Survey of US Economists on a $15 Federal Minimum Wage

The Survey Center University of New Hampshire
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The UNH Survey Center is an independent, non-partisan academic survey research organization and a division of the UNH College of Liberal Arts.

The Survey Center conducts telephone, mail, e-mail, Internet, and intercept surveys, as well as focus groups and other qualitative research for university researchers, government agencies, public non-profit organizations, private businesses, and media clients.

Our senior staff have over 50 years experience in designing and conducting custom research on a broad range of political, social, health care, and other public policy issues

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Executive Summary

The University of New Hampshire Survey Center conducted a survey of economists for the Employment Policies Institute (EPI). The specific areas of interest are economists’ opinions on a $15 minimum wage. Invitation and reminder emails were sent to five hundred and fifty-five (555) US based economists from a list provided by EPI. EPI obtained the list in June 2015 from a database of roughly 1,400 prominent economists from around the world maintained by the Institute for the Study of Labor.

One hundred sixty-six (166) completed the survey between September 22 and October 16, 2015. The overall response rate for the survey was 30%. The following figures display survey results, the survey instrument can be found in Appendix A.

Key Findings

• Nearly three-quarters of these US-based economists oppose a federal minimum wage of $15.00 per hour.

• The majority of surveyed economists believe a $15.00 per hour minimum wage will have negative effects on youth employment levels (83%), adult employment levels (52%), and the number of jobs available (76%).

• When economists were asked what effect a $15.00 per hour minimum wage will have on the skill level of entry-level positions, 8 out of 10 economists (80%) believe employers will hire entry-level positions with greater skills.

• When economists were asked what effect a $15.00 per hour minimum wage will have on small businesses with fewer than 50 employees, nearly 7 out of 10 economists (67%) believe it would make it harder for them to stay in business.

• A majority of surveyed economists (71%) believe that the Earned Income Tax Credit (EITC) is a very efficient way to address the income needs of poor families; only five percent believe a $15.00 per hour minimum wage would be very efficient.

• The economists surveyed are divided on the impact of a $15.00 per hour minimum wage will have on poverty rates, as well as the impact it would have on the spending level for public programs such as the EITC, TANF, or others.

• At lower levels (under $11.00 per hour) of proposed federal minimum wages, economists are divided largely by self-identified party identification as to an acceptable rate. A majority of Republicans and Independents who responded favored lower minimum wages ($7.50 per hour or less), and a plurality of Democrats who responded preferred a minimum wage between $10.00 and $10.50 per hour.
Demographics

Statistically significant demographic differences are noted in the report. However, due to some small cell sizes, the substantive meaning of the differences should be interpreted cautiously.

• The majority of economists that responded to the survey were labor economists.

• The majority of economists responding have been working as an economist for more than 20 years.

• A large majority of economists responding listed an academic institution as their primary affiliation.

• A majority of economists who responded to this survey self-identified as Democrats,

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<tr>
<td>Health</td>
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<td>Labor</td>
<td>65%</td>
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<tr>
<td>Macroeconomics</td>
<td>6%</td>
</tr>
<tr>
<td>International</td>
<td>6%</td>
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<tr>
<td>Other</td>
<td>11%</td>
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<table>
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<th>Years as Economists</th>
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<td>10 years or less</td>
<td>17%</td>
</tr>
<tr>
<td>11 to 20 years</td>
<td>25%</td>
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<td>More than 20 years</td>
<td>58%</td>
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<tr>
<td>Academic</td>
<td>85%</td>
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<td>Other</td>
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<table>
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<th>Party Identification</th>
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<tbody>
<tr>
<td>Republican</td>
<td>7%</td>
</tr>
<tr>
<td>Democrat</td>
<td>59%</td>
</tr>
<tr>
<td>Independent/Other</td>
<td>34%</td>
</tr>
</tbody>
</table>
Minimum Wage Levels

Surveyed economists are divided on the best way to set the minimum wage. About one-fifth (19%) believe it should be based on the federal poverty level for a family of four and another fifth (19%) believe the federal and local minimum wage should be eliminated. Fifteen percent feel there should be no federal minimum wage, but state and big city minimum wages should be determined using local of living costs, 11 percent believe it should be set at half the median hourly wage, and 3 percent say it should be frozen at its current amount. One-quarter of economists (24%) suggest some other method or some variation of one of the previously listed methods and 10 percent say they don’t know which method should be used. \textit{Figure 1}

- Newer economists (practicing 10 years or less) are more likely than those practicing for more than 10 years to say the federal minimum wage should be based either on federal poverty level or there should be no federal minimum wage, but state and big cities should have one based on local living costs.

