



The Research Bureau

# Minimizing Risk

The Implications of a \$15 Minimum Wage for Worcester

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Research in the Public Interest

Worcester Regional Research Bureau, Inc.

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## Introduction

Employers and workers have been in a tug-of-war over working conditions and benefits for as long as formalized employment has existed. But the government’s involvement in creating labor laws and regulating how companies treat their employees is relatively new. The U.S. Department of Labor was created in 1913, and it would take until 1938 for such innovations as paid overtime, child labor restrictions, and a federal minimum wage to become national law.

While most “Fair Labor Standards,” as the 1938 Act termed them, are accepted without complaint by all involved, the minimum wage has been a regular topic of debate over the years. Labor advocates argue the current rates are too low, positing that a higher minimum would ensure a better quality of life for struggling workers and likely benefit the economy, increasing purchasing power for millions of Americans and keeping people off taxpayer-funded welfare programs. Opponents argue that if wages rise by too much, businesses will lay off workers, reduce hours, or close entirely, putting more people out of jobs, and prices for goods and services would rise as companies try to fund their rising payrolls.

The federal minimum wage is currently \$7.25 per hour, but Massachusetts has set a higher bar—\$11 per hour, the second-highest statewide rate in the country. Still, advocates are pushing for increased rates as part of the “Fight for \$15” movement and are seeing early interest from elected leaders. A proposed bill in the Massachusetts Legislature would increase the minimum wage by \$1 each year until it reached \$15 per hour in 2021, and a ballot question has been certified for the 2018 ballot that would accomplish the same goal by 2022.

While there is evidence both for and against an increased minimum wage from states and cities across the country, this report examines the potential local impact of a change on Worcester and offers thoughts on how the minimum wage can best serve the local economy and populace.

## Current Wage Laws

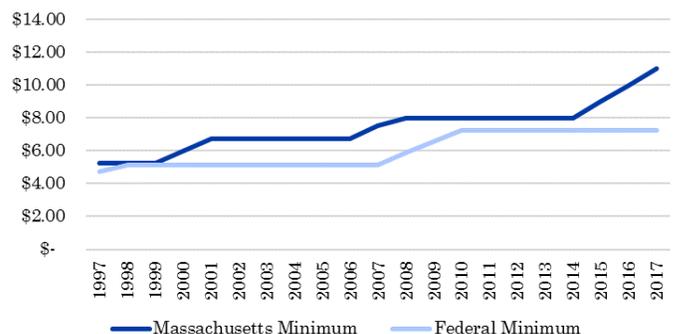
The minimum wage in Worcester is \$11 per hour, as required by Massachusetts law. Unlike communities in some other states, municipalities in Massachusetts do not have the power to establish local wage minimums on their own.

The first U.S. minimum wage established in 1938 was \$0.25 per hour, equivalent to \$4.32 in 2017 after adjusting for inflation. The minimum wage sets the base hourly compensation that can legally be offered to employees. In a speech introducing the Fair Labor Standards Act, President Franklin Roosevelt said that “all but the hopelessly reactionary will agree that to conserve our primary resources of man power, government must have some control over maximum hours, minimum wages, the evil of child labor and the exploitation of unorganized labor.”

While the federal minimum wage applies nationwide, 29 states have enacted minimum wages above the current federal level of \$7.25 per hour. No state can enforce a minimum wage below the level set by the federal government.

Current changes to the federal minimum wage are decided on by Congress. While some states have recently begun automatic annual increases based on cost of living calculations, Massachusetts’ minimum wage is only required to be 10 cents higher than the federal minimum, with any other changes left to the discretion of the state legislature.

**Chart 1: Massachusetts and Federal Minimum Wage**



**Table 1: Current Minimum Wage Law Proposals**

	Current Law	House Bill 2365	Initiative Petition
Hourly Rate, 2017	\$11	\$11	\$11
Next Scheduled Change	None	\$12 in 2018	\$12 in 2019
\$15/hour Target Date	None	2021	2022
Tipped Minimum Wage	\$3.75	\$15.75 by 2025, then equal to or greater than general minimum	\$9 by 2022
Basis for Future Changes	Discretion of the Legislature	Consumer Price Index for Urban Wage Earners and Clerical Workers	Consumer Price Index for all Urban Consumers, U.S. City Average

There are limited exemptions to the Massachusetts minimum wage law. Employers can apply for waivers to adjust the wages of workers with disabilities affecting their earning capacity, seasonal camp counselors, and student employees working at their school or in certain facilities.

### **Proposals**

While the state legislature can alter minimum wage laws in any number of ways, and could raise or lower the minimum wage to virtually anything above the federal minimum, the two proposals most likely to be enacted are a bill before the state legislature and a ballot question certified for the 2018 election cycle, both focusing on a \$15 per hour wage.

