

The Living Wage: Survey of Labor Economists

The Survey Center
University of New Hampshire

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The University of New Hampshire Survey Center

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Our senior staff have 22 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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Living Wage Survey of Labor Economists

Executive Summary

The 2000 Living Wage Survey was conducted by the University of New Hampshire Survey Center for the Employment Policies Institute in February and March, 2000. Three hundred thirty-six (336) labor economists in the United States completed mail questionnaires for the survey. A list of economists was obtained from the American Economic Association (AEA) and consisted of all AEA members who indicated that their primary or secondary area of expertise is labor economics. For a more complete description of survey methodology, please see the attached Technical Report.

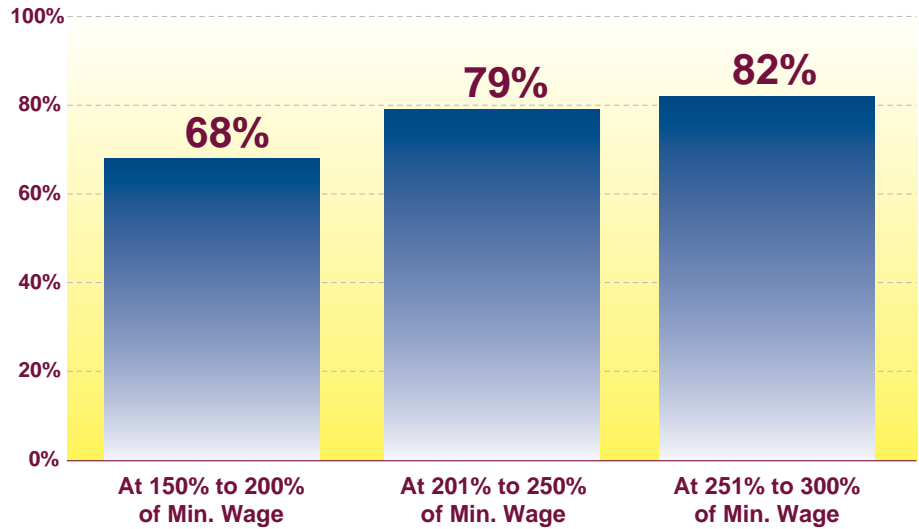
The major findings of this survey include:

- More than three-fourths of labor economists believe a national living wage would result in employers hiring better skilled applicants than they hired before the increase. Similarly, more than three-fourths of labor economists believe that a national living wage policy would result in employment losses. On a local level, the higher the proposed level of the living wage (in terms of its percentage of the current minimum wage level) the more likely employers are to hire better-skilled applicants. Also, the higher the proposed level of the living wage (in terms of its percentage of the current minimum wage level) the more likely employment losses will result.
- More than eight in ten labor economists strongly oppose using a family of four as the standard for setting hourly minimum wage levels. Economists are also strongly opposed to using a family of three as the standard for setting minimum wage levels.
- Labor economists were asked to rate the efficiency of three proposed policies which address the income needs of poor families: a living wage ordinance, the Earned Income Tax Credit, and general welfare grants. Of these three options, the Earned Income Tax Credit is rated most efficient followed by general welfare grants. A living wage ordinance is judged least efficient.
 - More than half of labor economists (51%) rated the Earned Income Tax Credit as very efficient, another 47% believe it is somewhat efficient, and only 2% think it is not at all efficient.
 - General welfare grants are rated very efficient by 15% of labor economists, 66% believe they are somewhat efficient, and 19% think they are not at all efficient.
 - Only 7% of labor economists believe a living wage ordinance is a very efficient way to address the income needs of poor families, 24% think it is somewhat efficient, and 69% think it is not at all efficient.
- Labor economists are divided over the impact of a national living wage policy on poverty rates with a plurality (43%) believing that such a policy would lead to increased poverty rates, 31% believe such a policy would lead to reduced poverty rates, and 26% believe such a policy would not result in a change in poverty rates.

