



FACT SHEET: Seattle’s \$15/hour Minimum Wage Ordinance

- **June 2, 2014** Seattle City Council unanimously approves the legislation to raise the city’s minimum wage to \$15/hour, phased in over time. Mayor Murray signs it into law.¹
- **The Process- January-May 2014**
 - Mayor Murray’s *Income Inequality Advisory Committee*, comprised of 25 members from labor, business, and non-profit groups, create a compromise policy proposal and recommend it to City Council.²
- **The Ordinance: Effective April 2015**
 - 4 tiered phase-in (A,B,C,D) depending on the size of business and provided employer health care benefits
 - In 2018 the minimum wage will be tied to inflation
 - By 2025 all businesses will pay an estimated \$18.13/hour minimum wage
 - An Office of Labor Standards Enforcement will be created

Minimum Wage 4-Tiered Phase-In³

Minimum Wage Tiers	Employer Type	Examples	\$15/hr Transition Period	Estimated % of WA Workforce (Census data)
A	Larger businesses (>500 employees nationwide)	McDonald’s, Target	2 years (2017)	46%
B	Larger (>500 employees nationwide) businesses providing “Silver” standard or better health care	QFC, Starbucks	3 years (2018)	
C	Smaller businesses	Adventure Day Care, Office Nomads	4 years (2019)	54%
D	Smaller businesses providing Silver level health care or minimum tip compensation	Cupcake Royale, Tuttabella	6 years (2021)	

¹ Ordinance #124490 and Council Bill #118098. Find a copy of the legislation at http://www.seattle.gov/council/issues/minimumwage/attachments/Ord_124490.pdf.

² Find a list of the committee members on the Mayor’s website: <http://murray.seattle.gov/minimumwage/#committee>.

³ Chart from Puget Sound SAGE <http://soundprogress.wordpress.com/2014/05/12/implications-of-mayors-proposal/>.

Wage Phase-In Schedule⁴

Washington State Minimum Wage: Projected Wage Schedule (2.40% CPI estimated)		Employers > 500 employees		Employers ≤ 500 employees		
		Minimum wage (Tier A)	Minimum wage w/ health care (Tier B)	Guaranteed minimum compensation (Tier C)	Maximum allowable non-wage compensation	Minimum wage (Tier D)
Year	State Wage	-	-	-	-	-
2015	\$9.54	11.00	11.00	11.00	1.00	10.00
2016	\$9.77	13.00	12.50	12.00	1.50	10.50
2017	\$10.01	15.00	13.50	13.00	2.00	11.00
2018	\$10.25	15.36	15.00	14.00	2.50	11.50
2019	\$10.49	15.73	15.73	15.00	3.00	12.00
2020	\$10.75	16.11	16.11	15.75	2.25	13.50
2021	\$11.00	16.49	16.49	16.49	1.49	15.00
2022	\$11.26	16.89	16.89	16.89	1.14	15.75
2023	\$11.53	17.29	17.29	17.29	0.79	16.50
2024	\$11.80	17.70	17.70	17.70	0.45	17.25
2025	\$12.08	18.13	18.13	18.13	0.00	18.13

Economic Gains

- An estimated 102,000 people working in Seattle make less than \$15/hour.⁵
- 13.6% of Seattle residents had income below the official poverty line in 2012.⁶
- The most common industries for low-wage workers are: Accommodations and Food Services, Retail Trade, Health Care and Social Assistance, and Educational Services.⁷
- There is an over-representation of women and people of color in low-wage industries, contributing to a gender and race pay gap.
 - People of color comprise 45% of the food service industry workforce that makes below \$15/hour despite only making up 30% of Seattle's total workforce.⁸
- Low-wage workers will earn approximately \$3 billion dollars more than their current wages over the next 10 years.⁹

⁴ Chart from Puget Sound SAGE <http://soundprogress.wordpress.com/2014/05/12/implications-of-mayors-proposal/>.

⁵ Vallesterro Keenan, Nicole. "Economic and Equity Outcomes of a \$15/hr Minimum Wage in Seattle." Puget Sound SAGE. April 2014. <http://soundprogress.wordpress.com/2014/04/10/study-reduce-seattles-gender-and-race-pay-gap/>.

⁶ Klawiiter, Marieka, Mark Long, and Robert Plotnick. "Who Would be Affected by an Increase in Seattle's Minimum Wage?" Evans School of Public Affairs, University of Washington. March 21, 2014. <http://www.seattle.gov/council/issues/minimumwage/attachments/UW%20IIACreport.pdf>.

⁷ Ibid.

⁸ Vallesterro Keenan, Nicole.

⁹ Ibid.