

# 1968, workers barely above poverty line

that allows the business to make money.”

Workers under 25 make up approximately one-fifth of hourly paid workers but account for about half of all workers making minimum wage or less nationwide. In the first quarter of 2013, the average unemployment check in North Carolina paid \$298.90 per week. Working a minimum wage job for 40 hours per week equates to an income of \$290 per week — less than someone who is unemployed.

Since the minimum wage program started in 1938, its overall decline in real value is 20 percent since its all-time high in 1968. It declined in real value 34 percent from 1978 to 1989, and 19 percent from 1998 to 2006. Raising the minimum wage, Sonn said, helps stimulate the economy by increasing purchasing power and allowing workers to stay in steady employment instead of circulating through low wage employers, which costs each company thousands of dollars to train and hire new employees.

“The indexation proposal [for minimum wage] prevents the minimum wage worker’s paycheck from eroding,” Dube said.

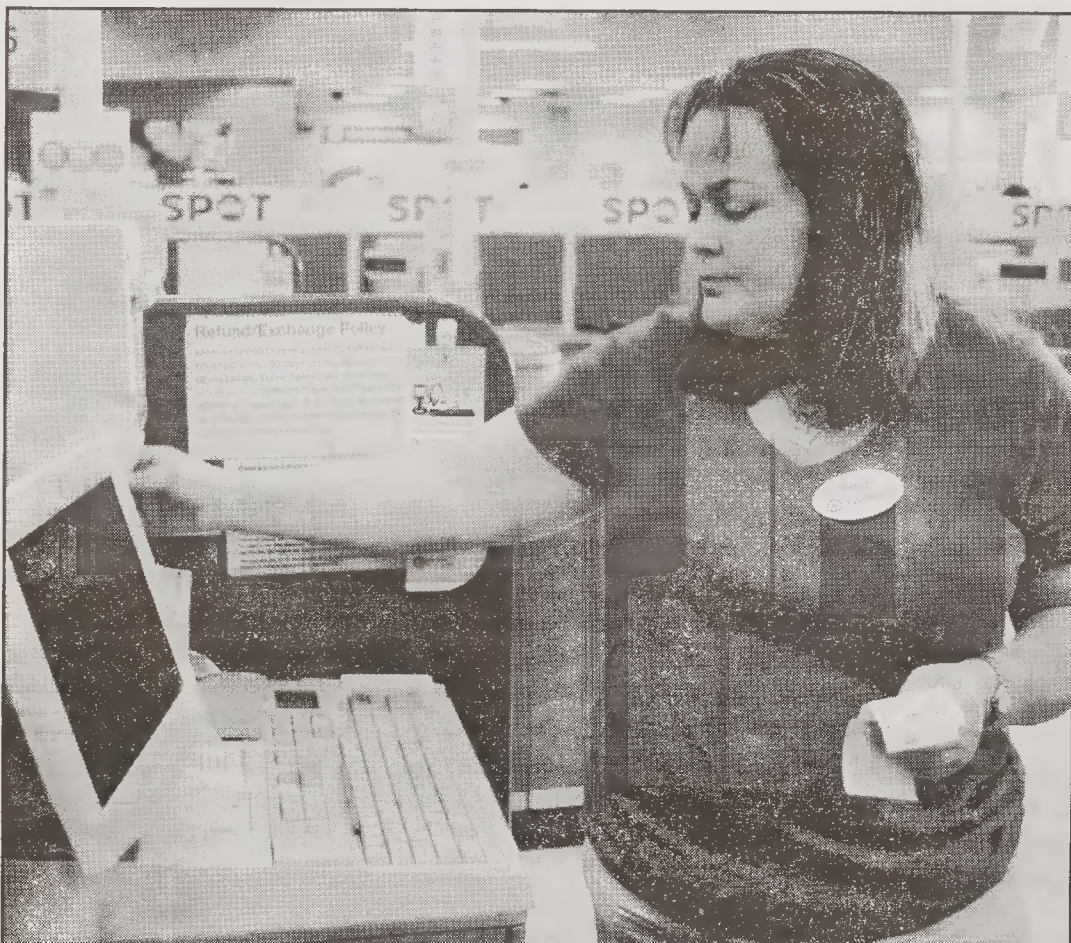
Dube said it would be best to phase in indexation policies over a number of years instead of all at once. It would take a couple of years of sharper increases to get minimum wage indexed to match the cost of living, and implementing these policies gradually would not result in unemployment, he said.

