

## The Florida Minimum Wage: Good for Workers, Good for the Economy

Floridians know what it means to make a living on an honest day's work. Unfortunately, too many workers are just not earning enough to make ends meet. For the large and growing number of low-wage workers, trying to support a family is becoming harder every day as food, housing, clothing, health care, transportation and other basic necessities become more and more expensive. It has been especially hard in these times of high unemployment, times when it seems that holding on to a job is hitting the jackpot and getting a raise is simply out of the question. In fact, since 2008, wages for Floridian workers in the bottom 20% have fallen every year. Poverty levels have steadily been on the rise all across the state and the nation.

The minimum wage is one of the most important labor policies we have, and is especially important in a state like Florida that depends heavily on low-wage industries associated with tourism. Florida has been one of the leaders in setting a minimum wage that keeps up with inflation so that its purchasing power does not diminish over time. In 2004, Florida voters approved a constitutional amendment which created a state minimum wage above the federal minimum, which had fallen to one of its lowest values in 50 years, and established yearly increases indexed to inflation.

This accomplishment by the people of Florida has been vital to maintaining the purchasing power of the minimum wage. The real value of the minimum wage at the federal level has periodically been left to erode since the 1960's when the real value of the minimum wage was at its peak; in 1968, the real value of the minimum wage was \$8.90. Effective since 2005, Florida's minimum wage has been indexed to inflation to protect its purchasing power. On January 1st, 2012, the state minimum wage adjusted to \$7.67 an hour, up from \$7.31 in 2011; still, it is only 86% of what it was in 1968.

Research has shown that higher wages increase productivity, reduce turnover, and have no negative effect on employment.<sup>1</sup> In other words, workers do their jobs better and stay on the job longer, benefiting their employer by creating increased value that makes up for the higher wages. Also, low-income workers and families are integral to our economy as they spend their wages on local goods and services.

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<sup>1</sup> Fox, Liana. *Minimum Wage Trends: Understanding past and Contemporary Research*. Issue brief no. 178. Economic Policy Institute, 24 Oct. 2006. Web. 25 Jan. 2012. <<http://www.epi.org/publication/bp178/>>.

Florida’s minimum wage is the 12<sup>th</sup> highest in the country, and Florida is one of the eighteen states across the nation, along with the District of Columbia, that have been pro-active in improving wages for workers and their families; these states, plus the District of Columbia, have state minimum wage levels above the federal minimum wage of \$7.25.

Figure 1 shows a list of the states that have higher minimum wages than the federal. Eight of these states, including Florida, automatically adjust their minimum wages every year to reflect increases in the price of goods and protect its purchasing power. This progressive stance by the state of Florida has been vital in maintaining strong wages for the most vulnerable workers; however, much more needs to be done and much more can be accomplished by effectively using the minimum wage policy.

Figure 1.  
**Eighteen states and DC with minimum wages higher than the federal (\$7.25)**

	Minimum Wage
<i>Washington*</i>	\$9.04
<i>Oregon*</i>	\$8.80
<i>Vermont*</i>	\$8.46
<i>Nevada*</i>	\$8.25
<i>Illinois</i>	\$8.25
<i>Connecticut**</i>	\$8.25
<i>District of Columbia**</i>	\$8.25
<i>California</i>	\$8.00
<i>Massachusetts**</i>	\$8.00
<i>Alaska</i>	\$7.75
<i>Ohio</i>	\$7.70
<b>Florida*</b>	<b>\$7.67</b>
<i>Arizona*</i>	\$7.65
<i>Montana*</i>	\$7.65
<i>Colorado*</i>	\$7.64
<i>Maine</i>	\$7.50
<i>New Mexico</i>	\$7.50
<i>Michigan</i>	\$7.40
<i>Rhode Island</i>	\$7.40

The minimum wage in states marked (\*) automatically adjusts annually according to the change in the Consumer Price Index. The minimum wage in states marked (\*\*) automatically adjusts upward to stay above the federal minimum wage if that increases.

Source: U.S. Department of Labor

## Who are minimum wage workers?

When the minimum wage level increases, not only do minimum wage workers receive an increase in their wages, other low-wage workers indirectly benefit from “spillover” effects. The “spillover” effect means that workers at or slightly above a newly set wage floor also receive pay increases as firms seek to maintain the relative wage structure among their employees. In this brief, we will refer to these indirectly benefiting workers as those that make slightly above the minimum wage. Approximately 256,000 additional low-wage workers indirectly benefitted from the minimum wage adjustment for inflation in 2012. This brings the total number of workers who benefit from the minimum wage policy to almost 680,000, or about ten percent of the entire labor force. In other words, when the minimum wage is adjusted for inflation, almost one out of ten people working in Florida see their wages increase. Figure 2 shows who these workers are in Florida.

Figure 2.