The Massachusetts House of Representatives is currently weighing a bill proposed by State Rep. Dan Donahue of Worcester and the late State Sen. Ken Donnelly of Arlington. The bill would raise the minimum wage to \$12 per hour in January 2018, \$13 in January 2019, \$14 in January 2020, and \$15 per hour in January 2021. Every January after that, beginning in 2022, the minimum wage would be adjusted by the cost of living increase as indicated by the Consumer Price Index for Urban Wage Earners and Clerical

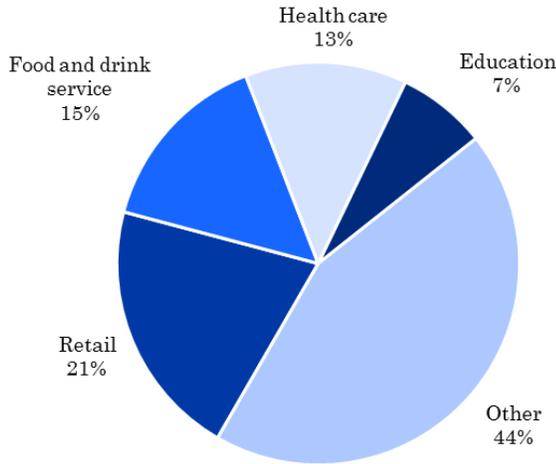
Workers published by the U.S. Department of Labor. The tipped minimum wage would rise to \$5.25 in January 2018, and would increase by \$1.50 each year until it reached \$15.75 in January 2025. Starting in January 2026, the tipped minimum wage would be required to be equal to or greater than the general minimum wage.

The Massachusetts Attorney General's office has certified a ballot question, pushed by the Raise Up Massachusetts advocacy group, to appear on the 2018 statewide ballot. If passed, the petition would raise the minimum wage to \$12 per hour in January 2019, \$13 in January 2020, \$14 in 2021, and \$15 per hour in January 2022. Each year after that, beginning in September 2022, the minimum wage would be increased by the cost of living increase as indicated by the Consumer Price Index for all Urban Consumers, U.S. City Average published by the U.S. Department of Labor. The tipped minimum wage would increase to \$5.05 in January 2019, and would increase to \$6.35 in 2020, \$7.64 in 2021, and \$9 in 2022. The tipped minimum wage would then be tied to cost of living increases.

While the two proposals are similar, to the point of using nearly identical language in some sections, there are important differences. The state House bill sets a more aggressive timeline,



**Chart 2: Massachusetts Workers Affected by a \$15 Minimum Wage, by Industry**



Source: Economic Policy Institute

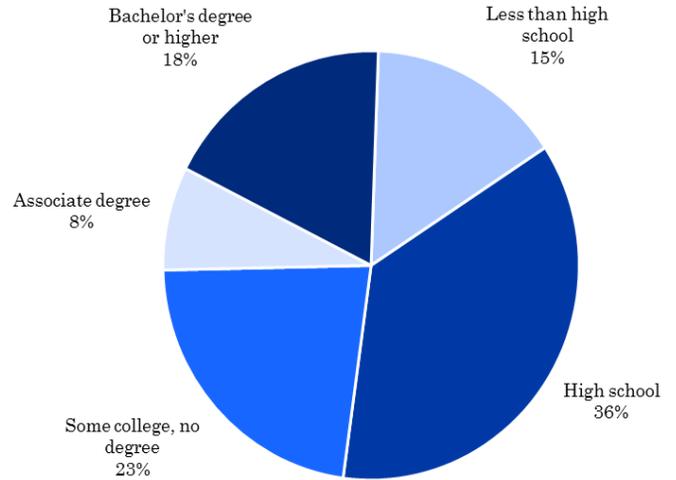
reaching a \$15 minimum in 2021, one year ahead of the ballot question’s goal. The state House bill would also eliminate the gap between the tipped minimum wage and the regular minimum wage by 2026, while the ballot question keeps the tipped wage \$6 per hour lower than the regular minimum. And while both proposals would institute regular, scheduled increases tied to annual cost of living increases, they use slightly different U.S. Department of Labor metrics to calculate those increases.

The House and Senate versions of the minimum wage bill have attracted more than 90 co-sponsors, and have received endorsements from an array of sources, including the Worcester City Council. The organizers of the ballot measure campaign have said they support the legislature’s bill and are pushing their petition as a backup measure. It garnered enough citizen signatures to appear on the 2018 statewide ballot, pending an intervention by the legislature.

