



Jobs and the Economy

The anemic economic recovery from the 2008 recession had kept *jobs and the economy* as Utah voters' highest priority through 2012. Utah's economy has since emerged as one of the best in the nation, with a low unemployment rate and many companies reporting employee shortages. Voters with lower levels of education had a higher level of concern than those with more education. Full-time workers were more concerned than retirees and stay-at-home parents.¹ While *jobs and the economy* is no longer voters' highest priority, the Utah Priorities Project found widespread concern regarding wages, cost of living, and the availability of jobs.

WAGES AND COST OF LIVING

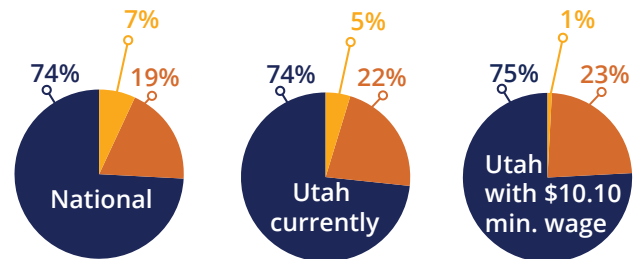
The Bureau of Labor Statistics has a number of different ways of measuring wages, including a monthly survey of individuals and a quarterly census of businesses. Each dataset has its own advantages and drawbacks, but both indicate that wages fell during or after the 2008 recession, remained stagnant from mid-2012 to 2014, and grew in 2015.² While these data indicate that wages might be slowly increasing, they do not address the flip-side of the coin: Utah's cost of living.

LIVING WAGES

A cost-of-living calculator created by the Massachusetts Institute of Technology estimates both a living wage and a poverty wage.³ A living wage is a wage level at which individuals could comfortably provide for their families, while a poverty wage is a point where basic needs are just barely accounted for. Estimates vary by family situation and local costs. Combining the living wage data with income data from the Census Bureau, 74% of working Utah households earn a living wage, ranking the state 31st in the nation.⁴ While the share of Utah households earning a living wage is below average, only 5% of working Utah households fell below poverty wages, ranking it 8th in the nation. In other words, wages in Utah are substantial enough to

More Utah working households below living wage than U.S., fewer in poverty

Share of working Utah households **above living wage**, **below poverty wage**, and **in between living and poverty wages**, 2014



Source: MIT Living Wage Data, American Community Survey PUMS. Utah Foundation Calculations.

comfortably provide for three-quarters of working households, and enough to keep nearly all working households out of poverty.

MINIMUM WAGE

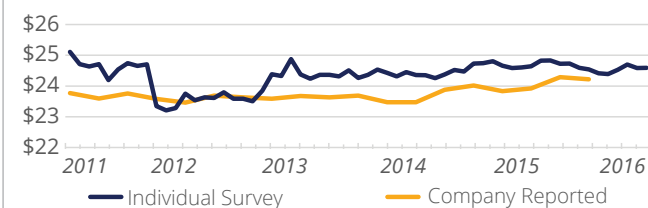
One way policy makers can exercise direct control over wages is by setting a minimum wage. The topic has received national attention, is on the ballot in neighboring Colorado and four other states, and has been recently discussed in Utah, although no legislation actually passed.⁵

Utah Foundation wanted to better understand what Utah voters thought about a minimum wage increase. When asked to rate their level of agreement with the statement “the minimum wage should be increased from \$7.25 to \$10.10,” 41% disagreed and 41% agreed.⁶

An individual's level of agreement with a minimum wage increase was tightly linked to numerous demographic factors. Divisions based on ideology are no surprise; 84% of liberals support an increase in the minimum wage, along with half of moderates, and less than a quarter of conservatives. Additionally, Utah voters with lower levels of education – those most likely to

Little wage growth in Utah from 2009 to 2014, some growth in 2015

Inflation-adjusted average hourly wage for Utah workers



Source note: Individual survey data refers to Bureau of Labor Statistics' Current Employment Statistics and the company reported data is from the Quarterly Census of Employment and Wages.

be affected by a minimum wage increase – approve more readily; 59% of Utah voters with no college experience are in favor of the increase while only 38% of those with college degrees are in favor of the minimum wage increase.