**Characteristics of Florida's workers benefitting from the minimum wage increase in 2012.**

	workers benefitting from minimum wage adjustment						<i>total in labor force</i>	
	<i>minimum wage</i>		<i>slightly above</i>		<i>total benefited</i>			
	<i>empl.</i>	<i>share</i>	<i>empl.</i>	<i>share</i>	<i>empl.</i>	<i>share</i>	<i>empl.</i>	<i>share</i>
<b>All Employed</b> ( <i>share of labor force</i> )	<b>423,350</b>	<b>(5.8%)</b>	<b>256,280</b>	<b>(3.5%)</b>	<b>679,630</b>	<b>(9.4%)</b>	<b>7,260,370</b>	<b>100%</b>
<i>Gender</i>								
Male	181,140	42.8%	124,580	48.6%	305,720	<b>45.0%</b>	3,651,400	<b>50.3%</b>
Female	242,210	57.2%	131,700	51.4%	373,910	<b>55.0%</b>	3,609,000	<b>49.7%</b>
<i>Race/Ethnicity</i>								
White Non-Hispanic	203,190	48.0%	128,110	50.0%	331,300	<b>48.7%</b>	4,436,810	<b>61.1%</b>
Black Non-Hispanic	84,400	19.9%	44,070	17.2%	128,480	<b>18.9%</b>	1,025,180	<b>14.1%</b>
Hispanic	117,750	27.8%	82,920	32.4%	200,670	<b>29.5%</b>	1,547,600	<b>21.3%</b>
Asian	10,840	2.6%	1,180	0.5%	12,020	<b>1.8%</b>	190,130	<b>2.6%</b>
Other	7,370	1.7%	0	0.0%	7,370	<b>1.1%</b>	60,650	<b>0.8%</b>
<i>Immigrant Status</i>								
Born in the U.S.	288,980	68.3%	178,200	69.5%	467,180	<b>68.7%</b>	5,653,720	<b>77.9%</b>
Immigrant	134,370	31.7%	78,080	30.5%	212,450	<b>31.3%</b>	1,606,670	<b>22.1%</b>
<i>Age</i>								
16 - 19	43,000	10.2%	28,900	11.3%	71,910	<b>10.6%</b>	154,560	<b>2.1%</b>
20 and older	380,340	89.8%	227,380	88.7%	607,730	<b>89.4%</b>	7,105,810	<b>97.9%</b>
<i>Work Hours</i>								
1 to 19	42,470	10.0%	38,760	15.1%	81,230	<b>12.0%</b>	290,030	<b>4.0%</b>
20 to 34	160,460	37.9%	96,620	37.7%	257,080	<b>37.8%</b>	1,006,100	<b>13.9%</b>
35 hours and up	219,110	51.8%	120,900	47.2%	340,010	<b>50.0%</b>	5,961,850	<b>82.1%</b>
<i>Industry</i>								
Retail Trade	82,290	19.4%	53,090	20.7%	135,380	<b>19.9%</b>	904,850	<b>12.5%</b>
Accommodation & Food Servs.	114,100	27.0%	51,420	20.1%	165,520	<b>24.4%</b>	710,670	<b>9.8%</b>
Health Care & Social Assist.	49,090	11.6%	17,160	6.7%	66,250	<b>9.7%</b>	636,550	<b>8.8%</b>
<i>total retail + food + health care</i>	<u>245,480</u>	<u>58.0%</u>	<u>121,680</u>	<u>47.5%</u>	<u>367,150</u>	<b>54.0%</b>	<u>2,252,060</u>	<b>31.0%</b>
<i>Occupation</i>								
Sales	195,420	46.2%	104,430	40.7%	299,850	<b>44.1%</b>	1,436,070	<b>19.8%</b>
Services	88,080	20.8%	47,260	18.4%	135,330	<b>19.9%</b>	879,630	<b>12.1%</b>
<i>total sales + services</i>	<u>283,500</u>	<u>67.0%</u>	<u>151,690</u>	<u>59.2%</u>	<u>435,190</u>	<b>64.0%</b>	<u>2,315,700</u>	<b>31.9%</b>

Source: EPI analysis of BLS data

At the beginning of 2012 Florida had close to half a million minimum wage workers, representing about 5.8% of the state's labor force. Women and people of color are more likely to be making minimum wages. Women make up 57.2% of minimum wage workers, even though they only represent 49.7% of the labor force. Like women, people of color are disproportionately found in the lowest end of the wage distribution. About 47.7% of minimum wage workers are Hispanics or African Americans, even though they make up 35.4% of all workers in the state. Hispanic workers are highly overrepresented; 27.8% of minimum wage workers are Hispanic, while Hispanics make up only 21.3% of the labor force. Non-Hispanic Blacks are also more prone to be working at the minimum wage or close to it; 19.9% of all the workers making minimum wages or slightly above are Non-Hispanic blacks, while they are only 14.1% of the labor force. Non-Hispanic Whites are the only group that is underrepresented; even though Non-Hispanic Whites make up 61.1% of the labor force in Florida, only 48.0% work jobs that pay minimum wages.