**The Minimum Wage Workforce**

About 2.2 million hourly American workers—2.7 percent of the total hourly workforce—earned exactly the federal minimum wage or below in 2016, according to the U.S. Bureau of Labor Statistics (BLS). About 50 percent of minimum wage workers are under age 25, though that age

**Chart 3: Massachusetts Workers Affected by a \$15 Minimum Wage, by Education Level**



Source: Economic Policy Institute

group only makes up about 20 percent of hourly paid workers. Hourly workers make up nearly 60 percent of the total wage and salary worker population.

Most minimum wage workers nationally are in service occupations, a category that makes up nearly 66 percent of the minimum wage workforce. Nearly 60 percent are in leisure and hospitality specifically, “almost entirely” in restaurants or other food services, according to the BLS.

While Massachusetts has its own, higher minimum wage, previously highlighted exceptions at the state and federal level allow 2.9 percent of hourly workers in the Commonwealth to make at or below the federal minimum. In states without minimum wage laws or where the state minimum matches the federal law—generally Southern states—the rate can be as high as 6 percent. The states with the lowest percentage of minimum wage workers are in the West, and register at around 1 percent.

Much of the public advocacy around minimum wage changes has focused on the retail and food service industries, a focus that is backed up by state workforce demographics analyzed by the Economic Policy Institute, a labor union supported research group. About 21 percent of



Massachusetts workers directly or indirectly affected by a \$15 minimum wage work in retail, while 15 percent are in food and drink service, 13 percent in health care, and 7 percent in education. The most-affected industries would be seriously impacted—nearly 70 percent of workers in food and drink service and more than half of retail workers would be affected by an increase to \$15.

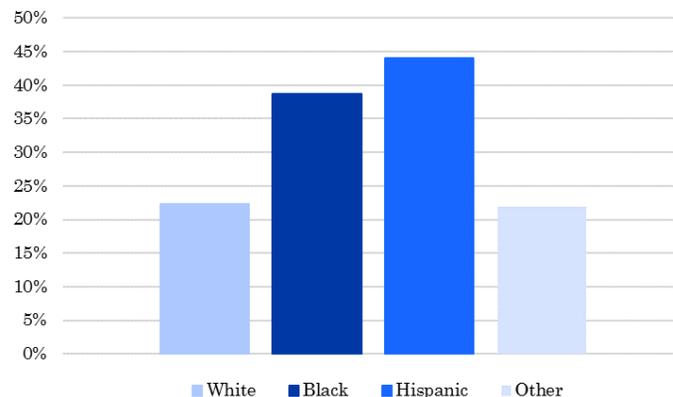
Nearly one in four children in Massachusetts has at least one parent who would be affected by a \$15 minimum wage, and single parents would see the biggest change—45 percent of single parents would be affected by a minimum wage raise, compared to 16 percent of married parents, 17 percent of married workers with no children, and 34 percent of unmarried workers with no children. Around 86 percent of working teenagers would be affected by a change, although their relatively small presence in the workforce means nearly 90 percent of workers affected by a change are at least 20 years old.

As Chart 4 shows, lower wages among non-white racial groups mean people of color would see the greatest benefits from a \$15 minimum wage. Around 22 percent of white workers in Massachusetts would be affected by the change, compared to 39 percent of black workers and 44 percent of Hispanic workers. Asians and “other” races would be affected at a rate of 22 percent. Women would be affected slightly more than men, with 29 percent of female workers and 23 percent of male workers affected in Massachusetts.

The traditionally-held belief that a college degree leads to higher-paying careers is borne out by the education levels of Massachusetts workers making less than \$15 per hour. More than half the workers impacted by a \$15 minimum wage hike have a high school education or less, while an additional 23 percent have some college education but no degree.

According to the BLS, around 1.5 percent of full-time workers in the U.S. made at or below the federal minimum wage in 2016, compared to 6.2 percent of part-time workers.