- Self-identified Republicans are more likely than Democrats and Independents to say the federal minimum wage should be eliminated as should local minimum wage.

\textit{Figure 1: In your opinion which of the following methods should be used for determining the federal minimum wage?}
Executive Summary

The majority of responding economists (60%) support (39% strongly and 21% somewhat) raising the federal minimum wage from its current level of $7.25 per hour. **Figure 2**

- Self-identified Democrats, non-academic economists, and economists with “international” listed as their specialty are significantly more likely to support increasing the federal minimum wage.

**Figure 2: Currently the federal minimum wage is $7.25 per hour, do you support or oppose raising the federal minimum wage at all?**

At lower levels (under $11.00 per hour) of proposed federal minimum wages, surveyed economists are divided largely by self-identified party identification as to an acceptable rate. However, the party differences in acceptable rates disappear at or above $12.00 per hour. The average minimum wage is $9.59 per hour. Very few economists indicate a $15.00 per hour minimum wage as an acceptable rate. **Figure 3**

- Of those responding, a majority of Independents and Republicans find minimum wages set at $7.50 per hour or lower as acceptable, while a plurality Democrats find a federal minimum wage set at $10.00 to $10.50 per hour as acceptable.

**Figure 3: In your opinion, what federal minimum wage would represent an acceptable rate?**
Impact of a $15.00 per Hour Minimum Wage

Nearly three-quarters (72%) of these US based economists oppose (50% strongly and 22% somewhat) a federal minimum wage of $15.00 per hour. **Figure 4**

- Majorities of economists who identify as Democrats (64%), Independents (85%), and Republicans (100%) oppose a $15 federal minimum wage.
- Economists with an International specialty are more likely to support a $15.00 minimum wage.

**Figure 4: Currently the federal minimum wage is $7.25 per hour, do you support or oppose raising the federal minimum wage to $15 / hour?**

![Bar chart showing support for raising the federal minimum wage to $15.00 per hour.]

Nearly a third of these economists (29%) believe a $15.00 per hour minimum wage will lead to increased poverty rates while nearly a third (30%) believe it will lead to decreased poverty rates. **Figure 5**

- Republicans and economists who indicated some other specialty are more likely to believe a $15.00 per hour minimum wage will increase poverty rates.
- Democrats, non-academics and economists with a specialty in Macro or International economics are more likely to believe a $15.00 per hour minimum wage will reduce poverty rates.
Executive Summary

Figure 5: Overall, do you believe that a $15/hour minimum wage will lead to …

When economists were asked what effect a $15.00 per hour minimum wage would have on different groups, the vast majority believe it would have a negative effect on youth employment (83%) and a slim majority (52%) believe it would have a negative effect on adult jobs. Very few economists believe a $15.00 per hour minimum wage would have a positive effect on youth or adult employment levels. Figure 6

- Macro-level economists are more likely to say it will have a positive effect on youth employment levels while self-identified Republicans are more likely to say it will have a negative effect on youth employment levels.

- Macro-level and international economists are more likely to say it will have a positive effect on adult employment levels while Republicans are more likely to say it will have a negative effect on adult employment levels.

Similarly, over three quarters of these economists (76%) believe a $15.00 per hour minimum wage would have a negative effect on the number of jobs available and only 1 percent believe it would have a positive effect. Figure 6

- Macro-level economists are more likely to say it will have a positive effect on the number of jobs available levels while self-identified Republicans and independents are more likely to say it will have a negative effect on the number of jobs available.
When economists were asked what effect a $15.00 per hour minimum wage will have on the skill level of entry-level positions, 8 out of 10 economists (80%) believe employers will hire entry-level positions with greater skills, 11 percent believe there will be no change in the skill level, 1 percent believe employers will hire those with greater skills, and 8 percent say they don’t know. Figure 7

A majority of economists believe employers affected by a $15.00 per hour minimum wage decrease both the number of employees (79%) and the other employee benefits available to minimum wage workers (71%). Figure 8

