



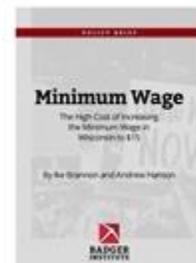
## Report: Increasing the minimum wage to \$15 would imperil 350,000 WI jobs

*Study estimates possible job losses by sector*

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Roughly 350,000 Wisconsin workers would be at risk of losing their jobs as a result of increasing the minimum wage to \$15 an hour, according to a new policy brief published by the Badger Institute. "[The High Cost of Increasing the Minimum Wage in Wisconsin to \\$15](#)," authored by economists and Badger Institute Visiting Fellows Ike Brannon and Andrew Hanson, examines the economic impact in Wisconsin if lawmakers were to mandate a 107% increase in the minimum wage as Gov. Tony Evers and others have recommended.

The 350,000 workers who would lose their jobs represent nearly one-third of all workers currently earning a wage below the proposed new minimum. Half of the job loss would come from the bottom 10% of the income distribution, and 90% would come from the bottom quartile of the income distribution.



"Using a blunt instrument like the minimum wage to reduce poverty is both penny foolish and pound foolish," said Brannon. "Greatly increasing the minimum wage could end up costing a couple hundred thousand workers their jobs, most of whom

would be young and have relatively little experience in the workforce. If we want to help the working poor without reducing their employment, improving the Earned Income Tax Credit makes much more sense."

Brannon and Hanson used data from the Bureau of Labor Statistics to construct a model to estimate the impact a \$15 per hour minimum wage would have on employment across various occupations in Wisconsin. The authors followed the simulation procedure outlined in their 2014 Badger Institute report, "[Raising Wisconsin's Minimum Wage: Who Would be Helped? Who Would be Hurt?](#)," which examined the impact of raising the minimum wage to \$10.10 an hour.

"We estimate that up to half of all workers in food preparation and service currently earning below \$15 an hour could potentially lose their jobs," Hanson said. "But there are a wide variety of other occupations in the state that the data tell us would see a dramatic decline in employment, including maintenance, personal care and service, building and grounds maintenance, office and administrative support, sales, production, and transportation and material-moving industries."

A table showing the number of employees impacted and likely job losses by occupation can be found [here](#).

The authors conclude that a minimum wage increase to \$15 an hour would also lead to cutbacks in hours, reduced benefits and more difficulty in securing employment for workers who are younger, possess lower skills or have blemishes on their records.

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