**Chart 4: Massachusetts Workers Affected by a \$15 Minimum Wage, by Share of Group**



Source: Economic Policy Institute

### Tipped Employees

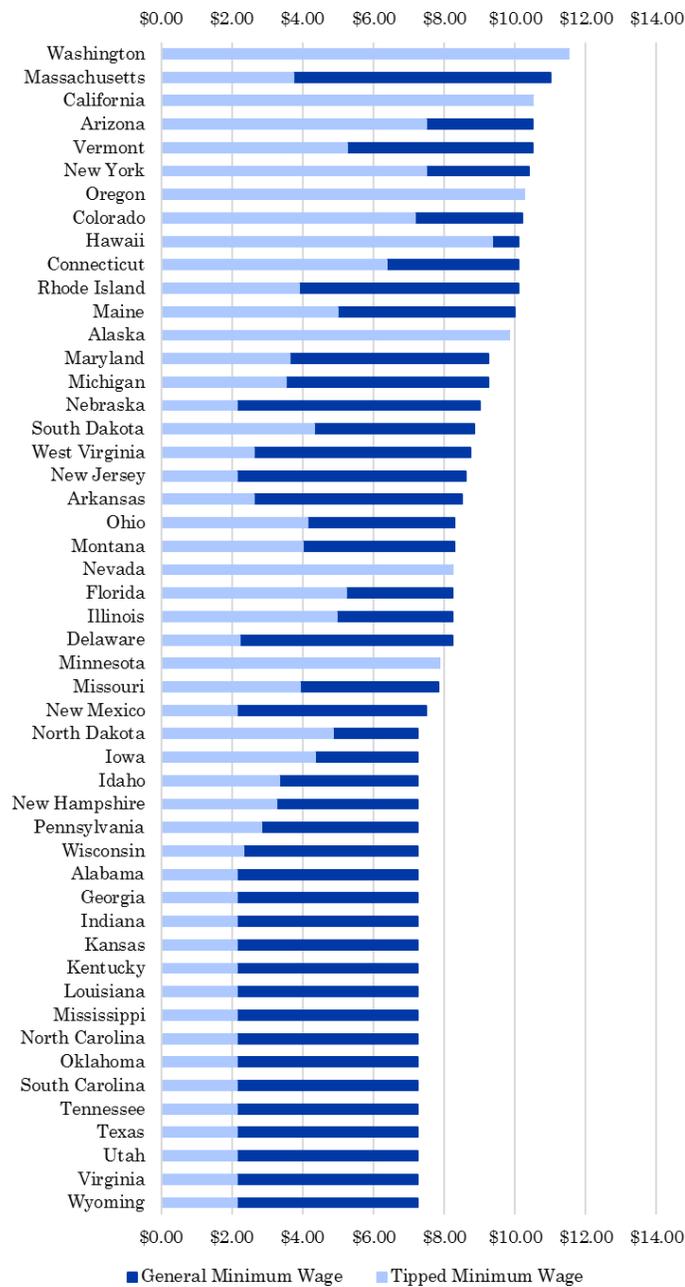
Tipped employees—waiters, bartenders, bellhops, and similar workers—are treated independently under current minimum wage laws based on the assumption that tips from customers will make up the difference between what their employer pays and the regular minimum wage. This is known as the “tip credit.” If their pay falls short, the employer is obligated to make up the difference.

In Massachusetts, tipped employees are guaranteed a minimum of \$3.75 per hour, \$7.25 less than all other standard employees and their \$11.00 per hour minimum. The \$7.25 difference between the two benchmarks is the widest gap of any state. While Massachusetts’ general minimum wage is the second highest state rate in the country, the tipped minimum wage is 23rd.

Tipped employees have historically been a controversial aspect of the fight for a higher minimum wage, in part because they have some unique vulnerabilities. In 44 states, the tipped minimum wage is lower than the general minimum wage—and the \$2.13 federal benchmark for tipped workers has not been raised since 1991, an even longer wait than the general minimum. Tips can also fluctuate due to forces beyond the employee’s control, including the popularity of their workplace (a majority of tipped



**Chart 5: Minimum Wage by State**



employees work in the restaurant industry or other service jobs), gender, and race. And if tips fall short, employers may not make up the difference as required, which experts say is an underreported phenomenon.

But it is not just restaurant owners and other employers of tipped workers who fight against efforts to increase the tipped minimum—some waiters, bartenders, and others have spoken out against changes as well. Employers are not required to pass charges on to customers—they could institute a service charge or a no-tipping

policy, raising the base cost of service and discouraging or eliminating tips. This would be bad news for anyone making more than the current or proposed minimum wage. While an exact number is hard to pin down given inconsistencies in reporting data and differing policies in the affected industries, the BLS estimates the average hourly wage for waiters and waitresses as \$11.73, far higher than the national minimum. In the Worcester area, the number is \$12.95 per hour.

**Minimum Wage Comparisons**

Assuming no unpaid time off, a full-time worker making the federal minimum wage earns around \$15,130 annually. The 2017 federal Poverty Level, used as a baseline for calculating many public benefits, is \$12,060 for a single person. A full-time minimum wage worker would thus qualify for Medicaid—which uses 133 percent of the poverty level as a threshold—among other benefits.

Using the same calculations, at the current \$11 Massachusetts minimum, a full-time Bay State worker would make \$22,957 annually. The U.S. Office of Housing and Urban Development considers \$30,000 per year for one person to be the threshold for “very low income” in the Worcester area, falling below 50 percent of the median family income for the region. Using HUD guidelines, workers making this much money qualify for public housing and Section 8 housing vouchers, among other programs.

At the proposed \$15 per hour, a full-time minimum wage worker would make around \$31,305 per year—still well below the median income for the area (\$44,020 in 2016), but just above HUD’s “very low income” cutoff and high enough to disqualify them from most of the welfare programs currently available to minimum wage employees.

