

UN, Reno economist refutes conventional wisdom about minimum-wage earners

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In one of the most in-depth studies to date of adults who earn minimum wage, University of Nevada, Reno economist Bradley R. Schiller answers the question that many policymakers have been asking for years: Do a large number of families depend on the income from minimum-wage jobs? The answer, according to Schiller's research, is an emphatic "No."

In his study, recently published by the Employment Policies Institute, Schiller used data from the National Longitudinal Survey of Youth to look at the employment and family income of [minimum-wage](#) workers between the ages of 33 and 50, in the years 1998 to 2006, when the federal minimum wage was constant at \$5.15. His findings include:

- Approximately three out of four of the adults earning minimum wage earned 30 percent or less of their total [household income](#), illustrating that most were not the main [breadwinners](#) in their [households](#).
- In households with children where one adult earned minimum wage or less:
 - 94 percent of the minimum-wage earners also had a spouse that worked,
 - 77 percent of the minimum-wage earners provided less than 20 percent of the household income,

- about half (47 percent) had a spouse earning more than \$40,000 a year,
- an additional 16 percent had a spouse earning \$30,000 to \$40,000 a year, and,
- an additional 12 percent had a spouse earning \$20,000 to \$30,000 a year.
- About 95 percent of the adults who earned minimum wage at some point during the eight-year period also earned considerably more than minimum wage at some point during the same period. Schiller says this debunks the claim that many adults are "stuck" in minimum wage jobs, and is consistent with earlier research that showed the majority of minimum-wage earners earn a raise within one to 12 months.

Schiller, economics professor in the University of Nevada, Reno College of Business, doesn't hesitate to share his insights and has published several op-ed pieces in high-circulation national publications, such as The Wall Street Journal, The Washington Post and other media.

His frank conclusion: "In short, the evidence is overwhelming that family dependence on the minimum wage is the exception rather than the rule. A majority of adult minimum-wage earners in families are living well above poverty and are supported by a spouse who earns a considerably higher wage."

More information: Download a complete copy of Schiller's minimum wage study at epionline.org/studies/schiller_03-2011.pdf

Provided by University of Nevada, Reno

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