A common misconception is that minimum wage workers are mostly teenagers. However, most minimum wage workers in Florida are adults, with 89.8% being 20 years old and older, and only 10.2% teenagers. Most minimum wage workers are full-time workers, and many of those working less than full-time do so because they can't find full-time jobs or their hours have been cut during the economic recession. Only 10% of minimum wage workers work less than 20 hours per week.

Almost two-thirds of all minimum wage workers are native born citizens and one-third are immigrants; immigrants represent only 22.1% of the entire labor force. One out of every three workers benefitting from the increased minimum wage are parents. Out of these parents working at the minimum wage or slightly above it, 40% of them are single mothers or single fathers. Another group that is a big winner from the increase in minimum wages is children. About 180,000 children in Florida live in households where their parents make minimum wage. These children represent almost 5% of all the children of working parents in Florida.

## **What industries employ the largest number of minimum wage workers?**

The majority of minimum wage workers are employed in industries in which businesses serve local markets. Retail Trade, Accommodation and Food Services, and Health Care and Social Assistance employ almost 58% of all minimum wage workers in Florida. Retail Trade and Accommodation and Food Services alone employ 46.3% of all minimum wage workers in Florida, and between the two of them employ 22.3% of the total labor force.

Three out of four or 75% of Florida's minimum wage workers are condensed into nine industry sub-sectors. These nine industry sub-sectors employ 3.5 million workers; almost half of Florida's labor force.

Figures 3 and 4 show the share of all minimum wage workers and the share of the labor force respectively by industry in Florida. Table 1 shows the data for these figures.

Figure 3.  
share of all minimum wage workers

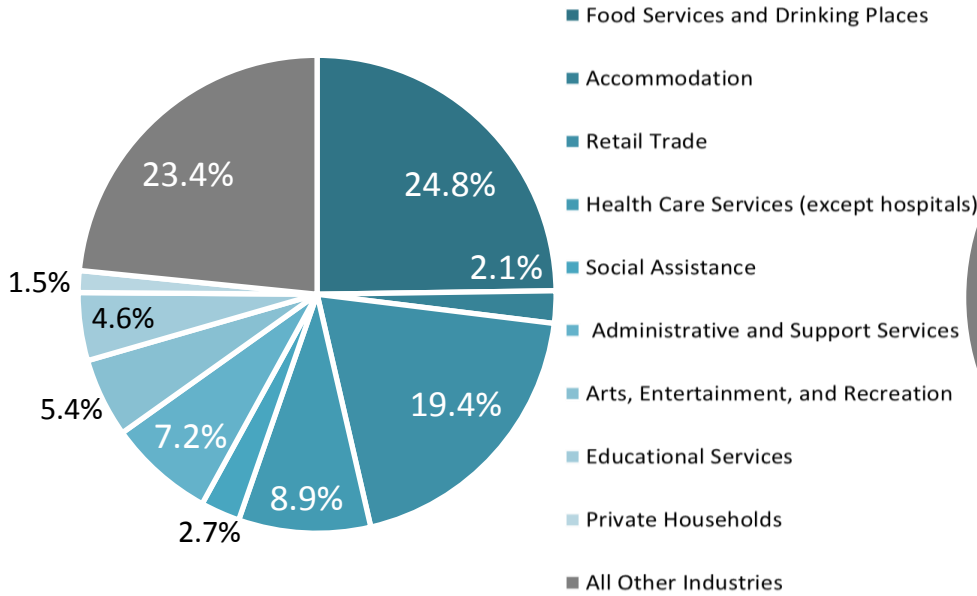
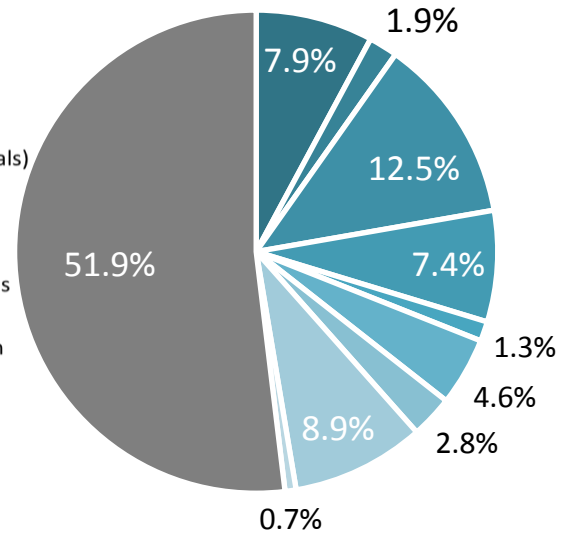