While getting off welfare programs is generally regarded as a positive, there is evidence of a “cliff effect,” where a pay raise that makes someone ineligible for a benefit program effectively leads to a decrease in resources. Last year, a report



published by the Federal Reserve Bank of Boston used 2013 values to examine eligibility requirements for a simulated household at various income levels and found that a single mother making \$14 per hour had the same level of “net resources” as one making \$22 per hour, due to the former’s eligibility for public assistance programs. Because many welfare programs use fixed thresholds for eligibility, rather than gradual scales, at some income levels a slight pay raise at a job can lead to a significant increase in rent, childcare, or health care costs.

As Table 2 shows, what counts as a “living wage”—defined in this case by the Massachusetts Institute of Technology’s model, using geographically specific expenditure data to cover things like food, childcare, housing, transportation, and personal items—differs by household situation. A single person can get by

reasonably well on the current \$11 state minimum. But the high costs of caring for children mean parents, especially single parents, can struggle to afford basic necessities. While the cost of living varies based on how many people are in a household and whether children are involved, a fact acknowledged by a federal poverty threshold that varies based on household composition, the minimum wage is simply \$11 for everyone regardless of living situation.

According to the BLS, there are some Massachusetts workers making around \$15 per hour currently. Receptionists (\$14.75 median hourly wage in 2016), preschool teachers (\$14.99), healthcare support occupations (\$15.17) and bus drivers (\$15.23) generally make around the figure targeted for the new minimum wage.

**Table 2: Hourly Wage Thresholds in Worcester County, per Worker**

	1 Adult	1 Adult 1 Child	1 Adult 3 Children	2 Adults (1 Working)	2 Adults	2 Adults 1 Child	2 Adults 3 Children
Minimum Wage	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00
Median Wage	\$15.46	\$15.46	\$15.46	\$15.46	\$18.00	\$18.00	\$18.00
Living Wage	\$10.94	\$24.39	\$35.37	\$17.44	\$8.72	\$13.66	\$18.12
Poverty Wage	\$5.79	\$7.78	\$11.79	\$7.78	\$3.89	\$4.89	\$6.90
Medicaid Eligibility	\$7.70	\$10.35	\$15.68	\$10.35	\$5.17	\$6.50	\$9.18
SNAP Eligibility	\$11.58	\$15.56	\$23.58	\$15.56	\$7.78	\$9.78	\$13.80
Section 8 Eligibility	\$14.38	\$16.44	\$20.53	\$16.44	\$8.22	\$9.25	\$11.09

*All hourly wages calculated for a full-time job with 2,087 hours per year, the standard used by the U.S. Office of Personnel Management. Median Wages calculated using American Community Survey data for one and two person households. Living Wage from the Living Wage Calculator from the Massachusetts Institute of Technology. Medicaid eligibility based on Modified Adjusted Gross Income standards for non-pregnant adults. SNAP Eligibility based on broad-based eligibility gross income test, before deductions and net income test. Section 8 Eligibility calculated using HUD’s “Very Low” (50% of median) income limits.*



The federal minimum wage has effectively lost value over the years. Its high point was \$1.60 in 1968—a figure equivalent to \$11.49 today after accounting for inflation using the Consumer Price Index inflation calculator provided by the BLS. This discrepancy has often headlined calls to raise the federal minimum wage, as advocates point out that if the government had adjusted the minimum every year to keep up with the cost of living, the federal minimum would be more than \$4 higher today. At the state level, even after adjusting for inflation, the Massachusetts minimum wage is the highest it has ever been.

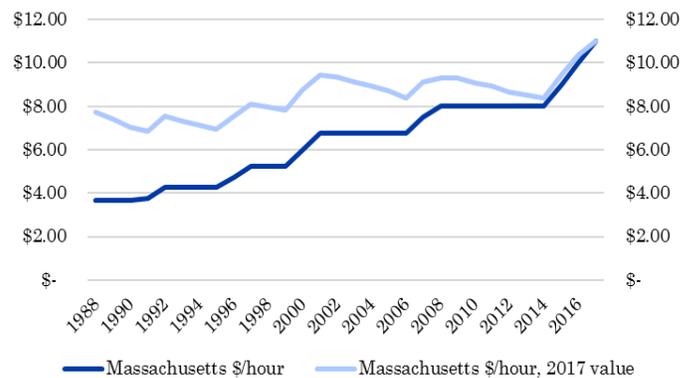
just above a new minimum wage to maintain a wage hierarchy. Gateway Cities in Massachusetts would be affected more intensely than other communities—the same study found that statewide, 29 percent of wage earners would be directly or indirectly affected by a \$15 minimum.

