

Testimony of Yannet Lathrop

National Employment Law Project

In Support of a \$19.52 Minimum Wage for the City of Boulder, and Against a Youth Exemption

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Thank you for the opportunity to submit written testimony. My Name is Yannet Lathrop, and I am a senior researcher and policy analyst for the National Employment Law Project (NELP).

NELP is a national nonprofit advocacy organization that for more than 50 years has sought to build a just and inclusive economy where all workers have expansive rights and thrive in good jobs. We partner with federal, state, and local lawmakers and local community-based groups on a wide range of workforce issues, including the minimum wage.

NELP testifies in strong support of—and urges a YES vote on—the Speer/Folkerts Amendment, which would enact a wage floor of \$16.58 in 2025 for the City of Boulder, \$17.99 in 2026, and \$19.52 in 2027, with annual inflation adjustments thereafter and no exemptions based on age.

A \$19.52 Minimum Wage Would Bring the Boulder Wage Floor Closer to a Living Wage

The Colorado minimum wage is currently \$14.42 per hour—or \$29,994 annually assuming full-time, year-round work with no time off. This wage is not enough for a single adult, much less a family, to afford rent, groceries and other basic necessities (Table 1). In fact, the current state minimum wage only covers 66 percent of the single adult living wage.

A \$19.52 minimum wage by 2027, as proposed by the Speer/Folkerts Amendment, would bring the Boulder wage floor closer to a living wage. This wage would raise the minimum wage to roughly 83 percent of the living wage for a single adult—significantly narrowing the gap between the minimum and living wage.

Table 1. Estimated Living Wage in Boulder County by Family Type, 2024-2030

Year	Single Adult	1 Adult, 1 Child	2 Adults, 1 Child
2024	\$21.86	\$38.17	\$28.60
2025	\$22.56	\$39.39	\$29.52
2026	\$23.10	\$40.34	\$30.23
2027	\$23.60	\$41.22	\$30.89
2028	\$24.12	\$42.13	\$31.57
2029	\$24.65	\$43.06	\$32.26
2030	\$25.20	\$44.00	\$32.97

Source: NELP analysis of The Self-Sufficiency Standard for Colorado (Colorado Center on Law and Policy, 2022). Inflation adjustments are based on projected 2024-2034 consumer price index by the Congressional Budget Office.

An Unemancipated Minor Exemption Would be Harmful to Young and Adult Workers

The Boulder City Council is considering exempting unemancipated minors from the full minimum wage, allowing employers to pay these workers just 85 percent of the full wage floor. NELP urges the City Council to reject such proposal, and guarantee workers of all ages the same minimum wage of \$19.52 by 2027.

Since the adoption of local wage power in Colorado in 2019, three local jurisdictions have adopted their own minimum wage ordinances without unemancipated minor exemptions. Edgewater and Boulder County guarantee

workers of all ages the full minimum wage; and while Denver does allow for a subminimum wage for unemancipated minors, this exemption is narrowly confined to work performed “pursuant to a city-certified youth employment program.”¹

The City of Boulder should not distinguish itself by being the only local Colorado jurisdiction to wholesale exempt unemancipated minors from full minimum wage protections.

An exemption would incentivize harmful high-turnover staffing models

Young workers under 18 years of age typically comprise a small share of the workforce affected by minimum wage policies.² Despite their small numbers, an unemancipated minor exemption in Boulder would harm young and adult workers alike, as it would incentivize employers to hire young workers in place of adults and to adopt a high-turnover staffing model to maintain a young workforce. An indirect consequence of this policy would be to drive down wages for adult workers.

Businesses that commonly adopt high-turnover staffing models are fast-food and retail chains. Often, these employers pay some of the lowest wages, while posting high profits.³ The Bureau of Labor Statistics estimates that in 2023 the annual turnover rate for the Accommodations and Food Service industry was 75.3 percent, and 54.2 percent for the Retail Trade industry.⁴ However, pre-pandemic industry estimates point to a substantially higher turnover rate for the restaurant industry—as high as 150 percent per year.⁵ This is equivalent to a business replacing its entire staff every eight months.

A rejection of a subminimum wage for unemancipated minors is imperative. An unemancipated minor exemption would not only benefit businesses that have intentionally adopted a high-turnover business model at the expense of teenage and adult workers, but its adoption would also be unfair to small businesses and conscientious employers who struggle to compete while treating their employees of any age fairly.