Figure 4.  
share of labor force



There are some industry groups within these sub-sectors that are worth mentioning, given the large share of the labor force and the high percentage of minimum wage workers they employ. For example, the Retail Trade sector includes the Grocery Stores, Clothing Stores, and the Department and Discount Stores industries. The Services to Buildings and Dwellings industry group within the Administrative and Support Services sub-sector includes the Janitorial Services, Exterminating and Pest Control Services, Carpet and Upholstery Cleaning Services low-wage industries. Low-wage industry groups like Home Health Care Services, Nursing and Residential Care, Individual and Family Services, and the Child Day Care Services industries are included in the Health Care and Social Assistance sub-sectors. The Private Household industry which employs domestic workers is included

Table 1. Data for Figure 3 and Figure 4.

<i>Business Sector</i>	sub-sector	share of minimum wage workers	% of labor force
<b>Accommodation &amp; Food Services</b>			
	Food Services & Drinking Places	24.8%	7.9%
	Accommodation	2.1%	1.9%
<b>Retail Trade</b>			
		19.4%	12.5%
<b>Health Care &amp; Social Assist.</b>			
	Health Care Services	8.9%	7.4%
	Social Assistance	2.7%	1.3%
<b>Administrative &amp; Support Servs.</b>			
		7.2%	4.6%
<b>Arts, Entertainment, &amp; Recr.</b>			
		5.4%	2.8%
<b>Educational Services</b>			
		4.6%	8.9%
<b>Other Services</b>			
	Private Households	1.5%	0.7%
<b>Total for listed industries</b>		<b>76.6%</b>	<b>48.1%</b>
<b>All Other Industries</b>		<b>23.4%</b>	<b>51.9%</b>

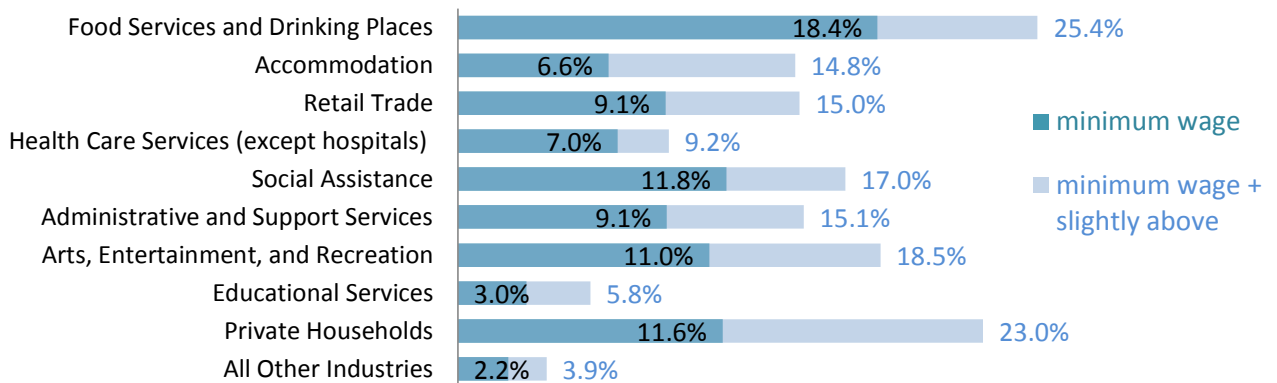
Source: EPI analysis of BLS data

in the Other Services sector. The Accommodation and Food Services, the Amusement, Gambling, and Recreation industries within the Arts, Entertainment, and Recreation sector, and the Elementary and Secondary Schools industries in the Educational Services sector all heavily employ minimum wage workers as well.

Figure 5 shows the percentage of minimum wage workers employed in each of these industries and workers making slightly above the minimum wage. In seven out of these nine sub-sectors, more than 15% of workers make the minimum wage or slightly above it. These sub-sectors are comprised of very low-wage industries and account for a large share of Florida’s economic activity.

Figure 5.

**In seven out of these nine sub-sectors, more than 15% of workers make the minimum wage or slightly above it.**



**Retail Trade**

Low-wage workers and minimum wage workers are densely concentrated in retail trade. Approximately 20% of Florida’s minimum wage workers are employed in this industry, and almost 15% of all workers employed in this industry earn minimum wages or wages slightly above the minimum.

The retail trade industry includes large national chains that often compete against local, smaller firms and can undercut wages. Analyzing data from the U.S. Census Bureau, we see that large retail firms with more than 500 employees pay their workers only 76.8% of what all other, smaller retail firms pay their employees in Florida. Large retail firms account for 69% of all retail trade employment.

Figure 6 shows the differences between larger and smaller firms in the Retail Trade industry.

Figure 6.