Municipal employees in Massachusetts are not guaranteed the same minimum wage as private sector employees, in accordance with a 2002 Department of Labor Standards ruling. Were this to change, Worcester would also see an impact from a \$15 minimum wage. According to the City

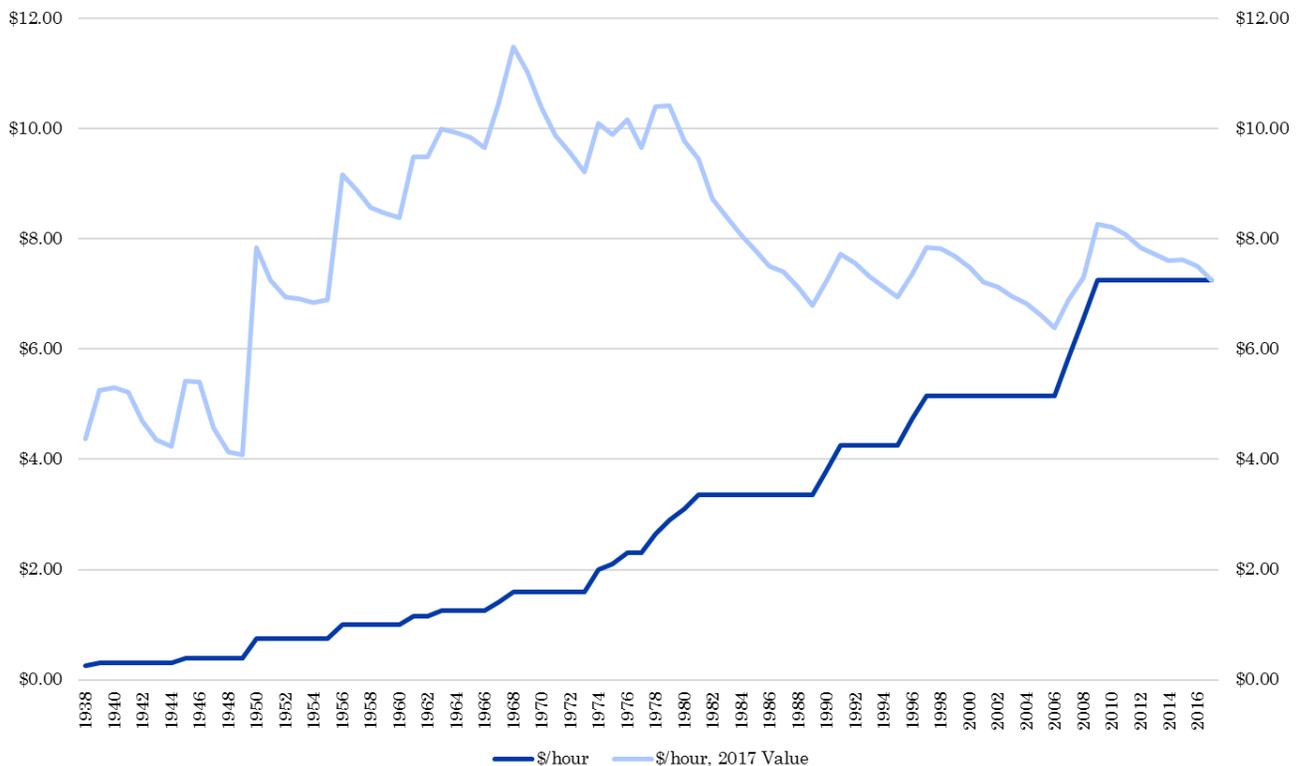
**Impact on Worcester**

In the City of Worcester, around 24,000 employees—31 percent of wage earners in the city—would see a direct increase in wages with an increase in the minimum wage to \$15 per hour. According to the Massachusetts Budget and Policy Center, which used a model developed by other think tanks and data from the American Community Survey, another 7,000 employees, or 9 percent of the workforce, could see an indirect rise in wages due to a “spillover effect,” in which employers usually increase wages for employees

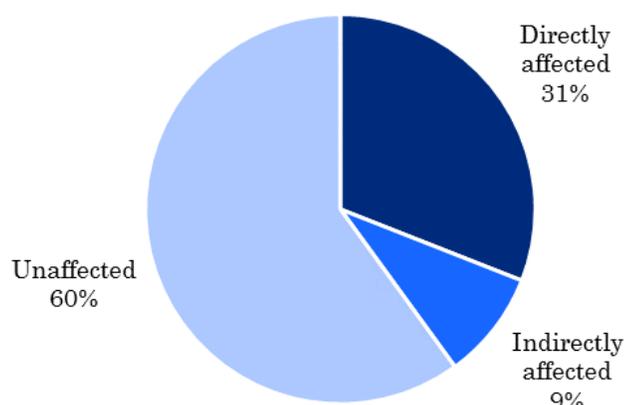
**Chart 6: Massachusetts Minimum Wage and Inflation**