Decades of Rigorous Research Demonstrate that Higher Minimum Wage Policies Raise Wages Without Adverse Employment Impacts

Decades of economic research on minimum wage have found that these policies raise wages without affecting employment. For example, a 2022 study by University of California economists analyzed the impact of statewide and local policies increasing the minimum wage to \$15 or more in California, with a focus on restaurant workers and teens—the two groups most affected by minimum wage policies. The study found that these policies had “substantial and ongoing pay increases throughout the treatment period and (...) no significant disemployment effects, even in relatively low-wage counties.”⁶

It is not simply individual studies, but several “meta-studies” surveying research in the field, which indicate that higher minimum wages have had little impact on employment levels. For example, a meta-study of 64 individual studies on the impact of minimum wage increases by economists Hristos Doucouliagos and T. D. Stanley (2009) shows that the bulk of the studies find close to no impact on employment.⁷

Drawing on the methodological insights of Doucouliagos and Stanley, a meta-study by Dale Belman and Paul Wolfson (2014) reviewed more than 70 studies and 439 distinct estimates to come to a very similar conclusion: “[I]t appears that if negative effects on employment are present, they are too small to be statistically detectable. Such effects would be too modest to have meaningful consequences in the dynamically changing labor markets of the United States.”⁸

The COVID-19 pandemic and its aftermath have not called this near consensus into question. In fact, during the beginning of the pandemic, we witnessed job numbers drop to record lows as governments imposed lockdowns to contain the spread of the virus. And as economies began to open back up in mid-2020, we saw employers attempting to rebuild their workforces by raising wages⁹—showing in real time that higher pay does not automatically lead to disemployment effects, and that in fact, wage increases can be a boon to workers and employers alike.

Conclusion and recommendations

For the reasons discussed above, NELP urges the adoption of the Speer/Folkerts Amendment; the enactment of an ordinance raising the Boulder wage floor to \$19.52 by 2027, with annual inflation adjustments thereafter; and the rejection of proposals to exempt young workers from full minimum wage protections.

Endnotes

1. Denver, Colo., Code of Ordinances, ch. 58, §58-15.
2. Ben Zipperer, "The Impact of the Raise the Wage Act of 2023," Economic Policy Institute, July 25, 2023, <https://www.epi.org/publication/rtwa-2023-impact-fact-sheet/>. Table 1 shows that workers 16 to 19 years of age make up just 12.6 percent of those affected by federal minimum wage legislation.
3. For an analysis of profits in the fast-food industry, see Alí R. Bustamante and Ira Regmi, "Fast-Food Industry Profiteering: Why California Businesses Can Absorb a Higher Minimum Wage," Roosevelt Institute, March 28, 2024, <https://rooseveltinstitute.org/publications/fast-food-industry-profiteering/>.
4. NELP analysis of Bureau of Labor Statistics, Job Openings and Labor Turnover Survey (JOLTS), total separations data.
5. Eric Rosenbaum, "Panera is Losing Nearly 100% of Its Workers Every Year as Fast-Food Turnover Crisis Worsens," CNBC, August 29, 2019, <https://www.cnbc.com/2019/08/29/fast-food-restaurants-in-america-are-losing-100percent-of-workers-every-year.html>.
6. Carl McPherson, Michael Reich and Justin C. Wiltshire, "Are \$15 Minimum Wages Too High?" Institute for Research on Labor and Employment, updated December 25, 2022, <https://irle.berkeley.edu/publications/working-papers/are-15-minimum-wages-too-high/>.
7. Hristos Doucouliagos and T.D. Stanley, "Publication Selection Bias in Minimum-Wage Research? A Meta-Regression Analysis" [abstract], British Journal of Industrial Relations, Volume 47. Issue 2 (May 2009), <https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1467-8543.2009.00723.x>.
8. Paul Wolfson and Dale Belman, What Does the Minimum Wage Do? Kalamazoo, MI: Upjohn Institute for Employment Research, 2014. See also Paul J. Wolfson and Dale Belman, "15 Years of Research on U.S. Employment and the Minimum Wage," Tuck School of Business Working Paper No. 2705499, December 2016, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2705499.
9. Christopher Rugaber, "\$15 Wage Becoming a Norm as Employers Struggle to Fill Jobs," Associated Press, July 27, 2021, <https://apnews.com/article/business-health-coronavirus-pandemic-minimum-wage-940a6a7530d734242c6f384b751b8033>.

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