No. 1: Impact of Differing Living Wage Levels on Skill Level of Hires

Will a Living Wage Policy Cause Hiring of Applicants with Greater Skills?

(Percent Responding With "Yes")



Survey Question:

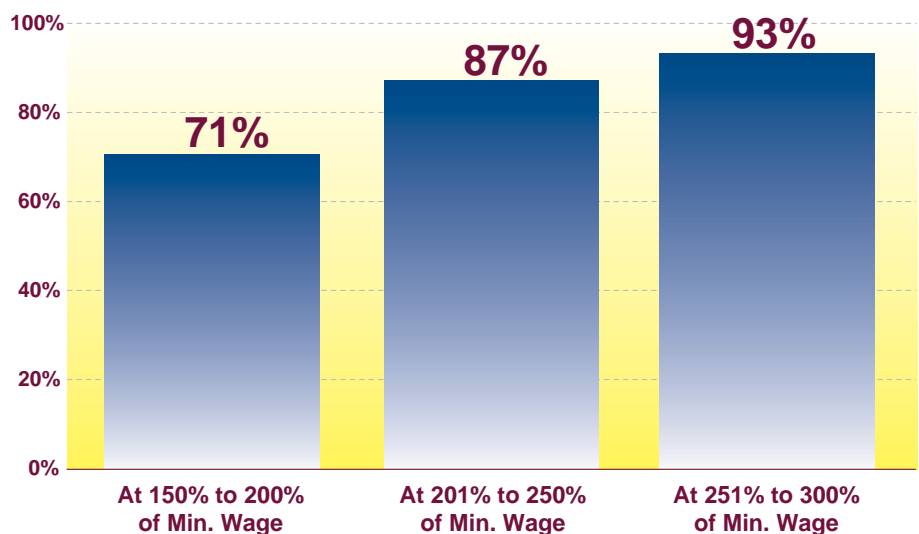
“Do you believe employers affected by a local living wage would hire entry-level employees with greater skills/experience if the enforced living wage was:”

Percent of Current Minimum Hr. Wage	Yes	No	(N)
150% to 200%	68%	32%	(325)
201% to 250%	79%	21%	(326)
251% to 300%	82%	18%	(325)

No. 2: Impact of Differing Living Wage Levels on Number of Entry-Level Employees Hired

Will a Living Wage Policy Cause a Decrease in the Number of Employees Hired?

(Percent Responding With "Yes")



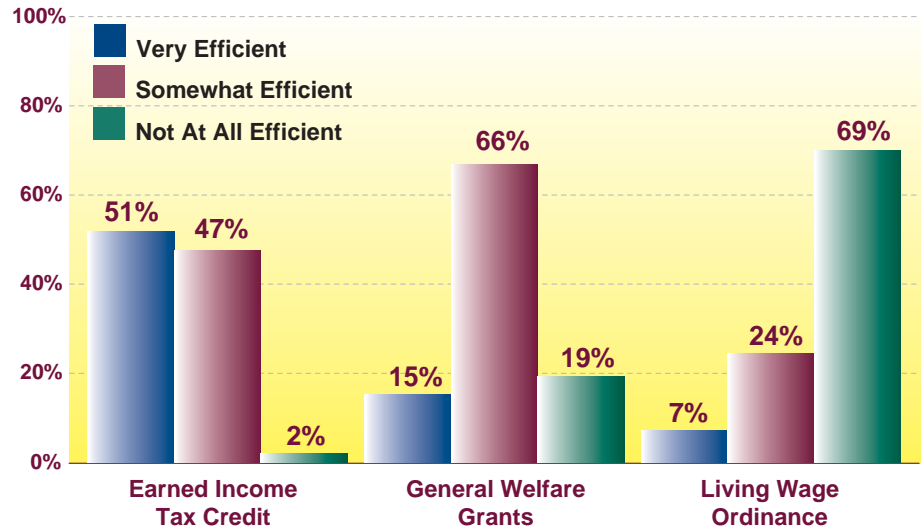
Survey Question:

“Do you believe employers affected by a local living wage law would decrease the number of entry-level employees if the enforced living wage was:”

Percent of Current Minimum Hr. Wage	Yes	No	(N)
150% to 200%	71%	29%	(330)
201% to 250%	87%	13%	(328)
251% to 300%	93%	7%	(328)

No. 3: Efficiency of Anti-Poverty Policies

How Efficient Are Today's Anti-Poverty Policies?



