

***The Impact of a \$12 Minimum Wage on Women in Colorado
and Amendment 70***
Frequently Asked Questions

What is *The Impact of a \$12 Minimum Wage on Women in Colorado* report?

The Impact of a \$12.00 Minimum Wage on Women in Colorado is a report on a nonpartisan study that sought to understand the implications for women, beyond earnings, of a proposed increase of the Colorado minimum wage (from \$8.31 in 2016 to \$12 per hour by 2020).

What questions did the study examine?

The study explored who would be impacted by an increase in the minimum wage, how that increase would affect job growth and the Colorado economy, how a higher minimum wage would impact child care access and affordability, and how families' eligibility for public assistance may be affected with increased earnings.

What are the major findings?

Among key findings are that as a result of a minimum-wage increase, the Colorado gross domestic product will grow by \$400 million and incomes will increase for 20 percent of households in Colorado.

Are these findings consistent with other research?

In alignment with the vast majority of research on the impact of increasing the minimum wage, this study found little economic evidence supporting negative minimum wage effects. While a recent report noted potential job losses in Colorado, this research shows that the proposed increase to the Colorado minimum wage will increase consumer spending, thereby strengthening the economy and likely driving job growth, not job loss.

What are the impacts of a minimum wage increase for rural communities Colorado?

Rural communities have the most to gain from higher minimum wages, but child care prices may rise slightly in rural areas, since 40-50% of child care costs are wages. However, child care price increases for center-based care in rural areas are expected to be mitigated by continued reliance on alternatives such as in-home care.

What are the impacts of a minimum wage increase for people of color in Colorado?

Because people of color are overrepresented in the minimum-wage workforce, proportionally more people of color will benefit from an increase in the minimum wage.

Why did the study look at the impact on women, in particular?

Women comprise more than half of the state's minimum-wage workforce. An increase in the minimum wage would have significant positive impact on women and their families, lifting many working women and their children out of poverty and onto the path to economic self-sufficiency.

How would a minimum wage increase impact eligibility for public assistance programs?

The study considers the impact of a minimum-wage increase on eligibility for child care, health care, nutrition and other public assistance programs. The report concludes that a very small number of Coloradans may lose some benefits if the minimum wage is increased and in most of those cases, the increase in earnings exceeds the value of benefits that may be lost, so families still come out ahead.

The report also outlines several policy considerations to ensure a smooth transition to economic self-sufficiency for low-income families.

Who conducted the study?

The report is a nonpartisan research collaboration between the Colorado Women's College (CWC) at the University of Denver (DU) and The Women's Foundation of Colorado. The study was co-authored by Jack Strauss, Miller Chair of Applied Economics at the DU Daniels College of Business, and Jennifer Greenfield, an assistant professor in the DU Graduate School of Social Work.

Who funded the study?

The Colorado Women's College Collaboratory (CWC^C) funded the research, with some support from the University of Denver Faculty Senate Faculty Research Fund.

Why was this research undertaken now?

The research was started in early 2016 and released in September 2016. In November 2016, Colorado voters will consider Amendment 70, a proposed amendment to the Colorado constitution that will increase the state's minimum wage.

What is Amendment 70?

Amendment 70 is a proposed amendment to the Colorado constitution that, if passed, will gradually increase the minimum hourly wage in Colorado to \$12.00 by 2020. On the November 2016 ballot, Colorado voters will be asked "Shall there be an amendment to the Colorado constitution increasing the minimum wage to \$9.30 per hour with annual increases of \$0.90 each January 1 until it reaches \$12 per hour effective January 2020, and annually adjusting it thereafter for cost-of-living increases?"

If Amendment 70 passes, Article XVIII of the Colorado Constitution will be updated as follows, adding underlined text and removing struck-through text.

Section 15. State minimum wage rate. Effective January 1, ~~2007~~2017, Colorado's minimum wage ~~shall be~~is increased to ~~\$6.85~~ \$9.30 per hour and ~~shall be~~is ~~adjusted~~ increased annually by 0.90 each January 1 until it reaches \$12 per hour effective January 2020, and thereafter is adjusted annually for inflation cost of living increases, as measured by the Consumer Price Index used for Colorado. This minimum wage shall be paid to employees who receive the state or federal minimum wage. No more than \$3.02 per hour in tip income may be used to offset the minimum wage of employees who regularly receive tips.

If Amendment 70 does not pass, the minimum wage in Colorado will continue to be adjusted annually for inflation in accordance with the Constitutional Amendment that was approved in 2006 to increase the Colorado minimum wage.

Why is a constitutional amendment needed to increase the minimum wage?

Since the state minimum wage is already a part of the Colorado Constitution, as approved by voters in 2006, changes to it beyond the annual adjustment for inflation require a change to the Constitution.

Do the researchers and research partners support Amendment 70 to raise the Colorado minimum wage?

This nonpartisan report is intended to help inform individuals' and organizations' consideration of the measure, but it does not present a position on Amendment 70. As a nonprofit private University dedicated to the public good, the University of Denver offers knowledge and information but not political positions on this or other issues.

The Women's Foundation of Colorado is committed to creating greater opportunities for women and families to achieve economic self-sufficiency, which is why our Board voted to support Amendment 70. The passage of this proposed amendment to the Colorado Constitution, which seeks to gradually increase the state minimum wage to \$12.00 by 2020, will help 290,000 women and 200,000 households with children in Colorado make progress toward economic self-sufficiency.

Our support for Amendment 70 is rooted in research that shows an increase in the Colorado minimum wage will strengthen the state economy while improving economic outcomes for women and people of color (populations that are largely over-represented in the low-wage workforce), without substantial job losses or increases in consumer prices.

After evaluating Amendment 70 from all perspectives, WFCO believes the positive economic impacts of a \$12.00 minimum wage far outweigh potential challenges some families or communities may experience associated with a minimum wage increase. WFCO is committed to working with our partners to address those limited challenges.

Is more information available?

The Impact of a \$12 Minimum Wage on Women in Colorado is available online at www.wfco.org/minimumwage and www.womenscollege.du.edu.

More information about The Women's Foundation of Colorado position on Amendment 70 is available online at www.wfco.org/publicpolicy.

More information about Amendment 70 is available online at www.coloradofamiliesforafairwage.org.

WFCO staff are also available for questions or discussion:

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