



Raising Missouri’s Minimum Wage Is Good for Workers and the Economy

Missouri workers are the engines of our economies. When they earn a decent wage and can afford to care for their families, then they can fully participate in their communities and contribute to Missouri’s economic growth. An initiative on the 2024 ballot would build quality jobs and boost local economies by providing a much-needed raise to Missouri workers.

Raising The Minimum Wage To \$15 Per Hour Would Inject Over \$609 Million in New Wages Into Missouri’s Economyⁱ

The increase in wages would have ripple effects that benefit all Missourians because low wage workers are likely to spend their earnings in their local communities. In turn, this increased demand boosts job growth and local economies. More than 562,000 workers will receive an average annual wage increase of \$1,083, adding \$609 million into the state’s economy.

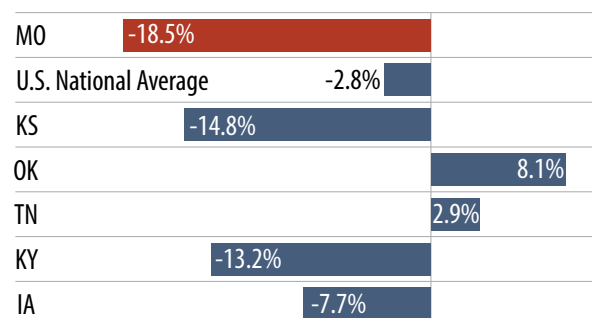
Raising the Minimum Wage Is a Proven Strategy

During the phase-in of Missouri’s last minimum wage increase, Missouri’s unemployment rate went down at a rate higher than the national average and higher than each of Missouri’s neighbor states that did not increase the minimum wage.ⁱⁱ This is consistent with prior research that suggests increases in the minimum wage increase employment, in part by reducing turnover among employees.ⁱⁱⁱ

Extensive research highlights the benefits of raising the minimum wage. Higher minimum wages reduce poverty and income inequality, and improve health and educational outcomes for workers and their families.^{iv} Furthermore, several studies find that raising the minimum wage does not reduce employment—even among low-wage workers.^{v,vi} Higher minimum wages are a win-win for workers and the economy.

Missouri’s Unemployment Rate Decreased More Than the National Average and Surrounding States Without Wage Changes

Change in Unemployment Rate, 2019 - 2022



Notes

- i. Economic Policy Institute Minimum Wage Simulation Model; 2015-2019 5-year ACS data pinned to 2022 CPS wage distribution. Employment scaled to match 2022 CPS labor force size. For more details see Technical Methodology by Dave Cooper, Zane Mokhiber, and Ben Zipperer. <https://www.epi.org/publication/minimum-wage-simulation-model-technical-methodology/>
- ii. Economic Policy Institute analysis of Current Population Survey microdata from the U.S. Census Bureau
- iii. Wiltshire, J., McPherson, C., & Reich, M. (2023). Minimum wage effects and monopsony explanations.
- iv. Economic Policy Institute, (July 31, 2023), “Why the U.S. Needs At Least A \$17 Minimum Wage,” retrieved from <https://www.epi.org/publication/why-17-minimum-wage/>
- v. David Cooper, Zane Mokhiber, and Ben Zipperer (March 9, 2021) “Raising the Federal Minimum Wage To \$15 By 2025 Would Lift The Pay Of 32 Million Workers,” Economic Policy Institute, retrieved from <https://www.epi.org/publication/raising-the-federal-minimum-wage-to-15-by-2025-would-lift-the-pay-of-32-million-workers/>
- vi. Justin C. Wiltshire, Carl McPherson and Michael Reich. (2023). “High Minimum Wages and the Monopsony Puzzle”. IRLE Working Paper No. 104-23. <https://irle.berkeley.edu/publications/worker-papers/high-minimum-wages-and-the-monopsony-puzzle>