Figure 7: Overall, do you believe that a $15 / hour minimum wage will cause employers to hire entry-level employees with …
Executive Summary

**Figure 8: Overall, do you believe employers affected by a $15 / hour minimum wage would …**

A large majority (88%) of these economists believe that it is likely (43% very and 45% somewhat) that employers affected by a $15.00 per hour minimum wage would raise the price of goods and services provided by minimum wage employees. One tenth believe it is not very likely and 2 percent say they don’t know. **Figure 9**

**Figure 9: In your opinion, how likely do you think it is that employers affected by a $15 / hour minimum wage would raise the price of goods and services provided by minimum wage employees?**

Two-thirds of economists believe a $15.00 per hour minimum wage will impact small businesses with less than 50 employees by making it harder to stay in business, 20 percent believe it will have no impact on a small businesses ability to stay in business, and 13 percent say they don’t know. None of the economists surveyed believe a $15.00 per hour minimum wage will make it easier for small businesses to stay in business. **Figure 10**
• Health economists and self-identified Republicans and Independents are more likely to say it will be harder to stay in business.

• Newer economists (less than 10 years) and self-identified Democrats are more likely to say it will have no impact.

Figure 10: In your opinion, what impact will a $15 / hour minimum wage have on small businesses (less than 50 employees)?

The following question has been asked in several earlier surveys and the earlier results are presented as a reference. However, the current study concentrated specifically on the topic of a $15.00 per hour minimum wage and it is highly likely that the current findings have been impacted by that context effect. A EITC or general welfare may seem more efficient after being asked a series of questions on the impact of a $15.00 per hour minimum wage.

When asked, a majority of economists (71%) believe that the Earned Income Tax Credit (EITC) is a very efficient way to address the income needs of poor families, one-third (31%) believe general welfare supports are a very efficient way and only 5 percent believe a $15.00 per hour minimum wage would be very efficient. Figure 11

• Republicans are much more likely to say a $15.00 per hour minimum wage would be not at all efficient while Democrats are more likely to say it would be somewhat efficient.
Executive Summary

**Figure 11:** “In your opinion, how efficient would each of the following proposed policies be in addressing the income needs of poor families …

<table>
<thead>
<tr>
<th>Policy</th>
<th>Very Efficient</th>
<th>Somewhat Efficient</th>
<th>Not at all Efficient</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earned Income Tax Credit - 2015</td>
<td>71%</td>
<td>25%</td>
<td>2%</td>
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<tr>
<td>Earned Income Tax Credit - 2009</td>
<td>54%</td>
<td>40%</td>
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<tr>
<td>Earned Income Tax Credit - 2007</td>
<td>53%</td>
<td>42%</td>
<td>5%</td>
<td></td>
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<tr>
<td>Earned Income Tax Credit - 2000</td>
<td>51%</td>
<td>47%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>General welfare supports - 2015</td>
<td>31%</td>
<td>59%</td>
<td>9%</td>
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<tr>
<td>General welfare supports - 2009</td>
<td>16%</td>
<td>60%</td>
<td>24%</td>
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<tr>
<td>General welfare supports - 2007</td>
<td>12%</td>
<td>67%</td>
<td>21%</td>
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</tr>
<tr>
<td>General welfare supports - 2000</td>
<td>15%</td>
<td>66%</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>A $15 / hour minimum wage - 2015</td>
<td>5%</td>
<td>38%</td>
<td>56%</td>
<td></td>
</tr>
<tr>
<td>A higher MW, increases w/ Inf. - 2009</td>
<td>11%</td>
<td>38%</td>
<td>51%</td>
<td></td>
</tr>
<tr>
<td>A higher minimum wage - 2007</td>
<td>6%</td>
<td>39%</td>
<td>55%</td>
<td></td>
</tr>
</tbody>
</table>

Economists are divided on what impact of a $15.00 per hour minimum wage would have on the spending level for public programs such as the EITC, TANF, or others. One quarter (25%) believe spending for public programs will decrease, another quarter (26%) believe spending will stay the same, 18 percent believe spending will increase and a third (30%) say they don’t know. **Figure 12**

**Figure 12:** In your opinion, what would the impact of a $15 / hour minimum wage be on the spending level for public programs such as the Earned Income Tax Credit, TANF, etc.?
How the Sample Was Selected

A sample of five hundred and sixty-four (564) United States based economists was provided by the Employment Policies Institute (EPI). EPI obtained its list of names, institutions, and email addresses in June 2015 from the website of the Institute for the Study of Labor, which maintained a database of roughly 1,400 prominent economists with a focus on labor markets. The University of New Hampshire Survey Center (UNHSC) located additional email addresses and corrected mailing addresses for the identified economists. From that list, nine cases were determined to be not valid and removed from the list. Reasons for removal were economists based outside the United States or they were not economists.