While minimum wage sits at one of its lowest points in history, profitability for U.S. companies is high.

“U.S. corporate profits have completely recovered and are at an all-time high,” Dube said.

This inequality in profits exacerbates existing inequities in the wage earning system.

“It’s a problem when policies tend to amplify certain problems they’re supposed to emolliate,” Dube said. §



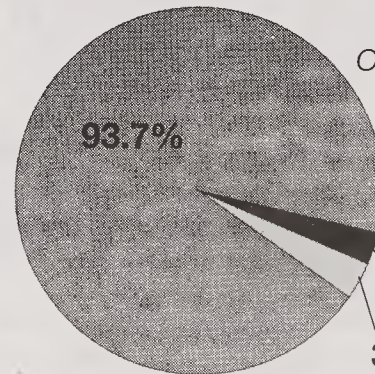
ARA WIRTH | Staff Photographer

Since 2007, low-wage jobs have replaced middle class jobs. As minimum wage has become more of a talking point, the issue has earned its place in the political arena, especially in North Carolina.

## MINIMUM WAGE BY THE NUMBERS

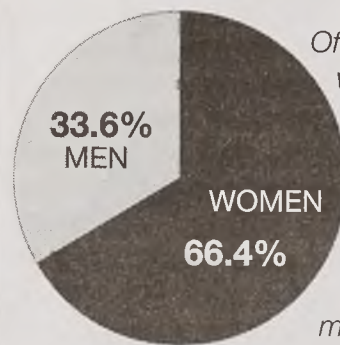
Current minimum wage: **\$7.25**

“Tipped” employees: **\$2.13**



Out of 2.2 million hourly paid workers in North Carolina in 2012, 63,000 earned less than minimum wage while 74,000 earned exactly the minimum wage. The 137,000 hourly paid workers earning minimum wage or less make up 6.2 percent of the workforce.

2.9% — earning less than minimum wage  
3.4% — earning exactly minimum wage

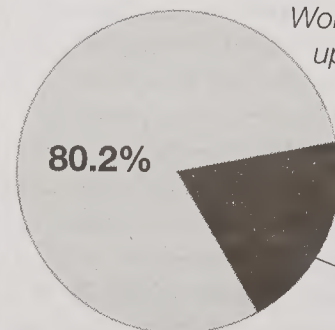


Of the minimum wage workers in North Carolina, **66.4 percent** are women.

In the United States, **six percent** of women make minimum wage, whereas only **three percent** of men make minimum wage.

The actual value of minimum wage pay has declined since its inception. The peak value of minimum wage was in 1968. If today’s minimum wage were adjusted for inflation, it would be **nearly \$11.**

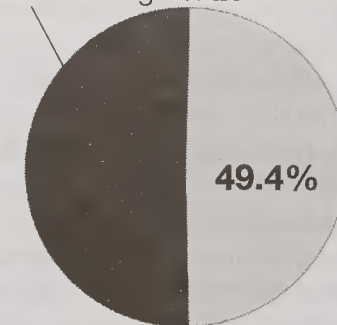
At the end of 2012, there were **3.6 million hourly paid workers** in the United States making minimum wage. These 3.6 million workers make up **4.7 percent** of the total 75.3 million hourly paid workers in the United States.



Workers under 25 make up **about one-fifth** of all hourly paid workers, but account for **about half** of hourly paid workers making minimum wage.

19.8% — workers under the age of 25

50.6% — workers under the age of 25



Unemployed residents of North Carolina were paid, on average, **\$298.90 per week**, which is more than the average *full-time* minimum wage worker, who earns **\$290 per week.**