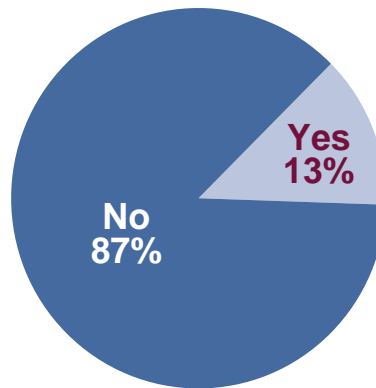
Survey Question:

“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’. A living wage ordinance. Earned Income Tax Credit (and similar wage supplements). General welfare grants (e.g., TANF, food stamps).”

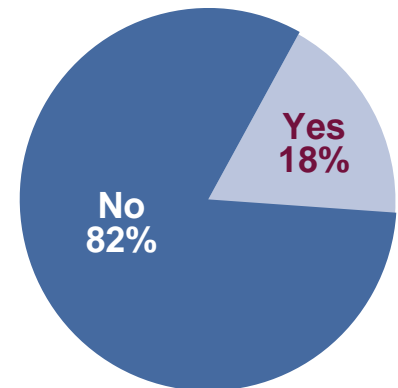
Policy	Very Efficient	Somewhat Efficient	Not At All Efficient	(N)
Earned Income Tax Credit	51%	47%	2%	(331)
General Welfare Grants	15%	66%	19%	(330)
Living Wage Ordinance	7%	24%	69%	(331)

No. 4: Acceptable Standard for Setting Minimum Wage Levels

Is the Poverty Level for a Family of Three/Four an Acceptable Standard in Setting the Hourly Minimum Wage for All Employees?



Family of Four



Family of Three

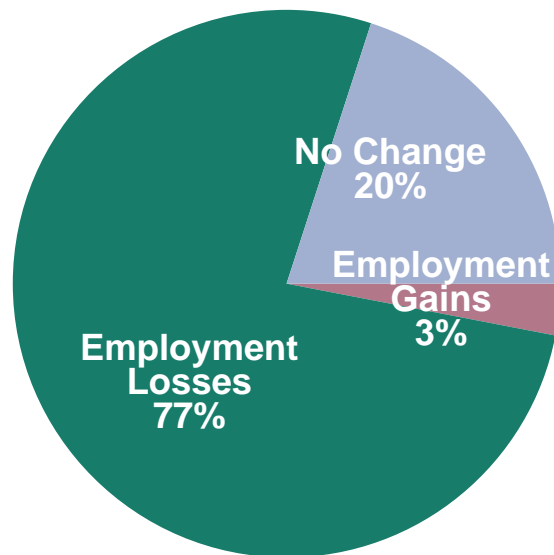
	Yes	No	(N)
Poverty level for a family of four	13%	87%	(322)
Poverty level for a family of three	18%	82%	(322)

Survey Question:

*“According to government data, minimum wage employees are spread across a range of family types, with concentrations among single adults, dual-earner households, and individuals living with parents or relatives. In your opinion, is the poverty level for a family of **four**/**three** an acceptable standard to use in setting hourly minimum wage levels for all employees?”*

No. 5: Impact of National Living Wage Standard on Employment

How Would a National Living Wage Standard Affect Employment?