**Chart 7: Federal Minimum Wage and Inflation**



**Chart 8: Worcester Workers Impacted by a \$15 Minimum Wage Increase by 2021**



Source: Massachusetts Budget and Policy Center

of Worcester, only 10 full-time staff make below \$15 per hour, with the cost of increasing the minimum wage to that point estimated at \$17,811 by the city. However, wages are expected to rise beyond that point due to current collective bargaining. The greater effect would be on seasonal and part-time employees. There are 280 City of Worcester employees making less than \$15 per hour in various seasonal and temporary jobs. Youth workers and temporary laborers make the minimum \$11 per hour currently, while life guards make between \$13.50 and \$14.75. High school interns make \$9 per hour. Without waivers for minimum wage exceptions, the total cost of moving those employees to \$15 per hour could be nearly \$500,000.

The Worcester Public Schools would also be affected by an increase to \$15 per hour, with a total of 322 employees making from \$10.18 per hour for crossing guards to \$13.20 for nutrition helpers. While all of the employees are part-timers, the total cost of an increase would still be nearly \$250,000 without waivers.

### Economic Theory

The purpose of a minimum wage can be answered differently by the various interested parties. Should it be as low as possible, simply as a floor to prevent abject poverty? Should it be high

enough to get people off the government assistance programs that currently close the gap between income and expenses for many? Or can it be set even higher, to spur the economy by giving consumers more spending money?

At the heart of the push for a higher minimum is the idea that someone who works a full-time job should not have to rely on the government for help paying bills. By this logic, the minimum wage should be set high enough so that workers are above the wage thresholds set by public assistance agencies.

But while public assistance programs take into account factors like location and household size, a flat minimum wage like the \$15 one being proposed in Massachusetts and nationally makes no such distinctions, instead providing the same floor for everyone. It also does not adjust based on location. While cities like Seattle, New York, and San Francisco have adjusted their minimum wages to match the high costs of living in those cities, a statewide \$15 minimum in Massachusetts would draw no distinction between Boston and Pittsfield. And while other cities have created different minimum wage tiers for large and small companies, the Massachusetts proposals treat small businesses the same way as national chains.

Many companies, especially small businesses, have thin profit margins now, and there are numerous studies and analyses arguing that raising the minimum wage by too much would lead to a jobs reduction as companies eliminated positions or closed down. The Congressional Budget Office, for example, found in a 2014 study that raising the federal minimum wage to \$10.10 would reduce employment by 500,000 workers, although the wages of those who retained their jobs would increase and 900,000 people would no longer be below the poverty threshold. The study fits with a long line of economists who argue the minimum wage would undoubtedly benefit some—but at a cost to others.

A variety of studies have shown that low-skill workers are affected more intensely by minimum wage increases than high-skill workers. Since



high-skill workers command higher wages than their low-skill counterparts, if the wage floor rises, companies may replace low-skilled workers with more qualified or productive workers in a phenomenon known as the labor-labor substitution. Additionally, in a technologically advanced society, people are not just competing with other people for jobs—the American worker has to contend with machines as well. Automation has been a boon for industries looking for improvements in efficiency and reductions in costs, but replacing humans with robots runs counter to the goals of the Fight for \$15 movement and labor advocates in general. A 2017 National Bureau of Economic Research study found that “increasing the minimum wage decreases significantly the share of automatable employment held by low-skilled workers.” Using Census data from 1980 to 2015, researchers found that a \$1 increase in the minimum wage decreased low-skilled, “automatable” jobs by 0.43 percentage points. Transitioning to automation can be expensive, but as labor costs rise, companies are more likely to turn to alternatives, according to the research. The connection is stronger in more easily-automated industries—for people over 40 years old in manufacturing, the drop was 2 percent for a \$1 minimum increase.

While employment levels are often cited as the biggest point of contention among economists who study the minimum wage, other factors have been explored. A 2013 Federal Reserve Bank of Chicago study found that a \$1.75 increase in the federal minimum wage could raise the country’s Gross Domestic Product by 0.3 percent by raising aggregate household spending by \$48 billion, even after accounting for lost spending due to higher prices for consumers and other factors. Researchers have also identified a number of ways the business community adjusts to account for higher labor costs without eliminating jobs, including reducing hours worked for employees, reducing non-monetary benefits, saving money from decreased turnover or increased efficiency, or simply accepting lower profit margins.