**Large retail firms pay wages 23% lower than those paid by smaller firms.**

	number of firms	number of employees	average pay per employee
<i>All Retail Trade Firms w/employees</i>	41,890	995,430	\$23,766
Smaller Firms (<500 employees)	41,260	308,670	\$28,290
Larger Firms (500+ employees)	625	686,760	\$21,733
Larger Firms' share of total	1.5%	69.0%	
<b>Larger firms' average wage relative to smaller firms</b>			<b>76.8%</b>

Source: U.S. Census Bureau, 2007 Survey of Business Owners

## What occupations employ the largest number of minimum wage workers?

Looking at occupations allows us to see which workers across different industries are most likely to be minimum wage workers. Minimum wage workers in Florida are greatly concentrated in Service and Sales occupations.

These are low-paying occupations that make up a very large share of the state's economy. Services and Sales occupations employ over 2.3 million workers; almost one third of the entire labor force. Two thirds of all the minimum wage workers in Florida are either in Service occupations or Sales occupations. Office and Administrative Support occupations along with Transportation and Material Moving occupations make up another 15% of all the minimum wage workers in Florida.

Approximately 75% of all minimum wage workers fall under one of these four occupation types. Figure 7 shows a list of large occupations (more than 32,000 employees) in which more than 10% of their workers make minimum wages.

Figure 7.

**Thirteen low-wage occupations with at least 10% of employees making minimum wages.**

	total employed	% of minimum wage workers in occupation	% of all minimum wage workers
Cashiers	159,580	25.1%	9.5%
Waiters and Waitresses	181,070	21.2%	9.1%
Cooks	131,630	21.0%	6.5%
Janitors and Building Cleaners	100,670	18.5%	4.4%
Security Guards	70,910	14.9%	2.5%
Retail Salespersons	185,910	13.7%	6.0%
Maids and Housekeeping Cleaners	100,720	11.8%	2.8%
Real Estate Brokers and Sales Agents	53,160	10.9%	1.4%
Chefs and Head Cooks	32,300	10.3%	0.7%
Nursing, Psychiatric, and Home Health Aides	92,930	10.1%	2.0%
Sales Representatives, Services, All Other	42,540	10.1%	0.9%
Other Teachers and Instructors	40,940	10.0%	0.9%
Childcare Workers	37,720	10.0%	0.8%
<b>Total</b>	<b>1,230,070</b> <i>(16.9% of labor force)</i>		<b>47.4%</b>
All Other occupations	<b>6,030,300</b> <i>(83.1% of labor force)</i>		<b>52.6%</b>

Source: EPI analysis of BLS data

## What is the outlook for minimum wage jobs?

Figure 8 shows the employment growth projections from 2011 to 2019 by occupation. These are the 14 occupations that are projected to add the most job growth to the state’s economy; together they will add over 40% the total job growth. However, six of them are low-wage occupations, meaning that at least 10% of workers in these occupations make a minimum wage. These occupations include Retail Salespersons, Food Preparation & Serving Workers (Including Fast Food workers), Cashiers, Nursing, Psychiatric, and Home Health Aides, Waiters and Waitresses, and Security Guards. These six low-wage occupations employed over one million workers in 2011 or slightly over 14% of Florida’s total labor force, and are forecast to grow over 13% by 2019. These projections suggest that the minimum wage is not a hindrance to job growth opportunities in Florida, and moreover the minimum wage is necessary to ensure that workers are not left behind by economic growth.



Figure 8.

**Half of the new jobs projected to be added through 2019 within the top 14 will be in low-wage occupations.**

	employment projections				minimum wage workers
	<b>2011</b>	<b>2019</b>	<b>change</b>	<b>% change</b>	<b>%</b>
Customer Service Representatives	154,510	188,610	34,110	22.1%	
<b>Retail Salespersons</b>	257,880	291,130	33,240	12.9%	<b>13.7%</b>
Registered Nurses	156,490	185,970	29,480	18.9%	
<b>Nursing, Psychiatric, &amp; Home Health Aides</b>	124,860	154,790	29,930	24.0%	<b>10.1%</b>
<b>Food Preparation &amp; Serving Workers (Incl. Fast Food)</b>	159,760	187,190	27,430	17.2%	<b>28.8%</b>
Office Clerks, General	147,750	169,010	21,260	14.4%	
Landscaping & Groundskeeping Workers	98,040	117,960	19,920	20.3%	
Stock Clerks & Order Fillers	160,170	180,070	19,900	12.4%	
<b>Cashiers</b>	223,440	240,960	17,520	7.8%	<b>25.1%</b>
Secretaries, Except Legal, Medical, & Executive	151,120	167,330	16,210	10.7%	
Accountants & Auditors	81,170	96,860	15,700	19.40%	
Bookkeeping, Accounting, & Auditing Clerks	113,730	128,940	15,210	13.40%	
<b>Waiters &amp; Waitresses</b>	186,970	201,930	15,000	8.0%	<b>21.2%</b>
<b>Security Guards</b>	79,460	93,980	14,520	18.2%	<b>14.9%</b>
<b>total for top 14 occupations</b>	2,095,350	2,404,730	309,380	14.8%	
<b>total for six low-wage occupations</b>	1,032,370	1,169,970	137,600	<b>13.3%</b>	

(low-wage occupations in **bold**)

Source: Florida Department of Economic Opportunity Employment Projection data.