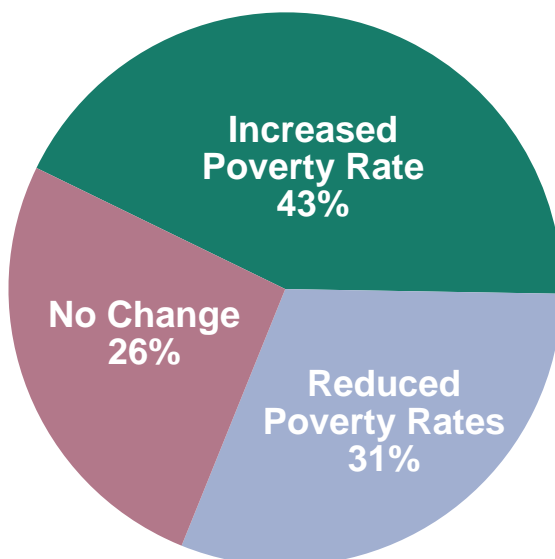
Survey Question:

“Several organizations and federal legislators have proposed a national living wage standard for all employees. Do you believe such a national policy would lead to ... employment gains, employment losses, no change in employment?”

	Percent
Employment Gains	3%
Employment Losses	77%
No Change in Employment	20%
(N)	(332)

No. 6: Impact of National Living Wage Standard on Poverty Rates

How Would a National Living Wage Standard Affect Poverty?



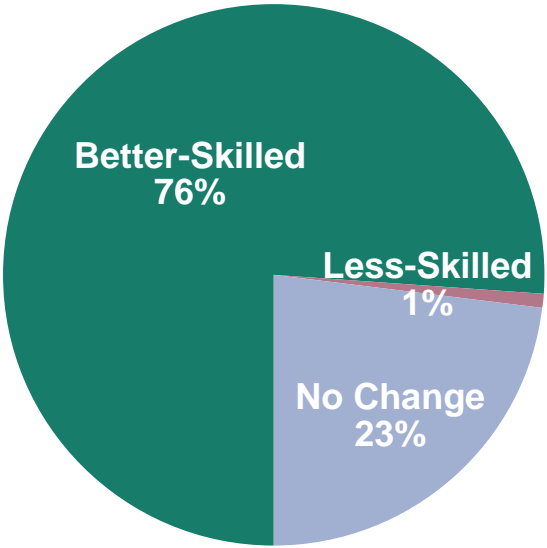
Survey Question:

“Several organizations and federal legislators have proposed a national living wage standard for all employees. Do you believe such a national policy would lead to ... increased poverty rates, reduced poverty rates, no change in poverty rates?”

	Percent
Increased Poverty Rates	43%
Reduced Poverty Rates	31%
No Change in Poverty Rates	26%
(N)	(325)

No. 7: Impact of National Living Wage Standard on Skill Level of Applicants Hired

How Would a National Living Wage Standard Affect Hiring Practices?



Survey Question:
“Do you believe such a national policy would cause employers to hire ... better-skilled applicants, less-skilled applicants, no change in hiring practices?”

	Percent
Better-Skilled Applicants	76%
Less Skilled Applicants	1%
No Change in Hiring Practices	23%
(N)	(324)

Technical Report

The 2000 Labor Economist Living Wage Survey was conducted in late winter and early spring, 2000. A list of 1132 economists was obtained from the American Economics Association who indicated their primary or secondary area of expertise was labor economics.

Survey packets, consisting of an introductory letter from the UNH Survey Center, questionnaire, and postage paid return envelope were mailed to all 1132 economists on the AEA list on February 11, 2000. Reminder postcards were mailed to all 1132 economists on March 10 and the field period for the survey was closed on April 7. Of the surveys mailed, 336 (30%) were returned completed, 3 were returned unanswered, and 8 were unable to be delivered.

Because the entire population of labor economists in the United States (defined as members of the American Economic Association who indicated their specialty was labor economics), there is no sampling error.

Response Dispositions

Disposition	Number	Percent
Completed Surveys	336	29.7%
Returned, not completed	3	0.3%
Unable to deliver	8	0.7%
Not returned	785	69.3%
Total	1132	100%