

ISSUE BRIEF

2014 Legislative Session



Minimum Wage

The problem:

The notion of raising state minimum wage has appeared before Minnesota legislature multiple times. Currently, the state's minimum wage (\$6.15) remains below federal minimum wage (\$7.25), and is dependent on the employing enterprise's income. Income is a well-established social determinant of health; minimum wage must be sufficient for an individual to sustain a socially acceptable level of health and well-being.

The solution:

We recommend that the Minnesota legislature raises minimum wage to a "living wage," one that generates an income sufficient to meet subsistence needs such as food, shelter, clothing, transportation, and child care.

Health-related Arguments for Raising the Minimum Wage:

- **Overall health status** - The relationship between income and health is well established, with the poor experiencing worse health and lower life expectancy than their wealthier counterparts¹⁻³.
- **Increased wages can improve health and life expectancy** - In a 2001 report, a proposed \$11 per hour wage in San Francisco was predicted to decrease premature death and improve health status in adults, and for the children of workers benefiting from a living wage, the chances of completing high school would increase, and the risk of childbirth outside of marriage would be expected to fall⁴.
- **Adverse effects of poverty on children** - Stress that results from living in poverty is particularly damaging for children. Youth who grow up in an impoverished family are more likely to suffer from heart disease, diabetes, and obesity later in life, and tend to engage in higher-risk sexual behavior as teens than their wealthier counterparts⁵.
- **Greater benefits at the lowest income categories** - The Minnesota Department of Health noted in their White Paper on Wages and Health, that the difference in health between the lowest and second lowest income groups is often larger than the difference between other adjacent income groups⁶. This suggests that a modest increase in salary for the poorest Minnesotans will have a large impact on their health status.
- **All Minnesotans benefit** - All Minnesotans are harmed by sub-standard wages. In communities with high income inequality, health and social outcomes are worse across the entire population⁷.

Income and wages are associated with these other factors that contribute to health:

- **Education** is so closely tied to income that it is often used as a proxy for income. In Minnesota, infants born to women with a high school education or less are 1.7 times more likely to die than infants born to women with a college education⁸.
- **Food security** is also tied to health. Poor nutrition due to lack of adequate financial resources to purchase enough food can lead to impaired immune systems and increased hospitalizations in children⁹. In adults, food insecurity is associated with type 2 diabetes and overweight and obesity¹⁰.

Works Cited

1. Kitagawa, EM. 1973 Pappas, G. 1993 Queen S, Hadden W, Fisher G. "The increasing disparity in mortality between socioeconomic groups in the United States, 1960 and 1986." *N Engl J Med* [Erratum, *N Engl J Med* 1993;329:1129] (1993): 103-109.
2. Braveman PA, Cubbin C, Egerter S, Williams DR, Pamuk E. "Socioeconomic disparities in health in the United States: what patterns tell us." *Am J Public Health* 100, no. Suppl 1 (2010): S186-S196.
3. Finch, 2003. "Early origins of the gradient: the relationship between socioeconomic status and infant mortality in the United States." *Demography* 12 (2003): 675-699.
4. Bhatia, R., Katz, M. *Estimation of Health Benefits From a Local Living Wage Ordinance*. *Am J Public Health*. 2001; 91:1398–1402. Accessed 2/27/14 from <http://www.sfphes.org/component/jdownloads/finish/35-wages-and-health/81-estimation-of-health-benefits-from-a-local-living-wage-ordinance/0?Itemid=0>
5. Shonkoff, Jack., Duncan, Greg., Yoshikawa, Hirokazu, Fisher, Philip, Guyer, Bernard, Magnuson, Katherine. *The Foundations of Lifelong Health are Built Early in Childhood*. Copyright 2010 by the Center on the Developing Child at Harvard University. Accessed 2/5/14 from http://developingchild.harvard.edu/resources/reports_and_working_papers/foundations-of-lifelong-health/.
6. Minnesota Department of Health White Paper on Income and Health. February 13, 2014. Accessed on 3/5/14 from <http://isaiahmn.org/newsite/wp-content/uploads/2014/03/Income-and-Health.pdf>.
7. Cooper, David., Hall, Doug. Raising the Minimum Wage Would Give Working Families and the Economy a Much Needed Boost. Published 13 Mar 2013 by the Economic Policy Institute.
8. Income and Education as Predictors of Children's School Readiness. The Social Genome Project: Center on Children and Families at Brookings. Accessed 2/27/14 from http://www.brookings.edu/~media/research/files/reports/2011/12/15%20school%20readiness%20isaacs/1214_school_readiness_isaacs
9. Cook, JT. et al. Food Insecurity Is Associated with Adverse Health Outcomes among Human Infants and Toddlers. *J Nutr*. 2004; 134[6]; 1432-1438. Accessed 3/5/14 from <http://nutrition.highwire.org/content/134/6/1432.full.pdf+html>
10. Hampton , T. *Food Insecurity Harms Health, Well-being of Millions in the United States*. *JAMA* 2007; 298 (16): 1851-1853. doi:10.1001/jama.298.16.1851

Recommended Readings

White Paper on Wages and Health. The Minnesota Department of Health. Accessed 3/12/14 from: <http://www.health.state.mn.us/divs/opa/2014incomeandhealth.pdf>.

Poverty: A Fundamental Cause of Health Inequality. Alameda County Public Health Department. Accessed 2/5/14 from <http://www.acphd.org/data-reports/reports-by-topic/economic-inequality.aspx>

Cooper, David., Hall, Doug. Raising the Minimum Wage Would Give Working Families and the Economy a Much Needed Boost. Published 13 Mar 2013 by the Economic Policy Institute. Accessed 2/12/14 from <http://www.epi.org/publication/bp357-federal-minimum-wage-increase/>