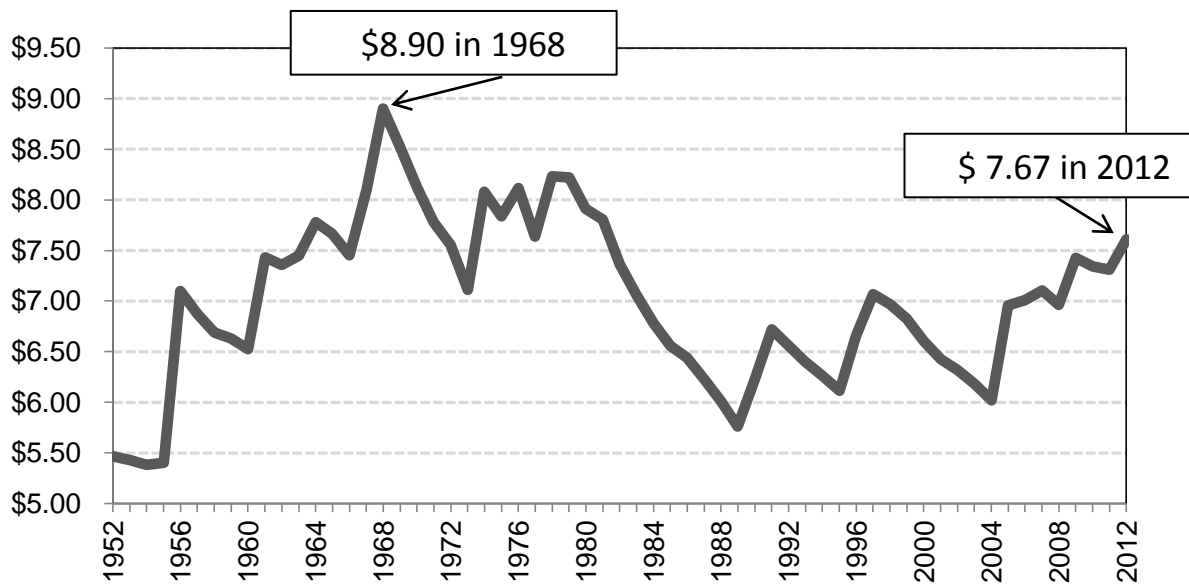
## What is the effect of the minimum wage on poverty and inequality?

Despite the annual adjustments for inflation, the recession has had a negative effect on wages for the bottom 20% of workers with wages declining every year since 2008. Since the beginning of the recession in 2008, wages have declined for the bottom 20% of Florida's workers. Furthermore, wages for almost every percentile of the wage distribution virtually have stagnated for the past couple of decades and have failed to keep up with the constant increases in worker productivity. The state of Florida has followed the national trend in which the only people capturing substantial wage increases and income gains are those in the highest wage groups - the top 10%, the top 5%, and the top 1% especially. The income gap between low-wage workers and the top earners has been steadily widening for the past couple of decades.

This trend is evident in the erosion of the purchasing power of Florida's minimum wage, which was its greatest in 1968 when it was worth \$8.90 in 2011 dollars. The current minimum wage of \$7.67 in 2012 is only 86% of what it was at its highest point in 1968. Figure 9 shows the real value of Florida's minimum wage since 1952 in 2011 dollars (using CPI-U-RS).

Figure 9.

**The purchasing power of Florida's minimum wage was at its highest in 1968.**



Florida was one of the states hardest hit by the recession, and unemployment rates have remained dramatically high. Unemployment averaged 10.7% during 2011 and 11.5% during 2010. Sustained high unemployment has exerted such a downward pressure on incomes that thousands of families in Florida have slipped through the safety net into poverty and many of them have had to resort to government assistance programs. In times of such job insecurity, when there are several unemployed workers waiting in line for a job opening, the ability of workers to secure the wage gains necessary to improve their standard of living, or even to maintain the purchasing power of their current wages, becomes severely limited.