When the Interviewing Was Done

Each of these economists were sent a personalized letter on September 16th, 2015 on University of New Hampshire letterhead notifying them of the web survey that would be launched within a week of receiving the letter. The initial email invitation was sent to five hundred fifty-five (555) US based economists on September 22, 2015. Reminders were sent to non-responders on September 29, October 7, and October 13, 2015.

Response Rates

Interviews were completed with 166 US based economists from a sample provided by EPI of 555 economists. The response rate for the EPI Minimum Wage Survey was 30% percent. This is a good response rate for a survey of this type.
Appendix A: Survey Instrument

Economist MW Survey 2015

INTRO
The University of New Hampshire Survey Center is conducting the following survey on behalf of a public policy research organization.

We know that you are extremely busy, but please take 10 minutes to complete the confidential online survey. We are surveying a broad range of US based economists because we want to have everyone’s unique perspective represented in our results.

Note that by completing the survey, you are consenting to participate in this research. Although we hope that you will answer every question, you are certainly free to skip any questions. Your participation is voluntary, and you may withdraw your consent and discontinue participation at any time. Your responses will be kept confidential to the extent possible sending information over the internet, and the survey data will only be analyzed and reported in aggregated ways that will not reveal your identity. In order to protect your privacy, individual responses will be aggregated by Survey Center staff and reported in a form that will not lead to identifying individuals or institutions.

Thank you in advance for completing this survey. If you have questions about the research, please feel free to contact Tracy Keirns, Project Director at the UNH Survey Center at 603-862-1060 or tracy.keirns@unh.edu.

Q1 In your opinion which of the following methods should be used for determining the federal minimum wage?

- The federal minimum wage should be set to half of the median hourly wage (1)
- The federal minimum wage should be based on the federal poverty level for a family of four (2)
- The federal minimum wage should be frozen at its current amount (3)
- The federal minimum wage should be eliminated, as should local minimum wage (4)
- There should be no federal minimum wage, but state and big city minimum wages should be determined using local living costs (5)
- Some other method should be used to determine federal minimum wage (please specify) (6) ____________________
- Don’t Know / Unsure (7)
Q2 Currently the federal minimum wage is $7.25 per hour, do you support or oppose raising the federal minimum wage at all?

- Strongly Support (1)
- Support Somewhat (2)
- Neither Support Nor Oppose (3)
- Oppose Somewhat (4)
- Strongly Oppose (5)
- Don't Know / Unsure (6)

Q3 In your opinion, what federal minimum wage would represent an acceptable rate?

- Less than $7.25 / hour (1)
- $7.25 / hour (CURRENT RATE) (2)
- $7.50 / hour (3)
- $8.00 / hour (4)
- $8.50 / hour (5)
- $9.00 / hour (6)
- $9.50 / hour (7)
- $10.00 / hour (8)
- $10.50 / hour (9)
- $11.00 / hour (10)
- $11.50 / hour (11)
- $12.00 / hour (12)
- $12.50 / hour (13)
- $13.00 / hour (14)
- $13.50 / hour (15)
- $14.00 / hour (16)
- $14.50 / hour (17)
- $15.00 / hour (18)
- $15.50 / hour (19)
- $16.00 / hour (20)
- $16.50 / hour (21)
- $17.00 / hour or more (22)
Q4 Currently the federal minimum wage is $7.25 per hour, do you support or oppose raising the federal minimum wage to $15 / hour?