### *Seattle*

In 2014, the City of Seattle, Washington passed a law that phased in minimum wage increases from

the then-current \$9.47 per hour to \$15.00 per hour. In April 2015, the minimum wage increased from \$9.47 to \$11.00 for large employers. Less than one year later, in January 2016, the minimum wage rose again to \$10.50 to \$13.00 per hour depending on business size. As of January 1, 2017, Seattle’s wages increased to between \$11.00 per hour to \$15.00, while the State of Washington’s own minimum wage increased to \$11.00 per hour. Recognizing the important opportunity for economic study, a number of researchers began analyzing the impact of the wage increases.

A University of Washington study suggested that Seattle’s \$13 municipal minimum wage—the first step on the road to \$15—has not only been ineffective in alleviating the economic strains suffered by many unskilled workers, but actually hurt the smaller businesses of the city as well, with the authors estimating the average low-wage employee suffered a \$125 reduction in wages per month because of the new minimum. The study’s conclusions have been challenged, mainly because the study excluded larger employers on the basis that they could not separate workers in Seattle from those outside the law’s range for such companies. These companies, which include fast food chains and retail outlets that would be heavily impacted by minimum wage changes, account for an estimated 40 percent of Seattle’s workforce.

Another study by economists at the University of California, Berkeley found no impact on employment in the food services industry, an area that should be one of those most-affected by a minimum wage hike. Each 10 percent increase raised pay by around one percent overall in the industry, without costing jobs. There are also caveats in the Berkeley study, notably that Seattle’s already-booming job market was pushing restaurant wages above \$13 in many cases without the need for city intervention, and that the strong economy could be ensuring a low unemployment rate independently of any government wage laws.

While Seattle’s minimum wage is already among the highest in the nation, and large employers who do not pay for medical benefits are already



paying \$15 per hour, the change will not truly phase in until 2021, when large and small employers alike will be required to pay \$15 per hour regardless of their medical benefits. For now, economists seem to agree that while there are positive and negative signs coming out of the city, none is strong enough to conclusively prove the benefit or harm of a \$15 minimum.

### *San Francisco*

San Francisco's minimum wage is currently \$14 per hour, higher than California's \$10.50 minimum, and the city will increase the rate to \$15 per hour in July 2018. Proponents of the change noted that San Francisco and the Bay Area in general have some of the highest costs of living in the country.

The most widely-cited study on the effects of San Francisco's minimum wage is a Harvard Business School working paper sponsored by Yelp, the restaurant review aggregation website. It found that a \$1 increase in the minimum wage led to a 14 percent increase in the chance that a 3.5-star rated restaurant closed, but has no effect in a 5-star rated restaurant, with 1 star being the "worst" establishment and 5 stars being the best and most popular. The authors of the study, entitled "Survival of the Fittest," have cautioned against using their paper as a broad argument for or against a higher minimum wage, but it has been used to highlight potential negative effects from a wage hike.

### **The Bureau's View**

Raising the minimum wage has political support in Worcester. The lead sponsor of the legislative proposal that would raise the statewide wage to \$15 by 2021 is a Worcester State Representative, and the Worcester City Council voted to endorse the legislation after large crowds of supporters rallied at City Hall. That the movement would enjoy popular support in the Heart of the Commonwealth is not surprising, given the large number of low-wage workers in Gateway Cities, exemplified by the estimated 40 percent of

Worcester workers that would see a pay raise under a law change.

But the significant impact a minimum wage change would have on the city is reason for caution. Not only would a high percentage of workers see a change, but the businesses that employ those people would have to adjust their payrolls, which could have a ripple effect across the rest of their business and across the local economy as a whole. Given the high stakes of a minimum wage change, it is important to base any decision on data and professional analysis, and not simply on anecdotal evidence.

It is possible that raising the minimum wage to \$15 per hour would help the economy. It is also possible that it would lead to a loss of jobs, reduced hours, or result in other cost-cutting measures by business owners. There is a reason that no group is seriously pushing for a \$25 minimum wage, or a \$50 minimum wage, or a \$500 minimum wage. It is because everyone, including minimum wage advocates, understands that it is possible to go too far and that raising the minimum wage by too much, too quickly would have adverse effects that would outweigh any positive results.

With evidence from other cities so mixed, it is important for policymakers to take Worcester-specific factors into account when examining a higher minimum wage. A \$15 minimum wage will affect Worcester differently than Boston, Shrewsbury, or Lee. It is likely appropriate to raise the federal minimum wage given that it has not kept up with inflation or the cost of living and most states and their economies have already adapted to higher wage requirements. In Massachusetts, however, already boasting one of the highest minimum wages in the nation, the minimum wage, or better yet, a targeted alternative, should be debated and set—in similar fashion to federal interest rate policies—by experts employing solid evidence and a comprehensive understanding of potential impact. Greater Boston and Greater Worcester may need different minimums to account for both cost of living and market capacity. A real discussion over minimum wage should not be dictated by past practice or a simple default to round numbers.



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