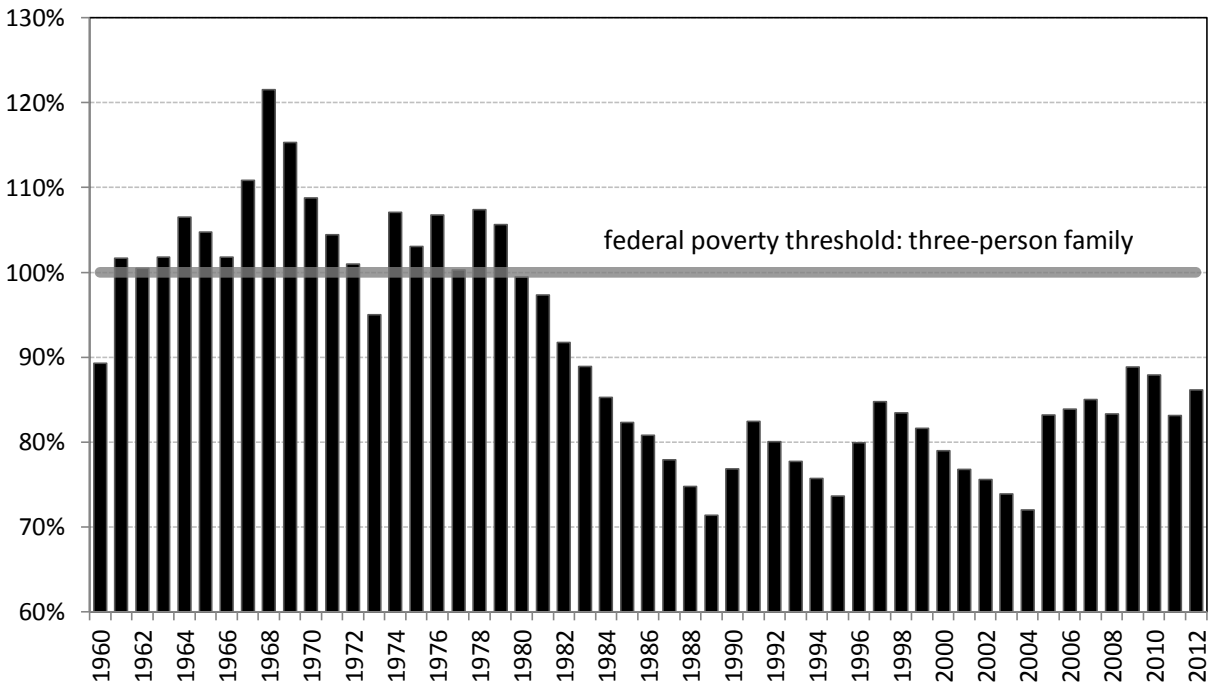
Poverty in Florida has intensified since the beginning of the recession in 2008, almost one out of every six Floridians lived in poverty in 2010; poverty levels were at 13.2% in 2008 and 16.0% in 2010. Most of these families in poverty have at least one employed worker. The implication is the following: unemployment determines poverty, but low wages that fail to pull up working families are extremely decisive too.

The declining real value of the minimum wage over the past decades has made it harder for low-wage workers and their families to stay out of poverty. During most of the 60s and 70s, a full-time worker earning the minimum wage could support a family of three well above the federal poverty line. The wage of one minimum wage worker sufficed to support a family of three at 5% above of the poverty line on average in the two decades from 1960 to 1979. In 2012, the Floridian full-time minimum wage worker only earns 82.8% of the federal poverty threshold for a family of three. Figure 10 shows the

annual salary of a full-time, full-year employee making minimum wages compared to the federal poverty threshold for a family of three by year since 1960.

Figure 10.

**A full-time, full-year minimum wage worker only earns 82.8% of the federal poverty threshold for a family of three in 2012.**



As hard as it is to make it on a minimum wage of \$7.67, the minimum wage for tipped workers is even lower, currently \$4.65 per hour. The reasoning for this is that workers who receive tips will ultimately earn more than the minimum wage, and if they do not, the law says the employer is supposed to supplement the difference so that the hourly wage meets the mandated minimum of \$7.67. However research in Florida has shown that restaurant workers are one of the most susceptible groups to wage theft<sup>2</sup>, casting doubt on the uniformity of adherence to this part of the law. In any case, the median wage for waiters and waitresses was \$8.93 per hour, a little more than \$1 per hour above the state minimum wage, showing that this is still overwhelmingly a low-wage occupation and that minimum wage protections are still very important.

