



# Raise the Wage Coalition

## Peninsula & South Bay

### **MYTHS** vs **FACTS** ABOUT THE MINIMUM WAGE

**MYTH** *Raising the minimum wage will cause people to lose their jobs.*

**FACT** A review of 64 studies on minimum wage increases found no discernible effect on employment. [US Dept. of Labor] After San Jose raised its minimum wage, “the pace of employment gains in the San Jose area beat the improvement in the entire state of California.” [Wall Street Journal, 4/9/14]

**MYTH** *Raising the minimum wage will only benefit teenagers and part-time workers.*

**FACT** The average age of minimum wage workers is 35. Most of them – 54% – work full time and 32% work 20-34 hours per week. More than a quarter of all minimum wage earners are parents. Overall, 19% of all US children live in a household that would benefit from an increase in the minimum wage. [NY Times, 6/10/14] In addition, the entire local economy benefits from increased consumer spending. Every \$1 increase in the minimum wage results in an additional \$2800 in consumer spending per year per affected household. [Chicago Federal Reserve, Feb. 2011]

**MYTH** *Small business owners can't afford to pay their workers more, and therefore don't support an increase in the minimum wage.*

**FACT** A June 2014 survey found that more than 3 out of 5 small business owners support increasing the minimum wage. Small business owners believe that a higher minimum wage would benefit business in important ways: 58% say raising the minimum wage would increase consumer purchasing power. 56% say raising the minimum wage would help the economy. In addition, 53% agree that with a higher minimum wage, businesses would benefit from lower employee turnover, increased productivity and customer satisfaction (which has been confirmed by academic studies). [US Dept. of Labor]

**MYTH** *Raising the minimum wage will mean a sharp increase in prices.*

**FACT** Economic studies have shown a very small increase in prices can be expected when the minimum wage is increased. A 10% increase in the wage, the studies show, results in a 0.7% increase in prices. As an example, a McDonald's Big Mac combo meal (average price in California \$7) would go up by less than a nickel. Many employers, however, simply absorb the cost with slightly lower profits. [Washington Post, 10/1/14]

**Support an increase in the minimum wage in your city. Sign the petition at**  
[www.peaceandjustice.org/wage-petition](http://www.peaceandjustice.org/wage-petition)

Find this fact sheet online: [www.peaceandjustice.org/minimum-wage](http://www.peaceandjustice.org/minimum-wage)

Raise the Wage Coalition Member Organizations: Action Council, Unitarian Universalist Church of Palo Alto / Campus Alliance for Economic Justice / Fool's Mission / Hope's Corner Steering Committee / Mountain View Day Workers Center / Mountain View Dreamers / Multifaith Voices for Peace and Justice / OUR Walmart / Outreach Board, First Congregational Church of Palo Alto / Peninsula Peace and Justice Center / Peninsula Young Democrats / Politically Inspired Action / Santa Clara County Green Party / Women's International League for Peace and Freedom-Peninsula Branch / Working Partnerships USA

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