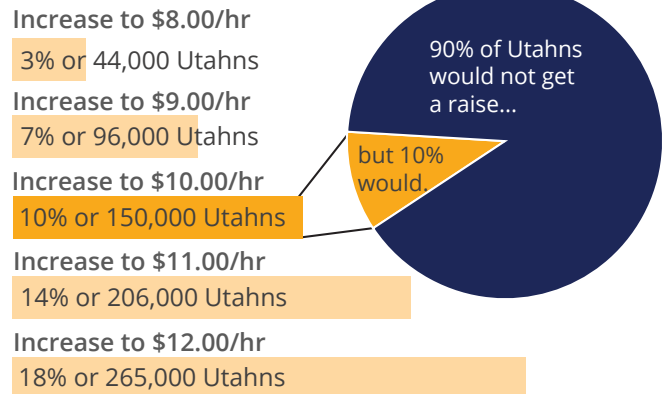
In an analysis of the impact of a minimum wage increase, the Utah Department of Workforce Services (DWS) estimated that approximately 10% of working Utahns would be affected by a minimum wage increase to \$10.00, and 18% would be affected by an increase to \$12.00.⁷ Opponents of minimum wage increases often point out that the individuals helped most are teenagers, who generally have additional monetary support from parents.⁸ However, DWS data indicate that a majority of those who would see a raise from a minimum wage increase are between the ages of 20 and 35. Most of the individuals in these age groups are partially or completely independent and often have others dependent on their income.

Both data and opinions regarding the impact of a minimum wage increase are mixed. Opponents argue that by setting a minimum wage, the government harms businesses and employers, and overall employment falls. Supporters claim that workers with higher wages will spend more, thereby driving economic growth. Actual data from minimum wage increases across the country tend to indicate that there is little effect from modest minimum wage increases.⁹

If minimum wage were increased to \$10 per hour, 10% of Utahns would get a raise

Utah workers receiving a raise by minimum wage rate

With a minimum wage of \$10/hr...



Source: Utah Department of Workforce Services.

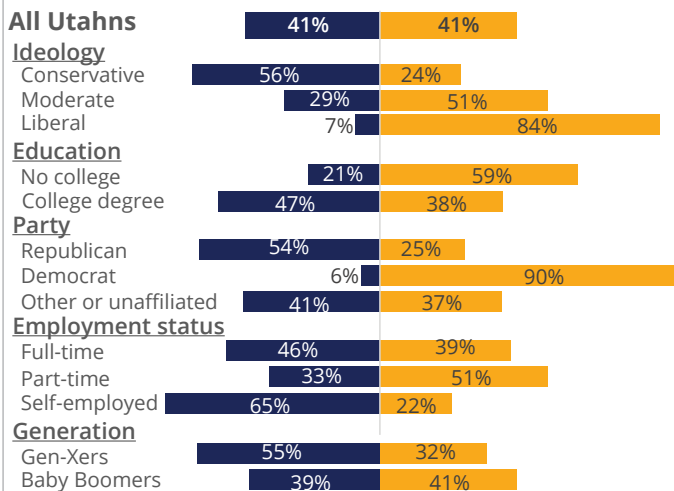
Based on Utah Priorities Project survey data, an increase of the minimum wage to \$10.10 evenly divides supporters and opponents, suggesting it might be a good compromise. Perhaps a smaller increase might even gain a majority of supporters among all Utahns rather than only moderate and liberal Utahns.

PAID PARENTAL LEAVE

In addition to inquiring about minimum wage, Utah Foundation asked voters about paid parental leave. This might be of particular interest in Utah which has the highest fertility rate in the nation.¹⁰ Voters were asked whether they agreed or disagreed with the statement “there should be requirements for employers to offer paid parental leave.” Just over 40% of Utah voters agreed with the statement while 31% disagreed with the statement. As expected, the question broke down over ideological lines; 65% of liberals agreed with the statement while only 24% of conservatives agreed with the statement. Perhaps surprisingly, there was no observable difference between the opinions of men and women.¹¹ There was a large difference between married and single Utah voters. Contrary to what one might expect, single individuals were more likely to agree that employers should offer paid parental leave (52%) than married individuals (37%), though it would seem that the latter would be more likely to use paid parental leave. Some of this difference is driven by the fact that single Utah voters tend to be more liberal than married Utah voters.

Support for increase to \$10.10 minimum wage depends on individual background

Share of Utah voters who **disagree** or **agree** with an increase to \$10.10, by selected demographic characteristics



Note: Figure does not include neutral responses.

This research brief was written by Utah Foundation Research Analyst Christopher Collard.

For endnotes see the brief at www.utahfoundation.org.