- Strongly Support (1)
- Support Somewhat (2)
- Neither Support Nor Oppose (3)
- Oppose Somewhat (4)
- Strongly Oppose (5)
- Don't Know / Unsure (6)

Q5 Overall, do you believe that a $15 / hour minimum wage will lead to:

- Increased poverty rates (1)
- Reduced poverty rates (2)
- Unchanged poverty rates (3)
- Don’t know / Unsure (4)

Q6 Overall, do you believe that a $15 / hour minimum wage would have a:

- Positive effect on youth (under 20) employment levels (% employed) (1)
- Negative effect on youth (under 20) employment levels (% employed) (2)
- No demonstrable effect on youth (under 20) employment levels (% employed) (3)
- Don't know / Unsure (4)

Q7 Overall, do you believe that a $15 / hour minimum wage would have a:

- Positive effect on adult employment levels (% employed) (1)
- Negative effect on adult employment levels (% employed) (2)
- No demonstrable effect on adult employment levels (% employed) (3)
- Don't know / Unsure (4)
Q8 Overall, do you believe that a $15 / hour minimum wage would have a:

- Positive effect on the number of jobs available (1)
- Negative effect on the number of jobs available (2)
- No demonstrable effect on the number of jobs available (3)
- Don’t know / Unsure (4)

Q9 Overall, do you believe that a $15 / hour minimum wage will cause employers to hire entry-level employees with:

- Greater skills (1)
- Fewer skills (2)
- The same level of skills (3)
- Don’t know / Unsure (4)

Q10 Overall, do you believe employers affected by a $15 / hour minimum wage would:

- Increase the number of employees (1)
- Decrease the number of employees (2)
- Keep the number of employees the same (3)
- Don’t know / Unsure (4)

Q11 Overall, do you believe employers affected by a $15 / hour minimum wage would:

- Increase / expand the other employee benefits available to minimum wage employees (e.g. medical, dental, sick leave, etc.) (1)
- Decrease / reduce the other employee benefits available to minimum wage employees (e.g. medical, dental, sick leave, etc.) (2)
- Have no demonstrable effect on the other employee benefits available to minimum wage employees (e.g. medical, dental, sick leave, etc.) (3)
- Don’t know / Unsure (4)
Appendix A: Survey Instrument

Q12 In your opinion, how likely do you think it is that employers affected by a $15 / hour minimum wage would raise the price of goods and services provided by minimum wage employees?

- Very Likely (1)
- Somewhat Likely (2)
- Not Very Likely (3)
- Not at all Likely (4)
- Don’t know / Unsure (5)

Q13 In your opinion, what impact will a $15 / hour minimum wage have on small businesses (less than 50 employees)?

- Make it easier to stay in business (1)
- Make it harder to stay in business (2)
- No impact on ability to stay in business (3)
- Don’t know / unsure (4)

Q14 In your opinion, how efficient would each of the following proposed policies be in addressing the income needs of poor families, on a scale of ‘not at all efficient’, ‘somewhat efficient’, ‘very efficient’?

<table>
<thead>
<tr>
<th>Policy</th>
<th>Not At All Efficient (1)</th>
<th>Somewhat Efficient (2)</th>
<th>Very Efficient (3)</th>
<th>Don’t Know (4)</th>
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<tbody>
<tr>
<td>A $15 / hour minimum wage</td>
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<tr>
<td>Earned Income Tax Credit (and similar wage supplements) (2)</td>
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<tr>
<td>General welfare supports (e.g., TANF, food stamps) (3)</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Other (specify) (4)</td>
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</table>

Q15 In your opinion, what would the impact of a $15 / hour minimum wage be on the spending level for public programs such as the Earned Income Tax Credit, TANF, etc.?

- Increased spending for public programs (1)
- Decreased spending for public programs (2)
- No change in spending for public programs (3)
- Don’t know / Unsure (4)
Q16 What do you consider to be your area(s) of specialty in economics? (select all that apply)

- Health (1)
- Labor (2)
- Macroeconomics (3)
- International (4)
- Other (5) ____________________

Q17 Which of the following best describes the organization you work for? Please indicate your primary role with a “1” and your secondary role with a “2”

- Academic (1)
- Think tank / not-for-profit (2)
- Corporation (3)
- Government (4)
- Banking / Finance (5)
- Consulting (6)
- Retired (7)
- Other (8)

Q18 How many years have you worked as an economist?

- 5 years or less (1)
- 6 - 10 years (2)
- 11 - 15 years (3)
- 16 - 20 years (4)
- More than 20 years (5)

Q19 Generally speaking, do you usually think of yourself as a Republican, a Democrat, an Independent or what?

- Republican (1)
- Democrat (2)
- Independent (3)
- Other (4) ____________________

Q20 Thank you. That was my last question.