," *Manta.com*, April 7, 2016, <http://www.manta.com/resources/small-business-trends/small-business-owners-in-favor-of-raising-minimum-wage/>.

Table 1: Top 25 Occupations with the Largest Numbers of Workers Earning Median Wages Under \$15.00 per Hour, Silver Spring-Frederick-Rockville, MD Metropolitan Division

Occupation		No. of Workers	10 th Percentile	25 th Percentile	Median Wage	75 th Percentile	90 th Percentile
1	Retail Salespersons	15,850	\$8.45	\$9.12	\$10.83	\$14.66	\$22.23
2	Cashiers	13,340	\$8.29	\$8.71	\$9.48	\$12.00	\$17.23
3	Janitors & Cleaners, Except Maids & Housekeeping Cleaners	10,940	\$8.45	\$9.12	\$11.87	\$15.62	\$20.78
4	Combined Food Prep & Serving Workers, Including Fast Food	10,670	\$8.20	\$8.49	\$8.98	\$9.91	\$12.48
5	Waiters and Waitresses	8,800	\$8.21	\$8.53	\$9.06	\$10.88	\$16.51
6	Stock Clerks and Order Fillers	6,730	\$8.43	\$9.08	\$11.45	\$16.27	\$20.49
7	Nursing Assistants	5,950	\$10.33	\$11.83	\$13.99	\$16.87	\$18.96
8	Receptionists and Information Clerks	5,030	\$8.70	\$9.97	\$13.22	\$16.80	\$20.01
9	Laborers and Freight, Stock, and Material Movers, Hand	4,870	\$9.17	\$10.40	\$12.29	\$15.02	\$18.32
10	Landscaping and Groundskeeping Workers	4,570	\$9.02	\$10.34	\$12.16	\$14.54	\$18.55
11	Cooks, Restaurant	3,630	\$8.88	\$10.00	\$11.95	\$14.21	\$17.38
12	Maids and Housekeeping Cleaners	3,330	\$8.47	\$9.18	\$11.25	\$13.91	\$16.63
13	Food Preparation Workers	3,260	\$8.33	\$8.83	\$10.44	\$13.97	\$17.71
14	Amusement and Recreation Attendants	3,020	\$8.15	\$8.38	\$8.76	\$9.13	\$10.67
15	Home Health Aides	2,760	\$8.87	\$10.45	\$12.42	\$13.79	\$14.62
16	Dishwashers	2,650	\$8.21	\$8.52	\$9.04	\$10.18	\$12.60
17	Preschool Teachers, Except Special Education	2,550	\$10.39	\$12.08	\$14.79	\$19.26	\$25.01
18	Personal Care Aides	2,460	\$8.68	\$9.69	\$11.25	\$14.86	\$17.64
19	Dining Room & Cafeteria Attendants & Bartender Helpers	2,300	\$8.27	\$8.68	\$9.39	\$11.41	\$13.60
20	Counter Attendants, Cafeteria, Food Concession, & Coffee Shop	2,300	\$8.38	\$8.95	\$10.73	\$14.88	\$18.89
21	Counter and Rental Clerks	2,160	\$8.88	\$11.51	\$14.17	\$18.20	\$25.40
22	Childcare Workers	2,080	\$8.83	\$10.18	\$12.85	\$17.09	\$21.53
23	Hairdressers, Hairstylists, and Cosmetologists	2,080	\$8.75	\$10.16	\$13.39	\$19.25	\$29.46
24	Tellers	1,800	\$10.62	\$12.15	\$14.25	\$16.70	\$18.34
25	Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	1,680	\$8.30	\$8.75	\$9.49	\$11.28	\$13.44

Source: May 2015 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates.

Table 2: Median and Average Wages for Predominantly Tipped Occupations, Silver Spring-Frederick-Rockville, MD Metropolitan Division

Occupation	No. of Workers	Median Hourly	Median Annual	Mean Hourly	Mean Annual
All Occupations	574,560	\$22.92	\$47,670	\$29.89	\$62,170
Waiters and Waitresses	8,800	\$9.06	\$18,840	\$10.76	\$22,390
Dining Room and Cafeteria Attendants and Bartender Helpers	2,300	\$9.39	\$19,530	\$10.24	\$21,290
Counter Attendants, Cafeteria, Food Concession and Coffee Shop	2,300	\$10.73	\$22,320	\$12.16	\$25,500
Hairdressers, Hairstylists, and Cosmetologists	2,080	\$13.39	\$27,860	\$16.43	\$34,170
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	1,680	\$9.49	\$19,740	\$10.22	\$21,260
Bartenders	1,620	\$10.05	\$20,910	\$13.34	\$27,750
Taxi Drivers and Chauffeurs	1,220	\$13.06	\$27,170	\$13.30	\$27,670
Personal Care and Service Workers, All Other	1,180	\$16.95	\$35,250	\$16.96	\$35,270
Food Servers, Non-Restaurant	1,040	\$11.62	\$24,170	\$11.99	\$24,930
Manicurists and Pedicurists	750	\$11.10	\$23,080	\$12.45	\$25,900
Shampooers	490	\$8.89	\$18,490	\$9.24	\$19,210
Parking Lot Attendants	320	\$10.22	\$21,260	\$10.45	\$21,740
Massage Therapists	280	\$20.34	\$42,320	\$21.71	\$45,150
Baggage Porters, Bellhops, and Concierges	180	\$11.88	\$24,710	\$12.18	\$25,330
Skincare Specialists	120	\$15.85	\$32,970	\$22.74	\$47,300
<i>Average for all Tipped Workers</i>	<i>24,360</i>	<i>\$12.13</i>	<i>\$25,241</i>	<i>\$13.62</i>	<i>\$28,324</i>
<i>Average for Waiters and Waitresses, and Bartenders Only</i>	<i>10,420</i>	<i>\$9.56</i>	<i>\$19,875</i>	<i>\$12.05</i>	<i>\$25,070</i>

NELP analysis of May 2015 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates.