

The Minimum Wage in Kansas

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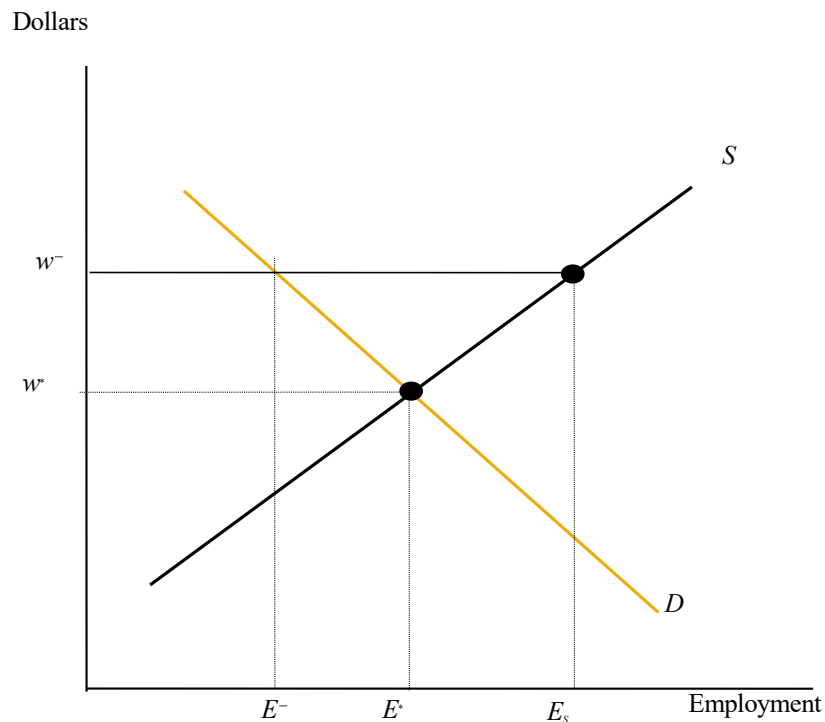
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The Impact of the Minimum Wage on Employment

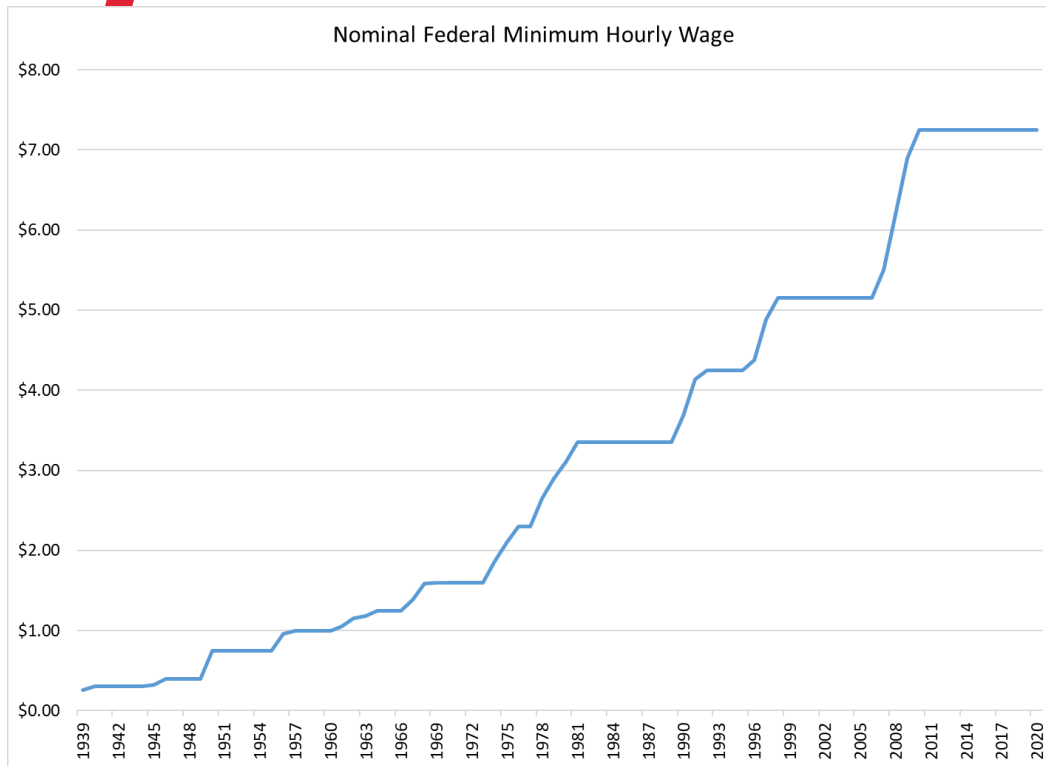


A minimum wage set at w^- results in employers cutting employment from E^* to E^- . The higher wage also encourages $E_s - E^*$ workers to enter the market. Thus, under a minimum wage, $E_s - E^-$ workers are unemployed.

Theoretical Implications of the Minimum Wage

- If the minimum wage is set above the equilibrium wage, then it will eventually lead to unemployment.
- However, starting with Card & Krueger (1994), economists have found little evidence of minimum wages leading to unemployment.
- Newer research by Clemens & Strain (2021) find that small changes in the minimum wage have less impact on employment than larger changes.

Changes in the Federal Minimum Wage

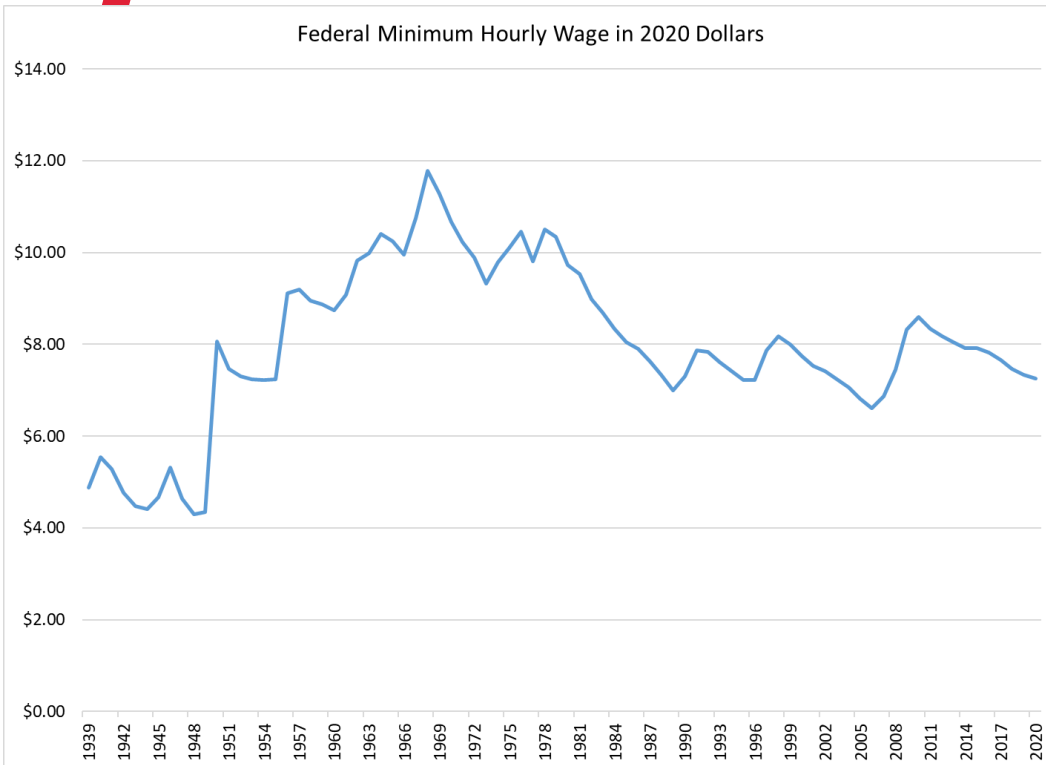


Source: Bureau of Labor Statistics, retrieved from FRED.

Nominal Federal Minimum Wage

- Currently at \$7.25 per hour.
- \$14,500 a year for those working 40 hours a week, 50 weeks a year.
- Last changed in 2009.
- Same as the Kansas state minimum wage.

Changes in the Federal Minimum Wage



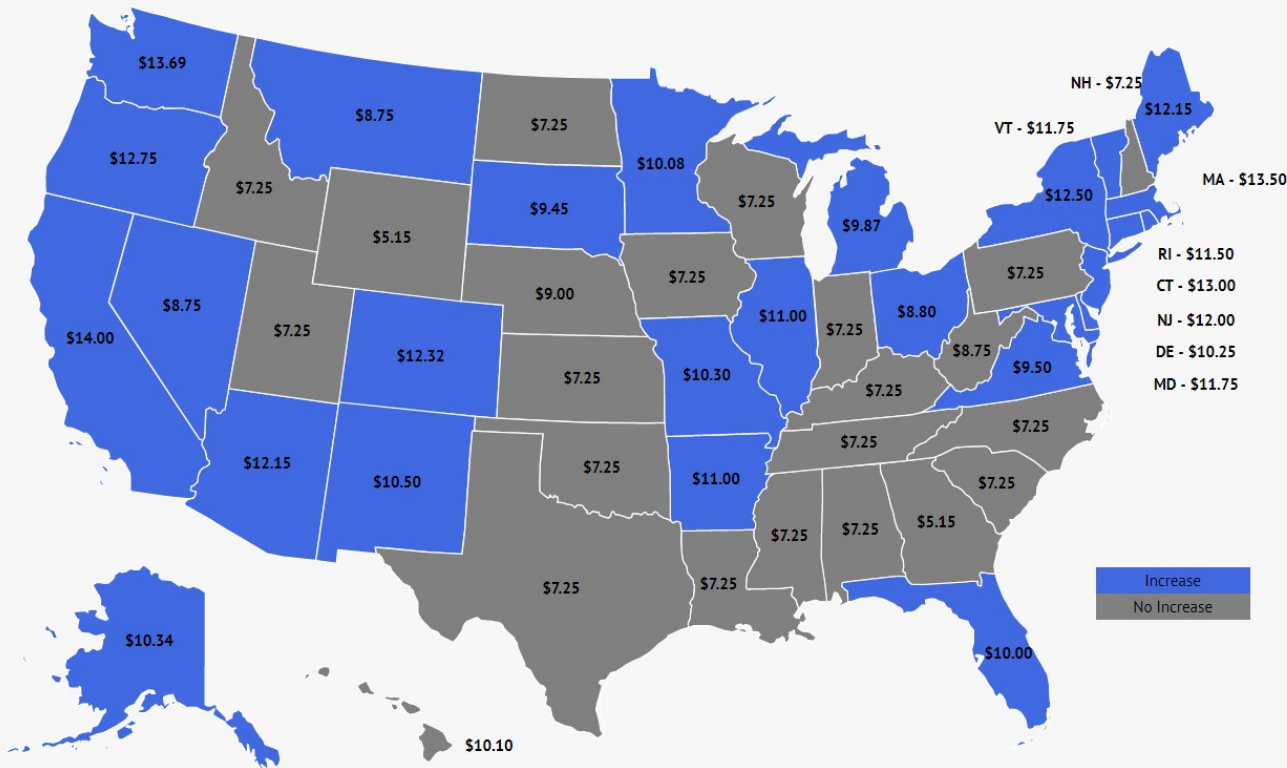
Source: Bureau of Labor Statistics, retrieved from FRED.

Inflation-Adjusted Federal Minimum Wage

- The purchasing power of the federal minimum wage rose after its establishment in 1938 and peaked in 1968.
- Saw a long decline in the 1980s.
- Has oscillated around \$7.50 (in 2020 dollars) since 1990.

State Variation in the Minimum Wage

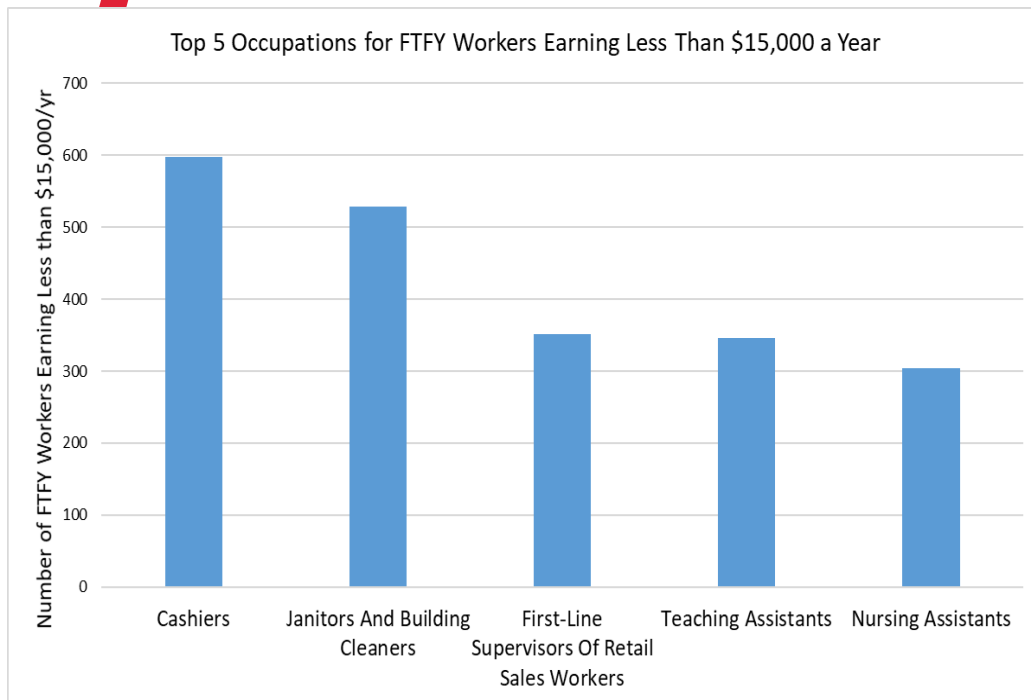
Each State's Minimum Wage In 2021



Some states have higher and two have lower minimum wages than \$7.25

- Missouri (\$10.30), Colorado(\$12.32) and Nebraska (\$9.00) have higher minimum wages than Kansas.

Who Earns Minimum Wage in Kansas?



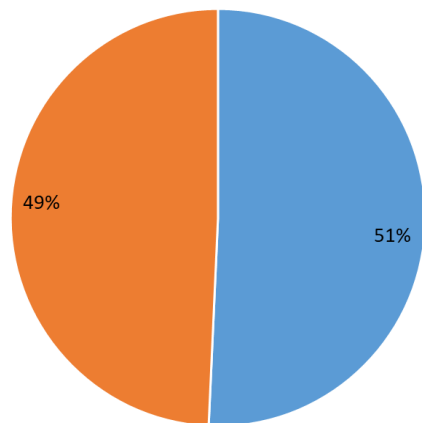
Source: Census Bureau, 2015-2019 ACS.

Top Occupations for Minimum Wage Workers

- 16.1% of all full year, full time workers within these top 5 occupations earn less than \$15,000 per year.
- Includes 37% of Kansas cashiers.
 - Janitors: 18%
 - First-Line Supervisors: 7%
 - Teaching Assistants: 30%
 - Nursing Assistants 13%

Who Earns Minimum Wage in Kansas?

Share of FTFY Workers Who Earn \$15,000 or Less Per Year by Sex



■ Male ■ Female

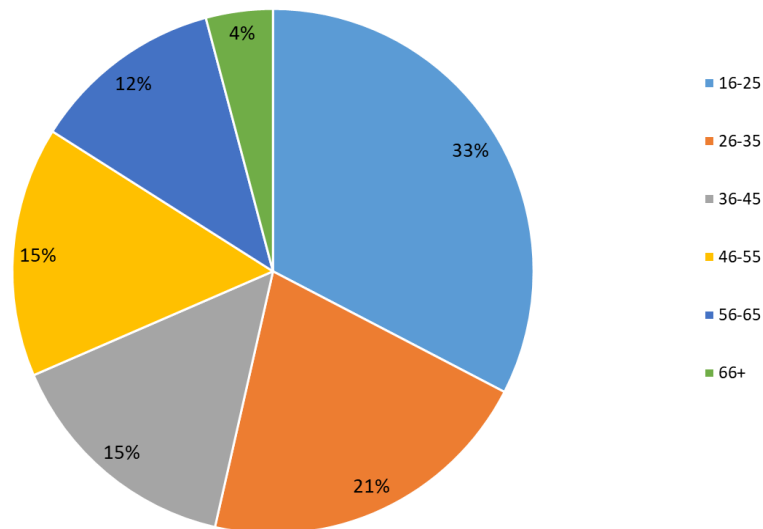
Source: Census Bureau, 2015-2019 ACS.

Men and Women Earning Minimum Wage

- Full-year, full-time minimum wage workers are slightly more likely to be men.
- The most common jobs for men earning minimum wage are: janitors and building cleaners, first-line supervisors of retail sales workers, and miscellaneous production workers.
- Top jobs for women include: Cashiers, Teaching Assistants, and Nursing Assistants.

Who Earns Minimum Wage in Kansas?

Share of FTFY Workers Who Earn \$15,000 or Less Per Year by Age Group

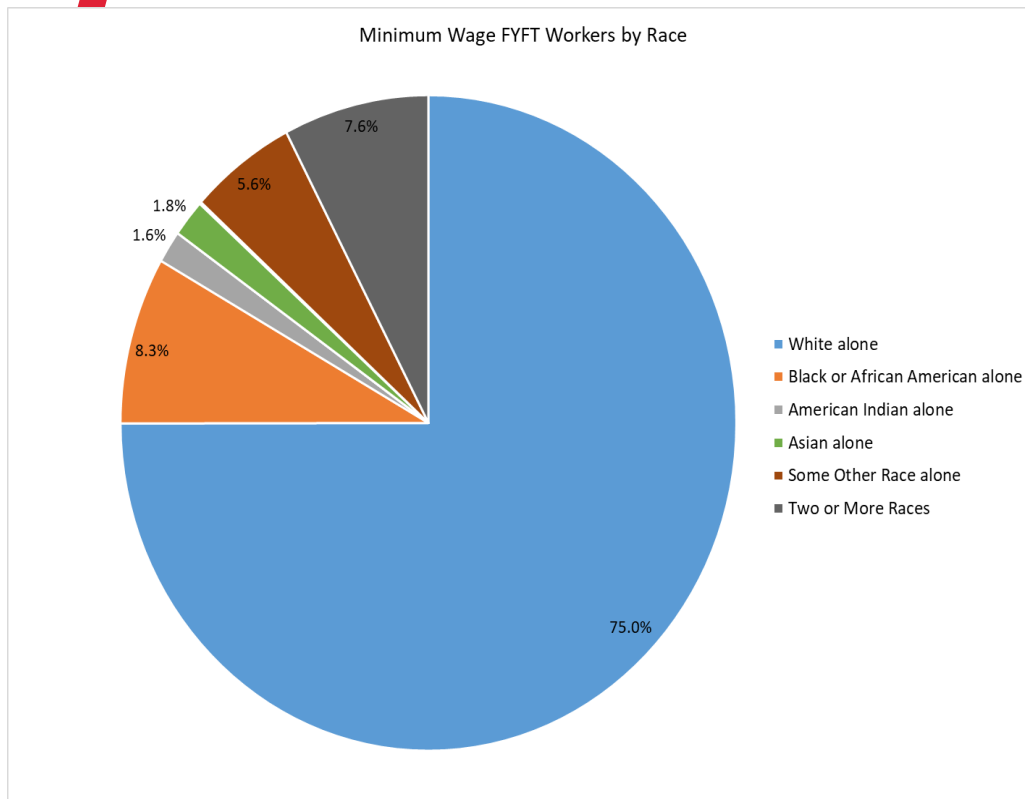


Source: Census Bureau, 2015-2019 ACS.

Minimum Wage Workers by Age Group

- A third of Kansas workers earning minimum wage are 16-25 years old.
- 26-35: 21%
- 36-45: 15%
- 46-55: 15%
- 56-65: 12%
- 66+: 4%

Who Earns Minimum Wage in Kansas?



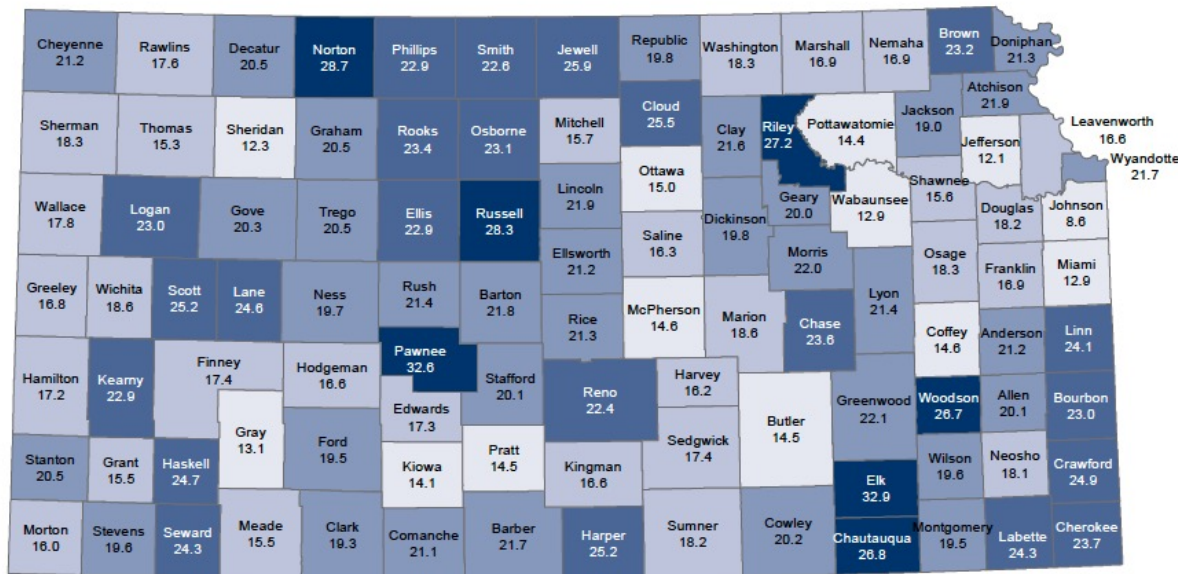
Source: Census Bureau, 2015-2019 ACS.

Minimum Wage Workers by Race

- 75% of full-year, full-time minimum wage workers list their ethnicity as white alone (84.4% of Kansas population is white).
- 8.3% of minimum wage earners are black (5.9% of Kansas population).
- 7.6% of minimum wage earners list their ethnicity as two or more races (3.5% of Kansas population).

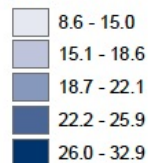
How Many Kansans Would See a Pay Increase?

Percent of Workers Earning Less than \$25,000 in the Past 12 Months in Kansas, by County 2015-2019



Source: Institute for Policy & Social Research, The University of Kansas; data from U.S. Census Bureau, 2015-19 American Community Survey.

Percent of Full-Time, Year-Round Workers

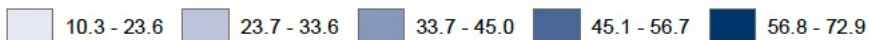
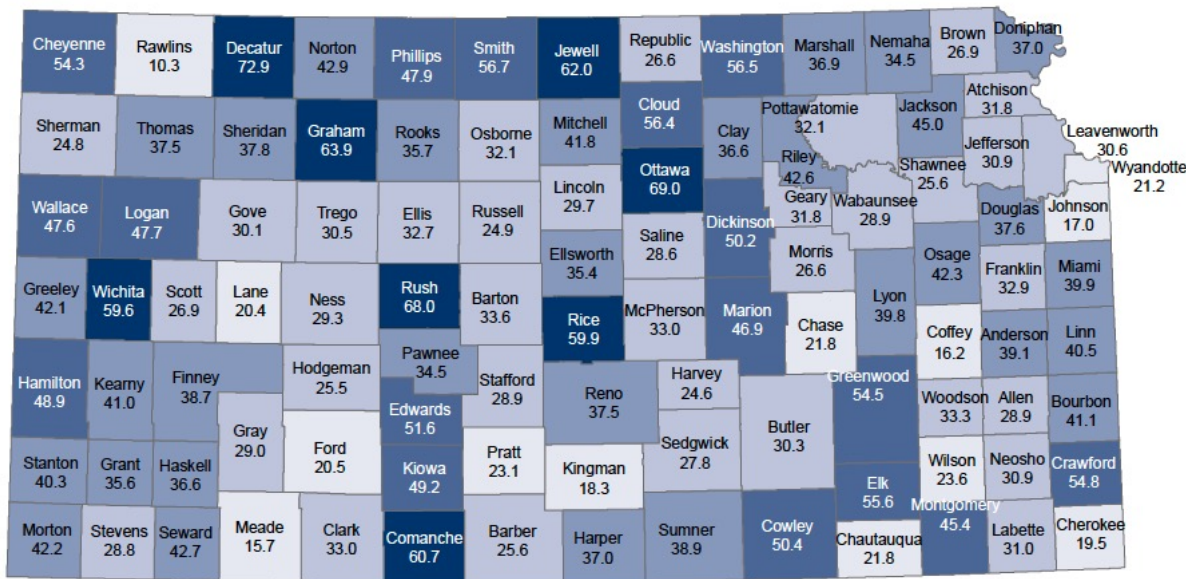


- If the Minimum Wage increased to \$12 per hour, a larger number of Kansans would see a higher wage.

- 17% in Sedgwick County
- 33% in Pawnee & Elk counties

How Many Kansans Would See a Pay Increase?

Percent of Workers Earning less than \$15/hour



Source: Institute for Policy & Social Research, The University of Kansas; data from Kansas Department of Labor, 2020 Kansas Wage Survey.

- If the Minimum Wage increased to \$15 per hour, in many counties over half the workers would see a wage increase.

Thank You!

Thank You *Mahalo*
Kiitos
Tack
Grazie **Thanks**
Toda
Obrigado
Takk **Gracias** *Merci*
Danke

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