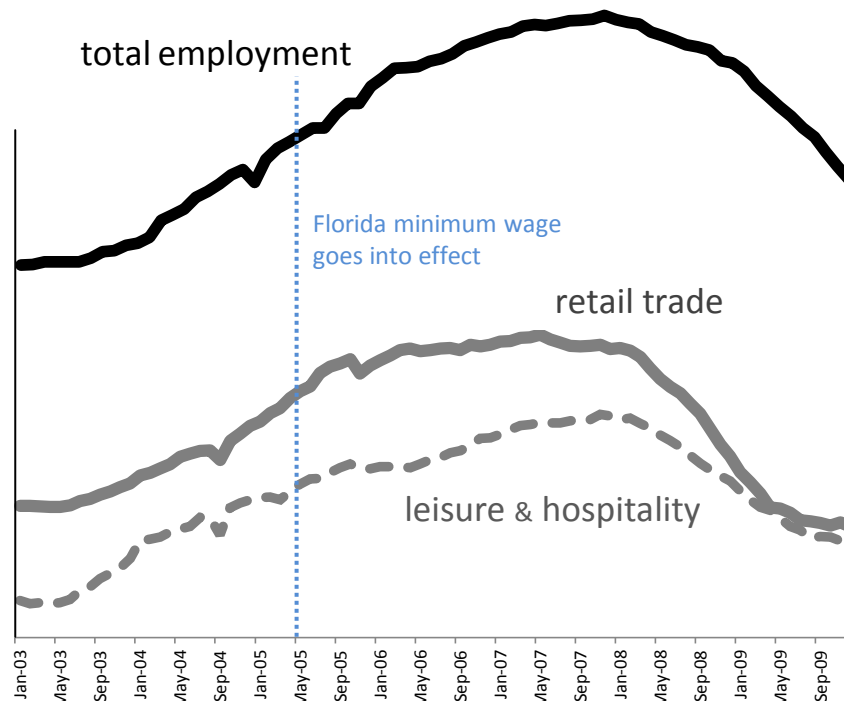
<sup>2</sup> Hernandez, Cynthia S. *Wage Theft: How Millions of Dollars Are Stolen from Florida's Workforce*. Issue brief. Research Institute on Social and Economic Policy (RISEP), 26 Jan. 2012. Web. <http://www.risep-fiu.org/2012/01/wage-theft-how-millions-of-dollars-are-stolen-from-floridas-workforce/>

## What is the impact of the minimum wage on employment in Florida?

On November of 2004, Floridians overwhelmingly voted to raise the state minimum wage above the federal level of \$5.15. By this time, minimum wage workers had not gotten a cost of living adjustment in 6 years, and the value of the minimum wage had sunk to one of the lowest levels in real dollars registered in the past 50 years. Thirty states had minimum wages higher than the federal minimum. When Florida's minimum wage went into effect in May 2005 the first increase raised the minimum wage by \$1 to \$6.15 per hour. If there had been any effect on the economy or employment from increasing the minimum wage, it should have been visible at this point when the increase was the largest. But employment data shows no impact from this increase of \$1 per hour. Bureau of Labor Statistics data shows that when the Florida minimum wage was implemented in May 2005, the unemployment rate in the state decreased for the next 8 months. Unemployment had been declining since mid 2003 5.5% and continued to go down through mid 2006 about 3.3%. And just as unemployment was going down, employment continued to go up through early 2007 until the recession began to hit. Figure 11 shows the total employment trends and employment trends in the Retail Trade and Leisure & Hospitality industries before and after Florida's minimum wage went into effect in May 2005.

Figure 11.

### Employment trends before and after Florida's minimum wage went into effect.



Source: EPI analysis of BLS data

Just as there is no evidence for any negative impact from raising the minimum wage by \$1 per hour in 2005, there is no evidence of a negative impact on the two largest minimum wage industries, Retail and

Leisure and Hospitality. Retail Trade continued on an upward climb from September 2004 to October 2005 and peaked in May 2007 as the recession began in Florida. Leisure and Hospitality had been growing since November 2001 and peaked in November 2007. There was no drop in May 2005 and employment continued to climb through October 2005. Businesses in these industries provide services exclusively to local customers and don't have to compete with other firms across regional or state boundaries. This is one of the reasons why accurate and careful economic research has not found compelling evidence that minimum wage increases have a negative impact on employment.

## **Conclusion**

Minimum wage workers constitute an essential part of our economy. They are hard-working people who rely on these wages to raise families and make ends meet. The rest of the economy depends on a strong minimum wage and higher wages in the lower ends of the wage distribution, too, as they stimulate the economy and create demand for jobs in a time that are badly needed. Indexing the minimum wage to reflect the change in prices of goods and services has been a fundamental effort to maintain the purchasing power of the minimum wage and wages near the minimum.

Along these lines of good policy-making, Florida should be thinking about other ways to ensure that the economy recovers as soon as possible, and that prosperity is shared among all hard-working Floridians and their families. Many states like New York, New Jersey, California, Connecticut, Hawaii, Illinois, Maryland, Massachusetts, among others have been proposing minimum wage hikes to improve future prospects of a deteriorated and slowly-recovering economy. These, along with other policies that have been shown to be very effective, like the Earned Income Tax Credit (EITC), could help pull many families out of poverty and redirect the sluggish economy to a quicker recovery.